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Hounslow Primary Care Trust

2012-13 Annual Report and Accounts

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Hounslow Primary Care Trust

2012-13 Annual Report

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NHS Hounslow

Report

2012/2013

Table of Contents

Chair and Chief Executive NHS North West London joint statement

Welcome to the annual report for NHS Hounslow covering the primary care trust's (PCT's) final year, from 1 April 2012 to 31 March 2013. This report reviews the work of the PCT and highlights what we achieved working closely with our partners.

NHS Hounslow was part of a cluster of eight PCTs in North West London. The eight PCTs were Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea and Westminster.

In April 2011, we reorganised the management of the eight PCTs into three sub clusters, each with a common management team: Brent and Harrow, Inner North West London (Hammersmith and Fulham, Kensington and Chelsea, and Westminster) and Outer North West London (Ealing, Hillingdon and Hounslow). This change helped to reduce management costs while maintaining a local focus.

In April 2012, we took this one step further, with further integration of the management of the PCTs. For the remainder of the year, we had a single senior team overseeing the work of all eight PCTs, with the PCT boards having the same members and meeting at the same time.

Together, these PCTs had responsibility to buy and oversee healthcare for the residents of their areas – nearly two million people in total across North West London. Their job was to work with GPs, other community based professionals and hospitals to improve healthcare for residents, and to make it easier to access services when they need them.

The challenge for the PCTs in 2012/13 was both to meet the ever increasing health demands of the populations they served while balancing their budgets. While the NHS's overall budget has been protected, demands and costs are increasing, so the task for the health service is to improve efficiency while maintaining high quality. To help us achieve this, with clinical colleagues across North West London, we developed 'Shaping a Healthier Future', a strategy to improve the quality of and access to services across North West London. To help develop these plans, the North West London PCTs worked with GPs, hospitals, community service providers, mental health trusts and local authorities. We also had an extensive programme of patient and public involvement in order to listen to and take into account people's views.

The year also saw a new organisational structure starting to be developed as a result of the reforms to healthcare commissioning contained in the Health and Social Care Act 2012. Through a carefully planned transition, we set up new GP-led clinical commissioning groups in shadow form. The eight clinical commissioning groups in North West London were authorised by NHS England in 2012/13, which gave them the responsibility for the commissioning of many health care services in their areas from 1 April 2013.

The CCGs decided to manage themselves in two groups of four to best use their expertise and resources while maintaining a crucial local link. The PCTs supported the creation of the new organisations, providing support and guidance to develop the structures and systems, and to appoint and train staff.

We also created the North West London Commissioning Support Unit (NWL CSU) which was also authorised by the Department of Health to provide commissioning support services to the CCGs from April 2013.

The shadow CCGs started to lead the commissioning process from 1 October 2012, including contract negotiations for the provision of healthcare services from 2013/14 onwards. They also specified their commissioning support needs from the NWL CSU.

Since 1 April 2013, PCTs, along with strategic health authorities, no longer exist, and staff in the PCTs moved to the CCGs, NWL CSU, local authority public health teams or NHS England. We worked closely with staff to make sure that the expertise that they held was not lost to the NHS. Most staff took on roles within the new system, and the NHS has thus fortunately retained much of the experience, skills and relationships developed during the life of the PCTs.

We would like to record our thanks to our many partners – GPs, patient representatives, other primary and community care providers, NHS Trusts, local authorities and voluntary sector organisations, for working with us so energetically to meet our shared aims.

Lastly, we would like to thank all the dedicated staff across the North West London PCTs who continued to work so hard through these major changes. The changes affected people personally but it is to their immense credit that they remained focused on ensuring that the very best healthcare possible is provided to residents in North West London.

Jeff Zitron – Chair, NHS North West London

Anne Rainsberry – Chief Executive, NHS North West London

Chair and Chief Officer NHS Hounslow Clinical Commissioning Group joint statement

Working together to improve services for patients during a period of organisational change is how the year of 2012/13 can be best summed up. We started the year with NHS Hounslow leading local health services, but over the course of the year NHS Hounslow Clinical Commissioning Group has increasingly taken a lead in making decisions on health services.

We have faced significant challenges in the last year and we have developed a strong partnership with local GPs and our neighbouring clinical commissioning groups, NHS trusts, the local authority, the voluntary sector and with NHS North West London. This has enabled us to work together to improve services for patients.

In this report you can read about the many examples of how we have worked with our partners to improve services for patients. These include a new integrated community response service (ICRS) to reduce the number of non-elective admissions and length of stay in hospital; a new consultant-led community pulmonary rehabilitation and home oxygen assessment service; and the development of Hounslow urgent care centre at West Middlesex Hospital.

Delivering more services in a community setting has been a key theme of the Shaping a Healthier Future consultation to improve NHS services across North West London, including Hounslow. There have, understandably been many concerns from local residents about the proposals, and we will continue to work hard to ensure we get the best possible services for Hounslow. We have also made clear that changes to hospital services can only take place once there have been significant improvements to community based services.

We are also committed to learn the lessons from The Mid Staffordshire NHS Foundation Trust public inquiry and the Winterbourne View Care Home scandal will be a key focus. We want to ensure patient safety and do all we can to guarantee that our residents receive high quality care. We will be holding providers of NHS services to account to ensure that they do so.

In order to deliver effective services we need to work in partnership, none more so than with Hounslow Council, with whom we are developing integrated and coordinated services. Our thanks also go to all our partners within the health, voluntary and private sectors for their support.

In addition to developing our new Hounslow CCG Governing Body and members' practices, all staff in NHS Hounslow have gone through a restructuring process as part of the changes underway across the NHS.

In 2012, we formed a collaboration between Hammersmith and Fulham, West London, Central London and Hounslow CCGs, which has enabled us to share a number of our staff costs including the Chief Officer, Chief Financial Officer, Clinical Governance and Strategy roles without affecting our autonomy.

Staff have moved either to work in the clinical commissioning group, the new commissioning support unit, local authority public health teams, or in the new NHS Commissioning Board.

However, some staff have not been able to identify a role in either organisation and we continue to support these staff to find alternative employment. Organisational restructuring is always a stressful process for everyone involved, and we would like to pay tribute to the hard work by all staff throughout the year, even though everyone's personal future has been uncertain.

Organisations are only as good as their people, and the progress and successes we have achieved in Hounslow in 2012/13 is a reflection of the high calibre of staff we are fortunate to have. We would like to pay tribute to our GP member practices, Clinical Leads and the Management Team for all their hard work and contribution, which has put Hounslow CCG in a very good position to start its work as a statutory body.

2012/13 has been a challenging year and the next year is set to be as challenging. However, we are confident that with a continued focus on quality services, patient outcomes and the hard work undertaken by everyone in 2012/13, we have a solid base on which to go forward.

Dr Nicola Burbidge, Chair, NHS Hounslow Clinical Commissioning Group

Daniel Elkeles, Chief Officer, NHS Hounslow Clinical Commissioning Group

The NHS in Hounslow

NHS Hounslow was established on 1 April 2002 and was the local NHS organisation responsible for securing healthcare for Hounslow residents and for reducing health inequalities in the borough. The PCT used its budget to commission (buy) services from a wide range of health providers including hospitals, mental health and community providers, GPs, dentists and community pharmacies.

The PCT was also responsible for helping residents lead a healthier lifestyle through programmes addressing issues such as smoking, alcohol abuse, exercise and healthy eating.

The main hospital services in our area are provided by:

- West Middlesex University Hospital NHS Trust
- Imperial College Healthcare NHS Trust

Mental health services are provided by West London Mental Health NHS Trust and community services from Hounslow and Richmond Community Healthcare NHS Trust. The PCT also commissioned services from a number of private and voluntary sector providers.

The work of PCTs was managed by a Board comprising executive and non-executive directors with Board meetings held in public. On 1 April 2011 NHS Hounslow was clustered together with seven other PCTs: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Kensington and Chelsea and Westminster to form NHS North West London. This was the largest cluster in London and governance was managed at an eight-PCT level management team, with a Board in Common and one Chair.

Changes in the NHS
Major changes to the way primary and secondary care is commissioned across the NHS were introduced on 1 April 2013 as a result of Government's Health and Social Care Act 2012.

The key changes to healthcare are as follows:

Clinical Commissioning Groups
NHS Hounslow was disbanded on 31 March 2013 and responsibility for the commissioning of secondary care for residents transferred to NHS Hounslow Clinical Commissioning Group. You can find out more about Hounslow CCG later in this report.

NHS England
NHS England has taken on many of the functions of the former primary care trusts with regard to the commissioning of primary care health services, as well as some of the nationally-based functions previously undertaken by the Department of Health. This includes out-of-hours care, pharmaceutical and primary ophthalmic services, dental services and some other specialist services. It is a single national organisation, although many of its functions are carried out at a local level.

Public health
From 1 April 2013 local authorities were given a new duty to improve the health of their population. To help Hounslow Council fulfill this duty, the public health team that was previously based in NHS Hounslow has moved over to it. A national body, Public Health England, was established to protect and improve the nation's health and wellbeing, and to reduce health inequalities.

Commissioning support units
Commissioning support units provide a range of business functions designed to help clinical commissioning groups make better decisions for their patients and improve health services. North West London Commissioning Support Unit provides commissioning support to the eight CCGs in North West London, including Hounslow CCG.

Healthwatch England
Hounslow Local Involvement Network (LINk), which used to look after the interests of users of publicly funded health and social care services, was replaced by Healthwatch Hounslow, part of Healthwatch England. Healthwatch England is the new, independent consumer champion for health and social care in England.

Health and wellbeing board
A new health and wellbeing board was established for Hounslow that brings together the leaders of the local health and social care systems to work towards a common purpose to improve services and outcomes. The board members work together to develop a joint strategic needs assessment and joint health and wellbeing strategy for the borough. Integrating services, joint commissioning and pooling resources is central to translating their needs assessment and joint strategy into action.

NHS Hounslow Clinical Commissioning Group

From 1 April 2013 NHS Hounslow Clinical Commissioning Group (HCCG) became a fully legal entity with responsibility for designing local health services that are focused on delivering better outcomes and responding to the needs and wishes of patients.

We will do this by commissioning or buying the health and care services our residents need including:

- Elective hospital care
- Rehabilitation care
- Urgent and emergency care
- Most community health services
- Mental health and learning disability services

HCCG is co-terminous with the London Borough of Hounslow and is made up of GPs, nurses, practice managers, and lay members, as well as an accountable officer. During 2012, with the support of NHS Hounslow and NHS North West London, the CCG started to operate in shadow form, learning about its new role and developing the structures needed to move forward. Applying to become authorised

involved gathering and presenting a large number of pieces of evidence to NHS England demonstrating that our CCG was ready to become an NHS statutory body.

Members of the shadow CCG's Governing Body, patients, and colleagues from Public Health and the London Borough of Hounslow took part in a rigorous assessment day with a panel from NHS England. This process allowed NHS England to scrutinise the shadow organisation and to identify any areas requiring further discussion and evidence.

The feedback from the CCG assessment day was very positive and a testament to the work that our patients and colleagues in the CCG, NHS Hounslow, NHS North West London and the London Borough of Hounslow have been doing over the past year and in many cases, several years. Authorisation by NHS England showed that our CCG was safe and effective and ready to take on the task in hand.

HCCG works closely with our partners from local government, the NHS and the voluntary and community sector and is committed to involving our residents in the decisions that affect local health services. Working closely with colleagues in the London Borough of Hounslow, we consider the wider needs of Hounslow residents and visitors, taking into account both health and social care services, to develop a joint health and wellbeing strategy. This strategy helps inform how we align our priorities and the services we commission, which in turn addresses the health needs of our population but also identifies opportunities for stronger integration between health and social care services.

At the same time the CCG has been developing its plans for how it wants local health services to deliver care, with an emphasis on improving clinical safety, quality and the patient experience. These plans are set out in a range of policies and documents available on our website including our commissioning intentions and Out of Hospital strategy.

NHS Hounslow Clinical Commissioning Group has three key commissioning intentions for 2013/14 and a number of supporting actions to meet those aims.

- Easy access to high quality, responsive, primary care: We will ensure GP opening hours support the access of urgent care patients during the core hours Monday to Friday and will focus on the direction of patients to the right place in the system. We are also considering creating a rota for 'in hours' urgent primary care appointments for children enabling parents to easily access primary care within the GP community.
- Urgent and ambulatory emergency care: Hounslow CCG is focused on developing a rapid response to urgent care so that fewer patients need to access hospital A&E care. The new 111 service and General Practice out-of-hours service are the main focus for urgent care in 2013.
- Locality based integrated care across health and social care: A new team formed from the London Borough of Hounslow and the rehabilitation team from Hounslow and Richmond Community Health care will provide co-ordinated health and social care support for patients at home. We are also looking at the possibility of creating an integrated care organisation for Hounslow and Richmond.

HCCG is committed to fully involving patients and the public in its work and has set up a robust governance structure to oversee patient and public engagement (PPE) work – led by a clinical lead on the Board and overseen by a Patient and Public Engagement sub-committee, the membership of which includes clinical and patient members as well as representatives from the local Healthwatch.

The CCG recognises that equality and diversity is a key statutory responsibility of Clinical Commissioning Groups. To enable the organisation to commission effectively and to the highest standards, the CCG Board has agreed that patient leads should sit on the working groups for different CCG projects, provide PPE and Equality and Diversity Training for staff, members and the board and continuing support for GP patient participation groups.

We also work collaboratively with three of our neighbouring CCGs: Central London, West London, and Hammersmith and Fulham as the majority of our providers, whether they are emergency, elective, and community based or mental health are shared between us. Working together to manage spend and foster successful relationships with these providers enables us to make joint decisions where that makes sense and to manage financial resources to prioritise patient needs.

We also work closely with Brent, Ealing, Harrow and Hillingdon CCGs, on areas that affect all eight CCGs in North West London, such as the Shaping a Healthier Future consultation and the associated implementation work. The eight CCGs in North West London have also appointed a joint Director of Strategy, allowing us the best opportunity to commission services with improved outcomes for local people, as well as sharing knowledge and best practice.

You can find out more about Hounslow CCG by viewing its 2013 Prospectus or visiting its website www.hounslowccg.nhs.uk.

The London Borough of Hounslow

Hounslow is the ninth largest borough in London, situated geographically between the Thames, Heathrow Airport and central London. The environment and the population of Hounslow are diverse. Each of the local wards and communities differ greatly in character, with unique needs, challenges and priorities. Hounslow's population in 2011 was estimated at 239,748 people.

The population is relatively young, with over half under 35 years of age. However, there is a significant and growing older population in the borough, with the proportion of those aged over 65 years expected to rise in line with national projections. Birth rates are increasing and are higher than the London and national averages. This combined with growing life expectancy will increase the demand on Hounslow's healthcare systems.

Hounslow's population is diverse, with 43% identifying themselves as being of Black, Asian or Minority Ethnic origin, compared to 34% in London as a whole. Around 46%

of children in Hounslow speak English as their first language; other commonly spoken languages include Punjabi, Urdu, Somali, Polish, Arabic and Hindi.

The population of Hounslow is extremely fluid, with an annual turnover of 18%. This presents challenges in monitoring key elements of health such as childhood immunisation. Hounslow is ranked 118 out of 354 boroughs in England, from most deprived to least deprived. About 8% of Hounslow's population live within the 20% most deprived areas in England on the national scale of deprivation; while about 5.8% live in areas ranked in the 20% most deprived in London.

Hounslow's rates of life expectancy are slightly lower than those for the South East Region, but not significantly worse than the England average. However, there is variance within Hounslow: the life expectancy of children born between 2007 and 2009 ranges from 74-89 years for males and 78-84 years for females. The difference between the ward with the longest male life expectancy (Heston East) and the shortest (Isleworth) is 15 years; while the gap between the longest (Turnham Green) and shortest (Feltham North) female life expectancy is six years.

The relationship between life expectancy and various indicators of deprivation is well known; and predictably, both Isleworth and Feltham North fall into the 30% of most deprived areas in England.

There are a number of key health indicators where Hounslow performs significantly worse than the national average. These are the:

- Proportion of children living in poverty;
- Rates of violent crime;
- Proportion of obese children (year 6 level);
- Rates of tooth decay in children aged 12 years;
- Amount of physical activity in adults;
- Rates of hospital admission for alcohol related harm;
- Number of diabetics;
- New cases of tuberculosis; and
- Premature mortality rates for cardiovascular disease.

Hounslow also performs more poorly than the London average for all of these indicators (with the exception of children living in poverty). The Hounslow Health and Wellbeing Strategy 2011-16 will address these key priority areas.

NHS Hounslow performance

NHS Hounslow had a statutory duty to report on the performance of its services during the reporting year. Throughout 2012/13, NHS Hounslow has continued to seek improvements in the performance of key health services by implementing its health and wellbeing strategy, targeting improved self-care and improving the quality of health for the population.

Maintaining focus on performance together with our local GPs, we saw a number of improvements on our 2011/12 performance which are subsequently delivering better health outcomes for the local population. Key achievements for the year include:

- Achieved the 90% target referral to treatment waiting times for all admitted patients being seen within 18 weeks by the end of 2012/13.
- Achieved the cancer 2 week wait percentage for the number of patients seen within 2 weeks of an urgent GP referral for suspected cancer.
- Achieved the national target for patients waiting more than 6 weeks for a diagnostic test.
- The national target of 75%, for Category A response within eight minutes was achieved by the end of 2012/13, with the London Ambulance Service reporting performance of 75.4%.
- Successfully achieved the mental health indicators for improved access to psychological therapies, early intervention (new cases of psychosis) and crisis resolution services.

Areas where improvement is still needed included:

- The target of no more than 54 cases of clostridium difficile for 2012/13 was exceeded, with 62 cases reported. There will be a continued focus on managing and reducing healthcare acquired infections, with collaborative working between the newly formed Hounslow Clinical Commissioning Group, working closely with their provider trusts.
- The target tolerance of no more than eight MRSA bacteraemia cases for 2012/13 was exceeded, with 14 cases reported. There will be a continued focus on managing and reducing healthcare acquired infections, with collaborative working between the newly formed Hounslow Clinical Commissioning Group, working closely with their provider trusts.
- Percentage of patients receiving first definitive treatment for cancer within 62-days of an urgent GP referral for suspected cancer, percentage treated in 62 days from urgent GP referral for suspected cancer: 83.9 % out of a target of 90 %.

The new NHS organisations established in April 2013, including Hounslow CCG will have responsibility for improving those areas where performance is poor.

The year in focus

2012/13 has been marked by the wider strategic changes in London overall and North West London in particular, most notably the consultation on Shaping a Healthier Future which looked at the reconfiguration of acute services across North West London. There is more information about this project later in this report.

As the year progressed, HCCG increasingly took the lead on making decisions on health services in the borough by developing its Out of Hospital strategy with a focus on strengthening primary care, urgent care and rapid response, improving integrated care by rolling out more robust joint working arrangements and providing outpatient care in a community setting, closer to patients' homes.

At the same time we kept our focus on ensuring we commissioned high quality and safe services for the registered population while managing the transition to the new CCG and keeping within budget. We needed to ensure we delivered our key performance indicators and continued to drive through our service improvement agenda through the Quality Innovation Productivity and Prevention (QIPP) Plan.

We had many successes in delivering healthcare and developing new innovative services that will make a real difference to local residents' health and wellbeing. In some cases these are local initiatives driven by local clinicians and our partners, and some are local implementation of national initiatives.

Introducing a new GP IT system

Establishing a single record for each patient across a variety of health services has been the key priority for NHS Hounslow during 2012/13.

Over a short period of time almost all GP practices in Hounslow changed from four different IT systems to a single system called SystmOne. This means nearly 95 % of the GP registered population in Hounslow now have their medical records on SystmOne.

Patients now have a greater control about who can access their medical records and where. This reduces repetitive questions each time the patient registers at a new health service; improves the quality of care by providing clinicians with a comprehensive set of information; and above all, it reduces the level of duplication and waste in terms of unnecessary tests, examinations and delays in communications.

Traditionally local health services relied on faxes and letters to share information which could get lost or misplaced, so this new system is far more secure, faster and reliable.

We also introduced SystmOne in a number of community services, which made it easy for patients' records to be safely shared between GP practices and the community services. These services include:

- Urgent Care Centres
- Integrated Care Response Service
- Community Ophthalmology Service
- Pulmonary Rehabilitation Service
- Community Anti Coagulation Service
- Intermediate Diabetes Service
- Drug and Alcohol Therapies Service

Hounslow CCG plans to continue the roll out in the next year to a number of other services, with the aim of ensuring every patient has one single record in Hounslow.

HM Prison and Young Offender Institution Feltham

Since 2006, NHS Hounslow has been responsible for the commissioning of healthcare services for HM Prison and Young Offender Institution Feltham (YOIF), which is in the borough of Hounslow. There are over 750 residents at YOIF, comprised of young people from the age of 15 to 18, and young adults from the age of 18 to 21 placed in custody by the courts.

In 2012/13, NHS Hounslow, in partnership with YOIF, sought a new preferred provider of healthcare services for the residents. Following due process, Care UK was chosen as the lead provider of healthcare services for the YOIF, with the Barnet, Enfield and Haringey Mental Health Trust as the secondary provider for mental health services. The new contract started in April 2013.

The design of the cover of NHS Hounslow's guide to end of life services, published in 2012, was based on a design by one of the residents of YOIF.

Hounslow's Integrated Community Response Service

The integrated community response service (ICRS) was set up in 2011 by NHS Hounslow in order to reduce the number of non-elective admissions and length of stay in hospital. It provides the necessary support patients need to continue living in their homes after a health incident such as treatment at an urgent care centre or the emergency department of a hospital.

Due to its success in the first year, in 2012/13 the service was developed from a pilot scheme to a fully commissioned service, providing support to adults with complex needs, particularly the elderly and mental health patients.

Based at Isleworth Health Centre, the multi-disciplinary team is made up of GPs, nurses, physiotherapists, social workers, mental health nurses and a handyman. The team are currently dealing with over 100 cases a month covering admissions avoidance, supported discharge from hospitals, and assisted discharges. The main hospitals it works with are West Middlesex, Charing Cross, Ashford and St Peters and Clayponds.

A typical case was that of an 85 year old partially-sighted woman who attended an emergency department following a fall in her garden. The ICRS team worked with the patient and her daughter to discharge her home as she lived alone, and arranged a social services review. She was given advice on how to minimise loss of balance out of doors, and given treatment to correct her low sodium level in her blood which was picked up when she attended the emergency department.

Following this support from the ICRS team no further intervention has so far been required.

Improving access to psychological services (IAPT)

The Hounslow IAPT service has been running since August 2011, and is delivered through a partnership between West London Mental Health NHS Trust, who provide the core IAPT provision; The Anchor Counselling Service, who provide the counselling element; and Twining Enterprise, who provide employment support.

The IAPT service runs from several GP practices and health centres across the borough and has an establishment consisting of 16 clinical and supervisory staff and two admin staff. A further two high intensity trainees and two low intensity trainees have been approved via the NHS London Clinical Assurance process.

The Hounslow IAPT service receives on average 300 referrals per month and currently has contact with over 200 new clients each month, generally via a telephone assessment. The service has been set targets by the Department of Health and is currently out performing both of these targets.

Hounslow's pulmonary rehabilitation and home oxygen assessment service

A new consultant-led community pulmonary rehabilitation and home oxygen assessment service was commissioned by Hounslow CCG and started in September 2012. The service is provided by BOC who were appointed following a competitive procurement process.

The new service is designed to give patients who suffer from respiratory problems more tailored support in their own homes, with fast access to specialist services when required. More appropriate treatment will enable people to have a better quality of life and reduce the likelihood of requiring hospital treatment.

Key elements of the service are the provision of a consultant supervised multi-disciplinary programme of respiratory physiotherapy; education and support in a community setting for patients with moderate or severe COPD; systematic and integrated assessment and review of Home Oxygen services; and the provision of specialist nurse support to COPD patients discharged from hospitals. A new joined up care pathway has also been established with clear protocols for the transfer of patients between service providers.

Although the service has only been running for several months, early indications are that patients are receiving a better service, which is enabling them to better manage their condition.

New community chronic pain management service

In September 2012 a new community chronic pain service for patients with unremitting musculoskeletal (MSK) pain was introduced, commissioned from Hounslow and Richmond Community Healthcare NHS Trust.

NHS Hounslow commissioned the new service to provide a long term cost effective management programme for chronic musculoskeletal pain. It is aimed at patients who have significant levels of musculoskeletal pain, which impacts on their quality of

life and for whom a multi-disciplinary, psycho-social approach is likely to be beneficial.

The new service is provided by a multi-disciplinary team made up of consultants, clinical specialist physiotherapists and clinical psychologists and delivered from the Therapy Centre at West Middlesex Hospital. Other sessions are provided to patients at various health centres across Hounslow.

NHS Hounslow and Richmond CCG are planning to carry out a patient survey in 2013 to understand how the service has been received and valued by its users.

Urgent care

The Hounslow urgent care centre at West Middlesex Hospital was opened in March 2012, with the service provided by Hounslow and Richmond Community Healthcare NHS Trust, in partnership with Greenbrook Healthcare. It is staffed by experienced GPs, emergency nurse practitioners, nurses, healthcare assistants and other healthcare practitioners. The service assesses and treats patients who have a minor illness or injury that cannot wait or who are inappropriate for treatment by a standard GP surgery.

Those attending with a potentially serious or life-threatening condition are immediately streamed into the West Middlesex Hospital Emergency Department.

In order to ensure that people are seen by the right person to help with their condition, if someone's condition is assessed as being non-urgent, the centre will help to arrange an appointment with the appropriate person or service to help. It might be a GP, a local pharmacist or another community-based service. This allows emergency services to treat patients with serious or life threatening illnesses.

Throughout 2012/13, NHS Hounslow worked closely with the hospital and provider to ensure the service met the needs of patients, and that patients were appropriately directed on to treatments at other locations when appropriate.

The centre has proved very popular and receives high levels of patient satisfaction. In December 2012 an unannounced inspection was carried out by the Care Quality Commission (CQC). The Trust received a good report from this inspection, which highlighted areas of positive feedback and found the Trust to be meeting all six essential standards looked at.

Overall the unit was described as giving good care and patients were positive about the experiences they had while in the unit. The staff were also described as professional and kind and taking the time to explain the care and treatment being provided.

Progress on dementia this year

Both Hounslow CCG and London Borough of Hounslow have identified the improvement of dementia services as a key priority. Early diagnosis and intervention is the key to effective management and outcomes for people with dementia and their

carers. This also helps to reduce unnecessary admission to hospital. This will be achieved by offering memory services that provide assessment and pre and post diagnostic support and signposting.

Shaping a Healthier Future

The Shaping a Healthier Future programme across North West London aims to improve healthcare for the two million people living in the area.

It is led by the clinical commissioning groups and clinicians who have seen first-hand the health inequalities and changing needs in the area. North West London has a growing and ageing population and at present specialists are too thinly spread over too many sites and some facilities are inadequate.

The aim of the programme is to ensure that the right care is delivered in the right places. Clinicians believe that more investment needs to be made in local healthcare so that it is of a more consistently high standard.

The Shaping a Healthier Future vision is to:

- Bring care nearer to patients' homes so people are encouraged to access care earlier and more regularly to identify diseases so they can be more successfully treated and to better manage long term conditions;
- Concentrate complex services (including A&Es) in five major hospitals in order to ensure senior doctors can be present at evenings and weekends as well as during the day and improve the safety and quality of services. Other sites would become local hospitals and elective hospitals, while specialist hospitals would remain largely as they are;
- Develop a more co-ordinated, seamless system that works better to keep people well and independent in the community, improves their quality of life and not just the quality of care they receive, and relieve pressures on NHS services.

All nine current acute hospitals in North West London (Charing Cross Hospital, Chelsea and Westminster Hospital, Central Middlesex Hospital, Ealing Hospital, Hammersmith Hospital, Hillingdon Hospital, Northwick Park Hospital, St Mary's Hospital and West Middlesex Hospital) would continue to provide local hospital services, including a 24/7 urgent care centre (UCC) and outpatient and diagnostic services. These UCCs would be able to treat most illnesses and injuries that people go to hospital for. Those who do need to go to an A&E would generally dial 999 and an ambulance would take them to the nearest major hospital. On average this would take no more than six minutes longer than it does currently.

In determining which hospitals should become major hospitals, the programme assessed the options in great detail, looking at which would deliver the best clinical quality of care and access to care, whether they were affordable and could be delivered, and which would be best for research and education. This resulted in three options that were consulted on, including one preferred option.

Between 2 July and 8 October 2012, the programme ran a public consultation, attending over 200 meetings; arranging two road shows in all eight boroughs plus additional road shows in the neighbouring boroughs of Camden, Richmond and Wandsworth; sending over 73,000 consultation documents out to libraries, doctors' surgeries, pharmacies, hospitals, town halls; and taking part in three major public debates.

Clinicians and managers considered all consultation responses and reconsidered the proposals in light of all the issues and concerns. A number of changes were made to the proposals as a result of issues raised during the consultation. The final recommendations were discussed at a meeting of the Joint Committee of Primary Care Trusts (JCPCT) which represented the eight primary care trusts in North West London.

At this meeting the JCPCT unanimously agreed to give the go ahead to:

- Investing over £190m more in Out of Hospital care to improve community facilities and the care provided by GPs and others across North West London.
- Investing in five major hospitals at Chelsea and Westminster; Hillingdon; Northwick Park; St Mary's; and West Middlesex.
- Developing two hospitals – Central Middlesex and Hammersmith – as hospitals specialising in elective or planned care (for example, pre-planned procedures such as hip operations), as well as having a 24/7 urgent care centre.
- Looking at further proposals for Ealing and Charing Cross hospitals, which were originally going to be local hospitals (also with urgent care centres) but may now have more services put into them, depending on further planning and costing work.

This is a large programme of change and final implementation will take between three and five years in total. Improvements to services outside hospital – such as GP and other local NHS facilities in the community – will happen first. The major changes to hospital services will not happen until these community facilities have first been improved.

More detail can be found on the Shaping a Healthier Future website at www.healthiernorthwestlondon.nhs.uk.

Complaints

Complaints are an important source of feedback that help to shed light on the quality of local health services. A national complaints process applies to all NHS organisations and seeks to provide complainants with an explanation and where appropriate an apology, and the correction of an error or other remedial action. We also seek to learn from complaints and improve our procedures to prevent problems being repeated. The NHS complaints procedure adheres to the Principles of Remedy published by the Parliamentary and Health Service Ombudsman.

In 2012/13 we received a total of 112 complaints (compared to 111 in 2011/12), of which 33 related to services provided directly by the primary care trust, 71 related to primary care services including general practice, dentists and pharmacist. Eight related to services provided by Hounslow and Richmond Community Healthcare, Acute Trusts and other providers.

Informal complaints and concerns raised though our Patient Advice and Liaison Service are also a useful source of information on the quality of service local people receive from the NHS.

From 1 April 2013, comments or complaints about a GP, dentist, pharmacy or optician that can't be resolved locally with the Practice Manager should be dealt with through NHS England. To contact NHS England email england.contactus@nhs.net or call 0300 311 22 33.

If you have any comment or complaint about a hospital, mental health or community trust please contact them directly.
If you have a comment or complaint about any other local health service, please contact your CCG at cwhh.complaints@nhs.net or call 020 3350 4567.

Emergency Planning

The 2004 Civil Contingencies Act (CCA) provides the framework for national civil protection and emergency planning. It outlines the duties, roles and responsibilities required for local responders to deal with the efforts of serious emergencies and major incidents. Primary care trusts are defined as category one responders and are therefore responsible for complying with the six key elements of the CCA.

Emergency preparedness resilience and recovery was a cluster function in North West London, with the eight boroughs of Ealing, Hammersmith and Fulham, Westminster, Kensington and Chelsea, Hillingdon, Hounslow, Brent and Harrow served by a joint team. The team possessed a wealth of local knowledge developed over many years of responding, planning and exercising with local responders in the health community and Local Authorities.

There were a number of major national events that the emergency planning team was involved in during 2012/13. The team was an integral member of the planning in North West London for the Diamond Jubilee and the Olympics and Paralympic Games, ensuring and assuring that the health providers and commissioned services within the cluster could deliver all critical services should an incident happen.

The team also supported NHS North West London, community providers, mental health, acute trusts and the directly commissioned services to develop business continuity procedures.

The PCT on-call system was reviewed and revised and all staff participating in the on-call rota received training on the process that had been put in place. An extensive training programme was delivered to primary care, specifically in relation

to hazardous materials. The team delivered various training sessions throughout the health community, tailored to meet individual's needs, focusing on the organisation's ability to respond and recover should an incident occur. The emergency planning function transferred to NHS England early in 2013.

The legacy of the North West London emergency planning team is a comprehensive, detailed portfolio of emergency plans to support the response and recovery of the health community should an incident occur.

Taking care of the environment

A North West London-wide waste strategy was introduced which focused on increasing recycling rates and improving segregation, thus saving money, through reducing waste being sent to landfill, saving on landfill tax and improving the segregation of clinical waste to ensure only the correct waste is disposed of at a higher cost. Throughout the year recycling was introduced to sites that had not previously had any, and our recycling rates steadily improved.

We invested in several initiatives throughout North West London including continuing the installation of automatic meter readers at health centre and clinic sites across the cluster. This allowed remote monitoring of electricity and gas consumption data. Anomalies can be spotted more effectively and irregular usage investigated and managed.

Energy efficient lighting was installed in some sites and wherever boiler replacements were carried out, we ensured we replaced them with the most energy efficient model possible.

A travel survey was conducted during the year to ascertain staff travel habits and this included calculating carbon footprint for individual staff which encouraged them to look at how they could change their travel arrangements. Cycle maintenance kits are provided at various sites where there are a high percentage of cyclists and these are kept on site and can be used for any basic maintenance work required.

We also worked closely with our commissioning colleagues to develop contract clauses, including key performance indicators to ensure that all provider contracts include sustainability as standard. Display energy certificates (DECs) are in place in our buildings where there is a legal requirement to display one.

During the financial year we renegotiated our utility contracts with the Office of Government Commerce framework, thus providing stability for the next two years. The contract includes the purchase of some green energy to reinforce our commitment to carbon reduction.

Breaches of data protection

In 2012/2013 there was one breach of confidential information compared to four in 2011/12. This is very positive. Over 90 % of staff were compliant with information governance mandatory training, demonstrating an improved understanding by staff.

About our workforce

Following the introduction of a single management structure across the eight PCTs, an effective working partnership with staff trade unions was established. This helped to collectively address the challenges of working through the transition to nine separate organisations, as well as the transfer of public health teams to their respective local authorities, and the movement of other staff to other NHS organisations.

The cluster Chief Executive and her senior team held regular staff briefings across the PCTs to facilitate engagement and discussion with employees about the transition process. Dedicated newsletters and areas on the intranet created opportunities for staff to receive and discuss updates on plans for the future of the NHS, including the successor organisations coming into place in 2013.

A consultation with staff and staff side representatives took place on structures for the commissioning support unit (CSU) and CCGs, and on the matching and recruitment process for the CSU.

Staff were supported throughout the transition period, and given CV and interview training in order to fully prepare themselves for job interviews where they were not matched across to similar roles in the new organisations. Staff that were unable to secure roles in the new structures in North West London were encouraged and supported to find roles elsewhere either in other NHS organisations or more widely.

Equality and diversity and disabled employees

Equality is not solely a minority issue - it is important for everyone and directly or indirectly affects the whole population.

NHS Hounslow served a diverse population and had a wide staff demographic. As a large employer and as a commissioner of services, it remained constantly committed to promoting diversity and equality by eliminating discrimination and complying fully with the statutory duties under the single equality scheme.

Staff sickness and absence

Staff sickness absence	2012/13	2011/12
Total days lost	151	107
Total staff years	72	84
Average working days lost	2.10	1.28

Note: Figures given are in calendar years. Total Staff Years relates to the number of Whole Time Equivalents in post during the calendar year. Sickness data is collated centrally by Department of Health but was missing for Hounslow PCT for 2012/13. The data for 2012/13 has been compiled from PCT's locally sourced records.

Off payroll engagement

The Treasury requires NHS bodies to publish information on off payroll engagements. Information on the off payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012 is not available to the PCT.

Information on all new off payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months, is set out below, based on information collated by the Human Resources department at NHS North West London cluster.

Heading	FTE
No. of new engagements	0
No. of new engagements which include contractual clauses giving the organisation the right to request assurance in relation to income tax and National Insurance obligations	0
Of which:	
No. for whom assurance has been accepted and received	0
No. for whom assurance has been accepted and not received	0
No that have been terminated as a result of assurance not being received	0
Total	0

Statement of the responsibilities of the signing officer of the primary care trust 2012/13 accounts

The Department of Health's Accounting Officer has designated the role of signing officer for the final accounts of Harrow Primary Care Trust to discharge the following responsibilities for the Department of Health:

- 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, and from the assurances provided by the PCT Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

Signed.....

Date.....

Richard Douglas
Signing Officer

Annual governance statement

The full governance statement has been submitted as part of the annual accounts and will be available at www.dh.gov.uk.

The governance statement sets out the arrangements in place to maintain a sound system of internal control and to safeguard the public funds for which the accountable officer is responsible. It also highlights any significant issues which have occurred during the year, including data security issues.

There were no data security issues highlighted within the governance statement and only one significant issue was reported. This was an internal audit report on Continuing Care undertaken during 2012/13, which was able to provide only partial assurance regarding the controls in place. This particularly related to issues in the tri-borough area of Westminster, Kensington and Chelsea and Hammersmith and Fulham rather than Hounslow specific concerns. In response to that report, local action plans have been put in place both at a borough level and across the tri-borough CCGs to ensure that the issues identified in the audit report relating to 2012/13 have been addressed.

Remuneration report

Membership of the remuneration and terms of services committee

Membership of the remuneration and terms of services committee were:

- Martin Roberts, Non-Executive Director (Chair)
- Jeff Zitron, Non-Executive Director
- Trish Longdon, Non-Executive Director
- Arif Kamal, Non-Executive Director

The committee advised the board on appropriate remuneration and terms of service for the Chief Executive and trust directors. The committee monitored and evaluated the performance of the Chief Executive, directors and individual officer members of the professional executive committee – having proper regard to the PCT's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate.

The committee reported the basis for its recommendations to the board which used the committee's report as the basis for its decisions on remuneration. However, the board remained accountable for taking final decisions on the remuneration and terms of service for the Chief Executive and trust.

Directors

For directors' pay increases, the following factors were considered:

- current national market rates of comparable director posts;
- the individual performance of directors;
- internal comparators;
- changes to director portfolios;
- NHS pay awards for other staff groups;
- any national guidance relating to maximum pay bill increases;
- significant recruitment and/or retention issues; and
- The financial position of the PCT.

Performance measurement

Directors' performance was appraised on an annual basis by the Chief Executive. The Chief Executive's performance was appraised on an annual basis by the Chief Executive of the former strategic health authority, in this case NHS London.

Summary and explanation of policy on duration of contracts, and notice periods and termination payments

Senior managers were permanent employees of NHS Hounslow, and in the event of redundancy, they were subject to standard NHS severance packages.

Cluster Board

Cluster Board

		2012/13		
		Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000
Chair & Non Executives				
J Zitron	2	40-45		
T Longdon	2	10-15		
E Rantzen	2	10-15		
F Cass	2	10-15		
S Cuthbert	4	10-15		
A Kamal	3	5-10		
C Somani	3	10-15		
M Roberts	4	5-10		
Directors				
A Rainsberry: Chief Executive	1	165-170		
D Elkeles: Director of Strategy/Chief Officer designate, CWHH CCGs	2	120-125		
R Larkman: Chief Officer designate BEHH CCGs (from 1 October 2012)	6	70-75		
C Parker: Director of Finance, Hammersmith and Fulham, Hounslow, Kensington and Chelsea and Westminster PCTs (from 1 October 2012)	5	55-60		
D Slegg: Director of Finance (until 30 September 2012)	4	70-75		
J Wise: Director of Finance, Brent, Ealing, Harrow and Hillingdon PCTs (from 1 October 2012)	3	60-65		
S Weldon: Director of Commissioning and Performance (until 30 September 2012)	2	60-65		
M Spencer: Medical Director	2	85-90		
A Howe: Director of Public Health	3	120-125		
D Chaffer: Director of Nursing (until 30 June 2012)	2	30-35		
J Webster: Acting Director of Nursing (from 1 July 2012)	4	70-75		

The Cluster Board came into effect from 1st April 2012 and therefore there are no comparatives shown

1 Employed by NHS London and no recharge of costs made to Cluster
2 Employed by Inner Cluster comprising Hammersmith and Fulham, Kensington and Chelsea and Westminster
3 Employed by Brent and Harrow PCTs
4 Employed by Outer Cluster comprising of Ealing, Hillingdon and Hounslow PCTs
5 Employed by NHS Islington and no recharge of costs made to Cluster
6 Employed by NHS Camden and recharged to Brent & Harrow

Cluster Pensions

		Real Increase in pension at age 60 and related lump sum		Total accrued pension at age 60 and related lump sum		Cash Equivalent Transfer Value				
		(bands of £2,500)		(bands of £5,000)						
		Pension	Lump Sum	Pension	Lump Sum	at 31 March 2012	at 31 March 2013	Real increase	Employer's contribution to growth in CETV for the year	
		£000	£000	£000	£000	£000	£000	£000	£000	
A Rainsberry: Chief Executive	1	0	0	55-60	165-170	880	940	14	10	
D Elkeles: Director of Strategy/Chief Officer designate, CWHH CCGs	2	0-2.5	2.5-5	20-25	60-65	242	281	27	19	
R Larkman: Chief Officer designate BEHH CCGs (from 1 October 2012)	6	0-2.5	2.5-5	35-40	105-110	644	751	36	25	
C Parker: Director of Finance, Hammersmith and Fulham, Hounslow, Kensington and Chelsea and Westminster PCTs (from 1 October 2012)	5	0-2.5	0-2.5	20-25	70-75	297	324	6	4	
D Slegg: Director of Finance (until 30 September 2012)	4	2.5-5	5-10	65-70	195-200	1216	1439	80	56	
J Wise: Director of Finance, Brent, Ealing, Harrow and Hillingdon PCTs (from 1 October 2012)	3	0-2.5	5-7.5	45-50	140-145	747	878	46	32	
S Weldon: Director of Commissioning and Performance (until 30 September 2012)	2	0-2.5	2.5-5	20-25	70-75	309	378	26	19	
M Spencer: Medical Director	2	0	0	50-55	155-160	948	1021	23	16	

					0					
A Howe: Director of Public Health	3	0-2.5	2.5-5	25-30	85-90	453	519	42	30	
D Chaffer: Director of Nursing (until 30 June 2012)	2	0-2.5	0-2.5	30-35	90-95	544	611	10	7	
J Webster: Acting Director of Nursing (from 1 July 2012)	4	0-2.5	5-7.5	25-30	85-90	389	467	44	31	

	The Cluster Board came into effect from 1st April 2012 therefore there are no comparatives shown	

1	Employed by NHS London and no recharge of costs made to Cluster						
2	Employed By Inner Cluster comprising Hammersmith and Fulham, Kensington and Chelsea and Westminster						
3	Employed by Brent and Harrow PCTs						
4	Employed By Outer Cluster comprising of Ealing, Hillingdon and Hounslow PCTs						
5	Employed by NHS Islington and no recharge of costs made to Cluster						
6	Employed by NHS Camden and recharged to Brent & Harrow						

Senior managers' remuneration

NHS Hounslow is required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the organisation's workforce. The calculation for the median remuneration does not include agency employees covering vacancy staff as this information is impracticable to retrieve. The banded remuneration of the highest paid director in Hounslow PCT in the financial year 2012/13 was £123k (2011/12, £97.5k). This was 3.1 times (2011/12, 1.7) the median remuneration of the workforce, which was £39.3k (2011/12, £56k).

In 2012/13, 0 (2011/12, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £5,400 to £123,084 (2011/12 £5,093-£88,180).

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.

Cluster arrangements

The eight PCTs in North West London (Brent, Harrow, Ealing, Hillingdon, Hounslow, Hammersmith and Fulham, Kensington and Chelsea and Westminster) form the NHS NWL Cluster. PCTs within the NHS were 'clustered' from 2011/12 to form single management bodies, whilst continuing to operate through their constituent PCTs, which remained the statutory bodies.

The costs of the shared posts remained with their respective employing PCT. The proportion of remuneration for NHS Hounslow is set out below.

Remuneration Report Table 2 - Actual costs of Cluster Board per PCT

	2012/13						2011/12				
Hounslow PCT	Salary (bands of £5,000) £000		Other Remuneration (bands of £5,000) £000		Benefits in Kind (bands of £1000) £000		Salary (bands of £5,000) £000		Other Remuneration (bands of £5,000) £000		Benefits in Kind (bands of £1000) £000
S Cuthbert	10-15						10-15				
M Roberts	5-10						5-10				

Clinical Commissioning Group

The Health and Social Bill through parliament (Department of Health 2011) set out the new structure for the commissioning of NHS services. This saw the Primary care Trust (PCTs) being abolished from 31 March 2013 and replaced by GP-led Clinical Commissioning Groups (CCGs).

Within the North West London region this saw the introduction of eight CCGs.

- NHS Brent CCG
- NHS Central London (Westminster) CCG
- NHS Ealing CCG
- NHS Hammersmith and Fulham CCG
- NHS Harrow CCG
- NHS Hillingdon CCG
- NHS Hounslow CCG
- NHS West London (Kensington and Chelsea, Queen's Park and Paddington) CCG

The NWL CCGs operated in shadow form from 1 October 2013 as sub committees of the cluster Board, with the following responsibilities:

- Ensuring a rigorous assurance and reporting process during the shadow period from 1 October 2012 – 31 March 2013.
- Agree governance that reflects new responsibilities.
- Liberate CCGs to lead 13/14 commissioning whilst providing effective support.
- Support development of CCGs proactive risk management.

- Fully align with national guidance – Nolan Principles.
- Clarify accountability and responsibility – reflecting London changes.
- Ensure CCGs governance is capable of receiving relevant PCTs Committee business.
- Continue resource shift to enable CCGs capacity and capabilities.
- Reduce complexity and avoid duplication – adding value not work.
- Build on well-developed arrangements to manage a safe and orderly transition and closure programme.

The membership of the shadow clinical commissioning group was as follows.

SALARIES AND ALLOWANCES	Note	2012/13			2011/12		
Name and Title		Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000
Hounslow CCB							
Dr N Burbidge, Chair		20-25			25-30		
Dr P Shenton, Vice Chair		25-30			25-30		
Dr A Crowe, Board Member		5-10			5-10		
Dr P Gupta, Board Member		30-35			5-10		
Dr P Garcha, Board Member		5-10			0-5		
Dr K Kotecha, Board Member		0-5			0-5		
Dr I Dhandee, Board Member		0-5			0-5		
Dr S Sethurajan, Board Member		0-5			0-5		
Dr B Unger-graeber, Board Member		5-10			5-10		
Ms S Jeffers, Chief Operating Officer		80-85			95-100		
Dr A Baker, Lay Member		5-10			5-10		
Dr A Hakim, Secondary Care Consultant		0			0		

Pensions benefits

The pension details for the shadow clinical commissioning board was as follows:

	Real Increase in pension at age 60 and related lump sum (bands of £2,500)		Total accrued pension at age 60 and related lump sum (bands of £5,000)		Cash Equivalent Transfer Value			
	Pension	Lump Sum	Pension	Lump Sum	at 31 March 2012	at 31 March 2013	Real increase	Employer's contribution to growth in CETV for the year
	£000	£000	£000	£000	£000	£000	£000	£000
Ms S Jeffers, Chief Operating Officer	0-2.5	0-2.5	30-35	100-105	663	704	6	0

Exit packages

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Less than £10,000	**1**	**0**	**1**	0	0	**0**
£10,001-£25,000	**5**	**0**	**5**	0	0	**0**
£25,001-£50,000	**2**	**0**	**2**	0	0	**0**
£50,001-£100,000	**2**	**0**	**2**	0	0	**0**
£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	**10**	**0**	**10**	**0**	**0**	**0**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	321,887	0	**321,887**	0	0	**0**

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 Agenda for Change Terms and Conditions. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

Summary financial statement

Statutory financial duties

PCTs are required to achieve three statutory financial duties. In addition, PCTs are expected to pay creditors within a 30 day period – the Better Payment Practice Code. NHS Hounslow's performance against each is summarised below.

Duties	Our performance in 2012/13	Duty met?
1 Meet revenue resource limit	NHS Hounslow has a surplus of £1.988 million against a revenue resource limit of £446.233 million	Yes
2 Meet capital resource limit	We under spent by £0.900 million on a capital resource limit of £3,900 million	Yes
3 Meet cash limit (revenue and capital) with no unplanned borrowing at year end	The cash limit of £445.387 million was spent in full and therefore the PCT operated within the cash limit allocated	Yes
4 To meet the Better Payment Practice Code by paying 95% of non-NHS trade invoices within 30 days of the invoice date	NHS Hounslow achieved 85.7% (on volume) and 84.9% (on value)	No

Further details of the PCT's performance against its statutory and other financial duties are set out below in the financial commentary and summary financial statements.

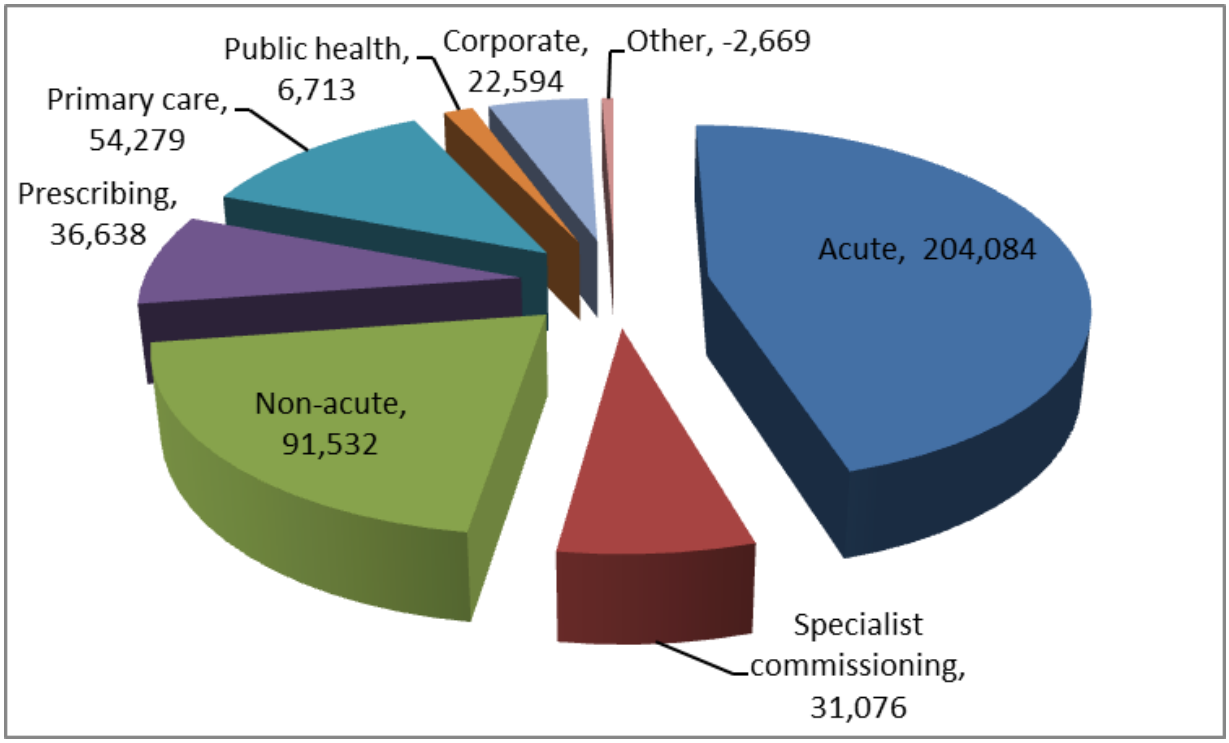
Where the money came from

In 2012/13 NHS Hounslow received funding (Revenue Resource Limit) of £446.2m from the Department of Health which was used to commission health services for the residents of the London Borough of Hounslow.

How the money was spent

NHS Hounslow's expenditure for 2012/13 totalling £444.2m is analysed by budget and for 2012/13 over the page.

2012/13 Expenditure by Budget Category



Financial Performance Targets

Revenue Resource Limit

	2012/13 £000	2011/12 £000
The PCT's performance for the year ended 2012/13 is as follows:		
Total Net Operating Cost for the Financial Year		431,048
Net operating cost plus (gain)/loss on transfers by absorption	**444,245**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**446,233**	431,198
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,988	150

Capital Resource Limit

	2012/13 £000	2011/12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**3,900**	5,670
Charge to Capital Resource Limit	**3,000**	5,592
(Over)/Under spend Against CRL	**900**	**78**

Under/(Over)spend against cash limit

	2012/13 £000	2011/12 £000
Total Charge to Cash Limit	**445,387**	424,615
Cash Limit	**445,387**	424,615
Under/(Over)spend Against Cash Limit	**0**	**0**

Reconciliation of Cash Drawings to Parliamentary Funding (current year)

	2012/13 £000
Total cash received from DH (Gross)	397,519
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Subtotal: net advances	**397,519**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	12,069
Plus: drugs reimbursement (central charge to cash limits)	35,799
Parliamentary funding credited to General Fund	**445,387**

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	**4,519**	4,404
Other costs	**443,336**	430,326
Income	**(7,127)**	(5,473)
Net operating costs before interest	**440,728**	429,257
Investment income	**(22)**	(22)
Other (Gains)/Losses	**0**	0
Finance costs	**3,539**	1,813
Net operating costs for the financial year	**444,245**	431,048
Transfers by absorption -(gains)	**0**	
Transfers by absorption - losses	**0**	
Net (gain)/loss on transfers by absorption	**0**	

Net Operating Costs for the Financial Year including absorption transfers	**444,245**	**431,048**
Of which:		
Administration Costs		
Gross employee benefits	**3,618**	3,671
Other costs	**6,084**	5,476
Income	**(2)**	(177)
Net administration costs before interest	**9,700**	**8,970**
Investment income	**0**	0
Other (Gains)/Losses	**0**	0
Finance costs	**0**	104
Net administration costs for the financial year	**9,700**	**9,074**
Programme Expenditure		
Gross employee benefits	**901**	733
Other costs	**437,252**	424,850
Income	**(7,125)**	(5,296)
Net programme expenditure before interest	**431,028**	**420,287**
Investment income	**(22)**	(22)
Other (Gains)/Losses	**0**	0
Finance costs	**3,539**	1,709
Net programme expenditure for the financial year	**434,545**	**421,974**

Other Comprehensive Net Expenditure	**2012/13 £000**	**2011/12 £000**
Impairments and reversals put to the Revaluation Reserve	**426**	325
Net (gain) on revaluation of property, plant & equipment	**(402)**	(1,630)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**444,269**	**429,743**

Statement of Financial Position at
31 March 2013

	31 March 2013	31 March 2012
	£000	£000
Non-current assets:		
Property, plant and equipment	**45,019**	48,398
Intangible assets	**1,705**	1,454
investment property	**0**	0
Other financial assets	**192**	192
Trade and other receivables	**0**	0
Total non-current assets	**46,916**	50,044
Current assets:		
Inventories	**0**	422
Trade and other receivables	**4,410**	2,571
Other financial assets	**0**	0
Other current assets	**0**	0
Cash and cash equivalents	**87**	4
Total current assets	**4,497**	2,997
Non-current assets held for sale	**0**	0
Total current assets	**4,497**	2,997
Total assets	**51,413**	53,041
Current liabilities		
Trade and other payables	**(29,860)**	(34,931)
Other liabilities	**0**	0
Provisions	**(6,290)**	(383)
Borrowings	**(464)**	(428)
Other financial liabilities	**0**	0
Total current liabilities	**(36,614)**	(35,742)
Non-current assets plus/less net current assets/liabilities	**14,799**	17,299
Non-current liabilities		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(342)	(3,496)

Borrowings	(12,678)	(13,142)
Other financial liabilities	0	0
Total non-current liabilities	**(13,020)**	(16,638)
Total Assets Employed:	**1,779**	661
Financed by taxpayers' equity:		
General fund	(10,295)	(11,437)
Revaluation reserve	12,074	12,098
Other reserves	0	0
Total taxpayers' equity:	**1,779**	661

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	**(11,437)**	**12,098**	**0**	**661**
Changes in taxpayers' equity for 2012/13				
Net operating cost for the year	(444,245)			**(444,245)**
Net gain on revaluation of property, plant, equipment		402		**402**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(426)		**(426)**
Movements in other reserves			0	**0**
Transfers between reserves*	0	0		**0**
Release of Reserves to SOCNE		0		**0**
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		**0**
Net actuarial gain/(loss) on pensions	0		0	**0**
Total recognised income and expense for 2012/13	**(444,245)**	**(24)**	**0**	**(444,269)**
Net Parliamentary funding	445,387			**445,387**
Balance at 31 March 2013	**(10,295)**	**12,074**	**0**	**1,779**
Balance at 1 April 2011	**-5004**	**10793**	**0**	**5,789**
Changes in taxpayers' equity for 2011/12				
Net operating cost for the year	(431,048)			(431,048)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,630		1,630
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0

Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(325)		(325)
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011/12	(431,048)	1,305	0	(429,743)
Net Parliamentary funding	424,615			424,615
Balance at 31 March 2012	**(11,437)**	**12,098**	**0**	**661**

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		**(440,728)**	(429,257)
Depreciation and Amortisation		**5,821**	4,213
Impairments and Reversals		**283**	2,314
Other Gains / (Losses) on foreign exchange		**0**	0
Donated Assets received credited to revenue but non-cash		**0**	0
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest Paid		**(1,754)**	(1,709)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**422**	12
(Increase)/Decrease in Trade and Other Receivables		**(1,839)**	3,642
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**(4,704)**	2,067
(Increase)/Decrease in Other Current Liabilities		**0**	0

Provisions Utilised	**(5,522)**	(1,339)
Increase/(Decrease) in Provisions	**6,490**	508
Net Cash Inflow/(Outflow) from Operating Activities	**(441,531)**	**(419,549)**
Cash flows from investing activities		
Interest Received	**23**	22
(Payments) for Property, Plant and Equipment	**(2,766)**	(4,306)
(Payments) for Intangible Assets	**(602)**	(384)
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**0**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**0**	0
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(3,345)**	**(4,668)**
Net cash inflow/(outflow) before financing	**(444,876)**	**(424,217)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(428)**	(394)
Net Parliamentary Funding	**445,387**	424,615
Capital Receipts Surrendered	**0**	0
Capital grants and other capital receipts	**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	**0**	0
Net Cash Inflow/(Outflow) from Financing Activities	**444,959**	**424,221**
Net increase/(decrease) in cash and cash equivalents	**83**	**4**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**4**	**0**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	**87**	**4**

PCT Running Costs

	Total	Commissioning Services	Public Health
PCT Running Costs 2012/13			
Running costs (£000s)	**10,004**	9,076	928
Weighted population (number in units)*	**233,372**	233,372	233,372
Running costs per head of population (£ per head)	**43**	**39**	**4**
PCT Running Costs 2011/12			
Running costs (£000s)	**9,276**	8,214	1,062
Weighted population (number in units)	**233,372**	233,372	233,372
Running costs per head of population (£ per head)	**40**	**35**	**5**

The increased running costs during 2012/13 relate to £194k staff transition costs, a provision for an onerous lease on Sovereign Court of £381k, additional NWL Cluster Recharge of £184k.

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

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

Better Payment Practice Code

Measure of compliance	2012/13		2012/13		2011/12	
	Number		£000		Number	
Non-NHS Payables						
Total Non-NHS Trade Invoices Paid in the Year	**10,411**		**60,697**		12,676	
Total Non-NHS Trade Invoices Paid Within Target	**8,927**		**51,545**		10,676	
Percentage of NHS Trade Invoices Paid Within Target	85.7%		84.9%		84.2%	
NHS Payables						
Total NHS Trade Invoices Paid in the Year	**4,131**		**320,114**		2,992	
Total NHS Trade Invoices Paid Within Target	**2,266**		**293,805**		1,473	
Percentage of NHS Trade Invoices Paid Within Target	54.9%		91.8%		49.2%	

37 Related party transactions

Clinical Commissioning Board - PMS or GMS Costs	2012/13	2011/12
	£'000	£'000
Dr A Crowe	747	762
Dr B Unger-Graeber	830	687
Dr IS Dhandee	716	755
Dr N Burbidge	816	403
Dr P Garcha	413	814
P Gupta	781	740
Dr P Shenton	685	695
Dr S Sethurajan	789	722
Dr K Kotecha	819	783

The practices for which the above GPs are partners held shares in Harmoni Ltd (with the exception of Dr Unger-Graeber) which had dealings with Hounslow PCT in 2012/13. Harmoni was sold during 2012/13 to Care UK, and the above practices are no longer shareholders.

During 2012/13 Harmoni was awarded the tender to provide the 111 service on behalf of Hounslow, Ealing, Brent and Harrow PCT's from March 2013. Of the GPs named above only Dr Unger-Graeber sat on the procurement panel. The tender approval was provided by the North West London Cluster Board.

Nick Relph, Chief Executive of the PCT until June 2012, was also employed as a Non Executive Director of Harmoni Ltd, a company which supplied an out of hours GP service to the PCT.

The Department of Health is regarded as a related party. During the year Hounslow 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.

Members of the Cluster Board with related party transactions include Sarah Cuthbert whose husband is a Partner in Deloitte. Deloitte are external auditors for Hillingdon and Harrow PCTs and also have worked on 'Shaping a Healthier Future' during the year. The contract was held by Westminster PCT Mark Spencer held shares with Harmoni Ltd.

Dr Mark Spencer held shares in Harmoni Ltd which were sold in year. Harmoni Ltd is the Out of Hours provider for Hounslow, Hillingdon, Ealing and Harrow and the 111 provider for Hounslow, Brent, Ealing and Harrow. The total paid to Harmoni Ltd by Hounslow PCT was £399k.

The following related party transactions were reported by the Shadow Clinical Commissioning Board that relate to Hounslow Primary Care Trust. The GMS payments shown below relates to services provided by the practice which the Shadow Clinical Commissioning member is a partner rather than payments to Shadow Clinical Commissioning members themselves. The payment is the total paid to the practices as a whole before taking into account practice expenses in delivering services.

	Income	Expenditure	Receivables	Payables
	£'000	**£'000**	**£'000**	**£'000**
A Primary Care Trusts				
Croydon PCT	5	31,224	487	0
Ealing PCT	394	300	124	1,976
Hammersmith And Fulham PCT	26	303	2	2
Kensington And Chelsea PCT	1,327	0	1,320	19
Richmond & Twickenham PCT	490	10	81	10
Surrey PCT	65	617	93	100
Westminster PCT	7	2,382	28	422
B Trusts				
Bart's Health NHS Trust	0	612	39	0
Central London Community Healthcare NHS Trust	0	1,471	0	11
Ealing Hospital NHS Trust	0	8,033	0	149
Epsom And St Helier University Hospitals NHS Trust	0	261	21	0
Imperial College Healthcare NHS Trust	0	45,017	0	510
Kingston Hospital NHS Trust	0	1,552	0	236
London Ambulance Service NHS Trust	0	7,626	100	0
North West London Hospitals NHS Trust	0	1,386	0	17
South West London And St Georges Mental Health NHS Trust	0	950	0	0
St Georges Healthcare NHS Trust	0	1,972	90	0
The Hounslow and Richmond Community Healthcare NHS Trust	0	30,711	169	759
The Royal National Orthopaedic Hospital NHS Trust	0	828	169	0
West London Mental Health NHS Trust	0	21,089	0	0
West Middlesex University NHS Trust	0	92,958	0	2,389
C Foundation Trusts				
Ashford And St Peters Hospitals NHS Foundation Trust	0	14,444	85	57
Central And North West London MH NHS Foundation Trust	0	4,678	0	98
Chelsea And Westminster Hospital NHS Foundation Trust	0	7,581	0	416

Frimley Park Hospital NHS Foundation Trust	0	360	0	43
Great Ormond Street Hospital for Children NHS Foundation Trust	0	2,225	0	163
Guys And St Thomas NHS Foundation Trust	0	2,024	0	357
Heatherwood And Wrexham Park Hospital NHS Foundation Trust	0	353	0	21
Hertfordshire Partnership NHS Foundation Trust	0	555	0	7
Kings College Hospital NHS Foundation Trust	0	740	0	45
Moorfields Eye Hospital NHS Foundation Trust	0	1,485	0	77
Royal Brompton And Harefield NHS Foundation Trust	0	4,650	0	574
Royal Free London NHS Foundation Trust	0	981	0	47
Royal Surrey County NHS Foundation Trust	0	661	18	0
South London And Maudsley NHS Foundation Trust	0	179	6	0
The Hillingdon Hospital NHS Foundation Trust	0	2,660	0	683
The Royal Marsden Hospital NHS Foundation Trust	0	2,287	0	196
University College London NHS Foundation Trust	0	3,609	0	159
D Others				
London SHA	676	0	0	0
E Local Councils				
Hounslow Borough Council	848	8,352	174	1,284

Independent Auditors Statement

Independent auditor's report to the signing officer of Hounslow Primary Care Trust on the summary financial statement

We have examined the summary financial statement for the year ended 31 March 2013 set out on pages 35 to 47.

This report is made solely to the responsible officer of Hounslow Primary Care Trust in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Signing Officer of the Primary Care Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Responsible Officer of the Primary Care Trust for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Signing Officer is responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

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

Basis of opinion

We conducted our work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Hounslow Primary Care Trust for the year ended 31 March 2013 on which we have issued an unqualified opinion.

Philip Johnstone for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL

6 June 2013

Contact details

NHS Hounslow Clinical Commissioning Group
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Department of Health

NHS

Hounslow Primary Care Trust

2012-13 Accounts

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Hounslow Primary Care Trust

2012-13 Accounts

STATEMENT OF THE RESPONSIBILITIES OF THE SIGNING OFFICER OF THE HOUNSLOW PRIMARY CARE TRUST 2012-13 ACCOUNTS

The Department of Health's Accounting Officer has designated the role of signing officer for the final accounts of Hounslow Primary Care Trust to discharge the following responsibilities for the Department of Health:

- 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, and from the assurances provided by the PCT Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

Signed.....

Date.....

Appendix 1

2012/13 ACCOUNTS CERTIFICATE OF ASSURANCE TO THE DEPARTMENT OF HEALTH DIRECTOR GENERAL, STRATEGY FINANCE AND NHS

I am aware that as signing officer designated by the Department of Health Accounting Officer, you are required to sign the accounts and supporting certificates of Hounslow Primary Care Trust (PCT) in order to comply with the Department's 2012/13 accounts finalisation process.

To assist you in that process, I can confirm that for the year ended 31 March 2013 based on my own knowledge of internal control matters and through experience in my role as Accountable Officer until 31 March 2013, the PCT:

- had in place effective management systems to safeguard public funds and assets and assist in the implementation of corporate governance;
- kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the PCT;
- took reasonable steps for the prevention and detection of fraud and other irregularities;
- achieved value for money from the resources available to the PCT;
- applied income and expenditure to the purposes intended by Parliament and conformed to the authorities which governed them; and
- had effective and sound financial management systems in place.

I also confirm that in my role overseeing the preparation of the annual statutory accounts, the accounts were prepared in the 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. As required 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.

Name: Dr Anne Rainsberry, Chief Executive NHS Hounslow

Signed: 

Date: 24 May 2013

Appendix 2

2012/13 ACCOUNTS CERTIFICATE OF FINANCIAL ASSURANCE TO THE DEPARTMENT OF HEALTH DIRECTOR GENERAL, STRATEGY FINANCE AND NHS

I am aware that as signing officer designated by the Department of Health Accounting Officer, you are required to sign the accounts and supporting certificates of Hounslow Primary Care Trust (PCT) in order to comply with the Department's 2012/13 accounts finalisation process.

To assist you in that process, I can confirm that in my role managing the preparation of the annual statutory accounts, the accounts were prepared in the 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. As required 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.

Name: Clare Parker, Director of Finance NHS Hounslow

Signed:

Date: 24 May 2013

24th May 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**4,519**	4,404
Other costs	5.1	**443,336**	430,326
Income	4	**(7,127)**	(5,473)
Net operating costs before interest		**440,728**	429,257
Investment income	9	**(22)**	(22)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**3,539**	1,813
Net operating costs for the financial year		**444,245**	431,048
Transfers by absorption -(gains)		**0**	
Transfers by absorption - losses		**0**	
Net (gain)/loss on transfers by absorption		**0**	
Net Operating Costs for the Financial Year including absorption transfers		**444,245**	**431,048**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**3,618**	3,671
Other costs	5.1	**6,084**	5,476
Income	4	**(2)**	(177)
Net administration costs before interest		**9,700**	**8,970**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	104
Net administration costs for the financial year		**9,700**	**9,074**
Programme Expenditure			
Gross employee benefits	7.1	**901**	733
Other costs	5.1	**437,252**	424,850
Income	4	**(7,125)**	(5,296)
Net programme expenditure before interest		**431,028**	**420,287**
Investment income	9	**(22)**	(22)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**3,539**	1,709
Net programme expenditure for the financial year		**434,545**	**421,974**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**426**	325
Net (gain) on revaluation of property, plant & equipment	**(402)**	(1,630)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**444,269**	**429,743**

The notes on pages 6 to 48 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	**45,019**	48,398
Intangible assets	13	**1,705**	1,454
investment property	15	**0**	0
Other financial assets	21	**192**	192
Trade and other receivables	19	**0**	0
Total non-current assets		**46,916**	50,044
Current assets:			
Inventories	18	**0**	422
Trade and other receivables	19	**4,410**	2,571
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**87**	4
Total current assets		**4,497**	2,997
Non-current assets held for sale	24	**0**	0
Total current assets		**4,497**	2,997
Total assets		**51,413**	53,041
Current liabilities			
Trade and other payables	25	**(29,860)**	(34,931)
Other liabilities	26,28	**0**	0
Provisions	32	**(6,290)**	(383)
Borrowings	27	**(464)**	(428)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(36,614)**	(35,742)
Non-current assets plus/less net current assets/liabilities		**14,799**	17,299
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	26,28	0	0
Provisions	32	(342)	(3,496)
Borrowings	27	(12,678)	(13,142)
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(13,020)**	(16,638)
Total Assets Employed:		**1,779**	661
Financed by taxpayers' equity:			
General fund		(10,295)	(11,437)
Revaluation reserve		12,074	12,098
Other reserves		0	0
Total taxpayers' equity:		**1,779**	661

The notes on pages 6 to 48 form part of this account.

The financial statements on pages 2-5 were approved by the North West London Audit Sub Committee of the Department of Health's Audit and Risk Committee on 3rd June 2013 and signed on its behalf by

Responsible Officer: 

Date: 

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**(11,437)**	**12,098**	**0**	**661**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(444,245)			(444,245)
Net gain on revaluation of property, plant, equipment		402		402
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(426)		(426)
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments	0	0		0
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption				
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	**(444,245)**	**(24)**	**0**	**(444,269)**
Net Parliamentary funding	445,387			445,387
Balance at 31 March 2013	**(10,295)**	**12,074**	**0**	**1,779**
Balance at 1 April 2011	**(5,004)**	**10,793**	**0**	**5,789**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(431,048)			(431,048)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,630		1,630
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(325)		(325)
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments	0	0	0	0
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0		0	0
Net actuarial gain/(loss) on pensions	(431,048)	1,305	0	(429,743)
Total recognised income and expense for 2011-12	424,615			424,615
Net Parliamentary funding	**(11,437)**	**12,098**	**0**	**661**
Balance at 31 March 2012				

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	**(440,728)**	(429,257)
Depreciation and Amortisation	**5,821**	4,213
Impairments and Reversals	**283**	2,314
Other Gains / (Losses) on foreign exchange	**0**	0
Donated Assets received credited to revenue but non-cash	**0**	0
Government Granted Assets received credited to revenue but non-cash	**0**	0
Interest Paid	**(1,754)**	(1,709)
Release of PFI/deferred credit	**0**	0
(Increase)/Decrease in Inventories	**422**	12
(Increase)/Decrease in Trade and Other Receivables	**(1,839)**	3,642
(Increase)/Decrease in Other Current Assets	**0**	0
Increase/(Decrease) in Trade and Other Payables	**(4,704)**	2,067
(Increase)/Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(5,522)**	(1,339)
Increase/(Decrease) in Provisions	**6,490**	508
Net Cash Inflow/(Outflow) from Operating Activities	**(441,531)**	**(419,549)**
Cash flows from investing activities		
Interest Received	**23**	22
(Payments) for Property, Plant and Equipment	**(2,766)**	(4,306)
(Payments) for Intangible Assets	**(602)**	(384)
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**0**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**0**	0
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(3,345)**	**(4,668)**
Net cash inflow/(outflow) before financing	**(444,876)**	**(424,217)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(428)**	(394)
Net Parliamentary Funding	**445,387**	424,615
Capital Receipts Surrendered	**0**	0
Capital grants and other capital receipts	**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	**0**	0
Net Cash Inflow/(Outflow) from Financing Activities	**444,959**	**424,221**
Net increase/(decrease) in cash and cash equivalents	**83**	**4**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**4**	**0**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	**87**	**4**

1. Accounting policies

The Secretary of State for Health has directed that the financial statements of PCTs shall meet the accounting requirements of the PCT Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012-13 PCTs Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the PCT Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the PCT for the purpose of giving a true and fair view has been selected. The particular policies adopted by the PCT are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The PCT is within the Government Resource Accounting Boundary and therefore has only consolidated interests in other entities where the other entity is also within the resource accounting boundary and the PCT exercises in-year budgetary control over the other entity.

In accordance with the directed accounting policy from the Secretary of State, the PCT does not consolidate the NHS charitable funds for which it is the corporate trustee.

1.1 Accounting Conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities

Acquisitions and Discontinued Operations

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

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.

Management have reviewed all contracts and leases and have used their judgement as to whether any are deemed onerous.

All new leases taken out in the year have been assessed to determine whether they are an operating lease or a finance lease as per IAS 17.

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.

Retrospective Claims for NHS Continuing Care Funding

On the 15th March 2012 the Department of Health announced deadlines for individuals to request an assessment of eligibility for NHS Continuing Healthcare Care funding, for cases during the period 1 April 2004 – 31 March 2012.

The deadline for notifying PCT's were as follows:

Phase 1 Claim Period 1 April 2004 – 31 March 2011 a deadline of 30 September 2012
Phase 2 Claim Period 1 April 2011 – 31 March 2012 a deadline of 31 March 2013

The liability for this financial year has also been provided for.

Hounslow PCT is still in the process of gathering all the necessary information to enable an assessment to take place therefore for these accounts both a provision and a contingent liability has been calculated using the following methodology.

Provision
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.

For each of the two phases the total estimated liability has been calculated using:
a) an average length of claim based on a sample of both living and deceased claimants within each phase.
b) an average weekly nursing home cost based on a sample of the current nursing home costs.

To the total estimated liability the following has been applied
c) a standard interest rate.
d) costs of undertaking the assessment.
e) for each phase a judgment on the likelihood of success.

Contingent Liability
A contingent liability has been shown representing the value of those judged to be likely to be unsuccessful in the provision calculation (i.e. if 60% likelihood has been applied to the total estimated liability then the balance of 40% has been shown as a contingent liability).

Legal Claims

An amount has been included in the provisions relating to any outstanding legal claims being handled through NHS Litigation. The probabilities provided by NHS Litigation have been used to calculate the provision.

Bad debt provisions
Management have used estimated percentages based on historical experience to calculate the likelihood of recovering debts that have been outstanding for over 90 days.

Asset Valuations
The District Valuers report sets out the basis for valuation and this has not changed from 2011/12 and has been included under the PPE section of the accounts.

Accruals
NHS creditor accruals are based on Agreement of Balances statements. In addition an estimate has been made for un-notified Non Contracted Activities. Statements have also been used to accrue for material non NHS creditors.

Prescription Pricing Authority
In prescribing, the accrual for drugs is based on 2.2 months based on an average of the last three months, the pharmacy contract is 2 months in arrears and so the accrual is based on this.

Dental Contract
Dental contracts are one month in arrears and the accrual is based on the Payments On Line statement.

Quality & Outcome Framework

Quality & Outcome Framework (QOF) Achievement for 2012/13 has been estimated on the basis of the 11/12 QMAS data. The final figure will be available once the GP Survey results are published on the 17th June 2013.

Recognition of Expenditure
The PCT has used various techniques to estimate the appropriate levels of income and expenditure to be included in the accounts. These include basing forecasts on actual expenditure incurred to date extrapolated to a full year, using internal databases (such as Continuing Care), local knowledge from managers and past experience. These methods have been used in previous years.

Corporate Recharges
Common corporate costs are paid by the host PCT and an appropriate proportion recharged to Ealing, Hillingdon and Hounslow. The recharge is based on weighted capitation. The split for 2012/13 has been determined at 29.6% for Hillingdon and 41.8% for Ealing and 28.6% for Hounslow. Monthly journals are completed to charge these amounts to the correct PCT. Costs which are specific to a PCT (e.g. Public Health) remain with the relevant PCT and are not recharged.

1. Accounting policies (continued)

1.2 Revenue and Funding

The main source of funding for the Primary Care Trust is allocations (Parliamentary Funding) from the Department of Health within an approved cash limit, which is credited to the General Fund of the Primary Care Trust. Parliamentary funding is recognised in the financial period in which the cash is received.

Miscellaneous revenue is income which relates directly to the operating activities of the Primary Care Trust. It principally comprises of 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 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.

1.4 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. Accounting policies (continued)

1.5 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the PCT;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the PCT's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value. *[A different policy should be adopted and disclosed here where assets are not of sufficiently low value and/or do not have sufficiently short lives for depreciated replacement cost to be materially the same as fair value.]*

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive net expenditure in the Statement of Comprehensive Net Expenditure

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1. Accounting policies (continued)

1.6 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PCT's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the PCT; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at amortized historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.7 Depreciation, amortisation and impairments

Freehold land, properties under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the PCT expects to obtain economic benefits or service potential from the asset. This is specific to the PCT and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives

At each reporting period end, the PCT checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.
AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1. Accounting policies (continued)

1.8 Donated assets

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

Hounslow PCT does not own any donated assets.

1.9 Government grants

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

Hounslow PCT does not own any government granted assets.

1.10 Non-current assets held for sale

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

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

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

1.11 Inventories

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

1.12 Cash and cash equivalents

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

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

1.13 Losses and Special Payments

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

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

1.14 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.15 Employee benefits

Short-term employee benefits

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

Retirement benefit costs

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

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

Hounslow PCT has bought out the full liability for early retirements with the NHS Pension Scheme during 2012/13.

1.16 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except in so far 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.

1.17 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.

1.18 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. Accounting policies (continued)

1.19 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.

For the Continuing Care Contingent Liability see Note 1.1.

1.20 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.21 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.

1.22 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.

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.

For the Continuing Care Provision see Note 1.1.

1. Accounting policies (continued)

1.23 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.

Available for sale financial assets

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

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

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

1.24 Private Finance Initiative (PFI) and NHS LIFT transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes (including NHS LIFT) where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The PCT therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:
a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

a) Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

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

LIFT assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at the present value of the minimum lease payments in accordance with the principles of IAS 17.

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

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

1. Accounting policies (continued)

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

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

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

c) Lifecycle replacement

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

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

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

Assets contributed by the PCT to the operator for use in the scheme

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

Other assets contributed by the PCT to the operator

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

1. Accounting policies (continued)

1.25 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

1.26 Going Concern

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Hounslow PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 41.2 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

A revaluation of the PCTs land and buildings has been carried out in year and this has resulted in some impairments being recognised in the period, as detailed in Note 14. Such transactions are considered routine within the annual cycle of activity.

1.27 Events after the Reporting Period

Hounslow PCT was dissolved on 1st April 2013 and the PCT's functions, assets and liabilities transferred to other public sector entities.

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

NHS England
Hounslow Clinical Commissioning Group
NHS Property Services
London Borough of Hounslow

A summary of the receiving bodies of PCT/SHA closing assets and liabilities is given in Note 42.2.

Certain assets have transferred to NHS Property Services [and other entities] on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT books. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.

2 Operating segments

The PCT has only one segment to report under IFRS 8, which is Commissioning.

The main source of funding for the PCT is allocations (Parliamentary Funding) from the Department of Health within an approved cash limit.

3. Financial Performance Targets

3.1 Revenue Resource Limit

The PCTs' performance for the year ended 2012-13 is as follows:

	2012-13 £000	2011-12 £000
Total Net Operating Cost for the Financial Year		431,048
Net operating cost plus (gain)/loss on transfers by absorption	444,245	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	446,233	431,198
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,988	150

3.2 Capital Resource Limit

The PCT is required to keep within its Capital Resource Limit.

	2012-13 £000	2011-12 £000
Capital Resource Limit	3,900	5,670
Charge to Capital Resource Limit	3,000	5,592
(Over)/Underspend Against CRL	900	78

3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	445,387	424,615
Cash Limit	445,387	424,615
Under/(Over)spend Against Cash Limit	0	0

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

	2012-13 £000
Total cash received from DH (Gross)	397,519
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	397,519
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	12,069
Plus: drugs reimbursement (central charge to cash limits)	35,799
Parliamentary funding credited to General Fund	445,387

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	0	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	2,550		2,550	3,008
Dental Charge income from Trust-Led GDS & PDS	0		0	0
Prescription Charge income	0		0	0
Strategic Health Authorities	0	0	0	0
NHS Trusts	0	0	0	0
NHS Foundation Trusts	0	0	0	6
Primary Care Trusts Contributions to DATs	0		0	0
Primary Care Trusts - Other	2,598	0	2,598	576
Primary Care Trusts - Lead Commissioning	0	0	0	0
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	0	0	0	2
Recoveries in respect of employee benefits	0	0	0	0
Local Authorities	848	0	848	811
Patient Transport Services	0		0	0
Education, Training and Research	676	0	676	613
Non-NHS: Private Patients	0		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0		0	0
NHS Injury Costs Recovery	0		0	0
Other Non-NHS Patient Care Services	0	0	0	0
Charitable and Other Contributions to Expenditure	0		0	0
Receipt of donated assets	0		0	0
Receipt of Government granted assets	0		0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue	455	2	453	457
Total miscellaneous revenue	7,127	2	7,125	5,473

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	32,936		32,936	24,853
Non-Healthcare	2,231	2,068	163	1,450
Total	35,167	2,068	33,099	26,303
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	216,229	26	216,203	220,360
Goods and services (other, excl Trusts, FT and PCT))	723	0	723	666
Total	216,952	26	216,926	221,026
Goods and Services from Foundation Trusts	50,510	0	50,510	49,182
Purchase of Healthcare from Non-NHS bodies	34,562		34,562	24,319
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	0		0	0
Non-GMS Services from GPs	0	0	0	520
Contractor Led GDS & PDS (excluding employee benefits)	15,795		15,795	16,221
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0		0	0
Chair, Non-executive Directors & PEC remuneration	7	7	0	40
Executive committee members costs	198	198	0	94
Consultancy Services	1,066	327	739	590
Prescribing Costs	29,369		29,369	33,344
G/PMS, APMS and PCTMS (excluding employee benefits)	34,949	0	34,949	34,582
Pharmaceutical Services	0		0	0
Local Pharmaceutical Services Pilots	0		0	0
New Pharmacy Contract	6,746		6,746	6,667
General Ophthalmic Services	2,389		2,389	2,393
Supplies and Services - Clinical	3,579	0	3,579	4,148
Supplies and Services - General	613	9	604	63
Establishment	578	56	522	378
Transport	69	0	69	8
Premises	2,169	1,679	490	1,349
Impairments & Reversals of Property, plant and equipment	283	0	283	2,314
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	5,431	922	4,509	3,863
Amortisation	390	183	207	350
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	258	0	258	240
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	116	116	0	199
Other Auditors Remuneration	26	26	0	62
Clinical Negligence Costs	0	0	0	0
Education and Training	757	81	676	749
Grants for capital purposes	383	0	383	400
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	974	386	588	922
Total Operating costs charged to Statement of Comprehensive Net Expenditure	443,336	6,084	437,252	430,326
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	0	0	0	451
Other Employee Benefits	4,519	3,618	901	3,953
Total Employee Benefits charged to SOCNE	4,519	3,618	901	4,404
Total Operating Costs	447,855	9,702	438,153	434,730

Hounslow PCT does not directly employ any Executive members of the North West London Cluster Board. The majority of the NWL Cluster Board members are employed by Westminster PCT as the host. These costs are then recharged from Westminster PCT as part of the overall recharge we receive for the NWL Clus and is charged against the 'Goods and Services from other PCTs' lines and is £2,356k.

Any Non Executive Members of the Cluster Board employed by the PCT are shown on the 'Chair, Non Executive Directors and PEC Remuneration' line above.

The Shadow CCG Board costs are shown on the 'Executive Committee Members Costs' line above.

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	383	0	383	400
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	383	0	383	400
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	383	0	383	400

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	10,004	9,076	928
Weighted population (number in units)*	233,372	233,372	233,372
Running costs per head of population (£ per head)	43	39	4
PCT Running Costs 2011-12			
Running costs (£000s)	9,276	8,214	1,062
Weighted population (number in units)	233,372	233,372	233,372
Running costs per head of population (£ per head)	40	35	5

The increased running costs during 2012/13 relate to £194k staff transition costs, a provision for an onerous lease on Sovereign Court of £381k, additional NWL Cluster recharge of £184k.

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	34,949	34,582
Prescribing costs	29,369	33,344
Contractor led GDS & PDS	15,795	16,221
Trust led GDS & PDS	0	0
General Ophthalmic Services	2,389	2,393
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	6,746	6,667
Non-GMS Services from GPs	0	520
Other	0	0
Total Primary Healthcare purchased	**89,248**	93,727
Purchase of Secondary Healthcare		
Learning Difficulties	4,193	4,633
Mental Illness	28,784	28,942
Maternity	16,867	17,213
General and Acute	201,971	194,934
Accident and emergency	12,511	10,482
Community Health Services	37,335	35,507
Other Contractual	33,593	27,104
Total Secondary Healthcare Purchased	**335,254**	318,815
Grant Funding		
Grants for capital purposes	383	400
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**424,885**	**412,942**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	50,510	49,182

6. Operating Leases

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**1,116**	1,401
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**1,116**	**1,401**
Payable:					
No later than one year	**47**	**1,069**	**0**	**1,116**	1,425
Between one and five years	**186**	**4,278**	**0**	**4,464**	5,700
After five years	**407**	**12,027**	**0**	**12,434**	12,832
Total	**640**	**17,374**	**0**	**18,014**	**19,957**
Total future sublease payments expected to be received				0	0

The PCT has several buildings classified as operating leases:

Sovereign Court lease agreement is for 10 years from March 2009, with an option to break the lease after 5 years in March 2014.
Thornbury Health Centre 25 years lease from December 2003.
Feltham Health Centre 25 lease from June 2006
A fifteen year lease of land from West Middlesex University Hospital for the Urgent Care Centre starting in September 2011.
A one year sub lease for the Urgent care Centre Building to Hounslow and Richmond Community Health starting in March 2012 and ending in March 2013. This is currently ongoing on a rolling month by month basis.

During 2012/13 the PCT has not taken out any new leases.

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**0**	0
Contingent rents	**0**	0
Total	**0**	0
Receivable:		
No later than one year	**0**	46
Between one and five years	**0**	0
After five years	**0**	0
Total	**0**	46

NHS Hounslow has entered into certain financial arrangements involving the use of GP Premises. These fall 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 arrangement(s) entered into, it is not possible to analyse the arrangement(s) over financial years.

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13								
				Permanently employed			Other	
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure								
Salaries and wages	3,547	2,976	571	2,440	2,423	17	1,107	553	554
Social security costs	240	237	3	240	237	3	0	0	0
Employer Contributions to NHS BSA - Pensions Division	410	405	5	410	405	5	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	322	0	322	322	0	322	0	0	0
Total employee benefits	4,519	3,618	901	3,412	3,065	347	1,107	553	554
Less recoveries in respect of employee benefits (table below)	0	0	0	0	0	0	0	0	0
Total - Net Employee Benefits including capitalised costs	4,519	3,618	901	3,412	3,065	347	1,107	553	554
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	4,519	3,618	901	3,412	3,065	347	1,107	553	554
Recognised as:									
Commissioning employee benefits	4,519			3,412			1,107		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	4,519			3,412			1,107		

2012-13								
				Permanently employed			Other	
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue								
Salaries and wages	0	0	0	0	0	0	0	0	0
Social Security costs	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
Other pension costs	0	0	0	0	0	0	0	0	0
Other Post Employment Benefits	0	0	0	0	0	0	0	0	0
Other Employment Benefits	0	0	0	0	0	0	0	0	0
Termination Benefits	0	0	0	0	0	0	0	0	0
TOTAL excluding capitalised costs	0	0	0	0	0	0	0	0	0

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	3,786	3,604	182
Social security costs	318	318	0
Employer Contributions to NHS BSA - Pensions Division	438	438	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Total gross employee benefits	4,542	4,360	182
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	4,542	4,360	182
Employee costs capitalised	138	138	0
Gross Employee Benefits excluding capitalised costs	4,404	4,222	182
Recognised as:			
Commissioning employee benefits	4,404		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	4,404		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	1	1	0	2	2	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	61	49	12	72	67	5
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	1	1	0	1	1	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	4	3	1	3	3	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	67	54	13	78	73	5
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	151	107
Total Staff Years	72	84
Average working Days Lost	2.10	1.28

Figures given are in calendar years.
Total Staff Years relates to the number of Whole Time Equivalents in post during the calendar year.
Sickness data is collated centrally by Department of Health but was missing for Hounslow PCT for 2012-13.
The data for 2012-13 has been compiled from PCT's locally sourced records.

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

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Less than £10,000	**1**	**0**	**1**	0	0	**0**
£10,001-£25,000	**5**	**0**	**5**	0	0	**0**
£25,001-£50,000	**2**	**0**	**2**	0	0	**0**
£50,001-£100,000	**2**	**0**	**2**	0	0	**0**
£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	**10**	**0**	**10**	**0**	**0**	**0**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	321,887	0	**321,887**	0	0	**0**

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 Agenda for Change Terms and Conditions. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.
The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:
The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.
With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".
Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**10,411**	**60,697**	12,676	64,572
Total Non-NHS Trade Invoices Paid Within Target	**8,927**	**51,545**	10,676	59,297
Percentage of Non-NHS Trade Invoices Paid Within Target	85.75%	84.92%	84.22%	91.83%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,131**	**320,114**	2,992	285,530
Total NHS Trade Invoices Paid Within Target	**2,266**	**293,805**	1,473	270,532
Percentage of NHS Trade Invoices Paid Within Target	54.85%	91.78%	49.23%	94.75%

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.

Where the 2012/13 results have worsened compared to the prior year this is due to the PCT paying the majority of old outstanding invoices in preparation for the PCT close down. It is at the point that these old invoices are paid that they show as having failed the target of 30 days.

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	22	0	22	22
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	22	0	22	22
Total investment income	22	0	22	22

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	0
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain (Loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the 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	0

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	1,141	0	1,141	1,175
- contingent finance cost	613	0	613	534
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	1,754	0	1,754	1,709
Other finance costs	0	0	0	0
Provisions - unwinding of discount	1,785		1,785	104
Total	3,539	0	3,539	1,813

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	9,867	30,007	0	632	1,459	0	12,606	1,528	56,099
Additions of Assets Under Construction				470					470
Additions Purchased	0	440	0		0	0	1,449	0	1,889
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	120	512	0	(632)	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	(234)	0	0	(167)	0	(1,284)	(17)	(1,702)
Upward revaluation/positive indexation	366	36	0	0	0	0	0	0	402
Impairments/negative indexation	0	(426)	0	0	0	0	0	0	(426)
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	10,353	30,335	0	470	1,292	0	12,771	1,511	56,732
Depreciation									
At 1 April 2012	0	1,166	0	0	815	0	5,138	582	7,701
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	(234)	0		(167)	0	(1,284)	(17)	(1,702)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	283	0	0	0	0	0	0	283
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	2,326	0		212	0	2,741	152	5,431
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	3,541	0	0	860	0	6,595	717	11,713
Net Book Value at 31 March 2013	10,353	26,794	0	470	432	0	6,176	794	45,019
Purchased	10,353	26,794	0	470	432	0	6,176	794	45,019
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	10,353	26,794	0	470	432	0	6,176	794	45,019
Asset financing:									
Owned	7,803	9,371	0	470	432	0	6,176	794	25,046
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	2,550	17,423	0	0	0	0	0	0	19,973
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	10,353	26,794	0	470	432	0	6,176	794	45,019

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	2,194	9,904	0	0	0	0	0	0	12,098
Movements	366	(390)	0	0	0	0	0	0	(24)
At 31 March 2013	2,560	9,514	0	0	0	0	0	0	12,074

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	470
Dwellings	0
Plant & Machinery	0
Balance as at YTD	470

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	**10,316**	**27,417**	**0**	**3,451**	**1,328**	**0**	**11,627**	**1,332**	**55,471**
Additions - purchased	0	2,065	0	147	131	0	2,590	232	**5,165**
Additions - donated	0	0	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	(449)	3,415	0	(2,966)	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	(1,611)	(36)	**(1,647)**
Revaluation & indexation gains	0	1,630	0	0	0	0	0	0	**1,630**
Impairments	0	(325)	0	0	0	0	0	0	**(325)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	(4,195)	0	0	0	0	0	0	**(4,195)**
At 31 March 2012	**9,867**	**30,007**	**0**	**632**	**1,459**	**0**	**12,606**	**1,528**	**56,099**
Depreciation									
At 1 April 2011	**0**	**1,452**	**0**		**619**	**0**	**4,805**	**490**	**7,366**
Reclassifications		0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		0	0	(1,611)	(36)	**(1,647)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	2,314	0	0	0	0	0	0	**2,314**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	1,595	0		196	0	1,944	128	**3,863**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	(4,195)	0	0	0	0	0	0	**(4,195)**
At 31 March 2012	**0**	**1,166**	**0**	**0**	**815**	**0**	**5,138**	**582**	**7,701**
Net Book Value at 31 March 2012	**9,867**	**28,841**	**0**	**632**	**644**	**0**	**7,468**	**946**	**48,398**
Purchased	9,867	28,841	0	632	644	0	7,468	946	**48,398**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**9,867**	**28,841**	**0**	**632**	**644**	**0**	**7,468**	**946**	**48,398**
Asset financing:									
Owned	7,317	11,624	0	632	644	0	7,468	946	**28,631**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	2,550	17,217	0	0	0	0	0	0	**19,767**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**9,867**	**28,841**	**0**	**632**	**644**	**0**	**7,468**	**946**	**48,398**

12.3 Property, plant and equipment

Hounslow Primary Care Trust appointed an independent valuer, the District Valuers Office to carry out an interim asset valuation of the PCT's land and building assets as at 31st March 2013. The valuation was undertaken mainly as a desktop exercise, however those areas where there had been significant capital expenditure since the last full valuation in 2010 were inspected, this expenditure was reflected in the valuation. The valuation of each property was carried out on Market Equivalent Asset Value (MEAV) basis as per IAS16, with the exception of the Heart of Hounslow LIFT scheme which was valued based on the present value of minimum lease payments. The effect of this valuation has been reflected in the financial statements.

12.4 Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	2	7
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	16	47
Dwellings	0	0
Plant & Machinery	1	8
Transport Equipment	0	0
Information Technology	0	5
Furniture and Fittings	3	9

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**	**1,914**	**0**	**0**	**0**	**1,914**
Additions - purchased	0	641	0	0	0	**641**
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	(166)	0	0	0	**(166)**
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**	**2,389**	**0**	**0**	**0**	**2,389**
Amortisation						
At 1 April 2012	**0**	**460**	**0**	**0**	**0**	**460**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	(166)	0	0	0	**(166)**
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	390	0	0	0	**390**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**684**	**0**	**0**	**0**	**684**
Net Book Value at 31 March 2013	**0**	**1,705**	**0**	**0**	**0**	**1,705**
Net Book Value at 31 March 2013 comprises						
Purchased	0	1,705	0	0	0	**1,705**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**1,705**	**0**	**0**	**0**	**1,705**

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**	**2,141**	**0**	**0**	**0**	**2,141**
Additions - purchased	0	427	0	0	0	**427**
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	(654)	0	0	0	**(654)**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**1,914**	**0**	**0**	**0**	**1,914**
Amortisation						
At 1 April 2011	**0**	**764**	**0**	**0**	**0**	**764**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	(654)	0	0	0	**(654)**
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	350	0	0	0	**350**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
Less cumulative dep written down on revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**460**	**0**	**0**	**0**	**460**
Net Book Value at 31 March 2012	**0**	**1,454**	**0**	**0**	**0**	**1,454**
Net Book Value at 31 March 2012 comprises						
Purchased	0	1,454	0	0	0	**1,454**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**1,454**	**0**	**0**	**0**	**1,454**

13.3 Intangible non-current assets

Intangible assets relate to the following projects completed in year:

GP N3 Network Upgrade
GP Extranet Development
GP Anticoagulation System
GP System one Implementation

All software assets have a five year life and are amortised on a straight line basis. Software assets are not revalued (short life).

There are no internally generated assets.

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	283		283
Total charged to Annually Managed Expenditure	**283**		**283**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	426		
Total impairments for PPE charged to reserves	**426**		
Total Impairments of Property, Plant and Equipment	**709**	**0**	**283**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	**0**		
Total Impairments of Intangibles	**0**	**0**	**0**
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	**0**		
Total Impairments of Financial Assets	**0**	**0**	**0**
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of non-current assets held for sale	**0**	**0**	**0**
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of Inventories	**0**	**0**	**0**
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total Investment Property impairments charged to SoCNE	**0**	**0**	**0**
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	**0**		
Total Investment Property Impairments	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	426		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	283		283
Overall Total Impairments	709	0	283
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0

The PCT has impairments of £282,729 which relate to:

Land
Berkeley centre £69,900

Building
Heston Health Centre £26,049
Berkeley Centre £186,780

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

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

16.2 Other financial commitments

	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	2,340	0	2,669	0
Balances with Local Authorities	200	0	1,437	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	626	0	7,720	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,244	0	18,034	0
At 31 March 2013	**4,410**	**0**	**29,860**	**0**
prior period:				
Balances with other Central Government Bodies	1,117	0	2,476	0
Balances with Local Authorities	459	0	2,599	0
Balances with NHS Trusts and Foundation Trusts	586	0	12,442	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	409	0	17,415	0
At 31 March 2012	**2,571**	**0**	**34,932**	**0**

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000	Of which held at NRV £000
Balance at 1 April 2012	**0**	**0**	**0**	**0**	**422**	**0**	**422**	0
Additions	0	0	0	0	0	0	**0**	0
Inventories recognised as an expense in the period	0	0	0	0	(422)	0	**(422)**	0
Write-down of inventories (including losses)	0	0	0	0	0	0	**0**	0
Reversal of write-down previously taken to SoCNE	0	0	0	0	0	0	**0**	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	**0**	0
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

The £422k relates to a contract between Medequip and the London Borough of Hounslow for community loan equipment, for which the PCT are recharged. This has been expensed in year to I&E due to the closure of the PCT.

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	**1,646**	1,479	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**1,320**	44	**0**	0
Non-NHS receivables - revenue	**1,317**	739	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**407**	358	**0**	0
Provision for the impairment of receivables	**(491)**	(240)	**0**	0
VAT	**201**	180	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**10**	11	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**0**	0	**0**	0
Total	**4,410**	2,571	**0**	0
Total current and non current	**4,410**	2,571		
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.

All receivables have been reviewed and a judgement has been made as to the credit worthiness of the debt. Where necessary, a provision for impairment of receivables has been put into the accounts.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**285**	2
By three to six months	**108**	0
By more than six months	**0**	30
Total	**393**	32

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(240)**	0
Amount written off during the year	**7**	0
Amount recovered during the year	**181**	0
(Increase)/decrease in receivables impaired	**(439)**	(240)
Balance at 31 March 2013	**(491)**	(240)

A provision has been made based on the age of the debt as follows:
0-90 days - nil provision
91-120 days - 50% provision
121-180 days - 75% provision
181 + days - 100% provision

There are two exceptions to this as follows:

1) An invoice for £249k for which we have made £142k provision, based on the agreed contract value.

2) Three invoices for £20k each relating to a GP practice who are paying in instalments and hence no provision has been made. The remaining balance is expected to be paid by May 2013.

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	189	3	192
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	189	3	192
Balance at 1 April 2011	189	3	192
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	189	3	192

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	192	0
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	0	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	192	0

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	4	0
Net change in year	83	0
Closing balance	87	0
Made up of		
Cash with Government Banking Service	87	4
Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	87	4
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	87	4
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	0	0	0	0	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	**0**

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

At 31 March 2012	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		
NHS payables - revenue	5,500	10,771	0	0
NHS payables - capital	0	404	0	0
NHS accruals and deferred income	4,889	3,561	0	0
Family Health Services (FHS) payables	11,322	9,845		
Non-NHS payables - revenue	3,798	4,853	0	0
Non-NHS payables - capital	1,685	1,648	0	0
Non_NHS accruals and deferred income	2,614	3,505	0	0
Social security costs	4	47		
VAT	0	0	0	0
Tax	48	62		
Payments received on account	0	0	0	0
Other	0	235	0	0
Total	29,860	34,931	0	0
Total payables (current and non-current)	29,860	34,931		

Other payables include £108k (2011-12: £0k) in respect of outstanding pensions contributions at 31 March 2013.

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	464	428	12,678	13,142
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
Total	464	428	12,678	13,142
Total other liabilities (current and non-current)	13,142	13,570		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	464	464
1 - 2 Years	0	488	488
2 - 5 Years	0	1,169	1,169
Over 5 Years	0	11,021	11,021
TOTAL	0	13,142	13,142

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	**0**	0	**0**	0
Deferred income addition	**0**	0	**0**	0
Transfer of deferred income	**0**	0	**0**	0
Current deferred Income at 31 March 2013	**0**	0	**0**	0
Total other liabilities (current and non-current)	**0**	**0**		

30 Finance lease obligations

Amounts payable under finance leases (Buildings)

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

Amounts payable under finance leases (Land)

	Minimum lease payments		Present value of minimum lease	
	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		
Present value of minimum lease payments	**0**	0	**0**	0
Included in:				
Current borrowings			**0**	0
Non-current borrowings			**0**	0
			0	0

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

31 Finance lease receivables as lessor

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

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

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

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

Finance Lease Commitments	**31 March 2013**	31 March 2012
	£000s	£000s
Lease	0	0

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	3,879	5	3,501	3	0	33	0	0	337	0
Arising During the Year	6,524	0	0	0	0	5,513	0	0	1,011	0
Utilised During the Year	(5,522)	(5)	(5,281)	0	0	0	0	0	(236)	0
Reversed Unused	(34)	0	0	(1)	0	(33)	0	0	0	0
Unwinding of Discount	1,785	0	1,780	0	0	0	0	0	5	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	6,632	0	0	2	0	5,513	0	0	1,117	0
Expected Timing of Cash Flows:										
No Later than One Year	6,290	0	0	2	0	5,513	0	0	775	0
Later than One Year and not later than Five Years	124	0	0	0	0	0	0	0	124	0
Later than Five Years	218	0	0	0	0	0	0	0	218	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	1,734
As at 31 March 2012	32

The pensions provisions relating to early retirement and back to back provisions have been bought out in year with the NHS Pensions Agency due to the PCT closing down.

£2k relates to NHSLA member provisions for outstanding claims.

An amount of £5,513k has been included in the provisions relating to any outstanding Continuing Care Retrospective Claims. This provision has been calculated using two phases, phase one being claims for period of care between 1st April 2004 and 31st March 2011, and phase two being claims for period of care between 1st April 2011 and 31st March 2012. An amount has been included within this provision for current year continuing care cases. The basis for calculation includes an estimate of the average staff costs involved for assessing each case, average weekly cost of providing the care based on a sample of provider costs for this group of patients, and an estimated number of years based on a sample of claims for length of care. A County Court Judgement interest of 8% has been used.

Other provisions include £363k are in respect of capital grants, £381k onerous lease for floor space at Sovereign Court, and £373k relating to 3 injury benefit cases.

£1,734k is included in the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the PCT (31/03/2012 £32k).

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other	(5,547)	0
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(5,547)	0
Contingent Assets		
Contingent Assets	0	0
Net Value of Contingent Assets	0	0

The contingent liability relates to 33 continuing care claims not provided for above. The value of the liability is estimated at £5,547k.

34 PFI and LIFT - additional information

	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

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is:

	31 March 2013 £000	31 March 2012 £000
Estimated Capital Value of Project - off SOFP PFI	0	0
Value of Deferred Assets - off SOFP PFI	0	0
Value of Reversionary Interest - off SOFP PFI	0	0
34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due		
Analysed by when PFI payments are due		
No Later than One Year	0	0
Later than One Year, 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	250	241
Total	250	241

	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	180	180
Later than One Year, No Later than Five Years	720	720
Later than Five Years	2,567	2,747
Total	3,467	3,647

Hounslow PCT has one LIFT scheme known as the Heart of Hounslow.

The estimated annual payments in future years are expected to be materially different from those which the NHS Trust is committed to make during the next year. The likely financial effect of this is:

	31 March 2013 £000	31 March 2012 £000
Estimated capital value of project - off SOFP LIFT	0	0
Value of Deferred Assets - off SOFP LIFT	0	0
Value of Residual Interest - off SOFP LIFT	0	0

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	31 March 2013 £000	31 March 2012 £000
No Later than One Year	1,569	1,569
Later than One Year, No Later than Five Years	5,713	5,846
Later than Five Years	19,445	20,882
Subtotal	26,727	28,297
Less: Interest Element	(13,585)	(14,727)
Total	13,142	13,570

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	997	0	997
Interest Expense	1,754	0	1,754
Impairment charge - AME	0		0
Impairment charge - DEL	0	0	0
Other Expenditure	270	0	270
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	3,021	0	3,021
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(2,453)	0	(2,453)
Net IFRS change (IFRIC12)	568	0	568

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

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

36.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			**0**
Receivables - NHS		2,966		**2,966**
Receivables - non-NHS		1,528		**1,528**
Cash at bank and in hand		87		**87**
Other financial assets	0	0	192	**192**
Total at 31 March 2013	**0**	**4,581**	**192**	**4,773**
Embedded derivatives	0			0
Receivables - NHS		1,523		1,523
Receivables - non-NHS		752		752
Cash at bank and in hand		4		4
Other financial assets	0	0	192	192
Total at 31 March 2012	0	2,279	192	2,471

36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		**0**
NHS payables		10,389	**10,389**
Non-NHS payables		25,678	**25,678**
Other borrowings		13,142	**13,142**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**49,209**	**49,209**
Embedded derivatives	0		0
NHS payables		16,240	16,240
Non-NHS payables		20,431	20,431
Other borrowings		13,570	13,570
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	50,241	50,241

37 Related party transactions

Members of the Cluster Board with related party transactions include Sarah Cuthbert whose husband is a Partner in Deloitte. Deloitte are external auditors for Hillingdon and Harrow PCTs and also have worked on 'Shaping a Healthier Future' during the year.The contract was held by Westminster PCT Mark Spencer held shares with Harmoni Ltd.

Dr Mark Spencer held shares in Harmoni Ltd which were sold in year. Harmoni Ltd is the Out of Hours provider for Hounslow, Hillingdon, Ealing and Harrow and the 111 provider for Hounslow, Brent, Ealing and Harrow. The total paid to Hamoni Ltd by Hounslow PCT was £399k.

The following related party transactions were reported by the Shadow Clinical Commissioning Board that relate to Hounslow Primary Care Trust. The GMS payments shown below relates to services provided by the practice which the Shadow Clinical Commissioning member is a partner rather than payments to Shadow Clinical Commissioning members themselves. The payment is the total paid to the practices as a whole before taking into account practice expenses in delivering services.

	Payments to related Party	
Clinical Commissioning Board - PMS or GMS Costs	**2012/13 £'000**	**2011/12 £'000**
Dr A Crowe	747	762
Dr B Unger-Graeber	830	687
Dr IS Dhandee	716	755
Dr N Burbidge	816	403
Dr P Garcha	413	814
P Gupta	781	740
Dr P Shenton	685	695
Dr S Sethurajan	789	722
Dr K Kotecha	819	783

The practices for which the above GPs are partners held shares in Harmoni Ltd (with the exception of Dr Unger-Graeber) which had dealings with Hounslow PCT in 2012/13. Harmoni was sold during 2012/13 to Care UK, and the above practices are no longer shareholders.

During 2012/13 Harmoni was awarded the tender to provide the 111 service on behalf of Hounslow, Ealing, Brent and Harrow PCT's from March 2013. Of the GPs named above only Dr Unger-Graeber sat on the procurement panel. The tender approval was provided by the North West London Cluster Board.

Nick Relph, Chief Executive of the PCT until June 2012, was also employed as a Non Executive Director of Harmoni Ltd, a company which supplied an out of hours GP service to the PCT.

The Department of Health is regarded as a related party. During the year Hounslow 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

	Income £'000	**Expenditure £'000**	**Receivables £'000**	**Payables £'000**
A Primary Care Trusts				
Croydon PCT	5	31,073	487	0
Ealing PCT	394	424	124	1,976
Hammersmith And Fulham PCT	26	303	1	2
Kensington And Chelsea PCT	1,327	0	1,320	19
Richmond & Twickenham PCT	490	10	81	10
Surrey PCT	65	893	93	100
Westminster PCT	7	2,476	28	422
B Trusts				
Bart's Health NHS Trust	0	812	39	0
Central London Community Healthcare NHS Trust	0	1,471	0	11
Ealing Hospital NHS Trust	0	8,033	0	149
Epsom And St Heller University Hospitals NHS Trust	0	261	21	0
Imperial College Healthcare NHS Trust	0	45,017	0	510
Kingston Hospital NHS Trust	0	1,552	0	236
London Ambulance Service NHS Trust	0	7,026	0	100
North West London Hospitals NHS Trust	0	1,386	0	17
South West London And St Georges Mental Health NHS Trust	0	950	0	0
St Georges Healthcare NHS Trust	0	1,972	90	0
The Hounslow and Richmond Community Healthcare NHS Trust	0	31,363	169	759
The Royal National Orthopaedic Hosp Nhs Trust	0	827	169	0
West London Mental Health NHS Trust	0	21,089	0	0
West Middlesex University NHS Trust	0	92,958	0	2,389
C Foundation Trusts				
Ashford And St Peters Hospitals NHS Foundation Trust	0	14,444	85	57
Central And North West London MH NHS Foundation Trust	0	4,678	0	97
Chelsea And Westminster Hospital NHS Foundation Trust	0	7,581	0	416
Frimley Park Hospital NHS Foundation Trust	0	360	0	43
Great Ormond Street Hospital for Children NHS Foundation Trust	0	2,225	0	163
Guys And St Thomas NHS Foundation Trust	0	2,024	0	357
Heatherwood And Wexham Park Hosps NHS Foundation Trust	0	353	0	21
Hertfordshire Partnership NHS Foundation Trust	0	555	0	7
Kings College Hospital NHS Foundation Trust	0	740	0	45
Moorfields Eye Hospital NHS Foundation Trust	0	1,485	0	77
Royal Brompton And Harefield NHS Foundation Trust	0	4,650	0	574
Royal Free London NHS Foundation Trust	0	981	0	47
Royal Surrey County NHS Foundation Trust	0	661	18	0
South London And Maudsley NHS Foundation Trust	0	178	6	0
The Hillingdon Hospital NHS Foundation Trust	0	2,660	0	683
The Royal Marsden Hospital NHS Foundation Trust	0	2,287	0	196
University College London NHS Foundation Trust	0	3,610	0	159
D Others				
London SHA	676	0	0	0
E Local Councils				
Hounslow Borough Council	848	8,337	173	1,157

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	7,340	5
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	7,340	5
Total special payments	0	0
Total losses and special payments	7,340	5

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

39 Third party assets

The PCT held no cash and cash equivalents at 31 March 2013 or as at 31 March 2012 on behalf of patients.

40 Cashflows relating to exceptional items

There are no cash flows relating to exceptional items.

41 Events after the end of the reporting period

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

NHS England
Hounslow Clinical Commissioning Group
London Borough of Hounslow

Certain Land, Property, Plant & Equipment have transferred to NHS Property Services, NHS Trusts and Community Health Partnership on 31 March 2013. These were considered operational at the year end, and so have not been impaired in the PCT books. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment. The associated Borrowings and Revaluation Reserves have also transferred

INDEPENDENT AUDITOR'S REPORT TO THE SIGNING OFFICER OF HOUNSLOW PRIMARY CARE TRUST

We have audited the financial statements of Hounslow Primary Care Trust for the year ended 31 March 2013 on pages 2 to 48. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the Signing Officer of Hounslow Primary Care Trust in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Signing Officer of the Primary Care Trust those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Signing Officer of the Primary Care Trust for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Signing Officer and auditor

As explained more fully in the Statement of Signing Officer's Responsibilities set out on page 3, the Signing Officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Hounslow Primary Care Trust as at 31 March 2013 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on regularity prescribed by the Code of Audit Practice 2010 for local NHS bodies

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

Opinion on other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the director's 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 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the Department of Health's requirements;
- any referrals to the Secretary of State have been made under section 19 of the Audit Commission Act 1998; or
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of, the audit.

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

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the 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 2010 for local NHS bodies, having regard to the guidance issued by the Audit Commission in November 2012. We have considered the results of the following:

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

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

Certificate

We certify that we have completed the audit of the accounts of Hounslow Primary Care Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.

Philip Johnstone for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

7 June 2013

Hounslow Primary Care Trust
Governance Statement 2012-2013

1.	**Introduction**

I am assured by the former Chief Executive for Hounslow PCT (5HY) who was the Accountable Officer responsible for ensuring the proper stewardship of public funds and assets and who was accountable for the overall performance of the executive functions of the PCT, that the work of ensuring the discharge of obligations under Financial Directions was carried out in line with the requirements of the Accountable Officer Memorandum for PCT Chief Executives issued by the Department of Health.

I am assured by the Accountable Officer that she has carried out her responsibilities which included ensuring the following:

- management systems for safeguarding public funds and assets and assisting in the implementation of corporate governance;
- achieving value for money with the resources available;
- expenditure and income; and
- effective and sound financial management systems.

I am assured by the former Accountable Officer, who was accountable to the Chair and Non-Executive members of the PCT Board for ensuring that its decisions were implemented, that the organisation worked effectively, in accordance with Government policy and public service values, and for the maintenance of proper financial stewardship. Within the Standing Financial Instructions, it was acknowledged that the Chief Executive was ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the PCT Board met its obligation to perform its functions within the available financial resources.

The former Chief Executive and Accountable Officer had overall executive responsibility for the PCT's activities and the achievement of its objectives; responsibility to the Chair and the PCT Board for ensuring that its financial obligations and targets were met; and overall responsibility for the PCT's system of internal control. The essence of that role as Accountable Officer was to see that the Trust carried out these functions in a way which ensured the proper stewardship of public money and assets. Effective and sound financial management and information are of fundamental importance. I am assured by the former the Accountable Officer that this occurred.

The system of internal control was in place at Hounslow PCT for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

With these assurances from the former Accountable Officer I have signed the Summarised Accounts of Health Bodies in England, and the Resource Accounts of the Department of Health. The Summarised Accounts are derived from the statutory accounts of the PCT. Together with the Director of Finance, the former Accountable Officer was responsible for ensuring that the accounts of the PCT were prepared under principles and in a format directed by the Secretary of State with the approval of the Treasury.

Robust arrangements were put in place for the preparation and audit of the accounts of the PCT following closedown of North West London PCTs as statutory bodies. These arrangements are in line with Department of Health Guidance for financial closedown. A local delivery team was secured to prepare the accounts and a sub-committee of the Department of Health Audit and Risk Committee was established to review the accounts with retained non executive directors, the Director of Finance, the external and internal auditors and myself.

The Codes of Conduct and Accountability incorporated in the Corporate Governance Framework Manual issued to NHS Boards by the Secretary of State were fundamental in exercising my responsibilities for regularity, propriety and probity. Every member of the PCT Board has subscribed to these codes which were adopted in April 2011.

From April 2011, the PCT entered into a collaborative arrangement with other PCTs in North West London and underwent significant structural and organisational change.
The "Cluster" of NHS North West London was formed of eight PCTs: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea and Westminster. The Strategic Health Authority confirmed the "Cluster" was compliant with Primary Care Trust regulations and Primary Care Trust Cluster Implementation Guidance. The Strategic Health Authority reviewed the Corporate Governance Framework outlining the shared working arrangements that was agreed by the PCT Board in February 2011 and confirmed it as compliant with PCT regulations and PCT Cluster Implementation Guidance.
The Framework was revised in September 2012 to reflect the transitional development of the new system as described in the Health and Social Care Act 2012. A single management team performed its role on behalf of each of the PCTs, who retained their statutory duties and powers. All PCT statutory functions, powers and duties were mapped to ensure that they were aligned to the new cluster management structure. The former Chief Executive of Hounslow Primary Care Trust (PCT) and Accountable Officer was also the Accountable Officer for the other seven PCTs.

2. **Governance Framework – NHS North West London**

The PCT was part of a group of eight constituent PCTs which made up the NHS North West London Cluster which was the largest group of Primary Care Trusts in London with a population of 1.9 million and a budget of £3.4 billion which represented 24% of health expenditure in London. The 8 PCTs collaborated as: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea and Westminster.

The governance arrangements from 1st April 2012 to 31st March 2013 changed from the previous year in line with Department of Health guidance for PCT clustering. With effect from 1 April 2012 the 8 PCTs which comprised NHS North West London Cluster had a membership in common and met in common, in practice operating as a single NWL Cluster Board. The 8 PCTs continued to retain their statutory accountability for all duties, functions and responsibilities under NHS regulations and take decisions relating to individual PCTs where required by the relevant regulations. These arrangements were ratified at the Boards' meeting in common on 10 April 2012 and incorporated into a set of Standing Orders, Standing Financial Instructions and Scheme of Delegation There was a single Accountable Officer for the eight PCTs, the Chief Executive Officer Dr Anne Rainsberry, and the Boards' Chairman is Jeff Zitron.

The following is the membership of the Cluster Board together with the attendance record at formal Board meetings:-

Seven Board meetings were held in the financial year 2012/13

Position	Name	Number of Board Meeting attended
Chairman	Jeff Zitron	**7/7**
Non-Executive Directors	Trish Longdon	**5/7**
	Elizabeth Rantzen	**6/7**
	Fergus Cass	**7/7**
	Sarah Cuthbert	**6/7**

	Arif Kamal	**7/7**
	Chandresh Somani	6/7
	Martin Roberts	6/7
Chief Executive	Anne Rainsberry	6/7
Director of Strategy/Chief Officer designate, CWHH CCGs	Daniel Elkeles	6/7
Chief Officer designate BEHH CCGs (from 1 October 2012)	Rob Larkman	2/3
Director of Finance, Hammersmith and Fulham, Hounslow, Kensington and Chelsea and Westminster PCTs (from 1 October 2012)	Clare Parker	3/3
Director of Finance (until 30 September 2012)	David Slegg	4/4
Director of Finance, Brent, Ealing, Harrow and Hillingdon PCTs (from 1 October 2012)	Jonathan Wise	3/3
Director of Commissioning and Performance (until 30 September 2012)	Simon Weldon	3/4
Medical Director	Mark Spencer	5/5

3. **Board Performance**

A survey of Board members was carried out at the end of 2011/12, which included positive feedback on the chairing and administration of the meetings. The main concerns expressed were over the quantity of business in the context of the rapid change underway in the NHS. During 2012/13 the Board kept its business and governance arrangements under constant review in response to these concerns. The Board has supported the implementation of an Interim Operating Model and has increasingly relied on the CCG Committee and its Sub Committees as they have moved towards authorisation.

Training for Board members was carried out through Board Seminars and executive and non executive away days held on a regular basis. At these sessions members were briefed on areas relevant to the work of the PCTs which included interactive workshops for member participation into risk management (including a session on risk appetite), Shaping a Healthier Future and transition to the new NHS.

4. **Governance Framework**

The Cluster Board has established the following committees between the 8 PCTs:-

Joint Audit Committees
Joint Quality and Clinical Risk Committee
Joint Information Governance Committee
Joint Finance and Performance Committee
Joint Remuneration Committee
Joint Clinical Executive Committee
Joint Health and Safety Committee

The Cluster Board also established, in May 2012, a joint committee of the 8 PCTs in North West London with Camden PCT, Richmond PCT and Wandsworth PCT to take decisions on *Shaping a Healthier Future* a programme set up to improve healthcare for the 1.9 million people in North West London.

The PCT established Hounslow CCG Committee.

In addition, the Cluster set up working groups and units:-

- Decision Making Group – a group with a common membership which acts for the PCT in accordance with the regulations on GP and practitioner performance management
- Independent Funding Group – decision making body for considering funding for individual patients whose clinicians are recommending forms of treatment that are outside the services commissioned through the Local Operational Plan process
- Delivery Support Unit – leadership of extensive QIPP plan across the eight PCTs
- Patient and Public Advisory Group – eight Local Involvement Network Groups Chairmen with the Chairman of the Group nominated and agreed by the Cluster Board as an official observer with rights to speak and contribute to the Cluster Board part 1 meetings.

Terms of Reference were adopted by the Cluster Board for each of the Committees with a Non Executive Chairman leading the work of each, with the exception of the Information Governance Committee, led by the Head of Corporate Affairs, the Clinical Executive Committee, led by the Medical Director and the CCG Committee led by a GP Chair elected by members. In the light of the handover and transition to the new governance arrangements from April 2013 as determined by the Health and Social Care Act 2012, the Board kept the Committees and their terms of reference under review during the year. Since September the Governance Framework was supported by an Interim Operating Model of management designed to deliver in-year objectives and smooth transition to the new arrangements.

5. **Committee Functions and Performance**

The following is a summary of the Committee functions and performance:

Joint Audit Committee

The Committee was established in accordance with the guidance in the NHS Audit Handbook. It reviewed the financial management, governance, risk management and internal control in the PCTs and ensured they were adequate and effective. The Audit Committee met 7 times during 2012/3 and at its initial meeting considered audit planning, priorities, working methods and the internal audit programme for the year. Regular reports were received on the overall financial position, risk management, counter fraud, internal and external audit and transition. The Committee paid particular attention to receiving assurance on the Joint Boards Assurance Framework, transition and handover and closure arrangements. In addition, the Committee received reports on IT, the Integrated Care Pilot and the review of recommendations from the NHS London report into NHS Croydon. At its final meeting the Committee agreed its Annual Report to the Board on its work during the year and reviewed the second draft of the Annual Governance Statement.

Joint Quality and Clinical Risk Committee

The Committee kept under review and required assurance on issues affecting the quality of services commissioned across NHS North West London, including patient safety, clinical effectiveness and patient experience. The Quality and Clinical Risk Committee met 6 times during 2012/3 and received regular reports on quality (quality exception reports), quality and clinical risk register, serious incidents and never events, revalidation, Organisational Health Intelligence reports, transition and handover and closure. The Committee paid particular attention to receiving assurance on action to improve clinical quality at Imperial College Healthcare NHS Trust and the handover and closure of quality and safety in accordance with the guidance issued by the National Quality Board. In addition, the Committee received reports on looked after children in Brent and Harrow, the "Saville" case and the Mid Staffordshire Inquiry.

Joint Information Governance Committee

The Joint Information Governance Committee was a standing group accountable to the North West London Cluster Executive Team Its purpose was to support and drive the broader Information Governance ("IG") agenda and provide assurance that effective IG best practice mechanisms are in place within the North West London Cluster. The Information Governance Committee met 8 times during 2012/3 and was reconstituted during the course of the year in response to changing circumstances. Information governance risk was managed by reviewing progress towards IG toolkit submission reinforced by audit. Regular reports were received on policies, the risk register, transition and records management.

Joint Finance and Performance Committee

The Committee undertook performance monitoring and oversight of Cluster-wide non-clinical objectives to ensure that appropriate progress was made across NHS North West London. It ensured that progress was coordinated effectively and coherently between the Cluster (8 PCTs) and the 8 Clinical Commissioning Groups (established as Committees of the relevant PCT) without unnecessary duplication. It supplemented the work of the Joint Audit Committee, which ensured that the statutory and regulatory requirements of the PCT functions were independently reviewed and assured. The Finance and Performance Committee met 6 times during 2012/3 and received regular reports on progress against finance and performance targets, risk register, transition and handover and closure. It paid particular attention in the early part of the year to CCG Recovery Plans in the context of the Integrated Commissioning Plan.

Joint Remuneration Committee

The Committee kept under review remuneration and terms of service policy in NHS North West London and ensured that there was a consistent and fair approach to its application. The Remuneration Committee met 13 times during 2012/13 either in person or electronically in accordance with its terms of reference. The prime focus of its work was on employment and contractual issues relating to the transition to the new NHS with effect from 1 April 2013. The Committee considered a number of business cases for redundancy on grounds of organisational change and referred decisions to NHS London for ratification.

Joint Clinical Executive Committee

The Committee provided strong clinical leadership in developing a clinically robust and sustainable commissioning strategy, supporting the development of clinical commissioning, assuring clinical quality and leading communications with stakeholders. The Clinical Executive Committee met on a bi-monthly basis throughout the year. Its main focus of work was in supporting emerging CCGs through the authorisation process and providing clinical input to the strategy *Shaping a Healthier Future in North West London.* The Committee also paid particular attention to the improvement of clinical care at Imperial College Healthcare NHS Trust and to the London Cancer Programme.

Joint Health & Safety Committee

The Committee kept under review and required assurance on issues affecting the health and safety requirements across NHS North West London Cluster. The Health and Safety Committee was established during the year and met 6 times during 2012/3. The focus of its work during the year was to assure itself that the PCT met its health and safety responsibilities, taking account of commissioned external reviews. It reviewed fire, health and safety and carbon reduction policies prior to endorsement by the Board. The Committee received regular reports on serious incidents, the risk register, implementation of mandatory training and premises assessment. It also received reports on the handover and closure of estates.

Hounslow Clinical Commissioning Group Committee

The Committee:-

a. undertook the commissioning functions for the practice patients of the members of the Group, and for those resident in the area of the emerging CCG who were not practice patients of any other emerging CCG for services commissioned on a practice patient basis; and commissions services required to be provided on an open access basis for all persons resident in the area of the emerging CCG
b. developed close links with the Borough of Hounslow and participates in the development of joint strategic needs assessment for the borough and contributes to the Health and Well being board
c. prepared the members of the Group for the submission of an application to the National Commissioning Board for Authorisation
d. carried out such other functions as are required under the Accountability Agreement for the purpose of developing the competencies of a Clinical Commissioning Group.

The Clinical Commissioning Group met regularly during 2012/3 and its prime focus was complying with national guidance in order to become authorised as a legal entity with effect from 1 April 2013. A substantial part of its work was the development of its constitution and governance arrangements, while at the same time discharging the commissioning responsibilities delegated to it by the Board. It set up its own Sub Committees to match key Cluster Committees in preparation for taking on its own statutory responsibilities with effect from April 2013. The CCG has been authorised with 4 conditions with effect from 1 April 2013, an action plan was designed to address and close the conditions of operation.

6. **Handover and Closure**

The Board kept its arrangements under review throughout the year to ensure that they continue to address the following hierarchy of priorities in accordance with national guidance:-

1 Business as usual
2 Handover and Closure
3 Establishment of new arrangements

The Board agreed to retain its existing committee structure but implemented an Interim Operating Model which ensured that there were clear accountability arrangements to secure in-year delivery and transition to the new system. The arrangements were formalised with changes to the membership of the Board with effect from 1 October 2012. Handover and closure has been led by the Transition Director and supported by a Handover and Closure Operational Group (Star Chamber) comprising the leads of all the transition workstreams. Regular reports on progress on handover and closure were received at the Board, Audit Committee and Quality and Clinical Risk Committee. A Handover and Closure Risk Register was maintained and fed into the Board Assurance Framework (BAF) in the same way as other risk registers.

The BAF was shared with the emerging CCG, so that it could inform the development of the CCG's own risk management arrangements and BAF. The Board agreed in September that the CCG's Accountable Officer (designate) should review the CCG BAF and risk registers (including scrutiny of the BAF) and agreed that the CCG BAFs and Risk Registers would be reported to the relevant PCT Committee, so that assurance could be provided to the Board. The Audit Committee followed the development of the CCG BAFs and gained assurance that the emerging arrangements are likely to prove adequate and effective.

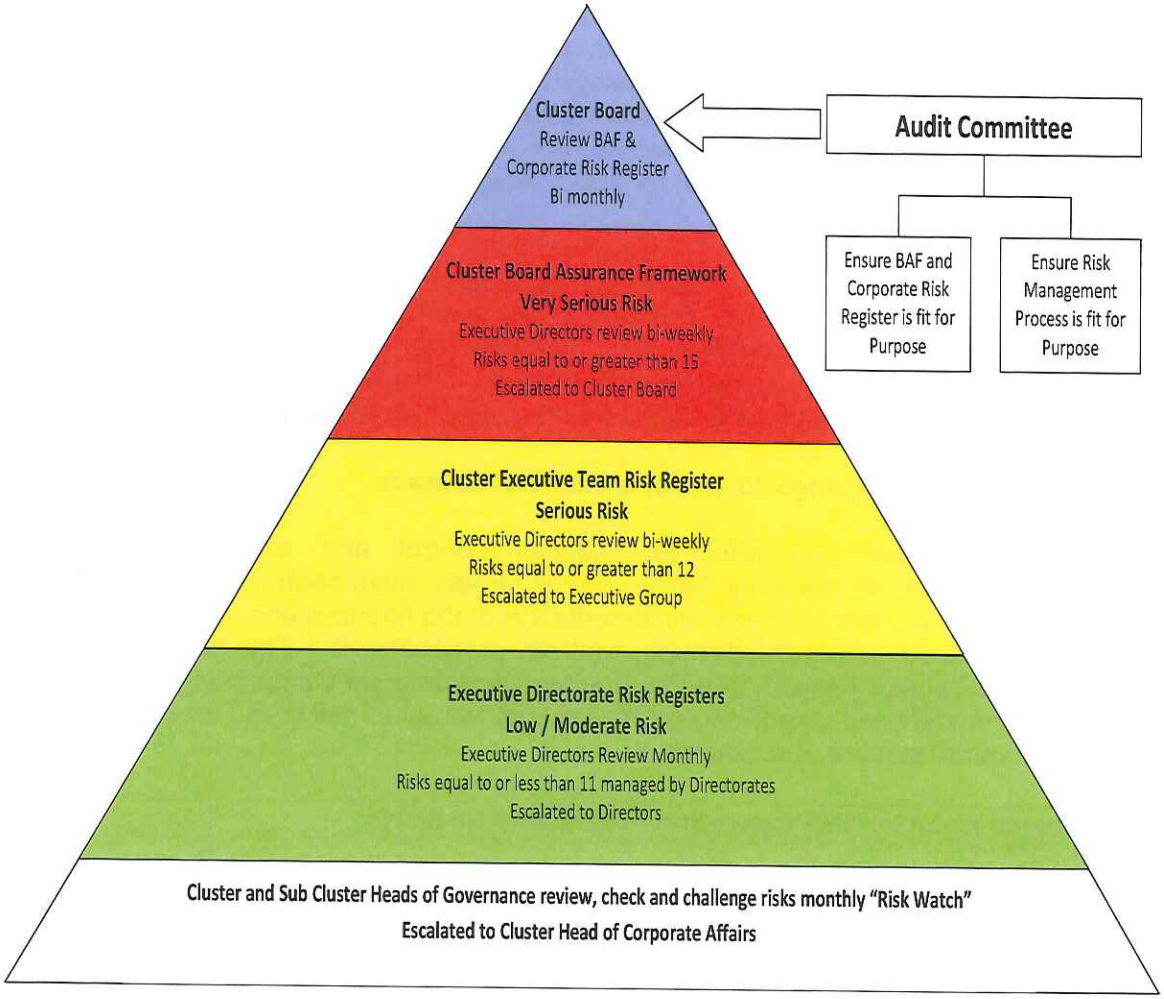
At Board and Committee level, the risk registers were made available to the CCGs so that they could determine their own risk management arrangements. The PCT adopted a practice of using handover certificates to formalise the handover of functions to successor bodies. The certificates include provision for the identification of outstanding issues and any risks which could impact on delivery in future if not adequately mitigated. These were designed to act as a

	trigger for discussion at handover meetings with receivers. This process gave the receiving organisation the information with which to assess risks against its own risk appetite and risk management strategy
7.	**Framework for Financial Closedown**
	In accordance with national guidance, arrangements were put in place for financial closedown. This included:- • preparation and sign off of PCT accounts for 2012/13; • support for the completion of the Department's resource account; • transfer of closing balances to residual organisations; • management of local discharge of balances transferred to the Department; • management of payroll queries and other related payroll issues; and • handover of residual balances managed on behalf of the Department. The PCT Chief Executive and Director of Finance both secured posts in successor bodies but retained responsibility for financial closedown and the Accounts. Staff resources were secured to ensure effective accounts preparation by means of agreement with successor organisations for staff who secured employment and by means of staff appointments under the Retention and Exit Terms Scheme. In addition, staff resources were identified to transfer to, or be available to, the Legacy Management Office. For scrutiny and audit existing arrangements for both internal and external audit encompassed the work associated with reviewing financial closedown and the completion of final accounts. All Audit Committee members, whether they have role in the new system or not, have were asked and agreed to become members of an Audit Sub-Committee of the Department of Health Audit and Risk Committee to support the final accounts process.
8.	**Compliance with Corporate Governance Code**
	The Board of the PCT met in public and published Board Papers, agenda and minutes on their websites. The Board adhered to the "Nolan Principles" setting out the ways in which holders of Public Office behave in the discharge of their duties and as a guiding principle for decision making. The principles adopted by this Board are:- • Selflessness • Integrity • Objectivity • Accountability • Openness • Honesty • Leadership As a central part of the NHS the Board affirmed its commitment to the rights and values set out in the NHS Constitution and the seven key principles that guide the Board in all its actions:- • The NHS provides a comprehensive service available to all; • Access to NHS Services is based on clinical need, not an individual's ability to pay; • The NHS aspires to the highest standards of excellence and professionalism on the provision of high-quality care that is safe, effective and focussed on the patient experience; • NHS services must reflect the needs and preferences of patients, their families and carers; • The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population; • The NHS is committed to providing best value for taxpayer's money and the most cost-effective, fair and sustainable use of finite resources;

	• The NHS is accountable to the public, communities and patients that it serves.
9.	**Discharge of Statutory Functions**
	An integral part of transition was the reconciliation of the statutory functions of the PCT and their destination after the end of March 2013. The PCT used legal advice to establish the definitive list of statutory responsibilities and established a tracker to ensure that each function was transferred appropriately. In doing so, the PCT established that no irregularities were identified and has assured itself that it was legally compliant. In the NHS continuing care doubts have been raised about the appropriate interpretation of the legislation in individual cases and the PCT followed the national process to review outstanding cases.
10.	**Risk and Control Framework**
	The following is a summary of the Cluster risk management strategy:- The Cluster Risk Management Strategy, agreed by the Cluster Board in November 2011, was embedded in the normal management processes and structures and encouraged by a responsible culture. The Risk Management Strategy promoted the philosophy of integrated governance and required all risk management to be systematic, robust and evident. It required that risk management processes were applied to business planning at all levels and that risk management issues be communicated to key stakeholders where necessary. The Strategy covered quality, clinical, organisational and financial risk, and identifies the key management structures and processes defining objectives and responsibilities within the Cluster. The principles of this Strategy are consistent with the Cluster key priorities – patient safety and staff management. Implementation of the Risk Management Strategy was co-ordinated and monitored by the Cluster Executive Team. The Strategy was supported by a NWL Risk Management Process which clearly describes the processes that the Cluster has put into place in order to adequately manage risk. Since April 2012 there has been a coherent and consistent approach across all 8 PCTs in the Cluster and in May the Board reviewed its appetite and tolerance for risks. The process ensures that the highest risks appear on the Board Assurance Framework with a systematic approach to lower risks. The process ensures where risks are identified, there is a requirement for action to be taken to mitigate the risk. Where risks remain at a high level, they were subject to regular scrutiny by the Board, relevant Committee or the Executive Team, so that they received constant management attention. During the course of 2012/13 in response to the exceptional challenges of transition, specific risk registers were maintained for specific risks, for example handover and closure and financial handover and closedown. The discipline of the strategy together with the training of staff ensured that the number of risks arising was kept to a minimum. The Strategy complies with best practice, NHS Litigation Authority and National Patient Safety guidance and the Department of Health requirements.
11.	**Risk Identification and Evaluation**
	The identification of new risks was a standing item on the agenda for the Cluster Board, its committees and key working groups since 2011. This ensured that each forum considered risk at the end of each meeting and was very effective in focusing attention on risk. The Cluster Executive Team work programmes captured all risks and issues within their risk logs (low scores) and dashboards which were then escalated to the appropriate risk register or log if scores reach the relevant threshold. Any risks identified or amended which reach thresholds for the Cluster tiered Risk Registers were passed to the Head of Corporate Affairs and duly considered, rated and assigned to an appropriate risk register and shared at a regular Heads of Governance meeting. They were then referred to the owner of the relevant risk register for additional controls and actions to mitigate the risk. The 5 x 5 matrix used when rating risks considers the impact of each risk in terms of resulting in: Injury/Safety; Legal or Financial; Performance/Service Interruption; Regulatory; or Adverse Publicity/Reputation. Each risk was then assigned to an appropriate register depending upon

the score for its impact multiplied by the score for the likelihood of that occurring. Each rating was presented as a mitigated score based upon consideration of the controls in place. Actions were recommended to reduce the risk rating. The risk matrix includes consideration of stakeholders in the assessment of impact of risks identified including among others such as: patients; the public; service users; and the Department of Health. Controls for individual risks were only recorded where they were verified as making an active difference to reducing or mitigating a risk. They must have been verified as controls at an appropriate forum or by a recognised external/regulatory body. These were continually reviewed at the Head of Corporate Affairs, Head of Clinical Governance or Cluster Executive Team for Corporate or Directors' Risks; or by the designated lead for directorate risk registers with guidance and support from the Head of Corporate Affairs. All risks were triangulated with NHS London.

The following diagram highlights the Cluster process for stratification of risks:



12. **New Risks**

The Cluster operated an integrated Board Assurance Framework and Risk Register (as described above) based on the strategic objectives for the year. The BAF was reviewed at every Board meeting and was updated and revised as new risks were identified and existing risks were mitigated. The year has been challenging in meeting in-year delivery targets, ensuring effective handover and closure and establishing new organisations which are fit for purpose. In addition, the year has included formal consultation on *Shaping a Healthier Future,*

the strategy to secure improvements in health care across North West London. In that context, the most significant and enduring risks for 2012/13 are described below:-

Delivery of improvements in clinical quality and patient experience

In terms of delivering improvement in clinical quality and patient experience, high risks were associated with Imperial College Healthcare NHS Trust and North West London Hospitals NHS Trust. For Imperial there were risks associated with the sustainable delivery of the 18 week target and an inability to complete robust data validation of cancer pathways, leading to further breaches of waiting standards. For North West London Hospitals the risks related to the achievement of the A & E 4 hour wait standard, poor performance in patient surveys and the level of consultant cover in maternity. The risks in both providers were of poor outcomes and poor patient experience. Trust action plans to address identified issues have been subject to monitoring and review by the Quality and Clinical Risk Committee and Board and financial support provided where appropriate.

Support the development of the new commissioning and provider landscape

A key element of achieving improvements in quality in future is the implementation of the out of hospital strategies with transfer of care from acute to out of hospital settings. The risk of failure to achieve these objectives was identified as high throughout the year, with the potential impact on quality, financial stability and delays to the reconfiguration strategy. Action is being coordinated across North West London between CCGs and supported by a strategy development team and a workforce transformation strategy. There is a rigorous assurance plan and detailed implementation plan for 2013/14 agreed by the Board.

On the same objective, there was also a risk of failure to meet the requirements of information governance frameworks with a resulting unsatisfactory audit and information governance toolkit. Action plans arising from the toolkit assessment were monitored regularly by the Information Governance Committee and additional resources were allocated to records management and information mapping in support. There is a systematic programme of records management to ensure effective transition to the new organisations.

Delivery of financial savings to achieve financial balance

Maintaining adequate and effective financial control and ensuring strong financial management, as well as delivering QIPP savings targets, have been a high risk. Key elements in managing the risk have been the implementation of the financial and commissioning strategy with strong controls exercised through contract management. The financial position was monitored on a regular basis by the Finance and Performance Committee and the Board with remedial action identified where necessary. A final review of risk rating took place in month 9 as part of the draft closure of accounts.

13. **Performance Against NHS Operating Framework 2012/13**

Hounslow PCT had a statutory duty to report on the performance of its services during the reporting year. Throughout 2012/13, Hounslow PCT has continued to seek improvements in the performance of key health services by implementing its health and wellbeing strategy, targeting improved self care and improving the quality of health for the population.

Maintaining focus on performance together with our local GPs, we saw a number of improvements on our 2011/12 performance which are subsequently delivering better health outcomes for the local population. Key achievements for the year include:

	• Achieved the 90% target referral to treatment waiting times for all admitted patients being seen within 18 weeks by the end of 2012/13. • Achieved the cancer 2 week wait percentage for the number of patients seen within 2 weeks of an urgent GP referral for suspected cancer. • Achieved the national target for patients waiting more than 6 weeks for a diagnostic test. • The national target of 75%, for Category A response within eight minutes was achieved by the end of 2012/13, with the London Ambulance Service reporting performance of 75.4%. • Successfully achieved the mental health indicators for improved access to psychological therapies, early intervention (new cases of psychosis) and crisis resolution services. Areas where improvement is still needed included: • The target of no more than 54 cases of clostridium difficile for 2012/13 was exceeded, with 62 cases reported. There will be a continued focus on managing and reducing healthcare acquired infections, with collaborative working between the newly formed Hounslow Clinical Commissioning Group, working closely with their provider trusts. • The target tolerance of no more than eight MRSA bacteraemia cases for 2012/13 was exceeded, with 14 cases reported. There will be a continued focus on managing and reducing healthcare acquired infections, with collaborative working between the newly formed Hounslow Clinical Commissioning Group, working closely with their provider trusts. • Percentage of patients receiving first definitive treatment for cancer within 62-days of an urgent GP referral for suspected cancer, percentage treated in 62 days from urgent GP referral for suspected cancer: 83.9 % out of a target of 90 %. The new NHS organisations established in April 2013, including Hounslow CCG will have responsibility for improving those areas where performance is poor.
14	**Lapses of Data Security**
	No lapses of data security have been identified and none reported to the Information Commissioner.
15	**Effectiveness of Risk Management and Internal Control**
	The key Board Committees have regularly received and discussed their respective risk registers. The Audit Committee has sought assurance that the BAF appropriately reflects the level of risk and incorporates mitigating action. Independent assurance on the effectiveness of risk management and internal control has been provided through Internal Audit reviews of risk management, statutory duties and responsibilities and Cluster governance arrangements. The outcome of each of the audits was a green rating with a total of two low priority recommendations for which actions have been agreed. In summary, the Board could take substantial assurance that the controls upon which the organisation relied to manage these risk/areas were suitably designed, consistently applied and effective. A further audit on handover and closure was designed to provide independent assurance that the implementation of the process is effective. These specific audits were accompanied by a wider internal audit programme encompassing (amongst others) the following areas:-

- Business continuity
- Payroll and payroll feeder systems
- Procurement
- Clinical Commissioning Groups
- QIPP
- Continuing care
- Performance Management
- Information and Clinical Governance
- Acute and non-acute commissioning and contract management
- Transfers of estates and public health
- Financial matters e.g. creditors, general ledger, financial management, accounts receivable, cash and treasury

The details of the areas covered may relate discretely to different functions and give different levels of assurance.

The Board has maintained an active programme of fraud prevention in accordance with the core activities required by NHS Protect. The PCT was compliant with the Secretary of State's Directions.

16 **Significant Issues**

An internal audit report on Continuing Care was undertaken during 2012/13 and was able to provide only partial assurance regarding the controls in place. In response to that report, local action plans were put in place to ensure that the issues identified in the audit report relating to 2012/13 were addressed.

17 **Head of Internal Audit Opinion**

The purpose of the Head of Internal Audit Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. The opinion is as follows:-

"*Based on the work undertaken in 2012/13,* ***significant assurance*** *can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, we have noted one area of weakness. Whilst we have not issued any RED rated reports we were only able to provide some (partial) assurance over* ***Continuing Care.*** *In particular we identified a backlog of assessments of patients having been undertaken which could have an impact both on quality of care and have financial implications. An agreed action plan is in place at borough level to be owned by the Clinical Commissioning Group moving forwards."*

18 **Conclusion**

This statement was been discussed at the Audit Committee (19 January and 5 March 2013) and at the Cluster Board meeting (19 March 2013). It was also discussed at the sub committee of the Audit Committee of the Department of Health on the 8 May 2013 and approved at this committee on the 3rd June 2013. The views of the Committees and the Board have been taken into account in the preparation of this statement.

Richard Douglas
6 June 2013