



Department  
of Health



# Buckinghamshire Primary Care Trust

2012-13 Annual Report and Accounts

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# Buckinghamshire Primary Care Trust

2012-13 Annual Report

**ANNUAL REPORT  
2012/13**

**BUCKINGHAMSHIRE PRIMARY CARE TRUST**

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## Buckinghamshire Primary Care Trust - Annual Report 2012/13

### Directors Report

2012/13 was the final year of the Primary Care Trust (PCT) and has been an extremely challenging year in terms of supporting the implementation of the Health and Social Care Act 2012 transition and in particular for the staff of the PCT who, without exception, have faced uncertainty in terms of role, responsibilities and job security. I cannot emphasise enough how difficult it has been to maintain delivery and quality improvements with this level of uncertainty and I would like to say a personal thank you to all staff who have worked hard to commission safe, effective services and to focus on quality improvement and patient care throughout this change.

Functions of Primary Care Trusts have moved to a number of new organisations referred to as "receivers". For Buckinghamshire PCT these have been:

- Aylesbury Vale Clinical Commissioning Group
- Chiltern Clinical Commissioning Group
- NHS Property Service Limited
- NHS England
- Public Health England
- NHS Business Service Authority (hosting Central Southern Commissioning Support Unit and legacy team)
- Buckinghamshire County Council

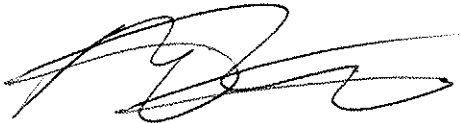
Although a complex transition, Buckinghamshire PCT has supported the effective transfer to these new organisations and has ensured a sound operational handover and also produced a formal Quality Handover Document supported by a number of face to face handover meetings. This has ensured the new infrastructure fully understands both the risks and the many examples of best practice in the full range of health services previously commissioned by Buckinghamshire PCT.

Nationally the NHS has faced the reality that care standards have been shown to be unacceptable at times through the Winterbourne View report and the Francis Inquiry. This has acted as a key reminder that all parts of the healthcare system need to ensure an absolute focus on high quality care for all. Buckinghamshire PCT has worked closely with the developing new architecture to ensure lessons are learnt and standards are maintained and improved.

The Better Healthcare in Buckinghamshire (BHiB) Programme finished its extensive consultation exercise and the changes came into effect during 2012. In October the new Minor Injuries and Illness Unit opened at Wycombe Hospital. In November, medical ward moves from Wycombe to Stoke Mandeville took place and a surgical ward and two new ITU beds opened at Stoke Mandeville. Wexham Park Hospital also reconfigured services to accept additional flows to A&E once the Emergency Medical Centre closed. The implementation was very successful but had been a factor in the operational pressure on the A&E department at Stoke Mandeville whilst the new team, operating procedures and estate changes were finalised.

Other performance improvements during 2012/13 in Buckinghamshire included cancer access times, referral to treatment times and MRSA incidence. The system has not been able to maintain achievement of the A&E access target throughout the winter and Buckinghamshire Healthcare Trust, commissioners and social care are working closely to recover this position.

I would like to finish by again thanking all the staff and partners that have contributed to the successes of Buckinghamshire Primary Care Trust during the period 2006-2013. I believe we have contributed to improved health care and outcomes across the county and have ensured a safe and effective transition to the new architecture of the NHS.

A handwritten signature in black ink, appearing to read 'Matthew Tait', with a stylized, cursive script.

Matthew Tait  
**Chief Executive**  
**NHS Buckinghamshire & Oxfordshire Cluster**

## **About this report**

All NHS organisations are required to publish an annual report and financial statements at the end of each financial year. This report provides a brief overview of the work of NHS Buckinghamshire; also known as Buckinghamshire Primary Care Trust (PCT) and part of NHS Buckinghamshire and Oxfordshire Cluster.

The report is in two parts; the first section is a short round-up of the performance of NHS Buckinghamshire and the Cluster as well as our staffing information.

The second part is a summary of the organisation's financial statements for the financial year 2012/13. The full financial accounts have been published separately and are available on request by calling: 01865 336800.



## **About NHS Buckinghamshire**

NHS Buckinghamshire is a primary care trust which means we are given funding from the government to plan and buy health services for Buckinghamshire residents. We serve a population of roughly 530,000 people across Buckinghamshire (with the exception of Milton Keynes and the wards of Great Brickhill and Newton Longville), as well as the Oxfordshire wards of Aston Rowan, Chinnor, Thame North and Thame South.

We buy services from hospitals, mental health trusts, the ambulance service and a range of other organisations. We also support 56 GP practices, 97 pharmacies and 74 dental practices as well as optometry and other community services. Some services are jointly commissioned with Buckinghamshire County Council.

We plan, design and buy (commission) the health services that people in Buckinghamshire use when they are unwell. We also commission services to prevent illness and to help people live longer, healthier lives – such as stop smoking services, alcohol treatment services and weight management services. We are also responsible for health checks and screening programmes across the county.

Although our population is among the healthiest in England there are small areas of the county where good health is not as common. We work with organisations, including Buckinghamshire County Council, to improve the health and wellbeing of these areas and the population as a whole.

Our full legal name is Buckinghamshire Primary Care Trust but in 2009/10 we followed national guidance and shortened it to NHS Buckinghamshire, which is what we will call ourselves for the rest of this report.

## **PCT Cluster Arrangements**

In 2011/12, as part of the changes happening across the NHS in England we clustered with our neighbours NHS Oxfordshire. Clusters were created so that business continuity of commissioning local healthcare could be maintained while the move to clinical commissioning began. Although we have clustered with NHS Oxfordshire we remain a statutory organisation in our own right and this annual report is therefore only about the work of NHS Buckinghamshire.

As part of the NHS reforms, Buckinghamshire PCT ceased to exist on the 31st March 2013. All of the PCT functions, contracts, assets and liabilities were transferred to receiving organisations on the 1 April 2013 in accordance with the Health and Social Care Act 2012.

## Performance

NHS Buckinghamshire continues to monitor and manage performance against a range of national and local headline measures to determine the quality, safety and timeliness of services offered to Buckinghamshire residents and assess the impact of national and local initiatives on the health status of the population. These headline measures are supported by more local indicators at CCG and programme level with regular reporting on improvement and issues received by the Programme Boards, Clinical Commissioning Board and the Cluster Board.

In 2012/13, NHS Buckinghamshire continued to deliver improvements in commissioned services including:

- Maintaining low levels of Healthcare Acquired Infections (HCAI): MRSA and clostridium difficile
- Continuing to successfully deliver cancer screening services
- Continuing to achieve the NHS Constitution Standard referral to treatment times

Key areas where improvement is required:

- Service changes and increase of the intensity of care required for a patient has contributed to the system not maintaining delivery of the A&E 4 hour target throughout the year. Whilst this is a national problem local partners, including Social Care and Primary Care continue to work with Buckinghamshire Healthcare Trust to maintain this NHS constitution requirement.
- Ambulance response times continue to be a challenge for Buckinghamshire whilst some improvements have been made, additional focus on how performance targets are maintained in rural areas is required.

## Sustainability

The health of people in Buckinghamshire is directly affected by the environment. NHS Buckinghamshire continued in its commitment to act in an environmentally responsible manner in discharging its statutory duties.

It recognised the requirement to have a robust green/environmental policy in place, which shows its commitment to the wider global issues involved.

## **Our staff**

At the end of March 2013 we employed 191 staff, including 28 people employed by the emerging Buckinghamshire clinical commissioning groups.

## **Valuing and developing staff**

During the final transition year we remained committed to the development and training of our staff, particularly to support delivery of business as usual and also equipping staff with skills to enable them to thrive in the NHS of the future and continued to offer a comprehensive range of learning and development opportunities.

Coaching programmes are available to all staff whose personal development plan (PDP) has identified that they would benefit from such support. Coaching develops a person's skills and knowledge so that they feel more able to respond positively to challenges they encounter in their work and other spheres of life, and enables them to carry out their job more effectively.

## **Staff engagement**

Throughout 2012/13, we have maintained monthly staff briefings, led by the Chief Executive, ensuring staff are kept up to date with the direction of the organisation and the changes resulting from the Health and Social Care Act 2012. We continued the production of our weekly electronic staff bulletin called The Point, which goes by email to all staff. Important transition information for all staff e.g. job vacancies was also circulated to all staff by email.

Newsletters and briefing sessions were provided to all staff and information received from the emerging organisations was disseminated to all staff as and when received.

## **Wellbeing at Work**

During 2012/13, the pace of national and local change continued to accelerate and we have maintained a close focus on staff wellbeing. The Employee Assistance Programme, introduced in December 2011, which provides 24/7 telephone help for all employees on a variety of issues has continued. We have, in addition provided personal resilience toolbox training that all staff were able to attend.

The focus on staff wellbeing during the year was equipping both staff and managers for the recruitment and selection process for the new organisations. This involved a programme of career counselling, CV writing, interviewing skills as well as Leading through Change training for managers. Despite the uncertainty for many staff during the year sickness and absence levels fell and by the end of the year were within the South Central Strategic Health Authority target of 3%.

Due to the demise of the PCT it was exempt from taking part in the National Staff Survey.

## **Equality and Diversity**

NHS Buckinghamshire is committed to equal opportunities and diversity. It is our policy to ensure that no user of service, present or future employee or job applicant receives less favourable treatment on the grounds of their marital status, gender, sexual orientation, race, religion or belief, age, creed, colour, nationality, national origin, ethnic origin or disability, nor is disadvantaged by any conditions or requirements which cannot be shown to be justified.

The PCT Cluster Board adopted the NHS Equality Delivery System (EDS) in December 2011 to help meet our duties under the Public Sector Equality Duties laid out in the Equality Act (2010). The PCT remained committed to providing a workplace free from discrimination, harassment and victimisation and promoting equal opportunities for all during 2012/13.

The EDS supersedes all previous equality and diversity legislation, including the Disability Discrimination Act (2005) and the Race Relations Act (1976).

### **Disability 'two-ticks' symbol**

The disability symbol is usually displayed on job advertisements, application forms and recruitment literature. The Trust is authorised to use the disability symbol 'Positive about Disability' by the Department for Work and Pensions because of its commitment to the following:

- To interview all applicants with a disability who meet the minimum criteria for a job vacancy and consider them on their abilities.
- To ask disabled employees at least once a year through the appraisal scheme what we can do to make sure they can develop and use their abilities at work.
- To make every effort when employees become disabled to make sure they stay in employment.
- To take action to ensure that key employees (e.g. managers, heads of service, reception staff, etc.) develop the awareness of disability needed to make our commitments work.
- Each year, to review the commitments and what has been achieved, plan ways to improve on them and let all employees know about progress and future plans.

## Staff Data

Staff Group	Total	Percentage
Additional Professional Scientific and Technical	8	4.2%
Administration and Clerical	156	81.7%
Medical and Dental	12	6.3%
Nursing, Midwifery and Health Visiting	15	7.8%
<b>Total</b>	<b>191</b>	<b>100.00%</b>

Ethnic Origin	Total
A White – British	147
B White – Irish	2
C White - Any other White background	5
D Mixed – White and Black Caribbean	1
H Asian or Asian British – Indian	10
J Asian or Asian British – Pakistani	3
L Asian or Asian British – or any other Asian background	2
N Black or Black British – African	3
PD Black British	2
S Any other ethnic group	1
Undefined	6
Z Not Stated	9
<b>Total</b>	<b>191</b>

Percentage monthly commissioning staff absence rate:

Month	Year	Percentage
April	2012	3.89%
May	2012	3.93%
June	2012	3.93%
July	2012	3.77%
August	2012	3.55%
September	2012	3.31%
October	2012	3.07%
November	2012	3.00%
December	2012	2.91%
January	2013	2.90%
February	2013	2.91%
March	2013	1.60%

## **The Cluster Board**

### **Board Chairman**

Stewart George – Chairman, NHS Buckinghamshire

Fred Hucker – Chairman, NHS Oxfordshire (to 28/09/12)

Ailsa Granne – Chairman, NHS Oxfordshire (from 26/09/12)

### **Non Executive Directors on the Cluster Board**

- Murray Fraser NHS Buckinghamshire
- David Lunn NHS Buckinghamshire
- Elaine Deste NHS Buckinghamshire
- Rosslyn Avery NHS Oxfordshire
- Sumit Biswas NHS Oxfordshire
- Tony Mullee NHS Oxfordshire

### **Executive Directors on the Cluster Board**

- Matthew Tait\* – Chief Executive, NHS Buckinghamshire & Oxfordshire Cluster
- Jane Dudley – Director of Reform, Governance & People Management (to 31/03/13)
- Caroline Gregory – Acting Director of Finance (to 01/01/13)
- Jonathan McWilliam\* - Director of Public Health (joint appointment with Oxfordshire County Council)
- Ronan O'Connor\* – Director of Communications & Patient Information
- Jane O'Grady\* – Director of Public Health (joint appointment with Buckinghamshire County Council)
- Geoff Payne\* – Medical Director
- Colin Thompson – Director of QIPP, Performance & Quality (to 01/11/12)
- Sula Wiltshire\* – Director of Nursing & Quality (to 01/01/13)

### **Honorary Contract**

James Drury - Director of Finance (from 01/01/13)

Helen Clanchy - Director of Commissioning (from 01/01/13)

Jan Fowler - Director of Nursing (from 01/01/13)

### **Invitation to attend:**

- Dr Stephen Richards – Chief Clinical Officer, Oxfordshire Clinical Commissioning Group
- Louise Patten – Chief Officer, Aylesbury Vale Clinical Commissioning Group
- Dr Annet Gamell – Chief Clinical Officer, Chiltern Clinical Commissioning Group

### **Non Executive Directors not on the Cluster Board**

- Heidi Travis NHS Buckinghamshire
- Jonathan Wallis NHS Buckinghamshire
- Fiona Mackay Perkins NHS Oxfordshire
- Bryan Thompson NHS Oxfordshire

\*transferred to other NHS organisations on the 1st April 2013 and no redundancy costs were thus incurred.

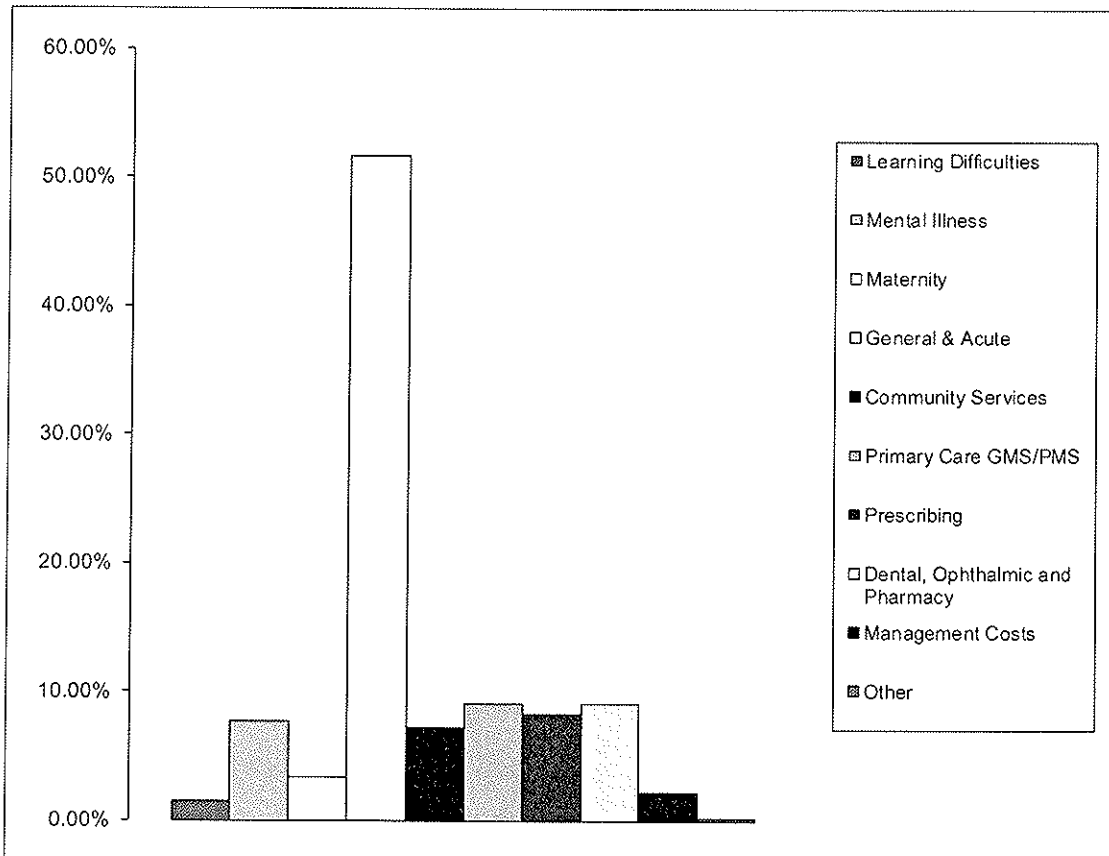
All directorships (both executive and non-executive) came to an end on the 31 March 2013 with the closedown of the PCT.

The PCT ceased to exist on the 31 March 2013. An Audit Sub Committee of the Department of Health's Audit and Risk Committee was established on 1 April for a three month period. The scope of this audit sub committee was to review the annual report, financial statements and governance statements.

## Financial Information - Accounts Year Ended 31 March 2013

### How Your Money Is Spent

During 2012/13 Buckinghamshire PCT spent over £750m on a range of services commissioned from acute, mental health, community service providers and contracted with an array of Primary Care Practitioners. The profile of this spend is reflected in the graph below.



Note: Management Costs include Board, Executive, Corporate and Support Functions



## **Financial Position of Buckinghamshire PCT for the Year Ended 31st March 2013**

The following is a glossary of terms that is used throughout the Summary Financial Statements.

### **Statement of Comprehensive Net Expenditure**

The Operating Cost Statement records the income and expenditure incurred by the PCT during the year in the course of running its operations. It includes cash expenditure on staff, supplies and contracts, commissioning healthcare as well as non cash expenses such as depreciation. It is the equivalent of the profit and loss account in the private sector but is measured against the Resource Limit to determine whether or not a surplus or deficit has occurred. Terms used within this statement include:

- Commissioning- services supplied by other organisations outside the PCT such as Acute Trusts
- Gross Operating Costs- total expenditure incurred through operating activities
- Miscellaneous Income- income received for supply of goods and services to other organisations/public such as peripheral clinics dental charges
- Net Operating costs- income received less expenditure
- Revenue Resource Limit- amount of money the PCT is allocated to spend on revenue expenditure
- Operational Financial Balance - this shows whether the PCT has achieved its financial target to break-even for the year and is the net operating costs compared to the Revenue Resource Limit
- Break Even- net operating costs are the same as the Revenue Resource Limit

### **Statement of Financial Position (Balance Sheet)**

Statement of the PCTs financial position at a specific moment in time; the end of the financial year. It lists Assets (everything the PCT owns in monetary terms), liabilities (amounts owed to external parties) and taxpayers' equity (the assets minus liabilities). Terminology covers:

- Property, Plant and Equipment - which is Land, buildings, equipment and fixture and fittings
- Non Current Assets - represent rights or other access to future economic benefits controlled by the PCT as a result of past transactions or events which will materialise in the future greater than twelve months
- Current Assets - rights or other access to future economic benefits controlled by the PCT as a result of past transactions or events which will materialise within the next twelve months
- Inventories - items purchased for future use
- Trade and Other Receivables - amounts owed to the PCT at the Balance Sheet date
- Cash and Cash equivalents - cash held in banks and in hand
- Liabilities - obligation of the PCT to transfer economic benefits as a result of past transactions or events

- Provisions - liabilities in which the amount and timing is uncertain. While there has been no cash payment, the PCT anticipates making a payment at a future date and so its net assets are reduced accordingly
- Borrowings - this relates to Finance Leases which the PCT has entered into
- General Fund - represents the funds needed but not yet sought from the Department of Health (DH) that are required to meet the cost of goods and services received less cash not received for services provided and payments/investments made in fixed assets
- Revaluation Reserve - reserve generated by the excess of revalued amount of assets over book value of assets
- Donation Reserve - value of assets purchased by donations from the public or charities

### **Cash Flow Statement**

Summarises the cash flow of the PCT during the accounting period. This includes the impact of operating and investment activities, capital transactions and financing. Terms applied are:

- Net Cash Outflow from Activities - relates to cash spent from normal operating activities
- Capital Expenditure - payments for new capital assets and receipts from asset sales. Capital expenditure relates to spending on buildings, land and equipment which exceeds £5,000
- Net Cash Inflow from Financing - the total amount of cash the PCT has been given by the Department of Health
- Net Parliamentary Funding - money given to the PCT by the Department of Health to spend on the provision of services

### **Capital Resource Limit**

The PCT is given a resource limit by the Department of Health to purchase capital items and includes:

- Charge against Resource Limit - payments for new capital assets and receipts from asset sales. Capital expenditure relates to spending on buildings, land and equipment which exceeds £5,000
- Capital Resource Limit - amount of money the PCT is allocated to spend on capital items

## Summary Financial Statements For Accounts To 31 March 2013

The Financial Statements which follow are a summary of the PCT's full accounts. A more comprehensive set of accounts is available on request which incorporate notes that enable the reader to gain a wider understanding of the organisations financial policies and contain more detailed analysis of its financial position.

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE: YEAR ENDED 31 MARCH 2013

	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>		
Gross employee benefits	10,155	8,318
Other costs	755,190	730,494
Income	<u>(14,846)</u>	<u>(14,267)</u>
<b>Net operating costs before interest</b>	<b>750,499</b>	<b>724,545</b>
Investment income	0	0
Other (Gains)/Losses	27	0
Finance costs	<u>0</u>	<u>80</u>
<b>Net operating costs for the financial year</b>	<b><u>750,526</u></b>	<b><u>724,625</u></b>
Revenue Resource Limit	754,757	724,752
<b>Under/(Over)spend Against Revenue Resource Limit (RRL)</b>	<b>4,231</b>	<b>127</b>

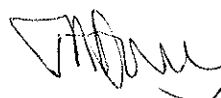
<b>SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013</b>
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	31 March 2013	31 March 2012
	£000	£000
<b>Non-current assets:</b>		
Property, plant and equipment	24,137	22,047
Intangible assets	348	234
<b>Total non-current assets</b>	<u>24,485</u>	<u>22,281</u>
<b>Current assets:</b>		
Inventories	0	0
Trade and other receivables	3,554	4,396
Cash and cash equivalents	0	0
<b>Total current assets</b>	<u>3,554</u>	<u>4,396</u>
Non-current assets held for sale	<u>0</u>	<u>0</u>
<b>Total current assets</b>	<u>3,554</u>	<u>4,396</u>
<b>Total assets</b>	<u>28,039</u>	<u>26,677</u>
<b>Current liabilities</b>		
Trade and other payables	(49,282)	(50,524)
Provisions	(4,626)	(6,161)
Borrowings	0	0
<b>Total current liabilities</b>	<u>(53,908)</u>	<u>(56,685)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>	<u>(25,869)</u>	<u>(30,008)</u>
<b>Non-current liabilities</b>		
Provisions	(8,592)	0
<b>Total non-current liabilities</b>	<u>(8,592)</u>	<u>0</u>
<b>Total assets employed:</b>	<u>(34,461)</u>	<u>(30,008)</u>
<b>Financed by taxpayers' equity:</b>		
General fund	(39,525)	(35,431)
Revaluation reserve	5,064	5,423
<b>Total taxpayers' equity:</b>	<u>(34,461)</u>	<u>(30,008)</u>

**Matthew Tait,**  
Chief Executive



**James Drury,**  
Director of Finance



<b>STATEMENT OF CHANGES IN TAXPAYERS EQUITY: YEAR ENDED 31 MARCH 2013</b>
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	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	(35,431)	5,423	0	(30,008)
<b>Changes in taxpayers' equity for 2012-13</b>				
Net operating cost for the year	(750,526)			(750,526)
Net gain on revaluation of property, plant, equipment		(204)		(204)
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		0		0
Movements in other reserves			0	0
Transfers between reserves*	155	(155)		0
Release of Reserves to SOCNE		0		0
<b>Reclassification Adjustments</b>				
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
<b>Total recognised income and expense for 2012-13</b>	<u>(750,371)</u>	<u>(359)</u>	<u>0</u>	<u>(750,730)</u>
Net Parliamentary funding	746,277			746,277
<b>Balance at 31 March 2013</b>	<u>(39,525)</u>	<u>5,064</u>	<u>0</u>	<u>(34,461)</u>
<b>Balance at 1 April 2011</b>	(41,195)	5913	0	(35,282)
<b>Changes in taxpayers' equity for 2011-12</b>				
Net operating cost for the year	(724,625)			(724,625)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		(1,014)		(1,014)
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		771		771
Movements in other reserves			0	0
Transfers between reserves*	247	(247)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
<b>Reclassification Adjustments</b>				
Transfers to/(from) Other Bodies within the Resource Account Boundary	1	0	0	1
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
<b>Total recognised income and expense for 2011-12</b>	<u>(724,377)</u>	<u>(490)</u>	<u>0</u>	<u>(724,867)</u>
Net Parliamentary funding	730,141			730,141
<b>Balance at 31 March 2012</b>	<u>(35,431)</u>	<u>5,423</u>	<u>0</u>	<u>(30,008)</u>

## SUMMARY CASH FLOW STATEMENT: YEAR ENDED 31 MARCH 2013

	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost Before Interest	(750,499)	(724,545)
Depreciation and Amortisation	1,879	2,140
Impairments and Reversals	0	943
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	0	(80)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	0
(Increase)/Decrease in Trade and Other Receivables	842	(1,070)
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(4,031)	(7,677)
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(575)	(675)
Increase/(Decrease) in Provisions	7,632	4,369
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(744,752)</b>	<b>(726,595)</b>
<b>Cash flows from investing activities</b>		
Interest Received	0	0
(Payments) for Property, Plant and Equipment	(1,339)	(3,488)
(Payments) for Intangible Assets	(186)	(176)
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	0	225
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
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(1,525)</b>	<b>(3,439)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(746,277)</b>	<b>(730,034)</b>
<b>Cash flows from financing activities</b>		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	0	(114)
Net Parliamentary Funding	746,277	730,141
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
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>746,277</b>	<b>730,027</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0</b>	<b>(7)</b>
<b>Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>	<b>0</b>	<b>7</b>
Opening balance adjustment - TCS transactions	0	0
<b>Restated cash and cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>	<b>0</b>	<b>0</b>
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>	<b>0</b>	<b>0</b>

## RUNNING COSTS

	Commissioning Services	Public Health	Total
<b>PCT Running Costs 2012-13</b>			
Running costs (£000s)	13,714	2,178	<b>15,892</b>
Weighted population (number in units)	<u>432,557</u>	<u>432,557</u>	<b>432,557</b>
Running costs per head of population (£ per head)	<u>£31.70</u>	<u>£5.04</u>	<b>£36.74</b>
<b>PCT Running Costs 2011-12</b>			
Running costs (£000s)	13,101	2,023	<b>15,124</b>
Weighted population (number in units)	<u>432,557</u>	<u>432,557</u>	<b>432,557</b>
Running costs per head of population (£ per head)	<u>£30.29</u>	<u>£4.68</u>	<b>£34.96</b>

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 calculating the Running Costs per head of population in 2012/13.

## FUNDS HELD ON TRUST

As at 31st March 2013 the PCT had no funds held on Trust.

## CAPITAL RESOURCE LIMIT

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	<b>4,450</b>	3,268
Charge to Capital Resource Limit	<u>4,287</u>	<u>3,268</u>
<b>(Over)/Underspend Against CRL</b>	<b><u>163</u></b>	<b><u>0</u></b>

The following figures have been audited as part of the end of year Statutory Audit.

Other remuneration is recognised in the organisation in which the individual worked.

#### SALARIES AND ALLOWANCES OF SENIOR MANAGERS 2012/13

Below is the remuneration of the Cluster Board (Oxfordshire PCT and Buckinghamshire PCT), Executive and Non Executive members.

		2012-13					
Name	Title	Organisation	Total Salary (Bands of £5,000) £000	Total Pensions Benefit (Bands of £5,000) £000	Bucks PCT Salary (Bands of £5,000) £000	Other Remuneration (Bands of £5,000) £000	Performance related Pay/arrears (Bands of £5,000) £000
<b>Board Chairman</b>							
Steward George	Joint Chairman	Cluster (1)	35-40	0	15-20	0	0
Fred Hucker	Joint Chairman	Cluster (2)	15-20	0	5-10	0	0
Alise Grane	Joint Chairman	Cluster (2)	20-25	0	10-15	0	0
<b>Board Non Executive Directors</b>							
David Lunn	Non Executive Director	Cluster (1)	5-10	0	0-5	0	0
Murray Fraser	Non Executive Director	Cluster (1)	5-10	0	0-5	0	0
Elaine Desle	Non Executive Director	Cluster (1)	10-15	0	5-10	0	0
Roslyn Avery	Non Executive Director	Cluster (2)	10-15	0	5-10	0	0
Sumit Biswas	Non Executive Director	Cluster (2)	5-10	0	0-5	0	0
Tony Mullee	Non Executive Director	Cluster (2)	5-10	0	0-5	0	0
<b>Board Executive Members</b>							
Matthew Tait	Chief Executive	Cluster (2)	145-150	25-30	70-75	0	0
Caroline Gregory	Acting Director of Finance - to 1/1/13	Cluster (2)	75-80	25-30	35-40	0	0
Colin Thompson	Director of QIPP, Performance & Quality - to 1/11/13	Cluster (1)	50-55	15-20	25-30	0	0
Jane O'Grady	Director of Public Health	Buckinghamshire PCT only	75-80	40-45	75-80	10-15	0
Ronan O'Connor	Director of Communications & Patient Information	Cluster (2)	95-100	5-10	45-50	0	0
Jane Dudley	Director of Reform, Governance and People Management	Cluster (1)	95-100	25-30	45-50	185-190	0
Sula Wiltshire	Director of Nursing and Quality - to 1/1/13	Cluster (3)	70-75	25-30	35-40	0	0
Geoff Payne	Medical Director	Cluster (1)	95-100	75-80	45-50	0	0
<b>Honorary Contracts - contracts without remuneration</b>							
James Drury	Director of Finance from 1/01/13						
Jan Fowler	Director of Nursing from 1/01/13						
Helen Clanchy	Director of Commissioning from 1/01/13						
<b>Non Executive Directors not on the Board</b>							
Heidi Travis	Non Executive Director	Cluster (1)	5-10	0	5-10	0	0
Jonathan Wallis	Non Executive Director	Cluster (1)	5-10	0	5-10	0	0

**Note:**

1- Previously from Buckinghamshire PCT prior to Cluster set up in June 2011

2- Previously from Oxfordshire PCT prior to Cluster set up in June 2011

3- Originally from Oxfordshire PCT joined Cluster October 2011

No Benefits in Kind were received for any individual in 2012/13

The definition of salary for this note includes PCT Board Members Compensatory Allowances.

Matthew Tait is a Director of Oxford Infocare LIFT Ltd

The figure for Ros Avery includes a remuneration for being a lay member of the Primary Care Trust



The following figures have been audited as part of the end of year Statutory Audit.

The following relates to Board Executive Directors only.

**GREENBURY DISCLOSURE FOR 2012/13**

Name	Title	Status	Real Increase in pension at age 60 (Bands of £2,500) £000	Lump sum at aged 60 related to real increase in pension (Bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (Bands of £5,000) £000	Lump sum at aged 60 related to accrued pension at 31 March 2013 (Bands of £5,000) £000	CETV at 31 March 2013 £000	CETV at 31 March 2012 £000	Real Increase in CETV £000	Employer's contribution to stakeholder pension £000
<b>Board Executive Members</b>										
Matthew Tait	Chief Executive	Cluster (2)	0-2.5	0-2.5	25-30	80-85	413	376	17	0
Caroline Gregory	Acting Director of Finance (To 1/1/13)	Cluster (2)	0-2.5	10-12.5	25-30	75-80	403	318	52	0
Colin Thompson	Director of QIPP, Performance & Quality	Cluster (1)	0-2.5	0-2.5	15-20	50-55	274	250	7	0
Jane O'Grady	Director of Public Health	Buckinghamshire PCT only	(0-2.5)	(0-2.5)	40-45	120-125	763	716	10	0
Ronan O'Connor	Director of Communications & Patient Information	Cluster (2)	0-2.5	0	5-10	0	48	32	14	0
Jane Dudley	Director of Reform, Governance and People Management	Cluster (1)	(0-2.5)	(0-2.5)	25-30	75-80	484	450	11	0
Sula Wiltshire	Director of Nursing and Quality (to 1/1/13)	Cluster (3)	0-2.5	5-7.5	25-30	85-90	668	581	42	0
Geoff Payne	Medical Director	Cluster (1)	2.5-5	12.5-15	75-80	225-230	0	0	0	0

*Notes:*

- 1- Previously from Buckinghamshire PCT prior to Cluster
- 2- Previously from Oxfordshire PCT prior to Cluster
- 3- Originally from Oxfordshire PCT joined Cluster October 2011

## PENSION BENEFITS- GREENBURY DISCLOSURE

2011/12

Name	Title	Status	Real Increase in pension at age 60 (Bands of £2,500)	Lump sum at aged 60 related to real increase in pension (Bands of £2,500)	Total accrued pension at age 60 at 31 March 2012 (Bands of £5,000)	Lump sum at aged 60 related to accrued pension at 31 March 2012 (Bands of £5,000)	CETV at 31 March 2012	CETV at 31 March 2011	Real increase in CETV	Employer's contribution to stakeholder pension
Jane O'Grady	Director of Public Health	Buckinghamshire PCT only	0-2.5	0-2.5	40-45	120-125	716	614	83	0
Caroline Gregory	Acting Director of Finance (To 12/11)	Cluster (2)	0-2.5	0-2.5	20-25	60-65	318	258	52	0
Colin Thompson	Director of QIPP, Performance & Quality	Cluster (1)	0-2.5	0-2.5	15-20	50-55	250	193	51	0
Ronán O'Connor	Director of Communications & Patient Information	Cluster (2)	0-2.5	0	0-5	0	32	12	20	0
Sonia Mills	Chief Executive (to 11/11)	Cluster (2)	0-2.5	0-2.5	75-80	235-240	0	1,566	(1,615)	0
Matthew Tait	Acting Chief Executive (from 12/11)	Cluster (2)	2.5-5	7.5-10	25-30	75-80	376	286	101	0
Jane Dudley	Director of Reform, Governance and People Management	Cluster (1)	0-2.5	0-2.5	20-25	70-75	450	385	53	0
Richard Mills	Director of Strategy and Planning	Buckinghamshire PCT only	(0-2.5)	(5-7.5)	30-35	95-100	681	656	(15)	0
Sida Wilshire	Director of Nursing & Quality	Cluster (3)	0-2.5	5-7.5	25-30	75-80	581	502	63	0
Tony Ollis	PCT Director of Finance (06/11)	Buckinghamshire PCT only	0-2.5	0	5-10	0	84	48	37	0
Ed Macalister Smith	PCT Chief Executive (To 06/11)	Buckinghamshire PCT only	0-2.5	2.5-5	55-60	175-180	1,328	1,226	64	0
Helen Peggs	Director of Communications (To 06/11)	Buckinghamshire PCT only	0-2.5	0-2.5	10-15	35-40	248	212	30	0
Geoff Payne	Medical Director	Cluster (1)	(0-2.5)	(2.5-5)	65-70	200-205	0	0	0	0

**Note**

- 1- Previously from Buckinghamshire PCT prior to Cluster
- 2- Previously from Oxfordshire PCT prior to Cluster
- 3- Originally from Oxfordshire PCT joined Cluster October 2011

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a pension scheme member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which this disclosure applies.

The CETV figure, and from 2005/06 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries

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

## Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of period. This was changed by HM Treasury in 2011 to CPI instead of RPI.

## Exit Packages

The following table provides information on Exit Packages of staff who have left the organisation in 2012/13 under voluntary or compulsory redundancy and in 2011/12 as part of MARS (Mutually Agreed Resignation Scheme), under voluntary or compulsory redundancy, including Retention and Exit Terms (RETs).

Exit package cost band (including any special payment element)	2012-13			2011-12		
	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	1	1
£10,001-£25,000	4	0	4	0	1	1
£25,001-£50,000	6	0	6	0	1	1
£50,001-£100,000	1	0	1	2	0	2
£100,001 - £150,000	1	0	1	0	0	0
£150,001 - £200,000	1	0	1	2	0	2
>£200,000	1	0	1	0	0	0
<b>Total number of exit packages by type (total cost)</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>4</b>	<b>3</b>	<b>7</b>
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Total resource cost</b>	959	0	959	425	62	487

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Buckinghamshire PCT in the financial year 2012/13 was £150k (£175k in 2011/12). This was 4 times (4 times in 2011/12) the median remuneration of the workforce, which was £34k (£44k in 2011/12). In 2012/13, 1 (1 in 2011/12) employees received remuneration in excess of the highest-paid director. This banded remuneration of £285k included a redundancy band of £190k and relates to the Director of Reform, Governance and People Management.

## Public Sector Payment Policy

The non-NHS creditor policy of the PCT complies with both the CBI Better Payments Practice Code and with Government accounting rules.

The non-NHS trade creditor payment policy of the Trust is to comply with both the CBI Prompt Payment code and Government Accounting Rules.

Government Accounting Rules state that 'the timing of payment should normally be stated in the contract, where there is no contractual provision departments should pay within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later'. As a result of this Policy the Trust ensures that:

- a clear, consistent policy of paying bills in accordance with contract exists, and that finance and purchasing divisions are aware of this policy
- payment terms are agreed at the outset of a contract and are adhered to
- payment terms are not altered without prior agreement with the supplier
- suppliers are given clear guidance on payment procedures
- a system exists for dealing quickly with disputes and complaints (where written complaints are received, these receive a written reply within 5 working days).
- bills are paid within 30 days of receipt of services or invoice, unless covered by other agreed payment terms or are in dispute

PCT compliance was:

### 8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	20,626	111,917	24,234	155,500
Total Non-NHS Trade Invoices Paid Within Target	16,698	89,448	18,373	124,900
Percentage of Non-NHS Trade Invoices Paid Within Target	80.96%	79.92%	75.81%	80.32%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	4,263	524,181	2,657	463,600
Total NHS Trade Invoices Paid Within Target	3,647	517,157	2,215	443,600
Percentage of NHS Trade Invoices Paid Within Target	85.55%	98.66%	83.36%	95.69%

## Notes to the Accounts

### 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](http://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.

## **Governance Statement**

### **Scope of responsibility**

As Accountable Officer and Chief Executive of Buckinghamshire Primary Care Trust (BPCT), I have the responsibility for maintaining a comprehensive system of internal control, which supports the achievement of the organisation's policies, corporate and strategic objectives. I am also responsible for safeguarding public funds and the organisation's assets. I acknowledge my responsibilities as set out in the Accountable Officer Memorandum.

As Accountable Officer and Chief Executive, I have ensured that appropriate and robust accountability arrangements have been taken forward, including the establishment of board-delegated committees, the regular review and update of risk registers/action plans, and the development, review and maintenance of the Board Assurance Framework (BAF). I have implemented the necessary controls to manage and mitigate identified risks, which have the potential to impact on the achievement of the organisation's strategic and corporate objectives.

Buckinghamshire PCT, as part of the Buckinghamshire and Oxfordshire PCT Cluster, works closely with local health economy partner organisations, NHS and non-NHS organisations, including NHS South of England Strategic Health Authority and Buckinghamshire County Council, Clinical Commissioning Groups (CCGs) as well as stakeholders in the wider community to ensure that the local health economy achieves agreed aims and objectives. Partner organisations and stakeholders include the Healthy Buckinghamshire Leaders' Group, the Buckinghamshire Strategic Partnership Board, and the Buckinghamshire Health Overview & Scrutiny Committee.

The PCT has taken a leading role in driving forward the significant changes needed for the local health economy. The PCT has developed strong governance arrangements with the Local Authority on the management of pooled budget arrangements spanning children and adolescence mental health services, residential respite and speech and language therapy.

With the Chair of the PCT, the designated executive and non-executive directors, I take part in regular meetings with counterparts in Buckinghamshire Healthcare NHS Trust, for which the PCT is lead commissioner, and with Buckinghamshire County Council.

The Board of Directors, through its Audit Committee, agreed the PCT's 12/13 Internal Audit Plan with its Internal Auditors. The results of these audits culminated in the Head of Internal Audit's opinion on the system of internal control. This Annual Governance Statement is consistent with findings of the Head of Internal Audit's opinion.

### **The Governance Framework of the Organisation**

The Cluster Board has used national guidance and best practice in corporate governance, as set out in the Cadbury, Nolan and other reports, and regularly reviews the Codes of Conduct & Accountability and other related policies. The responsibilities of the Board are detailed by the Corporate Governance Framework documents comprising Standing Orders, Standing Financial Instructions, Reservation of Powers and Delegation of Authority, and the Codes of Conduct &

## Accountability.

In accordance with Standing Orders, the Cluster Board for NHS Buckinghamshire and NHS Oxfordshire has held six meetings in public since May 2012. All meetings are with the active participation of Buckinghamshire CCGs' accountable officers and other representatives. All meetings of the Cluster Board were quorate in terms of executive and non-executive representation.

The 2012/13 Cluster Board agenda has focussed on the organisation's objectives, the national priorities set out in the NHS Operating Framework for 2012/13 and the health economies' priorities detailed in the Operating Plans, which were mapped to the PCT Plans. The Cluster Board has also held a workshop on strategic and corporate objectives.

In addition to statutory standing items on finance, contracting and performance, review of the Quality, Innovation, Productivity and Prevention (QIPP) plans, and review of the Board Assurance Framework, the Cluster Board agenda in 2012/13 has included reporting on:

- NHS Reform (Liberating the NHS);
- the Cluster governance framework (reviewed in full at the May 2012 Board workshop), including review of the register of interests and a refresh of the Code of Conduct and Accountability;
- review of the draft Health and Wellbeing Strategy;
- safeguarding reports (annual) and quarterly quality reports;
- CCG accountability reports, and regular updates on the CCG authorisation process;
- presentations from principal acute providers on their Foundation Trust applications;
- Cluster emergency planning annual report, and winter resilience plans;
- the strategic and corporate objectives of the Cluster;
- Cluster quality handover documents.

In line with best practice in governance, the PCT Chair has undertaken regular appraisals of non-executive directors; and the Cluster Chief Executive meets regularly with executive directors and has undertaken appraisals annually.

In line with the Government's proposals for the reform of the NHS, the Cluster Board has received regular updates on the Board committee structure and reviewed the delegated committees' terms of reference. The Board receives the minutes of its delegated committees for review at each meeting.

There have been three Cluster Board workshops during the year:

- The May 2012 workshop focused on the corporate governance framework.
- The July 2012 workshop focused on the Cluster Risk Management Structure, the organisation's strategic and corporate objectives and review and agreement on related principal risks; and NHS reform and its impact.
- The February 2013 workshop focussed on NHS transition to ensure a smooth



and effective handover to receiver organisations.  
The workshops were attended by executive and non-executive Board members, CCGs' accountable officers and key leads.

## **Board-delegated Committees**

### **Audit Committee**

The overall purpose of the Buckinghamshire Audit Committee is to provide assurance and advice to the Board and Chief Executive as the Accountable Officer, on the proper stewardship of resources and assets, financial reporting, the effectiveness of audit arrangements (internal and external) risk management, control and corporate governance arrangements with the PCT – as detailed in the Board-approved terms of reference.

The Committee comprises of three non-executive director members. In addition, there is regular attendance on the part of executive directors.

The Buckinghamshire Audit Committee has met seven times in 2012/13, receiving regular reports from:

- the Director of Finance;
- the Chief Financial Officer of Aylesbury CCG and Chiltern CCG in respect of financial performance;
- Internal and External Audit – including reports on the outcome of reviews together with recommendations on any necessary actions;
- the Director of Finance of the Commissioning Support Unit (CSU)
- the Local Counter Fraud Specialist, and
- the Director of Finance in respect of the risk registers and the Board Assurance Framework, the latter in conjunction with the Oxfordshire Audit Committee at the joint meetings held since May 2012.
- A report was also produced on continuing care retrospective claims following the Department of Health initiative in 2012.
- The audit committee also received updates on the CCG authorisation process and PCT transition arrangements.

The Audit Committee reviews the minutes of the Buckinghamshire Commissioning for Quality Committee. The minutes of the Buckinghamshire Audit Committee and of the Joint Audit Committee are made available to the public with the Cluster Board papers.

### **Joint Audit Committee**

The Joint Audit Committee comprises of two non-executive director members from each of Buckinghamshire PCT and Oxfordshire PCT, the Cluster Director of Finance and internal and external auditors. Senior representatives of functional areas are invited to attend to present to the joint audit committee.

The Joint Audit Committee met on 5 occasions in 2012/13.

### **Audit Sub Committee**

Buckinghamshire PCT ceased to exist on 31 March 2013 as part of the on-going NHS reforms. For the purpose of reviewing and approving the 2012/13 Buckinghamshire PCT annual report and financial statements, an audit sub-committee of the Department of Health's Audit and Risk Committee was established.

### **Operational Handover**

As part of the operational handover, all of the PCTs functions, contracts, assets and liabilities transferred to receiving organisations on 1 April 2013 in accordance with the Health and Social Care Act 2012. The Department of Health transfer scheme for Buckinghamshire PCT was the mechanism by which these functions, contracts, assets and liabilities were transferred. Transfer documents were agreed between Buckinghamshire PCT and the receiving organisations. The Cluster Board approved the transfer scheme in March 2013.

### **The Planning Process**

The PCT involved Aylesbury Vale CCG and Chiltern CCG in the planning process for 2012/13, including establishing clear responsibility for relevant areas of the QIPP programme, and formalising this through the CCG Accountability Agreement approved by the Cluster Board in March 2012. Both CCGs have played a key role in the health economy in the 2012/13 financial year and planning for 2013/14 and beyond.

### **Buckinghamshire Commissioning for Quality Committee (BCfQC)**

The overall purpose of the BCfQC is to establish and maintain effective systems to monitor the quality of commissioned services, thereby assuring the Cluster Board that safe and effective services are provided for patients in the Buckinghamshire health economy.

The Committee, chaired by a non-executive director, who is also a member of the Audit Committee, is comprised of executive directors and deputy/assistant directors, key leads from primary care, joint commissioning, public health, infection prevention and control, as well as patient and public involvement representatives. The minutes of meetings are made available to the public through the Cluster Board papers published on the PCT website.

In September 2012 the BCfQC members held a workshop with key leads from the Buckinghamshire CCGs to establish new membership. This strengthened the clinical membership and continued to include lay members. New terms of reference were produced which were subsequently agreed by the Governing Bodies of the two CCGs and presented at the Cluster Board.

### **Risk Assessment**

Buckinghamshire PCT recognises that risk management is an integral part of good management practice. It is therefore committed to ensuring risk management is integrated into all aspects of PCT work at all levels, not just on a standalone basis.

All members of staff are responsible for managing and assessing risks within the scope of their roles and responsibilities as employees of the PCT. There are

structured and agreed processes in place for incident reporting within the PCT, and for the monitoring and investigation of Serious Incidents Requiring Investigation (SIRI) in commissioned services. The Cluster Board, through the Risk Management Strategy and related policies and procedures, promotes an open and honest culture surrounding the reporting of risks, hazards and incidents. The monitoring of provider SIRI allows the PCT and the CCGs to gain assurance that appropriate safety processes are in place in provider organisations and provides a source of early warning of potential failure on standards of safety and quality. The Cluster Board and the Commissioning for Quality Committees receive reports and updates on the investigation of serious incidents.

Structured risk management and assessment processes include:

- Directorate Senior Management team meetings: regular reviews of the risk registers across the PCT to ensure that risk management is a fundamental part of the total approach to governance and quality.
- Executive Team: ongoing review of the Board Assurance Framework with updates provided by Directors from discussions and reviews at their respective Directorate Team meetings.
- Delegated committees: review of risk registers by the Buckinghamshire Audit Committee, and of the Cluster Board Assurance Framework at each Joint Meeting of the Buckinghamshire and Oxfordshire Audit Committees; and review of clinically-related risks by the Commissioning for Quality Committee.
- Board Assurance Framework is a standing item on the agenda of Cluster Board meetings held in public and has been discussed at the joint audit committee meetings.

Assurance is gained in a number of ways, including Board and delegated committee review, and Buckinghamshire Healthy Leaders reports. Identified gaps in controls are addressed in documented action plans.

Risk management is embedded in the activities of the PCT including operational and performance management, the annual planning cycle, and project management:

- Key risks to the PCT's QIPP, Reform and Operating Plans are identified, assessed and monitored in year
- New members of staff are made aware of the importance of managing risk through induction sessions covering governance (corporate and information), risk management, human resources related policies, whistle blowing and counter fraud.
- In addition to the induction sessions, risk management training is delivered by the Assistant Director of Governance to senior managers and key leads who contribute to the establishment, development and maintenance of risk registers and the Board Assurance Framework
- Staff briefings and workshops are provided to ensure board members and current staff are updated regularly.

The Cluster Board Assurance framework clearly identifies the 13 principal risks impacting on the Cluster objectives discussed at the June 2012 Board workshop and agreed at the Cluster Board Workshop in July 2012. Reports to the Board and its delegated committees have outlined the management and mitigation of these risks

throughout 2012/13.

The importance of managing the Buckinghamshire health economy in time of change has been identified through a number of risks on the BAF, including:

- changes to NHS architecture resulting in loss of focus on improving health and reducing inequalities
- quality and safety of services is adversely affected by significant organisational change
- CCGs not able to progress through authorisation process, leading to loss of clinical leadership for implementation of changes
- Lack of clarity about future NHS structures leads to loss of management capacity and impact on ability to deliver the business and required changes
- Cluster and CCGs do not have the information required to make commissioning decisions and meet the needs of the population.

These risks were reported and managed appropriately throughout 2012/13. The Board has assessed the performance of the PCT against its objectives and has also obtained assurance from its internal auditors on the governance arrangements in place.

### **Handover and Closure**

The Board has 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:-

- Business as usual
- Handover and Closure
- Establishment of new arrangements

The Board agreed to retain its existing committee structure but delegated responsibilities to CCGs under accountability to secure in-year delivery and transition to the new system. Handover and closure has been led by the Director of Finance and supported by a Transition Governance Group comprising the leads of all the transition workstreams. Regular reports on progress on handover and closure have been received at the Board, Audit Committee and Quality and Clinical Risk Committee. A Transition Risk Register has been maintained and feeds into the Board Assurance Framework (BAF) in the same way as other risk registers.

The PCT has taken steps to ensure that successor organisations continue to mitigate and manage these risks.

### **Framework for financial closedown**

In accordance with national guidance, arrangements have been put in place for financial closedown. This includes:-

- 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 have both secured posts in successor bodies and will retain responsibility for financial closedown and the Accounts. Staff resources have been secured to ensure effective accounts preparation by means of agreement with successor organisations for staff who have new positions. In addition, staff resources have been identified to transfer to, or be available to, the Legacy Management Office.

Existing arrangements for both internal and external audit encompass the work associated with reviewing financial closedown and the completion of final accounts. Two current Audit Committee members, whether they have roles in the new system or not, have been asked and have agreed to become members of an Audit Sub-Committee of the Department of Health Audit and Risk Committee to support the final accounts sign off process.

#### **Compliance with Corporate Governance Code**

The Board of the PCT meets in public and publishes Board Papers, agenda and minutes on their websites. The Board adheres 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 Board does not consider that there are any departures from the Corporate Governance Code that require explanation in this statement.

#### **The Risk and Control Framework**

The revised Cluster Risk Management Strategy and structure were reviewed by the Board at its workshop in July 2012, following review and agreement at the Joint Meeting of the Buckinghamshire and Oxfordshire Audit Committees also in July 2012.

The Strategy continues to emphasise the commitment of the organisation to ensure that risk management is part of the PCT's culture and forms an integral part of its philosophy, practices and business plans, while reflecting the organisation's transition towards clinical commissioning. Responsibility for implementation is to be accepted at all levels of the organisation, with an active lead from senior managers.

Risk registers have been reviewed and updated regularly throughout the year by the Executive Team and the Audit Committees.

A Board Assurance Framework is in place and has been developed throughout the year to ensure that it meets the PCT's strategic objectives and takes into account changes which have taken place with the White Paper: Equity and Excellence,

Liberating the NHS (July 2010) and subsequent Health and Social Care Act enacted in March 2011, and the NHS Operating Framework (December 2011).

Controls have been put in place to manage risks internally and the Board and the Audit Committee have regularly reviewed any significant issues that have the potential to impact on the organisation. If these relate to the whole health system, they have been highlighted to the NHS South of England.

### **Review of the Effectiveness of Risk Management and Internal Control**

The Board Assurance Framework has been implemented and developed throughout the year to ensure that any risks with the potential to impact on the achievement of the Cluster strategic and corporate objectives are effectively managed.

Since May 2012 when the Cluster Board Workshop identified its key objectives and principal risks and a Cluster Board Assurance Framework was established, the Risk Management Leads in Buckinghamshire and Oxfordshire have worked together to ensure that a cohesive, comprehensive and accessible BAF is updated and in place at all times, which provides reasonable assurance on preventing, deterring and managing risks

Controls have been put in place to manage risks within the organisation. 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 actions. 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. Further the BCfQC receives regular risk-related reports providing assurance on the quality and safety of commissioned services.

As Accountable Officer for the management of risk across the organisation, I can confirm that:

- Risk management is incorporated into the planning and decision making processes of the PCT with assessment of risk to the organisation's strategic objectives described, mitigating actions identified, reported on and regularly updated through the assurance framework and risk registers.
- Each director has defined accountability for ensuring that risks to objectives are identified, and for putting in place actions to manage/control risk. The PCT Assistant Director of Governance monitors the Board Assurance Framework and risk registers to ensure that the risk management process is fully reflected in the reports sent to Audit Committees and to the Cluster Board.
- Identification and management of risks is embedded across the whole organisation through the use of individual directorate risk registers which are reviewed regularly by Audit Committee.
- There have been no identified lapses of data security which are significant issues in Buckinghamshire throughout 2012/13.

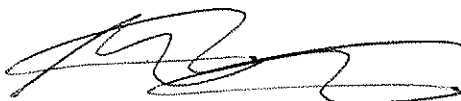
The Board Assurance Framework has been reviewed by Internal Audit. They concluded that appropriate Board Assurance and risk management arrangement are

in place to support the 2012/13 Annual Governance Statement.

The Head of Internal Audit for Buckinghamshire in his Annual Report stated that: "Based on the work undertaken in 2012/13, significant assurance can be given that there is a sound system of internal control which is designed to meet the organisation's objectives, and that controls are being consistently applied in all the areas reviewed".

The Buckinghamshire Audit Committee confirmed that there were no significant control issues for the financial year ending 31 March 2013.

**Accountable Officer :**  
Matthew Tait



**Organisation:**  
Buckinghamshire NHS Primary Care Trust

**Date:** 05/06/2013

## Off-payroll Engagements

Table 1: For off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

	Buckinghamshire Primary Care Trust
No. In place on 31 January 2012	2
Of which:	
No. that have since come onto the Organisation's payroll	Nil
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	2
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	Nil
No that have come to an end	Nil
Total	2

All of the above off-payroll engagements are conducted through Limited Companies.



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

	Main department (heading is not required)
No. of new engagements	2
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	2
Of which:	
No. for whom assurance has been accepted and received	1
No. for whom assurance has been accepted and not received	1
No. that have been terminated as a result of assurance not being received	Nil
Total	2

One of the above off-payroll engagements is conducted through a Limited Company

## **INDEPENDENT AUDITORS' REPORT TO THE ACCOUNTABLE OFFICER FOR BUCKINGHAMSHIRE PCT**

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Net Expenditure, the Summary Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Summary Cash Flow Statement, and associated notes.

This report is made solely to the Accountable Officer for Buckinghamshire PCT, as a body, in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Accountable Officer, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Accountable Officer and auditor**

The Accountable 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.

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 Buckinghamshire PCT for the year ended 31 March 2013.



*Ernst & Young LLP, Statutory Auditor*

6 June 2013

The Audit Fee for 2012/13 was £121,070.

The audit was carried out by:

Ernst & Young LLP

Apex Plaza

Forbury Road

Reading

RG1 1YE

United Kingdom

For information about Buckinghamshire Primary Care Trust, or to receive this document in another format please contact

Write to:	NHS Central Southern Commissioning Support Unit, 5510 John Smith Drive, Oxford, OX4 2LH
Telephone:	01865 336800



Department  
of Health



# Buckinghamshire Primary Care Trust

2012-13 Accounts

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# Buckinghamshire Primary Care Trust

2012-13 Accounts

**BUCKINGHAMSHIRE  
PRIMARY CARE TRUST**


**ANNUAL ACCOUNTS  
YEAR ENDED 31 MARCH 2013**

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

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

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

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

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

Name: Matthew Tait

Date.....05/06/2013.....



**STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Primary Care Trusts as NHS bodies are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the primary care trust and the net operating cost, recognised gains and losses and cash flows for the year. From 1 April 2013 responsibility for finalising the accounts falls to the Secretary of State. Formal accountability lies with the Department of Health's Accounting Officer, and her letter of 28 March 2013 designated the Signing Officer and Finance Signing Officer, to discharge the following responsibilities for the Department in preparing the accounts:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
  
- ensure that the PCT kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.
- have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

05/06/2013 Date  Signing Officer

05/06/2013 Date  Finance Signing Officer

## **Governance Statement**

### **Scope of responsibility**

As Accountable Officer and Chief Executive of Buckinghamshire Primary Care Trust (BPCT), I have the responsibility for maintaining a comprehensive system of internal control, which supports the achievement of the organisation's policies, corporate and strategic objectives. I am also responsible for safeguarding public funds and the organisation's assets. I acknowledge my responsibilities as set out in the Accountable Officer Memorandum.

As Accountable Officer and Chief Executive, I have ensured that appropriate and robust accountability arrangements have been taken forward, including the establishment of board-delegated committees, the regular review and update of risk registers/action plans, and the development, review and maintenance of the Board Assurance Framework (BAF). I have implemented the necessary controls to manage and mitigate identified risks, which have the potential to impact on the achievement of the organisation's strategic and corporate objectives.

Buckinghamshire PCT, as part of the Buckinghamshire and Oxfordshire PCT Cluster, works closely with local health economy partner organisations, NHS and non-NHS organisations, including NHS South of England Strategic Health Authority and Buckinghamshire County Council, Clinical Commissioning Groups (CCGs) as well as stakeholders in the wider community to ensure that the local health economy achieves agreed aims and objectives. Partner organisations and stakeholders include the Healthy Buckinghamshire Leaders' Group, the Buckinghamshire Strategic Partnership Board, and the Buckinghamshire Health Overview & Scrutiny Committee.

The PCT has taken a leading role in driving forward the significant changes needed for the local health economy. The PCT has developed strong governance arrangements with the Local Authority on the management of pooled budget arrangements spanning children and adolescence mental health services, residential respite and speech and language therapy.

With the Chair of the PCT, the designated executive and non-executive directors, I take part in regular meetings with counterparts in Buckinghamshire Healthcare NHS Trust, for which the PCT is lead commissioner, and with Buckinghamshire County Council.

The Board of Directors, through its Audit Committee, agreed the PCT's 12/13 Internal Audit Plan with its Internal Auditors. The results of these audits culminated in the Head of Internal Audit's opinion on the system of internal control. This Annual Governance Statement is consistent with findings of the Head of Internal Audit's opinion.

### **The Governance Framework of the Organisation**

The Cluster Board has used national guidance and best practice in corporate governance, as set out in the Cadbury, Nolan and other reports, and regularly reviews the Codes of Conduct & Accountability and other related policies. The responsibilities of the Board are detailed by the Corporate Governance Framework documents comprising Standing Orders, Standing Financial Instructions, Reservation of Powers and Delegation of Authority, and the Codes of Conduct & Accountability.

In accordance with Standing Orders, the Cluster Board for NHS Buckinghamshire and NHS Oxfordshire has held six meetings in public since May 2012. All meetings are with the active participation of Buckinghamshire CCGs' accountable officers and other representatives. All meetings of the Cluster Board were quorate in terms of executive and non-executive representation.

The 2012/13 Cluster Board agenda has focussed on the organisation's objectives, the national priorities set out in the NHS Operating Framework for 2012/13 and the health economies' priorities detailed in the Operating Plans, which were mapped to the PCT Plans. The Cluster Board has also held a workshop on strategic and corporate objectives.

In addition to statutory standing items on finance, contracting and performance, review of the Quality, Innovation, Productivity and Prevention (QIPP) plans, and review of the Board Assurance Framework, the Cluster Board agenda in 2012/13 has included reporting on:

- NHS Reform (Liberating the NHS);
- the Cluster governance framework (reviewed in full at the May 2012 Board workshop), including review of the register of interests and a refresh of the Code of Conduct and Accountability;
- review of the draft Health and Wellbeing Strategy;
- safeguarding reports (annual) and quarterly quality reports;
- CCG accountability reports, and regular updates on the CCG authorisation process;
- presentations from principal acute providers on their Foundation Trust applications;
- Cluster emergency planning annual report, and winter resilience plans;
- the strategic and corporate objectives of the Cluster;
- Cluster quality handover documents.

In line with best practice in governance, the PCT Chair has undertaken regular appraisals of non-executive directors; and the Cluster Chief Executive meets regularly with executive directors and has undertaken appraisals annually.

In line with the Government's proposals for the reform of the NHS, the Cluster Board has received regular updates on the Board committee structure and reviewed the delegated committees' terms of reference. The Board receives the minutes of its delegated committees for review at each meeting.

There have been three Cluster Board workshops during the year:

- The May 2012 workshop focused on the corporate governance framework.
- The July 2012 workshop focused on the Cluster Risk Management Structure, the organisation's strategic and corporate objectives and review and agreement on related principal risks; and NHS reform and its impact.
- The February 2013 workshop focussed on NHS transition to ensure a smooth and effective handover to receiver organisations.

The workshops were attended by executive and non-executive Board members, CCGs' accountable officers and key leads.

## **Board-delegated Committees**

### **Audit Committee**

The overall purpose of the Buckinghamshire Audit Committee is to provide assurance and advice to the Board and Chief Executive as the Accountable Officer, on the proper stewardship of resources and assets, financial reporting, the effectiveness of audit arrangements (internal and external) risk management, control and corporate governance arrangements with the PCT – as detailed in the Board-approved terms of reference.

The Committee comprises of three non-executive director members. In addition, there is regular attendance on the part of executive directors.

The Buckinghamshire Audit Committee has met seven times in 2012/13, receiving regular reports from:

- the Director of Finance;
- the Chief Financial Officer of Aylesbury CCG and Chiltern CCG in respect of financial performance;
- Internal and External Audit – including reports on the outcome of reviews together with recommendations on any necessary actions;
- the Director of Finance of the Commissioning Support Unit (CSU)
- the Local Counter Fraud Specialist, and
- the Director of Finance in respect of the risk registers and the Board Assurance Framework, the latter in conjunction with the Oxfordshire Audit Committee at the joint meetings held since May 2012.
- A report was also produced on continuing care retrospective claims following the Department of Health initiative in 2012.
- The audit committee also received updates on the authorisation process and PCT transition arrangements.

The Audit Committee reviews the minutes of the Buckinghamshire Commissioning for Quality Committee. The minutes of the Buckinghamshire Audit Committee and of the Joint Audit Committee are made available to the public with the Cluster Board papers.

### **Joint Audit Committee**

The Joint Audit Committee comprises of two non-executive director members from each of Buckinghamshire PCT and Oxfordshire PCT, the Cluster Director of Finance and internal and external auditors. Senior representatives of functional areas are invited to attend to present to the joint audit committee.

The Joint Audit Committee met on 5 occasions in 2012/13.

### **Audit Sub Committee**

Buckinghamshire PCT ceased to exist on 31 March 2013 as part of the on-going NHS reforms. For the purpose of reviewing and approving the 2012/13 Buckinghamshire PCT annual report and financial statements, an audit sub-committee of the Department of Health's Audit and Risk Committee was established.

### **Operational Handover**

As part of the operational handover, all of the PCTs functions, contracts, assets and liabilities transferred to receiving organisations on 1 April 2013 in accordance with the Health and Social Care Act 2012. The Department of Health transfer scheme for Buckinghamshire PCT was the mechanism by which these functions, contracts, assets and liabilities were transferred. Transfer documents were agreed between Buckinghamshire PCT and the receiving organisations. The Cluster Board approved the transfer scheme in March 2013.

### **The Planning Process**

The PCT involved Aylesbury Vale CCG and Chiltern CCG in the planning process for 2012/13, including establishing clear responsibility for relevant areas of the QIPP programme, and formalising this through the CCG Accountability Agreement approved by the Cluster Board in March 2012. Both CCGs have played a key role in the health economy in the 12/13 financial year and planning for 13/14 and beyond.

### **Buckinghamshire Commissioning for Quality Committee (BCfQC)**

The overall purpose of the BCfQC is to establish and maintain effective systems to monitor the quality of commissioned services, thereby assuring the Cluster Board that safe and effective services are provided for patients in the Buckinghamshire health economy.

The Committee, chaired by a non-executive director, who is also a member of the Audit Committee, is comprised of executive directors and deputy/assistant directors, key leads from primary care, joint commissioning, public health, infection prevention and control, as well as patient and public involvement representatives. The minutes of meetings are made available to the public through the Cluster Board papers published on the PCT website.

In September 2012 the BCfQC members held a workshop with key leads from the Buckinghamshire CCGs to establish new membership. This strengthened the clinical membership and continued to include lay members. New terms of reference were produced which were subsequently agreed by the Governing Bodies of the two CCGs and presented at the Cluster Board.

### **Risk Assessment**

Buckinghamshire PCT recognises that risk management is an integral part of good management practice. It is therefore committed to ensuring risk management is integrated into all aspects of PCT work at all levels, not just on a standalone basis.

All members of staff are responsible for managing and assessing risks within the scope of their roles and responsibilities as employees of the PCT. There are structured and agreed processes in place for incident reporting within the PCT, and for the monitoring and investigation of Serious Incidents Requiring Investigation (SIRI) in commissioned services. The Cluster Board, through the Risk Management Strategy and related policies and procedures, promotes an open and honest culture surrounding the reporting of risks, hazards and incidents. The monitoring of provider SIRI allows the PCT and the CCGs to gain assurance that appropriate safety processes are in place in provider organisations and provides a source of early warning of potential failure on standards of safety and quality. The Cluster Board and the Commissioning for Quality Committees receive reports and updates on the investigation of serious incidents.

Structured risk management and assessment processes include:

- Directorate Senior Management team meetings: regular reviews of the risk registers across the PCT to ensure that risk management is a fundamental part of the total approach to governance and quality.
- Executive Team: ongoing review of the Board Assurance Framework with updates provided by Directors from discussions and reviews at their respective Directorate Team meetings.
- Delegated committees: review of risk registers by the Buckinghamshire Audit Committee, and of the Cluster Board Assurance Framework at each Joint Meeting of the Buckinghamshire and Oxfordshire Audit Committees; and review of clinically-related risks by the Commissioning for Quality Committee.
- Board Assurance Framework is a standing item on the agenda of Cluster Board meetings held in public and has been discussed at the joint audit committee meetings.

Assurance is gained in a number of ways, including Board and delegated committee review, and Buckinghamshire Healthy Leaders reports. Identified gaps in controls are addressed in documented action plans.

Risk management is embedded in the activities of the PCT including operational and performance management, the annual planning cycle, and project management:

- Key risks to the PCT's QIPP, Reform and Operating Plans are identified, assessed and monitored in year
- New members of staff are made aware of the importance of managing risk through induction sessions covering governance (corporate and information), risk management, human resources related policies, whistle blowing and counter fraud.
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- Staff briefings and workshops are provided to ensure board members and current staff are updated regularly.

The Cluster Board Assurance framework clearly identifies the 13 principal risks impacting on the Cluster objectives discussed at the June 2012 Board workshop and agreed at the Cluster Board Workshop in July 2012. Reports to the Board and its delegated committees have outlined the management and mitigation of these risks throughout 2012/13.

The importance of managing the Buckinghamshire health economy in time of change has been identified through a number of risks on the BAF, including:

- changes to NHS architecture resulting in loss of focus on improving health and reducing inequalities
- quality and safety of services is adversely affected by significant organisational change
- CCGs not able to progress through authorisation process, leading to loss of clinical leadership for implementation of changes
- Lack of clarity about future NHS structures leads to loss of management capacity and impact on ability to deliver the business and required changes
- Cluster and CCGs do not have the information required to make commissioning decisions and meet the needs of the population.

These risks were reported and managed appropriately throughout 2012/13. The Board has assessed the performance of the PCT against its objectives and has also obtained assurance from its internal auditors on the governance arrangements in place.

#### **Handover and Closure**

The Board has 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 delegated responsibilities to CCGs under accountability to secure in-year delivery and transition to the new system. Handover and closure has been led by the Director of Finance and supported by a Transition Governance Group comprising the leads of all the transition workstreams. Regular reports on progress on handover and closure have been received at the Board, Audit Committee and Quality and Clinical Risk Committee. A Transition Risk Register has been maintained and feeds into the Board Assurance Framework (BAF) in the same way as other risk registers.

The PCT has taken steps to ensure that successor organisations continue to mitigate and manage these risks.

#### **Framework for financial closedown**

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Existing arrangements for both internal and external audit encompass the work associated with reviewing financial closedown and the completion of final accounts. Two current Audit Committee members, whether they have roles in the new system or not, have been asked and have agreed to become members of an Audit Sub-Committee of the Department of Health Audit and Risk Committee to support the final accounts sign off process.

#### **Compliance with Corporate Governance Code**

The Board of the PCT meets in public and publishes Board Papers, agenda and minutes on their websites. The Board adheres 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 Board does not consider that there are any departures from the Corporate Governance Code that require explanation in this statement.

**The Risk and Control Framework**

The revised Cluster Risk Management Strategy and structure were reviewed by the Board at its workshop in July 2012, following review and agreement at the Joint Meeting of the Buckinghamshire and Oxfordshire Audit Committees also in July 2012.

The Strategy continues to emphasise the commitment of the organisation to ensure that risk management is part of the PCT's culture and forms an integral part of its philosophy, practices and business plans, while reflecting the organisation's transition towards clinical commissioning. Responsibility for implementation is to be accepted at all levels of the organisation, with an active lead from senior managers.

Risk registers have been reviewed and updated regularly throughout the year by the Executive Team and the Audit Committees.

A Board Assurance Framework is in place and has been developed throughout the year to ensure that it meets the PCT's strategic objectives and takes into account changes which have taken place with the White Paper: Equity and Excellence, Liberating the NHS (July 2010) and subsequent Health and Social Care Act enacted in March 2011, and the NHS Operating Framework (December 2011).

Controls have been put in place to manage risks internally and the Board and the Audit Committee have regularly reviewed any significant issues that have the potential to impact on the organisation. If these relate to the whole health system, they have been highlighted to the NHS South of England.



**Review of the Effectiveness of Risk Management and Internal Control**

The Board Assurance Framework has been implemented and developed throughout the year to ensure that any risks with the potential to impact on the achievement of the Cluster strategic and corporate objectives are effectively managed.

Since May 2012 when the Cluster Board Workshop identified its key objectives and principal risks and a Cluster Board Assurance Framework was established, the Risk Management Leads in Buckinghamshire and Oxfordshire have worked together to ensure that a cohesive, comprehensive and accessible BAF is updated and in place at all times.

Controls have been put in place to manage risks within the organisation. The Cluster Board and the Buckinghamshire and Joint Audit (Buckinghamshire and Oxfordshire) Committees regularly review the BAF, risk registers and related reports on any significant issues which may impact on the PCT. The BCfQC receives regular risk-related reports providing assurance on the quality and safety of commissioned services.

As Accountable Officer for the management of risk across the organisation, I can confirm that:

- Risk management is incorporated into the planning and decision making processes of the PCT with assessment of risk to the organisation's strategic objectives described, mitigating actions identified, reported on and regularly updated through the assurance framework and risk registers.
- Each director has defined accountability for ensuring that risks to objectives are identified, and for putting in place actions to manage/control risk. The PCT Assistant Director of Governance monitors the Board Assurance Framework and risk registers to ensure that the risk management process is fully reflected in the reports sent to Audit Committees and to the Cluster Board.
- Identification and management of risks is embedded across the whole organisation through the use of individual directorate risk registers which are reviewed regularly by Audit Committee.
- There have been no identified lapses of data security which are significant issues in Buckinghamshire throughout 2012/13.

The Board Assurance Framework has been reviewed by Internal Audit. They concluded that appropriate Board Assurance and risk management arrangements are in place to support the 2012/13 Annual Governance Statement.

The Head of Internal Audit for Buckinghamshire in his Annual Report stated that: *"Based on the work undertaken in 2012/13, significant assurance can be given that there is a sound system of internal control which is designed to meet the organisation's objectives, and that controls are being consistently applied in all the areas reviewed"*

The Buckinghamshire Audit Committee confirmed that there were no significant control issues for the financial year ending 31 March 2013.

**Accountable Officer :**

Matthew Tait

**Organisation:**

Buckinghamshire NHS Primary Care Trust

Signature:  .....

Date: 05/06/2013 .....

## **INDEPENDENT AUDITORS' REPORT TO THE ACCOUNTABLE OFFICER FOR BUCKINGHAMSHIRE PCT**

We have audited the financial statements of Buckinghamshire PCT for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 43. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on page 21;
- the table of pension benefits of senior managers and related narrative notes on page 22; and
- the pay multiples and related narrative notes on page 24.

This report is made solely to the Accountable Officer for Buckinghamshire PCT in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Accountable Officer, for our audit work, for this report, or for the opinions we have formed.

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

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trust; and
- the overall presentation of the financial statements.

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

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the

purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Opinion on regularity**

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

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matters**

In our opinion:

- the part of the Remuneration Report subject to audit has been prepared properly in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we report by exception**

We report to you if:

- in our opinion the governance statement does not reflect compliance with the Department of Health's Guidance;
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998

We have nothing to report in these respects

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

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

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

- our review of the Governance Statement;

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

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 Buckinghamshire PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Maria Grindley  
for and on behalf of Ernst & Young LLP  
Apex Plaza, Forbury Road, Reading, Berkshire RG1 1YE

06 June 2013

**Statement of Comprehensive Net Expenditure for year ended  
31 March 2013**

	NOTE	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>			
Gross employee benefits	7.1	10,155	8,318
Other costs	5.1	755,190	730,494
Income	4	(14,846)	(14,267)
<b>Net operating costs before interest</b>		<b>750,499</b>	<b>724,545</b>
Investment income	9	0	0
Other (Gains)/Losses	10	27	0
Finance costs	11	0	80
<b>Net operating costs for the financial year</b>		<b>750,526</b>	<b>724,625</b>
Transfers by absorption -(gains)		0	0
Transfers by absorption - losses		0	0
<b>Net (gain)/loss on transfers by absorption</b>		<b>0</b>	<b>0</b>
<b>Net Operating Costs for the Financial Year including absorption transfers</b>		<b>750,526</b>	<b>724,625</b>
<b>Of which:</b>			
<b>Administration Costs</b>			
Gross employee benefits	7.1	10,155	8,318
Other costs	5.1	5,884	6,941
Income	4	(147)	(135)
<b>Net administration costs before interest</b>		<b>15,892</b>	<b>15,124</b>
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
<b>Net administration costs for the financial year</b>		<b>15,892</b>	<b>15,124</b>
<b>Programme Expenditure</b>			
Gross employee benefits	7.1	0	0
Other costs	5.1	749,306	723,553
Income	4	(14,699)	(14,132)
<b>Net programme expenditure before interest</b>		<b>734,607</b>	<b>709,421</b>
Investment income	9	0	0
Other (Gains)/Losses	10	27	0
Finance costs	11	0	80
<b>Net programme expenditure for the financial year</b>		<b>734,634</b>	<b>709,501</b>
<b>Other Comprehensive Net Expenditure</b>			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		0	732
Net (gain) on revaluation of property, plant & equipment		204	1,014
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	0
Release of Reserves to Statement of Comprehensive Net Expenditure		0	0
Net actuarial (gain)/loss on pension schemes		0	0
<b>Reclassification Adjustments</b>			
Reclassification adjustment on disposal of available for sale financial assets		0	0
<b>Total comprehensive net expenditure for the year</b>		<b>750,730</b>	<b>726,371</b>



Handwritten signature in blue ink, possibly reading 'ADmy'.

**Statement of Financial Position at  
31 March 2013**

	31 March 2013	31 March 2012
	NOTE	NOTE
	£000	£000
<b>Non-current assets:</b>		
Property, plant and equipment	12	22,047
Intangible assets	13.1	234
Investment property	15	0
Other financial assets	21	0
Trade and other receivables	19.1	0
<b>Total non-current assets</b>	<u>24,485</u>	<u>22,281</u>
<b>Current assets:</b>		
Inventories	18	0
Trade and other receivables	19.1	4,396
Other financial assets	36.1	0
Other current assets	22	0
Cash and cash equivalents	23	0
<b>Total current assets</b>	<u>3,554</u>	<u>4,396</u>
Non-current assets held for sale	24	0
<b>Total current assets</b>	<u>3,554</u>	<u>4,396</u>
<b>Total assets</b>	<u>28,039</u>	<u>26,677</u>
<b>Current liabilities</b>		
Trade and other payables	25	(50,524)
Other liabilities	26,28	0
Provisions	32	(6,161)
Borrowings	27	0
Other financial liabilities	36.2	0
<b>Total current liabilities</b>	<u>(53,908)</u>	<u>(56,685)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>	<u>(25,869)</u>	<u>(30,008)</u>
<b>Non-current liabilities</b>		
Trade and other payables	25	0
Other Liabilities	28	0
Provisions	32	(8,592)
Borrowings	27	0
Other financial liabilities	36.2	0
<b>Total non-current liabilities</b>	<u>(8,592)</u>	<u>0</u>
<b>Total Assets Employed:</b>	<u>(34,461)</u>	<u>(30,008)</u>
<b>Financed by taxpayers' equity:</b>		
General fund	(39,525)	(35,431)
Revaluation reserve	5,064	5,423
Other reserves	0	0
<b>Total taxpayers' equity:</b>	<u>(34,461)</u>	<u>(30,008)</u>

The notes on pages 17 to 59 form part of this account.

The financial statements on pages 13 to 59 were approved by the Board on

Chief Executive:

Date:

05/06/2013

and signed on its behalf by

Director of Finance

Date:

05/06/2013

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	(35,431)	5,423	0	(30,008)
<b>Changes in taxpayers' equity for 2012-13</b>				
Net operating cost for the year	(750,526)			(750,526)
Net gain on revaluation of property, plant, equipment		(204)		(204)
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		0		0
Movements in other reserves			0	0
Transfers between reserves*	155	(155)		0
Release of Reserves to SOCNE		0		0
<b>Reclassification Adjustments</b>				
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
<b>Total recognised income and expense for 2012-13</b>	<b>(750,371)</b>	<b>(359)</b>	<b>0</b>	<b>(750,730)</b>
Net Parliamentary funding	746,277			746,277
<b>Balance at 31 March 2013</b>	<b>(39,525)</b>	<b>5,064</b>	<b>0</b>	<b>(34,461)</b>
<b>Balance at 1 April 2011</b>	<b>(41,195)</b>	<b>5913</b>	<b>0</b>	<b>(35,282)</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Net operating cost for the year	(724,625)			(724,625)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		(1,014)		(1,014)
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		771		771
Movements in other reserves			0	0
Transfers between reserves*	247	(247)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
<b>Reclassification Adjustments</b>				
Transfers to/(from) Other Bodies within the Resource Account Boundary	1	0	0	1
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
<b>Total recognised income and expense for 2011-12</b>	<b>(724,377)</b>	<b>(490)</b>	<b>0</b>	<b>(724,867)</b>
Net Parliamentary funding	730,141			730,141
<b>Balance at 31 March 2012</b>	<b>(35,431)</b>	<b>5,423</b>	<b>0</b>	<b>(30,008)</b>

**Statement of cash flows for the year ended  
31 March 2013**

	NOTE	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>			
Net Operating Cost Before Interest		(750,499)	(724,545)
Depreciation and Amortisation		1,879	2,140
Impairments and Reversals		0	943
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		0	(80)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	0
(Increase)/Decrease in Trade and Other Receivables		842	(1,070)
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(4,031)	(7,677)
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(575)	(675)
Increase/(Decrease) in Provisions		7,632	4,369
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>(744,752)</b>	<b>(726,595)</b>
<b>Cash flows from investing activities</b>			
Interest Received		0	0
(Payments) for Property, Plant and Equipment		(1,339)	(3,488)
(Payments) for Intangible Assets		(186)	(176)
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		0	225
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
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>(1,525)</b>	<b>(3,439)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>(746,277)</b>	<b>(730,034)</b>
<b>Cash flows from financing activities</b>			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		0	(114)
Net Parliamentary Funding		746,277	730,141
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
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>746,277</b>	<b>730,027</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>0</b>	<b>(7)</b>
<b>Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>		<b>0</b>	<b>7</b>
Opening balance adjustment - TCS transactions		0	0
<b>Restated cash and cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>		<b>0</b>	<b>0</b>
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>		<b>0</b>	<b>0</b>



## 1. Accounting policies

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

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

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

### 1.1 Accounting Conventions

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

#### Transforming Community Services (TCS) transactions

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

#### Acquisitions and Discontinued Operations

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

#### Critical accounting judgements and key sources of estimation uncertainty

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

#### Critical judgements in applying accounting policies

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

##### a) Impairment of Assets

As required the PCT applies procedures to ensure that its assets are carried at no more than their recoverable amount. The procedures, by their nature, require estimations and assumptions to be made. The most significant are as follows:-

The PCT is required, on at least an annual basis, to calculate the value accounts receivable should be impaired using determined assumptions. The judgement applied assumes that as debtors age the likelihood of recovery reduces so the impairment covers Non NHS debtors greater than 30 days. This method requires an estimation and actual outcomes can vary significantly.

## 1. Accounting policies (continued)

Property, Plant and Equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined by the use of the District Valuer who will prepare valuations based on assumptions and estimates.

### b) Provisions

The PCT generates provisions to cover likely future liabilities of more than one year. These provisions are estimated by the management based on knowledge of the business and assumptions and reviewed on an annual basis.

In 2012/13 in response to the Department of Health's announcement that all claims for NHS Continuing Healthcare relating to the period from 1 April 2004 to 31 March 2012 be submitted to PCTs by 30 September 2012 the PCT has recognised a provision for these retrospective claims of £8.1m. The key assumptions used in estimating the provision relate to the period for which funding was claimed, the weekly cost and the probability of the claims being successful. Management have relied on historic PCT records in respect of the period of claim and costs of continuing care. In considering the probability of the claims being successful the PCT has estimated the conversion rate, however, due to the non – recurrent nature of the claims, the period that the retrospective claims cover and the high number of claims submitted there is a potential uncertainty in respect of the number of successful claims and the resulting financial cost. Actual claims settled may therefore differ from those calculated.

### 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

The determination of the carrying values of some assets and liabilities may require estimation of the effects of future uncertain events. An example would be the estimation of the recoverable amount of plant, property and equipment in the absence of recently observed market prices. Preparation of financial statements requires judgements to be made by management, and estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the application of accounting policies. Actual results may differ from these estimates. Underlying assumptions, estimates and methodologies are reviewed on an on-going basis. Any resulting revisions to accounting estimates are recognised in the period in which the estimate is revised; and further in any future periods affected.

The Primary Care Trust has reviewed the key assumptions made in preparing the Financial Statements for 2012-13 and is confident that there are no areas of estimation uncertainty that would have a material impact.

Fixed assets have been reviewed by the Primary Care Trust to ensure that the assets are still functioning and remain on the asset register. The Assets were revalued by the District Valuer as at March 2013 in line with good practice. The Fixed Assets (Property, Plant and Equipment) are valued in the PCT Accounts at £24.1 million as at 31st March 2013.

The retrospective Continuing Care accrual has been reviewed by the Primary Care Trust to ensure that the basis for the accruals and provisions are appropriate and includes all relevant factors, based where possible on a case by case basis. The review has led to an increase in the provision to £13.2 million as at 31 March 2013.

Accruals are calculated utilising management knowledge, market intelligence and contractual arrangements. These accruals cover GMS, Contractor Led Dentistry, Prescribing and contracts for healthcare and non healthcare services. Actual results may differ from those calculated.

## 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.

## 1. Accounting policies (continued)

Miscellaneous revenue is income which relates directly to the operating activities of the Primary Care Trust. It principally comprises fees and charges for services provided on a full cost basis to external customers, as well as public repayment work. It includes both income appropriated-in-aid of the Vote and income to the Consolidated Fund which HM Treasury has agreed should be treated as operating income.

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Where revenue has been received for a specific activity to be delivered in the following financial year, that income will be deferred.

### 1.3 Care Trusts Designation

Care Trusts are NHS Trusts or Primary Care Trusts that have been designated by the Secretary of State under s45 of the Health and Social Care Act 2001 as a Care Trust because of its joint activities with Local Authorities. The arrangements are means of carrying on the usual activities of NHS bodies and Local Authorities (although with the intention of improved services to the Public). This does not apply to Buckinghamshire Primary Care Trust.

### 1.4 Pooled budgets

The PCT has entered into the following Pooled Budgets arrangements:

#### i) Children and Adolescence Mental Health Services (CAMHS)

The PCT has entered into a pooled budget arrangement with Buckinghamshire County Council (BCC). Under the arrangement, funds are pooled under S75 of the Health Act 2006 for Mental Health Services to Children and Adolescence and a memorandum note to the accounts provides details of the joint income and expenditure. These arrangements are hosted by BCC.

#### ii) Residential Respite Short Breaks Pooled Fund

The PCT has entered into a pooled budget arrangement with Buckinghamshire County Council (BCC). Under the arrangement, funds are pooled under S75 of the Health Act 2006 for Residential respite Short Breaks and a memorandum note to the accounts provides details of the joint income and expenditure. These arrangements are hosted by BCC.

#### iii) Speech and Language Therapy Pooled Fund

The PCT has entered into a pooled budget arrangement with Buckinghamshire County Council (BCC) for the provision of Speech & Language therapy.

### 1.5 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.

### 1.6 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)

### 1.7 Property, Plant & Equipment

#### Recognition

Property, plant and equipment is capitalised if:

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

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

#### Valuation

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

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

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

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

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

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

#### Subsequent expenditure

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

## 1. Accounting policies (continued)

### 1.8 Intangible Assets

#### Recognition

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

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

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

#### Measurement

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

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

### 1.9 Depreciation, amortisation and impairments

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

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

At each reporting period end, the PCT checks whether there is any indication that any of its 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.

### 1.10 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.

This accounting policy change has been applied retrospectively and consequently the 2010-11 results have been restated.

## 1. Accounting policies (continued)

### 1.11 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.

This accounting policy change has been applied retrospectively and consequently the 2010-11 results have been restated.

### 1.12 Non-current assets held for sale

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

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

### 1.13 Inventories

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

### 1.14 Cash and cash equivalents

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

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.

### 1.15 Losses and Special Payments

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

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

### 1.16 Clinical Negligence Costs

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

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

### 1.17 Employee benefits

#### Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, except for bonuses earned but not yet taken which, like leave earned but not yet taken is not accrued for at the year end, on the grounds of immateriality.

## 1. Accounting policies (continued)

### Retirement benefit costs

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

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

### 1.18 Research and Development

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

### 1.19 Other expenses

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

### 1.20 Grant making

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

### 1.21 EU Emissions Trading Scheme

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

### 1.22 Contingencies

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

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

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

### 1.23 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.

## 1. Accounting policies (continued)

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.

## 1.24 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.

## 1.25 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 arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

## 1.26 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.



## 1. Accounting policies (continued)

### Financial assets at fair value through profit and loss

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

### Held to maturity investments

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

### Available for sale financial assets

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

### 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 PCT has minimal receivables.

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

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

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

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

### Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

### Financial liabilities at fair value through profit and loss

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

## 1. Accounting policies (continued)

### Other financial liabilities

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

### 1.27 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. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the PCT's approach for each relevant class of asset in accordance with the principles of IAS 16."

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

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.

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.

**1. Accounting policies (continued)**

**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.

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

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

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

## 2 Operating segments

IFRS 8 defines an operating segment as a component of an entity:

The standard sets quantitative thresholds in order to enable the reporting entity to identify a management number of segments (10% of revenue) i.e. income, profit/loss or assets, unless this would result in less than 75% of the body's revenue being included in reportable segments. Expenditure has been considered as the relevant measurement rather than income in the case of Buckinghamshire Primary Care Trust.

From April 2010, the Community Health services and Buckinghamshire PCT functions and related staff transferred to Buckinghamshire Healthcare NHS Trust. No assets transferred within this process and have not been so accounted for in the Annual Accounts.

Since the transfer of the Provider services to Buckinghamshire Healthcare NHS Trust the PCT has only one segment that it now reports on and that is Healthcare.

	Healthcare		Total	
	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000
Expenditure	<u>750,526</u>	<u>724,625</u>	<u>750,526</u>	<u>724,625</u>
Surplus/(Deficit)				
Segment surplus/(deficit)	4,231	127	4,231	127
Common costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Surplus/(deficit) before interest	<u>4,231</u>	<u>127</u>	<u>4,231</u>	<u>127</u>
Net Assets:				
Segment net assets	<u>(34,461)</u>	<u>(30,008)</u>	<u>(34,461)</u>	<u>(30,008)</u>

**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	750,526	724,625
Net operating cost plus (gain)/loss on transfers by absorption		
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>754,757</u>	<u>724,752</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>4,231</u>	<u>127</u>

**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	4,450	3,268
Charge to Capital Resource Limit	<u>4,287</u>	<u>3,268</u>
(Over)/Underspend Against CRL	<u>163</u>	<u>0</u>

**3.3 Provider full cost recovery duty**

The PCT is required to recover full costs in relation to its provider functions.

	2012-13 £000	2011-12 £000
Provider gross operating costs	0	0
Provider Operating Revenue	<u>0</u>	<u>0</u>
<b>Net Provider Operating Costs</b>	<u>0</u>	<u>0</u>
Costs Met Within PCTs Own Allocation	<u>0</u>	<u>0</u>
Under/(Over) Recovery of Costs	<u>0</u>	<u>0</u>

Provider functions were transferred to Buckinghamshire Healthcare Trust on 1 April 2010.

**3.4 Under/(Over)spend against cash limit**

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	746,277	730,141
Cash Limit	<u>746,277</u>	<u>730,141</u>
Under/(Over)spend Against Cash Limit	<u>0</u>	<u>0</u>

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

	2012-13 £000
Total cash received from DH (Gross)	666,047
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	<u>0</u>
<b>Sub total: net advances</b>	<u>666,047</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	15,186
Plus: drugs reimbursement (central charge to cash limits)	<u>65,044</u>
<b>Parliamentary funding credited to General Fund</b>	<u>746,277</u>

**4 Miscellaneous Revenue**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	6	0	6	5
Dental Charge income from Contractor-Led GDS & PDS	4,982		4,982	4,763
Dental Charge income from Trust-Led GDS & PDS	0		0	0
Prescription Charge income	3,231		3,231	2,990
Strategic Health Authorities	4	0	4	54
NHS Trusts	0	0	0	515
NHS Foundation Trusts	0	0	0	3
Primary Care Trusts Contributions to DATs	0		0	0
Primary Care Trusts - Other	0	0	0	724
Primary Care Trusts - Lead Commissioning	308	0	308	166
English RAB Special Health Authorities	5	0	5	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	0	0	0	0
Recoveries in respect of employee benefits	147	147	0	135
Local Authorities	1,971	0	1,971	2,060
Patient Transport Services	0		0	0
Education, Training and Research	1,298	0	1,298	993
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	1,831	0	1,831	1,828
Other revenue	1,063	0	1,063	31
<b>Total miscellaneous revenue</b>	<b>14,846</b>	<b>147</b>	<b>14,699</b>	<b>14,267</b>



**Note 5.1 analysis of gross operating costs:**

**Notes**

(a) Consultancy costs

	<b>2012/13</b> £000's	<b>2011/12</b> £000's
General Management	484	391
Health projects	628	0
Grand Total	<u>1,112</u>	<u>391</u>

	<b>2012/13</b> £000's	<b>2011/12</b> £000's
(b) Other Audit Fees		
Payments by Results - Data Assurance	25	36
Fraud Audit	0	1
Grand Total	<u>25</u>	<u>37</u>



**5.2 Analysis of operating expenditure by expenditure classification**

	2012-13	2011-12
	£000	£000
<b>Purchase of Primary Health Care</b>		
GMS / PMS/ APMS / PCTMS	67,766	69,221
Prescribing costs	62,078	65,855
Contractor led GDS & PDS	20,920	20,508
Trust led GDS & PDS	1,819	1,827
General Ophthalmic Services	3,392	3,184
Department of Health Initiative Funding	0	0
Pharmaceutical services	2,041	1,722
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	14,864	14,742
Non-GMS Services from GPs	56	53
Other	0	1,080
<b>Total Primary Healthcare purchased</b>	<b>172,936</b>	<b>178,192</b>
<b>Purchase of Secondary Healthcare</b>		
Learning Difficulties	11,368	10,778
Mental Illness	57,830	56,795
Maternity	25,199	23,358
General and Acute	355,527	357,910
Accident and emergency	14,000	12,921
Community Health Services	54,210	54,240
Other Contractual	17,657	16,683
<b>Total Secondary Healthcare Purchased</b>	<b>535,791</b>	<b>532,685</b>
<b>Grant Funding</b>		
Grants for capital purposes	540	0
Grants for revenue purposes	0	0
<b>Total Healthcare Purchased by PCT</b>	<b>709,267</b>	<b>710,877</b>
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	8,927	3,209
Healthcare from NHS FTs included above	103,384	83,486

## 6. Operating Leases

The Primary Care Trust operates from a number of properties that it does not own and that are held under short lease arrangements.

- None of the leases current would result in contingent rents.
- The terms of renewal are on an arms length basis at the end of the lease as none provide for renewals.
- There are no significant restrictions imposed by lease arrangements for the Primary Care Trust to conduct its operations.

6.1 PCT as lessee	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
<b>Payments recognised as an expense</b>					
Minimum lease payments				388	518
Contingent rents				0	0
Sub-lease payments				0	0
<b>Total</b>				<u>388</u>	<u>518</u>
<b>Payable:</b>					
No later than one year	0	385	40	425	329
Between one and five years	0	331	41	372	362
After five years	0	165	0	165	0
<b>Total</b>	<u>0</u>	<u>881</u>	<u>81</u>	<u>962</u>	<u>691</u>

## 6.2 PCT as lessor

There is an operating lease with Buckinghamshire Healthcare NHS Trust for the use of Community Assets to provide Community Health services. This lease is valued at £1.8m.

Recognised as income	2012-13 £000	2011-12 £000
Rental Revenue	1,831	1,828
Contingent rents	0	0
<b>Total</b>	<u>1,831</u>	<u>1,828</u>
<b>Receivable:</b>		
No later than one year	1,831	1,828
Between one and five years	0	0
After five years	0	0
<b>Total</b>	<u>1,831</u>	<u>1,828</u>

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
<b>Employee Benefits - Gross Expenditure</b>									
Salaries and wages	7,655	7,655	0	7,070	7,070	0	585	585	0
Social security costs	652	652	0	652	652	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	889	889	0	889	889	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	959	959	0	959	959	0	0	0	0
<b>Total employee benefits</b>	<b>10,155</b>	<b>10,155</b>	<b>0</b>	<b>9,570</b>	<b>9,570</b>	<b>0</b>	<b>585</b>	<b>585</b>	<b>0</b>
Less recoveries in respect of employee benefits (table below)	(147)	(147)	0	(147)	(147)	0	0	0	0
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>10,008</b>	<b>10,008</b>	<b>0</b>	<b>9,423</b>	<b>9,423</b>	<b>0</b>	<b>585</b>	<b>585</b>	<b>0</b>
Employee costs capitalised	0	0	0	0	0	0	0	0	0
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>10,155</b>	<b>10,155</b>	<b>0</b>	<b>9,570</b>	<b>9,570</b>	<b>0</b>	<b>585</b>	<b>585</b>	<b>0</b>
<b>Recognised as:</b>									
Commissioning employee benefits	10,155			9,570			585		
Provider employee benefits	0			0			0		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>10,155</b>			<b>9,570</b>			<b>585</b>		

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
<b>Employee Benefits - Revenue</b>									
Salaries and wages	147	147	0	147	147	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
<b>TOTAL, excluding capitalised costs</b>	<b>147</b>	<b>147</b>	<b>0</b>	<b>147</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employee Benefits - Prior-year

	Total £000	Permanently employed £000	Other £000
<b>Employee Benefits Gross Expenditure 2011-12</b>			
Salaries and wages	6,452	5,944	508
Social security costs	554	554	0
Employer Contributions to NHS BSA - Pensions Division	825	825	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	487	487	0
<b>Total gross employee benefits</b>	<b>8,318</b>	<b>7,810</b>	<b>508</b>
Less recoveries in respect of employee benefits	(135)	(135)	0
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>8,183</b>	<b>7,675</b>	<b>508</b>
Employee costs capitalised	0	0	0
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>8,318</b>	<b>7,810</b>	<b>508</b>
<b>Recognised as:</b>			
Commissioning employee benefits	8,318		
Provider employee benefits	0		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>8,318</b>		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
<b>Average Staff Numbers</b>						
Medical and dental	5.3	5.3	0.0	4.5	4.5	0.0
Ambulance staff	0.0	0.0	0.0	0.0	0.0	0.0
Administration and estates	134.9	127.7	7.2	126.2	119.5	6.7
Healthcare assistants and other support staff	0.0	0.0	0.0	0.0	0.0	0.0
Nursing, midwifery and health visiting staff	14.5	13.5	1.0	12.3	9.1	3.2
Nursing, midwifery and health visiting learners	0.0	0.0	0.0	0.0	0.0	0.0
Scientific, therapeutic and technical staff	4.3	4.3	0.0	5.3	5.3	0.0
Social Care Staff	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>159.0</b>	<b>150.8</b>	<b>8.2</b>	<b>148.3</b>	<b>138.4</b>	<b>9.9</b>
Of the above - staff engaged on capital projects	0	0	0	1	1	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,120	1,224
Total Staff Years	150	155
Average working Days Lost	7.47	7.90

## 7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			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 of compulsory redundancies	Number of other departures agreed		
	Number	Number	Number	Number	Number	Number	
Less than £10,000	1	0	1	0	1	1	
£10,001-£25,000	4	0	4	0	1	1	
£25,001-£50,000	6	0	6	0	1	1	
£50,001-£100,000	1	0	1	2	0	2	
£100,001 - £150,000	1	0	1	0	0	0	
£150,001 - £200,000	1	0	1	2	0	2	
>£200,000	1	0	1	0	0	0	
<b>Total number of exit packages by type (total cost)</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>4</b>	<b>3</b>	<b>7</b>	
	£000s	£000s	£000s	£000s	£000s	£000s	
<b>Total resource cost</b>	959	0	959	425	62	487	

As part of the NHS reforms, Buckinghamshire Primary Care Trust ceased to exist on 31st March 2013. The organisation worked closely with all those employees at risk of redundancy to minimise the number of redundancies, however there were a number of employees who were unsuccessful and therefore were made redundant.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS reorganisation guidance. 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.

## 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](http://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
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	20,626	111,917	24,234	155,500
Total Non-NHS Trade Invoices Paid Within Target	16,698	89,448	18,373	124,900
Percentage of NHS Trade Invoices Paid Within Target	80.96%	79.92%	75.81%	80.32%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	4,263	524,181	2,657	463,600
Total NHS Trade Invoices Paid Within Target	3,647	517,157	2,215	443,600
Percentage of NHS Trade Invoices Paid Within Target	85.55%	98.66%	83.36%	95.69%

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

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

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

**9. Investment Income**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
<b>Rental Income</b>				
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
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Interest Income</b>				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	0	0	0	0
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total investment income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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)	(27)	0	(27)	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
<b>Total</b>	<b>(27)</b>	<b>0</b>	<b>(27)</b>	<b>0</b>

**11. Finance Costs**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
<b>Interest</b>				
Interest on obligations under finance leases	0	0	0	80
<b>Interest on obligations under PFI contracts:</b>				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
<b>Interest on obligations under LIFT contracts:</b>				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
<b>Total interest expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>

12.1 Property, plant and equipment

	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
2012-13									
Cost or valuation:									
At 1 April 2012	4,305	13,684	0	39	1,753	13	5,440	713	25,947
Additions of Assets Under Construction	0	0	0	0	15	0	2,077	0	4,127
Additions Purchased	0	2,035	0	0	0	0	0	0	0
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(31)	0	(1,132)	(52)	(1,215)
Upward revaluation/positive indexation	0	502	0	0	0	0	0	0	502
Impairments/negative indexation	0	0	0	0	0	0	0	0	0
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	4,305	16,271	0	39	1,737	13	6,385	661	29,361

	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
2013-14									
Cost or valuation:									
At 1 April 2012	0	0	0	39	639	13	2,711	488	3,900
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(30)	0	(1,116)	(51)	(1,197)
Upward revaluation/positive indexation	0	706	0	0	0	0	0	0	706
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	647	0	0	163	0	863	42	1,815
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	1,353	0	39	772	13	2,559	489	5,224
Net Book Value at 31 March 2013	4,305	14,868	0	0	965	0	3,827	172	24,137

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and 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
2013-14									
Cost or valuation:									
At 1 April 2012	984	4,434	0	0	3	0	0	2	5,423
Movements (specify)	0	(359)	0	0	0	0	0	0	(359)
At 31 March 2013	984	4,075	0	0	3	0	0	2	5,064

Revaluation Reserve Balance for Property, Plant & Equipment

	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
Owned	4,305	14,868	0	0	965	0	3,827	172	24,137
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	4,305	14,868	0	0	965	0	3,827	172	24,137

Additions to Assets Under Construction in 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
At 1 April 2012	0	0	0	0	0	0	0	0	0
Movements (specify)	0	0	0	0	3	0	0	2	5,423
At 31 March 2013	0	0	0	0	3	0	0	2	5,064



**12.2 Property, plant and equipment**

**2011-12**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation:</b>									
<b>At 1 April 2011</b>	4,475	14,832	0	39	1,603	13	6,784	718	28,464
Additions - purchased	0	1,472	0	0	961	0	887	9	3,329
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	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	(811)	0	(2,231)	(14)	(3,056)
Revaluation & indexation gains	60	429	0	0	0	0	0	0	489
Impairments	0	(1,503)	0	0	0	0	0	0	(1,503)
Reversals of impairments	0	771	0	0	0	0	0	0	771
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation:	(230)	(2,317)	0	0	0	0	0	0	(2,547)
<b>At 31 March 2012</b>	<b>4,305</b>	<b>13,684</b>	<b>0</b>	<b>39</b>	<b>1,753</b>	<b>13</b>	<b>5,440</b>	<b>713</b>	<b>25,947</b>

**Depreciation**

<b>At 1 April 2011</b>	230	799	0	0	1,361	13	3,615	466	6,484
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(810)	0	(2,225)	(13)	(3,048)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	771	0	39	0	0	125	0	935
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	747	0	0	88	0	1,196	45	2,076
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation:	(230)	(2,317)	0	0	0	0	0	0	(2,547)
<b>At 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>639</b>	<b>13</b>	<b>2,711</b>	<b>498</b>	<b>3,900</b>
<b>Net Book Value at 31 March 2012</b>	<b>4,305</b>	<b>13,684</b>	<b>0</b>	<b>0</b>	<b>1,114</b>	<b>0</b>	<b>2,729</b>	<b>215</b>	<b>22,047</b>

Purchased	4,305	13,684	0	0	1,114	0	2,729	215	22,047
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>4,305</b>	<b>13,684</b>	<b>0</b>	<b>0</b>	<b>1,114</b>	<b>0</b>	<b>2,729</b>	<b>215</b>	<b>22,047</b>

**Asset financing:**

Owned	4,305	13,684	0	0	1,114	0	2,729	215	22,047
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>4,305</b>	<b>13,684</b>	<b>0</b>	<b>0</b>	<b>1,114</b>	<b>0</b>	<b>2,729</b>	<b>215</b>	<b>22,047</b>

### 12.3 Property, plant and equipment

The PCT received no donations in the last financial year for enhancements to buildings or purchase equipment.

In accordance with accounting policies, a revaluation exercise took place this year on the 31st March 2013 by the District Valuer for Buckinghamshire.

The methods used for this exercise have been undertaken by having regards to International Financial Reporting Standards (IFRS), International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors Valuation Standards 6th Edition

The method used for this revaluation exercise on the 31st March 2013 appraisal was that of fair value.

Fair Value is defined in IAS 16 (International Accounting Standards 16) as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction.

The revaluation exercise has resulted in a decrease of Buckinghamshire PCT asset base by £0.2m.

Class of assets and there length of life are contained in the following table:

Economic Lives of Non-Current Assets	Min life Years	Max life Years
<b>Intangible Assets</b>		
Software Licences	0	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
<b>Property, Plant and Equipment</b>		
Buildings exc Dwellings	0	88
Dwellings	0	0
Plant & Machinery	0	10
Transport Equipment	0	10
Information Technology	0	5
Furniture and Fillings	0	10

No Compensation has been received from third parties for assets impaired, lost or given up.

Open Market Value of Assets at balance sheet date	Land	Buildings excl. dwellings	Dwellings	Total
	£000s	£000s	£000s	£000s
Open Market Value at 31 March 2013	60	25	0	85
Open Market Value at 31 March 2012	60	25	0	85

## **Capital Resource**

The Capital Resource for the 2012-13 financial year has been allocated and spent over the following areas.

### **Estates**

Within Buckinghamshire PCT estates infection control work has continued, Health and Safety works at the community hospitals and MIU at Wycombe hospital. Further upgrade works have been carried out in dental services.

### **IT**

The PC and server replacement program across Buckinghamshire PCT has continued this year. Further investment in upgrades to the servers and network infrastructure was funded.

The PCT has also invested in RIO which is a Clinical record system for community providers. Buckinghamshire PCT spend in 2012/13 was £384k.

## 13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
<b>2012-13</b>						
<b>At 1 April 2012</b>	0	556	0	0	0	556
Additions - purchased	0	186	0	0	0	186
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	(8)	0	0	0	(8)
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
<b>At 31 March 2013</b>	<b>0</b>	<b>734</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>734</b>
<b>Amortisation</b>						
<b>At 1 April 2012</b>	0	322	0	0	0	322
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	64	0	0	0	64
In-year transfers to NHS bodies	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>386</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>386</b>
<b>Net Book Value at 31 March 2013</b>	<b>0</b>	<b>348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>348</b>
<b>Net Book Value at 31 March 2013 comprises</b>						
Purchased	0	348	0	0	0	348
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>348</b>

## Revaluation reserve balance for intangible non-current assets

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

**13.2 Intangible non-current assets**

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
<b>At 1 April 2011</b>	0	384	0	0	0	384
Additions - purchased	0	176	0	0	0	176
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	(4)	0	0	0	(4)
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
<b>At 31 March 2012</b>	<b>0</b>	<b>556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>556</b>
<b>Amortisation</b>						
<b>At 1 April 2011</b>	0	250	0	0	0	250
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	8	0	0	0	8
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	64	0	0	0	64
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
<b>At 31 March 2012</b>	<b>0</b>	<b>322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>322</b>
<b>Net Book Value at 31 March 2012</b>	<b>0</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234</b>
<b>Net Book Value at 31 March 2012 comprises</b>						
Purchased	0	234	0	0	0	234
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234</b>

### 13.3 Intangible non-current assets

Intangible assets are held at Original Cost for the asset. These are depreciated over the the life of the asset which is deemed to be 5 years.

The PCT has no provision for the carrying value of Intangible non - current assets.

#### Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
<b>Intangible Assets</b>		
Software Licences	0	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0

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

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

<b>Financial Assets charged to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<u>0</u>	<u>0</u>	<u>0</u>
Loss as a result of catastrophe	0	0	0
Other	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Financial Assets impairments and reversals charged to the Revaluation Reserve</b>			
Loss or damage resulting from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
<b>TOTAL impairments for Financial Assets charged to reserves</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Impairments of Financial Assets</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Non-current assets held for sale - impairments and reversals charged to SoCNE.</b>			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total impairments of non-current assets held for sale</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Inventories - impairments and reversals charged to SoCNE</b>			
Loss or Damage Resulting from Normal Operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total impairments of Inventories</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Investment Property impairments charged to SoCNE</b>			
Loss or Damage Resulting from Normal Operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Investment Property impairments charged to SoCNE</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Investment Property impairments and reversals charged to the Revaluation Reserve</b>			
Loss or Damage Resulting from Normal Operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of Assets in the Course of Construction	0	0	0
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
<b>TOTAL impairments for Investment Property charged to Reserves</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Investment Property Impairments</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Impairments charged to Revaluation Reserve</b>	0	0	0
<b>Total Impairments charged to SoCNE - DEL</b>	0	0	0
<b>Total Impairments charged to SoCNE - AME</b>	0	0	0
<b>Overall Total Impairments</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Of which:</b>			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
<b>Donated and Gov Granted Assets, included above -</b>			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0



## 15 Investment property

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

The PCT has no investment property as at 31st March 2013.

## 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	502
Intangible assets	0	0
<b>Total</b>	<u>0</u>	<u>502</u>

### 16.2 Other financial commitments

There were no non-cancellable contracts identified.

	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
<b>Total</b>	<u>0</u>	<u>0</u>

## 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	732	0	781	0
Balances with Local Authorities	76	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	541	0	12,152	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,205	0	36,349	0
<b>At 31 March 2013</b>	<u>3,554</u>	<u>0</u>	<u>49,282</u>	<u>0</u>
<b>prior period:</b>				
Balances with other Central Government Bodies	220	0	2,469	0
Balances with Local Authorities	560	0	1,070	0
Balances with NHS Trusts and Foundation Trusts	2,631	0	6,672	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	985	0	40,313	0
<b>At 31 March 2012</b>	<u>4,396</u>	<u>0</u>	<u>50,524</u>	<u>0</u>

**18 Inventories**

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

The PCT has no inventories for inclusion in the accounts as at 31st March 2013.

**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	1,111	2,498	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	244	0	0
Non-NHS receivables - revenue	271	903	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	1,941	381	0	0
Provision for the impairment of receivables	(141)	(560)	0	0
VAT	162	109	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	210	821	0	0
<b>Total</b>	<b>3,554</b>	<b>4,396</b>	<b>0</b>	<b>0</b>
<b>Total current and non current</b>	<b>3,554</b>	<b>4,396</b>		
Included above:				
Prepaid pensions contributions	0	0		

The majority of trade and other receivables is with other NHS bodies.

**19.2 Receivables past their due date but not impaired**

	31 March 2013 £000	31 March 2012 £000
By up to three months	585	3,131
By three to six months	0	0
By more than six months	30	29
<b>Total</b>	<b>615</b>	<b>3,160</b>

**19.3 Provision for impairment of receivables**

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(560)	(96)
Amount written off during the year	0	0
Amount recovered during the year	0	0
(increase)/decrease in receivables impaired	419	(464)
Balance at 31 March 2013	(141)	(560)

## 20 NHS LIFT investments

The PCT has not entered into any LIFT schemes as defined by the Department of Health.

### 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
<b>Closing balance 31 March</b>	<u>0</u>	<u>0</u>

The PCT has no other financial assets.

### 21.2 Other Financial Assets - Non Current

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

### 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
<b>Total</b>	<u>0</u>	<u>0</u>

### 23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	0	7
Net change in year	0	(7)
<b>Closing balance</b>	<u>0</u>	<u>0</u>
<b>Made up of</b>		
Cash with Government Banking Service	0	0
Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	<u>0</u>	<u>0</u>
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<u>0</u>	<u>0</u>
Patients' money held by the PCT, not included above	<u>0</u>	<u>0</u>

**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
<b>Balance at 1 April 2012</b>	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
<b>Balance at 31 March 2013</b>	0	0	0	0	0	0	0	0	0	0
<b>Liabilities associated with assets held for sale at 31 March 2013</b>	0	0	0	0	0	0	0	0	0	0
<b>Balance at 1 April 2011</b>	80	145	0	0	0	0	0	0	0	225
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	(80)	(145)	0	0	0	0	0	0	0	(225)
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
<b>Balance at 31 March 2012</b>	0	0	0	0	0	0	0	0	0	0
<b>Liabilities associated with assets held for sale at 31 March 2012</b>	0	0	0	0	0	0	0	0	0	0
<b>Revaluation reserve balances in respect of non-current assets held for sale were:</b>										
At 31 March 2012	0	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	0	0	0	0	0	0

There are no new assets that are meet the criteria to be classed as asset held for sale.

## 25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0	0	0
NHS payables - revenue	1,513	665	0	0
NHS payables - capital	1,926	0	0	0
NHS accruals and deferred income	9,355	8,210	0	0
Family Health Services (FHS) payables	14,801	13,530	0	0
Non-NHS payables - revenue	237	2,132	0	0
Non-NHS payables - capital	1,194	331	0	0
Non_NHS accruals and deferred income	18,443	22,528	0	0
Social security costs	3	76	0	0
VAT	0	0	0	0
Tax	134	90	0	0
Payments received on account	0	0	0	0
Other	1,676	2,962	0	0
<b>Total</b>	<b>49,282</b>	<b>50,524</b>	<b>0</b>	<b>0</b>
Total payables (current and non-current)	<b>49,282</b>	<b>50,524</b>		

## 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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>0</b>	<b>0</b>		

## 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	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>0</b>	<b>0</b>		

**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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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 at 1 April 2012	0	0	0	0
Deferred income addition	0	0	0	0
Transfer of deferred income	0	0	0	0
<b>Current deferred income at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	0	0		

**30 Finance lease obligations**

The PCT has not entered into any Finance leases.

**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	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in:				
Current borrowings			0	0
Non-current borrowings			0	0
			<b>0</b>	<b>0</b>

**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	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Included in:				
Current borrowings			0	0
Non-current borrowings			0	0
			<b>0</b>	<b>0</b>

**Amounts payable under finance leases (Other)**

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

**Finance leases as lessee**

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

### 31 Finance lease receivables as lessor

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

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

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

Finance Leases (as a Lessor)	31 March 2013 £000	31 March 2012 £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 £000	31 March 2012 £000
Contingent rent	0	0
Other	0	0
<b>Total rental income</b>	<b>0</b>	<b>0</b>

Finance Lease Commitments	31 March 2013 £000s	31 March 2012 £000s
	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	6,161	0	0	0	365	4,773	0	0	1,023	0
Arising During the Year	9,435	0	0	0	0	9,435	0	0	0	0
Utilised During the Year	(575)	0	0	0	(365)	(210)	0	0	0	0
Reversed Unused	(1,803)	0	0	0	0	(780)	0	0	(1,023)	0
Unwinding of Discount	0	0	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	13,218	0	0	0	0	13,218	0	0	0	0
<b>Expected Timing of Cash Flows:</b>										
No Later than One Year	4,626	0	0	0	0	4,626	0	0	0	0
Later than One Year and not later than Five Years	8,592	0	0	0	0	8,592	0	0	0	0
Later than Five Years	0	0	0	0	0	0	0	0	0	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:  
As at 31 March 2013 30  
As at 31 March 2012 52

Details of the Provisions are as follows:

**Continuing Care** - The Primary Care Trust is responsible for the cost of providing Continuing Care to its population once potential patients have been assessed and deemed to meet the criteria for such Continuing Care. There are occasions when patients or their representatives ask for a retrospective assessment that can go back a number of years and can take some time to process because of historical records.

In March 2012 the Department of Health announced that all claims for NHS Continuing Healthcare relating to the period from 1 April 2004 to 31 March 2012 be submitted to PCTs by 30 September 2012. In response to this deadline NHS Buckinghamshire have received a number of claims, which are subject to a process of review to determine eligibility for funding of NHS Continuing Healthcare. For the purposes of these financial statements NHS Buckinghamshire have provided for £8.1m of potential claims.

Claims were broken down into 2 Cohorts depending on the level of information the PCT obtained at the time. The provision is based on 365 claims. Where the length of stay was unknown, an average of 3.08 years was used. An average weekly cost was used based on historic data and a 15% probability of a valid claim was applied. Whilst the probability of claims being successful is assessed in determining the financial value of the provision NHS Buckinghamshire has no experience record from similar retrospective claims to substantiate this probability. This therefore results in a potential uncertainty relating to the success of the claims and the resulting financial cost of these claims.

The PCT has assumed that cash flows relating to the continuing care provision will be paid in the next three financial years. Given the uncertainty referred to in the accounting policies and the assessment process to be undertaken cash flows may vary from those set out in the table above.

**33 Contingencies**

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other	0	0
Amounts Recoverable Against Contingent Liabilities	0	0
<b>Net Value of Contingent Liabilities</b>	<b>0</b>	<b>0</b>
Contingent Assets		
Contingent Assets	0	0
<b>Net Value of Contingent Assets</b>	<b>0</b>	<b>0</b>

The PCT has no Contingent Assets and Liabilities to disclose as at 31st March 2013.



**34 PFI and LIFT - additional information**

The PCT has not entered into any PFI and LIFT schemes as defined by the Department of Health.

**35 Impact of IFRS treatment - 2012-13**

The PCT has not entered into any PFI and LIFT schemes as defined by the Department of Health.

**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 risk.

**Currency risk**

The PCT principal activity is to provide healthcare for its local population. As such the majority of transactions, assets and liabilities are recorded in sterling. The PCT has no overseas operations. The PCT therefore has minimal exposure to currency rate fluctuations.

**Interest rate risk**

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

**Credit Risk**

The income for the PCT primarily relates to other NHS organisations and as such there is minimal 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	0	0
Receivables - NHS	0	1,382	0	1,382
Receivables - non-NHS	0	2,151	0	2,151
Cash at bank and in hand	0	0	0	0
Other financial assets	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>3,533</b>	<b>0</b>	<b>3,533</b>
Embedded derivatives	0	0	0	0
Receivables - NHS	0	2,742	0	2,742
Receivables - non-NHS	0	1,724	0	1,724
Cash at bank and in hand	0	0	0	0
Other financial assets	0	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>4,466</b>	<b>0</b>	<b>4,466</b>

**36.2 Financial Liabilities**

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0	0	0
NHS payables	0	12,794	12,794
Non-NHS payables	0	1,431	1,431
Other borrowings	0	0	0
PFI & finance lease obligations	0	0	0
Other financial liabilities	0	34,920	34,920
<b>Total at 31 March 2013</b>	<b>0</b>	<b>49,145</b>	<b>49,145</b>
Embedded derivatives	0	0	0
NHS payables	0	8,875	8,875
Non-NHS payables	0	2,463	2,463
Other borrowings	0	0	0
PFI & finance lease obligations	0	0	0
Other financial liabilities	0	39,020	39,020
<b>Total at 31 March 2012</b>	<b>0</b>	<b>50,358</b>	<b>50,358</b>

### 37. Related party transactions

Details of related party transactions with individuals are as follows:

	2012-13 Payments to Related Party £000	2011-12 Payments to Related Party £000
R Bajwa - Br Bajwa & Partner	52	572
A Sattar - Riverside Surgery	0	1,190
S Matthews - Verney Close Practice	35,320	0
K Fraser - Cherrymead Surgery	16	0
K King - Cherry Mead Surgery	16	0
R Pryse - North End Surgery	1,429	0
VM Abraham - Buckinghamshire PCT	256,590	0
S Butcher - The Hall Practice	5	0
AJ Shabbir - Priory Pharmacy	9	0
S Zaib - Oakfield Surgery	1,394	0
J Horslen - Prestwood Pharmacy	1	0
S Logan - Trinity Health	60	0
R Thakkar - Pound House Surgery	39	0
R Mallard-Smith - John Hampden Surgery	16	0
S Murphy - Stokenchurch Surgery	49	0
C Hassim - Threeways Surgery	45	0
P Newman - Hawthornden Surgery	10	0
R Sawhney - Riverside Surgery	53	0
S Roberts - John Hampden Surgery	53	0

The Related Party to VM Abraham is an employee at Buckinghamshire Healthcare NHS Trust, thus the amount shown relates to the payment by Buckinghamshire PCT to Buckinghamshire Healthcare NHS Trust. The related party to S Matthews is an employee of Oxfordshire & Buckinghamshire Mental Health NHS Trust, thus the amount shown relates to the payment by Buckinghamshire PCT to Oxfordshire & Buckinghamshire Mental Health NHS Trust.

These amounts reflect the Primary Care Trust's transactions with the GP Practice/ Pharmacy of which the Committee Member is also an owner/ partner.

The Department of Health is regarded as a related party. During the year Buckinghamshire 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. The principal entities involved are;

	2012-13 £000	2011-12 £000
Buckinghamshire Healthcare NHS Trust	256,590	254,146
Oxfordshire and Buckinghamshire Mental Health NHS Foundation Trust	34,863	35,064
Hampshire Primary Care Trust	84,389	69,083
Oxford University Hospitals NHS Trust	30,917	31,929
South Central Ambulance NHS Foundation Trust	16,477	1,414
Heatherwood and Wexham Park Foundation Trust	34,418	33,596

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Buckinghamshire County Council. Buckinghamshire Primary Care Trust's Director of Public Health is also Director of Public Health at Buckinghamshire County Council, the Primary Care Trust absorbs the full cost of this Board member. The total value of the payments made to Buckinghamshire County Council is given below.

	2012-13 £000	2011-12 £000
Buckinghamshire County Council	33,564	19,708

The PCT has also received revenue and capital payments from a number of charitable funds, certain of the trustees for which are also members of the PCT board. The audited accounts/the summary financial statements of the Funds Held on Trust are not included in this annual report and accounts.

The Primary Care Trust has also been working with its GP Collaboratives in Buckinghamshire, before they became 2 CCGS in October 2012. It made the following payments for services in 2011/12 and 2012/13:

	2012-13 £000	2011-12 £000
Bucks Primary Care Collaborative	1,193	2,179
United Commissioning	163	1,722
The Practice	294	756

### 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 £000s	Total Number of Cases
Losses - PCT management costs	0	0
Special payments - PCT management costs	6	7
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
<b>Total losses</b>	<u>0</u>	<u>0</u>
<b>Total special payments</b>	<u>6</u>	<u>7</u>
<b>Total losses and special payments</b>	<u>6</u>	<u>7</u>

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

	Total Value of Cases £000s	Total Number of Cases
Losses - PCT management costs	0	0
Special payments - PCT management costs	63	2
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
<b>Total losses</b>	<u>0</u>	<u>0</u>
<b>Total special payments</b>	<u>63</u>	<u>2</u>
<b>Total losses and special payments</b>	<u>63</u>	<u>2</u>

#### Details of cases individually over £250,000

There were no cases to report.

### 39 Pooled Budgets

#### Children and Adolescence Mental Health Services (CAMHS)

Partnership with Buckinghamshire PCT for the provision of Children and Adolescence Mental Health Services for the period 1 April 2012 to 31 March 2013. Buckinghamshire County Council is the host authority for the pooled fund arrangement

	2012-13 £'000	2011-12 £'000
<b>Expenditure</b>		
Pooled fund CAMHS	5,504	5,903
<b>Income</b>		
Contribution from Buckinghamshire County Council	(1,296)	(1,390)
Contribution from Buckinghamshire Primary Care Trust	(4,208)	(4,513)
<b>Total</b>	<b>(5,504)</b>	<b>(5,903)</b>
<b>Balance</b>	<u><u>0</u></u>	<u><u>0</u></u>

#### Speech and Language Therapy Pooled Budget 2011-12

Pooled budget arrangement with Buckinghamshire PCT and Buckinghamshire County Council for the provision of Speech & Language Therapy for the period 1st April 2012 to 31st March 2013. Buckinghamshire County Council is the lead authority. The Pooled budget agreement was a new arrangement in 2011-12.

	2012-13 £'000	2011-12 £'000
<b>Expenditure</b>		
Pooled Fund SALT	2,549	1,333
<b>Income</b>		
Contribution from Buckinghamshire County Council	(1,303)	(744)
Contribution from Buckinghamshire Primary Care Trust	(1,246)	(589)
<b>Total</b>	<b>(2,549)</b>	<b>(1,333)</b>
<b>Balance</b>	<u><u>0</u></u>	<u><u>0</u></u>

#### Residential Respite Short Breaks Pooled Fund

Partnership with Buckinghamshire Primary Care Trust for the period 1 April 2012 to 31 March 2013. Buckinghamshire County Council is the host authority for the pooled fund arrangements. The contract included £200k of additional outreach in 2011-12 this reduced to £166k in 2012-13.

	2012-13 £'000	2011-12 £'000
<b>Expenditure</b>		
Pooled fund Residential Respite Short Breaks	2,538	2,575
<b>Income</b>		
Contribution from Buckinghamshire County Council	(1,894)	(1,932)
Contribution from Buckinghamshire Primary Care Trust	(644)	(644)
<b>Total</b>	<b>(2,538)</b>	<b>(2,575)</b>
<b>Balance</b>	<u><u>0</u></u>	<u><u>0</u></u>

#### 40 Cashflows relating to exceptional items

There are no exceptional items to report.

#### 41 Events after the end of the reporting period

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

Chiltern Clinical Commissioning Group  
 Aylesbury Vale Clinical Commissioning Group  
 Buckinghamshire County Council  
 NHS England

Certain assets have transferred to NHS Property Services and other entities on 1<sup>st</sup> 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.

The PCT has no post Balance Sheet adjusting events to report.

Analysis of other income and expenditure as shown in the following notes:

<b>Note 42</b>	<b>2012/13</b>	<b>2011/12</b>
<b>Other Income</b>	<b>£000</b>	<b>£000</b>
Dental recoveries	705	0
Misc refunds	358	31
	<u>1,063</u>	<u>31</u>

<b>Note 43</b>	<b>2012/13</b>	<b>2011/12</b>
<b>Other Expenditure</b>	<b>£000</b>	<b>£000</b>
Internal Audit	93	98
Project costs (CES)	720	650
Provision - CHC	0	1300
Redundancy costs accrued	69	0
Public Health projects - smoking cessation, obesity with local Councils	158	0
Clinical Academic awards	195	0
IT systems support costs	350	0
Other	210	200
	<u>1,795</u>	<u>2,248</u>