Bedfordshire Primary Care Trust

2012-13 Annual Report and Accounts

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Bedfordshire Primary Care Trust

2012-13 Annual Report

Annual Report

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Annual Report 2012/13

1. Foreword from Chair

The financial year 2012/13 has proved momentous in the history of NHS Bedfordshire.

Not only have we continued to focus on our traditional aims of fighting ill health and its causes, reducing health inequalities and improving health outcomes for people in Bedfordshire, but we also worked in close co-operation with our local GP practices as they developed Bedfordshire Clinical Commissioning Group (CCG). The CCG received its authorisation during 2012/13 and will take over statutory responsibility for planning, organising and purchasing NHS funded health services for local people from 1 April 2013. NHS Bedfordshire has played a vital role in the development and support of our CCG. Our shared vision is of a future where people in Bedfordshire enjoy even better health, more equal access to healthy lifestyles and health services, as well as longer, healthier lives.

In this annual report you will be able to discover more about the work we have done over the past year, our financial and practical performance. We are proud to serve the people of NHS Bedfordshire and provide health care and services tailored to the needs of this vibrant and diverse community. We would like to take this opportunity to pay tribute to our staff. They have remained dedicated to doing the very best for our patients during times of uncertainty, as well as embracing the challenges that lie ahead. We want to thank them all for their efforts and for the confidence they give us that, together, we can achieve our aspirations and ambitions for health and health services in Bedfordshire.

On a personal note, this is the final Annual Report of NHS Bedfordshire and I wish to thank our local residents, partner organisations and staff for their immense contribution in working with the PCT since its inception to deliver improved health.

Gurch Randhawa
Chair

Operating and Financial Review

We are required to present an operating and financial review in the context of the Annual Report, which provides the reader with a balanced and comprehensive analysis of the PCT's performance during the year. In accordance with NHS guidelines, this report covers the period from 1 April 2012 to 31 March 2013 and includes an overview of our achievements, details of the PCT's non-financial performance and the financial statements.

About us

NHS Bedfordshire is a National Health Service (NHS) primary care trust. As your local NHS we are allocated a budget every year for our local population. We use this to plan, develop and commission (buy) healthcare services on your behalf.

Our main functions and responsibilities are to:

- Work with our local population and partners to improve their health and wellbeing.
- Ensure everybody has access to safe, high-quality healthcare services.
- Plan, develop and commission (buy) healthcare services that are appropriate and relevant for the local population in our area so patients have the services they need.
- Manage and coordinate NHS contracts with GPs, dentists, pharmacists, opticians, the ambulance service, specialist services from hospitals and other healthcare providers, community health services, mental health trusts and the voluntary or independent sector.

Our place in the NHS

NHS Bedfordshire is one of the 13 PCTs in the East of England region, and in 2011 became part of a PCT cluster alongside NHS Luton.

We are accountable to our local population and to NHS Midlands and East Strategic Health Authority (previously East of England SHA), who monitor and evaluate our performance.

NHS Midlands and East are accountable to the Department of Health, as well as to the local population.

As commissioners, we plan and buy services from other NHS trusts and health care providers such as:

- South Essex Partnership Trust
- Cambridgeshire Community Services
- Luton and Dunstable NHS Foundation Trust
- Bedford Hospital NHS Trust

We also manage, coordinate and commission services, from GPs, dentists, pharmacists and opticians (who are all independent businesses working under an NHS contract to us).

Background and changing role of PCT

During August 2011 NHS Bedfordshire began working closely together with NHS Luton in a 'cluster' arrangement under a single executive team. This is a form of partnership working that enables us to eliminate duplication, learn from each other and reduce some of the costs associated with the management of two primary care trusts. Each PCT remains a separate statutory body.

Where we buy your healthcare

The following table gives a summary of where we commissioned services in 2012/13:

Type of healthcare	Where we buy it from on your behalf
Primary care: Your first point of contact for most NHS care.	• Local General Practices • Dentists • Pharmacists • Opticians and • Other provider primary care businesses.
Community services: This includes, district nursing, health visiting, speech and language therapy, podiatry, school nursing.	• Cambridge Community Services NHS Trust • South Essex Partnership NHS Foundation Trust
Hospital services: This includes outpatient clinics, operations and emergency care.	• Luton and Dunstable NHS Foundation Trust • Bedford Hospital NHS Trust • Specialist services from a number of centres located locally and across the UK, but mainly from London teaching hospitals
Mental health services: Includes, for example, psychological therapies, community mental health teams, and learning disability services.	• South Essex Partnership NHS Foundation Trust
Specialist health services: Includes, for example, treatment for specialist cardiac, renal, children's, neurosciences, cancer, genetics and many more.	• Specialist services from a number of centres located locally and across the UK, but mainly from London teaching hospitals
Emergency health services and transport.	• East of England Ambulance Service

Our Board

The Board is the accountable body of the PCT and is held to account for the organisation's performance. The Board includes a majority of lay people, known as non-executive directors including the chairman, who ensure that the views of the community are represented, provide independent judgment and ensure good corporate governance and proper husbandry of public funds.

During 2012/13, the Department of Health made it a requirement for all PCTs to operate as clusters with their neighbouring PCTs, whilst still remaining statutory bodies. With effect from August 2011 have been operating with one NHS Bedfordshire and Luton Cluster Board.

Board Members
(for the period 1 April 2012 to 30 March 2013 unless otherwise stated)

Please note the declarations of interest are as at March 2013 unless the Board member was not in office at that time (as indicated by the appointment end dates). In the latter cases, the declarations of interest are the latest declarations received during the period of their Board membership.

REGISTER OF MEMBERS INTERESTS AS AT 31ST MARCH 2013	
Name	Notified interests
Gary Ames	Member, Standing Commissioning on Carers (SCOC) Committee Member of the Barclays Bank Luton District Pensioner's Club Committee member, General Optical Council
Margaret Berry	Associate Chief Nurse, Strategic Health Authority
Maureen Briggs	Nil return
Felicity Cox	Lead Negotiator Community Pharmacy Contractual Framework, NHS Employers, on behalf of the NHS and commissioned by the DH (payment for this work goes to the PCT Cluster)
Dr Nicolas Curt	General practitioner providing PMS services LMC member
Steve Feast	Nil return
Stephen Finlan	Nil return
Chris Ford	Nil return
Ray Gunning	Public Governor, Luton & Dunstable Hospital Foundation Trust
Jackie Hammond	Director of Tunnelwood Ltd, T/A HR Consulting Trustee on the Board of Circus Space
Dr Paul Hassan	Provider of General Medical Services on PMS contract
Sajeeva Jayalath	Nil return
Geoff Lambert	Associate Director, Triangle Management Services Marketing Director, PLCWW Ltd Chair of Audit, Oaklands College Trustee, Bedfordshire and Luton Community Foundation
Dr Alvin Low	Provider of General Medical Services Chair, Ivel Valley Health Partnership
Chris Marshall	GP, Leighton Buzzard Member, Local Medical Council Performance Advisory Group (PAG), Hertfordshire
Anthony McKeever	Nil return
Angela McNab	Member, AAC
Jane Meggitt	Nil return
Wendi Momen	Magistrate sitting at Bedford; Member of the audit committee of BPHA; Councillor sitting on Northill Parish Council; Trustee of the Beds & Luton Community Foundation; Trustee of the Bedford Council of Faiths; Governor of the London School of Economics - Husband is a GP Locum & GP appraiser in Beds; Son-in-law is a GP with a Beds practice, Dr Seaman & Partners; Son is a consultant psychiatrist in Northampton

REGISTER OF MEMBERS INTERESTS AS AT 31ST MARCH 2013	
Dr Sarah Morris	Chair, West Mid Beds Commissioning GP Principle, Flitwick Surgery Shareholder, Highlands Pharmacy
Anne Murray	Nil return
Ann Nevinson	Independent member of the Standards Board of the Bedfordshire & Luton Combined Fire & Rescue Authority; Trustee of North & Mid Beds CVS
J Ogley	Nil return
David Parfitt	Employee, until 31 December 2011, Lloyds Banking Group Plc
Dr Peter Parry Okeden	Vice Chair, Health and Wellbeing Board Chair, Horizon Health Commissioning Chair, Horizon Health Choices Locality Lead, Bedford Profit sharing partner, Pemberley Surgery
Mark Patten	Wife, GP in Hertfordshire
Dr Ash Paul	Director of Admirals Landing Ltd
Professor Gurch Randhawa	Director, Institute for Health Research, University of Bedfordshire Non-Executive Director, Human Tissue Authority Member, UK Donation Ethics Committee Trustee, British Homeopathic Association Chair, Equality, Inclusion and Cohesion Group, Luton Forum Panel Chairman, Judicial Appointments Commission Ambassador for Diversity in Public Appointments, Government's Equalities Office NHS East of England Innovations Council
Julie Ridge	Nil return
Mike Ringe	Nil return
Antonia Robson	Nil return
Brian Rolfe	Nil return
John Rooke	CEO of Bedford on Call Ltd, Horizon Health Commissioning Ltd & Horizon Health Choices Ltd; Trustee of North East Bedford Learning Trust and Biddenham Learning Trust
Muriel Scott	Nil return
Dr Fiona Sim	Trustee and Chair designate, Royal Society for Public Health Board Member, UK Public Health Register Salaried GP, Whipperley Medical Centre, Luton Visiting chair, University of Bedfordshire & BHPMS
Gerry Taylor	Nil return
Paul Tisi	Nil return
Andrew White	Podiatry Lead, SEPT Community Health Services (Bedfordshire)
Fiona Wilson	Nil return
David Wilson	Nil return
Simon Wood	Nil return

Directors Details

As far as the directors are aware there is no relevant audit information of which the NHS body's auditors are unaware and he/she has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

Key issues for NHS Bedfordshire during the year

Transition

NHS Reform

The Health and Social Care Act (March 2012) makes many major changes to the way the NHS is managed.

The key areas of the Act are:

- Establishes an independent NHS Board to allocate resources and provide commissioning guidance;
- Increases GPs' powers to commission services on behalf of their patients (through Clinical Commissioning Groups);
- Strengthens the role of the Care Quality Commission;
- Develops Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS;
- Cuts the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Source: www.parliament.co.uk

This means that, with effect from 1 April 2013, PCTs and Strategic Health Authorities will be abolished and new organisations will be formally established including: CCGs (Clinical Commissioning Groups), CSUs (Commissioning Support Units) and NHS England.

Additional duties have been placed on local authorities, including joined up commissioning of local NHS services, social care and public health (see below).

Clinical Commissioning Groups – BCCG

From 1 April 2013, CCGs will take over many of the duties of the PCTs and will be will become responsible for commissioning most healthcare – planning, buying and monitoring services to meet the needs of their local communities.

During 2012/13, the PCT Board created the CCG as a sub-committee and delegated commissioning responsibility to it while the CCG has worked towards authorisation, which was successfully achieved in March 2013.

Commissioning Support Unit (CSU)

NHS Central Eastern Commissioning Support Unit will be formally established on 1 April 2013. It will provide capacity to clinical commissioners as an extension of their local team to ensure that commissioning decisions are informed and processes structured. This approach will help achieve economies of scale and allow clinical commissioning groups to focus on direct commissioning of services for their patients.

The CSU will not be a statutory body and therefore will have no statutory functions. The CSU will be a service that is accountable to clinical commissioners.

NHS England

NHS England will be established formally from 1 April 2013. It will be a national organisation whose role will be to commission high quality primary care services, support and develop CCGs as well as assessing and assuring performance, direct commissioning (including specialised services), managing and cultivating local partnerships and stakeholder relationships including representation on Health and Wellbeing Boards.

NHS England will have Area Teams covering the CCG/PCT boundaries. For Bedfordshire that team is Hertfordshire and South Midlands Area Team.

More information is available at www.commissioningboard.nhs.uk

Public Health moving to Local Authorities

From 1 April 2013, the public health function will formally transfer from PCTs to Local Authorities. This transition has already started with public health teams being co-located with Local Authorities

Health and Wellbeing Boards

A key part of the Government's Health and Social Care Act (2012) will be the establishment of a statutory Health and Wellbeing Board in every upper tier authority.

These Boards will offer the opportunity for system-wide leadership to improve both health outcomes and health and care services. In particular they will have a duty to promote integrated working, and drive improvements in health and wellbeing by promoting joint commissioning and integrated delivery.

Health and Wellbeing Boards will be responsible for:

- Leading on the production of the Joint Strategic Needs Assessment (JSNA) - an assessment of local health and wellbeing needs across healthcare, social care and public health.
- Producing a Joint Health and Wellbeing Strategy in response to the JSNA, which will provide a strategic framework for local commissioning plans.

The Boards will bring together locally elected councillors with the key commissioners, including representatives of clinical commissioning groups, directors of public health, children's services and adult social services and a representative of local Healthwatch (the new patients' representative body).

NHS Constitution

The NHS Constitution became law in November 2009. It enshrines the original principle of the NHS when it was founded over 60 years ago – the NHS belongs to the people and the Constitution sets out rights and responsibilities for staff and for patients and the public. For more information, visit www.nhs.uk

Looking forward, local clinical commissioners will be responsible for upholding and reinforcing the requirements of the NHS Constitution.

Equality and diversity and sustainability

Ensuring equality for all

Working towards an NHS that is personal, fair and diverse

Equality is about making sure people are treated fairly and given fair chances. It's not about treating everyone the same way, but recognising that their needs are met in different ways.

The PCT Board is formally committed to the Equality Delivery System; designed to improve the equality and diversity performance of the NHS by embedding it into the mainstream business of NHS commissioners, and providers.

Equality and diversity awareness is embedded across our organisation. We ensure all policies, commissioning cases and service developments, have Equality and Diversity as a core guiding principle.

The feedback collected from community engagement events and grading panels held during 2012/13, is used to inform the work and the future work of the PCT cluster and of our local Clinical Commissioning Groups (CCGs).

There were new duties were placed upon NHS organisations by the Public Sector Equality Duty (PSED) and the Equality Delivery System (EDS) in 2011; a report, evidencing the PCTs compliance with the PSED.

We also offered interpreting and translation services (including British Sign Language) to our primary care contractors during 2012-13, PALS (our Patient Advice and Liaison Service).

Sustainability and caring for our environment

Background

In 2009 the Sustainable Development Unit (SDU) in the Department of Health published its recommendation for Trust Boards to establish governance structures to support the implementation of carbon reduction and sustainable development agendas through the adoption of a 'Board-approved Sustainable Development Management Plan'.

On 1 February 2011, The SDU published its latest guidance on collaborative working across the health system. Their 'RouteMap' succinctly makes the point that by its nature the NHS must be sustainable: "We must meet the needs of our patients today, while ensuring we have a service fit for tomorrow and beyond."

The Climate Change Act sets a legal requirement for the UK to achieve carbon reductions of 26% by 2020 and 80% by 2050. Work carried out by the SDU for England indicates that the NHS needs to achieve a 10% reduction on 2007 levels by 2015 to meet the legal imperative. The NHS has a carbon footprint of around 18 million tonnes CO_2 per year; this is composed of energy (22%), travel (18%) and procurement (60%). Despite an increase in efficiency, the NHS has increased its carbon footprint by 40% since 1990. This means that meeting the Climate Change Act targets of 26% reduction by 2020 and 80% reduction by 2050 will be a huge challenge; this will require the current level of growth of emissions to not only be curbed, but the trend to be reversed and absolute emissions reduced.

NHS Bedfordshire

NHS Bedfordshire's aim is to play a leading and innovative role across the local health economy, ensuring that we become a low carbon organisation through a high standard of sustainable development. This is based on the principles of good corporate citizenship and the NHS Carbon Reduction Strategy to have positive impacts on health, expenditure, efficiency and equity.

We have implemented a number of carbon-reducing initiatives.

1. We have a cross-organisational Sustainable Management Strategic Group, which is responsible for the implementation; monitoring and reporting of our board- approved Sustainable Development Action Plan (SDAP). The three-year plan, which came into effect in March 2011, sets out how we aim to reduce our carbon emissions, ensure a more sustainable use of resources and together with our local authority partners, become the local leader in promoting activities that support good corporate citizenship. Bedfordshire Clinical Commissioning Group will adopt this plan with any necessary revisions to take account of new guidance and statutory obligations.
2. NHS Bedfordshire's carbon footprint for the financial year from 1 April 2010 to 31 March 2011 is estimated to be 1,232 tonnes of CO2e. This is an increase of 15 tCO2e (1.2%) on the organisation's 2009/10 baseline, which reflects the broader range of components included in the calculation rather than a like-for-like increase.
3. Having signed up to being a Good Corporate Citizen in 2011, NHS Bedfordshire currently has a 20% Good Corporate Citizenship rating compared to a regional and national score of 36.8% and 38.5% respectively. This means we are classified as 'getting there' when using our corporate powers and resources in ways to benefit rather than damage the economic, social and environmental conditions in which we live.
4. In support of our overarching Sustainability Policy, NHS Bedfordshire now has a Sustainable Business Travel Policy and Office Energy Efficiency Policy, supporting teleconferencing and reducing business travel. It is too early to report any improvements as a result of these initiatives.
5. 'Push it, switch it and sustain it' is NHS Bedfordshire's sustainability brand through which the organisation actively raises carbon awareness at every level of the organisation, encouraging staff to consider the impact of their actions on climate change, influence action and take ownership of how the organisation can become more sustainable. Climate Week and the NHS's first Sustainability Day of Action in March provided opportunities to generate discussion and new thinking to help our action plan achieve a carbon reduction. Staff took part in a range of activities, including a survey to gather the attitudes and behaviours of staff towards climate change, making a sustainable pledge and joining the online BIG Sustainable Idea.
6. NHS Bedfordshire can also report continued improvements in data collection and analysis, allowing the organisation to track changes more effectively and identify trends with more confidence, thereby continually improving its reporting and stabilising its baseline. The trust's aim is to reduce combined carbon emissions from its buildings, transport, waste and procurement by 10% overall by 2015, in line with the target set in the NHS Strategy. Bedfordshire CCG will be adopting the NHS Strategy targets for carbon reduction from April 2013.

Our performance

NHS Bedfordshire has worked hard to maintain, and where possible improve, performance to meet the needs of its local community, and to make further progress in tackling the national and local priorities for healthcare.

QIPP

QIPP is the acronym used in the NHS to describe the approach to successfully deliver national and local service and quality objectives within the anticipated future funding constraints. QIPP is made up of four interlinked elements: Quality, Innovation, Productivity and Prevention. Together they will enable the NHS to deliver on its vision for change and improvement, whilst maintaining the quality and range of services people want and need.

Taking into account the current and future needs of the population and the financial constraints, the system identified a number of opportunities for service redesign that offered scope to deliver better care and outcomes for less direct investment, for delivery through 2012/13.

Progress for delivery of QIPP schemes has been monitored on a monthly basis as part of preparing the monthly financial and performance reports. This information has been shared at Board level and with partners and stakeholders in our local system in order to ensure a joined up approach to delivery of care and safety.

Performance against National Targets

The NHS Operating Framework for 2012/13 sets out the indicators and milestones. These are split into five domains as listed below. Healthcare Trusts have regard to these when planning healthcare services. They are used to assess how SHAs and PCTs are delivering during the year of transition

Domain 1	Preventing people from dying prematurely;
Domain 2	Enhancing quality of life for people with long-term conditions;
Domain 3	Helping people to recover from episodes of ill health or following injury;
Domain 4	Ensuring that people have a positive experience of care; and
Domain 5	Treating and caring for people in a safe environment; and protecting them from avoidable harm.

Our performance 2012/13

Please see Appendix 1 for performance table for the PCT

Value for money assessment 2012/13

As part of the national changes, the Department of Health abolished the Use of Resources assessment for 2010/11 onwards and replaced it with a Value for Money (VFM) conclusion to be made by Ernst and Young who are NHS Bedfordshire's external auditors.

Their conclusion is given in the financial statements section of this report and is based upon an assessment by the auditor as to how far NHS Bedfordshire has put in place proper arrangements for securing, economy, efficiency and effectiveness in its use of resources and financial resilience.

To find out more
More detailed information on our performance against key targets and indicators is given in the regular performance reports to our public board meetings.

Looking ahead

The White Paper, Equity and Excellence: Liberating the NHS set out how the improvement of healthcare outcomes for all will be the primary purpose of the NHS. This means ensuring that the accountabilities running throughout the system are focussed on the outcomes achieved for patients not the processes by which they are achieved.

The NHS Outcomes Framework 2013/14 reflects the vision set out in the White Paper and contains a number of indicators selected to provide a balanced coverage of NHS activity. Its purpose is threefold:

- to provide a national level overview of how well the NHS is performing;
- to provide an accountability mechanism between the Secretary of State for Health and the NHS Commissioning Board for the effective spend of some £95bn of public money; and
- To act as a catalyst for driving up quality throughout the NHS by encouraging a change in culture and behaviour.

Introduction to the accounts

Under the Government's changes to the National Health Service, the financial year 2012/13 saw the end of the NHS as we know it. Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Bedfordshire PCT was dissolved on 1st April 2013.

The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42 to our accounts, Events after the Reporting Period.

During the year, as well as continuing to focus on maintaining and improving health outcomes for the people of Bedfordshire, we have worked closely with our local GP practices to develop Bedfordshire's Clinical Commissioning Group (BCCG), and with other NHS organisations in a year of great transition. From 1st April, 2013, local clinicians will, via the CCG, commission NHS services.

We have been proud to serve the people of Bedfordshire, providing health care and services tailored specifically to our community.

Our Workforce

In 2012/13, NHS Bedfordshire employed 247 full and part-time staff. The figures below include
all directly employed staff, including those on fixed term contracts, but do not include bank staff.

Staff Group	Total WTE
Medical and dental	3
Ambulance staff	0
Administration and estates	204
Healthcare assistants and other support staff	15
Nursing, midwifery and health visiting staff	11
Nursing, midwifery and health visiting learners	0
Scientific, therapeutic and technical staff	7
Social Care Staff	0
Other	7
Total	247

The table below shows the percentage of days lost through staff sickness in 2012. The data is drawn from the Electronic Staff Record (ESR), and covers the period January to December 2012.

	Beds PCT
Sickness Rate Absence	1.33%

Report of the Director of Finance

There are 3 main financial duties for the PCT to achieve. These and performance against them is set out below:-

1. **Revenue expenditure** was within the approve revenue resource limit. The PCT resource limit was £650.6, actual spend was £650.3, producing a surplus of £0.3.

2. **Capital costs** were within the approved capital resource limit of £4.25m for the PCT.

3. **Cash** must remain within the approved cash limit. The PCT had an approved cash limit for 2012/13 of £653.25m and this amount was drawn down in full from the Department of Health. The final cash balance as at 31 March 2013 was 0 (zero)

Summary financial information

As Accounting Officer for NHS Bedfordshire, the Director of Finance is responsible for:

a) Implementing the PCT's financial policies and for coordinating any corrective action necessary to further these policies

b) Maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions

c) Ensuring that sufficient records are maintained to show and explain the PCT's transactions, in order to disclose, with reasonable accuracy, the financial position of the PCT at any time; and without prejudice to any other functions of the PCT, and employees of the PCT, the duties of the Director of Finance include:

- The provision of financial advice to other members of the Board and Executive Committee and employees
- The design, implementation and supervision of systems of internal financial control
- The preparation and maintenance of such accounts, certificates, estimates, records and reports as the PCT may require for the purpose of carrying out its statutory duties.

Statement of Financial Position (as at 31 March 2013)	2012/13	2011/12	2010/11
			(restated)
	£'000	£'000	£'000
Non Current Assets:			
Intangible Assets	282	443	647
Tangible Assets	39,787	39,299	38,293
Trade and Other Receivables	238	334	0
	40,307	**40,076**	**38,940**
Current Assets:			
Inventories	0	19	30
Trade and Other Receivables	8,633	4,287	4,283
Other Financial Assets	30	30	30
Cash & Cash Equivalents	0	1	3
Total Current Assets	**8,663**	**4,337**	**4,346**
Total Assets	**48,970**	**44,413**	**43,286**
Current Liabilities:			
Trade & Other Payables	(37,529)	(39,525)	(36,349)
Provisions	(3,314)	(118)	(121)
Borrowings	(141)	(134)	(127)
Total Current Liabilities	(40,984)	(39,777)	(36,597)
Non Current assets plus/less net current assets/liabilities	**7,986**	**4,636**	**6,689**
Non Current Liabilities:			
Trade & Other Payables	(364)	(366)	(369)
Provisions	(259)	(308)	(353)
Borrowings	(4,225)	(4,365)	(4,499)
Total Non Current Liabilities	**(4,848)**	**(5,039)**	**(5,221)**
Total Assets Employed	**3,138**	**(403)**	**1,468**
Financed by: Taxpayers Equity			
General Fund	(13,433)	(16,888)	(14,870)
Revaluation Reserve	16,571	16,485	16,338
Total Capital & Reserves	**3,138**	**(403)**	**1,468**

Operational Financial Balance (For the year ending 31 March 2013)	2012/13 £'000	2011/12 £'000	2010/11 £'000
Total net operating cost for financial year	650,353	627,465	623,705
Less: Non discretionary expenditure	0	0	0
Total net operating cost less Non discretionary expenditure	650,353	627,465	623,705
Revenue Resource Limit	650,619	627,969	624,203
Under/(Over) spend against revenue resource limit	**266**	**504**	**498**
Unplanned Financial Brokerage	0	0	0
Operational Financial Balance	**266**	**504**	**498**

Cash Flow Statement	**2012/13**	**2011/12**	**2010/11 (restated)**
(For the year ending 31 March 2013)	**£'000**	**£'000**	**£'000**
Cash flows from Operating Activities:			
Net cash outflow from operating activities	(650,748)	(624,472)	(618,100)
Cash Flows from Investing Activities:			
Interest received	**2**	**3**	**0**
Payments to purchase property, plant and equipment	(2,347)	(2,725)	(3,521)
Proceeds of disposal PPE and Intangible Assets	-27	447	353
Purchase of Financial		0	0
Net cash inflow/(outflow) before financing	**(653,120)**	**(626,747)**	**(621,268)**
Cash Flows from Financing Activities:			
Capital element of payments in respect of finance leases on LIFT	**-133**	**-127**	**-391**
Net Parliamentary Funding	653,252	624,829	621,659
Opening balance adjustment		2,040	0
Net cash inflow/(outflow) from financing	**653,119**	**626,742**	**621,268**
Net increase/decrease in cash and cash equivalents	**(1)**	**(5)**	**0**
Cash (and cash equivalents (and bank overdrafts) at the beginning of the financial year	**1**	**6**	**6**
Cash (and cash equivalents (and bank overdrafts) at the end of the financial year	**0**	**1**	**6**

Running Costs	**2012/13**	**2011/12**	**2010/11**
(For the year ending 31 March 2013)			
Running costs (£'000)	17,378	14,916	20,903
Weighted population	377,728	377,728	378,466
Running Cost per head of population (£)	**46.01**	**39.49**	**55.23**

Better Payment Practice Code
(For the year ending 31 March 2013)

All Primary Care Trusts are required to pay their non-NHS creditors in accordance with the Better Payment Practice Code and Government Accounting Rules. The target is to pay creditors within 30 days of receipt of goods or valid invoice (whichever is later) unless other payment terms have been agreed with the supplier. The measure of compliance is based on the number of invoices paid and the total value of invoices paid, and is as follows:

Trade Creditors	**2012/13**	**2011/12**	**2010/11**
Total number of bills paid in the year	21,881	23,139	30,329
Total number of bills paid within target (30 days)	16,273	19,523	27,303
Percentage of bills paid within target (number)	**74%**	**84%**	**90%**
Total value of bills paid in the year	79,990	78,560	84,583
Total value of bills paid within target (30 days)	44,217	57,568	70,039
Percentage of bills paid within target (Value)	**55%**	**73%**	**83%**

NHS Creditors	**2012/13**	**2011/12**	**2010/11**
Total number of bills paid in the year	5,283	4,241	3,846
Total number of bills paid within target (30 days)	2,280	2,034	2,493
Percentage of bills paid within target (number)	**43%**	**48%**	**65%**
Total value of bills paid in the year	429,789	394,332	363,234
Total value of bills paid within target (30 days)	393,620	363,445	334,370
Percentage of bills paid within target (Value)	**92%**	**92%**	**92%**

The PCT ensures value for money through compliance with the systems and procedures detailed in it's Standing Financial Instructions and Standing Orders. The PCT has signed up to the Prompt Payments Code.

Capital Resource Limit

(For the year ending 31 March 2013)

The PCT is required to keep capital expenditure within it Capital Resource Limit

	2012/13	**2011/12**	**2010/11**
	£'000	**£'000**	**£'000**
Gross Capital Expenditure	1,943	3,559	3,799
Less: Net Book value of assets disposed of	0	0	-258
Charge against the Capital Resource Limit	1,943	3,559	3,541
Capital Resource Limit	4,250	3,650	4,085
(Over)/Underspend against Capital Resource Limit	**2,307**	**91**	**544**

External Audit Fees 2012/13

Auditor: Ernst & Young (Audit Commission 2011/12 and 2010/11)

Service	2012/13 £ (Excl VAT)	2011/12 £ (Excl VAT)	2010/11 £ (Excl VAT)
Financial Statements and Statement of Internal Control	95,852	146,976	168,852
Use of Resources/Value for Money	0	0	0
National Fraud Initiative	0	500	500
Total Audit Fees:	**95,852**	**147,476**	**169,352**
Other Work (Exit Packages)	2,646	0	0
Other Work (PBR Assurance)	0	30,000	33,400
Total Fees	**98,498**	**177,476**	**202,752**

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37. Related party transactions

Bedfordshire Primary Care Trust is a body corporate established by order of the Secretary of State for Health.
It was effectively formed through the merger of Bedford PCT and Bedfordshire Heartlands PCT on 1 October 2006.

Board Members	Related party	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Dr Nick Curt	Dr O'Toole & Partners	935		3	
Dr Bruce Ella	West Street Surgery	1,163		5	
Dr Paul Hassan	Dr Hassan & Partners	875		22	
Dr Judy Baxter	Sandy Health Centre	985		1	
Dr Alvin Low	Dr Kirkham & Partners	1,317			
Dr Chris Marshall	Salisbury House Surgery	1,097		2	
Dr Lindsay McKenzie	Horizon Health Choices Ltd	2,043	49	314	2
	Wootton Vale Healthy Living Centre	256		117	
Dr Sarah Morris	Flitwick Surgery	2,032		6	
	Highlands Pharmacy	8		1	
Dr Peter Parry Okeden	Dr Parry Okeden & Partners	1,151			
	Horizon Health Choices Ltd	2,043	49	314	2
	Horizon Health Commissioning Ltd	2,043	49	314	2
		15,948	147	1,099	6

The Department of Health is regarded as a related party. During the year Bedfordshre Primary Care Trust has had a number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

Related Parties with which Bedfordshire Primary Care Trust had significant but non-material transactions included:

Buckinghamshire Healthcare NHS Trust
Cambridge Univiversity Hospital NHS Foundation Trust
Hinchingbrooke Healthcare NHS Trust
Papworth Hospital Foundation Trust
Royal National Orthopaedic Hospital NHS Trust

37. Related party transactions (continued)

Related Parties with which Bedfordshire Primary Care Trust had material transactions included:

NHS Organisations	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Bedford Hospital NHS Trust	136,366	34	1,855	16
East & North Hertfordshire NHS Trust	17,888		1,000	
East of England SHA	120	4,225	74	592
East of England Ambulance Service NHS Trust	13,564		586	
Luton & Dunstable Hospital NHS Foundation Trust	60,416	8	799	
Luton PCT	4,045	5,510	2,124	1,339
Milton Keynes Hospital NHS Foundation Trust	9,821		10	
South East Essex PCT	47,360		2,626	2,480
South Essex Partnership University NHS Foundation Trust	73,535	3,558	2,582	

NHS Organisations (2011/2012 comparatives)	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Bedford Hospital NHS Trust	125,923	785	4,080	20
East & North Hertfordshire NHS Trust	22,280		122	
East of England SHA	81	4,401	23	270
East of England Ambulance Service NHS Trust	12,839			355
Luton & Dunstable Hospital NHS Foundation Trust	59,500	316	527	
Luton PCT	1,666	7,043	2,160	1,093
Milton Keynes Hospital NHS Foundation Trust	9,774		310	
South East Essex PCT	41,657		1,160	
South Essex Partnership University NHS Foundation Trust	59,199	1,541	890	565

Non-NHS Organisations

In addition, Bedfordshire Primary Care Trust has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Details of these transaction include:

	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Central Government Bodies				
HM Revenue & Customs (PAYE & NI)	6274			
HM Revenue & Customs (VAT)		1134		137
NHS Pensions Agency (PCT staff)	2583			
NHS Pensions Agency (GP & staff)	6309		483	
	15,166	1,134	483	137
Local Government Bodies				
Bedford Borough Council	6283	37		24
Central Bedfordshire Council	9436	419		9
	15,719	456	0	33

Non-NHS Organisations (2011/2012 comparatives)	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Central Government Bodies				
HM Revenue & Customs (PAYE & NI)	4,754		410	
HM Revenue & Customs (VAT)		1,349		122
NHS Pensions Agency (PCT staff)	6,463		558	
NHS Pensions Agency (GP & staff)	5,458		482	
	16,675	1,349	1,450	122
Local Government Bodies				
Bedford Borough Council	7,372	490	1,301	5
Central Bedfordshire Council	9,854	720	1,813	270
	17,226	1,210	3,114	275

In addition to the relationships listed above, Bedfordshire Primary Care Trust had trading relationships with bodies exrernal to the Government and the Department of Health where this relationship gave Bedfordshire PCT some degree of influence over the activities and decision-making of that party. These relationships included material transactions with two Doctor's Co-operatives that provided out-of-hours services on behalf of the Primary Care Trust (BEDOC and M-Doc with payments of £1,670k and £729k respectively), (2011/2012 figures were £1,865k and £734k), and with CAN, a registered charity providing an integrated drug & alcohol service, that received £3,901k in 2012/2013. There are no comparative figures for CAN for 2011/2012, as the service provided in 2012/2013 is significantly larger than that commissioned in 2011/2012.

Remuneration Report

Please see Appendix 2 (page 41)– Remuneration Report

In the budget on 23 March 2011, HM Treasury confirmed its intention to review the basis for the calculation of CETVs payable from public service schemes, including the NHS Pension Scheme. The review was undertaken and revised guidance was issued on 26 October 2011.

For the calculation of CETCs as at 31 March 2012, NHS Pensions have followed the revised guidance and have used the updated Government Actuary Department (GAD) factors in their calculations. The revised GAD factors are different to those used as at 31 March 2011 so direct comparison between financial periods is not possible.

The new factors will have differing impacts of the CETVs of the individuals concerned depending on their age and normal retirement age.

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

The banded remuneration of the highest paid director in Bedfordshire PCT in the financial year 2012-13 was £105k-110k (2011-12, £75k-£80k). This was 2.92 times (2011-12, 2.25) the median remuneration of the workforce, which was £30k-£35k (2011-12, £30k-£35k).

Remuneration ranged from £5k to £110k (2011-12, £5k - £100k)

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

Pension Entitlement Report

									SHARED POSTS		
Directors Pension Entitlements Report	Real Increase in Pension at Age 60 (Bands of £2,500)	Real Increase in Lump Sum at aged 60 related to real increase in pension (Bands of £2,500)	Total Accrued Pension at age 60 at 31st March 2013 (Bands of £5,000)	Lump sum at 60 related to accrued pension at 31 March 20123(Bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in cash Equivalent Transfer Value	Employer's contribution to stakeholder pension	Full Value of Total Accrued Pension at age 60 at 31st March 2013 (Bands of £5,000)	Full Value ofLump sum at 60 related to accrued pension at 31 March 2013 (Bands of £5,000)	Full Value of Cash Equivalent Transfer Value at 31 March 2013
	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000
Name and Title											
Felicity Cox Cluster Chief Executive to 30/09/2012	0-2.5	2.5-5.0	5-10	20-25	126,564	87,814	38,750	0	10-15	40-45	253127
Chris Ford - Cluster Director of Finance	0-2.5	2.5-5.0	15-20	55-60	348,421	323,408	25,013	0	35-40	110-115	696841
Antonia Robson - Cluster Director of Corporate Services	0-2.5	0	0-5	0	24,770	17,512	7,258	0	5-10	0	49539
Simon Wood - Cluster Director of Commissioning	0-2.5	0-2.5	0-5	0-5	13,046	12,064	982	0	10-15	35-40	260930
J Meggit - Cluster Director of Communications from 01/06/2012	0-2.5	0-2.5	0-5	5-10	33,194	31,188	2,006	0	20-25	70-75	410710
F Sim - Cluster Director of Medicine	0-2.5	2.5-5.0	5-10	25-30	213,916	180,865	33,051	0	15-20	50-55	427833
R Huber - Cluster Director of Human Resourcesfrom 01/06/2012	0-2.5	0-2.5	0-5	10-15	81,160	66,813	14,347	0	45-50	135-140	1004182
Anne Murray Cluster Director of Nursing	0-2.5	0-2.5	10-15	40-45	274,036	264,233	9,803	0	25-30	85-90	548073
M Scott- Director of Public Health	0-2.5	0-2.5	10-15	35-40	292,738	281,875	10,863	0	25-30	75-80	585477
N Davies - Cluster Director of Nursing, Quality and Governance from 27/08/2012	(0-2.5)	(0-2.5)	0-5	10-15	73,932	73,522	410	0	15-20	45-50	249864

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:

Date.........................

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.

……..................Date..Signing Officer

……..................Date ....Finance Signing Officer

DRAFT

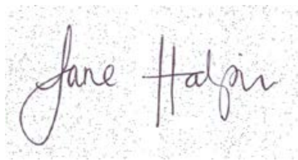
Chief Executives Statement

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

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

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

Signed



Jane Halpin
Chief Executive

NHS Bedfordshire

Organisation Code: 5P2

Governance Statement

Foreword

The year 2012/13 is the final year of operation for the PCT. The Health and Social Care Act (March 2012) makes many major changes to the way the NHS is managed and services commissioned.

The key areas of the Act are:

- Establishes an independent NHS Board to allocate resources and provide commissioning guidance;
- Increases GPs' powers to commission services on behalf of their patients (through Clinical Commissioning Groups);
- Strengthens the role of the Care Quality Commission;
- Develops Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS;
- Cuts the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Source: www.parliament.co.uk

This means that, with effect from 1 April 2013, PCTs and Strategic Health Authorities will be abolished and new organisations will be formally established including: CCGs (Clinical Commissioning Groups), CSUs (Commissioning Support Units) and the National Commissioning Board (NCB).

Additional duties have been placed on local authorities, including joined up commissioning of local NHS services, social care and public health.

The Governance arrangements of the PCT were amended in 12/13 to reflect this major change, in particular the establishment of a Transition committee. The details of the work of that committee, the board and the already established committees are set out below.

Scope of responsibility

The Chief Executive is the Accountable Officer for the Primary Care Trust (PCT) and is responsible for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding public funds.

As Accountable Officer, it is my responsibility to ensure probity and transparency in the running of the organisation in accordance with the responsibilities set out in the Accountable Officer's Memorandum. I am personally accountable for ensuring the PCT is administered economically and that the public funds entrusted in me are deployed efficiently and effectively.

The section below describes the systems that were in place during the year from 1 April 2012 to 31 March 2013 to support decision making and manage risk.

The governance framework of the organisation

The PCT is governed by a Board made up of six Non-Executive Directors, including the Chairman, and six executive Directors, including the Chief Executive. In addition, the HR Director, Director of Communications and the Medical Director attend the Board in a non-voting capacity. Also in support of the developing Clinical Commissioning Groups, the Chairs along with the Chief Operating Officer/Accountable Officer from both have attended Board meetings.

The Board has overall responsibility for determining the future direction of the PCT and ensuring delivery of safe and effective services in accordance with legislation and principles of the NHS. The Board must also ensure the organisation complies with relevant regulatory standards, for example, ensuring that waiting time targets are adhered to; QIPP plans are in place and monitored and financial duties are met.
Non-Executive Directors of NHS organisations are appointed by the Appointments Commission, which is an independent body. They are not employees of the PCT but receive remuneration for their role which is agreed nationally. Executive Directors are employees of the PCT. Details of directors remuneration is set out within the Annual Report.

There have been a number of changes to the Executive Director structure throughout the year. In addition to the Chief Executive, the Executive Director posts are:-

- Muriel Scott and Gerry Taylor, Directors of Public Health (for NHS Bedfordshire and Luton respectively)
- Chris Ford, Director of Finance
- Jackie Hammond, HR Director who left in June and was replaced by Raffelina Huber
- Dr Steve Feast, Director of Transformation and Deputy Chief Executive
- Julie Ridge, Director of Communications. Julie was seconded to the central communications team working on transition arrangements and was replaced by Jane Meggitt.
- Simon Wood, Director of System Redesign and Performance
- Dr Fiona Sim, Medical Director
- Anne Murray, Director of Quality/Nursing

The Non-Executive Directors appointed by the Appointments Commission are outlined below:-

- Gurch Randhawa (Chair)
- Geoff Lambert
- Gary Ames
- Wendi Momen
- Brian Rolfe
- David Parfitt

The Board met nine times during the year. In November 2012, the Chair took the decision once the NHS Commissioning Board Local Area Team (now NHS England Area Team) was in place, to reduce the number of PCT Board meetings; however its Finance & Performance Committee was reinstated and met in January and February 2013 to scrutinise finance and performance for both the PCT Cluster and the two Clinical Commissioning Groups.

Board committees

To ensure that the PCT delivers on its statutory duties and to guarantee that services are available to its population that are safe and deliver value for money, the PCT cluster had in place a sub-committee structure consisting of those committees that are statutory (eg Audit Committee and

Remuneration and Terms of Service Committee). Also in line with national guidance, both Clinical Commissioning Groups became sub-committees of the PCT Board and a cluster wide Patient Safety & Quality Committee and Finance & Performance Committee was put in place. A Decision Making Group was also in place. The Terms of Reference for all sub-committees were reviewed and the sub-committees contain representation from Bedfordshire Clinical Commissioning Group.
Finally, to ensure a smooth transition, a Transition Steering Group was formed reporting to the Board. The Group was chaired by a Non-Executive Director and membership included the Head of Transition, Director of Finance, Interim Director of Quality & Governance and Head of Governance & Risk/Company Secretary. Others were called to provide assurance to the group on transition matters e.g. human resources and public health when required.
The Transition Steering Group ensured delivery of the General Handover Document and the Quality Handover Documents to the Clinical Commissioning Groups and has also ensured that systems and processes were in place to produce the required transfer documentation in terms of assets, liabilities etc. All documentation was completed within the given timeframes and the necessary submissions to the Cluster Board and Strategic Health Authority made.
There have not been any issues of quoracy for the Board and its sub-committees.
The standing committees carry out functions delegates to them by the Board and seek assurance on behalf of the Board. These committees report directly to the Board. The role of the committees and a summary of issues considered by the committees are detailed below:

Audit & Risk Management Committee

The objectives of the Committee are to:

- Provide an independent and objective review of the effectiveness of internal control arrangements.
- Provide assurance to the Cluster Board on the systems of internal control and risk management across all functions and is supported by internal audit.

The Committee is Chaired by Geoff Lambert and the remaining Non-Executive Directors attend as members of the Committee. The Director of Finance, Head of Governance & Risk and representatives from Bedfordshire Clinical Commissioning Group, external audit, internal audit and the local counter fraud specialists also attend the meetings. The Committee met five times during the year.

The key achievements were:

- Provided assurance to the Board around the effective application of internal controls and risk management processes;
- Together with the Transition Steering Group, provided Board assurance around the processes leading to the disestablishment of the PCT and provided support and advice regarding the establishment of CCG governance systems.

Remuneration and Terms of Service Committee

The objectives of the Committee are to:

- Review recommendations on remuneration, allowances and terms of service of the Chief Executive and Executive Directors; ensuring appropriate processes are in place to monitor

and evaluate performance of the Chief Executive and Executive Directors; oversee appropriateness of the appointment of Executive Directors.
- Determine pay awards for senior managers.
- Monitor the organisations capacity and capability to ensure delivery of objectives.
- Has responsibility for HR issues of significance and major organisational change, including TUPE requirements.
- Identification of risks associated with the areas outlined above.

The Committee is Chaired by Gary Ames and attended by a further three Non-Executive Directors. The Chief Executive and HR Director, also attend the Committee meetings as does the Director of Finance/Deputy Chief Executive, where appropriate. Given the scale of the task with regard to transition arrangements, the decision was taken to increase the number of meetings and the Committee met six times during the year.
The key achievements were:
- Approved severance/redundancy benefits, following reorganisations and closure of PCTs;
- Approved rates of pay for Bedfordshire and Luton Clinical Commissioning Groups;
- Reviewed performance reports and recommendations for individuals on VSM contracts and proposed category of pay awards, as appropriate.

Patient Safety & Quality Committee

The objectives of the Committee are to:

- Provide assurance that appropriate processes are in place to demonstrate delivery of the organisations priorities and objectives in the context of all national standards.
- Reporting in relation to key areas of quality i.e. complaints, patient surveys, infection control etc.

The Committee was initially Chaired by Brian Rolfe and attended by Gary Ames and Wendi Momen who are Non-Executive Directors. However Mr Rolfe was recruited as the Chair of the Bedfordshire Clinical Commissioning Group and as such stood down from his PCT Cluster Non-Executive role. The Committee has since been chaired by Wendi Momen and also Gary Ames. It is also attended by the Director of Quality and Safety, Medical Director and Directors of Public Health. The Committee met six times during the year.

The key achievements were:

- The Committee supported the development of an integrated quality and performance report;
- Improved mechanisms for the reporting of serious incidents;
- Inclusion of adult and children's safeguarding reporting so that this is integrated;
- Inclusion of CCG representatives onto the membership of the committee.

Finance & Performance Committee (January and February 2013 only)

The objectives of the Committee are to:

- Review issues relating to the use of PCT resources that may impact on the PCTs ability to achieve its statutory financial targets.

- Provide assurance to the Board that arrangements are in place to demonstrate performance against all national, regional and local targets.
- For the Clinical Commissioning Groups to provide assurance around financial and performance targets and progress of QIPP delivery.
- Review and ensure delivery of operating plans.

The Committee was Chaired by the PCT Cluster Chair, Gurch Randhawa. Members are also Geoff Lambert, Gary Ames and Wendi Momen who are Non-Executive Directors and the Director of System Redesign and Performance and the Director of Finance. Representatives from both Clinical Commissioning Groups also attended each meeting. The Committee met twice during the year.

The key achievements were:

- Oversaw, monitored and provided assurance to the Board covering key finance and performance goals of the PCT Cluster and Clinical Commissioning Groups. This included:

Finance

Meeting all statutory requirements:

1. **Revenue expenditure** was within the approved revenue resource limit. The PCT resource limit was £650.6, actual spend was £650.3, producing a surplus of £0.3.
2. **Capital costs** were within the approved capital resource limit of £4.25m for the PCT.
3. **Cash** must remain within the approved cash limit. The PCT had an approved cash limit for 2012/13 of £653.25m and this amount was drawn down in full from the Department of Health. The final cash balance as at 31 March 2013 was 0 (zero).

Also oversaw QIPP programme deliver savings of 12.8m.

Performance

- Detailed review of monthly performance against national and local indicators including quality and safety measures.
- Agree actions for improvement and monitor delivery.

The Executive is the key body responsible for implementing the strategic direction set by the Board and for ensuring clinical, service and financial performance in line with local and national standards. The Executive Team was chaired by the Chief Executive and met weekly. Its membership included the Directors of Public Health, Director of Finance, HR Director, Director of Transformation and Deputy Chief Executive, Director of Communications, Director of System Redesign and Performance, Medical Director and the Director of Quality/Nursing. In addition the Chairs and Chief Operating Officer/Accountable Officer of the two Clinical Commissioning Groups have attended these meetings.

Board effectiveness

The Board agreed that the priorities for the year were:

- To reduce health inequalities and support people and communities to live in good health for longer;
- To integrate services, deliver QIPP and improve outcomes for patients;
- Support Clinical Commissioning Groups throughout the authorisation process;
- Support staff through change and develop new skills;
- Maintain performance in transition;
- Develop Commissioning Support Services.

2012/13 was a challenging year for NHS Bedfordshire and the Board had certain key issues to address. These included:

- Improving performance against key targets at a local acute trust including A&E, stroke and 18 weeks RTT.
- Ensuring that statutory financial targets are met.
- Supporting the development of Bedfordshire Clinical Commissioning Group through its journey to authorisation.
- Ensuring that a Commissioning Support Service was in place that was fit for purpose and able to deliver as required to the Clinical Commissioning Groups.

Compliance with the Code of Governance

The Board is bound by the Code of Governance which requires Boards of NHS organisations to exercise the same standards of governance that apply to all private and public sector organisations.

This means that Boards must work together and take collective responsibility for the performance of the organisation, including financial, service and clinical performance. Not all of the agreed objectives were fully delivered in year, indicating a need to improve the effectiveness of the process for setting deliverable objectives and the controls that are in place for monitoring delivery.

The Board operates as a unitary Board. This means that all Board members work as equals to act in the best interests of the organisation.
The Board has exercised its duty to monitor performance through the integrated performance reports that it receives.

The Board has maintained a strong focus on clinical governance, ensuring that clinical safety has not been compromised by the financial pressures facing the organisation and has applied a range of mechanisms to assess clinical quality and patient experience, including presentation of a patient story at each meeting and regular review of complaints data and patient experience surveys and reports.
The Board meets the criteria set out in the Code of Governance in relation to the independence of Non-Executive Directors.

There are clear committee structures and the responsibilities of individual committees are set out in their terms of reference and the Scheme of Delegation. The Standing Orders follow the model standing orders for NHS PCTs and are complied with.

Board administration has strengthened with the role of the Company Secretary with responsibility for preparing and distributing agenda and papers, maintaining comprehensive records of meetings and decisions, ensuring appropriate referral of matters between the Board and committees and ensuring decisions. The presentation and content of papers has improved significantly.
The effectiveness of the Board is constantly reviewed with post Board meetings in place attended by the Executive Directors, Company Secretary and Chief Executive.

Risk assessment

All PCT staff are empowered to identify risks within their own operational areas. The PCT adopted the 4Risk system to capture risks. It consists of the Board Assurance Framework and individual directorate risk registers. One to one training is available on the system and risk management processes for all staff.
Either the high risks or the Board Assurance Framework are reported to the Board and Audit & Risk Management Committee meetings, where discussions take place as to whether the mitigations are sufficient to reduce the level of inherent risk to one that is tolerated by the organisation. The Board Assurance is also reviewed by the Executive Team to ensure that it reflects the organisations strategic objectives. In addition one to one meetings are held with each of the Executive Directors to ensure that any high risks aligned to them are reviewed on a monthly basis.

The risk and control framework

The Board's Risk Management Strategy defines the structure for the management of risk and identified responsibility for ownership of risk. Leadership is given to the risk process from the Chief Executive who has overall accountability supported by the Executive Directors. Risk management processes are led, overseen and disseminated through the organisation by the Executive Directors, senior managers and line managers.

Risk management is clearly defined and incorporated into the job descriptions of Board members and all senior managers. Risk is integrated into the business planning process and all staff are encouraged to report incidents and near misses thus enabling the PCT to identify and hence minimise its exposure to risk.

Root cause analysis of serious incidents is undertaken as appropriate and feedback provided to staff through team meetings. Feedback is also provided via staff newsletters as part of a wider learning process. The risk register is established with reports being presented to the Board. The risk register also incorporates the organisation's assurance framework which is also reviewed in line with the operating framework and risks relating to the transition to clinical commissioning, the NHS England and Commissioning Support Services. The Executive Directors consider performance and risk at their Executive Team meetings and in additional performance and accountability meetings.

Most risks have a direct influence with the PCT. Those impacting on other local providers are considered at Partnership Board meetings in conjunction with other stakeholders.

The Chief Executive and Executive Team meet with the Strategic Health Authority on a bi-monthly basis in order that NHS Bedfordshire's current position is reviewed on a regular basis.

Review of the effectiveness of risk management and internal control

The PCT has worked closely with the internal auditors in developing the risk management framework. The audit undertaken focussing on Cluster Governance was rated as green, providing substantial Board assurance. In addition the Head of Internal Audit has concluded that the system

of internal control in place during 2012/13 provided significant assurance. This is based on the range of work undertaken as part of the annual internal audit plan.

There were four low recommendations following the Cluster Governance audit all of which were accepted and implemented.

Significant issues

There have not been any additional significant issues to report.

Accountable Officer:	**Jane Halpin, NHS Commissioning Board Area Director, Hertfordshire and South Midlands**
Organisation:	**NHS Bedfordshire**

Signature:

Date:

Independent Auditors Report

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER FOR BEDFORDSHIRE PRIMARY CARE TRUST

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Financial Position, Operational Financial Balance note, the Cash Flow Statement, Running Costs note, Better Payment Practice Code note, Capital Resource Limit note and External Audit Fees note.

This report is made solely to the Accountable Officer of Bedfordshire Primary Care Trust, 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 the Accountable Officer and auditor

The Accountable Officer is responsible for preparing the Annual Report.

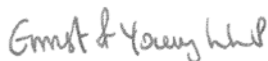
Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

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 my 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 Bedfordshire Primary Care Trust for the year ended 31 March 2013.



Ernst & Young LLP

Statutory Auditor

Reading

10 June 2013

APPENDIX 1

EXECUTIVE SUMMARY

This is the integrated performance report combining performance activity for Bedfordshire. The report provides a summary of performance against key national indicators together with activity against other national and regional indicators including safety and patient experience as identified in the NHS National Operating Framework 2012/13, the East of England Commissioning Framework 2012/13 and the Bedfordshire and Luton Cluster Integrated Plan 2012/13 – 2014/15. The latest performance against the identified quality measures have been split into the 5 domains as identified in the NHS National Operating Framework 2012/13.

Domain 1	Preventing People from Dying Prematurely
Domain 2	Enhancing Quality of Life for People with Long Term Conditions
Domain 3	Helping People to recover from episodes of Ill Health or following Injury
Domain 4	Ensuring that People have a Positive Experience of Care
Domain 5	Treating and Caring for People in a Safe Environment and protecting them from Avoidable Harm

For each exception report the responsible organisation has been included in brackets i.e. CCG/Cluster/Public Health and for those reports where there is no additional data or commentary this has been identified by including the wording previously reported on the indicator heading.

The following key performance indicators are performing above the target level for Bedofrdshire. There are a number of indicators that are measured either quarterly or annually and data for these is not currently available.

1 CLUSTER PERFORMANCE AGAINST KEY NATIONAL INDICATORS 2012/13

Year to Date Performance Overview

The table below identifies from the key national and additional quality indicators that the PCT measures, those that have been consistently included within the exception reporting section of this report as being underperforming. Each indicator has been ragged to show underperformance in a particular month in red and achievement of the target in green. Whilst there is some variability in performance of particular indicators it is clear that there are long standing issues with a number of them.

Luton														
Indicator	**Trust**	**Apr**	**May**	**Jun**	**Qtr 1**	**Jul**	**Aug**	**Sep**	**Qtr2**	**Oct**	**Nov**	**Dec**	**Qtr 3**	**Jan**
Key National Quality Measures														
Acute Emergency Admissions not Usually Requiring Hospital Admission	LCCG				Monthly				Monthly				Monthly	
Cancer 62 day - Screening	LCCG			No data										
Cancer 62 day - Urgent GP referral	LCCG			No data										
Health Checks - Delivered	LCCG		Quarterly				Quarterly				Quarterly			Quarterly
Home Treatment Episodes by Crisis Resolution/Home Treatment Teams	LCCG				Monthly				Monthly				Monthly	
RTT - 18 weeks - Admitted - Number of treatment functions below 90%	L&D													
RTT - 18 weeks - Incomplete - Number of treatment functions below 92%	L&D													
RTT - 18 weeks - Non Admitted - Number of treatment functions below 95%	L&D													
4 Week Smoking Quitters	LCCG		Quarterly				Quarterly				Quarterly			Quarterly
Unplanned Hospitalisation for Asthma, Diabetes and Epilepsy in under 19's	LCCG				Monthly				Monthly				Monthly	
Unplanned Hospitalisation for Chronic Ambulatory Care - Sensitive Conditions	LCCG													
Additional Quality Measures														
A&E Time to Full Assessment	L&D				Monthly				Monthly				Monthly	
Deaths in Usual Place of Residence	LCCG		Quarterly				Quarterly				Quarterly			Quarterly
Immunisation and Vaccination aged 2	LCCG													
Immunisation and Vaccination aged 5	LCCG													
Midwife Ratio	L&D													
Number of Grade 3 and 4 Pressure Ulcers Reported as a Serious Incident	L&D				Monthly				Monthly				Monthly	
Reduce Emergency Readmissions within 30 of Discharge	LCCG													
Stoke - High risk TIA Patients treated within 24 hours but not admitted	L&D													
Stoke Patients Spending at Least 90% of Their Time on a Stoke Unit	L&D													

Ragging – Red – Below target
Green – on or above target
White – no data

COMMISSIONER PERFORMANCE AGAINST KEY NATIONAL INDICATORS 2012/13

The table below shows a monthly snapshot of performance across the Luton and Bedfordshire against the national headline indicators. The ranking analysis is based on 39 Commissioners across NHS Midlands and East region and has been calculated by ranking the sum totals for patient experience, A&E waiting times, MRSA rate, C Difficile rate, MSA breaches, RTT overall rank and cancer overall rank.

PCT RANKING ANALYSIS

				RTT 95th percentiles (weeks)					Cancer waiting times: % patients seen within standards										
Key Performance Indicators	MRSA Bacteraemia	C diff Infections	Mixed Sex Accommodation Unjustified breaches	Admitted	Non Admitted	Incomplete			All Cancer 2 week waits	Two week waits for breast symptoms	31 day waits	31-Day Standard for Subsequent Cancer Treatments-Surgery	31-Day Standard for Subsequent Cancer Treatments-Drug	31-Day Standard for Subsequent Cancer Treatments-Radiotherapy	All cancer two month urgent referral to treatment waits	62-day screening	62-day upgrade		
Reporting Date	Jan-13	Jan-13	Jan-13	Dec-12	Dec-12	Dec-12			Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12		
				90%	95%	92%			93%	93%	96%	94%	98%	94%	85%	90%	85%		
Bedfordshire	0/0	11/7	0	92.9%	97.7%	96.0%			96.5%	95.2%	100.0%	100.0%	98.2%	96.9%	87.7%	100.0%	100.0%		
Luton	2/0	2/2	0	93.1%	98.1%	96.2%			95.0%	98.0%	100.0%	100.0%	100.0%	100.0%	91.7%	100.0%	-		
Ranking							RTT Total	RTT overall rank										Cancer waiting times, overall rank	Overall Ranking
Bedfordshire	20	10	37	26	26	14	66	20	14	20	1	1	34	30	17	1	1	14	21
Luton	33	3	39	23	21	11	55	17	31	8	1	1	1	1	3	1	-	1	18

* NHS Midland and East average

Performance	Ranking
On Plan	Best Performing
Within 5% of plan	Worse Performing
More than 5% away from plan	

Please note - Ranking for MRSA is against YTD rate per 100,000 population, C Difficile is against YTD rate per 10,000 population age 2 plus and Mixed Sex Accommodation is against YTD rate per 1,000 episodes

PROVIDER PERFORMANCE AGAINST KEY NATIONAL INDICATORS 2012/13

The table below shows a monthly snapshot of performance across the cluster against the national headline indicators. The ranking analysis is based on 46 Providers across NHS Midlands and East region and has been calculated by ranking the sum totals for patient experience, A&E waiting times, MRSA rate, C Difficile rate, MSA breaches, RTT overall rank and cancer overall rank.

TRUST RANKING ANALYSIS

Key Performance Indicators	Patient experience - Annual Survey	A&E - % within 4 hours QTD	MRSA Bacteraemia	C diff Infections	Mixed Sex Accommodation Unjustified breaches	RTT 95th percentiles (weeks): Admitted	RTT 95th percentiles (weeks): Non-admitted	RTT 95th percentiles (weeks): Incomplete	RTT Total	RTT overall rank	Cancer waiting times: % patients seen within standards: All Cancer 2 week wait	Two week wait for breast symptoms	31 day waits	31-Day Standard for Subsequent Cancer Treatments-Surgery	31-Day Standard for Subsequent Cancer Treatments-Drug	31-Day Standard for Subsequent Cancer Treatments-Radiotherapy	All cancer two month urgent referral to treatment wait	62-day screening wait	62-day upgrade wait	Cancer waiting times, overall rank	Overall Ranking
Reporting Date	2011/12	10/02/2013	Jan-13	Jan-13	Jan-13	Dec-12	Dec-12	Dec-12			Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12	Dec-12		
						90%	95%	92%			93%	93%	96%	94%	98%	94%	85%	90%	85%		
Bedford Hospital NHS Trust	75.6	95.1%	0/0	4/3	0	93.9%	98.1%	97.2%			95.8%	95.2%	100.0%	100.0%	100.0%	-	86.6%	100.0%	100.0%		
Luton & Dunstable Hospital NHS FT	71.7	97.3%	1/0	2/2	0	93.1%	98.1%	96.3%			94.9%	97.0%	100.0%	100.0%	94.7%	-	91.5%	100.0%	-		
Ranking																					
Bedford Hospital NHS Trust	18	12	31	20	40	18	23	12	53	17	30	22	1	1	1	1	29	1	1	19	22
Luton & Dunstable Hospital NHS FT	43	3	37	10	46	26	24	20	70	25	37	17	1	1	41	1	10	1	1	22	33

Performance	Ranking
On Plan	Best Performing
Within 5% of plan	Worse Performing
More than 5% away from plan	

Please note - Ranking for MRSA is against YTD rate per 10,000 bed days, C Difficile is against YTD rate per 1,000 bed days age 2 plus and Mixed Sex Accommodation is against YTD rate per 1,000 episodes

Domain 1 - Preventing People from Dying Prematurely

CLUSTER DASHBOARD - COMMISSIONER			BEDFORDSHIRE CCG						LUTON CCG						
Key National Quality Measures		Period	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Standard / Plan	Plan YTD	Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ01	Ambulance Category A response arriving within 8 mins - commissioner	Jan	75%		77.95%	77.93%		↑	75%		88.17%	88.52%		↑	April
PHQ01	Ambulance Category A response arriving within 8 mins - EEAST	Jan	75%		71.80%	73.96%		↑	75%		71.80%	73.96%		↑	April
PHQ02	Ambulance Category A ambulance arrival within 19 mins - commissioner	Jan	95%		97.84%	98.05%		↑	95%		98.89%	98.83%		↑	April
PHQ02	Ambulance Category A ambulance arrival within 19 mins - EEAST	Jan	95%		92.80%	93.87%		↑	95%		92.80%	93.87%		↑	April
PHQ03	Cancer 62 days - 1st treatment following an urgent GP referral	Jan	85%		85.90%	86.00%		↓	85%		95.65%	89.77%		↑	April
PHQ04	Cancer 62 days - 1st treatment following referral from Screening Service	Jan	90%		94.12%	95.36%		↓	90%		100.00%	92.17%		↔	April
PHQ05	Cancer 62 days - 1st treatment following consultants decision to upgrade	Jan	85%		100.00%	94.75%		↔	85%		100.00%	100.00%		↔	April
PHQ06	Cancer 31 day - 1st definitive treatment from diagnosis	Jan	96%		98.76%	98.54%		↓	96%		100.00%	99.39%		↔	April
PHQ07	Cancer 31 day - Subsequent treatment for cancer - Surgery	Jan	94%		100.00%	98.35%		↔	94%		100.00%	99.38%		↔	April
PHQ08	Cancer 31 day - Subsequent treatment for cancer - Drugs	Jan	98%		100.00%	99.82%		↑	98%		100.00%	99.66%		↔	April
PHQ09	Cancer 31 day - Subsequent treatment - Radiotherapy	Jan	94%		98.55%	97.26%		↑	94%		95.24%	99.09%		↓	April
PHQ30	Number of 4 week smoking quitters	Q2 12/13	2984	695	594	1334		↑	1610	688	158	453		↑	March
PHQ31	Eligible patients agreed 40-74 years offered a Health check	Q3 12/13	27750	20250	11770	25302		↑	9484	7113	1461	4201		↑	April/May
PHQ31	Eligible patients agreed 40-74 years who received a Health check	Q3 12/13	19054	13200	4776	10692		↑	7020	5265	761	2009		↑	April/May
Additional Quality Measures															
SQU06	High risk TIA patients assessed and treated within 24 hrs	Q3 12/13	60%		73.91%	63.53%		↑	60%		82.61%	77.55%		↑	April
SQU20	Women aged 47-49 and 71-73 invited for breast screening	Q3 12/13	32% by Q4	24%	29.90%	29.90%		↑	32% by Q4	24%	26.5%	26.5%		↑	Apr/May
SQU21	Men and women aged 70-75 year invited for bowel cancer screening	Q3 12/13	43.6%		81.31%	83.84%		↓	43.6%		77.66%	80.21%		↓	Apr/May
SQU22	Women receiving cervical screening test results within 14 days	Q3 12/13	98%		99.5%	99.5%		↓	98%		99.7%	99.7%		↓	April
VSB10	HPV Dose 1, 2 & 3 - for girls aged around 12-13 yrs	2011-12	90%		95.98%	95.98%		↑	90%		76.0%	76.0%		↓	Dec
VSB10_10	Imms and Vacs - Immunisation rate for aged 2 for MMR (primary dose only)	Q3 12/13	95%		94.7%	94.3%		↑	95%		90.1%	89.8%		↑	May
VSB10_15	Imms and Vacs - Immunisation rate for aged 5 for MMR (primary & booster)	Q3 12/13	95%		93.3%	92.1%		↑	95%		82.0%	82.2%		↓	May
SHA Ambition	Making Every Contact Count (MECC) through systematic healthy lifestyle advice delivered through front line staff														
	Smoking quitters in 20% MSOA	Q2 12/13	880	396	349	349			400	200	153	153			March
	Mothers Smoking at time of delivery	Q3 12/13	<13%		12.85%	13.27%		↑	<15%		14.69%	13.26%		↓	April/May
	% of children in Yr 6 with height and weight recorded who are obese	2011 School Year	<16.9%		16.50%	16.50%		↓	<21%		23.15%	23.15%		↓	Early 2014
	% of children in Yr R with height and weight recorded who are obese	2011 School Year	<9%		8.36%	8.36%		↑	<11%		11.16%	11.16%		↑	Early 2014
	% of children in Yr 6 with height and weight recorded	2011 School Year	94%		94.00%	94.00%		↔	85%		99.25%	99.25%		↓	Early 2014
	% of children in Yr R with height and weight recorded	2011 School Year	94%		96.40%	96.40%		↔	85%		99.24%	99.24%		↓	Early 2014
	Babies with a breastfeeding status recorded	Q3 12/13	95%		97.57%	97.11%		↑	95%		98.08%	97.81%		↓	April/May
	Babies who are totally or partially breastfed	Q3 12/13	48%		45.99%	46.37%		↓	56.9%		53.54%	55.86%		↓	April/May
CCG Supporting Quality Measures															
BCCG	Reducing alcohol related admissions at Bedford Hospital	Jan	235		20	179		↓	Not applicable for LCCG						April
LCCG	Unplanned patients admitted to critical care <4 hours - L&D	Q3 12/13		Not applicable for BCCG					95%	80%	98.55%	98.89%		↓	April
LCCG	Patients with smoking status recorded receiving brief advice								80% by Q4	Data available from Q4 12/13					April
LCCG	Patients with alcohol status recorded receiving brief advice								80% by Q4						April

CLUSTER DASHBOARD - ACUTE PROVIDER			BEDFORD HOSPITAL						LUTON & DUNSTABLE HOSPITAL						
Key National Quality Measures		Period	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Standard / Plan		Data	YTD	F/Cast O/turn	Trend	Data next due
PHQ03	Cancer 62 days - 1st treatment following an urgent GP referral	Jan	85%		91.36%	88.30%		↑	85%		96.55%	89.62%		↑	April
PHQ04	Cancer 62 days - 1st treatment following referral from Screening Service	Jan	90%		93.33%	96.36%		↓	90%		95.00%	95.20%		↓	April
PHQ05	Cancer 62 days - 1st treatment following a consultants decision to upgrade	Jan	85%		100.00%	96.33%		↔	85%		100.00%	100.00%		↔	April
PHQ06	Cancer 31 day - 1st definitive treatment from diagnosis	Jan	96%		100.00%	99.62%		↔	96%		100.00%	99.59%		↔	April
PHQ07	Cancer 31 day - Subsequent treatment for cancer - Surgery	Jan	94%		100.00%	100.00%		↔	94%		100.00%	98.79%		↔	April
PHQ08	Cancer 31 day - Subsequent treatment for cancer - Drugs	Jan	98%		100.00%	100.00%		↔	98%		100.00%	99.29%		↑	April
PHQ09	Cancer 31 day - Subsequent treatment - Radiotherapy	Jan	94%		-	100.00%		↔	94%		-	100.00%		↔	April
Additional Quality Measures															
SQU06	High risk TIA patients assessed and treated within 24 hrs	Q3 12/13	60%		63.60%	50.74%		↑	60%		80.40%	76.10%		↑	April
OF	SHMI - Summary Hospital Mortality Indicator	Q1 12/13	<1		1.063	1.063		↓	<1		1.0247	1.0247		↑	April
SHA Ambition	Making Every Contact Count (MECC) through systematic healthy lifestyle advice delivered through front line staff														
	New mothers known to have initiated breastfeeding	Q3 12/13	81%		80.6%	82.9%		↓	69%		69.04%	71.83%		↓	April/May

APPENDIX 2 - Remuneration Report

Directors Remuneration Report

Name and title	2012/13 Salary (bands of £5,000)	2012/13 Bonus Payments (bands of £5,000)	2012/13 Other Remuneration (Bands of £5,000)	2012/13 Benefits in Kind (rounded to nearest £00)	2011/12 Salary (bands of £5,000)	2011/12 Bonus Payments (bands of £5,000)	2011/12 Other Remuneration (Bands of £5,000)	2011/12 Benefits in Kind (rounded to nearest £00)	Full Value of salary for shared posts (Bands of £5,000)
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Board									
A McNab - Chief Executive to 31/03/2012	0	0	0	0	65-70	0-5	0	0	
J Halpin - Cluster Chief Executive from	0	0	0	0	0				
M Scott- Cluster Director of Public Health	45-50	0	0	0	45-50	0	0	0	95-100
A Paul - Medical Director to 30/06/2011	0	0	0	0	25-30	0	0	0	
J Ridge - Director of Communications & Engagement to 31/03/2012	0	0	0	0	50-55	0	0	0	
J Meggit - Cluster Director of Communications from 01/06/2012	5-10	0	0	0	0	0	0	0	15-20
Anne Murray - Cluster Director of Quality and Nursing	45-50	0	0	0	55-60	0	0	0	90-95
N Davies - Cluster Director of Nursing, Quality and Governance from 27/08/2012	20-25	0	0	0		0	0	0	
Felicity Cox - Cluster Chief Executive to 30/09/2012	70-75	0	0	0	0-5	0	0	0	140-145
Steve Feast - Cluster Director of Transformation and Deputy Chief Executive to 31/08/2012	30-35	0	0	0	55-60	0	0	0	60-65
Chris Ford -Cluster Director of Finance	50-55	0	0	0	35-40	0	0	0	105-110
Antonia Robson -Cluster Director of Business Services	15-20	0	0	0	25-30	0	0	0	35-40
Simon Wood - Cluster Director of Commissioning	0-5	0	0	0	25-30	0	0	0	95-100
Dr Fiona Sim -Cluster Medical Director	60-65	0	0	0	15-20	0	0	0	120-125
R Huber - Cluster Director of Human Resources from 01/06/2012	5-10	0	0	0	0				10-15
Jackie Hammond - Interim Cluster Director of HR to 30/06/2012	0	0	0	0	55-60	0	0	0	
Margaret Berry - Cluster Director of Quality Nursing to 31/12/2011	0	0	0	0	10-15	0-5	0	0	
Gurch Randhawa Cluster Chairman to 31/03/2013	20-25	0	0	0	5-10	0	0	0	40-45
Gary Ames - Cluster Non Executive Director	0-5	0	0	0	0-5	0	0	0	5-10
David Parfitt Cluster Non Executive Director	0-5	0	0	0	0-5	0	0	0	5-10
Geoff Lambert Cluster Non Executive Director	5-10	0	0	0	0-5	0	0	0	15-20
W Momen -Cluster Non Executive Director	0-5	0	0	0	5-10	0	0	0	5-10
Fiona Wilson - Chair to 30/11/2011	0	0	0	0	20-25	0	0	0	
A Nevinson - Non Executive Director to 30/11/2011	0	0	0	0	5-10	0	0	0	
B Rolfe - Cluster Non Executive Director	0-5	0	0	0	5-10	0	0	0	0-5
Mark McColl - Director of Finance and Commercial Development to 10/06/2011	0	0	0	0	20-25	0	0	0	
Philippa Hunt - Director of Organisational Development to 30/06/2011	0	0	0	0	20-25	0	0	0	
S Finlan - Non Executive Director to 03/01/2012	0	0	0	0	5-10	0	0	0	
D Wilson - Non Executive Director to 30/11/2011	0	0	0	0	5-10	0	0	0	
Professional Executive Committee									
								0	
P Hassan - PEC Chair to 30/09/2011	0	0	0	0	10-15	0	0	0	
S Wilden - PEC Member to 30/09/2011	0	0	0	0	0-5	0	0	0	
R Butcher - PEC Member to 30/09/2011	0	0	0	0	0-5	0	30-35	0	
N Curt - PEC Member to 30/09/2011	0	0	0	0	0-5	0	0-5	0	
A White - PEC Member to 30/09/2011	0	0	0	0	0-5	0	0	0	
M Chitepo - PEC Member to 30/09/2011	0	0	0	0	0-5	0	0	0	
S Morris - PEC Member to 30/09/2011	0	0	0	0	0-5	0	0	0	
S Jordan - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
Piers Grace - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
M Elliott - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
P Parry Okeden - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
J Ogley - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
L Garraway - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
T Hafez - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
A Low - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
F Toner - PEC Member to 30/09/2011	0	0	0	0	0	0	0	0	
E Neale - PEC Member to 30/09/2011	0	0	0	0					

Bedfordshire Clinical Commissioning Group

Brian Rolfe - Chair from 01/11/2012	15-20	0	0	0	0	0	0	0
Dr Paul Hassan - Chief Clinical Officer	10-15	0	0	0	25-30	0	0	0
John Rooke - Chief Operating Officer	105-110	0	0	0	75-80	0	0	0
Dr Peter Parry Okeden - Vice Chair CCG, Chair Bedford Locality from 01/11/2012	0	0	0	0	0	0	0	0
Dr Alvin Low - Chair Ivel Valley Locality from 01/11/2012	0	0	0	0	0	0	0	0
Dr Nick Curt - Chair Chiltern Valley Locality	5-10	0	0	0	0-5	0	0	0
Dr Chris Marshall - Chair Leighton Buzzard Locality from 01/11/2012	5-10	0	0	0	0	0	0	0
Dr Sarah Morris - Chair West Mid Beds Locality	5-10	0	0	0	0-5	0	0	0
Dr Anwar Hussain - Secondary Care Cinincian from 03/12/2012	0-5	0	0	0	0	0	0	0
Dr Megan Crawford - Lay Member (Patient and Public Involvement) from 01/12/2012	0-5	0	0	0	0	0	0	0
Alan Whitfield - Lay Member (Audit/Governance) from 01/11/2012	0-5	0	0	0	0	0	0	0
James Corrigan - Chief Finance Officer from 01/12/2012	25-30	0	0	0	0	0	0	0
Anne Murray - Director of Quality and Patient Safety	0	0	0	0	0	0	0	0
Dr Diane Gray - Director of Strategy and Redesign from 15/11/2012	35-40	0	0	0	0	0	0	0
Muriel Scott - Director of Public Health	0	0	0	0	0	0	0	0
Dr Judy Baxter - Clinical Director from 01/11/2012	60-65	0	0	0	0	0	0	0
Dr Lindsay MacKenzie - Clinical Director from 01/11/2012	0	0	0	0	0	0	0	0
Dr Bruce Ella - Clinical Director from 01/11/2012	15-20	0	0	0	0	0	0	0
John Lockley - IT Lead from 01/09/2012	0	0	0	0	0	0	0	0
Maureen Briggs - Bedford LINKS to 30/09/2012	0	0	0	0	0	0	0	0
Ray Gunning - CBC LINKS to 30/09/2012	0	0	0	0	0	0	0	0
Mark Patten - L&D to 31/08/2012	0	0	0	0	0	0	0	0
Paul Tisi - Bedford Hospital to 31/08/2012	0	0	0	0	0	0	0	0
Sajeeva Jayalathto to 31/08/2012	0	0	0	0	0	0	0	0
Julie Ogley - CBC to 31/08/2012	0	0	0	0	0	0	0	0
Colleen Atkins - Bedford Borough to 31/08/2012	0	0	0	0	0	0	0	0
Andrew White - SEPT to31/08/2012	0	0	0	0	0	0	0	0
Angela McNab to 31/08/2012	0	0	0	0	0	0	0	0
Steve Feast to 31/08/2012	0	0	0	0	0	0	0	0
Simon Wood to 31/08/2012	0	0	0	0	0	0	0	0

Directors Pension Entitlements Report

Name and Title	Real Increase in Pension at Age 60 (Bands of £2,500)	Real Increase in Lump Sum at aged 60 related to real increase in pension (Bands of £2,500)	Total Accrued Pension at age 60 at 31st March 2013 (Bands of £5,000)	Lump sum at 60 related to accrued pension at 31 March 20123(Bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in cash Equivalent Transfer Value	Employer's contribution to stakeholder pension	SHARED POSTS: Full Value of Total Accrued Pension at age 60 at 31st March 2013 (Bands of £5,000)	SHARED POSTS: Full Value ofLump sum at 60 related to accrued pension at 31 March 2013 (Bands of £5,000)	SHARED POSTS: Full Value of Cash Equivalent Transfer Value at 31 March 2013
	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000
Felicity Cox Cluster Chief Executive to 30/09/2012	0-2.5	2.5-5.0	5-10	20-25	126,564	87,814	38,750	0	10-15	40-45	253127
Chris Ford - Cluster Director of Finance	0-2.5	2.5-5.0	15-20	55-60	348,421	323,408	25,013	0	35-40	110-115	696841
Antonia Robson - Cluster Director of Corporate Services	0-2.5	0	0-5	0	24,770	17,512	7,258	0	5-10	0	49539
Simon Wood - Cluster Director of Commissioning	0-2.5	0-2.5	0-5	0-5	13,046	12,064	982	0	10-15	35-40	260930
J Meggit - Cluster Director of Communications from 01/06/2012	0-2.5	0-2.5	0-5	5-10	33,194	31,188	2,006	0	20-25	70-75	410710
F Sim - Cluster Director of Medicine	0-2.5	2.5-5.0	5-10	25-30	213,916	180,865	33,051	0	15-20	50-55	427833
R Huber - Cluster Director of Human Resourcesfrom 01/06/2012	0-2.5	0-2.5	0-5	10-15	81,160	66,813	14,347	0	45-50	135-140	1004182
Anne Murray Cluster Director of Nursing	0-2.5	0-2.5	10-15	40-45	274,036	264,233	9,803	0	25-30	85-90	548073
M Scott- Director of Public Health	0-2.5	0-2.5	10-15	35-40	292,738	281,875	10,863	0	25-30	75-80	585477
N Davies - Cluster Director of Nursing, Quality and Governance from 27/08/2012	(0-2.5)	(0-2.5)	0-5	10-15	73,932	73,522	410	0	15-20	45-50	249864

Finance Officer: Date:

Bedfordshire Primary Care Trust

2012-13 Accounts

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Bedfordshire Primary Care Trust

2012-13 Accounts

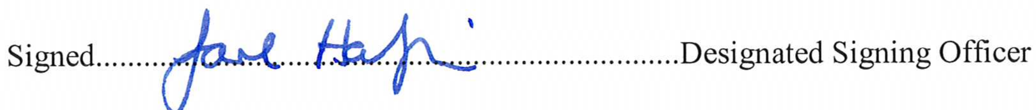
2012-13 Annual Accounts of Bedfordshire Primary Care Trust

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

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

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

To the best of my knowledge and belief, 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: JANE HALPIN

Date: 7.6.13

2012-13 Annual Accounts of Bedfordshire Primary Care Trust

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;

- make judgements and estimates which are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

- ensure that the PCT kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

- have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

7.6.13 Date .... Signing Officer

7/6/13 Date .... Finance Signing Officer

NHS Bedfordshire

Organisation Code: 5P2

Governance Statement

Foreword

The year 2012/13 is the final year of operation for the PCT. The Health and Social Care Act (March 2012) makes many major changes to the way the NHS is managed and services commissioned.

The key areas of the Act are:

- Establishes an independent NHS Board to allocate resources and provide commissioning guidance;
- Increases GPs' powers to commission services on behalf of their patients (through Clinical Commissioning Groups);
- Strengthens the role of the Care Quality Commission;
- Develops Monitor, the body that currently regulates NHS foundation trusts, into an economic regulator to oversee aspects of access and competition in the NHS;
- Cuts the number of health bodies to help meet the Government's commitment to cut NHS administration costs by a third, including abolishing Primary Care Trusts and Strategic Health Authorities.

Source: www.parliament.co.uk

This means that, with effect from 1 April 2013, PCTs and Strategic Health Authorities will be abolished and new organisations will be formally established including: CCGs (Clinical Commissioning Groups), CSUs (Commissioning Support Units) and the National Commissioning Board (NCB).

Additional duties have been placed on local authorities, including joined up commissioning of local NHS services, social care and public health.

The Governance arrangements of the PCT were amended in 12/13 to reflect this major change, in particular the establishment of a Transition committee. The details of the work of that committee, the board and the already established committees are set out below.

Scope of responsibility

The Chief Executive is the Accountable Officer for the Primary Care Trust (PCT) and is responsible for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding public funds.

As Accountable Officer, it is my responsibility to ensure probity and transparency in the running of the organisation in accordance with the responsibilities set out in the Accountable Officer's Memorandum. I am personally accountable for ensuring the PCT is administered economically and that the public funds entrusted in me are deployed efficiently and effectively.

The section below describes the systems that were in place during the year from 1 April 2012 to 31 March 2013 to support decision making and manage risk.

The governance framework of the organisation

The PCT is governed by a Board made up of six Non-Executive Directors, including the Chairman, and six executive Directors, including the Chief Executive. In addition, the HR Director, Director of Communications and the Medical Director attend the Board in a non-voting capacity. Also in support of the developing Clinical Commissioning Groups, the Chairs along with the Chief Operating Officer/Accountable Officer from both have attended Board meetings.

The Board has overall responsibility for determining the future direction of the PCT and ensuring delivery of safe and effective services in accordance with legislation and principles of the NHS. The Board must also ensure the organisation complies with relevant regulatory standards, for example, ensuring that waiting time targets are adhered to; QIPP plans are in place and monitored and financial duties are met. Non-Executive Directors of NHS organisations are appointed by the Appointments Commission, which is an independent body. They are not employees of the PCT but receive remuneration for their role which is agreed nationally. Executive Directors are employees of the PCT. Details of directors remuneration is set out within the Annual Report.

There have been a number of changes to the Executive Director structure throughout the year. In addition to the Chief Executive, the Executive Director posts are:-

- Muriel Scott and Gerry Taylor, Directors of Public Health (for NHS Bedfordshire and Luton respectively)
- Chris Ford, Director of Finance
- Jackie Hammond, HR Director who left in June and was replaced by Raffelina Huber
- Dr Steve Feast, Director of Transformation and Deputy Chief Executive
- Julie Ridge, Director of Communications. Julie was seconded to the central communications team working on transition arrangements and was replaced by Jane Meggitt.
- Simon Wood, Director of System Redesign and Performance
- Dr Fiona Sim, Medical Director
- Anne Murray, Director of Quality/Nursing

The Non-Executive Directors appointed by the Appointments Commission are outlined below:-

- Gurch Randhawa (Chair)
- Geoff Lambert
- Gary Ames
- Wendi Momen
- Brian Rolfe
- David Parfitt

The Board met nine times during the year. In November 2012, the Chair took the decision once the NHS Commissioning Board Local Area Team (now NHS England Area Team) was in place, to reduce the number of PCT Board meetings; however its Finance & Performance Committee was reinstated and met in January and February 2013 to scrutinise finance and performance for both the PCT Cluster and the two Clinical Commissioning Groups.

Board committees

To ensure that the PCT delivers on its statutory duties and to guarantee that services are available to its population that are safe and deliver value for money, the PCT cluster had in place a sub-committee structure consisting of those committees that are statutory (eg Audit Committee and Remuneration and Terms of Service Committee). Also in line with national guidance, both Clinical Commissioning Groups became sub-committees of the PCT Board and a cluster wide Patient Safety & Quality Committee and Finance & Performance Committee was put in place. A Decision Making Group was also in place. The Terms of Reference for all sub-committees were reviewed and the sub-committees contain representation from Bedfordshire Clinical Commissioning Group.

Finally, to ensure a smooth transition, a Transition Steering Group was formed reporting to the Board. The Group was chaired by a Non-Executive Director and membership included the Head of Transition, Director of Finance, Interim Director of Quality & Governance and Head of Governance & Risk/Company Secretary. Others were called to provide assurance to the group on transition matters e.g. human resources and public health when required.

The Transition Steering Group ensured delivery of the General Handover Document and the Quality Handover Documents to the Clinical Commissioning Groups and has also ensured that systems and processes were in place to produce the required transfer documentation in terms of assets, liabilities etc. All documentation was completed within the given timeframes and the necessary submissions to the Cluster Board and Strategic Health Authority made.

There have not been any issues of quoracy for the Board and its sub-committees.

The standing committees carry out functions delegates to them by the Board and seek assurance on behalf of the Board. These committees report directly to the Board. The role of the committees and a summary of issues considered by the committees are detailed below:

Audit & Risk Management Committee

The objectives of the Committee are to:

- Provide an independent and objective review of the effectiveness of internal control arrangements.
- Provide assurance to the Cluster Board on the systems of internal control and risk management across all functions and is supported by internal audit.

The Committee is Chaired by Geoff Lambert and the remaining Non-Executive Directors attend as members of the Committee. The Director of Finance, Head of Governance & Risk and representatives from Bedfordshire Clinical Commissioning Group, external audit, internal audit and the local counter fraud specialists also attend the meetings. The Committee met five times during the year.

The key achievements were:

- Provided assurance to the Board around the effective application of internal controls and risk management processes;
- Together with the Transition Steering Group, provided Board assurance around the processes leading to the disestablishment of the PCT and provided support and advice regarding the establishment of CCG governance systems.

Remuneration and Terms of Service Committee

The objectives of the Committee are to:

- Review recommendations on remuneration, allowances and terms of service of the Chief Executive and Executive Directors; ensuring appropriate processes are in place to monitor and evaluate performance of the Chief Executive and Executive Directors; oversee appropriateness of the appointment of Executive Directors.
- Determine pay awards for senior managers.
- Monitor the organisations capacity and capability to ensure delivery of objectives.
- Has responsibility for HR issues of significance and major organisational change, including TUPE requirements.
- Identification of risks associated with the areas outlined above.

The Committee is Chaired by Gary Ames and attended by a further three Non-Executive Directors. The Chief Executive and HR Director, also attend the Committee meetings as does the Director of Finance/Deputy Chief Executive, where appropriate. Given the scale of the task with regard to transition arrangements, the decision was taken to increase the number of meetings and the Committee met six times during the year.

The key achievements were:

- Approved severance/redundancy benefits, following reorganisations and closure of PCTs;
- Approved rates of pay for Bedfordshire and Luton Clinical Commissioning Groups;
- Reviewed performance reports and recommendations for individuals on VSM contracts and proposed category of pay awards, as appropriate.

Patient Safety & Quality Committee

The objectives of the Committee are to:

- Provide assurance that appropriate processes are in place to demonstrate delivery of the organisations priorities and objectives in the context of all national standards.
- Reporting in relation to key areas of quality i.e. complaints, patient surveys, infection control etc.

The Committee was initially Chaired by Brian Rolfe and attended by Gary Ames and Wendi Momen who are Non-Executive Directors. However Mr Rolfe was recruited as the Chair of the Bedfordshire Clinical Commissioning Group and as such stood down from his PCT Cluster Non-Executive role. The Committee has since been chaired by Wendi Momen and also Gary Ames. It is also attended by the Director of Quality and Safety, Medical Director and Directors of Public Health. The Committee met six times during the year.

The key achievements were:

- The Committee supported the development of an integrated quality and performance report;
- Improved mechanisms for the reporting of serious incidents;
- Inclusion of adult and children's safeguarding reporting so that this is integrated;
- Inclusion of CCG representatives onto the membership of the committee.

Finance & Performance Committee (January and February 2013 only)

The objectives of the Committee are to:

- Review issues relating to the use of PCT resources that may impact on the PCTs ability to achieve its statutory financial targets.
- Provide assurance to the Board that arrangements are in place to demonstrate performance against all national, regional and local targets.
- For the Clinical Commissioning Groups to provide assurance around financial and performance targets and progress of QIPP delivery.
- Review and ensure delivery of operating plans.

The Committee was Chaired by the PCT Cluster Chair, Gurch Randhawa. Members are also Geoff Lambert, Gary Ames and Wendi Momen who are Non-Executive Directors and the Director of System Redesign and Performance and the Director of Finance. Representatives from both Clinical Commissioning Groups also attended each meeting. The Committee met twice during the year.

The key achievements were:

- Oversaw, monitored and provided assurance to the Board covering key finance and performance goals of the PCT Cluster and Clinical Commissioning Groups. This included:

Finance

Meeting all statutory requirements:

1. **Revenue expenditure** was within the approved revenue resource limit. The PCT resource limit was £650.6, actual spend was £650.3, producing a surplus of £0.3.
2. **Capital costs** were within the approved capital resource limit of £4.25m for the PCT.
3. **Cash** must remain within the approved cash limit. The PCT had an approved cash limit for 2012/13 of £653.25m and this amount was drawn down in full from the Department of Health. The final cash balance as at 31 March 2013 was 0 (zero).

Also oversaw QIPP programme deliver savings of 12.8m.

Performance

- Detailed review of monthly performance against national and local indicators including quality and safety measures.
- Agree actions for improvement and monitor delivery.

The Executive is the key body responsible for implementing the strategic direction set by the Board and for ensuring clinical, service and financial performance in line with local and national standards. The Executive Team was chaired by the Chief Executive and met weekly. Its membership included the Directors of Public Health, Director of Finance, HR Director, Director of Transformation and Deputy Chief Executive, Director of Communications, Director of System Redesign and Performance, Medical Director and the Director of Quality/Nursing. In addition the Chairs and Chief Operating Officer/Accountable Officer of the two Clinical Commissioning Groups have attended these meetings.

Board effectiveness

The Board agreed that the priorities for the year were:

- To reduce health inequalities and support people and communities to live in good health for longer;
- To integrate services, deliver QIPP and improve outcomes for patients;
- Support Clinical Commissioning Groups throughout the authorisation process;
- Support staff through change and develop new skills;
- Maintain performance in transition;
- Develop Commissioning Support Services.

2012/13 was a challenging year for NHS Bedfordshire and the Board had certain key issues to address. These included:

- Improving performance against key targets at a local acute trust including A&E, stroke and 18 weeks RTT.
- Ensuring that statutory financial targets are met.
- Supporting the development of Bedfordshire Clinical Commissioning Group through its journey to authorisation.
- Ensuring that a Commissioning Support Service was in place that was fit for purpose and able to deliver as required to the Clinical Commissioning Groups.

Compliance with the Code of Governance

The Board is bound by the Code of Governance which requires Boards of NHS organisations to exercise the same standards of governance that apply to all private and public sector organisations.

This means that Boards must work together and take collective responsibility for the performance of the organisation, including financial, service and clinical performance. Not all of the agreed objectives were fully delivered in year, indicating a need to improve the effectiveness of the process for setting deliverable objectives and the controls that are in place for monitoring delivery.

The Board operates as a unitary Board. This means that all Board members work as equals to act in the best interests of the organisation.
The Board has exercised its duty to monitor performance through the integrated performance reports that it receives.

The Board has maintained a strong focus on clinical governance, ensuring that clinical safety has not been compromised by the financial pressures facing the organisation and has applied a range of mechanisms to assess clinical quality and patient experience, including presentation of a patient story at each meeting and regular review of complaints data and patient experience surveys and reports.
The Board meets the criteria set out in the Code of Governance in relation to the independence of Non-Executive Directors.

There are clear committee structures and the responsibilities of individual committees are set out in their terms of reference and the Scheme of Delegation. The Standing Orders follow the model standing orders for NHS PCTs and are complied with.

Board administration has strengthened with the role of the Company Secretary with responsibility for preparing and distributing agenda and papers, maintaining comprehensive records of meetings and decisions, ensuring appropriate referral of matters between the Board and committees and ensuring decisions. The presentation and content of papers has improved significantly.
The effectiveness of the Board is constantly reviewed with post Board meetings in place attended by the Executive Directors, Company Secretary and Chief Executive.

Risk assessment

All PCT staff are empowered to identify risks within their own operational areas. The PCT adopted the 4Risk system to capture risks. It consists of the Board Assurance Framework and individual directorate risk registers. One to one training is available on the system and risk management processes for all staff.
Either the high risks or the Board Assurance Framework are reported to the Board and Audit & Risk Management Committee meetings, where discussions take place as to whether the mitigations are sufficient to reduce the level of inherent risk to one that is tolerated by the organisation. The Board Assurance is also reviewed by the Executive Team to ensure that it reflects the organisations strategic objectives. In addition one to one meetings are held with each of the Executive Directors to ensure that any high risks aligned to them are reviewed on a monthly basis.

The risk and control framework

The Board's Risk Management Strategy defines the structure for the management of risk and identified responsibility for ownership of risk. Leadership is given to the risk process from the Chief Executive who has overall accountability supported by the Executive Directors. Risk management processes are led, overseen and disseminated through the organisation by the Executive Directors, senior managers and line managers.

Risk management is clearly defined and incorporated into the job descriptions of Board members and all senior managers. Risk is integrated into the business planning process and all staff are encouraged to report incidents and near misses thus enabling the PCT to identify and hence minimise its exposure to risk.

Root cause analysis of serious incidents is undertaken as appropriate and feedback provided to staff through team meetings. Feedback is also provided via staff newsletters as part of a wider learning process. The risk register is established with reports being presented to the Board. The risk register also incorporates the organisation's assurance framework which is also reviewed in line with the operating framework and risks relating to the transition to clinical commissioning, the NHS England and Commissioning Support Services. The Executive Directors consider

performance and risk at their Executive Team meetings and in additional performance and accountability meetings.

Most risks have a direct influence with the PCT. Those impacting on other local providers are considered at Partnership Board meetings in conjunction with other stakeholders.

The Chief Executive and Executive Team meet with the Strategic Health Authority on a bi-monthly basis in order that NHS Bedfordshire's current position is reviewed on a regular basis.

Review of the effectiveness of risk management and internal control

The PCT has worked closely with the internal auditors in developing the risk management framework. The audit undertaken focussing on Cluster Governance was rated as green, providing substantial Board assurance. In addition the Head of Internal Audit has concluded that the system of internal control in place during 2012/13 provided significant assurance. This is based on the range of work undertaken as part of the annual internal audit plan.

There were four low recommendations following the Cluster Governance audit all of which were accepted and implemented.

Significant issues

There have not been any additional significant issues to report.

Accountable Officer: **Jane Halpin, NHS Commissioning Board Area Director, Hertfordshire and South Midlands**

Organisation: **NHS Bedfordshire**

Signature:

Date: 7.6.13

INDEPENDENT AUDITORS' REPORT TO THE ACCOUNTABLE OFFICER FOR BEDFORDSHIRE PRIMARY CARE TRUST

We have audited the financial statements of Bedfordshire Primary Care Trust (the 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 42. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

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

- the table of salaries and allowances of senior managers;
- the table of pension benefits of senior managers and related narrative notes; and
- the table of pay multiples and related narrative notes.

This report is made solely to the Accountable Officer for Bedfordshire Primary Care Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. 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 PCTs circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the PCT; and
- the overall presentation of the financial statements.

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

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

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

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

- our review of the Governance Statement; and
- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the PCT.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 Bedfordshire Primary Care Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Paul King
for and on behalf of Ernst & Young LLP
Reading
10 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER FOR BEDFORDSHIRE PRIMARY CARE TRUST

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Financial Position, Operational Financial Balance note, the Cash Flow Statement, Running Costs note, Better Payment Practice Code note, Capital Resource Limit note and External Audit Fees note.

This report is made solely to the Accountable Officer of Bedfordshire Primary Care Trust, 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 the Accountable Officer and auditor

The Accountable Officer is responsible for preparing the Annual Report.

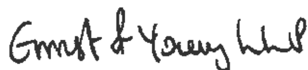
Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

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 my 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 Bedfordshire Primary Care Trust for the year ended 31 March 2013.



Ernst & Young LLP

Statutory Auditor

Reading

10 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**16,386**	12,604
Other costs	5.1	**658,400**	637,401
Income	4	**(24,667)**	(22,782)
Net operating costs before interest		**650,119**	627,223
Investment income	9	**(2)**	(3)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**236**	245
Net operating costs for the financial year		**650,353**	627,465
Transfers by absorption -(gains)		**0**	
Transfers by absorption - losses		**0**	
Net (gain)/loss on transfers by absorption		**0**	
Net Operating Costs for the Financial Year including absorption transfers		**650,353**	627,465
Of which:			
Administration Costs			
Gross employee benefits	7.1	**14,780**	9,184
Other costs	5.1	**6,336**	6,594
Income	4	**(3,855)**	(871)
Net administration costs before interest		**17,261**	14,907
Investment income	9	**(2)**	(3)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	12
Net administration costs for the financial year		**17,259**	14,916
Programme Expenditure			
Gross employee benefits	7.1	**1,606**	3,420
Other costs	5.1	**652,064**	630,807
Income	4	**(20,812)**	(21,911)
Net programme expenditure before interest		**632,858**	612,316
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**236**	233
Net programme expenditure for the financial year		**633,094**	612,549

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**151**	86
Net (gain) on revaluation of property, plant & equipment	**(793)**	(851)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**649,711**	626,700

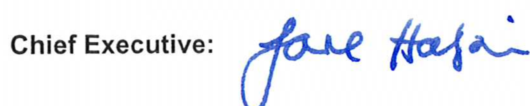
*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**39,787**	39,299
Intangible assets	13	**282**	443
investment property	15	**0**	0
Other financial assets	21	**0**	0
Trade and other receivables	19	**238**	334
Total non-current assets		**40,307**	40,076
Current assets:			
Inventories	18	**0**	19
Trade and other receivables	19	**8,633**	4,287
Other financial assets	36	**30**	30
Other current assets	22	**0**	0
Cash and cash equivalents	23	**0**	1
Total current assets		**8,663**	4,337
Non-current assets held for sale	24	0	0
Total current assets		**8,663**	4,337
Total assets		**48,970**	44,413
Current liabilities			
Trade and other payables	25	**(37,529)**	(39,525)
Other liabilities	26,28	**0**	0
Provisions	32	**(3,314)**	(118)
Borrowings	27	**(141)**	(134)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(40,984)**	(39,777)
Non-current assets plus/less net current assets/liabilities		**7,986**	4,636
Non-current liabilities			
Trade and other payables	25	**(364)**	(366)
Other Liabilities	28	**0**	0
Provisions	32	**(259)**	(308)
Borrowings	27	**(4,225)**	(4,365)
Other financial liabilities	36.2	**0**	0
Total non-current liabilities		**(4,848)**	(5,039)
Total Assets Employed:		**3,138**	(403)
Financed by taxpayers' equity:			
General fund		**(13,433)**	(16,888)
Revaluation reserve		**16,571**	16,485
Other reserves		**0**	0
Total taxpayers' equity:		**3,138**	(403)

The notes on pages 5 to 49 form part of this account.

The financial statements on pages 1 to 4 were approved by the Special Audit Sub Committee on behalf of the NHS Commissioning Board (Hertfordshire & South Midlands Area Team) on 6th June 2013 and signed on its behalf by:

Chief Executive:  Date: 7.6.13

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(16,888)	16,485	0	(403)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(650,353)			(650,353)
Net gain on revaluation of property, plant, equipment		793		793
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		(151)		(151)
Movements in other reserves			0	0
Transfers between reserves*	556	(556)		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	(649,797)	86	0	(649,711)
Net Parliamentary funding	653,252			653,252
Balance at 31 March 2013	(13,433)	16,571	0	3,138

	General fund	Revaluation reserve	Other reserves	Total reserves
Balance at 1 April 2011	(14,870)	16,338	0	1,468
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(627,465)			(627,465)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		851		851
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		(86)		(86)
Movements in other reserves			0	0
Transfers between reserves*	610	(610)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	8	(8)	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(626,847)	147	0	(626,700)
Net Parliamentary funding	624,829			624,829
Balance at 31 March 2012	(16,888)	16,485	0	(403)

Statement of cash flows for the year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		(650,119)	(627,223)
Depreciation and Amortisation		2,218	2,108
Impairments and Reversals		40	977
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		(227)	(233)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		19	276
(Increase)/Decrease in Trade and Other Receivables		(4,250)	592
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(1,567)	(909)
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(66)	(81)
Increase/(Decrease) in Provisions		3,204	21
Net Cash Inflow/(Outflow) from Operating Activities		(650,748)	(624,472)
Cash flows from investing activities			
Interest Received		2	3
(Payments) for Property, Plant and Equipment		(2,347)	(2,607)
(Payments) for Intangible Assets		(27)	(118)
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		0	447
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Proceeds from the disposal of Financial Assets (LIFT)		0	0
Loans Made in Respect of LIFT		0	0
Loans Repaid in Respect of LIFT		0	0
Rental Revenue		0	0
Net Cash Inflow/(Outflow) from Investing Activities		(2,372)	(2,275)
Net cash inflow/(outflow) before financing		(653,120)	(626,747)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(133)	(127)
Net Parliamentary Funding		653,252	624,829
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
Net Cash Inflow/(Outflow) from Financing Activities		653,119	624,702
Net increase/(decrease) in cash and cash equivalents		(1)	(2,045)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		1	6
Opening Balance adjustment - TCS transactions			2,040
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		0	1

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.

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Bedfordshire PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

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.

- Determining whether a substantial transfer of risks and rewards has occurred in relation to leased assets.

Key sources of estimation uncertainty

The PCT has not had to make any key assumptions concerning the future, or make any other estimates of uncertainty at the statement of financial position date that will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, apart from the inclusion of a contingent care provision.
A provision of £2.412m has been created, representing the estimated cost of settling 168 outstanding claims for retrospective continuing health care funding.

The estimated cost of settlement has been calculated as follows:

The estimated claim value equals the number of days in the period covered by the claim multiplied by the average daily cost of care (based on £695 per week). The multiplier equals the likelihood of a successful claim.

The key source of estimation uncertainty within this provision is therefore the multiplier of success applied to each claim. This is set at 15%.

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

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

1.3 Taxation

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

1.4 Administration and Programme Costs

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

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

1. Accounting policies (continued)

1.5 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.6 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.7 Depreciation, amortisation and impairments

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

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

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

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

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

1. Accounting policies (continued)

1.8 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 was applied retrospectively and the 2010-11 results were restated.

1.9 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.

1.10 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.

1.11 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.

1.12 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).

1.13 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.14 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.

All annual leave earned for the period was taken by staff by 31st March 2013, so no specific accrual for the cost of outstanding leave has been required.

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.

1.15 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.

1.16 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.

1.17 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.

1.18 EU Emissions Trading Scheme

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

1. Accounting policies (continued)

1.19 Contingencies

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

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

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

1.20 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.21 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Resulting exchange gains and losses are taken to the Statement of Comprehensive Net Expenditure.

1.22 Provisions

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

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

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

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

1. Accounting policies (continued)

1.23 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

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.

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.

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

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

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

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

1. Accounting policies (continued)

1.23 Financial Instruments (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Other financial liabilities

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

1.24 Private Finance Initiative (PFI) and NHS LIFT transactions

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

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

a) Services received

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

b) PFI and LIFT assets, liabilities, and finance costs

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

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

1. Accounting policies (continued)

1.24 Private Finance Initiative (PFI) and NHS LIFT transactions (continued)

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

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

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

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

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

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

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

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

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

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

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

2 Operating segments

Financial reporting throughout the period of the accounts was to a single 'cluster' board consisting of executive and non-executive directors, accountable for both Bedfordshire PCT and Luton PCT.

Having divested its provider services from April 2011, the only operating segment remaining within the responsibilities of Bedfordshire pct is the commissioning of healthcare.

The PCTs net operating cost for the year ended 31 March 2013 was £644,687k, of which approximately £417,237k was expended purchasing healthcare and other services from other NHS organisations. The expenditure with the following organisations all exceeded 5% (£20,862k) of this value:

Bedford Hospital NHS Trust
Luton & Dunstable Hospital NHS Foundation Trust
South Essex Partnership University NHS Foundation Trust
South East Essex Primary Care Trust (as hosts of the East of England Specialist Commissioning Group)

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		627,465
Net operating cost plus (gain)/loss on transfers by absorption	**650,353**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**650,619**	627,969
Under/(Over)spend Against Revenue Resource Limit (RRL)	266	504

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	**4,250**	3,650
Charge to Capital Resource Limit	**1,943**	3,559
(Over)/Underspend Against CRL	**2,307**	91

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	**0**	0
Net Provider Operating Costs	**0**	0
Costs Met Within PCTs Own Allocation	**0**	0
Under/(Over) Recovery of Costs	**0**	0

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**653,252**	624,829
Cash Limit	**653,252**	624,829
Under/(Over)spend Against Cash Limit	**0**	0

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

	2012-13 £000
Total cash received from DH (Gross)	574,964
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**574,964**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	18,723
Plus: drugs reimbursement (central charge to cash limits)	59,565
Parliamentary funding credited to General Fund	**653,252**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12 Total
	£000	£000	£000	£000
Fees and Charges	**131**	0	131	0
Dental Charge income from Contractor-Led GDS & PDS	**6,314**		6,314	5,415
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**3,308**		3,308	3,235
Strategic Health Authorities	**4,697**	25	4,672	4,553
NHS Trusts	**172**	167	5	18
NHS Foundation Trusts	**118**	44	74	30
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**1,571**	93	1,478	2,013
Primary Care Trusts - Lead Commissioning	**936**	7	929	2,984
English RAB Special Health Authorities	**122**	0	122	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	**3,825**	3,460	365	723
Local Authorities	**154**	19	135	321
Patient Transport Services	**0**		0	0
Education, Training and Research	**0**	0	0	0
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	**3,160**	0	3,160	3,327
Other revenue	**159**	40	119	163
Total miscellaneous revenue	**24,667**	**3,855**	**20,812**	22,782

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	48,613		48,613	44,374
Non-Healthcare	703	703	0	575
Total	49,316	703	48,613	44,949
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	194,433	179	194,254	194,085
Goods and services (other, excl Trusts, FT and PCT))	196	0	196	191
Total	194,629	179	194,450	194,276
Goods and Services from Foundation Trusts	176,271	5	176,266	172,544
Purchase of Healthcare from Non-NHS bodies	58,005		58,005	44,873
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	4,954		4,954	2,519
Non-GMS Services from GPs	3,964	311	3,653	3,576
Contractor Led GDS & PDS (excluding employee benefits)	24,063		24,063	25,788
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0		0	0
Chair, Non-executive Directors & PEC remuneration	95	95	0	69
Executive committee members costs	119	119	0	122
Consultancy Services	1,056	731	325	721
Prescribing Costs	56,568		56,568	58,319
G/PMS, APMS and PCTMS (excluding employee benefits)	58,915	0	58,915	57,621
Pharmaceutical Services	0		0	0
Local Pharmaceutical Services Pilots	0		0	0
New Pharmacy Contract	13,132		13,132	12,880
General Ophthalmic Services	3,300		3,300	3,014
Supplies and Services - Clinical	907	0	907	1,369
Supplies and Services - General	31	2	29	24
Establishment	1,769	1,499	270	1,203
Transport	296	0	296	68
Premises	3,878	1,064	2,814	3,445
Impairments & Reversals of Property, plant and equipment	40	0	40	872
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	2,030	406	1,624	1,895
Amortisation	188	188	0	213
Impairment & Reversals Intangible non-current assets	0	0	0	105
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	129	0	129	0
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	133	133	0	221
Other Auditors Remuneration	50	50	0	0
Clinical Negligence Costs	135	135	0	0
Education and Training	4,014	387	3,627	4,418
Grants for capital purposes	0	0	0	250
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	413	329	84	2,047
Total Operating costs charged to Statement of Comprehensive Net Expenditure	658,400	6,336	652,064	637,401
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	847	847	0	409
Other Employee Benefits	15,539	14,052	1,487	12,195
Total Employee Benefits charged to SOCNE	16,386	14,899	1,487	12,604
Total Operating Costs	674,786	21,235	653,551	650,005

5. Operating Costs

5.1 Analysis of operating costs: (continued)

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**0**	0	0	0
Grants to Local Authorities to Fund Capital Projects	**0**	0	0	0
Grants to Private Sector to Fund Capital Projects	**0**	0	0	250
Grants to Fund Capital Projects - Dental	**0**	0	0	0
Grants to Fund Capital Projects - Other	**0**	0	0	0
Total Capital Grants	**0**	0	0	250
Grants to fund revenue expenditure				
To Local Authorities	**0**	0	0	0
To Private Sector	**0**	0	0	0
To Other	**0**	0	0	0
Total Revenue Grants	**0**	0	0	0
Total Grants	**0**	0	0	250

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**17,378**	14,960	2,418
Weighted population (number in units)*	**377,728**	377,728	377,728
Running costs per head of population (£ per head)	**46**	40	6
PCT Running Costs 2011-12			
Running costs (£000s)	**14,916**	14,676	240
Weighted population (number in units)	**377,728**	377,728	377,728
Running costs per head of population (£ per head)	**39**	39	1

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

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

5.2 Analysis of operating expenditure by expenditure classification

	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	**58,915**	57,621
Prescribing costs	**56,567**	58,319
Contractor led GDS & PDS	**24,063**	25,788
Trust led GDS & PDS	**0**	0
General Ophthalmic Services	**3,300**	3,014
Department of Health Initiative Funding	**0**	0
Pharmaceutical services	**0**	0
Local Pharmaceutical Services Pilots	**0**	0
New Pharmacy Contract	**13,132**	12,880
Non-GMS Services from GPs	**3,653**	3,576
Other	**84**	1,786
Total Primary Healthcare purchased	**159,714**	162,984
Purchase of Secondary Healthcare		
Learning Difficulties	**5,992**	8,776
Mental Illness	**53,159**	49,303
Maternity	**20,491**	20,608
General and Acute	**288,158**	279,737
Accident and emergency	**30,249**	28,329
Community Health Services	**77,895**	64,738
Other Contractual	**164**	919
Total Secondary Healthcare Purchased	**476,108**	452,410
Grant Funding		
Grants for capital purposes	**0**	250
Grants for revenue purposes	**0**	0
Total Healthcare Purchased by PCT	**635,822**	615,644
PCT self-provided secondary healthcare included above	**0**	0
Social Care from Independent Providers	**0**	0
Healthcare from NHS FTs included above	**176,266**	172,594

6. Operating Leases

The PCT has entered into lease arrangements for its motor vehicles and some properties occupied by the PCT or by its GPs.

With regard to the financial arrangements involving the use of GP premises the PCT, after examining IAS 17 (Leases), SIC 27 (Evaluating the substance of transactions involving the legal form of a lease) & IFRIC 4 (Determining whether an arrangement contains a lease), it was determined that those operating leases must be recognised as leases but, as there is no defined term in the arrangements entered into, it is not possible to analyse these arrangements over more than one financial year. The financial value included in the Operating Cost Statement for 2012/13 is £2,684k (£2,536k in 2011/12).

In general -

Payments are fixed over the term of the contract. The ownership of the properties/motor vehicles transfer back to the lessor at the end of the contract. The lease agreement does not permit the lessee any option to purchase the property at the end of the contract, and where there is an option to extend the lease period, it is an option, not an obligation.

Restrictions, where they exist in relation to property, relate to the use of the property for its permitted use only, not to leave the property continuously unoccupied and not to sleep or permit any person to reside on the property.

6.1 PCT as lessee

	Land	Buildings	Other	2012-13 Total	2011-12
	£000	£000	£000	£000	£000
Payments recognised as an expense					
Minimum lease payments				**3,762**	3,776
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**3,762**	3,776
Payable:					
No later than one year	**0**	**935**	**6**	**941**	961
Between one and five years	**0**	**2,629**	**1**	**2,630**	3,105
After five years	**0**	**7,634**	**0**	**7,634**	8,359
Total	**0**	**11,198**	**7**	**11,205**	12,425
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

The primary care services (Bedfordshire Community Health Services) which were formerly part of the PCTs provider arm were transferred to the South Essex Partnership University NHS Foundation Trust, effectively from 1st April 2011. These services continue to be provided from a number of PCT properties for which appropriate building occupation agreements are in place. The rental income from the Trust in 2012/13 was £2,358k

The dental services that were formerly part of the PCTs provider arm became a Community Interest Company (CIC) on 1st April 2011. These services continue to be provided from a number of PCT properties for which appropriate building occupation agreements are in place. The rental income from the CIC in 2012/13 was £363k

A new health centre at Shefford opened in 2012/13, parts of which are occupied by private tenants. The rental income from these tenants (a GP Practice) in 2012/13 was £225k.

A small part of the Enhanced Services Centre (ESC) situated on the Bedfordshire Health Village site is occupied by both NHS and non-NHS organisations, who pay rent to the PCT for those parts of the ESC they occupy. The total rental income from these tenants in 2012/13 was £207k.

A small part of Dunstable Health Centre is occupied by a non-NHS tenant. The rental income from this in 2012/2013 was £7k.

	2012-13	2011-12
	£000	£000
Recognised as income		
Rental Revenue	**3,160**	3,327
Contingent rents	**0**	0
Total	**3160**	3,327
Receivable:		
No later than one year	**3,284**	3,796
Between one and five years	**9,852**	8,616
After five years	**0**	0
Total	**13,136**	12,412

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13	Totals			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	**13,144**	11,761	1,383	**10,020**	8,872	1,148	**3,124**	2,889	235
Social security costs	**900**	806	94	**900**	806	94	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**1,235**	1,106	129	**1,235**	1,106	129	**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	**1,107**	1,107	0	**1,107**	1,107	0	**0**	0	0
Total employee benefits	**16,386**	**14,780**	**1,606**	**13,262**	**11,891**	**1,371**	**3,124**	**2,889**	**235**
Less recoveries in respect of employee benefits (table below)	**(3,825)**	(3,460)	(365)	**(3,608)**	**(3,277)**	**(331)**	**(217)**	**(183)**	**(34)**
Total - Net Employee Benefits including capitalised costs	**12,561**	**11,320**	**1,241**	**9,654**	**8,614**	**1,040**	**2,907**	**2,706**	**201**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**16,386**	**14,780**	**1,606**	**13,262**	**11,891**	**1,371**	**3,124**	**2,889**	**235**
Recognised as:									
Commissioning employee benefits	**16,386**			**13,262**			**3,124**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**16,386**			**13,262**			**3,124**		

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	**3,825**	3,460	365	**3,608**	3,277	331	**217**	183	34
Social Security costs	**0**	0	0	**0**	0	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**0**	0	0	**0**	0	0	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other Post Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination Benefits	**0**	0	0	**0**	0	0	**0**	0	0
TOTAL excluding capitalised costs	**3,825**	**3,460**	**365**	**3,608**	**3,277**	**331**	**217**	**183**	**34**

7. Employee benefits and staff numbers

7.1 Employee benefits (continued)

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	10,624	9,339	1,285
Social security costs	759	759	0
Employer Contributions to NHS BSA - Pensions Division	1,157	1,157	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	64	64	0
Total gross employee benefits	12,604	11,319	1,285
Less recoveries in respect of employee benefits	(723)	(706)	(17)
Total - Net Employee Benefits including capitalised costs	11,881	10,613	1,268
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	12,604	11,319	1,285
Recognised as:			
Commissioning employee benefits	12,604		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	12,604		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	3	2	1	4	3	1
Ambulance staff	0	0	0	0	0	0
Administration and estates	204	185	19	209	194	15
Healthcare assistants and other support staff	15	14	1	4	4	0
Nursing, midwifery and health visiting staff	11	10	1	11	10	1
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	7	7	0	8	8	0
Social Care Staff	0	0	0	0	0	0
Other	7	6	1	0	0	0
TOTAL	247	224	23	236	219	17
Of the above - staff engaged on capital projects	0	0	0	0	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,339	10,622
Total Staff Years	400	1,190
Average working Days Lost	3.35	8.93

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	2	0

	2012-13 £000s	2011-12 £000s
Total additional pensions liabilities accrued in the year	123	0

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Less than £10,000	11	0	11	3	0	3
£10,001-£25,000	6	0	6	1	0	1
£25,001-£50,000	5	0	5	1	0	1
£50,001-£100,000	5	0	5	0	0	0
£100,001 - £150,000	3	0	3	0	0	0
£150,001 - £200,000	1	0	1	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	31	0	31	5	0	5
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	1,261,833	0	1,261,833	64,000	0	64,000

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

7.5 Pension costs

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

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

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

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

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

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

b) Accounting valuation

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

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

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

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

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year.

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable

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

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**21,881**	**79,990**	23,139	78,560
Total Non-NHS Trade Invoices Paid Within Target	**16,273**	**44,217**	19,523	57,568
Percentage of NHS Trade Invoices Paid Within Target	74.37%	55.28%	84.37%	73.28%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**5,283**	**429,789**	4,241	394,332
Total NHS Trade Invoices Paid Within Target	**2,280**	**393,620**	2,034	363,445
Percentage of NHS Trade Invoices Paid Within Target	43.16%	91.58%	47.96%	92.17%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	2	2	0	3
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	2	2	0	3
Total investment income	2	2	0	3

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Interest				
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	227	0	227	233
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	227	0	227	233
Other finance costs	0	0	0	0
Provisions - unwinding of discount	9		9	12
Total	236	0	236	245

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	12,757	25,509	0	1,105	905	0	4,872	893	46,041
Additions of Assets Under Construction				327					327
Additions Purchased	0	549	0		373	0	652	15	1,589
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	1,317	0	(1,317)	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	105	688	0	0	0	0	0	0	793
Impairments/negative indexation	(10)	(141)	0	0	0	0	0	0	(151)
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	12,852	27,922	0	115	1,278	0	5,524	908	48,599
Depreciation									
At 1 April 2012	0	3,600	0	0	181	0	2,752	209	6,742
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	40	0	0	0	0	0	0	40
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	989	0		151	0	744	146	2,030
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	4,629	0	0	332	0	3,496	355	8,812
Net Book Value at 31 March 2013	12,852	23,293	0	115	946	0	2,028	553	39,787
Purchased	12,852	23,293	0	115	946	0	2,028	553	39,787
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	12,852	23,293	0	115	946	0	2,028	553	39,787
Asset financing:									
Owned	12,852	19,144	0	115	946	0	2,028	553	35,638
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	4,149	0	0	0	0	0	0	4,149
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	12,852	23,293	0	115	946	0	2,028	553	39,787

12.1 Property, plant and equipment (continued)

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	8,586	7,892	0	0	0	0	0	7	16,485
Movements (specify)	95	(7)	0	0	0	0	0	(2)	86
At 31 March 2013	8,681	7,885	0	0	0	0	0	5	16,571

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	327
Dwellings	0
Plant & Machinery	0
Balance as at YTD	327

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	12,764	21,801	0	1,685	904	144	4,432	1,135	**42,865**
Additions - purchased	0	895	0	1,592	484	0	440	34	**3,445**
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	2,039	0	(2,039)	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	(133)	(483)	(144)	0	(279)	**(1,039)**
Revaluation & indexation gains	0	853	0	0	0	0	0	0	**853**
Impairments	(7)	(79)	0	0	0	0	0	0	**(86)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**12,757**	**25,509**	**0**	**1,105**	**905**	**0**	**4,872**	**890**	**46,038**
Depreciation									
At 1 April 2011	0	1,842	0		378	58	1,964	333	**4,575**
Reclassifications		0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		(268)	(58)	0	(274)	**(600)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	767	0	0	0	0	105	0	**872**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	991	0		71	0	683	150	**1,895**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**0**	**3,600**	**0**	**0**	**181**	**0**	**2,752**	**209**	**6,742**
Net Book Value at 31 March 2012	**12,757**	**21,909**	**0**	**1,105**	**724**	**0**	**2,120**	**681**	**39,296**
Purchased	12,757	21,909	0	1,105	724	0	2,120	684	**39,299**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**12,757**	**21,909**	**0**	**1,105**	**724**	**0**	**2,120**	**684**	**39,299**
Asset financing:									
Owned	12,757	17,569	0	1,105	724	0	2,120	684	**34,959**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	4,340	0	0	0	0	0	0	**4,340**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**12,757**	**21,909**	**0**	**1,105**	**724**	**0**	**2,120**	**684**	**39,299**

12.3 Property, plant and equipment (donated assets)

The PCT received no donated assets in 2012/2013

All land and buildings were revalued on 30th September 2009 by the Valuation Office, an independent valuer. A desktop' revaluation was undertaken for all premises on 31 March 2013. The valuations have been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RCIS) Valuation Standards 6th Edition.

Basis for Valuation:

Fair value is defined in IAS16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. The fair value of land and buildings is usually determined from market-based evidence by appraisal undertaken by professionally qualified valuers.

The valuation of each property is therefore on the basis of Market Value, subject to the following assumption:

The Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation (effectively EUV), or; **for non-specialised operational assets**, this equates in practice to Existing Use Value (EUV), or; **for specialised operational assets**, if there is no market-based evidence of fair value because of the specialised nature of the property and the item is rarely sold, except as part of a continuing business, fair value is estimated using a depreciated replacement cost approach subject to the assumption of continuing use, or; **non-operational assets**, including surplus land, are valued on the basis of Market Value, making the assumption that the property is no longer required for existing operations, which have ceased.

Those buildings which qualify as specialised operational assets, and therefore fall to be assessed using the Depreciated Replacement Cost approach, have been valued on a modern equivalent asset basis.This is the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Asset lives for each class of asset are as follows:

	Minimum	Maximum
Buildings excl. Dwellings	15	100
Plant & Machinery	5	15
Transport Equipment	5	5
Information Technology	5	5
Furniture & Fittings	5	10

In 2012/13 there were no assets written down to their recoverable amount nor any reversals of such write-downs.
There is no property currently held that has an open market value that is materially different to its existing use value.

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	0	1,340	0	0	0	**1,340**
Additions - purchased	0	27	0	0	0	**27**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**1,367**	**0**	**0**	**0**	**1,367**
Amortisation						
At 1 April 2012	0	897	0	0	0	**897**
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	188	0	0	0	**188**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**1,085**	**0**	**0**	**0**	**1,085**
Net Book Value at 31 March 2013	**0**	**282**	**0**	**0**	**0**	**282**
Net Book Value at 31 March 2013 comprises						
Purchased	0	282	0	0	0	**282**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**282**	**0**	**0**	**0**	**282**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2011	0	1,226	0	0	0	1,226
Additions - purchased	0	114	0	0	0	114
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	1,340	0	0	0	1,340
Amortisation						
At 1 April 2011	0	579	0	0	0	579
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	105	0	0	0	105
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	213	0	0	0	213
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	897	0	0	0	897
Net Book Value at 31 March 2012	0	443	0	0	0	443
Net Book Value at 31 March 2012 comprises						
Purchased	0	443	0	0	0	443
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	443	0	0	0	443

Economic Lives of Non-Current Assets

Intangible Assets	Min Life Years	Max Life Years
Software Licences	5	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
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	40		40
Total charged to Annually Managed Expenditure	**40**		**40**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	151		
Total impairments for PPE charged to reserves	**151**		
Total Impairments of Property, Plant and Equipment	**191**	**0**	**40**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	**0**		
Total Impairments of Intangibles	**0**	**0**	**0**

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	**0**		
Total Impairments of Financial Assets	**0**	**0**	**0**
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of non-current assets held for sale	**0**	**0**	**0**
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of Inventories	**0**	**0**	**0**

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total Investment Property impairments charged to SoCNE	**0**	**0**	**0**
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	**0**		
Total Investment Property Impairments	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	151		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	40		40
Overall Total Impairments	**191**	**0**	**40**
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	**0**	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE -DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

15 Investment property

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

	31 March 2013 £000	31 March 2012 £000
Investment property capital transactions in 2012-13		
Capital expenditure	0	0
Capital income	0	0
	0	0

16 Commitments

16.1 Capital commitments

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

	31 March 2013 £000	31 March 2012 £000
Property, plant and equipment	265	0
Intangible assets	0	0
Total	265	0

16.2 Other financial commitments

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

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

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	4,692	0	6,484	0
Balances with Local Authorities	33	0	1,819	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,628	0	8,903	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,280	238	20,323	364
At 31 March 2013	8,633	238	37,529	364
prior period:				
Balances with other Central Government Bodies	1,976	0	5,451	0
Balances with Local Authorities	393	0	3,187	0
Balances with NHS Trusts and Foundation Trusts	1,210	0	10,823	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	708	334	20,493	366
At 31 March 2012	4,287	334	39,954	366

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000	Of which held at NRV £000
Balance at 1 April 2012	0	0	0	0	0	19	**19**	**0**
Additions	0	0	0	0	0	0	**0**	**0**
Inventories recognised as an expense in the period	0	0	0	0	0	(19)	**(19)**	**0**
Write-down of inventories (including losses)	0	0	0	0	0	0	**0**	**0**
Reversal of write-down previously taken to SoCNE	0	0	0	0	0	0	**0**	**0**
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	**0**	**0**
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	March 2012 £000
NHS receivables - revenue	**3,105**	2,763	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**3,078**	301	**0**	0
Non-NHS receivables - revenue	**680**	539	**238**	334
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**1,762**	562	**0**	0
Provision for the impairment of receivables	**(129)**	0	**0**	0
VAT	**137**	122	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**0**	0	**0**	0
Total	**8,633**	4,287	**238**	334
Total current and non current	**8,871**	4,621		
Included above:				
Prepaid pensions contributions	**0**	0		

A significant element of trade is with other NHS bodies, including other Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary. The non NHS income includes amounts due for dental practitioners and for dental charges to 31st March 2013.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**246**	625
By three to six months	**102**	470
By more than six months	**430**	118
Total	**778**	1,213

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**0**	(3)
Amount written off during the year	**0**	0
Amount recovered during the year	**0**	0
(Increase)/decrease in receivables impaired	**(129)**	0
Balance at 31 March 2013	**(129)**	(3)

20 NHS LIFT investments

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

21.1 Other financial assets - Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	30	30
Transfers (to)/from Other Public Sector Bodies in year	0	0
Other Movements	0	0
Closing balance 31 March	30	30

21.2 Other Financial Assets - Non Current

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

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	1	3
Net change in year	(1)	(2)
Closing balance	0	1
Made up of		
Cash with Government Banking Service	0	0
Commercial banks	0	1
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	0	1
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	0	1
Patients' money held by the PCT, not included above	0	0

24 Non-current assets held for sale

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

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

At 31 March 2012	0
At 31 March 2013	0

Note 24

25 Trade and other payables

	Current		Non-current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	£000	£000	£000	£000
Interest payable	0	0		
NHS payables - revenue	12,480	13,218	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	2,518	2,108	0	0
Family Health Services (FHS) payables	9,122	14,483		
Non-NHS payables - revenue	5,829	6,445	0	0
Non-NHS payables - capital	1,121	1,552	0	0
Non-NHS accruals and deferred income	6,052	1,258	364	366
Social security costs	2	276		
VAT	0	0	0	0
Tax	0	0		
Payments received on account	0	0	0	0
Other	405	185	0	0
Total	37,529	39,525	364	366
Total payables (current and non-current)	37,893	39,891		

There are no commitments in respect of payments due in future years under arrangements to buy out the liability for early retirements.

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	£000	£000	£000	£000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	141	134	4,225	4,365
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
Total	141	134	4,225	4,365
Total other liabilities (current and non-current)	4,366	4,499		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH	Other	Total
	£000s	£000s	£000s
0 - 1 Years	0	141	141
1 - 2 Years	0	96	96
2 - 5 Years	0	483	483
Over 5 Years	0	3,646	3,646
TOTAL	0	4,366	4,366

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Opening balance at1 April 2012	**83**	335	**366**	370
Deferred income addition	**0**	83	**0**	0
Transfer of deferred income	**(83)**	(335)	**(2)**	(4)
Current deferred income at 31 March 2013	**0**	83	**364**	366
Total other liabilities (current and non-current)	**364**	449		

30 Finance lease obligations

No finance lease obligations reported in 2012/2013

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

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

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

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

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

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

Finance Leases (as a Lessor)	31 March 2013 £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
Total rental income	0	0

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

32 Provisions

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	426	0	372	0	0	0	0	0	54	0
Arising During the Year	3,204	0	10	0	30	2,412	0	0	638	114
Utilised During the Year	(66)	0	(66)	0	0	0	0	0	0	0
Reversed Unused	0	0	0	0	0	0	0	0	0	0
Unwinding of Discount	9	0	9	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	3,573	0	325	0	30	2,412	0	0	692	114
Expected Timing of Cash Flows:										
No Later than One Year	3,314	0	66	0	30	2,412	0	0	692	114
Later than One Year and not later than Five Years	259	0	259	0	0	0	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	166
As at 31 March 2012	53

Pension provisions: there is minimal uncertainty regarding these provisions as they all relate to liabilities due to the NHS Pensions Agency, and are based on information provided by that agency.

£165,712 is included in the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the PCT (31/03/2012 £52,800).

A provision of £2,412,000 has been created, representing the estimated cost of settling outstanding claims for retrospective continuing health care funding.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
NHS Litigation	(5)	(9)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(5)	(9)
Contingent Assets		
	0	0
Net Value of Contingent Assets	0	0

A contingent liability may arise from a case in an intermediate care setting the outcome of which is uncertain.

34 PFI and LIFT - additional information

	31 March 2013	31 March 2012
	£000	£000
34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI		
Total charge to operating expenses in year - OFF SOFP PFI	0	0
Service element of on SOFP PFI charged to operating expenses in year	0	0
Total	0	0
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Total	0	0

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

	31 March 2013	31 March 2012
	£000	£000
Estimated Capital Value of Project - off SOFP PFI	0	0
Value of Deferred Assets - off SOFP PFI	0	0
Value of Reversionary Interest - off SOFP PFI	0	0

34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due
Analysed by when PFI payments are due

	31 March 2013	31 March 2012
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Subtotal	0	0
Less: Interest Element	0	0
Total	0	0

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	31 March 2013	31 March 2012
	£000	£000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	305	295
Total	305	295

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.	31 March 2013	31 March 2012
LIFT Scheme Expiry Date:	£000	£000
No Later than One Year	315	303
Later than One Year, No Later than Five Years	1,341	1,288
Later than Five Years	7,305	7,538
Total	8,961	9,129

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

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

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	31 March 2013	31 March 2012
	£000	£000
No Later than One Year	360	360
Later than One Year, No Later than Five Years	1,390	1,390
Later than Five Years	5,477	5,836
Subtotal	7,227	7,586
Less: Interest Element	(2,861)	(3,087)
Total	4,366	4,499

35 Impact of IFRS treatment - 2012-13

Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)	Total £000	Admin £000	Programme £000
Depreciation charges	191	0	191
Interest Expense	227	0	227
Impairment charge - AME	0		0
Impairment charge - DEL	0	0	0
Other Expenditure	457	0	457
Revenue Receivable from subleasing	(488)	0	(488)
Total IFRS Expenditure (IFRIC12)	387	0	387
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	269	0	269
Net IFRS change (IFRIC12)	656	0	656

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

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

36.1 Financial Assets	**At 'fair value through profit and loss'**	**Loans and receivables**	**Available for sale**	**Total**
	£000	**£000**	**£000**	**£000**
Embedded derivatives	0			**0**
Receivables - NHS		2,976		**2,976**
Receivables - non-NHS		817		**817**
Cash at bank and in hand		0		**0**
Other financial assets	0	30	0	**30**
Total at 31 March 2013	**0**	**3,823**	**0**	**3,823**
Embedded derivatives	0			0
Receivables - NHS		2,763		2,763
Receivables - non-NHS		873		873
Cash at bank and in hand		1		1
Other financial assets	0	30	0	30
Total at 31 March 2012	0	3,667	0	3,667

36.2 Financial Liabilities	**At 'fair value through profit and loss'**	**Other**	**Total**
	£000	**£000**	**£000**
Embedded derivatives	0		**0**
NHS payables		14,998	**14,998**
Non-NHS payables		22,124	**22,124**
Other borrowings		4,366	**4,366**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**41,488**	**41,488**
Embedded derivatives	0		0
NHS payables		15,377	15,377
Non-NHS payables		24,269	24,269
Other borrowings		4,499	4,499
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	44,145	44,145

37. Related party transactions

Bedfordshire Primary Care Trust is a body corporate established by order of the Secretary of State for Health.
It was effectively formed through the merger of Bedford PCT and Bedfordshire Heartlands PCT on 1 October 2006.

Board Members	Related party	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Dr Nick Curt	Dr O'Toole & Partners	935		3	
Dr Bruce Ella	West Street Surgery	1,163		5	
Dr Paul Hassan	Dr Hassan & Partners	875		22	
Dr Judy Baxter	Sandy Health Centre	985		1	
Dr Alvin Low	Dr Kirkham & Partners	1,317			
Dr Chris Marshall	Salisbury House Surgery	1,097		2	
Dr Lindsay McKenzie	Horizon Health Choices Ltd	2,043	49	314	2
	Wootton Vale Healthy Living Centre	256		117	
Dr Sarah Morris	Flitwick Surgery	2,032		6	
	Highlands Pharmacy	8		1	
Dr Peter Parry Okeden	Dr Parry Okeden & Partners	1,151			
	Horizon Health Choices Ltd	2,043	49	314	2
	Horizon Health Commissioning Ltd	2,043	49	314	2
		15,948	147	1,099	6

The Department of Health is regarded as a related party. During the year Bedfordshre Primary Care Trust has had a number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

Related Parties with which Bedfordshire Primary Care Trust had significant but non-material transactions included:

Buckinghamshire Healthcare NHS Trust
Cambridge Univiversity Hospital NHS Foundation Trust
Hinchingbrooke Healthcare NHS Trust
Papworth Hospital Foundation Trust
Royal National Orthopaedic Hospital NHS Trust

37. Related party transactions (continued)

Related Parties with which Bedfordshire Primary Care Trust had material transactions included:

NHS Organisations	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Bedford Hospital NHS Trust	136,366	34	1,855	16
East & North Hertfordshire NHS Trust	17,888		1,000	
East of England SHA	120	4,225	74	592
East of England Ambulance Service NHS Trust	13,564		586	
Luton & Dunstable Hospital NHS Foundation Trust	60,416	8	799	
Luton PCT	4,045	5,510	2,124	1,339
Milton Keynes Hospital NHS Foundation Trust	9,821		10	
South East Essex PCT	47,360		2,626	2,480
South Essex Partnership University NHS Foundation Trust	73,535	3,558	2,582	

NHS Organisations (2011/2012 comparatives)	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Bedford Hospital NHS Trust	125,923	785	4,080	20
East & North Hertfordshire NHS Trust	22,280		122	
East of England SHA	81	4,401	23	270
East of England Ambulance Service NHS Trust	12,839			355
Luton & Dunstable Hospital NHS Foundation Trust	59,500	316	527	
Luton PCT	1,666	7,043	2,160	1,093
Milton Keynes Hospital NHS Foundation Trust	9,774		310	
South East Essex PCT	41,657		1,160	
South Essex Partnership University NHS Foundation Trust	59,199	1,541	890	565

Non-NHS Organisations

In addition, Bedfordshire Primary Care Trust has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Details of these transaction include:

	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Central Government Bodies				
HM Revenue & Customs (PAYE & NI)	6274			
HM Revenue & Customs (VAT)		1134		137
NHS Pensions Agency (PCT staff)	2583			
NHS Pensions Agency (GP & staff)	6309		483	
	15,166	1,134	483	137
Local Government Bodies				
Bedford Borough Council	6283	37		24
Central Bedfordshire Council	9436	419		9
	15,719	456	0	33

Non-NHS Organisations (2011/2012 comparatives)	Payments to related party £'000	Receipts from related party £'000	Amounts owed to related party £'000	Amounts due from related party £'000
Central Government Bodies				
HM Revenue & Customs (PAYE & NI)	4,754		410	
HM Revenue & Customs (VAT)		1,349		122
NHS Pensions Agency (PCT staff)	6,463		558	
NHS Pensions Agency (GP & staff)	5,458		482	
	16,675	1,349	1,450	122
Local Government Bodies				
Bedford Borough Council	7,372	490	1,301	5
Central Bedfordshire Council	9,854	720	1,813	270
	17,226	1,210	3,114	275

In addition to the relationships listed above, Bedfordshire Primary Care Trust had trading relationships with bodies exrernal to the Government and the Department of Health where this relationship gave Bedfordshire PCT some degree of influence over the activities and decision-making of that party. These relationships included material transactions with two Doctor's Co-operatives that provided out-of-hours services on behalf of the Primary Care Trust (BEDOC and M-Doc with payments of £1,670k and £729k respectively), (2011/2012 figures were £1,865k and £734k), and with CAN, a registered charity providing an integrated drug & alcohol service, that received £3,901k in 2012/2013. There are no comparative figures for CAN for 2011/2012, as the service provided in 2012/2013 is significantly larger than that commissioned in 2011/2012.

38 Losses and special payments

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

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

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

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

39 Third party assets

None held during 2012/2013

40 Not used

41 Cashflows relating to exceptional items

None reported in 2012/2013

42 Events after the end of the reporting period

Under the provision of the Health and Social Care Act 2012, Bedfordshire PCT was dissolved on 1st April 2013. The main functions carried out by Bedfordshire PCT in 2012/13 are to be carried out in 2013/14 by the following public sector bodies:

	2012/2013 equivalents £000's
NHS England:	
Commissioning of Primary Care Services	85,858
Commissioning of Specialist Services	45,831
NHS Bedfordshire Clinical Commissioning Group:	
Commissioning of Acute Health Services	285,765
Commissioning of Community Health Services	150,918
Medicines Management incl Prescribing Costs	57,619
Central Bedfordshire Council, Bedford Borough Council and Public Health England:	
Commissioning of Public Health Services	3,996

Details of the transfer of property, rights and liabilities to sucessor organisations under sections 300 and 301 of the Health and Social Care Act 2012 are summarised in the required instructions document.

Certain assets have transferred to NHS Property Services on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT accounts. It will be for the sucessor body to consider whether in 2013/14, it is necessary to review these for impairment.

In accordance with guidance issued by the Department of Health, arrangements have been made for the continued local processing of PCT transactions relating to the period ending 31st March 2013 (the paying of invoices and the collection of income) through to 30th June 2013. Residual operating balances at that date will be transferred to the appropriate sucessor organisation based on the relevant guidance.

Events after the end of the reporting period. The assets and liabilities of the PCT were transferred to successor bodies on 1 April 2013 as follows:	Balances held by PCT as 31st March 2013	Department of Health	Clinical Commissioning Groups	NHS Commissioning Board (NHS England)	NHS Property Services	Community Health Partnerships
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Non Current Assets	40,307	238	946	2,310	32,664	4,149
Current Assets	8,663	7,940	0	693	0	30
Total Assets	48,970	8,178	946	3,003	32,664	4,179
Total Current Liabilities	(40,984)	(28,973)	(11,176)	(173)	0	(662)
Total Assets less Current Liabilities	7,986	(20,795)	(10,230)	2,830	32,664	3,517