Department of Health

NHS

North Staffordshire Primary Care Trust

2012-13 Annual Report and Accounts

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2012-13 Annual Report

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Message from Graham Urwin, Chief Executive

Welcome to your annual report for NHS North Staffordshire, which covers the period 1 April 2012 to 31 March 2013.

Once again over the last 12 months we have witnessed unprecedented change within the NHS as we move towards the delivery of the Government's vision to modernise the health service with the key aim of securing the best possible health outcomes for patients by prioritising them in every decision we make.

NHS North Staffordshire has continued this year to work as part of the Staffordshire Cluster of PCTs which includes NHS Stoke-on-Trent and South Staffordshire PCT.

At the heart of the Government's proposals for a new way of buying health services are Clinical Commissioning Groups (CCGs), led by local clinicians. North Staffordshire CCG has worked as a sub-committee of the PCT Board. This year, the CCG has undergone a rigorous assessment to become authorised and formally comes into being on 1 April 2013. The CCG will plan and commission hospital, community health and mental health services for its populations.

Major changes to the provision of public health services, to ensure improvements to the health of the local population, have also been progressed this year. The Public Health Team has transferred over to Staffordshire County Council who will formally take over this service in April 2013.

During the transformation we have not lost sight of the health needs of our local population and progress has been made in achieving service reconfigurations and securing greater quality outcomes across patient safety, patient experience and clinical effectiveness through an emphasis on commissioning for quality. However, there are still significant quality improvements we need to achieve across the health system.

The Quality Innovation, Productivity and Prevention (QIPP) challenge continues to be driven by the CCG which has taken a strong leadership role in system redesign and QIPP delivery making sure that every penny spent benefits patients.

Patient engagement activities continue to build. Patient Participation Groups (PPGs) are now active in 32 of the 34 practices in north Staffordshire. All patient groups meet on a regular basis and we would like to thank everyone who has been actively involved. The CCG continues to use a model of engagement called 'Customer Insight,' which has been shortlisted for a number of awards. The model includes capturing insight through many routes including complaints, Patient Advice and Liaison Service (PALS), PPGs, Patient Members and community engagement, including work with health care professionals, voluntary sector and a range of stakeholder groups. Insight ensures that the experiences of patients, carers and service users drives everything that the NHS does.

We continue to work with the University Hospital of North Staffordshire NHS Trust (UHNS), which struggled to meet wait time targets for A&E during 2012/13 and in the previous year. Due to the severity and longevity of this problem, significant financial penalties were levied during the year and sustainability of the A&E service continues to be something we work hard on to improve.

The Robert Francis QC Public Inquiry into the system of oversight of Mid Staffordshire NHS Foundation Trust (MSFT) reported in February 2013. The enquiry produced 290 recommendations, which the Government has responded to. We are working across the health economy in Staffordshire and Stoke-on-Trent to learn from the report and ensure that in future we are proactive in identifying poor standards of quality and care to make certain that patients and families never again experience the unnecessary anguish – caused by poor levels of care.

We are mindful that the significant changes experienced over the last twelve months have affected staff and we would like to express our sincere thanks to them and wish them success in whatever organisations they work with in the future.

We would also like to thank clinicians, stakeholders and partners who have greatly assisted us in driving forward change and reaching a wider community.

Finally, we would like to thank the public and our patients for their support and engagement, particularly their contribution towards the authorisation of the CCG. Patient engagement is a key part of the NHS reforms and is vital for the development of the CCG. More than any other time in history patients have the chance to shape the way health services are delivered and the transformed health service is committed to establishing an open and honest dialogue with the local community to ensure that services are patient centred.

Graham Urwin
Chief Executive

Staffordshire Cluster of Primary Care Trusts on behalf of NHS North Staffordshire

About us, who we are and what we do

In April 2011, the commissioning arms of the three PCTs in Staffordshire (NHS North Staffordshire, NHS Stoke-on-Trent and South Staffordshire PCT) came together to form the Staffordshire Cluster of PCTs, which has become one organisation in the way in which it operates and manages staff.

NHS North Staffordshire although working as a Staffordshire Cluster of PCTs remains the statutory organisation responsible for commissioning health services and improving the health of local residents, particularly the most disadvantaged until it is abolished at the end of this financial year.

The PCT covers the areas of the Staffordshire Moorlands and Newcastle-under-Lyme.

It serves a population of approximately 214,000 people and had a turnover in 2012/13 of £363 million. We are held to account on a cluster basis through the Staffordshire and Stoke-on-Trent Common PCT Board.

2012/13 is the final year that we will be responsible for all the local NHS services. We pay for all these services on your behalf, manage performance and oversee services to ensure the quality of care you receive is always improving.

We contract for all NHS services provided by GPs, pharmacists, dentists and opticians in north Staffordshire and we also pay for hospital care on behalf of patients registered with north Staffordshire GPs, care for mental health patients, prescriptions and community healthcare, such as community hospitals, health visitors and district nurses.

Our strategic goals are:

A common set of strategic objectives for the Cluster was adopted by the Board in March 2012 that reflects those of the individual PCTs. These were devised using common themes from the PCTs individual goals and used to underpin Cluster assurance and risk governance.

The three common goals are:

- Improve health and reduce health inequalities
- Transform healthcare services
- Improve quality, patient experience and outcomes

Changes to the PCT in 2012/13

In preparation for the changes and subsequent abolition of the PCTs, following the Health and Social Care Bill, we moved to a new model of governance that created a common Board for all three PCTs in Staffordshire (NHS North Staffordshire, NHS Stoke-on-Trent and South Staffordshire PCT) called the Staffordshire and Stoke-on-Trent Common PCT Board. This arrangement took into account the new future organisations such as the CCGs, Health and Wellbeing Board (HWBB) and National Commissioning Board (now known as NHS England) at national and regional levels.

We have a single Chair for all three PCTs and a single set of Non-Executive Directors (NEDs) meet with the single Executive Team as a common Board to discharge the respective statutory functions of the constituent three PCT Boards.

From a legal perspective this has meant that the three PCTs have to meet at the same venue, at the same time, with a common agenda and membership. Agenda, minutes and recommendations have reflected the legal separation.

Common Board Sub-Committees

As of March 2012 the following sub-committees of the Common Board were in place:

- Audit Committee
- Remuneration and Terms of Service Committee
- Primary Care Committee
- Clinical Senate
- QIPP, Finance and Performance Committee
- Patient and Public Engagement Committee
- Quality Committee
- Midlands and East Specialised Commissioning Group
- Individual Funding Panel x 3
- CCG Committee x 6

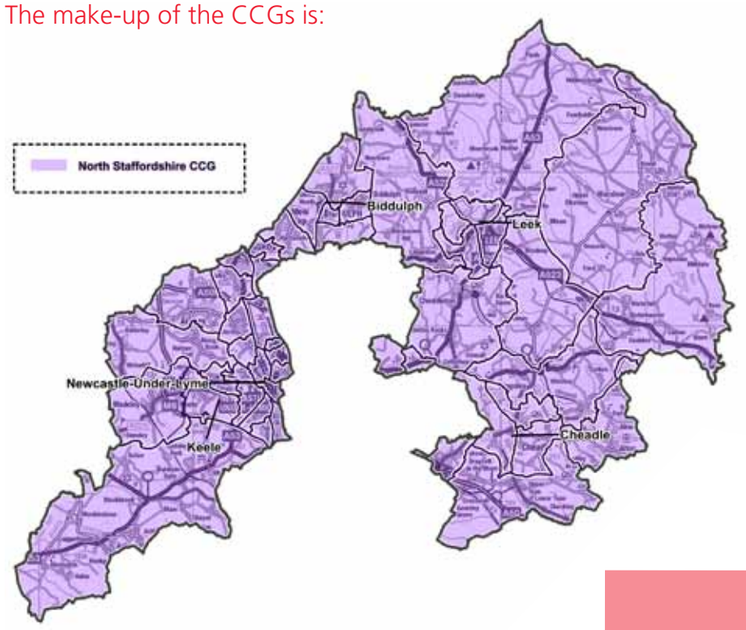
There is one shadow CCG in place across north Staffordshire which will be authorised by March 2013 without conditions. This essentially means that from April 2013, when PCTs are dissolved, the CCG in question will take on its full statutory responsibilities, which is described as 'full authorisation'. Legally this is described as 'established without conditions'.

North Staffordshire CCG will have a designate Chair, an Accountable Officer, a Chief Finance Officer and a Chief Operating Officer. Staff assignments to CCGs have been ongoing since early 2011, with structures finalised in August 2012.

It completed the cost model to ensure it can manage within the potential resources available and buy-in the level of commissioning support needed. A programme of organisational development support has taken place and the Director of Partnerships and Planning has had overall responsibility for CCG development.

Area	CCG	Population	Chair
North	North Staffordshire	255,000	Dr Mark Shapley

The make-up of the CCGs is:



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North Staffordshire CCG is in wave 1 of the authorisation process. All CCG has a formal shadow Governing Body meeting, which is a sub-committee of the Common Board and has been allocated an aligned Board NED to work with them to support them in their development during the transition.

To allow CCGs to develop their skills and build for the future, between 70-80% of the PCT's budgets is now managed by the CCG through delegated powers. This means that the shadow CCG will move to full authorisation with a significant amount of responsibility already resting with them. The scheme of delegation clearly sets out the devolved responsibilities/ accountability and allows the CCG to demonstrate that they have a proven 'track' record and can meet the challenges of authorisation.

The CCG is operating as the lead commissioning body on aspects of delegated commissioning.

The Cluster continues to monitor progress using the objectives outlined in the Shared Operating Model and has a performance management matrix in place to monitor CCG development and QIPP delivery.

In August 2011 the Cluster undertook a diagnostic exercise to understand CCG development needs during the transitional period and from this co-produced a development programme with the CCG. The programme operates at three levels: Master classes, Skills Development and Bespoke Board Development.

Our main provider of services

The main provider of services in the north Staffordshire area is the UHNS.

Serving patients in a variety of community setting including in their own homes is Staffordshire and Stoke-on-Trent Partnership NHS Trust (SSoTPT). They deliver a variety of services including district nursing, health visiting, occupational and physiotherapy, school nursing and speech and language therapy.

Mental health and learning disability services are provided in north Staffordshire by North Staffordshire Combined Healthcare NHS Trust.

NHS North Staffordshire commissions health services for one prison, including a range of primary care (e.g. GP, OOH, pharmacy, dental, optometry and nursing services) delivered within prisons, along with primary and secondary mental health services. These services mirror those provided within the community and are commissioned through standard contracting routes.

Prisons

Prison	Type	Prison Operator	Population Size
Werrington	Juvenile centre (15 – 18 years old) male, remand and sentenced	Public Sector	160

The CCG commission services from the voluntary and third sector organisations which range from small schemes of less than £10,000 to substantial services approaching £1 million. The services commissioned are predominantly for respite and end of life care, old people, mental health, physical and sensory disability, people with a learning disability and children and families, but also include support for service user and carer organisations and voluntary sector infrastructure organisations.

Hospice Services

- NHS North Staffordshire commissions health services from one adult hospice.

Nursing Homes

- NHS North Staffordshire commissions both Continuing Health Care (CHC) services from 123 nursing home providers and Funded Nursing Care (FNC) from 17 nursing home providers.

Ambulance Service

- Ambulance services are provided through a Service Level Agreement with West Midlands Ambulance Service (WMAS).

Commissioning Support Unit

To support the CCGs to deliver their duties Commissioning Support Units (CSUs) have been created. Staffordshire CSU has been appointed as the preferred supplier to all CCGs in Staffordshire along with Herefordshire, Shropshire and Telford and Wrekin.

Public Health Transition

Public Health work has been ongoing during 2012/13 led by a Director of Public Health within Staffordshire County Council in preparation for the transition in 2013. The Public Health Department produced its own detailed transition document in preparation for the transfer to the Local Authority. As part of the transition plan, the public health directorate re-located to Staffordshire County Council premised to aid joint working.

Local Authority Transition

There is a Joint Commissioning Unit (JCU) in place, hosted by Staffordshire County Council. NHS North Staffordshire commissions services collaboratively with Staffordshire County Council for adult services. In the Staffordshire JCU, all adult and substance misuse services are jointly commissioned and work is underway to assign JCU commissioning clearly to CCG leadership. Adult social care services from Staffordshire are heavily involved in the Fit for the Future design programme . There is a single Safeguarding Board in place for adults across Staffordshire and a Local Authority LA based Children's Safeguarding Boards.

Health and Well Being Board Transition

Established in 2011, a Shadow HWBB is in place at Staffordshire County Council, which has been meeting for some time.

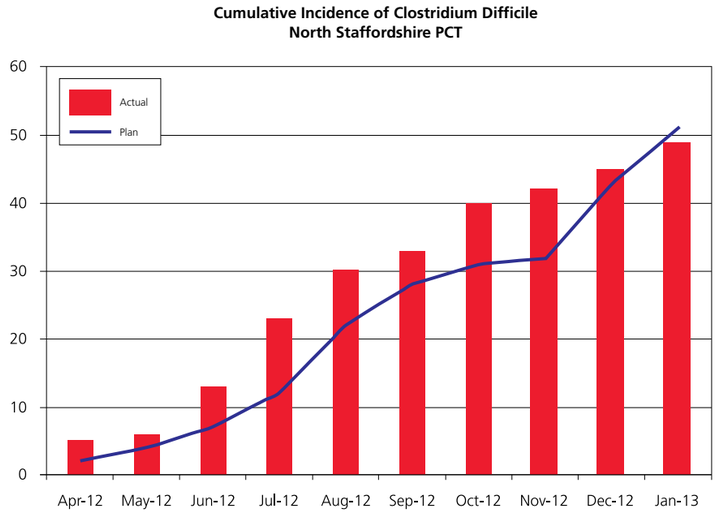
Membership of the Board is reflective of the required core membership, with the addition of the Police Chief Constable for Staffordshire.

How we performed in 2012/13

The PCT is dedicated to the ongoing development of clinical governance and has focused on meeting all Integrated Performance Measures. This is why a range of challenging targets were introduced covering all aspects of healthcare – including patient safety, clinical effectiveness and cost effectiveness.

Incidence of Clostridium Difficile

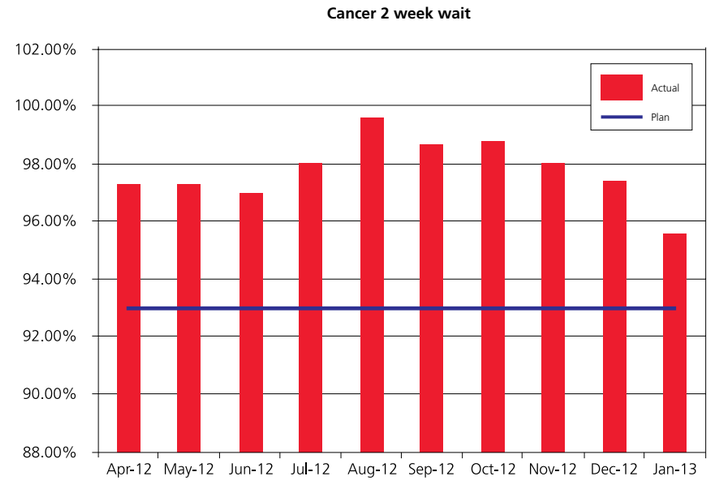
NHS North Staffordshire has continued to focus on reducing the incidences of Clostridium Difficile (C.Diff) infection.



Source: UNIFY

Cancer two-week wait from GP referral

NHS North Staffordshire achieved the cancer two week wait target for all months (year to date) in 2012/13.



Source: UNIFY

Performance achieved year to date (YTD)

What	Target	Performance (as at March 2013 unless otherwise stated)
Category A calls meeting the 8 minute standard	75%	79.59% (March West Midlands Performance)
Category A calls meeting 19 minute standard	95%	96.37% (March West Midlands Performance)
Cancer two week wait from urgent GP referral	93%	96.9% (Q4 performance)
Cancer two week wait from GP referral (symptomatic breast)	93%	98.0% (Q4 performance)
Cancer 31 day (one month) wait to first definitive treatment	96%	98.2% (Q4 performance)
31 day standard for subsequent cancer treatments (surgery)	94%	98.2% (Q4 performance)
31 day standard for subsequent cancer treatments (drug)	98%	100% (Q4 performance)
31 day standard for subsequent cancer treatments (Radiotherapy)	94%	97.0% (Q4 performance)
Cancer 62 day (two month) wait from urgent referral to treatment	85%	88.0% (Q4 performance)
Cancer 62 day wait (referral from NHS Cancer Screening Service)	90%	100.% (Q4 performance)
Cancer 62 day wait (consultant upgrade)	94%	100% (Q4 performance)
Referral to Treatment (admitted)	90%	90.71% (March)
Referral to Treatment (non-admitted)	95%	96.87% (March)
Referral to treatment (incomplete pathways)	92%	92.85% (March)
Diagnostic waiting times	99%	97.7% (March)
Stroke Care – suspected TIAs assessed and treated within 24 hours	60%	97.7% (Q4)
Maternity 12 weeks	90%	100%
Mental health measure – the care programme approach	95%	100% (Q4)
Mental Health Crisis Resolution	95%	97.6% (Q4)
Mental Health – Improved access to psychological therapies (moving to recovery)	56.30%	53.5% up to quarter three
MRSA bacteraemia	5 cases	3 cases
Cdiff	65 cases	53 cases

Performance measures not achieving (YTD)

What	Target	Performance (as at March 2013 unless otherwise stated)
Stroke Care – time spent in hospital on a stroke unit	80%	78.3% (Q4 performance)
Mixed Sex accommodation breaches	0 breaches	2 breaches
Mental Health – Improved access to psychological therapies (general need of population)	4.20%	1.7% (Q4)
NHS health checks (offered)	20% plan	22.2% (Q4)
NHS health checks (received)	15% plan	11.6 %(Q4)
Smoking quitters	650 quitters	575 quitters up to quarter two

Achievements

Infection Prevention and Control

Staffordshire Cluster of PCTs remains strongly committed to reducing Healthcare Associated Infections (HCAI), which is a catch-all term for a wide range of infections.

NHS North Staffordshire has made infection prevention and control and environmental cleanliness a high priority across the health economy - including commissioned services. The infection prevention and control strategy means regular meetings and monitoring of HCAIs takes place supported by stringent governance measures.

The SSoTPT provides infection prevention and control services, on behalf of the PCTs for GPs, Dentists and care homes across Staffordshire, which is monitored by the Head of Infection, Prevention and Control.

The occurrence of Meticillin Resistant Staphylococcus Aureus (MRSA) bacteraemia has significantly reduced across Staffordshire. The Staffordshire Cluster continues to monitor Meticillin Sensitive Staphylococcus Aureus (MSSA) bacteraemia and Escherichia coli (E-coli) bacteraemia and a significant number of these have presented in patients who received no healthcare. The MRSA screening guidance allows measures to be taken to reduce the risks to individuals and prevent the spread to others.

Reducing HCAI has also been achieved by ensuring effective infection prevention and control is embedded into everyday practice and applied consistently by everyone – and trusts are increasingly using root cause analysis for all HCAI bacteraemias.

Although there is no single way of reducing HCAI, improving hand hygiene compliance has a significant impact, so it is important that everyone takes responsibility for infection prevention and control in this way.

Serious Incidents

The quality team work with providers to ensure the robust reporting and investigation of serious incidents (SIs) and monitors the progress of any subsequent action plans. The PCT is also responsible for reporting serious incidents on behalf of independent providers:

North Staffordshire PCT

Total number of SIs reported during 2012/13	Number reported on behalf of external independent providers	Number of Information Governance incidents level 3-5
3	3	0

All three external providers were nursing homes.

West Midlands Specialised Commissioning Group

The West Midlands Specialised Commissioning Group buys specialised healthcare and secures mental health services on behalf of the 17 West Midlands Primary Care Trusts, covering a population of approximately 5.5 million people.

The group's six engagement projects received valuable feedback in 2012-2013. Patient and public involvement activities included workshops, question and answer sessions and increased opportunities for groups to have their say across the following projects:

- Safe and Sustainable Children's Heart Surgery and Neurosurgery Services Review
- Adult Congenital Heart Disease Standards
- Implementation of Trauma Care System
- Commissioning intentions workshop
- Intestinal Failure Peer Review
- Child and Adolescent Mental Health Tier 4 Service

Key achievements for 2012/13 included:

1. New congenital heart networks introduced across England and Wales to ensure safe and sustainable care for all children. These networks will be structured around specialist Surgical Centres in Bristol, Birmingham, Liverpool, Newcastle and Southampton.
2. The review into how neurological services are delivered to children continued, including an assessment of centres against agreed standards.
3. Views were gathered on services for adults with congenital heart disease, through workshops with patients, families, clinicians, young people and people from black and minority ethnic communities.
4. A network of 22 new trauma centres was announced in April 2012, including the UHNS. The Local Involvement Networks (LINks) represent the North West Midlands and Wales Major Trauma Network.
5. A new operating model for commissioning specialised services was published, setting out how a single, national system will ensure patients are offered consistent, high quality services across the country.
6. A national peer review took place into intestinal failure, with input from the UHNS.
7. A range of providers were commissioned to ensure children and young people could be offered mental health services as close to home as possible and involve young people in their treatment plans.

Safety and environment

Emergency Planning Resilience and Response

Emergency Planning Resilience and Response, (EPRR), is a statutory function under the Civil Contingencies Act 2004. All NHS organisations and healthcare providers need to have plans and processes in place to respond effectively in the event of a major incident.

Structures across Staffordshire and Stoke-on-Trent enable the cluster of PCTs to work with multi-agency partners to help ensure a co-ordinated response in such circumstances. This strong partnership approach resulted in a safe and memorable Olympic Torch Relay Tour of Britain and an effective response to several public health outbreaks, industrial action and severe weather.

The Staffordshire Cluster of PCTs has 24/7 on call arrangements to support provider organisations across Staffordshire. These arrangements have been put to the test in an exercise scenario and during live incidents.

Health planning structures created by the Cluster have been easily adapted to meet the EPRR requirements of NHS England. This will allow for a smooth transition from one organisation to another when the planned changes to the NHS take place.

Improvement Grants

This investment was in response to the PCT's commissioner investment and asset management strategy and the grant bidding process undertaken with Primary Care Commissioners. This year, the level of budgeted capital investment in GP improvement grants is £52k. This investment has been targeted at meeting infection control, public safety, security measures and general improvements towards making GP accommodation fit for purpose.

Environmental Footprint

Work has continued to make a positive difference to the communities served by NHS North Staffordshire. The organisation has a responsibility to consider the impact that property makes on the environment.

We have continued to invest in sustainable technologies – helping to reduce the carbon footprint and contribute to QIPP targets. These have been implemented via the Capital Programme and Backlog Maintenance and include improvements in:

- thermal performance
- build management control systems
- lighting solutions to reduce energy consumption

NHS North Staffordshire worked with its Estates Service Providers (ESPs) to optimise energy and waste management contracts and ensure environmental targets would be met (under the Carbon Reduction Commitment, introduced in April 2010). The new Biddulph Primary Care building is a good example of this, meeting the performance standard rating of 'excellent,' with features including solar panel arrays and rain water harvesting.

Sustainability Strategy

A single Sustainable Development Management Plan (SDMP) for Staffordshire was developed from the existing PCT SDMPs. This set out the commitments and roles of respective organisations. This paper has been approved by the Cluster Board and is being used by CCGs in their authorisation processes. The Cluster will take an overview of sustainable development delivery across the Staffordshire system during the process of transition. With the transfer of property interests the contribution on realising the carbon reduction footprint in the future will be met by the receiving organisations. CCGs as Commissioners will focus on sustainable procurement.

All CCGs have developed Sustainable Development policies as part of their Authorisation process.

Estates Development

The capital resource allowance allocated to NHS North Staffordshire in 2012/13 has been invested in the improvement and refurbishment of health properties, particularly improvements in infection control measures at the community hospitals, privacy and dignity and backlog maintenance. This programme is managed by the Capital Planning and property Sub Group of the PCT and its membership includes the respective ESPs and SSoTPT.

The investments have included the completion of Fit for the Future work at Leek, Cheadle and Bradwell Hospitals and GP Improvement Grants.

The corporate office strategy has continued to drive the efficient use of administrative accommodation and refurbishment of accommodation to support the new organisations, including major investment at Morston House on behalf of SSoTPT and the CCG.

The Scheme of Transfer has been prepared for its property assets to transfer to: NHS Property Services Ltd and SSoTPT, in accordance with the Department of Health Guidance: 'PCT Estate: future ownership and management of estate in the ownership of Primary Care Trusts in England'. Due diligence has been completed by NHS North Staffordshire for these transfers and all property related costs determined for the funding of the receiving organisations.

Equality and Diversity

A core aspect of equality in Staffordshire is to make sure all communities have equal access to services and that the Public Sector Equality Duty and Equality Act 2010 is met.

Across Staffordshire, the six CCGs and provider trusts have formally signed up to the national Equality Delivery System (EDS) and the Cluster Common Board has nominated the Director of Partnerships and Planning to provide leadership across the Cluster.

Throughout this year, NHS North Staffordshire has worked with the CCG to undertake an EDS baseline assessment and each CCG has developed its equality strategy.

Quality through QIPP

The Quality, Innovation, Productivity and Prevention (QIPP) programme is all about improving quality and innovation, so that every pound spent brings maximum benefit and quality of care to patients.

The NHS needs to achieve up to £20 billion of efficiency savings by 2015, which will be reinvested back into frontline care. NHS North Staffordshire has to find £56 million of this by focusing on quality, innovation, productivity and prevention. Every saving made will be put back into patient care by supporting frontline staff, funding innovative treatments and giving patients more choice.

The QIPP saving delivered in 2012/13 is £16,628 million, which includes £13,153 million of price efficiency savings.

QIPP Achievements

In the north of the county, the QIPP agenda continues to be an integral part of the Fit for the Future redesign programme.

Unplanned [Urgent] Care

- **Alcohol**

  - Reduced A&E attendances and non-elective admissions for alcohol intoxicated patients and improvements in quality of care provided

  - North Staffordshire CCG commissioned a number of alcohol interventions to target and engage the most complex patients. These intervene when a patient presents to A&E, or to the Ambulance Trust, diverting them from A&E and retaining them in services with access to healthcare (and other appropriate services) in a planned way. This addressed often complex and underlying health issues and reduced further unnecessary visits to A&E and urgent care services. The service provides a responsive and proactive seven-day service, offering a holistic care plan and assertive case management approach. These interventions were designed to minimise the risks associated with alcohol misuse, improve clinical and quality of life outcomes and reduce the likelihood of re-attendance at A&E and non-elective admissions. In its first six months, there was a significant reduction in A&E attendances by patients engaged in the new service and a reduction in non-elective admissions for patients who are alcohol intoxicated compared with the previous 12-month period.

Nursing Homes

Reduced A&E attendances and non-elective admissions for nursing home residents and improvements in quality of care:

- North Staffordshire CCG commissioned a pilot to enhance the level of primary care medical services at the largest local nursing home – which has 171 nursing and Elderly Mentally Infirm (EMI) beds.
- Significant changes in A&E attendances and admissions in the pilot's first six months at Bradwell Hall Nursing Home:

  - A&E attendance rate for residents decreased by 23%.

  - A&E admission rate for residents decreased by 29%.
- A&E attendances and admissions (for the same period) for residents of four comparative nursing homes, without enhanced service provision, were either unchanged or increased compared to 2011.
- There were also improvements in quality and multi-disciplinary working reported by the homes, residents, families and other professionals.
- This pilot is being rolled out to other homes from 1 April 2013.

Frequent Attenders Policy

A reduction in repeat A&E attendances:

- North Staffordshire CCG created a new frequent attenders policy. The CCG led a new case conferencing approach regarding the highest frequent attenders. This showed a marked reduction in the number of attendances through the agreement and monitoring of a multi-agency care plan.

IV Antibiotics

- Reduction in A&E attendances and improved quality.
- A new service launched at two new community-based locations and is looking to expand its scope.

Planned Care

- **18 weeks**

  Achieved 18 weeks referral to treatment

- **Orthotics**

  Services and budgets brought together under a single provider. This improved access and quality of service through community locations and a purpose-built facility. Close working with patient user groups helped to design and implement the service.

- **Fertility**

  A fertility and assisted reproduction service was put in place.

- **Musculoskeletal Service**

  The community multi-disciplinary service expanded to reduce outpatients and inpatients going into secondary care

- **Ophthalmology**

  An alternative service provider was set up to deliver a community eye clinic – reducing the number of appointments in secondary care

- **Dermatology**

  The community service saw a reduction in GP referrals to secondary care, with low waiting times

- **Ear Nose and Throat (ENT)**

  The community service provided a one stop shop, reducing the number of GP referrals into secondary care

- **Minor Hand Surgery**

  A community service was commissioned, leading to lower waiting times and a reduced tariff price.

- **Reduction in Excess Bed Days**

  The number of excess bed days continued to fall at the local acute trust

- **Phlebotomy**

New community facilities opened in Bradwell Hospital to provide walk-in appointments closer to home which led to quicker turnaround times

Mental Health

- **Mental Health Redesign**

A significant change programme for adult and older people's mental health services continues to take place. This programme has delivered commissioning intentions and planned savings by:

- Developing community-based services using recovery principles
- Bringing all bed-based clinical services to Harplands Hospital ensuring the provision of safe and robust services
- Enabling mental health services to move from an age-based approach to an ageless approach based on type of need
- Increasing the provision of care co-ordination to a seven-day service
- Improving access to services through the redesign of a single point of access, crisis resolution and home treatment services – providing a more seamless 24/7 service
- Delivering a seven-day outreach service for older people (based on the home treatment service for adult mental health service users)

Children's Services

- **Hospital at Home Service**
  - This provides home care from 8am to 10pm, seven days a week. Experienced paediatric nurses deliver home care which can prevent the need for hospital admission or enable the child to be discharged earlier and continue their treatment and recovery at home.
  - The service has been well used and received positive feedback from both GPs and families.
- **Paediatric Diabetes Insulin Pump Therapy**

  A local service was commissioned in October 2012, from the UHNS, for children needing insulin pump therapy. This enables up to 10 children a year to be treated locally, rather than attending specialist regional centres in Wolverhampton or Manchester.

Community Services

- An improvement in care at community hospitals to reduce length of stay
- A significant reduction in waiting lists for podiatry services
- A reduction in acute length of stay

Make your voice heard

Patient Experience

Quality monitoring of patient experience is carried out regularly which forms part of the Quality Report made to the Cluster Quality Committee.

Provider patient experience is currently being monitored through patient experience reports from their respective Clinical Quality Review Meetings (CQRM) and through quality visits from Cluster staff, which includes a specific element on feedback about patient experience and treatment.

Any feedback from the above is assessed for its level of concern and if the concern is an issue of patient safety then immediate action is taken between the cluster and provider - whilst other concerns are addressed through the provider's CQRM.

PPGs are now active in 32 of the 34 practices in north Staffordshire. All patient groups meet on a regular basis and all practices are participants in the Direct Enhanced Service (DES).

In north Staffordshire, locality patient groups are currently being established with five for north Staffordshire. These patient locality groups feed up from the PPGS and provide a link to the newly established patient congress at each of the CCGs.

The patient congress is the strategic oversight and scrutiny body that works in partnership with the CCG and provide scrutiny of Public and Patient Involvement (PPI) and the outputs of the insight database.

To broaden the spectrum of patient involvement the CCG is recruiting to a membership. North Staffordshire's long established scheme has over 2200 members.

To support this model of involvement, a single repository for all patient feedback has been developed and is used to record all PALS, complaints, PPI, MP letters, social media (patient opinion), mystery shopper, media and soft intelligence. Called the Insight database, this records the information against the domains of patient experience, safe high quality care, access and waiting, better information, more choice, building better relationships and a clean comfortable place to be.

The data recorded is available to all staff via real time dashboards that highlight themes and trends and this data is driving the work programmes for the patient congress and capturing patient feedback at all levels. This work has been recognised at a national level with the project gaining recognition in the following awards:

- Patient Experience Network National Awards – 2011 – finalist in the measuring, reporting and acting category
- Crème de la Crème Business Awards – 2011 – winner of outstanding business achievement
- HSJ Efficient Awards – finalist 2012 – efficiency in administrative and clerical
- EHI Award – winner 2012 – most promising IT to support clinical commissioning
- Patient Experience network national awards – 2012 runner up in the measuring reporting and acting category

As part of the 'Patient Revolution' agenda, there is a drive for greater co-production between patients and professionals. This will be achieved through shared decision making between health professionals and individual patients and carers, particularly in the management of long term conditions. This work will be led by CCGs. The Friends and Family test is included in the contracts for 2012/13 and will be supported via the Commission for Quality Innovation Scheme (CQUIN). Local results for the Friends and Family test are reported at CQRM and at the Cluster Transitional Quality Committee.

The first published results of the Friends and Family score were made publically available from April 2012 for Acute Trusts in the Midlands and East SHA. The latest available results for January 2013 are showing a Net Promoter Score of 73.9% positive for the Staffordshire Cluster, showing a largely positive trend.

Patient Advice and Liaison Service

PALS is integral to NHS North Staffordshire's commitment to working closely with patients and staff to improve services. All enquiries received through PALS are recorded on the Insight database and used in the ongoing programme of service improvement.

PALS is an informal and impartial way to resolve the concerns of patients, relatives, carers and members of the public. The service is intermediary and a useful source of information, often signposting people to the healthcare they need.

During 2012/13 581 contacts were received through PALS – and most of these were requests for information.

Meaningful engagement with the public, patients and partners

During a year of transition, which saw a shift in ownership of patient and public involvement to clinical commissioning groups, the models of patient and public involvement in place across north Staffordshire are now realising significant tangible change. Patients and local communities are in a position to influence decision-making, from a grass roots practice level, through to a governing body level in an open and transparent way.

Public and patients

During 2012/13 greater emphasis was placed on growing patient and public involvement in CCGs. More practices have established patient groups or virtual groups, which has resulted in a move towards locality groups. A Patient Congress completes the model of involvement set up by CCGs, which has direct links into the CCG board via PPI lay members. With the engagement model in place and working well, patients and communities are involved at every level and stage of clinical decision-making. The Membership Scheme builds on the model of involvement by engaging with a wider representation of residents and groups. These members have the option to get involved at a level which suits them, which may be staying informed via the e-newsletter, taking part in surveys or attending events or focus groups.

Our work this year has seen:

- An ongoing commitment to the membership scheme, including the e-newsletter, to ensure local people are kept up to date with plans, projects and developments and with opportunities to get involved.
- The strengthening of links with practice based or email/virtual patient participation groups. A training session was held to highlight the requirements of the DES and for patients and practice staff to share best practice.
- Embedding the work of the Patient Congress to influence commissioning decisions on behalf of the communities they represent.

This holistic and innovative programme of insight and involvement has seen patients; the public, the CCG, carers and partners work together to develop an integrated way of ensuring patients are influential in commissioning decisions.

As a result of the Insight and involvement work patients have been integral to:

- Consultation on transforming cancer care services in Staffordshire.
- NHS Constitution engagement over 18 weeks.
- NHS111 awareness raising and feedback across Staffordshire and Stoke-on-Trent.
- Consultation on the service specification for the Out of Hours service in Staffordshire and Stoke-on-Trent.
- Any Qualified Provider consultation and feedback.
- Changing waiting times for patient transport.
- The ongoing development of Integrated Locality Care Teams.
- The development of the falls service.

Complaints

Last year, NHS North Staffordshire received 50 complaints which covered all areas of healthcare. NHS National Complaints regulations are followed when dealing with complaints – together with the principles set out by the Parliamentary and Health Service Ombudsman.

Based on the guidelines: "Listen, Improve and Respond," customer care systems are designed to support clinical and administrative staff through any changes. Every complaint is entered into the insight database which helps highlight areas for development.

This integrated approach to handling complaints allows a flexible response to complaints, concerns and compliments and embraces tangible changes to be made to services based on patient feedback.

The changes to commissioning, with the greater emphasis on clinical input, have been the catalyst to initiate an innovative award winning approach to customer insight and public and patient involvement. This approach has patients and the public at the heart of all our service improvements and processes with patients being integral to the decision making process from practice to board level.

Consultations

The reconfiguration of mental health services has continued, with increased emphasis on community provisions and reduced acute mental health bed-based activity.

A formal public consultation of phase one reconfiguration at North Staffordshire Combined Healthcare NHS Trust concluded at the end of October 2011 and the planned changes took place from April 2012. These changes primarily concerned the re-location of services and the closure of the Bucknall Hospital site.

A phase two formal consultation, which affected community beds and day services, began in May 2012. The decision on the outcome of the consultation was made at the end of August 2012 by the Staffordshire Cluster of PCTs Board, which was to close the Bennett Centre in Shelton and to close the Hazlehurst Unit, Harpfields and Weaver House and Cheadle Day Hospital. The agreed changes were implemented from September 2012 and the public are thanked for their participation during both phases of the consultation.

Freedom of Information

The Freedom of Information Act 2000 (FOI) gives people a general right of access to information held by or on behalf of public authorities. It is intended to promote a culture of openness and accountability amongst public sector bodies and to facilitate a better public understanding of how public authorities carry out their duties, why they make the decisions they do and how they spend public money.

Exemptions deal with instances where a public authority may withhold information under the Freedom of Information Act or Environmental Information Regulations. Exemptions mainly apply where releasing the information would not be in the public interest, for example, where it would affect law enforcement, or harm commercial interests.

Requests are handled in accordance with the terms of the Freedom of Information Act 2000 and, wherever possible, best practice guidelines from the Information Commissioner's Office and the Ministry of Justice are followed to maximise openness and transparency:

Organisation	Numbers of requests received
NHS North Staffordshire	18

Organisation	Number responded to within 20 working days		Number responded to over 20 working days	
NHS North Staffordshire	15	83.33%	3	16.66%

Organisation	Exemption applied				
	Section 12 Costs	**Section 21** Publication Scheme	**Section 22** Intended for Future Publication	**Section 40** Personal Information	**Section 43** Commercial Interest
NHS North Staffordshire	0	0	0	1	0

How we work in partnership

The Staffordshire Integrated System Plan sets out how healthcare commissioners and providers in Staffordshire are working with partners and stakeholders to ensure a joined up approach for the health of the people in Staffordshire and Stoke-on-Trent.

Joint action on health inequalities, previously developed through Local Strategic Partnership (LSPs) in Staffordshire and Stoke-on-Trent, are being carried through and developed as part of the new HWBBs, working in partnership with Local Authorities, Staffordshire Police, the Fire Service and local voluntary and third sector agencies.

NHS North Staffordshire has worked closely with its local LINk and in Staffordshire a new Community Interest Company (Engaging Communities) is being set up to address issues identified in terms of engaging local populations in health and social care issues.

Partnerships will be developed further as the proposals under the Health and Social Care Bill roll out. The CCGs and the Cluster (on behalf of PCTs) are actively engaged in the development of the shadow HWBBs within Local Authorities. Both Staffordshire County Council and Stoke-on-Trent City Councils are early implementers for shadow HWBBs.

The Staffordshire Cluster has two upper tier Local Authorities in the shape of Staffordshire County Council and Stoke-on-Trent City Council. Staffordshire County Council has eight District/Borough councils and CCGs and public health in Staffordshire is working closely with these on local issues.

A healthy future for us all

The overall health of people in Staffordshire is continuing to improve, but health inequalities still persist in the most socio-economically deprived areas of the county.

Early deaths from cardiovascular disease and cancer are better than the England average, although rates are higher in deprived areas.

We have an ageing population which is set to rise in the next 20 years, which is predicted to lead to more people living with long term conditions.

The uptake of the cervical, breast and bowel cancer screening programmes is lower in deprived areas.

To tackle these problems - and other health inequalities - we must continue to collaborate effectively with our partner agencies and improve our capability to protect the health of the north Staffordshire population through a period of change, by preparing, preventing and responding to threats from infectious diseases, chemical incidents and natural disasters.

What we have done.....

Promoting responsible drinking

A range of interventions have been developed in north Staffordshire to prevent and treat problematic drinking. Over 400 staff from a range of public sector agencies (police, social services, GP, youth workers etc.) have been trained to deliver 'brief interventions'. These are evidence-based, short but targeted conversations with people who are experiencing low-level problems with alcohol that are designed to help and motivate people to reduce consumption to safer levels.

A range of services have also been developed to treat people experiencing significant alcohol problems – particularly those at risk of alcohol-related hospital admissions and A&E attendances. A comprehensive range of interventions are now available in the area, including detoxification, 1-2-1 counselling, day programmes, residential rehabilitation and peer support. Specialist staff are now in place in the acute trust to identify problematic drinkers and to engage them into community-based services in order to reduce re-admissions.

Reducing poverty and debt

Evidence suggests that reducing poverty and debt contributes to the health and well-being of people. Benefits advice and support schemes have been running in the Staffordshire Moorlands and Newcastle-under-Lyme areas since 2009/10. In both areas these initiatives continue to deliver positive mental health outcomes for patients referred by GPs.

The services provided have been tailored to meet local need. Within Newcastle an outreach service operates with access to Benefits Advice and Support based in GP surgeries. In Staffordshire Moorlands a fast track referral service from GPs and other Health and Social Care Professionals allows prompt access to support from local Citizen Advice Bureaus.

Both services are running at full capacity. Since this programme began, 3,639 patients have been supported and £9,649,786 has been gained on the clients' behalf, in terms of resolved debt or benefits. Case studies and service reviews have shown that this service is highly valued and has significant mental health benefits for patients.

Helping families to keep active and maintain a healthy weight

The Mind Exercise Nutrition Do It (MEND) programme, aims to encourage overweight and obese children and their families to adopt healthy attitudes to food and eating. MEND motivates families to exercise on a regular basis; empowers them to make informed food choices and shows them that to do this is fun, easy and maintainable.

MEND has seen considerable success within north Staffordshire, with the delivery of 12 programmes over the course of the year by Providers Time 4 Sport Ltd. In Newcastle alone, of the 88 children recruited, over 71 people have completed the MEND programme, with 69 of these achieving successful outcomes of a maintenance or reduction in BMI and demonstrating a positive lifestyle and behaviour change. Time 4 Sport Ltd has also been awarded a national MEND award for the recruitment and retention of people on the course.

We also have a MEND follow on programme. Run in conjunction with MEND in Newcastle-under-Lyme, it is a structured multi-sports programme that aims to build on the outcomes achieved through MEND. People are graduates of the MEND programme, or whose families have taken part in the Lifestyle Triple P Programme. The main focus is to support people to follow the correct pathway for sustained long-term participation in sport, so they have the ability and motivation to access main stream community sports and activity clubs in their area. The past year has seen 40 children take part in the follow on programme, all demonstrating positive outcomes.

Raising awareness to encourage early presentation of the signs and symptom of cancer

Cancer is the biggest cause of premature death in north Staffordshire, with the three largest killers being breast, bowel and lung cancer. To reduce cancer mortality rates, promoting awareness and earlier presentation is recommended amongst communities, targeting those most likely to delay seeking advice. This is also achieved by ensuring access and facilitating earlier diagnosis in primary care.

The earlier detection of cancer project aims to increase local people's awareness of the signs and symptoms of breast, bowel and lung cancers and encourage them to see their GP if they experience any signs or symptoms. To do this, a healthy community's collaborative approach was taken, which involved recruiting and training local people as volunteers to talk to members of the public in their area.

Since the programme began, more than 30 volunteers have been trained to talk to local people about the signs and symptoms of breast, bowel and lung cancer. Results from a cancer awareness survey revealed confidence and awareness has increased – and were particularly significant for breast cancer.

Our Staff

The NHS landscape during 2012/13 has seen an unprecedented period of change. Over this 12 month period, staff have been supported through the recruitment and transfer phase, as new organisations continue to develop and PCT functions continued to be delivered.

Managing staff has focused on securing posts into the new era. This function was carried out through a programme called; Investing in Your Future, giving advice and support to staff to help consider the options available to them.

The transfer of staff has been managed in line with the nationally agreed process through TUPE transfer, or a Transfer Order which safeguards staff by protecting their employment rights. Staff from the Staffordshire Cluster are transferring into 22 different organisations – which either sit under the NHS or Local Authorities.

Consultation has been important throughout this process as the PCTs worked with the trade unions and professional bodies. As part of the closedown of PCTs, any outstanding issues relating to staff have been identified and will be dealt with through the legacy programme in 2014.

Workforce

The overall approach of the Cluster has been to establish a new structure that fits with the proposed transition set out in the Health and Social Care Act. We have focused on the business critical skill sets required and rapidly assigned or aligned all commissioning staff, from each PCT, to either the newly emerging CCGs, the CSU, NHS England, the Area Team, or the Cluster itself. By aligning and assigning staff quickly there has been minimal disruption to business continuity and business functions are well-placed for the remaining changes.

The Cluster has been active in supporting senior staff to attend the Aspiring Chief Executive Officer programme and Directors to undertake the Top Leaders programme. In addition there is a dedicated Organisational Development role at Assistant Director level to support CCG development.

All staff have been offered 1:1 review sessions about the future and these have taken place each month. The Cluster has also developed a support programme for all staff, which has been shaped by the feedback from the 1:1s and discussions with Trade Unions. This was being launched across the organisation as part of the Organisational Development work.

Sickness absence

The tables below indicate the commissioning sickness absence rates for March 2012 to February 2013 by PCT, by Commissioning entity and as a whole. The sickness absence rate is defined as the percentage of Full Time Equivalent (FTE) days lost from those days that were available to be worked within the period in question. Sickness rates for earlier months have been recalculated and refreshed within the table below, based on the latest Electronic Staff Record (ESR) absence records.

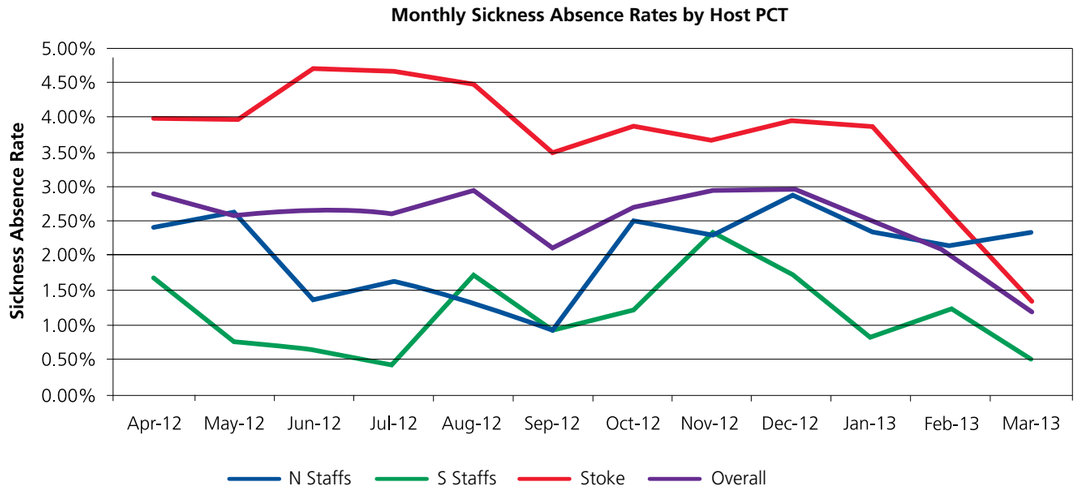
Monthly sickness absence rates – by host PCT

Host PCT	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
N Staffs	2.45%	2.65%	1.35%	1.62%	1.32%	0.92%	2.52%	2.32%	2.86%	2.37%	2.16%	2.33%
S Staffs	1.68%	0.75%	0.64%	0.41%	1.75%	0.91%	1.23%	2.33%	1.73%	0.80%	1.23%	0.50%
Stoke	3.99%	3.95%	4.73%	4.68%	4.47%	3.49%	3.87%	3.68%	3.95%	3.87%	2.61%	1.32%
Overall	**2.89%**	**2.58%**	**2.67%**	**2.63%**	**2.95%**	**2.13%**	**2.68%**	**2.96%**	**2.96%**	**2.50%**	**2.04%**	**1.18%**

Previous months' rates refreshed each month with latest ESR figures

There is clearly some substantial under-reporting of sickness for the month of March 2013 due to the fact that PCT absence capture processes ceased to operate from 1 April 2013. This prohibited the submission of full March sickness returns. From the limited sickness information processed, March figures are considerably lower than for February 2013. There are noticeable reductions for both South Staffordshire PCT and Stoke-on-Trent. South Staffordshire PCT however, is showing a slight increase in sickness absence. Only Stoke-on-Trent PCT has experienced monthly rates that have regularly exceeded the annual target rate of 3.39% during 2012/13.

Sickness absence rates are represented graphically as:



All NHS organisations in the West Midlands were committed to achieving an annualised sickness absence rate of 3.39% or lower by March 2013. The combined rate for the three PCTs for March 2013 was 1.18% and the overall annual rate for 2012/13 was 2.52%, both of which are well within the March 2013 target. At a lower level, the March 2013 sickness absence rates for the individual commissioning entities are as follows:

Monthly sickness absence rates – by commissioning entity

Commissioning Entity	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
CCG N Staffs	4.32%	4.12%	0.23%	0.49%	0.45%	1.33%	2.26%	2.93%	4.04%	2.24%	3.36%	5.10%
CCG Stoke	0.76%	3.33%	7.06%	4.05%	2.67%	3.12%	0.72%	1.06%	3.39%	3.07%	3.30%	1.07%
CCGs S Staffs	1.52%	0.44%	0.96%	0.47%	2.74%	0.39%	1.62%	3.76%	1.13%	0.71%	0.59%	0.00%
Cluster Team	0.26%	0.48%	2.11%	3.90%	4.33%	2.61%	2.25%	1.85%	2.10%	1.22%	0.22%	0.00%
CSS	2.45%	2.30%	2.03%	2.11%	1.53%	1.40%	2.20%	2.44%	2.81%	3.40%	2.41%	1.21%
CSS (SBS)	5.38%	3.35%	3.17%	3.05%	4.78%	5.09%	6.45%	5.84%	4.59%	3.75%	2.89%	2.01%
Public Health	4.41%	4.24%	3.45%	3.54%	3.75%	0.82%	2.23%	2.40%	2.61%	1.24%	1.15%	0.00%
Other	4.93%	6.41%	6.44%	6.84%	6.22%	1.83%	1.24%	0.36%	3.86%	2.38%	2.33%	0.00%
Overall	**2.89%**	**2.58%**	**2.67%**	**2.63%**	**2.95%**	**2.13%**	**2.68%**	**2.96%**	**2.96%**	**2.50%**	**2.04%**	**1.18%**

Previous months' rates refreshed each month with latest ESR figures

Sickness hotspots for March 2013 (red / red-amber) are most noticeable within Shared Business Services and North Staffordshire CCG.

In terms of sickness absence episodes, the tables below indicate the total number of days lost within March by Commissioning Entity, by Sickness Reason and by Duration Category of Episode.

Days lost in month due to sickness absence rates – by commissioning entity

Commissioning Entity	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
CCG N Staffs	42	42	3	6	7	31	35	36	56	32	37	62
CCG Stoke	8	38	90	58	41	48	14	18	58	51	50	18
CCGs S Staffs	9	4	5	1	31	10	38	58	27	16	13	0
Cluster Team	2	12	44	81	91	51	81	80	86	40	4	0
CSS	158	130	125	118	84	58	103	106	135	200	119	62
CSS (SBS)	170	90	112	92	150	162	231	209	152	138	76	58
Public Health	100	118	68	70	72	15	8	45	49	39	23	0
Other	30	39	33	35	31	9	7	2	25	13	12	0
Overall	**519**	**473**	**480**	**461**	**507**	**384**	**517**	**554**	**588**	**529**	**334**	**200**

Days Lost in Month due to Sickness Absence Rates by Reason

Reason	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
Blood Disorder	0	3	0	1	0	0	0	8	16	21	0	0
Cancer	30	4	0	0	0	0	0	0	0	0	0	0
Chest & respiratory problems	22	6	31	46	74	45	32	13	24	52	0	0
Cold, Cough, Flu - Influenza	39	28	8	22	19	16	69	43	53	88	53	0
Dental and oral problems	0	1	0	3	3	0	4	4	6	0	1	0
Ears, Nose and Throat	21	8	1	19	16	14	4	21	7	9	12	8
Eye problems	0	0	5	3	2	0		0	0	0	8	0
Gastrointestinal problems	9	16	67	75	82	90	76	71	66	46	47	33
Genitourinary & gynaecological disorders	2	4	5	0	3	3	0	28	22	14	2	0
Headache/Migraine	8	13	8	16	9	7	14	9	2	12	10	0
Heart, cardiac & circulatory problems	0	0	0	0	2	26	52	60	67	15	10	31
Infectious diseases	21	0	0	0	0	0	6	0	0	0		0
Injury, fracture	1	26	30	34	39	24	0	0	19	31	34	31
Musculo-skeletal	79	73	98	49	66	49	73	67	80	81	98	30
Nervous system Disorders	0	0	0	0	4	0	10	5	31	0	0	0
Other known causes - not elsewhere classified	32	35	31	41	57	12	23	42	31	50	0	0
Pregnancy related disorders	30	20	0	0	2	0	0	0	0	5	0	0
Skin disorders	0	0	0	0	0	0	0	0	0	0	4	0
Stress/Anixety/Depression	192	203	151	151	87	88	151	181	159	102	55	36
Unknown	33	33	45	1	42	10	3	2	5	3	0	31
Overall	519	473	480	461	507	384	517	554	588	529	334	200

Days Lost in Month due to Sickness Absence Rates by Episode Duration Category

Reason	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Long-Term (28+ Days)	345	300	372	304	299	202	184	298	294	248	146	185
Medium-Term (8 - 27 Days)	85	72	35	69	76	71	172	107	157	104	81	13
Short-Term (1 - 7 Days)	89	101	73	88	132	111	161	149	137	177	107	2
Overall	**519**	**473**	**480**	**461**	**507**	**384**	**517**	**554**	**588**	**529**	**334**	**200**

Looking forward

As mentioned in the introduction to the annual report, NHS North Staffordshire is in a period of great change and the Staffordshire Cluster of PCTs has to tackle this change. To support this, a 2012/13 Integrated System Plan has been developed for the whole Staffordshire health economy. This will enable the delivery of better services and better health outcomes for the population, including accommodating rising demands within a static financial environment.

The strategic challenges for the Cluster in 2012/13 and beyond are:

- Ensuring healthcare services across the Cluster are provided in a safe, clinically effective and responsive manner.
- Closing the financial gap of £272 million over a four year period, up until 2014/15, whilst continually improving the quality of healthcare provision.
- Implementing QIPP plans across Staffordshire and delivering the transformational and sustainable change required to transport our health economies to new levels.
- Ensuring an effective transition and integration of key services, including public health and community services and ensuring all service changes reflect the four key national tests. Firstly, there must be clarity about the clinical evidence base underpinning any proposals. Secondly, they must have the support of the GP commissioners involved. Thirdly, they must genuinely promote choice for their patients and finally the process must have genuinely engaged the public, patients and local authorities.
- Ensuring our workforce is supported through this substantial period of organisational change and that staff have the skills, knowledge and capacity to enable them to deliver their roles effectively.

It is hoped that, later this year, the North Staffordshire CCG will become authorised to take on responsibility for health care budgets for their local communities. Working in partnership with North Staffordshire CCG, NHS Stoke-on Trent is leading the contracting round with providers for 2012/13 and has developed commissioning intentions which take account of a number of planning assumptions. To achieve this, the CCG and their clinical leads are taking a leadership role in the delivery of the key local health economy strategies.

In order to support CCGs to make informed decisions about healthcare services and to provide support functions, the PCT has developed a local Commissioning Support Services organisation. This will provide CCGs with a range of products and services to ensure that they operate successfully.

Major changes are also being made to the provision of public health services to ensure improvements to public health are at the core of health and government priorities. In 2012/13 the focus will be to ensure a safe handover of public health functions from the PCTs to the relevant organisations including Local Authorities, Public Health England, CCGs and NHS England.

To improve resilience of services, NHS North Staffordshire has already agreed a Cluster wide delivery of a number of specialist public health functions including:

- Emergency planning and health protection
- Screening
- Dental Public Health
- Specialist public health advice to CCGs and Local Authorities.

Amidst these changes, all health organisations across the health economy in Staffordshire remain clearly focused on improvements for patients and services users and their experiences and outcome of their care and treatment. Any system change should not be detrimental to patients, it should improve health and care and address health inequalities through quality improvements aimed at local people.

In line with the national focus, NHS North Staffordshire will concentrate over the coming months on the following outcomes:

- Preventing people from dying prematurely.
- Enhancing the quality of life for people with long-term conditions.
- Helping people to recover from episodes of ill health or following injury.
- Ensuring that people have a positive experience of care.
- Treating and caring for people in a safe environment and protecting them from avoidable harm.

Annual Governance Statement 2012/13

Scope of responsibility

NHS North Staffordshire is responsible for health services for the 214,000 plus population of Staffordshire Moorlands and Newcastle-under-Lyme, and had a budget of £352m to invest in improving the health of the local population in 2012/13.

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Primary Care Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Primary Care Trust (PCT) is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Corporate Governance Code. My responsibilities, as set out in the Accountable Officer Memorandum, are contained within the PCTs Standing Orders and Standing Financial Instructions and make me accountable to Parliament for the stewardship and propriety of the PCT.

The governance framework of the organisation

A Common Board has previously been established for all three PCTs in Staffordshire i.e. North Staffordshire, Stoke-on-Trent and South Staffordshire.

A single Chair and a single set of Non-Executive Directors continued to meet with the single Executive Team as a Common Board to discharge the statutory duties functions of the constituent three PCT Boards

Across each of the PCTs there are effective CCGs in place working in the early part of the year as Sub Committees of the Common Board.

Constructive and effective working arrangements were in place with both Local Authorities (Staffordshire County Council and Stoke-on-Trent City Council) for the transfer of Public Health responsibilities.

The following sub committees continued to meet and each had at least one Non-Executive Director as part of the membership and report to the Board:

- Audit Committee
- Remuneration and Terms of Service Committee
- Primary Care Committee
- Quality Committee
- Patient Engagement Committee
- QIPP, Finance and Performance Committee
- Clinical Commissioning Group Board Committees
- Primary Care Quality Group

A highlight report and the minutes of the sub committees are submitted to the Board on a monthly basis.

The Chair of North Staffordshire CCG attended the Cluster Board meetings until October 2012. As the CCG moved through the authorisation process and held their own Board meetings in public, the need for their attendance at the Common Board was superseded. The Shadow CCG committees were being disbanded and the setting up of new governance arrangements was underway.

The scheme of delegation from the Common Board was therefore amended to recognise that the CCG Governing Bodies became formal sub committees of the Common Board until March 2013 with responsibility and accountability for the delegated powers.

The highlight reports from the Audit Committee have covered the following issues:

- The internal audit reports finalised to date were providing a positive assurance overview.
- The involvement of CCGs in Information Governance.
- The progress of CCGs through the accreditation process.
- Monitoring and delivery of the 2012/13 accounts timetable.

The Primary Care Committee focuses on the implementation and development of the primary care strategy for all independent primary care contractors i.e. GPs, Dental, Pharmacy and Optometry.

The Quality Committee focuses on:

- Patient Experience
- External and Internal Reviews
- Eliminating Mixed Sex Accommodation
- Patient safety
- Infection Prevention and Control
- Serious Incidents

This relates to all Provider Trusts within the Cluster PCT area

The CCG has held two Patient Congress meetings which were well attended; however recruitment from Newcastle Central and South was on-going. The CCG Governing Board approved the Safeguarding Commissioning Strategy 2012-13 – 2014-15 at its Governing Board meeting in November 2012.

The QIPP, Finance and Performance Committee monitors the process to gain assurance on the delivery of QIPP and System Plan requirements as well as the delivery of the Key Financial targets.

All sub committees are attended by a mixture of Non-Executive and Executive Directors as well as other key personnel from the relevant Directorates.

During 2012/13 the CCGs have continued their role discharging the responsibilities of the clinical executive. with oversight from the Clinical Senate that, with two Clinical Directors, ensured continued compliance with governance requirements.

The Common Board considers that it is compliant with the Corporate Governance Code and has met formally on eight occasions up until 30 March 2013, and has been quorate on each occasion that it has met.

Risk assessment

Risk management is led through the implementation of the PCT's Risk Management Strategy and Policy, which highlights organisational and individual responsibilities for the management of risk. Risk work streams in the latter half of 2012/13 focussed on the transition of key risks to the appropriate receiver organisation and the building of an assurance framework for the new emerging CCGs.

Risks are identified from a variety of sources including:

- Complaints, claims and incidents
- Internal investigations/clinical reviews/Coroner's Reports
- Internal/external audit reports
- Directorate/Team meetings
- Information Governance Toolkit self-assessment and risk issues identified and managed by the Information Governance Steering Group
- Risk Assessments
- Clinical Quality Review Meetings (CQRMs)
- Quality Strategy (implementation and the link to CQRMs)
- CCG Governing Body meetings
- SCSU Operational Board

As part of the identification of risks from various sources, the following risks were added to the corporate risk register in 2012/13:

- Alignment of integrated IT infrastructure to ensure that staff can access aligned network systems
- Health economy - sustainability across Staffordshire in light of significant financial pressures and therefore radical service redesign needed
- Commissioning Support Unit (CSU) – impact of competitors entering the market
- CSU – keeping business as usual whilst developing CSU processes
- Fit For the Future – ability to deliver sustainable service transformation whilst remaining within current funding quantums

The risks as identified above are evaluated by a nominated lead officer in the first instance, and reviewed by the Risk Manager for consistency and completeness. Any risk with an initial rating of 15 or more is reported to the weekly Executive Management Team before adding to the corporate risk register. Once included, they are monitored on the corporate risk register by the PCT Cluster Quality Committee (clinical risks) and Common Audit Committee (non-clinical risks) on a regular basis.

To promote risk identification and monitoring across the various directorates and staff groups, a Strategic Risk Group with terms of reference was set up and included representation from both Cluster, CSU and CCGs. This was designed to aid the consistency of application of the risk scoring matrix across the organisations.

Control measures are in place to ensure that risks to data security are identified, managed and controlled. The PCT has put an information risk management process in place led by the Senior Information Risk Owner (SIRO). Information asset owners and administrators have been identified to cover the Trust's main systems and records stores, along with information held at team level. All Trust laptops and memory sticks are encrypted. The Information Governance Toolkit assessment across the PCT has indicated a level 2 or above on all standards.

There have been no significant control issues involving data losses reported at level 3 or above.

The risk and control framework

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 policies, aims and objectives of NHS North Staffordshire, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Chief Executive remains accountable, but delegates executive responsibility to the Executive Directors for the delivery of the organisational objectives, while ensuring that there is a high standard of public accountability, probity and performance management. The Assurance Framework reflects the strategic objectives assigned to the Executive Directors and is reviewed by the Audit Committee on a regular basis.

Risk management is embedded in the activity of the organisation through the above measures and also through assessments of specific risks e.g. information governance and equality impact assessment.

There is a clear process for the reporting, management, investigation and learning from incidents. There is a Senior Information Risk Owner through Cluster arrangements to support the arrangements for managing and controlling risks relating to information / data security, with Information Asset Owners nominated and trained across functions.

The Local Counter Fraud Service reports to each Audit Committee. The report aims to appraise the Audit Committee of the proactive and reactive activity carried out by the Local Counter Fraud Specialist (LCFS), and submits a schedule of activity on individual cases that would be of interest to the Committee.

North Staffs CCG holds regular meetings with SSoTPT. Regular monitoring of performance measures had been undertaken throughout 2012/13 and there were no specific areas of concern.

Public Health funding allocations were agreed – the allocations have been driven by advice from the Advisory Committee on Resource Allocation with funding being targeted, for the first time, at those areas with the worst health outcomes. The Director of Public Health had produced and published his annual report which has been underpinned by the opportunities to improve health and wellbeing with the establishment of the Staffordshire Health and Wellbeing Board. The Report is structured on the 'Asset-Based' approach top Health and Wellbeing and uses local insight and national evidence to help identify what contributes to wellbeing in Staffordshire and to subsequently improve health outcomes.

A draft Memorandum of Understanding has been agreed with CCGs in both Stoke-on-Trent and Staffordshire and Health and Wellbeing Boards are established in both areas.

A process to refresh the Joint Strategic Needs Assessment has also been agreed to take forward key issues.

Clinical Commissioning Groups report regularly to the Common Board. QIPP Confirm and Challenge meetings and Contract Confirm and Challenge meetings have also been held.

The development of the Staffordshire CSU continued at pace with successful progress through the checkpoints. A product matrix and SLAs have been agreed and signed with CCGs across the CSU footprint, supported by job matching or recruitment to structures to ensure delivery and performance, along with an approved robust business plan. Further plans are in place to enhance the quality agenda and related services offered by the CSU. A Key Performance Indicators performance report had also been defined.

NHS North Staffordshire has positive relationships with partners in the Northern Staffordshire Health Economy, and remains a key player in the "Fit For the Future" Programme

As part of the preparation for the transfer of functions in April 2013, a Transition/Closedown Plan was considered and reviewed by the Board at its informal meetings. The work was supported by a project group made up of representatives from the main project areas together with a representative from Internal Audit. This enabled completion of required work in order to meet timelines for national work streams, and the close monitoring of risks or concerns to take steps to mitigate those risks. Regular returns were submitted to the Strategic Health Authority/Department of Health regarding instructions for the formulation of Transfer Schemes/Orders, which were signed off by the PCTs. Arrangements were also made for the preparation of papers for the formal handover at the final meeting of the PCT Cluster Board in March, to ensure legal transfer took place appropriately. This was further supported by the preparation of papers for the first meeting of the receiver organisations to ensure appropriate acceptance of responsibilities.

In addition to the formal transfer outlined above, a Transitional Handover/Legacy Document was also produced, with particular attention on Quality and shared with receiver organisations. This captured the key risks within the PCT area, captured organisational memory accumulated through managerial and clinical interactions over the years, and informed the handover process to maintain the continuity of services and to maintain and improve the quality of care provided. Board level and face to face meetings were held with the SHA following the regular review and sign off by the PCT Board.

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

The system of internal control has been in place in the Primary Care Trust for the year ended 31 March 2013, and up to the date of approval of the Annual Report and accounts.

Review of the effectiveness of risk

management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Based on the work undertaken in 2012/13, significant assurance has been given by the Head of Internal Audit that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

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

- A number of individual internal audit reports relating to the PCT's transfer of Public Heath Functions; Governance Reporting Structures and Information Flows; Quality, Innovation, Productivity and Prevention Assurance Process; Financial Systems IT Controls; Data Warehouse; Design of the Governance Arrangements for CCGs; Assurance Framework Review; Quality and Outcomes Framework and Enhanced Schemes Final Monitoring Arrangements; Cash Management and Budgetary Controls in relation to CCGs and Provider Services.
- External Audit via their Annual Audit Letter which provides a high level summary of audit work carried out.
- Regular Executive Team meetings
- Reports to Audit Committee by the Local Counter Fraud Specialists
- Information Governance Toolkit submission
- Review of the corporate risk register by the Cluster Quality Committee (clinical risks) and Common Audit Committee (non-clinical risks)
- Scrutiny of the Assurance Framework by the Common Audit Committee
- Performance Management of Independent Contractors
- Regular reports to Board from Clinical Commissioning Groups
- Regular Clinical Quality Review Meetings with all main providers
- Fit for the Future Reports to Board

Significant Issues

The Head of Internal Audit Opinion on the system of internal control has not revealed any significant internal control weaknesses; however, following reviews, the areas below were highlighted as having the potential to affect the achievement of the PCT's strategic goals. Governance – ensuring committees receive information to complete the cycle of business; Data Warehouse Audit – design and application of controls to be strengthened , Quality Outcomes Framework and Enhanced Schemes – application of control framework regarding completion of action plans and sign off, Budgetary Control in relation to Provider Contracts - whilst robust contract management arrangements have been established towards the year end, forecasting and contract management arrangements across the individual Clinical Commissioning Groups and arrangements with the Commissioning Support Unit were not as robust during the earlier part of the financial year and forecasting has been particularly weak and had contributed to the financial pressures for the PCT.

Whilst not resulting in an overall negative opinion there were a number of identified control weaknesses that required action in the year and that some of the control weaknesses will also require continued action in the successor organisations

The Assurance Framework receives a regular review at the Common Audit Committee and one risk area was noted to have moderate gaps/assurance levels. These relate to the financial pressures at University Hospitals of North Staffordshire.

Accountable Officer (name): Graham Urwin

Organisation: North Staffordshire Primary Care Trust

Date: 07 June 2013

Summary of financial statements

The following pages contain Summary Financial Statements.

If read on their own they may not contain sufficient information for a full understanding of North Staffordshire PCTs financial position and performance. A complete list of the account policies adopted is included with the full accounting statements.

A copy of the full 2012/13 Annual Accounts and the Annual Governance Report is available from:

Personal Assistant to the Director of Finance
NHS England
Shropshire and Staffordshire Area Team
Anglesey House
Towers Business Park
Wheelhouse Road
Rugeley
Staffs
WS15 1UZ

Tel: 0300 7900 233

Summary Financial Statements and Remuneration Report 2012/13

Operating and Financial Review

Introduction

The Operating and Financial Review section of the Annual Report gives a summary of the performance during the year and the main influences on it.

The financial reporting requirements of NHS Bodies are determined by the Department of Health with the approval of HM Treasury. Based on the Treasury's Government Financial Reporting Manual (FReM), North Staffordshire PCT is required to prepare its financial statements based on International Financial Reporting Standards (IFRS).

Financial balance and sustaining financial health continues to be recognised as one of the key priorities for the NHS in 2012/13 and beyond. This is especially important given the transition the Department of Health are engaging on to devolve power and responsibility for commissioning services to local Clinical Commissioning Groups (CCGs) of GP practices, transfer PCT responsibilities for local health improvement to Local Authorities and Primary Care Trusts being abolished from April 2013. In order to manage the transition the PCT has this year worked even more closely with GPs and other partners across the area to help shape and plan for the future and has supported the delegation of responsibilities in 2012/13 to help CCGs and Local Authorities take on the local agenda that they will be responsible for from April 2013.

Until the resources formally transfer in 2013/14 the income and expenditure for both devolved GP commissioning and Public Health services will continue to be shown in the PCT's accounts.

North Staffordshire GP Commissioning Group (NSGPCG) operates as a formal sub-committee of the Staffordshire Cluster Common Trust Board. The NSGPCG in 2012/13 had delegated responsibility for £283m (77.5%) of the PCT's 2012/13 allocation devolved to purchase health care for their registered patients and become heavily involved in commissioning decisions.

Financial Performance

A Primary Care Trust has three statutory duties to perform in respect of its accounting and financial standing (previously four but following disinvestment of provider functions this has now reduced to three).

- To achieve financial balance by managing revenue expenditure within resource limits. Achieved surplus in 2012/13 £0.055 million (2011/12 £0.714 million). Actual spend of £366.680 million against resource limit of £366.735 million.
- To remain within the capital resource limit allocated by the Department of Health. The PCT spent £2.025 million on capital in 2012/13, representing an under-spend of £13.890 million against the capital resource limit.
- To remain within the notified cash limit resource of £362.543 million for the year, which was achieved.

Better Payment Practice Code

The PCT also has an 'administrative' departmental duty to pay its invoices within 30 days of receipt of a valid invoice in line with the Confederation of British Industry (CBI) Better Payments Practice Code. Performance under these criteria was as follows;

83.60% of Non-NHS invoices (2011/12 86.67%) and 84.16% of NHS invoices (2011/12 80.06%) based on count (the number of invoices paid within 30 days)

and

85.52% of Non NHS invoices (2011/12 94.90%) and 98.82% of NHS invoices (2011/12 99.35%) based on value (based on the value of invoices paid within 30 days).

Running Costs

The Department of Health Operating Framework definition for PCT Running Cost expenditure includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.

The PCT's Running Costs per weighted head of population (£ per head) is £35.61 compared to a PCT Running cost target of £33.83, giving an adverse variance of £1.78 but an improvement of 4% compared to last year.

The Cluster Running Costs per weighted head of population (£ per head) is £32.00 compared to a Cluster Running Cost target of £33.75, giving a favourable variance of £1.75 and an improvement of 9% compared to last year. West Midlands Strategic Health Authority (SHA) in setting the target have confirmed that achievement of the cluster target (which consists of South Staffordshire PCT, NHS North Staffordshire and NHS Stoke-on-Trent) is the key milestone for achievement rather than the individual targets set by PCTs.

The main actions which have enabled these targets to be met have been:

- Trust Board Executive Directors acting as a single executive team covering a Cluster of PCTs that continued to remain as individual legal entities.
- Streamlining governance arrangements by operating a common Trust Board for the year covering all 3 PCTs within the Cluster.
- Vacancy management and review of all non pay expenditure.

Revenue Expenditure

The PCT receives its revenue funding from the Department of Health. This is in the form of a revenue funding limit imposed on it as to the amount of revenue expenditure the PCT can incur. Revenue spending includes items such as commissioning of acute, primary and mental health services and the provision of community services on behalf of its populations.

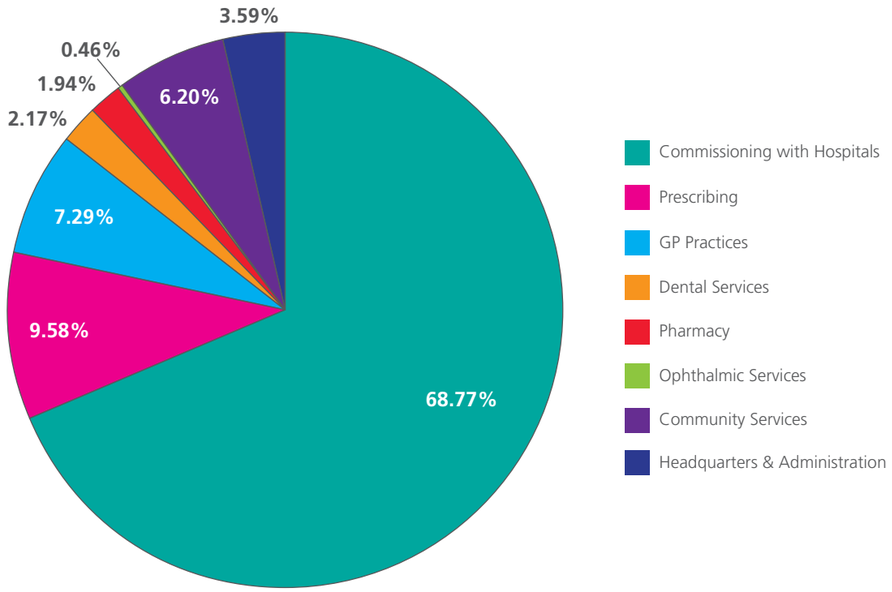
Capital Expenditure

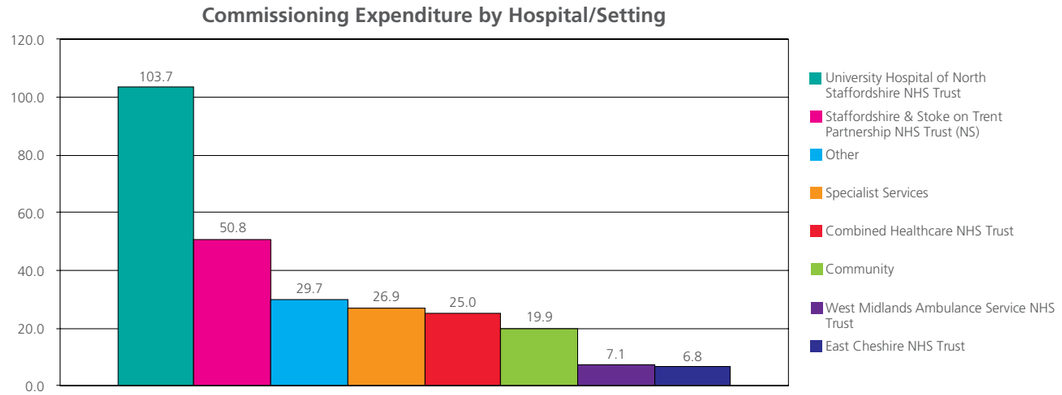
The PCT also received its capital funding from the Department of Health; a capital resource limit which is the maximum amount of capital expenditure the PCT can incur. Capital spending includes expenditure on improving buildings and purchasing equipment that has a useful life of more than one year.

The main items of capital investment were;

- Leek Hospital £1.325 million
- Cheadle Hospital £0.277 million
- Bradwell Hospital £0.110 million

How your money was spent





2012/13 Audit Committee and Fees

NHS North Staffordshire undergoes scrutiny from a combination of audit mechanisms which includes the Audit Committee, Internal and External Audit.

For 2012/13 the PCT was under a Cluster Common Audit Committee with terms of reference agreed by the Common Trust Board. External and Internal Auditors continued to give separate audit opinions for each entity within the Cluster. Whilst all Non Executives (with the exception of the Chairman) are invited to attend the Audit Committee, quorum being not less than two, the key membership was as follows:

- Mr B Machin (Chair), Non Executive Director – appointed by the Appointments Commission
- Mr J Howard, Non Executive Director
- Mrs L Kemp, Non Executive Director
- Mr A Burns, Non Executive Director

In attendance:

- Director of Finance
- Board Secretary
- RSM Tenon Internal Auditors
- PricewaterhouseCoopers LLP External Auditors (South Staffordshire PCT and NHS North Staffordshire)
- Grant Thornton UK LLP External Auditors (NHS Stoke on Trent)
- Local Counter Fraud Specialists

NHS North Staffordshire's appointed external auditor for 2012/13 was

Mark A Jones

Engagement Lead

For and on behalf of PricewaterhouseCoopers LLP

In 2012/13 NHS North Staffordshire Primary Care Trust paid £123k incl. VAT in respect of external audit fees to PricewaterhouseCoopers LLP, Docklands, 161 Marsh Wall, London E14 9SQ and £30k to RSM Tenon in respect of internal audit fees.

The PCT ensures that the auditors' independence has not been compromised by:

- Non audit work being a small proportion of total cost
- The Audit Committee being chaired by a Non Executive Director
- The Audit Committee scrutinising and approving additional work carried out by PricewaterhouseCoopers LLP
- PricewaterhouseCoopers LLP being appointed by, and fees set by, the Audit Commission

Remuneration

Policy on the remuneration of senior managers for current and future financial year

The PCT has a Remuneration Committee which is a sub-committee of the Common Trust Board. The Remuneration Committee was represented by the Chair of the Cluster of Staffordshire PCTs and the Chief Executive.

The terms of reference of the committee are:

- To make such recommendations to the Board on the remuneration, allowances and terms of service of the Chief Executive, Executive Directors and senior managers covering the three PCTs within the Staffordshire Cluster. This committee will have proper regard for the PCT's performance and particularly the provisions of any national pay and performance arrangements, where appropriate.
- To monitor and evaluate the performance of individual Executive Directors and senior managers
- To advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of payments taking account of such national guidance as is appropriate
- To approve any redundancy payments made to any member of staff within the organisation

The Remuneration Committee is made up of the Chair and 7 Non-Executive Directors of the Common Trust Board and the Interim Director of Human Resources.

Senior Managers within the PCT are paid under one of two national frameworks. The Chief Executive and other Executive Directors are covered by the Very Senior Managers pay structure and other managers are paid under the Agenda for Change pay structure which relates to all other staff groups except for medical and dental staff.

Consultants' Remuneration is determined in line with the national Consultant's Contract. This included Dr A Ahmed, Director of Public Health.

Non Executive Directors' Remuneration is set by the Appointments Commission in accordance with national policy.

For the year 2012/13 Directors and other managers were not awarded a cost of living increase. Health Service staff, have been awarded a 1% cost of living increase for the year 2013/14.

Policy on the duration of contracts, and notice periods and termination payments

The Chief Executive and Executive Directors are permanent employees with the exception of Interim Director of Human Resources and the Director of Performance who are employed on a consultancy basis. The Director of Commissioning and Development, in post during 2011/12 and part of 2012/13, was seconded to the post from Birmingham, East and North Primary Care Trust.

The Chief Executive and Executive Directors within the Staffordshire Cluster employed on permanent contracts are entitled to a six month notice period in respect of termination.

The Chief Executive is required to give a six month notice period in respect of any decision to leave the organisation.

The Executive Directors are required to give a three month notice period in respect of any decision to leave the organisation.

No contracts have an entitlement to a termination payment other than by reason of redundancy outside of their contractual entitlement to the notice period.

Significant awards made to past senior managers

There have been no payments, outside of contractual entitlement, made to PCT senior managers in this financial year.

Non Executives Contract Expiry Dates

	South Staffordshire PCT	North Staffordshire PCT	Stoke on Tent PCT
Mr Alex Fox	30th September 2014	31st March 2013	31st March 2013
Mr Andre Bruns	31st December 2013	31st March 2013	31st March 2013
Mr David Ibbs	31st December 2013	31st March 2013	31st March 2013
Mr John Howard	31st March 2013	30th September 2013	31st March 2013
Mrs Lynne Smith	31st Decmeber 2013	31st March 2013	31st March 2013
Mr Barry Machin	31st March 2013	30th September 2013	31st March 2013
Mrs Lynn Kemp	31st March 2013	31st March 2013	28th February 2014

Pension Liabilities

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 PCTs pension liabilities are calculates in accordance with the accounting policies note 7.5 of the Annual Accounts.

Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in NHS North Staffordshire in the financial year 2012/13 was £55-60k (2011/12 £40-45k). This was 1.68 times (2011/12 2.11 times) the median remuneration of the workforce, which was £40,157 (2011/12 £27,625).

In 2012/13 13 employees (2011/12 68 employees) received remuneration in excess of the highest paid director. Remuneration in excess of the highest paid director ranged from £55-125k (2011/12 £40-139k).

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

As previously mentioned the PCT's Board is managed as a Cluster arrangement. It should therefore be noted that the salaries of the Directors have been allocated across each entity on a weighted capitation basis as detailed within the Remuneration Report. Therefore the calculation of the pay multiples for those Director posts that have been shared across the cluster, it is the apportioned cost to the entity of that individual that has been included in the calculation of the "highest paid". This is not necessarily the total of that individual's remuneration.

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	6,379	6,991
Other costs	383,554	368,963
Income	(24,083)	(27,610)
Net operating costs before interest	**365,850**	**348,344**
Investment income	(11)	(70)
Other (Gains)/Losses	0	300
Finance costs	841	813
Net operating costs for the financial year	**366,680**	**349,387**
Transfers by absorption - (gains)	0	0
Transfers by absorption - losses	0	0
Net (gain)/loss on transfers by absorption	0	0
Net operating costs and transfer gains/losses for the financial year	**366,680**	**349,387**
Of which:		
Administration Costs		
Gross employee benefits	5,191	4,063
Other costs	3,466	4,905
Income	(993)	(959)
Net administration costs before interest	**7,664**	**8,009**
Investment income	0	0
Other (Gains)/Losses	0	0
Finance costs	0	0
Net administration costs for the financial year	**7,664**	**8,009**
Programme Expenditure		
Gross employee benefits	1,188	2,928
Other costs	380,088	364,058
Income	(23,090)	(26,651)
Net programme expenditure before interest	**358,186**	**340,335**
Investment income	(11)	(70)
Other (Gains)/Losses	0	300
Finance costs	841	813
Net programme expenditure for the financial year	**359,016**	**341,378**

	2012-13 £000	2011-12 £000
Other Comprehensive Net Expenditure		
Impairments and reversals put to the Revaluation Reserve	458	632
Net (gain) on revaluation of property, plant & equipment	(126)	(485)
Net (gain) on revaluation of intangibles	0	0
Net (gain) on revaluation of financial assets	0	36
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	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0
Net actuarial (gain)/loss on pension schemes	0	0
Reclassification Adjustments		
Transfers (to/from) other bodies	0	(368)
Reclassification adjustment on disposal of available for sale financial assets	0	0
Total comprehensive net expenditure for the year	**367,012**	**349,202**

Administration and Programme Costs

The Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).

PCTs analyse and report revenue income and expenditure by "administration and programme".

For PCTs, the Department has defined "administration 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.

The statement of Comprehensive Net Expenditure records the costs incurred by NHS North Staffordshire during the year, net of miscellaneous income (which is income other that PCT's main resource allocation from the Department of Health).

It includes cash expenditure on staff and suppliers as well as non-cash expenses such as depreciation. NHS North Staffordshire's resource allocation (Parliamentary funding) is not treated as income, but is credited to general fund on the Statement of Financial Position.

The figures reported above reflect what the commissioning function pays for primary and secondary healthcare from GPs, other NHS bodies and the private sector.

Where the PCT acts as the lead commissioner for the purchase of healthcare, the gross value of the Service Agreement value has been included in these accounts. Miscellaneous income has then been disclosed to reflect contributions from other commissioners locally so that the Comprehensive Net Expenditure statement only reflects that net expenditure for the PCT.

Statement of Financial Position at 31 March 2013

	31 March 2013 £000	31 March 2012 £000
Non-current assets:		
Property, plant and equipment	38,114	40,932
Intangible assets	0	34
Investment property	0	0
Other financial assets	396	396
Trade and other receivables	0	200
Total non-current assets	**38,510**	**41,562**
Current assets:		
Inventories	1	1
Trade and other receivables	5,285	9,199
Other financial assets	0	0
Other current assets	0	0
Cash and cash equivalents	0	3
Total current assets	**5,286**	**9,203**
Non-current assets held for sale	0	0
Total current assets	**5,286**	**9,203**
Total assets	**43,796**	**50,765**
Current liabilities		
Trade and other payables	(23,219)	(29,072)
Other liabilities	0	0
Provisions	(1,224)	(898)
Borrowings	0	0
Other financial liabilities	0	0
Total current liabilities	**(24,443)**	**(29,970)**
Non-current assets plus/less net current assets/liabilities	19,353	20,795
Non-current liabilities		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(3,081)	(165)
Borrowings	(7,689)	(7,578)
Other financial liabilities	0	0
Total non-current liabilities	**(10,770)**	**(7,743)**
Total Assets Employed:	**8,583**	**13,052**
Financed by taxpayers' equity:		
General fund	(1,319)	2,431
Revaluation reserve	9,902	10,621
Other reserves	0	0
Total taxpayers' equity:	**8,583**	**13,052**

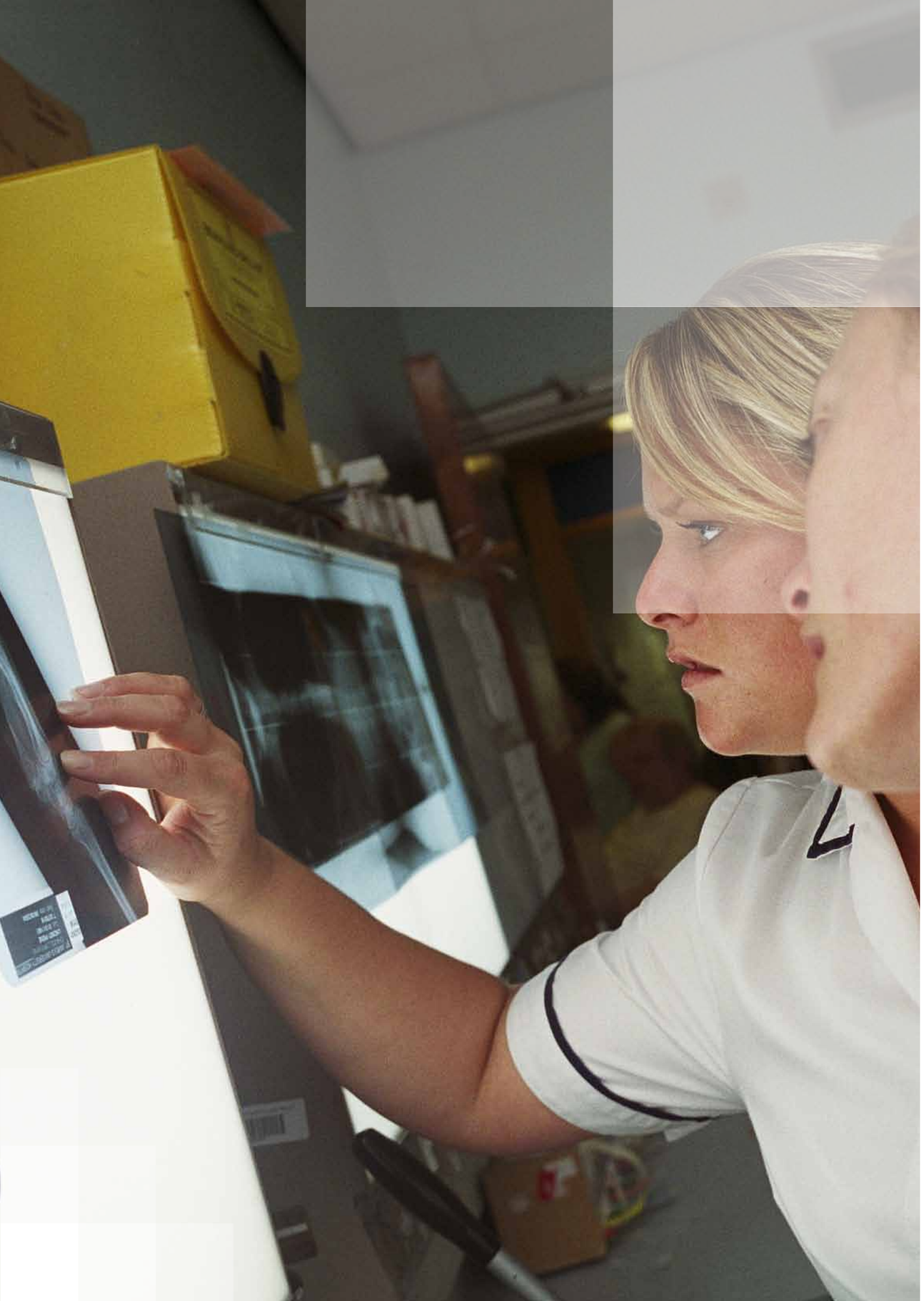
The Statement of Financial Position provides a snapshot of the PCTs financial condition at a specific moment in time – the end of the financial year. It lists the assets (everything the PCT owns that has a monetary value), liabilities (money owed to external parties) and taxpayers' equity (public funds invested in the PCT). At any given time, assets minus liabilities must equal taxpayers' equity.

Graham Urwin
Chief Executive – Staffordshire Cluster
Date: 07 June 2013

Merger Adjustments

The 2012/13 FReM requires that all combinations of public sector bodies will be accounted for using merger accounting.

The PCT disinvested of its Provider Services as at the 01/04/2012 which has then formed Staffordshire and Stoke-on-Trent Partnership NHS Trust.



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	**2,431**	**10,621**	**0**	**13,052**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(366,680)	0	0	(366,680)
Net gain on revaluation of property, plant, equipment	0	126	0	126
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(458)	0	(458)
Movements in other reserves	0	0	0	0
Transfers between reserves	387	(387)	0	0
Release of Reserves to SOCNE	0	0	0	0
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
Total recognised income and expense for 2012-13	**(366,293)**	**(719)**	**0**	**(367,012)**
Net Parliamentary funding	362,543	0	0	362,543
Balance at 31 March 2013	**(1,319)**	**9,902**	**0**	**8,583**
Balance at 1 April 2011	(201)	11,245	0	11,044
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(349,387)	0	0	(349,387)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	485	0	485
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0	0
Net Gain / (loss) on Revaluation of Financial Assets	0	(36)	0	(36)
Net Gain / (loss) on Assets Held for Sale	0	0	0	0
Impairments and Reversals	0	(632)	0	(632)
Movements in other reserves	0	0	0	0
Transfers between reserves	441	(441)	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	0
Transfers to/(from) Other Bodies within the Resource Account Boundary	368	0	0	368
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
Total recognised income and expense for 2011-12	(348,578)	(624)	0	(349,202)
Net Parliamentary funding	351,210	0	0	351,210
Balance at 31 March 2012	**2,431**	**10,621**	**0**	**13,052**

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	(365,850)	(348,344)
Depreciation and Amortisation	1,717	1,608
Impairments and Reversals	2,828	(511)
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	(841)	0
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	0
Decrease/(Increase) in Trade and Other Receivables	4,114	(6,956)
(Increase)/Decrease in Other Current Assets	0	0
(Decrease)/Increase in Trade and Other Payables	(5,588)	6,563
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(49)	(1,061)
Increase/(Decrease) in Provisions	3,291	881
Net Cash Outflow from Operating Activities	**(360,378)**	**(347,820)**
Cash flows from investing activities		
Interest Received	11	70
(Payments) for Property, Plant and Equipment	(2,062)	(3,777)
(Payments) for Intangible Assets	0	(11)
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	0	200
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 Outflow from Investing Activities	**(2,051)**	**(3,518)**
Net cash outflow before financing	**(362,429)**	**(351,338)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(117)	0
Net Parliamentary Funding	362,543	351,210
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 from Financing Activities	362,426	351,210
Net (decrease) in cash and cash equivalents	**(3)**	**(128)**
Cash and Cash Equivalents at Beginning of the Period	**3**	**131**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
Cash and Cash Equivalents at year end	**0**	**3**

The Cash Flow statement summarises the cash flows for NHS North Staffordshire during the accounting period. These cash flows include those resulting from operating and investment activities, capital transactions and financing. The transactions showing in the Statement of Comprehensive Net Expenditure do not necessarily involve cash flows nor include all cash transactions, so it is not possible to fully understand the cash position from this statement alone. For example, while depreciation is a charge on the Statement of Net Expenditure, it does not involve an outlay of cash. Similarly any capital purchases will involve an upfront outlay of the full purchase price; however the Statement of Net Expenditure will only record the depreciation of the asset spreading the full cost over the life time of the asset.

Cash Limit

The PCT is required to not draw down and spend more than its cash limit for the year. It has achieved its duty for each financial year and therefore has demonstrated its liquidity year on year, having sufficient funds to meet its creditors as its debts become due. The PCT has a Treasury Management Policy which requires the PCT to plan and monitor its cash profile.

Currency Risk

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

Interest Rate Risk

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

Credit Risk

Due to the majority of the PCT's income comes from funds provided 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.

Financial Performance Targets

	2012-13 £000	2011-12 £000
Revenue Resource Limit		
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year	366,680	349,387
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	366,735	350,101
Underspend Against Revenue Resource Limit (RRL)	**55**	**714**

Capital Resource Limit	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	15,915	3,071
Charge to Capital Resource Limit	**2,025**	**2,875**
Underspend Against CRL	13,890	196

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

Under/(Over)spend against cash limit	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	362,543	351,210
Cash Limit	362,543	351,210
Under/(Over)spend Against Cash Limit	0	0

	2012-13 £000
Reconciliation of Cash Drawings to Parliamentary Funding (current year)	
Total cash received from DH (Gross)	317,587
Less: Trade Income from DH	**0**
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**317,587**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	5,936
Plus: drugs reimbursement (central charge to cash limits)	39,020
Parliamentary funding credited to General Fund	**362,543**

Better Payment Practice Code

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Measure of compliance				
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	7,999	34,421	9,492	42,767
Total Non-NHS Trade Invoices Paid Within Target	6,687	29,436	8,227	40,588
Percentage of NHS Trade Invoices Paid Within Target	83.60%	85.52%	86.67%	94.90%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,396	296,026	2,903	260,502
Total NHS Trade Invoices Paid Within Target	2,858	292,525	2,324	258,817
Percentage of NHS Trade Invoices Paid Within Target	84.16%	98.82%	80.06%	99.35%

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**

During 2012/13 NHS North Staffordshire maintained authorised signatory status to the Prompt Payment Code. The code encourages best practice and ensures that signatories have clear payment policies in place to improve performance.

In addition, fees charged in 2012/13 by the PCT for accessing copies of Patients Medical Records have been set in accordance with the guidelines set out by the Data Protection Act, £10 administration fee, followed by a 10p charge per page up to a maximum ceiling of £50.00. The PCT does not make charges for FOI requests.

Operating Costs

NHS North Staffordshire measures its Running Costs according to the definitions provided by the Department of Health (DoH).

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	7,664	7,531	133
Weighted population (number in units)*	215,211	215,211	215,211
Running costs per head of population (£ per head)	**36**	**35**	**1**
PCT Running Costs 2011-12			
Running costs (£000s)	8,009	7,799	210
Weighted population (number in units)*	215,211	215,211	215,211
Running costs per head of population (£ per head)	**37**	**36**	**1**

* 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 weighted capitation formula.

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

For Cost of Capital for 2011-12 and 2012-13 a resource limit adjustment has been made reflecting the Cost of Capital utilised by the PCT.

Running Costs

In 2012/13 NHS North Staffordshire has continued its drive to improve efficiency. In 2011/12 North Staffordshire PCT restructured and reduced its management costs across all areas in the PCT.

The 2011/12 Operating Framework set out that it would not be possible to retain effective management capacity in all PCTs until their abolition in 2013, presenting unacceptable risks to quality and financial management. In response to this concern the DoH confirmed that PCTs will be retained as statutory organisations but for 2011/12 onwards there would be consolidation of management capacity, with single executive teams each managing a cluster of PCTs.

As a result of the above changes, the Trust Board Executive Directors acted as executives across South Staffordshire PCT, NHS North Staffordshire and NHS Stoke-on-Trent statutory bodies until 31/11/11. From 01/12/12, although the three PCTs remained separate legal entities, the cluster became a common board for all three PCTs as governance arrangements for NHS North Staffordshire, South Staffordshire PCT and NHS Stoke-on-Trent had been amalgamated under the umbrella of the Staffordshire Cluster. The remuneration of Directors is recharged across all three PCTs based on a Weighted Capitation Basis.

Directors Remuneration

Lists of senior managers for whom Remuneration Information is required

Table based on weighted capitation proportion for North Staffordshire PCT

				2012/13							2011/12		
	Name	Title	Appointment Details	Salary (bands of £5,000) £'000	Bonus payments (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Compensatory Payments (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	North Staffordshire PCT Recharge (based on Weighted Capitation) % of Salary Represented within PCT's Accounts	Salary (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00
Trust Board Executive Directors	Graham Urwin	Chief Executive	Cluster Executive 01/04/2012	25-30	0	0	0	0	19%	25-30	0	0.8-0.9
	Tony Matthews	Director of Finance	Cluster Executive 01/04/2012 until 13/01/2013	15-20	0	0	0	0	19%	20-25	0	0.7-0.8
	Ros Francké	Director of Finance	N/A	0	0	0	0	0	19%	N/A	N/A	N/A
	Dawn Wickham	Director of Partnerships and Planning	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	15-20	0	0
	Sue Price	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	15-20	0	0
	Sultan Mahmud	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/01/2013	0-5	0	0	0	0	19%	N/A	N/A	N/A
	Jan Warren	Director of Nursing	Cluster Executive 01/04/2012	0-5	0	0	0	0	19%	15-20	0	0
	Brigid Stacey	Director of Nursing	Cluster Executive 07/05/2012	5-10	0	0	0	0	19%	N/A	N/A	N/A
	Dr Kenneth Deacon	Medical Director	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	10-15	0	0
	Dr Aliko Ahmed	Director of Public Health for Staffordshire	Cluster Executive 01/04/2012 - NHS North and South Staffordshire	55-60	0	0	0	0	N/A	40-45	0	0
	Wendy Kerr	CFO East staffordshire CCG	Cluster Executive 01/08/2012	15-20	0	0	0	0	19%	N/A	N/A	N/A
	Andrew Chandler	CFO Stafford & Surround CCG	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	N/A	N/A	N/A
	Stuart Hydon	CFO South East Staffordshire CCG	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	N/A	N/A	N/A
	Andrew Donald	Accountable officer Stafford and Surrounds and Cannock	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	20-25	0	0
	Rita Symons	Accountable Officer South East Staffordshire CCG	Cluster Executive 01/11/2012	5-10	0	0	0	0	19%	N/A	N/A	N/A
	Tony Bruce	Accountable Officer East Staffordshire CCG	Cluster Executive 01/11/2012	20-25	0	0	0	0	19%	N/A	N/A	N/A
	Dr David Hughes	Accountable Officer North Staffordshire CCG	Cluster Executive 01/04/2012	10-15	0	0	0	0	19%	10-15	0	0
	Dr Andrew Bartlam	Accountable Officer Stoke-on-Trent CCG	Cluster Executive 01/04/2012	15-20	0	0	0	0	19%	N/A	N/A	N/A
	Andrew Lee*	Director of Finance North Staffordshire CCG	Cluster Executive 01/04/2012	20-25	0	0	0	0	19%	N/A	N/A	N/A
	Tim O'Hanlon*	Director of Performance	Cluster Executive 01/04/2012	45-50	0	0	0	0	19%	N/A	N/A	N/A
	Sarah Sheppard*	Director of HR	Cluster Executive 01/04/2012	20-25	0	0	0	0	19%	25-30	0	0

				2012/13						2011/12		
	Name	Title	Appointment Details	Salary (bands of £5,000) £'000	Bonus payments (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Compensatory Payments (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	South Staffordshire PCT Recharge (based on Weighted Capitation) % of Salary Represented within PCT's Accounts	Salary (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00
Trust Board Common Trust Board Executives	Alex Fox	Chair	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0	19%	0-5	0	0
	Andre Burns	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0
	David Ibbs	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0
	Lynn Kemp	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0
	John Howard	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0
	Barry Machin	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0
	Lynne Smith	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0
	Lloyd Cooke	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	19%	0-5	0	0

Notes for Director's Remuneration

* employed on a consultancy/interim basis, the figure represents the cost to the PCT rather than the amount paid to the individual.

The 2011/12 Operating Framework set out that it would not be possible to retain effective management capacity in all PCTs until their abolition in 2013, presenting unacceptable risks to quality and financial management. In response to this concern the Department of Health confirmed that PCTs will be retained as statutory organisations but for 2011/12 onwards there would be consolidation of management capacity, with single executive teams each managing a cluster of PCTs.

XX seconded from Birmingham East and North PCT.

As a result of the above changes, the Trust Board Executive Directors acted as executives across South Staffordshire PCT, NHS North Staffordshire and NHS Stoke-on-Trent statutory bodies until 31/11/11, from 01/12/11 although the three PCTs remained separate legal entities, the cluster became a common board for all three PCTs as governance arrangements for NHS North Staffordshire, South Staffordshire PCT and NHS Stoke-on-Trent had been amalgamated under the umbrella of Staffordshire Cluster. The remuneration of Directors is recharged across all three PCTs based on a Weighted Capitation basis (See table below).

Trust Board Non Executive Directors were consolidated into a single cluster common board on 01/12/11, prior to this each PCT retained its own Non Executives on their respective Trust Board.

Weighted Capitation	Population	Recharge Percentage
NHS Stoke on Trent	318,218	29%
NHS North Staffordshire	215,211	19%
South Staffordshire PCT	580,843	52%
Total	**1,114,272**	**100%**

Performance related bonuses - Amounts paid to medical consultants under the national clinical excellence reward schemes is disclosed as bonuses.

Directors/Non Executives total pay across Staffordshire Cluster

	Name	Title	Appointment Details	Salary (bands of £5,000)	Bonus payments (bands of £5,000)	Other Remuneration (bands of £5,000)	Compensatory Payments (bands of £5,000)	Benefits in Kind (bands of £100)
Executive Directors	Graham Urwin	Chief Executive	Cluster Executive 01/04/2012	145-150	0	0	0	0
	Tony Matthews	Director of Finance	Cluster Executive 01/04/2012 until 13/01/2013	85-90	0	0	0	0
	Ros Francké	Director of Finance	N/A	0	0	0	0	0
	Dawn Wickham	Director of Partnerships and Planning	Cluster Executive 01/04/2012	95-100	0	0	0	0
	Sue Price	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/04/2012	95-100	0	0	0	0
	Sultan Mahmud	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/01/2013	20-25	0	0	0	0
	Jan Warren	Director of Nursing	Cluster Executive 01/04/2012	15-20	0	0	0	0
	Brigid Stacey	Director of Nursing	Cluster Executive 07/05/2012	45-50	0	0	0	0
	Dr Kenneth Deacon	Medical Director	Cluster Executive 01/04/2012	85-90	0	0	0	0
	Dr Aliko Ahmed	Director of Public Health for Staffordshire	Cluster Executive 01/04/2012 - NHS North and South Staffordshire	115-120	0	0	0	0
Trust Board Executive	Wendy Kerr	CFO East staffordshire CCG	Cluster Executive 01/08/2012	80-85	0	0	0	0
	Andrew Chandler	CFO Stafford & Surround CCG	Cluster Executive 01/04/2012	80-85	0	0	0	0
	Stuart Hydon	CFO South East Staffordshire CCG	Cluster Executive 01/04/2012	80-85	0	0	0	0
	Andrew Donald xx	Accountable officer Stafford and Surrounds and Cannock	Cluster Executive 01/04/2012	95-100	0	0	0	0
	Rita Symons	Accountable Officer South East Staffordshire CCG	Cluster Executive 01/11/2012	40-45	0	0	0	0
	Tony Bruce	Accountable Officer East Staffordshire CCG	Cluster Executive 01/11/2012	125-130	0	0	0	0
	Dr David Hughes	Accountable Officer North Staffordshire CCG	Cluster Executive 01/04/2012	70-75	0	0	0	0
	Dr Andrew Bartlam	Accountable Officer Stoke-on-Trent CCG	Cluster Executive 01/04/2012	80-85	0	0	0	0
	Andrew Lee*	Director of Finance North Staffordshire CCG	Cluster Executive 01/04/2012	115-120	0	0	0	0
	Tim O'Hanlon*	Director of Performance	Cluster Executive 01/04/2012	250-255	0	0	0	0
	Sarah Sheppard*	Director of HR	Cluster Executive 01/04/2012	125-130	0	0	0	0
Common Trust Board Executives	Alex Fox	Chair	Cluster Non-Executive 01/04/2012	40-45	0	0	0	0
	Andre Burns	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
	David Ibbs	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
	Lynn Kemp	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
	John Howard	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
	Barry Machin	Non Executive Director	Cluster Non-Executive 01/04/2012	10-15	0	0	0	0
	Lynne Smith	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
	Lloyd Cooke	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0

Pension Entitlements of Senior Managers

Name	Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension (rounded to nearest £00)	Legal Entity Employing Senior Manager
Graham Urwin	Chief Executive	(0.0)-(2.5)	(2.5)-(5.0)	50-55	160-165	902	853	4	0	Stoke on Trent PCT
Tony Matthews	Director of Finance	(0.0)-(2.5)	(0.0)-(2.5)	35-40	105-110	574	536	10	0	Stoke on Trent PCT
Ros Francké	Director of Finance	0	0	0	0	0	0	0	0	Commissioning Board
Dawn Wickham	Director of Partnerships and Planning	(0.0)-(2.5)	(0.0)-(2.5)	30-35	95-100	544	509	8	0	Stoke on Trent PCT
Sue Price	Director of Primary Care and Specialised Commissioning	(0.0)-(2.5)	(0.0)-(2.5)	35-40	105-110	668	628	8	0	South Staffordshire PCT
Sultan Mahmud	Director of Primary Care and Specialised Commissioning	(0.0)-(2.5)	0	0-5	0	3	6	(1)	0	Stoke on Trent PCT
Jan Warren	Director of Nursing	(0.0)-(2.5)	55.0-57.5	35-40	115-120	No CETV shown for members over 60	No CETV shown for members over 60	0	0	Stoke on Trent PCT
Brigid Stacey	Director of Nursing	0	0	30-35	95-100	491	454	6	0	Stoke on Trent PCT
Dr Kenneth Deacon	Medical Director	0.0-2.5	2.5-5.0	30-35	90-95	424	371	34	0	South Staffordshire PCT
Dr Aliko Ahmed	Director of Public Health for Staffordshire	0.0-2.5	0.0-2.5	10-15	40-45	214	191	13	0	South Staffordshire PCT
Wendy Kerr	CFO East staffordshire CCG	(0.0)-(2.5)	(0.0)-(2.5)	10-15	40-45	285	277	(6)	0	South Staffordshire PCT
Andrew Chandler	CFO Stafford & Surround CCG	0.0-2.5	0.0-2.5	15-20	55-60	280	257	9	0	South Staffordshire PCT
Stuart Hydon	CFO South East Staffordshire CCG	0.0-2.5	(2.5)-(5.0)	15-20	50-55	415	369	27	0	South Staffordshire PCT
Andrew Donald xx	Accountable officer Stafford and Surrounds and Cannock	(0.0)-(2.5)	(5.0)-(7.5)	35-40	115-120	762	743	(20)	0	BEN and Heart of England both raising recharges for Andy
Rita Symons	Accountable Officer South East Staffordshire CCG	0.0-2.5	0.0-2.5	20-25	60-65	309	280	7	0	South Staffordshire PCT
Tony Bruce	Accountable Officer East Staffordshire CCG	(0.0)-(2.5)	(2.5)-(5.0)	50-55	155-160	958	904	8	0	North Staffordshire PCT
Dr David Hughes	Accountable Officer North Staffordshire CCG	0.0-2.5	2.5-5.0	55-60	170-175	No CETV shown for members over 60	1,251	0	0	North Staffordshire PCT
Dr Andrew Bartlam	Accountable Officer Stoke-on-Trent CCG	0.0-2.5	0.0-2.5	60-65	185-190	1,219	1,111	50	0	Stoke on Trent PCT
Andrew Lee*	Director of Finance North Staffordshire CCG	0	0	0	0	0	0	0	0	Interim via North Staffordshire PCT
Tim O'Hanlon*	Director of Performance	0	0	0	0	0	0	0	0	ATOS Consulting via Stoke on Trent PCT
Sarah Sheppard*	Director of HR	0	0	0	0	0	0	0	0	Sarah Sheppard Consulting via North Staffordshire PCT

Name	Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension (rounded to nearest £00)	Legal Entity Employing Senior Manager
Alex Fox	Chair	0	0	0	0	0	0	0	0	South Staffordshire PCT
Andre Burns	Non Executive Director	0	0	0	0	0	0	0	0	South Staffordshire PCT
David Ibbs	Non Executive Director	0	0	0	0	0	0	0	0	South Staffordshire PCT
Lynn Kemp	Non Executive Director	0	0	0	0	0	0	0	0	Stoke on Trent PCT
John Howard	Non Executive Director	0	0	0	0	0	0	0	0	North Staffordshire PCT
Barry Machin	Non Executive Director	0	0	0	0	0	0	0	0	North Staffordshire PCT
Lynne Smith	Non Executive Director	0	0	0	0	0	0	0	0	South Staffordshire PCT
Lloyd Cooke	Non Executive Director	0	0	0	0	0	0	0	0	Stoke on Trent PCT

Pension Entitlements of Senior Managers

* Employed on a Consultancy/Interim basis only, therefore not applicable.

** Seconded from Birmingham East and North PCT.

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

Self-employed GPs who are members of the Professional Executive Committee (PEC) and Chairs of CCG have pension entitlements. However, the proportion of those entitlements that relates to their membership of the PEC/CCG is not significant compared to the proportion that relates to their work as practitioners independent of the PCT. It is not, therefore, appropriate to disclose their pension entitlements.

As a result of the above changes, the Trust Board Executive Directors acted as executives across South Staffordshire PCT, NHS North Staffordshire and NHS Stoke-on-Trent statutory bodies until 31/11/11, from 01/12/12 although the three PCTs remained separate legal entities, the cluster become a common board for all three PCTs as governance arrangements for NHS North Staffordshire, South Staffordshire PCT and NHS Stoke-on-Trent had been amalgamated under the umbrella of Staffordshire Cluster. The remuneration of Directors is recharged across all three PCTs based on a Weighted Capitation basis (See Remuneration Table for apportionment split).

The information provided represents the full pensions entitlement of the Cluster Executives representing South Staffordshire PCT, NHS North Staffordshire and NHS Stoke on Trent, in recognition of their time commitment being attributable across the cluster their full time salary costs for 2012/13 has been allocated across the three organisations on a weighted capitation basis, however to allocate Pensions earned over a length of service within the NHS between the three PCTs could mislead and therefore the full pensions entitlements for the individuals is shown.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the 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 schemes or arrangement when the member leaves a schemes and chooses to transfer the benefit accrued in their former scheme. The pensions 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. No CETV will be shown for members over 60 (1995 Section).

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pensions due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement).

Exit packages for staff leaving in 2012/13

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	1	1	2	1	3
£10,001-£25,000	1	1	2	5	1	6
£25,001-£50,000	1	0	1	4	0	4
£50,001-£100,000	1	1	2	2	0	2
£100,001-£150,000	0	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost	**3**	**3**	**6**	**13**	**2**	**15**
	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	**93**	**115**	**208**	**346**	**15**	**361**

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Redundancy Scheme and the Mutually Agreed Resignation Scheme. Exit costs in this note are accounted for in full in the year of departure. 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 agreed with staff in the year. Note: The expense associated with these departures may have been recognised in part or full in a previous period.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Redundancy Scheme and the Mutually Agreed Resignation Scheme. This note provides an analysis of Exit Packages agreed during the year, and these may not be the same as those in respect of the year of departure. 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.

The PCT during 2012/13 offered to all employees a Mutually Agreed Resignation Scheme (MARS), which is a voluntary severance scheme under which an individual employee, in agreement with their employer, chooses to leave employment in return for a severance payment. The payment rate under this scheme is fixed at ½ month's salary for each full year of service, up to a cap of 12 months' salary, with a minimum payment of three months' salary for one to five years reckonable service.

Related Party Transactions for Year Ended 31 March 2013

Financial Year 2012/13

Details of related party transactions with individuals are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mr A Matthews	6,841,115	10,000	1,041,902	10,000
Dr D Hughes	43,560	0	0	0
Mr B Machin	41,198	0	0	0
Mr H Cartwright	85,290	0	0	0
Dr A Ahmed	5,861,206	10,000	1,041,902	10,000

Mr A Matthews is a Director of Prima 200 Ltd (which is a requirement of holding the position of Director of Finance). The transactions also include Staffordshire County Council, his spouse's employer.

Dr David Hughes the North Staffordshire Clinical Commissioning Group Chair is a GP Partner at Moorlands Medical Centre in Leek.

Mr Barry Machin a Non-Executive Director for the PCT is a Treasurer of Home-Start, Staffordshire Moorlands.

Mr Howard Cartwright is a Non-Executive Director for the PCT performs consultancy work for Aspire Housing.

Dr A Ahmed, Director of Public Health, North and South Staffordshire, is involved in the transfer of Public Health services to Staffordshire County Council.

The Department of Health is regarded as a related party. During the year NHS North Staffordshire has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

	Payments to Other NHS	Receipts from Other NHS	Amounts owed to Other NHS	Amounts due from Other NHS
	£000s	£000s	£000s	£000s
University Hospital of North Staffordshire NHS Trust	114,563	270	1,588	154
Stoke and Staffordshire Partnership Trust	57,286	3,572	1,885	3,415
North Staffordshire Combined Healthcare NHS Trust	26,013	62	721	36
Birmingham East and North PCT	33,375	38	0	38
Stoke-on-Trent PCT	21,263	5,908	698	249
East Cheshire NHS Trust	6,776	0	153	0
West Midlands Ambulance Service NHS Trust	7,325	0	157	0
West Midlands Strategic Health Authority	16	0	0	0
Totals	**266,617**	**9,850**	**5,202**	**3,892**

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 HM Revenue and Customs for Income Tax, National Insurance Payments and VAT and significant transactions with Staffordshire County Council.

Full details for related party transactions can be found in Note 37 of the published annual accounts.

Prior Year Comparators

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mr A Matthews	7,600,000	207,000	229,000	127,000
Dr D Hughes	716,802	0	0	0
Mr B Machin	30,898	0	0	0
Mr H Cartwright	84,767	0	84,767	0
Dr A Ahmed	6,648,000	207,000	229,000	127,000

Mr A Matthews is a Director of Prima 200 Ltd (which is a requirement of holding the position of Director of Finance).The transactions also include Staffordshire County Council, his spouse's employer.

Dr D Hughes the North Staffordshire Clinical Commissioning Group Chair is a GP Partner at Moorlands Medical Centre in Leek.

Mr B Machin a Non-Executive Director for the PCT is a Treasurer of Home-Start, Staffordshire Moorlands.

Mr H Cartwright is a Non-Executive Director for the PCT performs consultancy work for Aspire Housing.

Dr A Ahmed, Director of Public Health, North and South Staffordshire, is involved in the transfer of Public Health services to Staffordshire County Council.

The Department of Health is regarded as a related party. During the year NHS North Staffordshire has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

	Payments to Other NHS	Receipts from Other NHS	Amounts owed to Other NHS	Amounts due from Other NHS
	£000s	£000s	£000s	£000s
University Hospital of North Staffordshire NHS Trust	107,935	619	4,040	564
Stoke and Staffordshire Partnership Trust	48,672	3,687	3,277	4,650
North Staffordshire Combined Healthcare NHS Trust	27,368	36	850	0
Birmingham East and North PCT	26,427	0	0	52
Stoke-on-Trent PCT	20,039	6,356	1,416	1,884
East Cheshire NHS Trust	7,006	0	0	443
West Midlands Ambulance Service NHS Trust	1,160	0	81	0
West Midlands Strategic Health Authority	29	1,625	7	17
Totals	**238,636**	**12,323**	**9,671**	**7,610**

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 HM Revenue and Customs for Income Tax, National Insurance Payments and VAT and significant transactions with Staffordshire County Council.

Off-payroll engagements

Treasury published PES(2012)17 Annual Reporting Guidance 2012-13 in December 2012. One new requirement placed on Departments is to disclose information about "off-payroll engagements".

Table 1: For off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2013

	Main Department	Arms Length Body
No. In place on 31 January 2013	2	0
Of which:		
No. that have since come onto the Organisation's payroll	1	0
Of which:		
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	0	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0	0
No that have come to an end	2	0
Total	**2**	**0**

Table 2: For all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

	Main Department	Arms Length Body
No. of new engagements	1	0
Of which:		
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0	0
Of which:		
No. for whom assurance has been accepted and received	0	0
No. for whom assurance has been accepted and not received	0	0
No. that have been terminated as a result of assurance not being received	0	0
Total	**1**	**0**

Statement of Directors' Responsibilities in respect of the accounts

The Directors 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. In preparing these accounts, directors are required to:

- 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.

The Directors are responsible for keeping proper accounting records which disclose 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. They are also responsible for safeguarding the assets of the Primary Care Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors have agreed that as far as they are aware, that there is no relevant audit information of which the NHS auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information.

By order of the board.

Graham Urwin
Chief Executive
Date: 07 June 2013

Ros Francke
Finance Director
Date: 07 June 2013

Statement of the Chief Executives Responsibilities as the Accountable Officer of the Primary Care Trust

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the Primary Care Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Graham Urwin
Chief Executive – Staffordshire Cluster
Date: 07 June 2013

Independent auditors' statement to the officer responsible for preparing the accounts of North Staffordshire Primary Care Trust

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, the related notes, and the information under the headings Directors' Remuneration and Pension Entitlements of Senior Managers.

Respective responsibilities of the officer responsible for preparing the accounts and auditors

The officer responsible for preparing the accounts is responsible for preparing the Annual Report and summary financial statement, in accordance with directions issued by the Secretary of State.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the full annual statutory financial statements and the Directors' Remuneration Report and its compliance with the relevant requirements of the directions issued by the Secretary of State.

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

- Message from Graham Urwin, Chief Executive, Staffordshire Cluster of Primary Care Trusts
- About us, who we are and what we do
- How we performed in 2012/13
- Achievements
- Safety and environment
- Quality through QIPP
- Make your voice heard
- How we work in partnership
- A healthy future for us all
- Our staff
- Looking forward

This statement, including the opinion, has been prepared for, and only for, the officer responsible for preparing the accounts of North Staffordshire Primary Care Trust in accordance with Part II of the Audit Commission Act 1998 as set out in paragraph 45 of the Statement of Responsibilities of Auditors and of Audited Bodies (Local NHS Bodies) published by the Audit Commission in March 2010, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the full annual statutory financial statements describes the basis of our audit opinion on those financial statements and the Directors' Remuneration Report.

Opinion

In our opinion the summary financial statement is consistent with the full annual statutory financial statements and the Directors' Remuneration Report of North Staffordshire Primary Care Trust for the year ended 31 March 2013 and complies with the relevant requirements of the directions issued by the Secretary of State.

We have not considered the effects of any events between the date on which we signed our report on the full annual statutory financial statements (10 June 2013) and the date of this statement.

Directors' Statement

The auditors have issued unmodified opinions on the full annual financial statements; the part of the directors' remuneration report that is described as having been audited; and on the consistency of the directors' report with those annual financial statements.

The auditors' report on the full annual financial statements contained no statement on any of the matters on which they are required, by the Code of Audit Practice, to report by exception.

Mark Jones, Engagement Lead

For and on behalf of PricewaterhouseCoopers LLP

Appointed Auditors
Cornwall Court,
19 Cornwall St,
Birmingham,
B3 2DT

21 June 2013

This document is also available in other languages, large print and audio format upon request.

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هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

এই ডকুমেন্ট অন্য ভাষায়, বড় প্রিন্ট আকারে এবং অডিও টেপ আকারেও অনুরোধে পাওয়া যায়।

Tento dokument je na vyžádání k dispozici také v jiných jazycích, ve velkém tištěném formátu a zvukovém formátu.

این مدرک همچنین بنا به درخواست به زبانهای دیگر، در چاپ درشت و در فرمت صوتی موجود است.

Ce document est également disponible dans d'autres langues, en gros caractères et en cassette audio sur simple demande.

આ દસ્તાવેજ વિનંતી કરવાથી બીજી ભાષાઓ, મોટા છાપેલા અક્ષરો અથવા ઓડિઓ રચનામાં પણ મળી રહેશે.

ئەم بەلگەیە هەروەها بە زمانەکانی کە، بە چاپی درشت و بە شریتی تەسجیل دەس دەکەویت

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formacie audio.

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਰਾਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

Waxaa kale oo lagu heli karaa dokumentigaan luqado kale, daabacaad ballaaran, iyo cajal duuban haddii la soo waydiisto.

Hati hii vile vile inapatikana katika lugha nyingine, kwa maandishi makubwa na katika sauti kwa maombi.

நீங்கள் கேட்டுக்கொண்டால், இந்த ஆவணம் வேறு மொழிகளிலும், பெரிய எழுத்து அச்சிலும் அல்லது ஒலிநாடா வடிவிலும் அளிக்கப்படும்.

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درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔

**Shropshire and Staffordshire Area Team of NHS England,
Anglesey House, Units 107 – 111 Anglesey Court, Towers Plaza,
Wheelhouse Road, Rugeley, Staffordshire, WS15 1UL**

Tel: 0300 790 233 Website: www.southstaffordshirepct.nhs.uk

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WS15 1UL

Tel: 0300 7900 233

Department of Health

NHS

North Staffordshire Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

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North Staffordshire Primary Care Trust

2012-13 Accounts

2012-13 Annual Accounts of North Staffordshire Primary Care Trust (non-London)

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

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

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

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

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

Name: Graham Urwin

Date 7 June 2013

2012-13 Annual Accounts of North Staffordshire Primary Care Trust (non-London)

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.

7 June 2013 Date.....Signing Officer

7 June 2013 Date.....Finance Signing Officer

Organisation: NORTH STAFFORDSHIRE PRIMARY CARE TRUST **Organisation Code: 5PH**	

Governance Statement 2012/13

Scope of responsibility

North Staffordshire Primary Care Trust is responsible for health services for the 214,000 plus population of Staffordshire Moorlands and Newcastle-under-Lyme, and had a budget of £367m to invest in improving the health of the local population in 2012/13.

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Primary Care Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Primary Care Trust (PCT) is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Corporate Governance Code.* My responsibilities, as set out in the Accountable Officer Memorandum, are contained within the PCTs Standing Orders and Standing Financial Instructions and make me accountable to Parliament for the stewardship and propriety of the PCT.

The governance framework of the organisation

A Common Board has previously been established for all three PCTs in Staffordshire i.e. North Staffordshire, Stoke-on-Trent and South Staffordshire.

A single Chair and a single set of Non-Executive Directors continued to meet with the single Executive Team as a Common Board to discharge the statutory duties functions of the constituent three PCT Boards

Across each of the PCTs there are effective Clinical Commissioning Groups (CCGs) in place working in the early part of the year as Sub Committees of the Common Board.

Constructive and effective working arrangements were in place with both Local Authorities (Staffordshire County Council and Stoke on Trent City Council) for the transfer of Public Health responsibilities.

The following sub committees continued to meet and each had at least one Non-Executive Director as part of the membership and report to the Board:

- Audit Committee
- Remuneration and Terms of Service Committee
- Primary Care Committee
- Quality Committee
- Patient Engagement Committee
- QIPP, Finance and Performance Committee
- Clinical Commissioning Group Board Committees
- Primary Care Quality Group

A highlight report and the minutes of the sub committees are submitted to the Board on a monthly basis.

The Chair of North Staffordshire CCG attended the Cluster Board meetings until October 2012. As the CCG moved through the authorisation process and held their own Board meetings in public, the need for their attendance at the Common Board was superseded. The Shadow CCG committees were being disbanded and the setting up of new governance arrangements was underway.

The scheme of delegation from the Common Board was therefore amended to recognise that the CCG Governing Bodies became formal sub committees of the Common Board until March 2013 with responsibility and accountability for the delegated powers.
The highlight reports from the Audit Committee have covered the following issues:

- The internal audit reports finalised to date were providing a positive assurance overview.
- The involvement of CCGs in Information Governance.
- The progress of CCGs through the accreditation process.
- Monitoring and delivery of the 2012/13 accounts timetable.

The Primary Care Committee focuses on the implementation and development of the primary care strategy for all independent primary care contractors i.e. GPs, Dental, Pharmacy and Optometry.

The Quality Committee focuses on:

- Patient Experience
- External and Internal Reviews
- Eliminating Mixed Sex Accommodation
- Patient safety
- Infection Prevention and Control
- Serious Incidents

This relates to all Provider Trusts within the Cluster PCT area

The CCG has held two Patient Congress meetings which were well attended; however recruitment from Newcastle Central and South was on-going. The CCG Governing Board approved the Safeguarding Commissioning Strategy 2012-13 – 2014-15 at its Governing Board meeting in November 2012.

The QIPP, Finance and Performance Committee monitors the process to gain assurance on the delivery of QIPP and System Plan requirements as well as the delivery of the Key Financial targets.

All sub committees are attended by a mixture of Non-Executive and Executive Directors as well as other key personnel from the relevant Directorates.

During 2012/13 the CCGs have continued their role discharging the responsibilities of the clinical executive. with oversight from the Clinical Senate that, with two Clinical Directors, ensured continued compliance with governance requirements.

The Common Board considers that it is compliant with the Corporate Governance Code and has met formally on eight occasions up until 30 March 2013, and has been quorate on each occasion that it has met.

Authorisation domains

The authorisation process was built around six domains, agreed with emerging CCGs and patient and professional organisations. Assessing CCGs through these six domains provided assurance that CCGs can safely discharge their statutory responsibilities for commissioning healthcare services. They are also intended to encourage CCGs to be organisations that are being clinically led and driven by clinical added value.

The domains are:

Domain one: a strong clinical and multi-professional focus which brings real added value.
Domain two: meaningful engagement with patients, carers and their communities.
Domain three: clear and credible plans which continue to deliver the QIPP challenge within financial resources, in line with national requirements (including outcomes) and local joint health

and wellbeing strategies.
Domain four: proper constitutional and governance arrangements, with the capacity and capability to deliver all their duties and responsibilities, including financial control, as well as effectively commission all the services for which they are responsible.
Domain five: collaborative arrangements for commissioning with other CCGs, local authorities and the NHS CB as well as the appropriate external commissioning support.
Domain six: great leaders who individually and collectively can make a real difference.

The North Staffordshire Clinical Commissioning Group was conditionally authorised by the Department of Health on 5 December 2012. Three conditions were attached, without directions

Risk assessment

Risk management is led through the implementation of the PCT's Risk Management Strategy & Policy, which highlights organisational and individual responsibilities for the management of risk. Risk work streams in the latter half of 2012/13 focussed on the transition of key risks to the appropriate receiver organisation and the building of an assurance framework for the new emerging Clinical Commissioning Groups.

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Risks are identified from a variety of sources including:

- Complaints, claims and incidents
- Internal investigations/clinical reviews/Coroner's Reports
- Internal/external audit reports
- Directorate/Team meetings
- Information Governance Toolkit self-assessment and risk issues identified and managed by the Information Governance Steering Group
- Risk Assessments
- Clinical Quality Review Meetings (CQRMs)
- Quality Strategy (implementation and the link to CQRMs)
- CCG Governing Body meetings
- SCSU Operational Board

As part of the identification of risks from various sources, the following risks were added to the corporate risk register in 2012/13:

- Alignment of integrated IT infrastructure to ensure that staff can access aligned network systems
- Health economy - sustainability across Staffordshire in light of significant financial pressures and therefore radical service redesign needed
- Commissioning Support Unit (CSU) – impact of competitors entering the market
- CSU – keeping business as usual whilst developing CSU processes
- Fit For the Future – ability to deliver sustainable service transformation whilst remaining within current funding quantums

The risks as identified above are evaluated by a nominated lead officer in the first instance, and reviewed by the Risk Manager for consistency and completeness. Any risk with an initial rating of 15 or more is reported to the weekly Executive Management Team before adding to the corporate risk register. Once included, they are monitored on the corporate risk register by the PCT Cluster Quality Committee (clinical risks) and Common Audit Committee (non-clinical risks) on a regular basis.

To promote risk identification and monitoring across the various directorates and staff groups, a Strategic Risk Group with terms of reference was set up and included representation from both Cluster, CSU and CCGs. This was designed to aid the consistency of application of the risk scoring matrix across the organisations.

Control measures are in place to ensure that risks to data security are identified, managed and controlled. The PCT has put an information risk management process in place led by the SIRO (senior information risk owner). Information asset owners and administrators have been identified to cover the Trust's main systems and records stores, along with information held at team level. All Trust laptops and memory sticks are encrypted. The Information Governance Toolkit assessment across the PCT has indicated a level 2 or above on all standards.

There have been no significant control issues involving data losses reported at level 3 or above.

The risk & control framework

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 policies, aims and objectives of NHS North Staffordshire, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Chief Executive remains accountable, but delegates executive responsibility to the Executive Directors for the delivery of the organisational objectives, while ensuring that there is a high standard of public accountability, probity and performance management. The Assurance Framework reflects the strategic objectives assigned to the Executive Directors and is reviewed by the Audit Committee on a regular basis.

Risk management is embedded in the activity of the organisation through the above measures and also through assessments of specific risks e.g. information governance and equality impact assessment.

There is a clear process for the reporting, management, investigation and learning from incidents. There is a Senior Information Risk Owner through Cluster arrangements to support the arrangements for managing and controlling risks relating to information / data security, with Information Asset Owners nominated and trained across functions.

The Local Counter Fraud Service reports to each Audit Committee. The report aims to appraise the Audit Committee of the proactive and reactive activity carried out by the Local Counter Fraud Specialist (LCFS), and submits a schedule of activity on individual cases that would be of interest to the Committee.

North Staffs CCG holds regular meetings with Staffordshire & Stoke-on-Trent Partnership NHS Trust. Regular monitoring of performance measures had been undertaken throughout 2012/13 and there were no specific areas of concern.

Public Health funding allocations were agreed – the allocations have been driven by advice from the Advisory Committee on Resource Allocation with funding being targeted, for the first time, at those areas with the worst health outcomes. The Director of Public Health had produced and published his annual report which has been underpinned by the opportunities to improve health and wellbeing with the establishment of the Staffordshire Health and Wellbeing Board. The Report is structured on the 'Asset-Based' approach top Health & Wellbeing and uses local insight and national evidence to help identify what contributes to wellbeing in Staffordshire and to subsequently improve health outcomes.

A draft Memorandum of Understanding has been agreed with CCGs in both Stoke on Trent and Staffordshire and Health & Wellbeing Boards are established in both areas.

A process to refresh the Joint Strategic Needs Assessment has also been agreed to take forward key issues.

Clinical Commissioning Groups report regularly to the Common Board. QIPP Confirm & Challenge meetings and Contract Confirm & Challenge meetings have also been held.

The development of the Staffordshire Commissioning Support Unit (CSU) continued at pace with successful progress through the checkpoints. A product matrix and SLAs have been agreed and signed with CCGs across the CSU footprint, supported by job matching or recruitment to structures to ensure delivery and performance, along with an approved robust business plan. Further plans are in place to enhance the quality agenda and related services offered by the CSU. A Key Performance Indicators performance report had also been defined.

NHS North Staffordshire has positive relationships with partners in the Northern Staffordshire Health Economy, and remains a key player in the "Fit For the Future" Programme

As part of the preparation for the transfer of functions in April 2013, a Transition/Closedown Plan was considered and reviewed by the Board at its informal meetings. The work was supported by a project group made up of representatives from the main project areas together with a representative from Internal Audit. This enabled completion of required work in order to meet timelines for national work streams, and the close monitoring of risks or concerns to take steps to mitigate those risks. Regular returns were submitted to the Strategic Health Authority/Department of Health regarding instructions for the formulation of Transfer Schemes/Orders, which were signed off by the PCTs. Arrangements were also made for the preparation of papers for the formal handover at the final meeting of the PCT Cluster Board in March, to ensure legal transfer took place appropriately. This was further supported by the preparation of papers for the first meeting of the receiver organisations to ensure appropriate acceptance of responsibilities.

In addition to the formal transfer outlined above, a Transitional Handover/Legacy Document was also produced, with particular attention on Quality and shared with receiver organisations. This captured the key risks within the PCT area, captured organisational memory accumulated through managerial and clinical interactions over the years, and informed the handover process to maintain the continuity of services and to maintain and improve the quality of care provided. Board level and face to face meetings were held with the Strategic Health Authority following the regular review and sign off by the PCT Board.

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

The system of internal control has been in place in the Primary Care Trust for the year ended 31 March 2013, and up to the date of approval of the Annual Report and accounts.

Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Based on the work undertaken in 2012/13, **significant assurance** has been given by the Head of Internal Audit that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the

risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- A number of individual internal audit reports relating to the PCT's transfer of Public Heath Functions; Governance Reporting Structures and Information Flows; Quality, Innovation, Productivity and Prevention Assurance Process; Financial Systems IT Controls; Data Warehouse; Design of the Governance Arrangements for CCGs; Assurance Framework Review; Quality & Outcomes Framework and Enhanced Schemes Final Monitoring Arrangements; Cash Management & Budgetary Controls in relation to CCGs and Provider Services.
- External Audit via their Annual Audit Letter which provides a high level summary of audit work carried out.
- Regular Executive Team meetings
- Reports to Audit Committee by the Local Counter Fraud Specialists
- Information Governance Toolkit submission
- Review of the corporate risk register by the Cluster Quality Committee (clinical risks) and Common Audit Committee (non-clinical risks)
- Scrutiny of the Assurance Framework by the Common Audit Committee
- Performance Management of Independent Contractors
- Regular reports to Board from Clinical Commissioning Groups
- Regular Clinical Quality Review Meetings with all main providers
- Fit for the Future Reports to Board

Significant Issues

The Head of Internal Audit Opinion on the system of internal control has not revealed any significant internal control weaknesses; however, following reviews, the areas below were highlighted as having the potential to affect the achievement of the PCT's strategic goals. Governance – ensuring committees receive information to complete the cycle of business; Data Warehouse Audit – design and application of controls to be strengthened , Quality Outcomes Framework and Enhanced Schemes – application of control framework regarding completion of action plans and sign off, Budgetary Control in relation to Provider Contracts - whilst robust contract management arrangements have been established towards the year end, forecasting and contract management arrangements across the individual Clinical Commissioning Groups and arrangements with the Commissioning Support Unit were not as robust during the earlier part of the financial year and forecasting has been particularly weak and had contributed to the financial pressures for the PCT.

Whilst not resulting in an overall negative opinion there were a number of identified control weaknesses that required action in the year and that some of the control weaknesses will also require continued action in the successor organisations

The Assurance Framework receives a regular review at the Common Audit Committee and one risk area was noted to have moderate gaps/assurance levels. These relate to the financial pressures at University Hospitals of North Staffordshire.

Accountable Officer (name): Graham Urwin

Organisation: North Staffordshire Primary Care Trust

Signature:

Date: 7/6/13

Independent Auditors' Report to the officer responsible for preparing the accounts of North Staffordshire Primary Care Trust

We have audited the financial statements of North Staffordshire Primary Care Trust ("the PCT") for the year ended 31 March 2013 which 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 the accounting policies directed by the Secretary of State for Health with the consent of the Treasury as relevant to the National Health Service in England set out therein.

Respective responsibilities of the officer responsible for preparing the accounts and auditors

As explained more fully in the Statement of Responsibilities of the Signing Officer, the officer responsible for preparing the accounts is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with accounting policies directed by the Secretary of State, with the consent of the Treasury, as being relevant to the National Health Service in England. Our responsibility is to audit and express an opinion on the financial statements in accordance with Part II of the Audit Commission Act 1998, the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission and International Standards on Auditing (ISAs) (UK and Ireland).Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the officer responsible for preparing the accounts of North Staffordshire Primary Care Trust in accordance with Part II of the Audit Commission Act 1998 as set out in paragraph 45 of the Statement of Responsibilities of Auditors and of Audited Bodies (Local NHS Bodies) published by the Audit Commission in March 2010 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 PCT's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the PCT; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Code of Audit Practice
In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England;

- 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; and

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Code of Audit Practice issued by the Audit Commission requires us to report to you if:

- in our opinion, the Governance Statement does not comply with the Department of Health's requirements set out in "2012/13 Governance Statements – Guidance " issued on 31 January 2013 or is misleading or inconsistent with information of which we are aware from our audit; or

- we refer a matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because the PCT, or an officer of the PCT, 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.

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

Respective responsibilities of the PCT and auditors
The PCT is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the PCT has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the PCT has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the PCT's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of the arrangements for securing economy, efficiency and effectiveness in the use of resources

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

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance issued by the Audit Commission on 1 November 2012. 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 that the results of this work impact on our responsibilities at the PCT; and
- our locally determined risk-based work on the following key areas;
    - the management of transition as the PCT moved towards its demise;
    - the calculation of the continuing healthcare provision;
    - risk regarding the cluster attempting to manage the overall cluster position;
    - financial issues within the local health economy regarding the financial stability of a local healthcare provider;
    - any significant breaches in internal control (including financial controls and information governance);
    - the transfer of assets to successor bodies; and
    - the merger of the North and South Staffordshire IT support services.

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 North Staffordshire PCT in accordance with the requirements of Part II of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mark Jones, Engagement Lead
For and on behalf of PricewaterhouseCoopers LLP
Appointed Auditors
Cornwall Court,
19 Cornwall St,
Birmingham
B3 2DT

10 June 2013

Notes:

(a) The maintenance and integrity of the North Staffordshire PCT website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

North Staffordshire PCT - Annual Accounts 2012-13

FOREWORD TO THE ACCOUNTS

North Staffordshire PCT

These Accounts for the year ended 31 March 2013 have been prepared by North Staffordshire PCT
under section 98 (2) of the National Health Service Act 1977
in the form which the Secretary of
State has, with the approval of the Treasury, directed.

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	**6,379**	6,991
Other costs	5.1	**383,554**	368,963
Income	4	**(24,083)**	(27,610)
Net operating costs before interest		**365,850**	348,344
Investment income	9	**(11)**	(70)
Other (Gains)/Losses	10	**0**	300
Finance costs	11	**841**	813
Net operating costs for the financial year		**366,680**	349,387
Transfers by absorption - (gains)		0	0
Transfers by absorption - losses		0	0
Net (gain)/loss on transfers by absorption		0	0
Net operating costs and transfer gains for the financial year		**366,680**	349,387
Of which:			
Administration Costs			
Gross employee benefits	7.1	**5,191**	4,063
Other costs	5.1	**3,466**	4,905
Income	4	**(993)**	(959)
Net administration costs before interest		**7,664**	8,009
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	0
Net administration costs for the financial year		**7,664**	8,009
Programme Expenditure			
Gross employee benefits	7.1	**1,188**	2,928
Other costs	5.1	**380,088**	364,058
Income	4	**(23,090)**	(26,651)
Net programme expenditure before interest		**358,186**	340,335
Investment income	9	**(11)**	(70)
Other (Gains)/Losses	10	**0**	300
Finance costs	11	**841**	813
Net programme expenditure for the financial year		**359,016**	341,378

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**458**	632
Net (gain) on revaluation of property, plant & equipment	**(126)**	(485)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	36
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**	0
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	0
Net actuarial (gain)/loss on pension schemes	**0**	0
Transfers to/(from) other bodies	**0**	(368)
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year	**367,012**	349,202

The notes on pages 6 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	**38,114**	40,932
Intangible assets	13	**0**	34
Investment property	15	**0**	0
Other financial assets	21	**396**	396
Trade and other receivables	19	**0**	200
Total non-current assets		**38,510**	41,562
Current assets:			
Inventories	18	**1**	1
Trade and other receivables	19	**5,285**	9,199
Other financial assets	36.1	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**0**	3
Total current assets		**5,286**	9,203
Non-current assets held for sale	24	**0**	0
Total current assets		**5,286**	9,203
Total assets		**43,796**	50,765
Current liabilities			
Trade and other payables	25	**(23,219)**	(29,072)
Other liabilities	26,28	**0**	0
Provisions	32	**(1,224)**	(898)
Borrowings	27	**0**	0
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(24,443)**	(29,970)
Non-current assets plus/less net current assets/liabilities		**19,353**	20,795
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	26,28	0	0
Provisions	32	(3,081)	(165)
Borrowings	27	(7,689)	(7,578)
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(10,770)**	(7,743)
Total Assets Employed:		**8,583**	13,052
Financed by taxpayers' equity:			
General fund		(1,319)	2,431
Revaluation reserve		9,902	10,621
Other reserves		0	0
Total taxpayers' equity:		**8,583**	13,052

The notes on pages 6 to 52 form part of this account.

The financial statements on pages 2 to 5 were approved by the Board on 5th June 2013 and signed on its behalf by

Chief Executive: Date: 7/6/13

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**2,431**	**10,621**	**0**	**13,052**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(366,680)	0	0	**(366,680)**
Net gain on revaluation of property, plant, equipment	0	126	0	**126**
Net gain on revaluation of intangible assets	0	0	0	**0**
Net gain on revaluation of financial assets	0	0	0	**0**
Net gain on revaluation of assets held for sale	0	0	0	**0**
Impairments and reversals	0	(458)	0	**(458)**
Movements in other reserves	0	0	0	**0**
Transfers between reserves	387	(387)	0	**0**
Release of Reserves to SOCNE	0	0	0	**0**
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	**0**
Net actuarial gain on pensions	0	0	0	**0**
Total recognised income and expense for 2012-13	**(366,293)**	**(719)**	**0**	**(367,012)**
Net Parliamentary funding	362,543	0	0	**362,543**
Balance at 31 March 2013	**(1,319)**	**9,902**	**0**	**8,583**
Balance at 1 April 2011	(201)	11,245	0	11,044
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(349,387)	0	0	(349,387)
Net gain on Revaluation of Property, Plant and Equipment	0	485	0	485
Net gain on Revaluation of Intangible Assets	0	0	0	0
Net gain on Revaluation of Financial Assets	0	(36)	0	(36)
Net gain on Assets Held for Sale	0	0	0	0
Impairments and Reversals	0	(632)	0	(632)
Movements in other reserves	0	0	0	0
Transfers between reserves	441	(441)	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	0
Transfers to Other Bodies within the group	368	0	0	368
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain on pensions	0	0	0	0
Total recognised income and expense for 2011-12	(348,578)	(624)	0	(349,202)
Net Parliamentary funding	351,210	0	0	351,210
Balance at 31 March 2012	2,431	10,621	0	13,052

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		**(365,850)**	(348,344)
Depreciation and Amortisation	12/13	**1,717**	1,608
Impairments and Reversals	14	**2,828**	(511)
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		**(841)**	0
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**0**	0
Decrease/(Increase) in Trade and Other Receivables		**4,114**	(6,956)
(Increase)/Decrease in Other Current Assets		**0**	0
(Decrease)/Increase in Trade and Other Payables		**(5,588)**	6,563
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions Utilised	32	**(49)**	(1,061)
Increase/(Decrease) in Provisions	32	**3,291**	881
Net Cash Outflow from Operating Activities		**(360,378)**	(347,820)
Cash flows from investing activities			
Interest Received	9	**11**	70
(Payments) for Property, Plant and Equipment		**(2,062)**	(3,777)
(Payments) for Intangible Assets		**0**	(11)
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**0**	200
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 Outflow from Investing Activities		**(2,051)**	(3,518)
Net cash outflow before financing		**(362,429)**	(351,338)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(117)**	0
Net Parliamentary Funding	3.5	**362,543**	351,210
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 from Financing Activities		**362,426**	351,210
Net (decrease) in cash and cash equivalents	23	**(3)**	(128)
Cash and Cash Equivalents at Beginning of the Period	23	**3**	131
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		**0**	0
Cash and Cash Equivalents at year end	23	**0**	3

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.

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, and certain financial assets and financial liabilities

As a result of the Health and Social Care Act 2012, PCTs ceased to exist on 31 March 2013.

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

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

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

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

The PCT considers the Department of Health guidance on LIFT schemes and Legal Charge properties being brought onto the Statement of Financial Position under IFRIC 12 to be critical judgements made on its behalf.

The PCT also considers the classification of premises payments made to GPs as operating leases to fall under the remit of IFRIC 4 - Determining whether an arrangement contains a lease, IAS 17:Leases and SIC 27:Evaluations the substance of transactions involving the legal form of a lease.

1. Accounting policies (continued)

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

Property, plant and equipment assets are depreciated over their estimated useful lives. The lives of the assets are assessed annually and may vary depending on a number of factors such as technology innovation and maintenance programmes. See Note 1.7 for further details.

From 2009-10 onwards the PCT has made a decision to undertake a revaluation of its land and buildings, in accordance with the requirements of IAS 16, on an annual basis, supplemented by appropriate indices as required. Therefore, book values will more closely relate to market values and this estimation uncertainty will, to a large extent, be eliminated.

For 2012-13 the PCT only undertook a full revaluation of properties where expenditure during the year was greater than £250,000. As a result only Leek Hospital was fully revalued. On advice from GVA Grimley Limited, the PCT's independent qualified valuer, the movement in BCIS indices since the PCTs last full revaluation was negligible and so no further revaluation based on indices was appropriate.

The PCT applies estimation techniques to establish appropriate levels of expenditure for prescribing costs, Quality Outcome Framework (QOF) payments to GP's and other accrued expenditure based on trend information, extrapolation and locally gathered information. The prescribing payable as at 31st March 2013 was £7.016m of which £6.374m was estimated. Subsequent 2012-13 prescribing information received shows this to estimate to be £642k lower than the actual payable.

The Quality Outcome Framework payments to GP's payable at 31st March 2013 is £5.083m which is entirely based on activity data available at that time. Subsequent 2012-13 QOF information received will impact on the 2012-13 expenditure should this estimate be different to the actual payable.

The PCT has accounted for various provisions within Note 32. The outcome of the current pending claims cannot be predicted with certainty, therefore any decision regarding outcomes for both legal or other claims above that are included within the 2012-13 financial accounts could result in the PCT incurring additional charges to its operational activities and cash flow.

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 entered into a pooled budget with Staffordshire County Council, which operated until the end of 2011-12. Under the arrangement funds were pooled under S75 of the NHS Act 2006 for the following Service User Groups:

People with learning disabilities
People with mental health needs
Older people aged sixty-five (65) years and over
People with physical and/or sensory disabilities

The pool was hosted by Staffordshire County Council. As a commissioner of healthcare services, the PCT made contributions to the pool, which were then used to purchase healthcare services. The PCT accounted for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement.

1. Accounting policies (continued)

1.4 Taxation

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

1.5 Administration and Programme Costs

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

The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.
Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrangements and so is recorded as such in the financial statements.

1.6 Capital Charges

A Revenue Resource Limit adjustment has been made reflecting the cost of capital utilised by the PCT. The capital charge is 3.5% (2011-12 3.5%) of the net average assets less liabilities except for donated assets and cash balances with the Government Banking Services (GBS) which are excluded from the calculation.

1.7 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

For 2012-13 the PCT only undertook a full revaluation of a property where the expenditure incurred during the year on an individual property was greater than £250,000. The revaluation was conducted by David Cooney MA MRICS for and on behalf of GVA Grimley Limited, the PCT's independent qualified valuer. The PCT only undertook a full valuation of Leek Hospital during 2012-13 . Properties over which the PCT held a legal charge have been impaired during 2012-13. The impact of both of these transactions is an overall impairment value of £2.828k shown in the SOCNE. The PCT received funding from the SHA equal to this impairment. 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.

1. Accounting policies (continued)

HM Treasury adopts 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.

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-off and charged to operating expenses.

1.8 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 amortised historic cost to reflect the opposing effects of increases in development costs and technological advances.

1. Accounting policies (continued)

1.9 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 property, plant and equipment 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 are 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.

1.10 Donated assets

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. Donated income is deferred only where conditions attached to the donation have not been met.

1.11 Government grants

The value of assets received by means of a government grant are credited directly to income. Government Grant income is deferred only where conditions attached to the grant have not been met.

1.12 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 the General Fund.

1. Accounting policies (continued)

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.

1.13 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula.

1.14 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.

1.15 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).

Losses and special payments are compiled on an accruals basis excluding any provision in relation to such payment.

1.16 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.

The provisions for clinical negligence claims are included in the accounts of the NHSLA, they are not included in the accounts of the PCT.

Under TCS arrangements the PCT will continue to be legally liable for any claim submitted prior to the establishment of the newly formed Staffordshire and Stoke on Trent Partnership Trust. Any new claims submitted following establishment will be the legal responsibility of the new organisation regardless of the date of occurrence of event.

1.17 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.

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.

1.18 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. Accounting policies (continued)

1.19 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.

1.20 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.

1.21 EU Emissions Trading Scheme

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

1.22 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)

1.23 Directors/Non Executive Costs incorporated within the PCTs operating costs

The 2011-12 Operating Framework set out that it would not be possible to retain effective management capacity in all PCTs until their abolition in 2013, presenting unacceptable risks to quality and financial management. In response to this concern the DoH confirmed that PCTs will be retained as statutory organisations but for 2011-12 onwards there would be consolidation of management capacity, with single executive teams each managing a cluster of PCT's.

As a result of the above changes, the Trust Board Executive Directors acted as executives across South Staffordshire PCT, North Staffordshire PCT and Stoke on Trent PCT statutory bodies until 31 November 2011, from 1 December 2011 although the 3 PCT's remained separate legal entities, the cluster became a common board for all 3 PCTs as governance arrangements for North StaffordshirePCT, South Staffordshire PCT and Stoke on Trent PCT had been amalgamated under the umbrella of Staffordshire Cluster. The remuneration of Directors is recharged across all three PCT's based on a Weighted Capitation basis (See table below).

Trust Board Non Executive Directors were consolidated into a single cluster common board on 1 December 2011, prior to this each PCT retained its own Non Executives on their respective Trust Board.

Weighted Capitation	Population	Recharge Percentage
Stoke on Trent PCT	318,218	29%
North Staffordshire PCT	215,211	19%
South Staffordshire PCT	580,843	52%
Total	**1,114,272**	**100%**

Analysis of Operating Costs shows under Chair, Non executive Directors and PEC remuneration, only those costs that have been directly generated from those individuals directly employed by South Staffordshire PCT. The costs recharged relating to the other Board members who are employed by either North Staffordshire PCT or Stoke on Trent PCT, those costs are included within the Goods and Services from other PCTs non healthcare.

1.24 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.

1. Accounting policies (continued)

The PCT as lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the PCTs 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 PCTs 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.

1.25 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.

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

The NHS Continuing Healthcare provision relating to the claims in response to the Department of Health notification to introduce a deadline is based on the assumptions detailed in Note 32.

Clinical Negligence Costs
NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the PCT.

Since financial responsibility for clinical negligence cases transferred to the NHS Litigation Authority at 1 April 2002, the only charge to operating expenditure in relation to clinical negligence in 2011-12 relates to the PCT's contribution to the Clinical Negligence Scheme for Trusts.

Non Clinical Risk Pooling
The Primary Care Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Primary Care Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses as and when they become due.

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

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

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

1.27 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. Fair value is determined to be the carrying amount.

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.

1. Accounting policies (continued)

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 using IAS 39 AG 74 and following paragraphs. Given that there is no active market for these assets, the investments are valued at historic cost.

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.

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. Fair value is determined to be the carrying amount.

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.

1.28 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.

1. Accounting policies (continued)

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 LIFT 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) LIFT assets, liabilities, and finance costs

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

A LIFT liability is recognised at the same time as the LIFT assets are recognised. It is measured initially at the net present value of the minimum lease payments 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.

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.

1. Accounting policies (continued)

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

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

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

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

1.30 Going Concern

As a consequence of the Health and Social Care Act 2012, The PCT was dissolved on 31st March 2013.
It's 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.
As a result, the Board of North Staffordshire PCT have prepared these financial statements on a going concern basis.

1.31 PCT Closedown

Under the provisions of *The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013* , North Staffordshire PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 41 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

See Note 1.7 regarding revaluation and impairments of the PCT's properties during 2012-13.

2. Operating segments

For 2012-13 North Staffordshire PCT has only one operating segment covering the commissioning of healthcare services. Provider services transferred to Staffordshire and Stoke-on-Trent Partnership NHS Trust and therefore, the financial results are recorded in the new Trust's Accounts for the whole of 2011-12 under merger accounting principles. The PCT's turnover did not reduce as a result of this transfer of activity, but converted into a contract for community healthcare services in accordance with other providers.

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	**366,680**	349,387
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**366,735**	350,101
Underspend Against Revenue Resource Limit (RRL)	**55**	714

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	**15,915**	3,071
Charge to Capital Resource Limit	**2,025**	2,875
Underspend Against CRL	**13,890**	196

3.3 Provider full cost recovery duty

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

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**362,543**	351,210
Cash Limit	**362,543**	351,210
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)	317,587
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**317,587**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	5,936
Plus: drugs reimbursement (central charge to cash limits)	39,020
Parliamentary funding credited to General Fund	**362,543**

4. Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**5**	0	5	2
Dental Charge income from Contractor-Led GDS & PDS	**2,849**	0	2,849	2,860
Dental Charge income from Trust-Led GDS & PDS	**0**	0	0	0
Prescription Charge income	**1,667**	0	1,667	1,590
Strategic Health Authorities	**0**	0	0	0
NHS Trusts	**229**	229	0	847
NHS Foundation Trusts	**493**	0	493	17
Primary Care Trusts Contributions to DATs	**0**	0	0	0
Primary Care Trusts - Other	**1,120**	414	706	2,747
Primary Care Trusts - Lead Commissioning	**3,079**	0	3,079	3,666
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	0
Recoveries in respect of employee benefits	**239**	239	0	356
Local Authorities	**339**	10	329	207
Patient Transport Services	**0**	0	0	0
Education, Training and Research	**10,386**	0	10,386	11,496
Non-NHS: Private Patients	**0**	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**	0	0	0
NHS Injury Costs Recovery	**0**	0	0	0
Other Non-NHS Patient Care Services	**0**	0	0	0
Charitable and Other Contributions to Expenditure	**0**	0	0	0
Receipt of donated assets	**0**	0	0	0
Receipt of Government granted assets	**0**	0	0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**3,569**	15	3,554	3,448
Other revenue	**108**	86	22	374
Total miscellaneous revenue	**24,083**	**993**	**23,090**	**27,610**
Of rental income from finance leases above:				
Contingent rent	**0**	0	0	0
Other	**0**	0	0	0
Rental income from finance leases	**0**	0	0	0
Of rental income from operating leases above:				
Rental revenue	**3,569**	15	3,554	3,448
Contingent rent	**0**	0	0	0
Rental income from operating leases	**3,569**	15	3,554	3,448
Of other revenue above:				
Other Cash revenue	**108**	86	22	374
Other Non Cash Revenue	**0**	0	0	0
Rental income from other revenue	**108**	86	22	374

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	**46,641**	0	46,641	43,702
Non-Healthcare	**1,242**	730	512	2,469
Total	**47,883**	730	47,153	46,171
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**195,219**	349	194,870	188,396
Goods and services (other, excl Trusts, FT and PCT))	**15**	0	15	228
Total	**195,234**	349	194,885	188,624
Goods and Services from Foundation Trusts	**11,326**	0	11,326	10,816
Purchase of Healthcare from Non-NHS bodies	**18,787**	0	18,787	19,336
Social Care from Independent Providers	**0**	0	0	0
Expenditure on Drugs Action Teams	**0**	0	0	0
Non-GMS Services from GPs	**123**	0	123	84
Contractor Led GDS & PDS (excluding employee benefits)	**9,424**	0	9,424	9,462
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**2,067**	0	2,067	2,095
Chair, Non-executive Directors & PEC remuneration	**165**	165	0	201
Executive committee members costs	**403**	402	1	283
Consultancy Services	**480**	376	104	293
Prescribing Costs	**34,450**	0	34,450	35,653
G/PMS, APMS and PCTMS (excluding employee benefits)	**30,174**	0	30,174	28,879
Pharmaceutical Services	**1,213**	0	1,213	1,158
Local Pharmaceutical Services Pilots	**87**	0	87	56
New Pharmacy Contract	**8,487**	0	8,487	8,102
General Ophthalmic Services	**1,670**	0	1,670	1,722
Supplies and Services - Clinical	**397**	2	395	128
Supplies and Services - General	**0**	0	0	5
Establishment	**531**	344	187	592
Transport	**35**	0	35	28
Premises	**1,825**	531	1,294	1,286
Impairments & Reversals of Property, plant and equipment	**2,828**	0	2,828	(511)
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**1,683**	0	1,683	1,599
Amortisation	**34**	0	34	9
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**(71)**	0	(71)	55
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**8,086**	68	8,018	8,975
Audit Fees	**123**	123	0	225
Other Auditors Remuneration	**74**	74	0	50
Clinical Negligence Costs	**51**	51	0	108
Education and Training	**1,886**	111	1,775	1,564
Grants for capital purposes	**55**	0	55	0
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**4,044**	140	3,904	1,915
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**383,554**	3,466	380,088	368,963
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**43**	0	43	913
Trust led PDS and PCT DS	**0**	0	0	0
PCT Officer Board Members	**480**	436	44	251
Other Employee Benefits	**5,856**	4,755	1,101	5,827
Total Employee Benefits charged to SOCNE	**6,379**	5,191	1,188	6,991
Total Operating Costs	**389,933**	8,657	381,276	375,954
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**0**	0	0	0
Grants to Local Authorities to Fund Capital Projects	**0**	0	0	0
Grants to Private Sector to Fund Capital Projects	**55**	0	55	0
Grants to fund Capital Projects - Dental	**0**	0	0	0
Grants to fund Capital Projects - Other	**0**	0	0	0
Total Capital Grants	**55**	0	55	0
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	**55**	0	55	0

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**7,664**	7,531	133
Weighted population (number in units)*	**215,211**	215,211	215,211
Running costs per head of population (£ per head)	**36**	35	1
PCT Running Costs 2011-12			
Running costs (£000s)	**8,009**	7,799	210
Weighted population (number in units)*	**215,211**	215,211	215,211
Running costs per head of population (£ per head)	**37**	36	1

* 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 weighted capitation formula.

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

For Cost of Capital for 2011-12 and 2012-13 a revenue resource limit adjustment has been made reflecting the Cost of Capital utilised by the PCT.

The Audit fee relates entirely to the External audit of the PCT.

Other Auditors Remuneration includes; £32,200 (2011/12: £36,000) for work carried out and fees paid directly to the audit commission relating to PBR audits and National Fraud Initiative, and £18,453 due diligence work for TCS. This is categorised as category 9 - Services relating to corporate finance transactions entered into by the PCT.

The remaining elements of this expenditure line £23,000 relate to internal audits and as such is categorised under category 5 - Internal Audit Services

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	**30,174**	28,879
Prescribing costs	**34,450**	35,653
Contractor led GDS & PDS	**9,424**	9,462
Trust led GDS & PDS	**2,067**	2,095
General Ophthalmic Services	**1,670**	1,722
Department of Health Initiative Funding	**0**	0
Pharmaceutical services	**1,213**	1,158
Local Pharmaceutical Services Pilots	**87**	56
New Pharmacy Contract	**8,487**	8,102
Non-GMS Services from GPs	**123**	84
Other	**200**	0
Total Primary Healthcare purchased	**87,895**	87,211
Purchase of Secondary Healthcare		
Learning Difficulties	**4,209**	4,232
Mental Illness	**41,288**	39,438
Maternity	**5,333**	5,145
General and Acute	**132,823**	124,361
Accident and emergency	**6,659**	6,309
Community Health Services	**58,415**	52,502
Other Contractual	**21,792**	26,422
Total Secondary Healthcare Purchased	**270,519**	258,409
Grant Funding		
Grants for capital purposes	**55**	0
Grants for revenue purposes	**0**	0
Total Healthcare Purchased by PCT	**358,469**	345,620
PCT self-provided secondary healthcare included above	**0**	0
Social Care from Independent Providers	**11,326**	10,816
Healthcare from NHS FTs included above	**11,326**	10,816

6. Operating Leases

The PCT currently owns premises which it leases to the Staffordshire and Stoke-on-Trent Partnership NHS Trust. This arrangement ceased at the 31st March 2013 when the properties transferred to NHS Property Services and Community Health Partnerships.

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**0**	281
Contingent rents				**0**	0
Sub-lease payments				**0**	927
Total				**0**	**1,208**
Payable:					
No later than one year	**0**	**198**	**16**	**214**	205
Between one and five years	**0**	**0**	**0**	**0**	212
After five years	**0**	**0**	**0**	**0**	0
Total	**0**	**198**	**16**	**214**	**417**

Total future sublease payments expected to be received	0	0

The PCT has entered into certain financial arrangements involving the use of GP premises. Under:
IAS 17 Leases
SIC 27 Evaluating the substance of transactions involving the legal form of a lease
IFRIC 4 Determining whether an arrangement contains a lease

The PCT has determined that those operating leases must be recognised, but as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the Operating Cost Statement for 2012-13 is £997k (2011-12 £927k)

The future sublease payments after the 31st March 2013 will be received by NHS Property Services and Community Health Services.

6.2 PCT as lessor

The PCT leases various elements of its properties to GPs and the Staffordshire and Stoke-on-Trent Partnership NHS Trust.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**3,569**	3,448
Contingent rents	**0**	0
Total	**3,569**	3,448
Receivable:		
No later than one year	**3,214**	3,116
Between one and five years	**1,715**	1,657
After five years	**8,748**	10,070
Total	**13,677**	14,843

The future sublease receipts after the 31st March 2013 will be received by NHS Property Services and Community Health Services.

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13									2011-12		
				Permanently employed			Other					
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Permanently employed £000	Other £000
Employee Benefits - Gross Expenditure												
Salaries and wages	**5,247**	**4,284**	**963**	**3,852**	**3,093**	**759**	**1,395**	**1,191**	**204**	5,657	4,649	1,008
Social security costs	**361**	**290**	**71**	**361**	**290**	**71**	**0**	**0**	**0**	361	361	0
Employer Contributions to NHS BSA - Pensions Division	**562**	**451**	**111**	**562**	**451**	**111**	**0**	**0**	**0**	612	612	0
Other pension costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other post-employment benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other employment benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Termination benefits	**209**	**166**	**43**	**209**	**166**	**43**	**0**	**0**	**0**	361	361	0
Total employee benefits	**6,379**	**5,191**	**1,188**	**4,984**	**4,000**	**984**	**1,395**	**1,191**	**204**	6,991	5,983	1,008
Less recoveries in respect of employee benefits (table below)	**(239)**	**(239)**	**0**	**(239)**	**(239)**	**0**	**0**	**0**	**0**	(356)	(356)	0
Total - Net Employee Benefits including capitalised costs	**6,140**	**4,952**	**1,188**	**4,745**	**3,761**	**984**	**1,395**	**1,191**	**204**	6,635	5,627	1,008
Employee costs capitalised	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Gross Employee Benefits excluding capitalised costs	**6,379**	**5,191**	**1,188**	**4,984**	**4,000**	**984**	**1,395**	**1,191**	**204**	6,991	5,983	1,008
Recognised as:												
Commissioning employee benefits	**6,379**	**5,191**	**1,188**	**4,984**	**4,000**	**984**	**1,395**	**1,191**	**204**	6,991	5,983	1,008
Provider employee benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Gross Employee Benefits excluding capitalised costs	**6,379**	**5,191**	**1,188**	**4,984**	**4,000**	**984**	**1,395**	**1,191**	**204**	6,991	5,983	1,008
Employee Benefits - Income												
Salaries and wages	**239**	**239**	**0**	**239**	**239**	**0**	**0**	**0**	**0**	356	356	0
Social Security costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Employer Contributions to NHS BSA - Pensions Division	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other pension costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other Post Employment Benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other Employment Benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Termination Benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
TOTAL excluding capitalised costs	**239**	**239**	**0**	**239**	**239**	**0**	**0**	**0**	**0**	356	356	0

	2012-13			2011-12		
	Total £000	Permanently employed £000	Other £000	Total £000	Permanently employed £000	Other £000
Employee Benefits Net Disclosure 2012-13						
Salaries and wages	**5,008**	**3,613**	**1,395**	5,657	4,649	1,008
Social security costs	**361**	**361**	**0**	361	361	0
Employer Contributions to NHS BSA - Pensions Division	**562**	**562**	**0**	612	612	0
Other pension costs	**0**	**0**	**0**	0	0	0
Other post-employment benefits	**0**	**0**	**0**	0	0	0
Other employment benefits	**0**	**0**	**0**	(356)	(356)	0
Termination benefits	**209**	**209**	**0**	361	361	0
Total net employee benefits	**6,140**	**4,745**	**1,395**	6,635	5,627	1,008
Employee costs capitalised	**0**	**0**	**0**	0	0	0
Net Employee Benefits excluding capitalised costs	**6,140**	**4,745**	**1,395**	6,635	5,627	1,008
Recognised as:						
Commissioning employee benefits	**6,140**	**4,745**	**1,395**	6,635	5,627	1,008
Provider employee benefits	**0**	**0**	**0**	0	0	0
Net Employee Benefits excluding capitalised costs	**6,140**	**4,745**	**1,395**	6,635	5,627	1,008

7.2 Staff Numbers

	Total Number	**2012-13 Permanently employed Number**	**Other Number**	Total Number	2011-12 Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	**4**	**1**	**3**	6	3	3
Ambulance staff	**0**	**0**	**0**	0	0	0
Administration and estates	**89**	**82**	**7**	103	97	6
Healthcare assistants and other support staff	**0**	**0**	**0**	0	0	0
Nursing, midwifery and health visiting staff	**3**	**3**	**0**	4	4	0
Nursing, midwifery and health visiting learners	**0**	**0**	**0**	0	0	0
Scientific, therapeutic and technical staff	**4**	**3**	**1**	3	2	1
Social Care Staff	**0**	**0**	**0**	0	0	0
Other	**0**	**0**	**0**	0	0	0
TOTAL	**100**	**89**	**11**	116	106	10
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	**484**	8,561
Total Staff Years	**90**	915
Average working Days Lost	**5**	9

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**0**	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	30

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13 Number of compulsory redundancies	2012-13 Number of other departures agreed	2012-13 Total number of exit packages by cost band	2011-12 Number of compulsory redundancies	2011-12 Number of other departures agreed	2011-12 Total number of exit packages by cost band
	Number	**Number**	**Number**	Number	Number	Number
Lees than £10,000	**0**	**1**	**1**	2	1	3
£10,001-£25,000	**1**	**1**	**2**	5	1	6
£25,001-£50,000	**1**	**0**	**1**	4	0	4
£50,001-£100,000	**1**	**1**	**2**	2	0	2
£100,001-£150,000	**0**	**0**	**0**	0	0	0
£150,001-£200,000	**0**	**0**	**0**	0	0	0
>£200,000	**0**	**0**	**0**	0	0	0
Total number of exit packages by type (total cost	**3**	**3**	**6**	13	2	15
	£000s	**£000s**	**£000s**	£000s	£000s	£000s
Total resource cost	**93**	**115**	**208**	346	15	361

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Redundancy Scheme and the Mutually Agreed Resignation Scheme. Exit costs in this note are accounted for in full in the year of departure. 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 agreed with staff in the year. Note: The expense associated with these departures may have been recognised in part or 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 annual 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 provides 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 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	**7,999**	**34,421**	9,492	42,767
Total Non-NHS Trade Invoices Paid Within Target	**6,687**	**29,436**	8,227	40,588
Percentage of NHS Trade Invoices Paid Within Target	**83.60%**	**85.52%**	86.67%	94.90%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,396**	**296,026**	2,903	260,502
Total NHS Trade Invoices Paid Within Target	**2,858**	**292,525**	2,324	258,817
Percentage of NHS Trade Invoices Paid Within Target	**84.16%**	**98.82%**	80.06%	99.35%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	**0**	**0**	**0**	0
PFI finance lease revenue (contingent)	**0**	**0**	**0**	0
Other finance lease revenue	**0**	**0**	**0**	0
Subtotal	**0**	**0**	**0**	0
Interest Income				
LIFT: equity dividends receivable	**0**	**0**	**0**	0
LIFT: loan interest receivable	**11**	**0**	**11**	70
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	**11**	**0**	**11**	70
Total investment income	**11**	**0**	**11**	70

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	**0**	**0**	**0**	(300)
Gain/(Loss) on disposal of assets other than by sale (intangibles)	**0**	**0**	**0**	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	**0**	**0**	**0**	0
Gain (Loss) on disposal of assets held for sale	**0**	**0**	**0**	0
Gain/(loss) on foreign exchange	**0**	**0**	**0**	0
Change in fair value of financial assets carried at fair value through the SOCNE	**0**	**0**	**0**	0
Change in fair value of financial liabilities carried at fair value through the SOCNE	**0**	**0**	**0**	0
Change in fair value of investment property	**0**	**0**	**0**	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	**0**	**0**	**0**	0
Total	**0**	**0**	**0**	(300)

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	**0**	**0**	**0**	0
Interest on obligations under PFI contracts:				
- main finance cost	**0**	**0**	**0**	0
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**761**	**0**	**761**	751
- contingent finance cost	**80**	**0**	**80**	62
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	0
Total interest expense	**841**	**0**	**841**	813
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**0**		**0**	
Total	**841**	**0**	**841**	813

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	**7,409**	**34,611**	**0**	**0**	**0**	**0**	**0**	**0**	**42,020**
Additions of Assets Under Construction	0	0	0	0	0	0	0	0	**0**
Additions Purchased	0	2,025	0	0	0	0	0	0	**2,025**
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	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	126	0	0	0	0	0	0	**126**
Impairments/negative indexation	(225)	(233)	0	0	0	0	0	0	**(458)**
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	**7,184**	**36,529**	**0**	**0**	**0**	**0**	**0**	**0**	**43,713**
Depreciation									
At 1 April 2012	**0**	**1,088**	**0**	**0**	**0**	**0**	**0**	**0**	**1,088**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments	377	2,451	0	0	0	0	0	0	**2,828**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	1,683	0	0	0	0	0	0	**1,683**
Transfers from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**377**	**5,222**	**0**	**0**	**0**	**0**	**0**	**0**	**5,599**
Net Book Value at 31 March 2013	**6,807**	**31,307**	**0**	**0**	**0**	**0**	**0**	**0**	**38,114**
Purchased	6,807	31,307	0	0	0	0	0	0	**38,114**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**6,807**	**31,307**	**0**	**0**	**0**	**0**	**0**	**0**	**38,114**
Asset financing:									
Owned	5,922	27,235	0	0	0	0	0	0	**33,157**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	885	4,072	0	0	0	0	0	0	**4,957**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**6,807**	**31,307**	**0**	**0**	**0**	**0**	**0**	**0**	**38,114**

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	**2,464**	**8,157**	**0**	**0**	**0**	**0**	**0**	**0**	**10,621**
Revaluation	0	126	0	0	0	0	0	0	**126**
Impairment/Negative Indexation	(225)	(233)	0	0	0	0	0	0	**(458)**
Transfer Between Reserves	0	(387)	0	0	0	0	0	0	**(387)**
At 31 March 2013	**2,239**	**7,663**	**0**	**0**	**0**	**0**	**0**	**0**	**9,902**

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	0
Dwellings	0
Plant & Machinery	0
Balance as at 31 March 2013	**0**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:									
At 1 April 2011	**8,953**	**35,762**	**0**	**200**	**(69)**	**0**	**(11)**	**(46)**	**44,789**
Additions - purchased	0	3,096	0	0	69	0	11	46	**3,222**
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	200	0	(200)	0	0	0	0	**0**
Reclassified as held for sale	(527)	0	0	0	0	0	0	0	**(527)**
Disposals other than by sale	(500)	(200)	0	0	0	0	0	0	**(700)**
Revaluation & indexation gains	0	494	0	0	0	0	0	0	**494**
Impairments	(517)	(115)	0	0	0	0	0	0	**(632)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep'n netted off cost following revaluat	0	(4,626)	0	0	0	0	0	0	**(4,626)**
At 31 March 2012	**7,409**	**34,611**	**0**	**0**	**0**	**0**	**0**	**0**	**42,020**
Depreciation									
At 1 April 2011	**0**	**4,626**	**0**	**0**	**0**	**0**	**0**	**0**	**4,626**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments	0	1,879	0	0	0	0	0	0	**1,879**
Reversal of Impairments	0	(2,390)	0	0	0	0	0	0	**(2,390)**
Charged During the Year	0	1,599	0	0	0	0	0	0	**1,599**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep'n netted off cost following revaluat	0	(4,626)	0	0	0	0	0	0	**(4,626)**
At 31 March 2012	**0**	**1,088**	**0**	**0**	**0**	**0**	**0**	**0**	**1,088**
Net Book Value at 31 March 2012	**7,409**	**33,523**	**0**	**0**	**0**	**0**	**0**	**0**	**40,932**
Purchased	7,409	33,494	0	0	0	0	0	0	**40,903**
Donated	0	29	0	0	0	0	0	0	**29**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**7,409**	**33,523**	**0**	**0**	**0**	**0**	**0**	**0**	**40,932**
Asset financing:									
Owned	6,525	29,306	0	0	0	0	0	0	**35,831**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	884	4,217	0	0	0	0	0	0	**5,101**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**7,409**	**33,523**	**0**	**0**	**0**	**0**	**0**	**0**	**40,932**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	**£000**
At 31 March 2011	2,951	8,283	0	4	0	0	7	**11,245**
Prior period adjustments	0	0	0	0	0	0	0	**0**
Merger adjustments	0	0	0	0	0	0	0	**0**
At 1 April 2011	2,951	8,283	0	4	0	0	7	**11,245**
Movements - land and buildings revaluation in the y	(487)	(126)	0	(4)	0	0	(7)	**(624)**
At 31 March 2012	**2,464**	**8,157**	**0**	**0**	**0**	**0**	**0**	**10,621**

12.3 Property, plant and equipment

For 2012-13 the PCT only undertook a full revaluation of properties where expenditure during the year was greater than £250,000. The revaluation was conducted by David Cooney MA MRICS for and on behalf of GVA Grimley Ltd, the PCT's independent qualified valuer. As a result only Leek Hospital was fully revalued. On advice from GVA Grimley Ltd the movement in BCIS indices since the PCTs last full revaluation was negligible and so no further revaluation based on indices was appropriate.

The PCT has assessed that under the requirements of International Financial Reporting Standards (IFRS) it is required to comply with, it should account for its PFI and LIFT Properties, plus those properties over which the PCT has a legal charge on its Statement of Financial Position even though the PCT does not own the freehold to these assets.

The economic lives of the PCT's Buildings (excluding dwellings) are:

Maximum life - 60 years

Minimum life - 1 year

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**	**108**	**0**	**0**	**0**	**108**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**108**	**0**	**0**	**0**	**108**
Amortisation						
At 1 April 2012	**0**	**74**	**0**	**0**	**0**	**74**
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	34	0	0	0	**34**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**108**	**0**	**0**	**0**	**108**
Net Book Value at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	0	**0**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

Revaluation reserve balance for intangible non-current assets

	Software internally generated	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	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**	**97**	**0**	**0**	**0**	**97**
Additions - purchased	0	11	0	0	0	**11**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
Cumulative dep'n netted off cost following revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**108**	**0**	**0**	**0**	**108**
Amortisation						
At 1 April 2011	**0**	**65**	**0**	**0**	**0**	**65**
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	9	0	0	0	**9**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
Less cumulative dep'n written down on revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**74**	**0**	**0**	**0**	**74**
Net Book Value at 31 March 2012	**0**	**34**	**0**	**0**	**0**	**34**
Net Book Value at 31 March 2012 comprises						
Purchased	0	34	0	0	0	**34**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**34**	**0**	**0**	**0**	**34**

13.3 Intangible assets

The PCT uses historic cost as a proxy for Fair Value as it does not consider these to be materially different. The assets are valued at cost and amortised over a maximum of 10 years.

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	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	2,828	0	2,828
Total charged to Annually Managed Expenditure	**2,828**	**0**	**2,828**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
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
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	458	0	458
Total impairments for PPE charged to reserves	**458**	**0**	**458**
Total Impairments of Property, Plant and Equipment	**3,286**	**0**	**3,286**
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	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
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
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total impairments for Intangible Assets charged to Reserves	**0**	**0**	**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	0
Other	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
TOTAL impairments for Financial Assets charged to reserves	**0**	**0**	**0**
Total Impairments of Financial Assets	**0**	**0**	**0**
Non-current assets held for sale - impairments and reversals charged to SOCNE			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**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	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**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	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Total Investment Property impairments charged to SOCNE	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	458	0	458
Total Impairments charged to SOCNE - DEL	0	0	0
Total Impairments charged to SOCNE - AME	2,828	0	2,828
Overall Total Impairments	**3,286**	**0**	**3,286**
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	**0**	0	0
Donated and Gov Granted Assets, included above			
Donated Asset Impairments: amount charged to SOCNE - DEL	**0**	0	0
Donated Asset Impairments: amount charged to SOCNE - AME	**0**	0	0
Donated Asset Impairments: amount charged to revaluation reserve	**0**	0	0
Total Donated Asset Impairments	**0**	0	0
Government Granted Asset Impairments: amount charged to SOCNE - DEL	**0**	0	0
Government Granted Asset Impairments: amount charged to SOCNE - AME	**0**	0	0
Government Granted Asset Impairments: amount charged to revaluation reserve	**0**	0	0
Total Gov Granted asset Impairments.	**0**	**0**	**0**
TOTAL DONATED/GOVERNMENT GRANTED ASSET IMPAIRMENTS	**0**	**0**	**0**

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

	31 March 2013 £000	31 March 2012 £000
Property, plant and equipment	**0**	2,677
Intangible assets	**0**	0
Total	**0**	2,677

Due to the demise of the PCT on the 31st March 2013, the PCT was not contractually committed to any capital schemes.

16.2 Other financial commitments

The trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements). The payments to which the trust is committed are as follows:

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

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	645	0	2,116	0
Balances with Local Authorities	11	0	1,119	0
Balances with NHS bodies outside the Departmental Group	0	0	3	0
Balances with NHS Trusts and Foundation Trusts	4,351	0	5,661	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	278	0	14,320	0
At 31 March 2013	**5,285**	**0**	**23,219**	**0**
prior period:				
Balances with other Central Government Bodies	2,238	0	2,485	0
Balances with Local Authorities	204	0	240	0
Balances with NHS Trusts and Foundation Trusts	5,992	0	10,233	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	765	200	16,114	0
At 31 March 2012	**9,199**	**200**	**29,072**	**0**

18 Inventories

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

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	**1,705**	2,554	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**3,193**	5,547	**0**	0
Non-NHS receivables - revenue	**239**	329	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**157**	838	**0**	200
Provision for the impairment of receivables	**(168)**	(239)	**0**	0
VAT	**112**	129	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**37**	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	**10**	41	**0**	0
Total	**5,285**	9,199	**0**	200
Total current and non current	**5,285**	9,399		
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	**585**	348
By three to six months	**24**	97
By more than six months	**1**	41
Total	**610**	486

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	**(239)**	(186)
Amount written off during the year	**0**	2
Amount recovered during the year	**71**	0
(Increase)/decrease in receivables impaired	**0**	(55)
Balance at 31 March 2013	**(168)**	(239)

Provisions are assessed on outstanding invoices raised that are over 90 days old. Those considered to be high risk are provided for in full. Those considered to be medium risk are provided at 75% of their value and low risk at 65% as this is the PCT's estimation of revised future cash flows for these items. In instances where it is clear that there is a potential bad debt, it is not necessary for the 90 day period to pass before a provision is raised.

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**391**	**5**	**396**
Additions	**0**	**0**	**0**
Disposals	**0**	**0**	**0**
Loan repayments	**0**	**0**	**0**
Revaluations	**0**	**0**	**0**
Loans repayable within 12 months	**0**	**0**	**0**
Balance at 31 March 2013	**391**	**5**	**396**
Balance at 1 April 2011	213	5	218
Additions	167	0	167
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	11	0	11
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	**391**	**5**	**396**

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**396**	396
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	**396**	396

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

	31 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

	31 March 2013	31 March 2012
	£000	£000
Opening balance	**3**	131
Net change in year	**(3)**	(128)
Closing balance	**0**	3
Made up of		
Cash with Government Banking Service	**0**	0
Commercial banks	**0**	3
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**0**	3
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**0**	3
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 on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	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**
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	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
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	527	0	0	0	0	0	0	0	0	**527**
Less assets sold in the year	(527)	0	0	0	0	0	0	0	0	**(527)**
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:

	£000
At 31 March 2012	0
At 31 March 2013	0

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Interest payable	**0**	0	**0**	0
NHS payables - revenue	**1,587**	5,671	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**5,998**	6,516	**0**	0
Family Health Services (FHS) payables	**7,016**	8,027	**0**	0
Non-NHS payables - revenue	**2,743**	1,414	**0**	0
Non-NHS payables - capital	**362**	627	**0**	0
Non-NHS accruals and deferred income	**5,241**	6,124	**0**	0
Social security costs	**51**	48	**0**	0
VAT	**0**	0	**0**	0
Tax	**69**	97	**0**	0
Payments received on account	**0**	0	**0**	0
Other	**152**	548	**0**	0
Total	**23,219**	29,072	**0**	0
Total payables (current and non-current)	**23,219**	29,072		

Other payables include £nil in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012: £311k).

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	**0**	0
Bank overdraft - commercial banks	**0**	0	**0**	0
PFI liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**0**	0	**7,689**	7,578
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**0**	0	**7,689**	7,578
Total other liabilities (current and non-current)	**7,689**	7,578		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	**Other £000s**	**Total £000s**
0 - 1 Years	0	(159)	**(159)**
1 - 2 Years	0	(192)	**(192)**
2 - 5 Years	0	(732)	**(732)**
Over 5 Years	0	8,772	**8,772**
TOTAL	**0**	**7,689**	**7,689**

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Opening balance at1 April 2012	**567**	1,107	**0**	0
Deferred income addition	**0**	0	**0**	0
Transfer of deferred income	**(567)**	(540)	**0**	0
Current deferred Income at 31 March 2013	**0**	567	**0**	0
Total other liabilities (current and non-current)	**0**	567		

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	
	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	
	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	**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

Finance leases as lessee	**31 March 2013 £000**	31 March 2012 £000
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	
	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	**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	
	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	**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**	
	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	**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

Finance Leases (as a Lessor)	**31 March 2013**	31 March 2012
	£000	£000
The unguaranteed residual value accruing to the PCT is	**0**	0
Accumulated allowance for uncollectible minimum lease payments receivable	**0**	0

Rental Income	**31 March 2013**	31 March 2012
	£000	£000
Contingent rent	**0**	0
Other	**0**	0
Total rental income	**0**	0

32 Provisions

		Comprising:								
	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**1,063**	0	0	0	0	197	0	0	323	543
Arising During the Year	**4,063**	0	498	0	0	3,024	16	0	525	0
Utilised During the Year	**(49)**	0	0	0	0	0	0	0	(49)	0
Reversed Unused	**(772)**	0	0	0	0	0	0	0	(260)	(512)
Unwinding of Discount	**0**	0	0	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**4,305**	**0**	**498**	**0**	**0**	**3,221**	**16**	**0**	**539**	**31**
Expected Timing of Cash Flows:										
No Later than One Year	**1,224**	**0**	**422**	**0**	**0**	**322**	**8**	**0**	**441**	**31**
Later than One Year and not later than Five Years	**2,899**	**0**	**0**	**0**	**0**	**2,899**	**0**	**0**	**0**	**0**
Later than Five Years	**182**	**0**	**76**	**0**	**0**	**0**	**8**	**0**	**98**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2013	**19**
As at 31 March 2012	43

The value and timing of pension payments are estimates resulting in uncertainty relating to the value and timing of the final payments. All other provisions are expected to be resolved within the next financial year subject to various internal reviews. None of the provisions are material.

The PCT is not expecting any reimbursements in respect of its provisions.

£19k is included in the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the PCT (31/03/12 £43k).

Continuing Healthcare Provision
The PCT has provided £197k for continuing healthcare claims existing at the 31st March 2013, which the PCT has assessed as valid claims (31/03/12 £196k).

In addition there were a significant number of claims being assessed at the 31st March 2013. The PCT expects that a percentage of these claims will be valid, and based on the information available at the 31st March 2013 has estimated the value of these claims to be £3.024m

The Continuing Healthcare provision relates to 171 claims for retrospective continuing healthcare funding. These claims were received prior to the 31 March 2013 submission deadline imposed by the Department of Health. The carrying value of the provision for these claims is subject to the following underlying assumptions and estimates:

- Average claim length
- Weekly cost of providing care
- Probability of success

Assumptions are based upon a combination of historical claim performance and management estimates.

Pensions relating to other staff
This provision covers both early retirement (other than those due to ill health) and injury benefits (payable to former employees forced to retire due to injury suffered in the workplace) and is in respect of future payments payable to the NHS Pensions Agency. The calculation is based on the outstanding gross pension for each individual less the estimated number of living years remaining (life expectancy factor based on current age).

Dilapidations

The figures were calculated by the PCT Estates Department based on an analysis of the leases and in particular the repairing obligations as defined within each lease, for example, whether it was full or internal repair. In addition, knowledge of the site was also used in the analysis in terms of size of property and condition etc.

In addition to this there was an analysis as to how the Trust occupied the premises, for example, initial refurbishment work which may require reinstatement at the end of the lease was also a major factor in a number of cases

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other	**0**	0
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**0**	0
Contingent Assets		
Contingent Assets	**0**	155
Net Value of Contingent Assets	**0**	155

During 2012/13 the Department of Health gave notification to introduce a deadline for any new NHS Continuing Healthcare funded cases, which required assessment of eligibility prior to 31 March 2013.

The PCT received a significant number of these claims and has provided a provision in the accounts. This has been a difficult provision to estimate, as the PCT was in the early stages of the process; any additional costs will create a financial pressure and will be a contingent liability for the CCGs moving forward.

The PCT had an outstanding debt of £155k in 2011-12. During 2012-13 £68k was recovered and the PCT is seeking to recover the remaining balance of £87k.

34 PFI and LIFT - additional information

The PCT has three operational LIFT schemes, delivering Primary Care Services at Alton, Audley and Milehouse. Alton and Audley schemes were operational in 2006-07 and were for a term of 25 and 26 years respectively. Milehouse became operational in 2009-10 for a term of 25 years. The contract between the PCT and LIFT Co follows the national format. There are no terms in the arrangement that affect the amount, timing or certainty of future cash flows except for annual increases linked to RPI. The service element of the contract will be retendered every 5 years. The PCT has rights to purchase the asset at the end of the contract. The price is marginally below market value.

The PCT also achieved financial close on the 1st November 2011 in relation to the LIFT development at Biddulph. This is expected to be operational in April 2013.

	Start of operating period	**End of operating period**
Alton Health Centre	01/06/2006	31/05/2031
Audley Health Centre	01/01/2007	31/08/2031
Milehouse Health Centre	02/06/2009	01/06/2034

The PCT is required to make an annual Leaseplus payment to the LIFT company under each contract. This unitary payment includes charges for the buildings including interest, and facilities management and asset lifecycle costs. The unitary payment is subject to annual inflationary uplifts, linked to the RPI, under the terms of the contract.

The PCT has an option to purchase each property at the end of the above operating periods. The PCT has determined that it is reasonably certain to exercise this option, based on an assessment of the residual value of the properties.

Under IFRIC 12, the LIFT properties are treated in the PCT accounts as assets of the PCT. The substance of the contracts is that the PCT has a finance lease. Accounting for finance leases requires that the annual unitary payments are split between payment for the asset (including interest), service costs and lifecycle replacement costs. The assets are subject to cost of capital charges over the life of the lease.

	31 March 2013 £000	31 March 2012 £000
34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI		
Total charge to operating expenses in year - OFF SOFP PFI	**0**	0
Service element of on SOFP PFI charged to operating expenses in year	**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, No Later than Five Years	**0**	0
Later than Five Years	**0**	0
Total	**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, No 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 £000**	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	**0**	0
Service element of on SOFP LIFT charged to operating expenses in year	**213**	208
Total	**213**	208

	31 March 2013 £000	31 March 2012 £000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT		
LIFT Scheme Expiry Date:		
No Later than One Year	**244**	213
Later than One Year, No Later than Five Years	**1,132**	1,092
Later than Five Years	**5,429**	5,713
Total	**6,805**	7,018

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**31 March 2013 £000**	31 March 2012 £000
No Later than One Year	**614**	651
Later than One Year, No Later than Five Years	**2,364**	2,373
Later than Five Years	**25,972**	26,576
Subtotal	**28,950**	29,600
Less: Interest Element	**(21,261)**	(22,022)
Total	**7,689**	7,578

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g. LIFT/PFI)			
Depreciation charges	**145**	0	145
Interest Expense	**841**	0	841
Impairment charge - AME	**0**		0
Impairment charge - DEL	**0**	0	0
Other Expenditure	**122**	0	122
Revenue Receivable from subleasing	**(630)**	0	(630)
Total IFRS Expenditure (IFRIC12)	**478**	**0**	**478**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**(447)**	0	(447)
Net IFRS change (IFRIC12)	**31**	**0**	**31**
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		
Revenue costs of IFRS: all other expenditure associated with IFRS (e.g. finance leases)			
Depreciation charge	**0**	0	0
Interest expense	**0**	0	0
Impairment charge - AME	**0**	0	0
Impairment charge - DEL	**0**	0	0
Other expenditure	**0**	0	0
Total IFRS expenditure (non IFRIC12)	**0**	0	0
Revenue consequences under UK GAAP	**0**	0	0
Net IFRS change (non IFRIC12)	**0**	**0**	**0**
Capital consequences of IFRS all other expenditure associated with IFRS			
Capital expenditure 2012-13	**0**	0	0
Net assets relating to non-IFRIC12 IFRS - IFRS basis	**0**	0	0
Net assets relating to non-IFRIC12 IFRS - UKGAAP basis	**0**	0	0
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	**0**	0	0

Financial risk management

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

Currency risk

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

Interest rate risk

PCTs are not permitted to 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 Financial Instruments

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**	**0**	**0**
Receivables - NHS	**0**	**4,898**	**0**	**4,898**
Receivables - non-NHS	**0**	**470**	**0**	**470**
Cash at bank and in hand	**0**	**0**	**0**	**0**
Other financial assets	**0**	**1**	**396**	**397**
Total at 31 March 2013	**0**	**5,369**	**396**	**5,765**
Embedded derivatives	0	0	0	0
Receivables - NHS	0	8,101	0	8,101
Receivables - non-NHS	0	1,298	0	1,298
Cash at bank and in hand	0	3	0	3
Other financial assets	0	1	396	397
Total at 31 March 2012	0	9,403	396	9,799

36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	**0**	**0**	**0**
NHS payables	**0**	**7,582**	**7,582**
Non-NHS payables	**0**	**15,672**	**15,672**
Other borrowings	**0**	**7,689**	**7,689**
PFI & finance lease obligations	**0**	**0**	**0**
Other financial liabilities	**0**	**1,153**	**1,153**
Total at 31 March 2013	**0**	**32,096**	**32,096**
Embedded derivatives	0	0	0
NHS payables	0	12,187	12,187
Non-NHS payables	0	16,885	16,885
Other borrowings	0	0	0
PFI & finance lease obligations	0	7,578	7,578
Other financial liabilities	0	0	0
Total at 31 March 2012	0	36,650	36,650

37 Related party transactions

Current Year

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mr A Matthews	6,841,115	10,000	1,041,902	10,000
Dr D Hughes	43,560	0	0	0
Mr B Machin	41,198	0	0	0
Mr H Cartwright	85,290	0	0	0
Dr A Ahmed	5,861,206	10,000	1,041,902	10,000

Mr A Matthews is a Director of Prima 200 Ltd (which is a requirement of holding the position of Director of Finance).The transactions also include Staffordshire County Council, his spouse's employer.
Dr D Hughes the North Staffordshire Clinical Commissioning Group Chair is a GP Partner at Moorlands Medical Centre in Leek.
Mr B Machin a Non-Executive Director for the PCT is a Treasurer of Home-Start, Staffordshire Moorlands.
Mr H Cartwright is a Non-Executive Director for the PCT performs consultancy work for Aspire Housing.
Dr A Ahmed, Director of Public Health, North and South Staffordshire, is involved in the transfer of Public Health services to Staffordshire County Council.

The Department of Health is regarded as a related party. During the year North Staffordshire 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. These entities are:

	Payments to Other NHS £000	Receipts from Other NHS £000	Amounts owed to Other NHS £000	Amounts due from Other NHS £000
University Hospital of North Staffordshire NHS Trust	114,563	270	1,588	154
Stoke and Staffordshire Partnership Trust	57,286	3,572	1,885	3,415
North Staffordshire Combined Healthcare NHS Trust	26,013	62	721	36
Birmingham East and North PCT	33,375	38	0	38
Stoke-on-Trent PCT	21,263	5,908	698	249
East Cheshire NHS Trust	6,776	0	153	0
West Midlands Ambulance Service NHS Trust	7,325	0	157	0
West Midlands Strategic Health Authority	16	0	0	0
Totals	**266,617**	**9,850**	**5,202**	**3,892**

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 HM Revenue and Customs for Income Tax, National Insurance Payments and VAT and significant transactions with Staffordshire County Council.

Prior Year Comparators

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mr A Matthews	7,600,000	207,000	229,000	127,000
Dr D Hughes	716,802	0	0	0
Mr B Machin	30,898	0	0	0
Mr H Cartwright	84,767	0	84,767	0
Dr A Ahmed	6,648,000	207,000	229,000	127,000

Mr A Matthews is a Director of Prima 200 Ltd (which is a requirement of holding the position of Director of Finance).The transactions also include Staffordshire County Council, his spouse's employer.
Dr D Hughes the North Staffordshire Clinical Commissioning Group Chair is a GP Partner at Moorlands Medical Centre in Leek.
Mr B Machin a Non-Executive Director for the PCT is a Treasurer of Home-Start, Staffordshire Moorlands.
Mr H Cartwright is a Non-Executive Director for the PCT performs consultancy work for Aspire Housing.
Dr A Ahmed, Director of Public Health, North and South Staffordshire, is involved in the transfer of Public Health services to Staffordshire County Council.

The Department of Health is regarded as a related party. During the year North Staffordshire 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. These entities are:

	Payments to Other NHS £000	Receipts from Other NHS £000	Amounts owed to Other NHS £000	Amounts due from Other NHS £000
University Hospital of North Staffordshire NHS Trust	107,935	619	4,040	564
Stoke and Staffordshire Partnership Trust	48,672	3,687	3,277	4,650
North Staffordshire Combined Healthcare NHS Trust	27,368	36	850	0
Birmingham East and North PCT	26,427	0	0	52
Stoke-on-Trent PCT	20,039	6,356	1,416	1,884
East Cheshire NHS Trust	7,006	0	0	443
West Midlands Ambulance Service NHS Trust	1,160	0	81	0
West Midlands Strategic Health Authority	29	1,625	7	17
Totals	**238,636**	**12,323**	**9,671**	**7,610**

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 HM Revenue and Customs for Income Tax, National Insurance Payments and VAT and significant transactions with Staffordshire County Council.

38 Losses and special payments

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

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

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

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

Details of cases individually over £250,000

There were no cases individually over £250,000 (prior year none).

39 Third party assets

The PCT held no third party assets at the 31st March 2013.

40 Cash flows relating to exceptional items

None.

41 Events after the reporting period

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

	2012-13 Baseline Estimate £'000	2013-14 Revenue Allocation £'000
- North Staffordshire CCG	242,785	248,369
- NHS Commissioning Board, containing the Commissioning Support Unit and Local Area Team	98,410	98,854
- Staffordshire County Council	19,562	20,071
- Public Health England	739	758
	361,496	368,052

There is currently work being undertaken to establish the detail of assets and liabilities being transferred to the above successor bodies.

Certain assets and liabilities have been transferred to NHS Property Services and others to NHS Trust bodies on 1st April 2013 at the 31st March 2013 SoFP values. It is for the successor body to consider whether, in 2013-14, it is necessary to subject these assets (and liabilities) to any revaluation.