Department of Health

NHS

Nottingham City Primary Care Trust

2012-13 Annual Report and Accounts

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Nottingham City Primary Care Trust

2012-13 Annual Report

NHS
Nottingham City

NHS Nottingham City

Annual Report 2012/13

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This is the annual report for NHS Nottingham City 2012/13. It includes information about the organisation and its activities during 2012/13.

This document can be made available in large print and other formats, including translations, upon request.

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Joint statement from the Chairman and Chief Executive

This is the last Annual Report produced by NHS Nottingham City Primary Care Trust (PCT). Recent reform and restructuring of the NHS means that as of 31 March 2013 the PCT ceased to exist and commissioning responsibilities for local health services, in the main, passed to the NHS Nottingham City Clinical Commissioning Group with Nottingham City Council and the NHS Commissioning Board also taking on responsibility for some areas of health commissioning.

Primary care trusts (PCTs) were launched in 2000 and were fully established across the country by 2002. PCTs across England were initially established with three clear objectives:

- To purchase care for local communities from hospitals and other local providers
- To directly provide services such as community care
- To work with local agencies to tackle health inequalities and improve public health.

The role of the PCT was later expanded to take on more specific and enhanced responsibilities for:

- Improving the health of the community
- Securing the provision of high-quality services
- Integrating health and social care locally.

Over the last twelve years, the PCT has led a number of initiatives and commissioned activity that has had a real and positive impact on the health of the local population. This Annual Report looks at the PCT's performance over the last financial year (April 2012 to March 2013) but the legacy we leave behind is the result of several years' work from commissioners, providers, public health specialists and of course the colleagues who supported these functions.

Collectively, we delivered many notable achievements during the lifetime of the PCT. We are particularly proud of our work to improve the buildings where health services are provided, especially the opening of four Joint Service Centres across the City. Clifton Cornerstone, The Mary Potter Centre in Hyson Green, Bulwell Riverside and the St Ann's Valley Centre are all now operational and delivering a range of NHS, Council and housing services from state-of-the-art facilities located in the heart of their communities. By working with the local authority, other partners and community groups on the development of the Joint Service Centres we are now providing services in a more joined-up way all under one roof.

Meaningful engagement with local people on what matters to them and their families has helped us to shape local NHS services. Through patient consultation and engagement we have been able to gather valuable feedback and make a number of changes to how we plan and deliver health care. Improving access to primary care services was a key priority for the PCT and we funded four new health centres in the areas of the City where people said they were most needed as part of a £15 million programme of investment over five years. In response to patient feedback we also looked at how services can be delivered more flexibly and as a result we now have extended GP opening hours and a mobile dental service. These are just some of the ways our patients have had input and we are very grateful for the time that members of the public have taken to engage with us. A particular thank you to the members of our Patient Experience Group and Citizens' Health Panel. Please continue to be involved in shaping services – your experience is so valuable to the NHS.

The campaigns and initiatives that the CCG has led or supported have seen the life expectancy gap between the most and least deprived areas of the City continue to narrow. Teenage pregnancy and smoking rates have fallen and the uptake of childhood vaccinations and breastfeeding rates have increased. Much of the PCT's work in improving health and wellbeing across the City has been delivered in conjunction with our partners. We have had excellent working relationships with Nottingham City Council and our main providers – Nottinghamshire Healthcare NHS Trust, Nottingham University Hospitals NHS Trust and Nottingham CityCare Partnership – as well as organisations from across the voluntary and independent sectors. We thank our partners for their contribution to the work of the PCT and in delivering the joint priorities we have shared.

We are very proud of what we have achieved in Nottingham City and know that the Clinical Commissioning Group that succeeds us not only acknowledges the progress made but is also keen to build on the work of the PCT to further improve the health of local people. More doctors and nurses are now directly involved in planning and commissioning healthcare. We have worked closely with the CCG during the transition to the new arrangements, supporting the development of the clinicians and executive team who will lead this new organisation. They are capable, knowledgeable and above all committed to serving local people, improving their health and wellbeing and meeting their health needs both now and in the future.

We are also encouraged that the CCG shares our values and a commitment to reducing health inequalities in the City. They have already demonstrated strong leadership and effective clinical and patient engagement – providing the foundations of what we are sure will be a successful CCG, responsive to the needs of local people.

Ron Buchanan *Derek Bray*
Chairman *Chief Executive*

About us

NHS Nottingham City was the primary care trust (PCT) responsible for commissioning (buying) healthcare services for the people of Nottingham City from 2000/01 until 31 March 2013.

As part of the Government's healthcare reforms, a number of national changes to the NHS structure came into effect on 1 April 2013. As a result, NHS Nottingham City PCT closed on 31 March 2013 and its commissioning responsibilities were taken over by a new clinical commissioning group (CCG) – NHS Nottingham City Clinical Commissioning Group. Public Health functions transferred to the local authority during 2012/13, with the local authority taking over full responsibility for Public Health from 1 April 2013.

The NHS Nottingham City (PCT) Board gave its approval for responsibility for most of its commissioning budget to be delegated to the emerging NHS Nottingham City CCG in April 2011. During 2012/13 the CCG went through an authorisation process and was officially authorised to become a statutory NHS organisation in January 2013.

In line with guidance issued by the Department of Health during 2012/13, NHS Nottingham City joined with NHS Nottinghamshire County Primary Care Trust to create a 'PCT Cluster' which covered the whole of Nottinghamshire. This approach allowed a single executive team to effectively manage the transition to the new arrangements and helped us to manage resources and prevent duplication while the new CCGs worked in shadow form alongside. Within Nottinghamshire County there are now six clinical commissioning groups – one covering Nottingham City and five covering the county.

The move towards clinical commissioning across the country means that doctors and other health professionals are now much more involved in planning, monitoring and buying the NHS services that people need locally, making sure they are high quality and value for money. NHS Nottingham City Clinical Commissioning Group is lead by an executive team which includes nine local GPs. In May 2012 NHS Nottingham City CCG was named Commissioning Team of the Year at the 2012 British Medical Journal Awards.

The PCT covered the same geographic area as Nottingham City Council and had legal responsibility for ensuring appropriate healthcare for the City's population of 345,000 – including GP services, Walk-in Centres, nurse appointments, pharmacies, opticians, dentists and even hospital treatment. The CCG now covers the same area and has the same responsibility.

Through the effective commissioning (planning and buying) of services the PCT worked to make sure local health services were high quality and value for money, and available at the right place at the right time. The CCG is now following in its footsteps to continue this aim.

The health services commissioned (bought) by the PCT – and now by the CCG – for the people of Nottingham City include hospital services, mental health and learning disability services and community health services. The PCT also worked closely with other agencies such as Nottingham City Council and with voluntary sector groups and engaged with the Council's Overview and Scrutiny Committee to ensure support for our its work. The CCG continues to maintain these important close working relationships.

The PCT's performance was monitored by the Strategic Health Authority, known as NHS Midlands and East, which in turn reported to the Department of Health. The CCG is now monitored by a new body known as the NHS Commissioning Board.

Primary care factfile

In Nottingham City we have:

- 62 GP practices, a GP-led health centre and an NHS Walk-in Centre. Out-of-hours GP urgent care services are provided by Nottingham Emergency Medical Services (NEMS). A range of enhanced services is offered by the GP practices, including minor surgery, extended opening hours, sexual health, alcohol and heart health checks and clinics.
- 41 dental practices with four specialist orthodontic practices and a mobile dental service. An integrated dental unit is available six days a week providing walk-in urgent dental care, based within the Nottingham Walk-in Centre. Out-of-hours urgent dental services are provided by Nottingham Emergency Dental Services.
- 65 community pharmacies with many offering additional services covering drug misuse, sexual health, healthy living, stopping smoking and health promotion. *Pharmacy First*, Nottingham's well-established minor ailments scheme, which is run in 61 community pharmacies across NHS Nottingham City, was used more than 32,000 times in the last year, leaving GP appointments free for those with more serious conditions.

Commissioning for a healthier Nottingham

Nottingham City has a relatively young population with a higher than average proportion of young adults; one third of the population is aged 15-29, reflecting the presence of two large universities and recent international immigration. The City also has a higher percentage of single people than average with 51 per cent of our adult population never having been married, compared to a national average of 34.6 per cent.

Nottingham is an ethnically diverse city and 25 per cent of the population describes itself as being of a black or minority ethnic group. Black and minority ethnic groups generally have a younger age structure than the overall population. They also tend to have higher rates of limiting long-term illness or disability than White British people, particularly in the older age groups.

The latest index of deprivation (2010) shows that Nottingham's ranking has improved compared to 2007, moving from the 13th most deprived area in England to the 20th. Despite this, two out of three areas of Nottingham City rank amongst the 20 per cent most deprived in England.

Commissioning in the NHS is the process of ensuring that the health and care services provided effectively meet the needs of the population. It is a complex process with responsibilities including assessing population needs, prioritising health outcomes, procuring products and services and performance managing service providers.

This report showcases a number of areas in which our commissioning organisation worked to improve services, often with the support of partners, during 2012/13. In line with the need to deliver on the Department of Health's QIPP (Quality, Innovation, Productivity, Prevention) agenda, this work covered both the development of new services and the re-design of existing services to make them more efficient and responsive to patient needs.

Health inequalities

Health inequalities reflect the differences in health, or the distribution of the factors that affect health, in our society. Where a person is born still influences how long they will live. People in Nottingham face considerable health inequalities which, although fairly typical for a city of our size and demographic, are unfair and unacceptable.

The most obvious example of this is in life expectancy, which varies in Nottingham, with people in the most deprived areas living up to ten years less on average than those living in the most affluent areas. Overall our life expectancies remain lower than the national average at 75.7 for men and 80 for women against 78.6 and 82.6 nationally.

The link between greater levels of deprivation and poorer health outcomes is well established. When considered alongside the current difficult financial climate it makes work to tackle these inequalities at once both more important and challenging.

Tackling health inequalities cannot be achieved in isolation, which is why NHS Nottingham City worked hard in partnership to improve a wide variety of social and economic factors which impact directly on individuals' health and wellbeing.

The major contributors to the life expectancy gap between Nottingham and England are cancer, cardiovascular disease and respiratory disease. The likelihoods of cancer and cardiovascular disease can both be reduced by taking similar steps: reducing smoking (also a key factor in preventing respiratory disease), exercising, moderation in alcohol consumption, and maintaining a healthy weight. Smoking alone contributes an estimated 50% to the life expectancy gap between Nottingham and England.

During 2012/13 the PCT's health improvement work continued to focus on working in partnership with local communities, public sector organisations and the third sector to address these lifestyle risk factors.

Promoting Better Health: Decade of Better Health and Change Makers

Decade of Better Health (DOBH) is the City's flagship health promotion programme run in partnership between Nottingham City Council, NHS Nottingham City and ONE Nottingham. The programme works in and with local communities with the aim of tackling health inequalities and helping Nottingham achieve the ambitious health targets set out in the Nottingham Plan to 2020.

The Decade of Better Health programme:

- Focuses on engaging communities with a social marketing approach using communication and engagement to encourage positive behaviour change.
- Calls the community to action by getting local people to pledge to make a small change towards a healthier lifestyle in their own lives.

Change Maker volunteers donated a total of 1,918 hours in 2012/13, supporting Decade of Better Health in its work in the communities that they live in. In total, the Change Maker volunteers speak 18 different languages, something that helps the team reach even the most diverse communities in our highly multi-cultural city. These communities can often be hard to reach via traditional 'mass media' communication, but by having a team of people on the ground talking to individuals the programme is able to gain invaluable local insight into health needs, and tailor activities accordingly.

From the launch of the programme in January 2010 to December 2012 a total of 25,000 pledges were made by more than 10,000 people.

During 2012/13 DOBH and Change Maker activity included:

- High profile sponsorship of the 2012 Nottingham Caribbean Carnival, including a mass Zumba, a dedicated health zone at the carnival and participation in the street parade.
- Launch of a Small Grants Fund initiative engaging with local community and voluntary groups offering small local organisations the chance to bid for funding to run health improvement initiatives in their own communities.

During 2013/14 and beyond the programme will continue to strive towards the health improvements targets in the Nottingham Plan, and reduce health inequalities in our City.

Commissioning Better Health Improvement

In addition to health promotion and awareness raising work, Public Health Nottingham City also commissions a range of specialist services to support individuals to adopt a healthier lifestyle. In particular there is a focus on tackling smoking, obesity, poor diet, low levels of physical activity and high alcohol consumption.

Adult Healthy Lifestyles and CVD prevention

This Adult Healthy Lifestyle pathway targets neighbourhoods and groups at the greatest risk of Cardiovascular Disease (CVD) with a mixture of community outreach and primary care referral services which support individuals in achieving behaviour change.

Key health improvement services within the programme include the Healthy Change Lifestyle Referral and Support Hub, New Leaf smoking cessation service and Slimming World on Referral.

Individuals can be referred by their GP following a CVD risk assessment through the local NHS Health Check programme, or they can refer themselves. From 2012, the NHS Health Check programme was opened to all 40-74 year olds without existing CVD. In the first three quarters of 2012/13, 1,926 people received a health check. Of these, 976 were found to be at high risk of cardiovascular disease.

In the final quarter of 2012/13 the Nottingham City Public Health team ran a joint advertising and communications campaign with NHS Nottinghamshire County. With a particular emphasis on areas with the lowest take-up of NHS Health Checks, the campaign raised awareness of the availability of NHS Health Checks and encouraged eligible people to book an appointment.

More than 20,000 clients accessed services within the Adult Healthy Lifestyles programme during 2012/13. Over 10,000 individuals successfully completed a programme of ongoing support to improve their health (drop-in services are not included in this figure).

Following the initial success of the Healthy Change Lifestyle Referral and Support Hub (more than 6,000 clients were referred to the Hub in 2012/13), the service was re-commissioned for a further three years.

Reducing smoking prevalence

Nottingham City's stop smoking service, New Leaf, continues to successfully support people to quit smoking. 4,208 people accessed New Leaf and set a quit date in the first three quarters of 2012/13.

Fresh Futures, the Young People's Smokefree Peer Mentoring Service which launched in 2011/12, trained 76 young people to become smokefree peer mentors in the first three quarters of 2012/13. These mentors went on to support 328 young people, to prevent the uptake of smoking and to promote positive health messages within their communities. A young people's smokefree action group has also been established to increase young people's engagement with the tobacco control agenda.

Increasing physical activity

The number of adults in Nottingham who are physically active at least three times per week continues to rise, bringing it to 25.5% of the population in the December 2012 Active People survey). This is above both target figures and the local and national averages. There was year-on-year fluctuation, but this was not unexpected due to the sampling methods used.

Physical activity services also saw an increase in attendances, with over 5,000 adults taking part in services that help people to become more active in 2012/13. This is an increase of over 35 per cent from 2011/12.

Reducing alcohol harm

Reducing levels of alcohol consumption and the harm it can cause remains a priority in Nottingham, where alcohol-related hospital admissions reduced by two per cent in 2011/12 to 2,346 per 100,000 population – still significantly above the national average.

The new alcohol treatment services which launched in April 2011 continued to perform well during 2012/13. The Last Orders Triage Service completed 1,065 triage assessments in the first three quarters of 2012/13; this is the single point of access to alcohol treatment. Last Orders also trained 728 health and other front-line staff in identifying harmful alcohol use and giving brief advice.

Identifying long term conditions in people with mental health problems

People with serious mental health problems are more likely to experience physical health problems than the general population. During 2012/13 a number of measures were introduced to improve physical health; mechanisms and services were put into place to establish smoking prevalence, offer advice and provide smoking cessation support. In addition, during 2012/13, a physical health checklist was developed for use in secondary mental health services to identify physical health problems. The form was developed following engagement and consultation with those in receipt of mental health services and was piloted for use in 2013/14.

Ensuring people with learning disabilities access healthcare

In 2012/13 NHS Nottingham City completed its annual review of how health services meet the needs of people with a learning disability. The review found that more people were receiving annual health checks and services were improving the way they communicated with people with a learning disability and making reasonable adjustments to improve the care and support received. This will continue to be a priority for NHS Nottingham City Clinical Commissioning Group in 2013/14. Health facilitators are employed in the community to support people with learning disabilities in accessing healthcare and acute liaison nurses are employed in hospitals to support individuals with learning disabilities whilst in hospital and provide training and support for staff.

Increasing choice for people accessing primary care psychological therapies

In January 2013 NHS Nottingham City implemented Any Qualified Provider for Primary Care Psychological Therapies, giving patients a choice between two providers. Patients are now referred to these services through an administrative booking system and are informed of waiting times and locations in order to choose their provider. During 2013/14 there will be another opportunity for new providers to become qualified which will further increase choice for people. NHS Nottingham City also worked to increase the proportion of people from BME communities who access primary care psychological therapies.

Implementing a new mental health voluntary sector pathway

In April 2012 NHS Nottingham City implemented a new voluntary sector mental health pathway, which consisted of five new services becoming operational. A new point of access into the pathway was introduced called Wellbeing Plus, which provides assessment, short term support and referral on through the pathway. The empowerment plus service provides a range of groups and educational courses, including training around Wellness Recovery Action Planning (WRAP), in order to help people manage their mental health condition. There is also a mental health telephone helpline and a specialist counselling service for people who have experienced sexual violence. Regular pathway meetings ensured that services are effective and are working in partnership and in October 2012 a consultation event was held with stakeholders, service users and carers to ascertain their views around how well the pathway was working.

Improving the health of children

1) Promoting good oral health

In Nottingham City 38 per cent of five year olds suffer from tooth decay, a figure which is higher than the national average.

Tooth decay is the most common disease of childhood and is preventable. Untreated tooth decay may result in pain and infection that can lead to problems with nutrition, growth, school attendance and speech. Poor dentition and bad breath may make children self-conscious, affecting their confidence and self-esteem. Poor oral hygiene may persist into adulthood leading to periodontal disease, which is linked to heart disease.

During 2012, the Oral Health Promotion team distributed over 30,000 oral health messages and resources to children aged zero to five years through partnerships with health visiting, school nurses and midwifery.

Building on the success of an externally funded pilot programme delivered to four-year-olds in 2011, a resource was further developed to encompass three to 11 year-olds. In December 2012, an oral health education material and guidance pack for primary school teachers and pupils, '*Teeth Tools for Schools*', was rolled out to all primary schools in Nottingham City. Further development of the overall programme will also include targeted age group resources.

In September 2012 a joint oral health and nutrition project was delivered in three secondary schools to year seven pupils, aiming to improve oral health and promote healthy weight.

An evaluation of the project found a positive impact on pupils' knowledge and behaviour in following good practice guidelines for oral health. This project will help to inform service development in adopting a whole school approach to improve oral health and promote healthy weight.

2) Supporting breastfeeding

Breastfeeding has a major role to play in Public Health. It improves health outcomes in both the short and the long term for mother and baby, and can contribute to lowering infant mortality rates.

A study commissioned by UNICEF UK investigated the potential benefits of a moderate increase in breastfeeding rates. They calculated the impact of raising breastfeeding rates on numbers of GP consultations for three disease areas. It was estimated that if breastfeeding rates increased moderately, 54,000 fewer GP consultations would be needed three disease areas, resulting in a saving of £40 million each year.

Evidence suggests that mothers are more likely to start and continue breastfeeding if they are supported. With this is mind two initiatives were introduced in 2012 to help support new young mothers and with the aim of increasing breastfeeding initiation and duration rates:

1. **Peer support:** A peer support service, the Nottingham City Baby Feeding Team, was commissioned and started in 2012. The service uses women who have themselves breastfed and who have received accredited training, to offer support to other women like them in their community. The service offers:
    a. Targeted one-to-one support for women aged under 25 to address current age-related inequalities in breastfeeding initiation and duration.
    b. Group-based peer support for all other pregnant and breastfeeding women, building on existing support groups and services.
2. **Be A Star:** Launched in October 2012 to coincide with the initiation of the peer support service, *Breastfeed, Be A Star* is a campaign featuring real local young mums as 'ambassadors' for breastfeeding. Two mums were specifically selected from areas of Nottingham that historically have lower rates of breastfeeding. They and their babies feature on all campaign materials in a series of striking images that challenge preconceptions and celebrate the beauty, confidence and pride that comes with breastfeeding. Based on similar principles to the Nottingham City Baby Feeding Team, the *Be A Star* campaign uses young mums to inspire their peers to start, and stick with, breastfeeding.

Research collaboration to improve health

Research is essential to the NHS in order to continually improve patient care, health outcomes and the effectiveness of health services. During 2012/13 we continued to be involved in a range of primary care and public health research studies including those on the NHS National Institute for Health Research (NIHR) portfolio and we collaborated with academic partners to actively support the development of new NIHR research grant applications that related to PCT strategic priorities. During 2012/13 patients took part in studies covering a range of topic areas including osteoarthritis, childhood injury prevention, end of life care, smoking cessation and diabetes.

Delivering QIPP

The Quality, Innovation, Productivity and Prevention (QIPP) programme delivered savings of £9.1 million in 2012/13 with the major savings delivered through prescribing, planned care, emergency care, and mental health programmes.

In 2012/13 NHS Nottingham City continued to invest in services within the community, meaning that patients are accessing services closer to home and avoiding visits to hospital. This included a new community respiratory service to prevent emergency admissions into hospital. An integrated clinical assessment and treatment service for orthopaedic conditions was also commissioned, based in several locations across the City. This service brings together experts from the local hospital and community teams to jointly assess and treat patients. The service significantly reduces outpatient waiting times by referring to hospital only those patients who will benefit from seeing a consultant.

Projects to reduce prescribing costs continued to be successful, with NHS Nottingham City benchmarking as best in its peer group. GP practices continued to review their referrals and admissions into hospital and worked with colleagues to identify possible areas and suggestions for improvement. Redesign of pathways in urology, diabetes and cardiology lead to fewer patients having outpatient follow-up appointments in hospital.

Within the mental health programme the PCT started to see a reduction in the number of patients in specialist individual placements. This includes locked rehabilitation and low and medium secure services.

Choosing the right care

Inappropriate use of emergency health services costs the NHS millions of pounds every year. During the winter of 2012/13 the PCT ran an advertising campaign to educate people in Nottingham City about using the hospital Accident and Emergency (A&E) Department appropriately (only in an emergency) and to tell them about alternative primary care services and how to access them.

The local advertising used two designs and before launching the campaign the team talked to more than 100 local people about the adverts and asked for their opinion on how to get the message across to patients in the most impactful way.

One was a hard-hitting image which showed a queue of people waiting outside A&E with text indicating the alternative services they should have accessed. At the end of the queue was a funeral wreath with the words ‘should have been at the front of the queue’ which showed that people’s lives can be put at risk if A&E doctors are busy treating people who could have accessed other health services. The other design focused on raising awareness of the two NHS Walk-in Centres in the City, with locations, opening times and contact details for each. Both campaigns included advertising on poster sites, bus shelters, bus and tram interiors, billboards, the Council House and the Topper newspaper.

Medicines management

The Medicines Management team in Nottingham City works collaboratively with health and social care partner organisations and with local patients to improve access to and use of medicines. Annual work programmes are in place to continually promote high quality, safe and effective use of medicines to ensure that patients get the best possible outcomes from their prescribed therapy.

Prescribing reviews and support to GP practices are ongoing to promote evidence based, cost effective, rational use of medicines ensuring value for money.

Productivity and efficiency savings from 1 April 2012 – to 31 December 2012 were £2,005,000, against an anticipated saving of £535,000 for the year – a significant achievement.

Improving standards and safety associated with the use of medicines

Medicines management pharmacists and technician leads continue to support this complex agenda through a range of activities such as undertaking clinical medication reviews for high risk patients and contributing to the safeguarding of patients.

The technician team lead has effective joint working relationships with the local authority. Monitoring arrangements and auditing of the provision of medication to older people in these settings is now well established. Other activities include quality assurance, development of policies and procedures, audit, oversight of medicines-related education and training, and production of newsletters for care staff.

Pharmacist-led clinics

Medicines Management team pharmacists continue to support patients within GP practices in Nottingham City through pharmacist-led clinics. For example, two pharmacist independent prescribers specialising in type 2 diabetes initiate and adjust therapy in accordance with national and local diabetes guidance. Patients are followed up to ensure interventions are appropriate and to assess whether further intervention is required. In all cases the interventions made demonstrated a positive outcome and patients responded positively to the reviews.

Review of antipsychotic prescribing

A major review in this area was undertaken to reduce the inappropriate prescribing of antipsychotics as prioritised by the Department of Health National Dementia Strategy. The work also ensures these medicines are used for the treatment of dementia in accordance with national guidance.

Community Pharmacy Services

During 2012/13, the Community Pharmacy Development Team continued to strengthen collaborative working relationships with local pharmacists and the Local Pharmaceutical Committee in order to deliver effective pharmaceutical services for the local population.

Across the City, 10 of the 65 pharmacies are now open for 100 hours a week, thus improving access to local pharmacy services. Community pharmacists continue to deliver a comprehensive range of locally commissioned services to meet the specific needs of residents. These services include:

- The Pharmacy First Minor Ailment Scheme, which undertook 31,500 consultations from April 2012 to January 2013, and which enables quick and easy access to advice and medicines for common minor ailments without the need to see a doctor. It also frees up GP consultation time.
- Pharmacy Drug Misuse Services, such as the Supervised Methadone Service and the Supervised Subutex Consumption Scheme, are aimed at reducing the harms associated with drug misuse. Local pharmacists delivered over 50,000 substance misuse and harm minimisation interventions during 2012/13. In addition, pharmacists delivered 9,622 interventions through the Pharmacy Needle Syringe Exchange Scheme from April 2012 to January 2013. This scheme also enables used needles to be safely removed from the community.
- The majority of Nottingham City pharmacies now offer free access to emergency hormonal contraception, (EHC), commonly known as the ‘morning after pill’, to women aged 14 to 24 who are registered with a Nottingham City GP practice. Between April 2012 and January 2013, 3,500 pharmacy consultations were completed under this scheme. Additional sexual health services such as pregnancy testing, free access to condoms through C-card schemes and chlamydia screening and testing are also available through many of our pharmacies.
- Pharmacists received additional training and support to enable delivery of two nationally commissioned services aimed at helping patients to understand and manage their medicines better. The New Medicines Service and the Medicines Use Review Service were promoted locally and are accessible to patients such as those with long term conditions, those on many different medicines (polypharmacy) or following recent discharge from hospital.
- NHS Nottingham City also supported an educational development programme for pharmacists so that they in turn can support their patients.
- The Pharmacy Healthy living lead initiative was further developed to incorporate public-facing messages to encourage self help, deliver health promotion messages and signpost patients appropriately.

Performance and patient access

This section sets out the performance of the local NHS, how services are being delivered, access to treatment and other important measures relating to local and national targets.

In the year to 31 March 2013:

- 93.6 per cent of admitted patients were treated within 18 weeks. In March 2013 the figure was 94.3 per cent.
- 98.9 per cent of non-admitted patients were treated within 18 weeks. In March 2013 the figure was 98.5 per cent.
- 21 patients waited more than six weeks for a diagnostic test. In March 2013 the figure was 0.

Cancer waiting times for the year to 31 January 2013

Note: All cancer figures are for the 10 months to January 2013 as data for February and March is not available to Nottingham City CCG, which produced this annual report on behalf of NHS Nottingham City after the PCT ceased operation.

- 94.2 per cent of patients with suspected cancer were seen by a consultant within 14 days of referral by their GP (national standard 93 per cent)
- 97.4 per cent of patients received their first treatment within 31 days following a diagnosis of cancer (national standard 96 per cent)
- 83.4 per cent of patients diagnosed with cancer were treated within 62 days of a referral from their GP (national standard 85 per cent)

Improving access to dentistry

As part of its commitment to increasing access to NHS dental services in the City, the PCT piloted a mobile dental service during 2012/13 and following its success decided to commission a mobile dental service.

The newly commissioned service started on 1 April 2013, providing oral health promotion sessions and sign posting, oral health assessments and dental treatment and care.

During January – March 2013 NHS Nottingham City ran a voucher scheme which gave members of the public the opportunity to receive a free dental check-up worth £17.50. The voucher could be redeemed at any NHS Nottingham City dental practice. Vouchers were distributed to GP surgeries, pharmacies, SureStart centres, community centres and colleges and through a promotion event in the Victoria Centre.

The PCT also undertook a marketing campaign at local cinemas which encouraged viewers to call the PALS team to find a dentist.

Patient and public engagement

NHS Nottingham City aimed to reduce health inequalities and improve outcomes for local people. Its commitment was to commission high quality care and services for the population of Nottingham City. It worked closely with provider organisations and patients during the year to improve quality by ensuring that services were delivering improved safety, effectiveness and positive patient experiences.

The examples below demonstrate some of the work undertaken to support these improvements in quality.

Engagement

The NHS belongs to all of us and NHS Nottingham City welcomed the active participation of patients, carers, community representatives and groups and the public in planning, delivering and evaluating the services it commissioned. The PCT undertook a number of engagement activities with its Citizens' Health Panel and Patient Experience Group including:

- Inviting patients and the public to talk about their experiences of equality in local health services, which informed the PCT's declaration on the Public Sector Equality Duty.
- Seeking comments and ideas on how the emerging Clinical Commissioning Group could best engage with its population, including those groups which are seldom heard.
- Engagement on the Out of Hours service and ideas for what the service might look like in the future in preparation for re-commissioning the service.
- Involving service users in the development of service specifications for six new mental health services and in the selection process for providers.

The results of all these engagement events including what the PCT learned and what it proposed to do as a result are or will be available at www.nottinghamcity.nhs.uk.

Complaints

Patients and their carers or representatives have the right to have any complaint about services commissioned by NHS Nottingham City investigated efficiently and effectively. During 2012/13 the PCT received a total of 346 complaints about commissioned services and primary care contractors (general practitioners, dentists, optometrists and pharmacists).

The PCT had robust systems in place to resolve an individual's dissatisfaction with an NHS service and learn lessons. Complaints provide valuable feedback about patient experiences of services and help trusts to continuously improve the quality of the services that they commission. For instance during 2012/13 as a result of one complaint NHS Nottingham City made sure that a patient received a refund because they had been incorrectly charged for dental treatment, and as a result of another complaint the local hospital agreed to improve its arrangements for discharging patients to make sure that any specialist support needed at home is in place.

Clinical audit and effectiveness

Clinical audit seeks to improve patient care and outcomes by reviewing care against standards and taking actions to change practice if necessary; clinical effectiveness measures the extent to which a particular intervention works.

The below clinical audit activity was undertaken during 2012/13:

- **National Diabetes Audit:** GP practices were invited to take part in the annual national audit for 2012/13. Participating practices were contacted between July and September 2012 to provide data about their diabetic patients to enable the opportunity to plan diabetes care according to local needs and to compare themselves to similar organisations. At the time of going to print the results of the audit were yet to be published.
- **Diabetes and Depression Practice Specific Objective Audits:** In June 2012 GP practices were encouraged to participate in one of two audits relating to diabetes or depression as part of the 2012/13 practice specific objectives. The audits were developed in line with NICE guidance and involved a review of patient records, GP training (depression audit only) and a patient survey (diabetes audit only). The patient survey returned nearly 2,500 responses and provided real insight into how patients felt about their diabetes management.

  The results following the initial audit were subsequently shared with GP practices to evaluate the care of their patients with diabetes or depression, identify common themes and to formulate recommendations to achieve best practice across all GP practices in Nottingham City. Each practice was expected to complete an action plan to highlight areas where patient care could be improved and a re-audit was scheduled to take place in April 2013 to evaluate these improvements.

NHS Nottingham City continually sought to review, improve and enhance its processes to ensure that the services it provided or commissioned had adequate arrangements in place for dissemination, implementation, and monitoring of national clinical guidance.

Serious incidents

NHS Nottingham City was responsible for the management of serious incidents arising from its activities and the performance management and monitoring of serious incidents in its commissioned and contracted services. The PCT worked closely with its providers to ensure that serious incidents were thoroughly investigated and to ensure that SMART (Specific, Measurable, Attainable, Relevant, Timely) action plans were produced and implemented as a result to enhance and improve service delivery.

During 2012/13, 442 serious incidents were reported by the PCT's commissioned and contracted services and it worked together with partners in NHS Nottinghamshire County and Bassetlaw to share lessons and improve patient safety.

Keeping people safe – safeguarding children and vulnerable adults

The safety and welfare of children and vulnerable adults is an integral part of local planning and commissioning arrangements, governance systems and those of the services commissioned by NHS Nottingham City. Nottingham City and Nottinghamshire Safeguarding Committees are the internal governance forums which oversee safeguarding arrangements and monitor strategic safeguarding plans.

During 2012/13 NHS Nottingham City provided strategic leadership and specialist expertise to the Nottingham City Local Safeguarding Children Board and Vulnerable Adult Partnership Board and their sub-committees, which added significantly to these multi agency forums.

Standards of safeguarding in Nottingham City were favourably scrutinised in 2012/13 by a number of organisations, including the Care Quality Commission (CQC) and NHS Midlands and East.

Find out more and have your say

It's now even easier to find out the latest news from the NHS in Nottingham and say what you think about the local NHS. Find the new NHS Nottingham City Clinical Commissioning Group (CCG) on Twitter at www.twitter.com/nhsnottingham or follow @NHSNottingham or 'like' www.facebook.com/NHSNottinghamCity.

The CCG wants to hear your views on how your local NHS could be developed and improved. If you live in Nottingham City or are registered with a Nottingham City GP (local doctor) then you can join the Nottingham Health and Wellbeing Network. Members will receive regular updates on how to get involved, such as focus groups and events to discuss specific issues. More information can be found online at www.nottinghamcity.nhs.uk. Alternatively, please call the Engagement Co-ordinator on 0115 883 9320.

The NHS Constitution

NHS Nottingham City was committed to meeting the rights, pledges and responsibilities for staff and patients as set out in the NHS Constitution. A copy of the NHS Constitution can be found at www.gov.uk/government/publications/the-nhs-constitution-for-england.

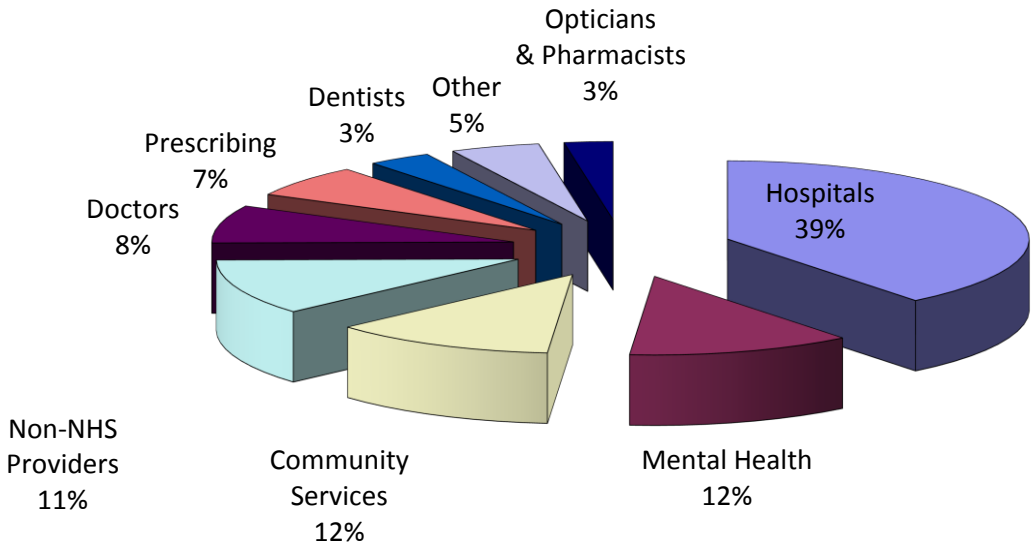
Finances

NHS Nottingham City achieved its statutory financial duties for 2012/13. The table below shows the income and operating costs and performance against financial duties for the last five years. Summarised financial statements and further financial analysis is provided later in Annex Two, including full details of remuneration for members of our Board and executive committees, details of compliance with the CBI Better Payment Practice Code, and details of management and administration costs.

How the money was spent

	2012/13 £'000	2011/12 £'000	2010/11 £'000	2009/10 £'000	2008/09 £'000
Commissioning	581,131	562,827	500,945	491,995	427,331
Provision	0	0	48,976	47,573	42,892
Less: Non-discretionary expenditure	0	0	0	3,031	2,805
Interest income	-65	-102	-160	0	-56
Finance costs	5,443	4,996	4,661	5,050	1,471
Net operating costs	586,509	567,721	554,422	541,587	468,833
Revenue Resource Limit	590,921	571,133	561,263	544,035	471,116
Operating financial balance	4,412	3,412	6,841	2,448	2,283

Main categories of expenditure



Governance

The NHS Nottingham City Board was committed to ensuring the efficient and effective management of the inherent risks associated with the commissioning of a high quality system for the care and treatment of patients. In addition to this the Board was conscious of ensuring that appropriate governance arrangements were in place during the transition period from primary care trusts to the new organisations which inherited the PCT's functions after 31 March 2013.

The PCT's governance framework was responsive to the complex and changing environment in which the organisation was operating and was designed to drive continuous quality improvement. It was kept under review and regularly amended throughout the transition period.

Corporate assurance

The assurance framework was a crucial element of governance and was fundamental in assuring the Board that key risks to the achievement of strategic objectives were being successfully managed. It played an important role in supporting the Annual Governance Statement and the Head of Internal Audit Opinion.

An Audit and Governance Committee was established and was responsible for reviewing the formation and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities.

A new Finance and Performance Committee was also established and was responsible for:

- Receiving assurance from and holding the shadow clinical commissioning group to account in respect of their delegated authority for finance and performance matters
- Monitoring key performance indicators and financial targets relating to the PCT and/or cluster-wide CCG matters
- Reviewing the PCT's performance and providing scrutiny over financial matters.

Transitional governance

A Transition Board was established in 2012 to ensure the effective transfer of the PCT's functions, assets and liabilities. The Transition Board had a number of different work streams which included: employment, estates, IT, information governance, legal and corporate governance, quality and clinical governance, public health, contracts and commissioning support.

During 2012/13 the structure, terms of reference and memberships of relevant committees were reviewed to ensure appropriate input to the monitoring of transitional risks and to ensure that regular assurance reports were provided. The Audit and Governance Committee received monthly updates regarding progress against the Transition Plan, which highlighted significant risk issues by exception.

Information governance

An established framework for information governance was in place across the organisation, which ensured that risks to data security were effectively managed and controlled.

The Risk and Performance Committee was responsible for overseeing the implementation of information governance policies and procedures and reviewed all breaches of patient confidentiality and other information security incidents. During 2012/13, there was a significant focus on maintaining good information governance during the transition to new organisational structures in line with the National Information Governance Board (NIGB) guidance. This ensured that information governance issues were systematically considered and risks identified and addressed.

More details relating to information governance arrangements are contained within Annex 2 of this report.

Workforce matters

2012/13 was been a more settled year for staff at NHS Nottingham City, despite the continued climate of change as the PCT entered a stage of transition to new working arrangements. All NHS Nottingham City staff were transferred to new organisations, assigned to the emerging Clinical Commissioning Group or remained with the PCT Cluster. The resilience and dedication of the staff once again come to the fore and they all deserve huge praise for their response.

Staff support

Throughout this period of transition, ongoing support was provided by the Human Resources function and the PCT liaised with Staffside and the Joint Staff Consultative Committee, valuing their input and advice.

Staff communications were prioritised and several forums and staff meetings were developed in which colleagues could find out more and have their say. Communications included special one-off all-staff meetings, *The Grapevine* intranet forum for staff to anonymously put their views to the Executive Team and monthly staff briefings where staff could quiz key decision makers directly. In addition, information was carried in a weekly *Team Talk* email and through directorate team meetings.

The PCT engaged with staff on a number of programmes of work affecting them, the organisation and patients, including the NHS Constitution, the Equality Delivery System, Culture for Innovation and the development of the Clinical Commissioning Group's vision and values.

An interactive intranet site enabled staff to find out more about local and national support groups and provided updates on the range of benefits and discounts that can be accessed as an NHS employee.

Equality and diversity

NHS Nottingham City was committed to being a fair and inclusive employer. The Trust recognised that employees are essential to the provision of high quality healthcare and was committed to maintaining a working environment that promoted the health and wellbeing of employees.

NHS Nottingham City was a Disability Two Tick Symbol Holder and a Mindful Employer.

The PCT had a full range of human resources policies that were aligned with the Equalities Act 2010. All policies had Equality Impact Assessments completed and were developed in partnership with staff-side representatives.

NHS Nottingham City worked collaboratively as part of a Nottinghamshire Network (East Midlands Pacesetters Programme) and implemented a 'Liberating the Talents' project, which was developed to advance career progression for BME workers employed within the NHS.

Workforce data was analysed on a quarterly basis and an annual Workforce Equality and Diversity Monitoring Report was also produced and published.

Turnover and sickness absence

The number of staff employed by NHS Nottingham City at 31 March 2013 was 212 with a Whole Time Equivalent of 163.59.

NHS Nottingham City's annual sickness rate for the year up to and including March 2013 was 1.93 per cent.

Sustainable healthcare

Why report on sustainability?

Sustainability has been recognised at a national level as an integral part of delivering high quality healthcare efficiently. The Department of Health Manual for Accounts states that all NHS bodies are required to produce a Sustainability Report (SR) as part of their wider Annual Report, to cover their performance on greenhouse gas emissions, waste management, and use of finite resources, following HM Treasury guidance.

The key principle behind this type of reporting is that it provides trusts with an opportunity to demonstrate how sustainability has been used to drive continuous environmental, health and wellbeing improvements in their organisation and, in doing so, unlock money to be better spent on patient treatment and care. Sustainability reporting which is published also enables trusts to showcase their achievements with staff, patients and other stakeholders, providing an opportunity to inspire positive behaviours in the wider community. Furthermore, once established across the board, Trust-wide reporting can constitute a transparent, comparable and consistent framework for assessing their own environmental performance and benchmark it against that of other trusts and public sector bodies, a commonplace practice in the private sector.

A framework for reporting sustainability information as part of the annual NHS financial reporting process has been developed by the NHS Sustainability Development Unit and the Department of Health, to support trusts in meeting the above mandate and to help monitor how every NHS organisation is contributing towards meeting the national target of a 10 per cent cut in NHS-wide carbon emissions by 2015, and a 34 per cent cut in the overall national carbon footprint by 2020, in line with the Government commitment made in the Climate Change Act 2008.

Performance and achievements to date

NHS Nottingham City carried out groundbreaking sustainable development work from 2001 onwards, through its role as a good corporate citizen in the local healthcare community. The Trust's sustainability work enabled it to continue to save money for patient care at a time of financial constraint, whilst improving operational efficiency, reducing carbon emissions, and ensuring legal compliance.

The Trust worked at both strategic and operational levels with a range of partners to develop and promote domestic energy savings services, sustainable food initiatives, walking and cycling schemes, and a Trust-wide carbon management programme that achieved national and international recognition.

During 2012/13, the Trust actively engaged with the owners and occupants of its estates to transfer all areas around sustainability in which the Trust had provided leadership. Initially this included providing back energy and waste data to the new provider organisations to assess the carbon intensity of their inherited estates. The Trust also supported the NHS Nottingham City Clinical Commissioning Group to plan workshops for GPs to understand how sustainability can be embedded in their practice, local community and through their new commissioning roles, reducing costs and carbon emissions and helping them to identify and promote opportunities and resources available locally.

Building on previous reporting efforts, the Trust's sustainability performance in terms of energy used in buildings, water consumption, waste arising and greenhouse gas emissions was carefully monitored and recorded throughout 2012/13, a summary of which can be found in the tables which follow.

In line with its sustainability aims, the Trust supported the wider health community across the region to share good practice and make progress in sustainable development by hosting the East Midlands NHS Carbon Reduction Project, which saved over 2,000 tonnes of CO_2 and about £2 million during 2012/13.

Emergency preparedness and business continuity

Major incident plans

NHS Nottingham City had a statutory responsibility under the Civil Contingencies Act 2004 in planning response and recovery for emergencies. Each year it reviewed and updated its major incident plans; the most recent version was the NHS Nottingham City and Nottinghamshire County Cluster Major Incident Plan 2012. This was approved by the PCT Board and was validated by an exercise called *Exercise Argon Shield,* which considered the issues of a chemical attack on Nottingham City Centre. This was a multi-agency live exercise and as part of this the PCT tested the communications cascade mechanism and the self presenters plan for primary care at the Walk-In Centre on London Road.

The PCT Cluster participated in a number of incidents and events requiring input from the Emergency Planning Team during 2012/13. The following list is only a snapshot of these:

- Snow and cold weather – January 2012 and January 2013
- Olympic resilience planning – March - July 2012
- Escalation of fuel disruption – April 2012
- Industrial action – May 2012
- The Queen's visit to Nottingham – June 2012
- Olympic torch relay – June 2012
- Severe weather and flooding – June, November and December 2012

The Emergency Planning function has now moved over to the NHS Commissioning Board Area Team for Derbyshire and Nottinghamshire, with the transition being well supported by the PCT Cluster resources. As part of this transition the Nottinghamshire Emergency Planning Team led an emergency planning exercise, *Exercise Inception*, in January 2013 to test the future arrangements for Nottinghamshire, which demonstrated resilience of the new arrangements and highlighted the confidence in these.

Business continuity planning

NHS Nottingham City had an approved Business Continuity Policy in place for the Cluster arrangements and the PCT Cluster supported clinical commissioning groups in the development of their arrangements. The PCT Cluster had an operational business continuity planning group and a strategic business continuity monitoring group in place responsible for monitoring business continuity arrangements across the Cluster. All directorates of the PCT Cluster had business continuity plans in place which supported the overarching business continuity response.

The PCT Cluster resilience manager audited all GP practice business continuity plans during 2012, which provided assurance to the PCT Cluster that practices had resilient plans in place.

The business continuity lead supported the development of future business continuity arrangements during the transitional period to ensure there was a seamless transition to the arrangements for the NHS Commissioning Board Area Team for 2013/14.

Partnership working

The Nottingham and Nottinghamshire Local Resilience Forum resilience working group, risk advisory group, plus all other standing and task and finish groups were fully supported by NHS Nottingham City and Nottinghamshire County.

Annex 1: NHS Nottingham City Board

- Ron Buchanan, Chairman
- Derek Bray, Chief Executive
- Dr Ian Trimble OBE, Chair of the Professional Executive Committee
- Peter Murphy, Non-Executive Director
- Professor Ian Shaw, Non-Executive Director
- John Taylor, Non-Executive Director
- Graham Ward BA FCA, Non-Executive Director and Chair of the Audit Committee
- Mike Wilkins, Non-Executive Director
- Helen Pledger, Cluster Director of Finance
- Peter Cansfield, Director of Public Health (Acting) – Executive Director (1 January 2012 – 1 August 2012)
- Alison Challenger, Director of Public Health (Acting) – Executive Director (3 August 2012 – 31 March 2013)
- Chris Kenny, Director of Public Health
- Dr Trevor Mills, Medical Director – Co-opted member/Executive Lead
- Doug Black, Medical Director
- Alison Treadgold, Executive lead for Transition – Co-opted member
- Dawn Atkinson, Executive Lead for QIPP
- Julie Bolus, Director of Nursing
- Emily Birkett, Company Secretary and Executive Lead for Governance
- Martin Whittle, Director of Operations and Delivery
- Mike Walker, Director of Workforce and Organisational Development
- Pat Higham, Non-Executive Director
- Stephen Shortt, Professional Executive Committee Chair
- Barbara Stuttle, Director of Nursing
- Vikki Taylor, Director of Commissioning

Annex 2: Summary Financial Statement 2012/13

The NHS Nottingham City annual accounts have been prepared under section 232 of the Health Service Act 2006 in the form which the Secretary of State has, with the approval of the Treasury, directed.

The summary financial information shown here is taken from the full accounts of the PCT for 2012/13, and may not contain sufficient information for a full understanding of the entity's financial position and performance. Copies of the full set of accounts and the PCT's statement on Internal Control are available, free of charge, by contacting Lynda Griffiths on 0115 883 9438 or email lynda.griffiths@nottinghamcity.nhs.uk.

The information shown in the Summary Financial Statements has been prepared from the full accounts and has been subject to external audit review.

Revenue Operating Cost Statement and Operating Financial Balance

The PCT received an annual resource limit with which to fund the services for its residents. The PCT commissioned and provided services both for its own residents and for the residents of the neighbouring PCTs. The table below shows the gross operating costs, miscellaneous income and net operating costs for both the services the PCT purchased from hospitals (commissioning) and services it provided in-house (provisioning). The total net operating cost is then compared to the annual approved resource limit to demonstrate that the PCT achieved operational financial balance in 2012/13 with a surplus of £4,412k

Statement to show Operational Financial Balance 2012/13

	Total £'000
Gross Operating Costs	632,962
Less: Miscellaneous Income	-51,831
Net Operating Costs	581,131
Finance Costs	5,443
Investment Income	-65
Net Operating Costs	586,509
Approved Resource Limit	590,921
Operational Financial Balance	4,412

Management costs

In 2012/13 running costs for NHS Nottingham City amounted to £12,066k. This is equivalent to £36 per head of weighted population.

Paying the bills

In line with the CBI's prompt payment code and government accounting rules, the PCT aimed to pay all non-NHS creditors within 30 days of receipt of goods or a valid invoice (whichever was later) – unless other terms had been agreed. Payments made to non-NHS creditors within this timescale were 97.61 per cent in number and 98.58 per cent in value. Payments made to NHS creditors were 96.10 per cent in number and 99.62 per cent in value. No payments were made under the Late Payment of Commercial Debts (interest) Act 1998.

Value for money

The PCT worked closely with the wider Nottingham health community, supported by internal review processes, to ensure services were efficiently and effectively commissioned and provided for residents.

Local constraints and key dependencies

The PCT worked in partnership with Nottingham City Council, the wider health community and external agencies to provide best value patient-focused services.

Charitable funds

NHS Nottingham City did not hold any charitable funds. For legal and administrative reasons, the funds of the Nottingham Community Trust were not transferred to any of the Nottingham PCTs. However, the patients and staff of the PCT continue to benefit from these funds, in line with the purpose of the original donations and legacies.

Donations

The PCT did not pay any charitable or political donations during 2012/13.

Cash flow statement 2012/13

The table shows the net cash inflows and outflows and the marginal decrease in the cash holding of the PCT for the year ended 31 March 2013.

Statement of cash flows		
Cash outflows	Net cash outflow from operating activities	(576,956)
	Interest paid	(4,981)
	Payments to purchase property, plant & equipment	(625)
	Provisions utilised	(3,413)
Cash inflows	Net Parliamentary funding	565,401
	Investment income	65
	Movements in working capital	16,253
	Other cash flow adjustments	4,283
Increase/(decrease) in cash and cash equivalents		27
Cash at the beginning of the financial year		1
Cash at the end of the financial year		28

Statement of financial position	Balance as at	
Assets and liabilities	31/03/2013	31/03/2012
Non-current assets	69,682	73,511
Current assets	11,296	21,387
Current liabilities	(37,046)	(34,663)
Non-current liabilities	(72,727)	(67,561)
	(28,795)	**(7,326)**
Financed by taxpayers' equity:		
General fund	(31,431)	(10,323)
Revaluation reserve	2,636	2,997
Government grant reserve	0	0
Total taxpayers' equity	**(28,795)**	**(7,326)**

Capital expenditure

The PCT spent £580k on capital items during 2012/13.

Related party transactions

Nine GPs on the CCG Board had related party transactions in the year; please refer to the full annual accounts for details.

Income generation

The PCT did not participate in any income generation activities.

Company directorship

There are no company directorships held by members of the PCT board or Executive where those companies are likely to do, or are actively seeking to do, business with the NHS.

Each director stated that as far as he/she was aware there was no relevant audit information of which the 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 himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Audit and Governance Committee

The Committee met six times and the main areas of consideration were the financial systems and processes, the PCT control environment and ensuring robust governance and transitional arrangements were in place in relation to the NHS reforms. Members included Graham Ward (Chair), John Taylor, Professor Patricia Higham and Mike Wilkins.

External audit

The external auditors for Nottingham City PCT are KPMG. The PCT paid £82,000 + VAT for the Statutory Audit.

Remuneration report

This report provides details of the arrangements governing the pay and terms of service of directors and senior managers of the PCT and summarises their remuneration and pension status for the year ended 31 March 2013.

The summarised information relates to all individuals who have held office as a director or senior manager of the PCT during the year. It is irrelevant that:

- The individual was not substantively appointed
- The individual was "temporary" or "alternate"
- The individual was engaged via a corporate body rather than directly employed

Remuneration & Terms of Service Committee

In accordance with the Code of Conduct and Accountability issued by the Secretary of State and the Standing Orders of the PCT, the Board has established a Remuneration & Terms of Service Committee.

The Committee uses established job evaluation criteria to formulate, agree and review remuneration for Board members and other senior managers of the PCT. Payments made to Board and Professional Executive Committee members are set nationally by the Secretary of State. In addition it considers policy and pay related issues for other groups of staff governed by national and local terms and conditions of service. Membership of the committee comprises:

- PCT Chair
- Non-Executive Directors

The Chief Executive or Director of Finance and IT may be asked to attend and provide a briefing for members as appropriate.

Performance related pay and other benefits

The Chief Executive and Executive Directors' remuneration is covered by the Very Senior Managers Pay Framework. Any payments made relating to 2012/13 adhered to the guidance set out in this framework and were in accordance with national directives.

Contracts, notice and termination payments

All employed staff are in receipt of a contract of employment. The contract of employment for non-executive directors is held by the PCT whilst the NHS Appointments Commission governs their selection and appointment. All such contracts are let on a fixed-term basis, usually for three years. In addition fixed term contracts are in place for the elected Professional Executive Committee members. Other directors and senior managers included in the summary of Salaries, Allowances and Pensions below have a contract which is not specifically time limited.

The formal notice period for all contract holders is three months but a reduced period may be agreed where it is deemed appropriate. Termination payment in the form of Redundancy Pay is adopted from and governed by the latest available Department of Health guidance. Any superannuation benefits due on retirement are paid from the NHS pensions fund without charge to the PCT.

The PCT has made no provisions for compensation for early termination. There are no amounts payable to third parties for senior managers. Details of the current status of these contracts are shown in the table below:

Name	Title	Contract date	Expiry date of contract
R. Buchanan	Chairman	01/10/06	31/03/13
Prof I. Shaw	Non-Executive Director	01/01/10	31/03/13
M. Wilkins	Non-Executive Director	01/01/10	31/03/13
P. Murphy	Non-Executive Director	01/01/10	31/03/13
J. Taylor	Non-Executive Director	01/01/10	31/03/13
G. Ward	Non-Executive Director	01/01/10	31/03/13
Dr I. Trimble	PEC Chairman	01/10/07	31/03/13

Salaries, allowances and pensions

The table below summarises for each Director and Senior Manager the total remuneration and pensions benefits for the year ended 31 March 2013. The figures have been audited by the Audit Commission as part of their work on the Statement of Accounts.

Pensions of senior managers		Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2012 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2012 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2011	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
Name	**Title**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
T. Allen	Director of Finance and I.T.	(0-2.5)	(2.5-5)	45-50	145-150	1,009	954	5	-
S. Walters	Director of Strategy & Corporate Development	(0-2.5)	(0-2.5)	15-20	55-60	305	285	5	-
D. Smith	Director of Delivery & Performance	0-2.5	0-2.5	25-30	85-90	538	496	17	-
T. Cope	Director of Contracting, Quality and Delivery	0-2.5	5-7.5	15-20	55-60	256	211	34	-
Dr. P. Cansfield	Acting Director of Public Health	#	#	40-45	125-130	855	#	#	-
T. Mills	Medical Director	5-7.5	15-17.5	60-65	185-190	1,344	1,131	155	-
A. Treadgold	Executive Lead for Change Management	#	#	10-15	35-40	148	#	#	-
A. Challenger	Acting Director of Public Health	#	#	20-25	65-70	407	#	#	-

Notes

- There were no employer's contributions to stakeholder pensions
- Contrary to the requirements of the Manual for Accounts, common market valuation factors have not been used for the start and end of the period as new factors have been applied as at 31 March 2013
- Bracketed numbers represent reductions in figures between years
- Pensions for D. Bray and H. Pledger were paid by NHS Nottinghamshire County
- P. Cansfield was acting Director of Public Health 1 January 2012 to 1 August 2012
- A. Challenger was acting Director of Public Health 3 August 2012 to 31 March 2013

NHS Nottingham City appointments

Salaries and allowances		2012/13				2011/12			
		Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payment (bands of £5,000)	Benefits in kind (bands of £100)	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payment (bands of £5,000)	Benefits in kind (bands of £100)
Name	Title	£'000	£'000	£'000	£'00	£'000	£'000	£'000	£'00
Dr P. Cansfield	Acting Director of Public Health	35-40	-	-	-	20-25	-	-	-
A. Challenger	Acting Director of Public Health	45-50	-	-	-	-	-	-	-
T. Allen	Director of Finance and I.T	105-110	-	-	-	105-110	-	-	-
D. Smith	Director of Commissioning (Acting Chief Officer)	105-110	-	-	-	85-90	-	-	-
Dr I. Trimble	Professional Executive Committee Chairman	45-50	-	-	-	45-50	-	-	-
T. Cope	Director of Contracting, Quality and Delivery	75-80	-	-	-	-	-	-	-
G. Ward	Non-Executive Director & Audit Committee Chairman	10-15	-	-	-	10-15	-	-	-
M. Wilkins	Non-Executive Director	10-15	-	-	-	5-10	0-5	-	-
Prof. I. Shaw	Non-Executive Director	5-10	-	-	-	5-10	-	-	-
P. Murphy	Non-Executive Director	5-10	-	-	-	5-10	-	-	-
J. Taylor	Non-Executive Director	5-10	-	-	-	5-10	-	-	-

- There were no employer's contributions to stakeholder pensions
- P. Cansfield was acting Director of Public Health 1 January 2012 to 1 August 2012
- A. Challenger was acting Director of Public Health 3 August 2012 to 31 March 2013

PCT Cluster joint appointments (contribution by NHS Nottingham City)

		2012/13				2011/12			
Salaries and allowances		Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payment (bands of £5,000)	Benefits in kind (bands of £100)	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payment (bands of £5,000)	Benefits in kind (bands of £100)
Name	Title	£'000	£'000	£'000	£'00	£'000	£'000	£'000	£'00
T. Mills	Medical Director	35-40	-	-	-	40-45	-	-	-
A. Treadgold	Executive Lead for Transition - Co-opted Member	10-15	-	-	-	20-25	-	-	-
D. Bray	PCT Cluster Chief Executive	40-45	-	-	-	20-25	-	-	-
R. Buchanan	Chairman	15-20	-	-	-	10-15	-	-	-
M. Walker	Director of Workforce and Organisational Development	5-10	-	-	-	20-25	-	-	-
H. Pledger	Cluster Director of Finance	30-35	-	-	-	15-20	-	-	-
D. Black	Director of Commissioning Development	20-25	-	-	-	-	-	-	-
B. Stuttle	Acting Director of Nursing / Transition Director	15-20	-	-	-	-	-	-	-
M. Whittle	Director of Operations & Delivery	5-10	-	-	-	-	-	-	-
V. Taylor	Director of Commissioning	10-15	-	-	-	-	-	-	-

- There were no employer's contributions to stakeholder pensions
- The following posts were joint appointments between Nottingham City PCT and Nottinghamshire County PCT:
  - D Bray, PCT Cluster Chief Executive/NHS England (Derbys/Notts) Chief Exec: months 1 – 6 – 60% County 40% City; months 7 - 12 – 25% County, 25% City, 25% Derbyshire County, 25% Derby City
  - H Pledger, PCT Cluster Director of Finance/NHS England (Derbys/Notts) Director of Finance: months 1 - 6 – 60% County 40% City; months 7 - 12 – 25% County, 25% City 25% Derbyshire County, 25% Derby City (H Pledger was NHS England (Notts/Derbys) Director of Finance from 1/10/12 and PCT Cluster Director of Finance from 1/1/12)
  - R Buchanan, Chairman: 60% County, 40% City
  - M Walker, Director of Workforce and Organisational Development: four days to NHS CBA; months 1 - 12 – 60% of balance County, 40% City
  - T Mills, Medical Director: 60% County, 40% City
  - D Black, Director of Commissioning Development: months 1 - 6 – 50% NHS CBA, 60% of balance County, 40% City; months 7 - 12 – 25% County, 25% City, 25% Derbyshire County, 25% Derby City
  - A Treadgold, Executive Lead for Transition: 60% County, 40% City
  - B Stuttle, Acting Director of Nursing/Transition Director: months 7 - 12 – 25% County, 25% City 25%, Derbyshire County, 25% Derby City
  - M Whittle, Director of Operations and Delivery (appointed 01/01/2013): 25% County, 25% City, 25% Derbyshire County, 25% Derby City
  - V Taylor, Director of Commissioning: months 7 - 12 – 25% County, 25% City, 25% Derbyshire County, 25% Derby City
  - A Sullivan, Director of Quality and Governance: 100% County PCT (A Sullivan is also Chief Officer, Newark & Sherwood CCG)
  - P Murphy, Non Executive Director: 100% City PCT
  - I Shaw, Non Executive Director: 100% City PCT
  - G Ward, Non Executive Director and Joint Audit Committee Chair: 100% City PCT

Pay multiples

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

The banded remuneration of the highest paid director in NHS Nottingham City PCT in the financial year 2012/13 was £105k - £110k (2011/12 £120-125k). This was 3.4 times (2011/12 3.8 times) the median remuneration of the workforce, which was £31,691 (2011/12, £32,573).

During 2011/12 and 2012/13, there were no employees paid greater than the highest paid director.

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

	2012/13	2011/12
Band of highest paid director's total remuneration (£000)	105-110	120-125
Median total remuneration	£31,691	£32,573
Ratio	3.4	3.8

Exit packages

The table below shows the exit packages made in the financial year.

	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**	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages**
Less than £10,000	0	0	0	2	0	2
£10,001 - £25,000	1	0	1	1	0	1
£25,001 - £50,000	1	0	1	2	0	2
£50,001 - £100,000	1	0	1	1	1	2
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
more than £200,001	0	0	0	0	1	1
Total number of exit packages	**3**	**0**	**3**	**6**	**2**	**8**
Total resource cost (£000s)	**144**	**0**	**144**	**164**	**293**	**457**

Off payroll engagements

Off payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

Number in place at 31 January 2012	3
Of which (between 31 January 2012 and 31 March 2013):	
Number that have since come onto the organisation's payroll	0
Number that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	2
Number that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
Number that have come to an end	1
Total	**3**

New off payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months

Number of new engagements	0
Of which (between 31 January 2012 and 31 March 2013):	
Number of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligate	0
Number for whom assurance has been accepted and received	0
Number for whom assurance has been accepted and not received	0
Number that have been terminated as a result of assurance not being received	0
Total	**0**

Information governance

Ensuring good information governance, confidentiality and security of patient and staff information was always vitally important within NHS Nottingham City. This was highlighted by the robust mechanisms that were established, which included the roles of Caldicott guardian and senior information risk owner (SIRO) being assigned at an appropriately senior level within the organisation.

The information governance agenda was managed by the company secretary, information governance specialist and the Risk and Performance Committee.

Information governance toolkit

The Information Governance Toolkit provided a framework for NHS Nottingham City to ensure that it adhered to legislation, guidance and good practice in areas such as confidentiality, data protection, information security and health and corporate record keeping. The results from the 2012/13 Information Governance Toolkit saw an overall score of 69 per cent. Due to staffing uncertainties in the final year of transition to the new health and care system, the training requirements of the toolkit were not achieved. This resulted in an overall rating of 'not satisfactory'. The toolkit was independently audited by the East Midlands NHS Internal Audit Service and a full assurance opinion was provided.

Information governance-related incidents

No serious incidents involving personal data occurred during 2012/13.

Risk management

The risk management process was embedded within the organisation's culture through a clear strategy and approach to the management of risk, coupled with clear ownership of risk at all levels within the organisation.

The PCT's governance structure was fundamental to the management of risk and the key sub-committees of the Board had risk management as a core objective. In addition, there were named directors for each of the key risk areas with accountability through to the chief executive as Accountable Officer. All sub-committees of the Board, including the shadow clinical commissioning group, reported, through formal minutes, briefings and updates, to the full Board. The Board received regular finance and service performance reports which focused on delivery of the financial strategy and financial risks and performance against key service targets. The organisation was also subject to formal reviews, which focused on risk management arrangements. This included the work of both internal and external audit and the performance management arrangements of the Strategic Health Authority Cluster.

Operating financial review

NHS Nottingham City took the approach of combining the Operating Financial Review (OFR) into the main body of the Annual Report 2012/13 so that the OFR requirements are met within the general text, saving on duplication.

For details of financial performance please see the 'Finances' section of the Annual Report, with further information in the Summary Financial Statement, and for details of performance against key performance indicators and Department of Health policy targets please see the 'Performance and patient access' section of the Annual Report.

Details of the financial policies and financial position are highlighted in this Summary Financial Statement section of this Annual Report. Further breakdown is contained in the PCT's Annual Accounts, and details of how you can obtain a copy are included within the Summary Financial Statement. The Annual Report includes a Remuneration Report, giving pay and pension details of senior managers and other individuals in a position of authority.

Trends and factors influencing the development, performance and position of the organisation over the past year are explained throughout the Annual Report. 'Commissioning for a healthier Nottingham' has details of the range of the PCT's activities and work with partner organisations.

Areas of risk and governance to the organisation are covered in the 'Governance' section of the Annual Report and within the Summary Financial Statement (which includes disclosure of serious incidents). Information on emergency planning is covered within the 'Emergency preparedness and business continuity' section of the Annual Report.

The Annual Report contains a number of features looking at highlights in terms of the development and performance of the organisation in the past year. External relationships are considered throughout the Annual Report including continued engagement with partner organisations such as Nottingham University Hospitals NHS Trust, Nottinghamshire Healthcare NHS Trust and Nottingham City Council.

Information on employees, the PCT's approach to equality and diversity, equal opportunities and how the Trust provided information to and consulted with staff is included in the 'Workforce matters' section of the Annual Report. Commentary in the 'Commissioning for a healthier Nottingham' section deals with 'social and community issues'. Information on the PCT's work on equality and diversity is also available in the publications section of NHS Nottingham City CCG's website at www.nottinghamcity.nhs.uk including equality impact assessments on policies and procedures.

A new framework for reporting sustainability information as part of the annual NHS financial reporting process has been developed by the SDU and the Department of Health and this is now a mandatory part of the accounts direction issued by the Department. The 'Sustainable healthcare' section includes information on NHS Nottingham City's approach to sustainable development and corporate responsibility. This OFR extends the PCT's reporting on sustainability and includes a number of tables demonstrating key performance indicators on the issue.

The information shown here has been collected from a number of different sources, and it presents both environmental performance data and associated financial costs. Being able to identify both the financial and environmental savings of the PCT's investment and actions is a direct result of the Trust implementing the Board-approved Carbon Management Plan.

NHS Nottingham City – Summary of sustainability performance over four years

Area (totals)		Performance 2009/10	Performance 2010/11	Performance 2011/12	Performance 2012/13
GHG emissions (tCO_2e gross)		2,001.0	2,097.9	1,762.5	**1,936.9**
Energy in buildings	**Consumption** (1000x kWh)	6,250.4	6,397.8	4,939.3	**5,589.7**
	Carbon intensity ($kgCO_2e/m^2$)	87.6	96.4	72.1	**79.6**
	Expenditure (£)	£416,477.01	£398,014.10	£446,365.00	**£568,327.21**
Waste	**Amount** (tonnes)	191.3	205.8	191.9	**193.3**
	Expenditure (£)	£121,868.91	£157,200.00	£166,657.00	**£74,727.16**
Travel	**Mileage** (1000x km)	381.4	*Not available*	194.0	***Not available***
	Expenditure (m^3)	58,314.6	*Not available*	51,806.9	***Not available***
Water	**Consumption** (m^3)	15,706	15,634	17,393	**18,595**
	Expenditure (£)	£47,000.00	£50,000.00	£76,881.36	**£41,181.34**

Notes

1. This report has been prepared in accordance with guidelines laid down by HM Treasury's Financial Reporting Manual (FReM), available at: www.hm-treasury.gov.uk/frem_sustainability.htm
2. The GHG emissions accounting includes scope 1 and 2 emissions, along with scope 3 emissions from water use and waste arisings. It should be noted that scope 1 and 2 emissions across all years have been updated to include the complete carbon impact, encompassing the direct emissions resulting from combustion and the use of grid-supplied electricity, together with the indirect emissions associated with the extraction, refining, distribution, storage and retail of finished fuels. These have all been calculated annually using the methodology in DEFRA and DECC (2009) *Guidance on how to measure and report your greenhouse gas emissions* available at: www.defra.gov.uk/environment/economy/business-efficiency/reporting/
3. The GHG emissions accounting methodology uses the most recently published DEFRA and DECC GHG conversion factors for company reporting, in this case those of 2012, which are available at: www.defra.gov.uk/publications/files/pb13773-ghg-conversion-factors-2012.pdf. Also, the carbon emissions for the previous years in this report have been updated using DEFRA guidance on GHG accounting methodology, which will mean that the data reported this year might be slightly higher than the one of last year for the same period. Exceptions to this include scope 3 carbon conversion factors for waste, which were based on ERPHO's calculations and assumptions for NHS scope 3 emissions using the DH Carbon Indicator values:
   - High temperature disposal/incineration: 220$kgCO_2e$ per tonne of waste
   - Landfill disposal: 243.9$kgCO_2e$ per tonne of waste
   - Recycling: -1,300.9$kgCO_2e$ per tonne of waste
   - Non-burn/alternative treatment: 71.7$kgCO_2e$ per tonne of waste

   Source: NHS SDU and ERPHO, available at: www.sdu.nhs.uk/sd_and_the_nhs/measuring.aspx

NHS Nottingham City Sustainability Performance for year ending 31 March 2013

Greenhouse gas (GHG) emissions		2009/10	2010/11	2011/12	2012/13
Non-financial indicators (tCO_2e)	**Total emissions *(gross)***	2,001.0	2,097.9	1,762.5	**1,936.9**
	Scope 1 emissions	886.0	741.2	493.7	**613.5**
	Scope 2 emissions	1,268.1	1,531.2	1,382.2	**1,490.8**
	Scope 3 emissions	-153.1	-174.5	-113.4	**-167.3**
Financial indicators (£k)	Total expenditure on CRCEES	*Not applicable*	*Not applicable*	*Not applicable*	***Not applicable***

Targets and commentary

NHS Nottingham City was committed to reducing the greenhouse gas emissions from all its operations by at least 10 per cent by 2015 against a 2007 baseline and in line with national NHS targets.

The Trust's operational emissions fell from 2008/09 with some fluctuation due to cold weather.

2012/13 saw a 29 per cent increase on 2007/08 in heating demand driven by cold weather. In 2007/08 its emissions were 2,881 tonnes CO_2e. Its total emissions fell by 33 per cent from its 2007 baseline to 31 March 2013, significantly exceeding the 10 per cent target. Most of this fall was due to increased energy efficiency, replacement of older building stock and opening of energy efficient buildings.

Direct impacts commentary

NHS Nottingham City's core GHG emissions included those from buildings energy consumption, waste arisings, water and sewage. The main direct impacts for the Trust in terms of its core GHG emissions continued to be from its buildings energy consumption, and it actively worked to measure, monitor and reduce each site's individual carbon intensity.

Warmer weather, further energy savings work and an increased use of onsite renewable energy reduced building energy use during 2012/13.

In 2012/13, 70 per cent of all Trust emissions arose from electricity, 29 per cent arose from gas, and waste-related emissions continued to be negative (using Sustainability Development Unit-provided waste emissions factors) thanks to the high recycling levels, which act as a negative value.

Overview of indirect impacts

NHS Nottingham City worked closely with clinical commissioning groups and other local organisations to ensure that the good work of the Trust in environmental management is being maintained by the new structures which have now taken on the responsibilities of the PCT.

Energy in buildings			2009/10	2010/11	2011/12	2012/13
Non-financial indicators (MWh)	Energy consumption	Total consumption	6,250.4	6,397.8	4,939.3	**5,589.7**
		Electricity (renewable)	n/a	n/a	55.5	**60.1 (estimated based on installed capacity)**
		Electricity (non-renewable)	2,136.0	2,596.1	2,343.4	**2,527.5**
		Gas	3,886.5	3,557.8	2,354.9	**3,002.1**
		Steam	227.8	243.9	185.5	***Not applicable***
Financial indicators (£k)		Total expenditure	416.0	398.0	446.0	**568**

Targets and commentary

The energy consumed in the Trust's buildings was one of its main environmental impact areas. Against this it aimed to achieve a 25 per cent reduction in the energy and carbon intensity of its owned estate by the end of 2012/13 over its 2007/08 baseline, as per its Carbon Management Plan. For this reason, the Trust continued to make investments in energy saving measures across its estate, which allowed it to cut its overall use and expenditure on energy despite rising utility costs. 2012/13 saw a 27 per cent year-on-year increase in heating demand driven by cold weather, 29 per cent higher than the baseline year.

Despite an increase in gas use during 2012/13 due to the cold weather, the Trust's energy use, particularly gas consumption, remained far lower than would have been the case without investment. Its operational floor area increased from 26,029m^2 in 2007/08 to 26,445m^2 in 2012/13. Over the same period its energy use fell from 7,808MWh to 5,589.7MWh and scope 1, 2 and 3 estates carbon emissions fell from 2,750 tCO_2e to 2,104tCO_2e. This is a fall in energy intensity of 30 per cent and carbon intensity of 25 per cent on the 2007/08 baseline; the Trust exceeded its target for energy intensity and was on target for carbon intensity. During 2012/13, it closed three small old buildings and opened two large new buildings. This contributed to the increase in energy consumption.

Direct impacts commentary

At 31 March 2013 54 per cent of all energy used by NHS Nottingham City was gas followed by supplied electricity, which accounted for 46 per cent of all units of energy used in the Trust sites. Some of the electricity used was produced by the Trust's solar PV systems installed across a number of health centres, which avoided 35.4 tonnes of CO_2 (estimated based on installed capacity), and which started to generate income from feed-in tariff payments to the Trust and savings on bills.

Overview of indirect impacts

The Trust's investment in energy efficiency resulted in year-on-year reduction in buildings-related energy use.

After a successful programme of energy savings, the Trust also installed solar electric panels on nine health centres. These systems will generate around 67,000 kWh of electricity and £30,000 of income and save around 41 tonnes of CO_2 each year. Over their 25-year life, these systems will generate around £745,500 from payments from the feed-in tariff scheme and savings on utility bills, due to a reduction in grid electricity demand.

Waste minimisation and management		2009/10	2010/11	2011/12	2012/13
Non-financial indicators (tonnes)	Total (all waste) arisings	191.3	205.8	191.9	**193.3**
	Landfill	22.7	24.6	22.9	**20.5**
	Recycled	125.3	141.4	133.5	**139.4**
	Incineration	8.6	8.0	7.1	**6.7**
	Alternative treatment	34.6	31.9	28.4	**26.7**
Financial indicators (£k)	Total (all waste) disposal cost	£122	£157	£167	**£74**

Targets and commentary

The most significant reduction in waste was the 11 per cent fall in waste sent to landfill. In 2012/13, NHS Nottingham City's recycling rate was 72 per cent of all waste arisings (including clinical waste), whereas 87 per cent of all general waste was recycled, which is still one of the highest rates across the NHS.

Previous years' waste disposal costs included the cost of disposing of general waste from the health centres and clinical waste from the health centres, GPs and pharmacies; this year's recorded data represents the cost of disposing of both clinical and general waste from health centres only. Across all four years the waste weights are consistently for health centres only.

Direct impacts commentary

After conducting a detailed analysis into total site-by-site waste arisings at a pilot site the Trust identified significant opportunities to improve its waste management practices by raising awareness about correct disposal procedures amongst staff and site users – especially around clinical waste, diverting non-infectious waste to more appropriate waste streams such as offensive waste, and optimising receptacle size, type and collection frequency. The Trust integrated the results of this pilot into work with health centres and GPs through 'Sustainability in Practice' workshops.

Finite resources		2009/10	2010/11	2011/12	2012/13
Non-financial indicators (m^3)	Water consumption	15,706	15,634	17,393	**18,595**
Financial indicators (£k)	Total expenditure on water	£47	£50	£77	**£41**

Targets and commentary

Water use increased by seven per cent against 2011/12 and expenditure on that same period was £41,000.

Direct impacts commentary

Water continued to represent less than one per cent of total carbon emissions. However, water resources are increasingly under pressure and increasingly expensive and thus was identified as an area the building owners should consider for work in the future.

Independent auditor's report to the Signing Officer for Nottingham City Primary Care Trust on the summary financial statement

We have examined the summary financial statement for the year ended 31 March 2013 set out in the Annual Report.

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

Respective responsibilities of directors and auditor

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

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

Basis of opinion

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Nottingham City PCT for the year ended 31 March 2013 on which we have issued an unqualified opinion.

Sue Sunderland for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

7th June 2013

Department of Health

NHS

Nottingham City Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Nottingham City Primary Care Trust

2012-13 Accounts

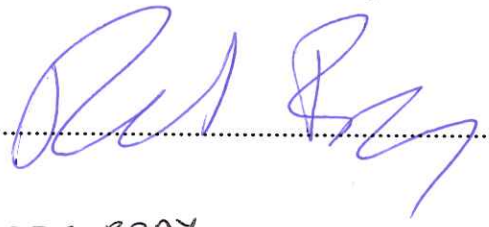
STATEMENT OF THE RESPONSIBILITIES OF THE SIGNING OFFICER OF THE PRIMARY CARE TRUST

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.

nb: sign and date in any colour ink except black

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

Name: DEREK BRAY

Date.....4/6/13.....

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

- make judgements and estimates which are reasonable and prudent;

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

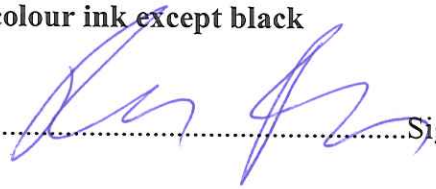
- ensure that the PCT kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

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

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

By order of the Permanent Secretary.

nb: sign and date in any colour ink except black

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

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

ANNUAL GOVERNANCE STATEMENT 2012/13
NHS NOTTINGHAM CITY
Organisation Code 5EM

1. Scope of responsibility

This Governance Statement has been prepared within the context of continuing significant change in the NHS. The changes to the NHS, arising from the publication in July 2010 of the NHS White Paper, *Equity and Excellence: Liberating the NHS* and the coming into force of the Health and Social Care Act 2012 in March 2012 continued to have a major impact in the final year of these organisations. Revised Governance structures have been put in place to enable the PCT to continue to delegate the majority of their commissioning functions to the emerging Clinical Commissioning Group **("CCG")** and significant work has been undertaken to support them through the authorisation process. The PCT also continued the work of the Transition Board whose purpose was to ensure the effective handover and closedown of the PCT .

The Joint Board of the PCTs of NHS Nottingham City and NHS Nottinghamshire County **(the "Board")** was accountable for internal control. As Accountable Officer, and Chief Executive of the Board, I had responsibility during 2012-2013 for maintaining a sound system of internal control that supported the achievement of the organisation's policies, aims and objectives. I also had responsibility for safeguarding the PCT's public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

Since the 2011/2012 annual governance statement the CCG has continued to develop and have undergone a rigorous authorisation process in order to become authorised as organisations in their own right by the new NHS Commissioning Board **("NHS England")**. In September NHS England finalised its appointments to the Nottinghamshire and Derbyshire Area Team and these appointments took effect on 1 October 2012. These appointments were designed to mitigate key risks affecting delivery and the transition and specifically to:

- Provide resilience for delivery given the PCTs were losing staff as the new organisations take on leadership roles and appoint staff from the current system

- Minimise the risk associated with so much transition across the system – functions and staff – on 1 April 2013

- Provide the new Area Team with opportunities to build their teams and structures, and plan effectively, while taking on real functions

I have continued to work closely with NHS Midlands and East participating fully in the performance management framework operated by the Strategic Health Authority Cluster, which includes review of the PCT Cluster's objectives, management and internal control

arrangements, to ensure progress is being made in key policy areas. We have also worked with all partner organisations in the local community to ensure the achievement of our operational plan and targets. The PCT also engaged with local partners through Local Area Agreements, Local Strategic Partnerships, the East Midlands Specialised Commissioning Group and other local network groups including Productive Nottinghamshire.

2. The Governance Framework

The Governance system has continued to be reviewed and amended to ensure it has remained fit for purpose during the transition period from PCTs to CCGs. The Cluster Committee was abolished and its business incorporated into the business of the Board and a new Finance and Performance Committee was established to ensure that the PCT had cluster wide oversight of the PCTs financial and performance position. The committee structure played a key role in ensuring that the PCT maintained and improved its internal control systems. Attendance and engagement at Board and Committee meetings remained high throughout the year.

The Board set the strategy and policy relating to internal controls. It also managed the Cluster Assurance Framework. It was compliant with the UK Corporate Governance Code and had collective responsibility for the delivery of the organisation's vision. There was a clear division of responsibilities between the Chairman and Chief Executive with the Non-Executive Directors providing constructive challenge and scrutiny. A formal programme of Board development sessions is delivered on an annual basis in order to ensure members are suitably updated and able to refresh their skills and knowledge and to provide the Board with time for reflect on its own effectiveness. In relation to 2012/13, specific sessions have been held to consider the impact on the Board's operation and structure in light of proposed system reforms, the future structure of the NHS and the arrangements being put in place for the handover and closedown of the PCT's functions. The Board has also held a number of board to board sessions with the new clinical commissioning groups to ensure that they are fully prepared to take on the functions they will inherit.

The Audit and Governance Committee was a joint committee of NHS Nottingham City and NHS Nottinghamshire County and the Non-Executive Directors who sat on that committee provided advice to the Board on the assurances it received to assess the internal controls. It also ensured the implementation, monitoring and review of appropriate systems for managing risk within the organisations, including co-ordination of all aspects of corporate and clinical governance.

The Cluster Committee was a joint Committee of NHS Nottingham City and NHS Nottinghamshire County which provided support and assurance to the Board by looking at the details of the transition assurance including the delivery of QIPP. This Committee was abolished in April 2012 and its business was incorporated into the business of the Board after the Board began to meet jointly with NHS Nottinghamshire County

The NHS Nottingham City Clinical Commissioning Group was established as a committee of the Board with delegated budget responsibility and specific responsibility for certain areas of day to day operations such as Quality and Safeguarding. Although not statutorily responsible for managing risk as 'shadow' organisations, the CCGs did nevertheless hold Governing Body (GB) meetings throughout 2012/13 and assurances were received by the GB in respect of the management of risk at least twice a year through the receipt of either the Board Assurance Frameworks or high level risk registers. The Cluster Board received minutes of all CCG Governing Body meetings as assurance that the CCG was preparing itself to assume responsibility for the PCT's statutory duties from the 1st of April 2013.

The Cluster Executive Directors and the Executive Team provided direction to the organisation on the management of risk and continuous improvement. The Executive Directors and Executive Team met weekly to share information and discuss on-going and new issues including those relating to governance and risk management.

Also:

Internal Audit through East Midlands Internal Audit Service has provided assessment, assurance and advice on areas for improvement.

External Audit through KPMG has provided reports to the Audit Committee, Chief Executive and Director of Finance with the Annual Audit Letter being presented at a public Board Meeting.

All of these committees had specific delegated authority on which they reported to the Board to provide the required assurance.

In addition the Audit and Governance Committee established **the Transition Board**, a working group of key individuals, who held responsibility for ensuring the effective closedown of key work streams related to the PCT's functions including employment, quality and clinical governance, corporate governance and IT. The Transition Board's function was to support:

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

The work of the Transition Board included ensuring that appropriate handover meetings took place with receivers and that handover documents such as the Quality in Transition Handover document were prepared, reviewed by the Board and shared with receivers prior to 1 April 2013.

The Transition Board reported to the Audit and Governance Committee on key issues and the Board on more general issues related to the handover and closedown of the PCTs to provide assurance that there were appropriate arrangements in place for the discharge of the PCT's statutory functions

During the year there was regular reporting to the Board from its committees to provide assurance. The Board received a number of assurance reports as a standing agenda item. These reports identified key issues that had been discussed/decided at each of the main committees. The front sheets for Board reports were also revised to ensure greater assurance was provided by individual authors and committees. In the case of committees of the Board (which included the Clinical Commissioning Group) the amended front sheets incorporated a requirement that the committee evidence the fact it had acted within its delegated powers. The Board also continued to receive the minutes of all its committees as well as those of the Health and Wellbeing Boards.

During the year the Board undertook development sessions on a variety of subjects including:

- Board and Committee Governance and Assurance
- Transitional Governance
- Financial Management and QIPP
- Safeguarding

The Non-Executive Directors were represented on all committees and sub-committees of the Board, ensuring an integrated and holistic approach to risk management activities.

This system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve the agreed strategic aims and objectives. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage risks efficiently, effectively and economically.

This system of internal control was in place in the PCT for the year ended 31 March 2013. It was designed to provide maximum assurance to the Accountable Officer and the Board.

3. Risk assessment

Risk management is the business of all staff employed by the PCT. Training and development was a key element of the organisation's approach to risk management, ensuring that all staff are aware of, and discharge, their roles and responsibilities in the

management of risk. This includes referencing the need for risk assessment, explanation of the risk management process, description of the risk assessment forms, more detailed information about the types of risks that require assessment, how risks are communicated throughout the organisation, and the importance of feedback.

The Directors were accountable for the effective management of risk within their areas of responsibility, which includes ensuring that appropriate controls are in place and that appropriate risk identification and mitigation actions are progressed and monitored. The Director of Finance had specific overall Board level responsibility for the identification and management of all financial risks to the PCT. The PCT has an excellent history of managing financial risks and has achieved its statutory financial duties every year since it was established. This has been achieved as a result of regular monitoring of the risks and opportunities that are identified on a monthly basis with the support of the senior managers and budget holders.

The PCT has continued to manage strategic risks via the Cluster Assurance Framework. Progress on the action plans for each risk was reported to the Audit and Governance Committee meeting on a regular basis. An exercise was undertaken in the latter half of 2012 to ensure that the CCG Board Assurance Framework was linked to the Cluster Assurance Framework and that those risks were effectively escalated to the Board.

Main risks

The main risks facing the PCT during 2012/2013 have been associated with system reform:

- **The transition to clinically-led commissioning** – The CCG had fully delegated responsibilities for all relevant commissioning activities since April 2011. The Board, committees of the Board and the Executive Team were instrumental in supporting the CCG through the authorisation process and ensuring they were fit for purpose.

- **The transfer of the public health function** – This was progressed in line with a Local Public Health Transition Plan for the transfers to Nottingham City Council in collaboration with the Local Authorities, and in line with national guidance.

- **The transitional governance issues associated with the close-down of the PCT** – A transitional governance work programme was established to ensure the safe closedown of the PCT, whilst ensuring there was a continued focus on business continuity as the new healthcare system was established.

- **Non transition related risks included**:

    - **Failure to meet QIPP targets will impact on the financial performance** - this was monitored via the Finance and Performance Committee and a review of all QIPP schemes which was led by the Director of Finance.

- **Care homes not meeting CQC standard** – the CCG developed a regular review process and action plan to address this and regular reports were provided to the Board.

- **Non compliance with CQC regulations and essential standards, infection control and health and safety in offender health** – fortnightly meetings were put in place to address this.

In addition to the specific actions detailed above the PCT has:

- Reviewed the governance structure to ensure assurance was maintained especially as transition and the authorisation process progress;
- Worked with other PCTs in the Midlands and East footprint to develop transition plans and to learn from best practice.

The PCT required risk management to be integrated into every activity the organisation or its directors and employees undertook. This means that the Cluster had a robust risk management process in place which included active leadership from the Board. This was achieved through the Board having a key role in the monitoring of the Cluster Assurance Framework, identification of risk in papers presented to the Board and through Board involvement in the chairmanship of its committees. Additionally the detailed monitoring of the Cluster Assurance Framework was delegated to the Audit and Governance Committee. This committee had responsibility for challenging the Board Assurance Frameworks being produced by the CCG to ensure they were accurate, linked with the Cluster Assurance document and that the actions plans were in place and achievable.

Information governance

An established framework for information governance was in place within the PCT, which ensured that risks to data security are effectively managed and controlled. The roles of Caldicott Guardian and Senior Information Risk Officer (SIRO) are assigned at an appropriately senior level within the organisation and the required training has been completed.

There were no reported lapses in data security during the year and no reports to the Information Commissioner.

Risk management leadership was further provided in the organisation through the Executive Lead for Governance. This individual provided advice, support, training, and the management of the organisational wide risk management arrangements and risk registers. Their team supported the Cluster Assurance Framework process, policy development and had responsibility for reviewing and amending the corporate governance arrangements as appropriate during the transition.

Members of staff throughout the PCT and CCG were actively involved in identifying, assessing and managing risk. Each directorate and CCG developed and managed its own risk register. Each register was then fed into the Cluster Assurance Framework.

The PCT had a Board endorsed Risk Management Policy which covered structures, attitudes, arrangements for reviewing risks and maintenance of the Cluster Risk Register. The Cluster had policies and procedures in place to ensure that we identified and learnt lessons from complaints, incidents, claims and enquiries dealt with by the Patient Advice and Liaison Service. The Audit and Governance Committee reviewed trends relating to these areas and ensured appropriate action was taken to address any areas of concern highlighted by that information. This information was reported to the Board as part of the Committee – Board reporting as identified in the Governance structure.

The PCT provided new staff with an induction programme which covered health and safety, fire and other advice necessary to enable to staff to work safely within the organisation. Members of staff were also required to attend mandatory update training covering all of the areas identified above along with Information Governance, Customer Care, Safeguarding and Infection Prevention and Control which are all aimed at managing risk.

We also produced a number of guidance documents which set out for staff the key actions they could take to reduce risk. Further the Transition Board released a number of internal briefings which were focussed on ensuring staff were fully informed about the arrangements being made to close down the PCT and the actions they needed to take to support this.

Financial governance

Despite the abolition of SHAs and PCTs, a letter to all Accountable Officers from Janet Perry NHS Chief Financial Controller (Gateway ref 18561) made clear that the PCT needed to ensure robust arrangements are maintained for:

- Preparation and sign off of PCT accounts for 2012/13;
- Support for the completion of the Department's resource account;
- Transfer of closing balances to residual organisations;
- Management of local discharge of balances transferred to the Department;
- Management of payroll queries and other related payroll issues; and
- Handover of residual balances managed on behalf of the Department.

In order to ensure sufficient resource to secure effective accounts preparation and an audit process arrangements have been made to construct teams from the new organisations including;

- The Clinical Commissioning Groups within Nottinghamshire
- The Derbyshire and Nottinghamshire Area Team
- Greater East Midlands Commissioning Support Unit
- NHS Property Services Limited

The PCT has also made arrangements to secure some interim appointments and use current staff, retained under Retention and Exit Terms Schemes (RETS).

The NHS England Derbyshire and Nottinghamshire Area Team Directors, as PCT accountable officers will have responsibility for signing accounts and the supporting statements.

To maintain rigour in the process and ensure there is some local scrutiny of the accounts a sub-committee of the Department of Health's own Audit and Risk Committee has been created and 3 existing Audit and Governance Committee members have been appointed as members. This approach is designed to draw on the expertise of current audit committee members and will provide a mechanism with the appropriate status to discharge the function.

The draft accounts will be reviewed in an Audit and Risk Committee meeting in April 2013 with final sign off taking place in June 2013.

The NHS England Derbyshire and Nottinghamshire Area Team Director of Finance will have responsibility for securing local teams to manage the discharge of balances that will be transferred to the Department of Health by the PCT and will manage the process of handover of the balances to receiver organisations. This responsibility will last from 1 April to 31 July 2013.

4. The Risk and Control Framework

The Risk Management Policy covered identification, quantification, reduction or elimination of risk across clinical (including patient safety issues), health and safety, information and data, organisational, financial, workforce and reputational risks.

Risk was identified through a wide range of sources including: individual team reviews, directorate assessments, risks to the delivery of organisational objectives, performance data, business plans and risk identified in papers presented to the Audit and Governance Committee.

Evaluation was undertaken using an organisational-wide tool based on a 5 by 5 matrix which utilises the assessment of likelihood and impact to produce a risk score. Risks assessed as significant (over 16) to the achievement of the Corporate objectives were included in the Cluster Assurance Framework. In order to reduce or eliminate risk a lead was identified for each risk and current controls were reviewed and an action plan developed as appropriate.

Risk Management was embedded through ensuring that all employees were engaged in assessing and managing risk as set out above. The Cluster Assurance Framework provided the organisation with a comprehensive method for the effective and focused management of the strategic risks to meeting the PCT's objectives. The Framework covered the

organisation's risks, which could affect the achievement of the objectives, control measures, and gaps which are translated into an action plan.

There were also significant support in place for prevention and deterrence. This included communication at all levels including team briefs and the active involvement of the Local Counter Fraud Specialist in investigations. They also provided training and regular reports to the Audit and Governance Committee on activity.

The Cluster Assurance Framework was a crucial process for the management of risk. It was the Board's process for managing the achievement of its strategic objectives, ensuring it achieves sufficient assurance on progress against those objectives and managing the associated risks. The Cluster Assurance Framework provided evidence to support the Governance Statement by demonstrating control by the Board in those areas.

During 2012/13 the Cluster Assurance Framework was regularly reviewed to ensure that specific risks associated with the development of CCGs and the overall transition process were monitored.

These controls were all part of the overall PCT Governance structure and were supported by PCT staff and independent associates most of whom have previously served as Non Executive Directors.

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

Control measures were in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation especially the Equality Delivery Scheme (EDS) were complied with.

5. Review of Effectiveness of Risk Management and Internal Control

As Accountable Officer, I had responsibility for reviewing the effectiveness of the system of risk management and internal control. My review is informed in a number of ways. The Head of Internal Audit provided me with an opinion on the overall arrangements for gaining assurance through the Cluster and Board Assurance Frameworks and on the controls reviewed as part of the internal audit work. Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control provided me with assurance. The Cluster Assurance Framework itself provided me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My view is also informed by:

- Internal Audit reports;
- Cluster Assurance Framework;
- work undertaken by KPMG in giving an opinion on the annual accounts and other audit reports;
- reports from external bodies such as the Care Quality Commission (CQC);
- the NHS Litigation Authority assessment against risk management standards; and
- CQC essential standards of quality and safety.

I have been advised in my review of the effectiveness of the system of internal control by the Board, the Audit and Governance Committee, the Finance and Performance Committee, other committees of the Board and my Executive Directors.

6. Head of internal audit opinion

The 2012-13 year has seen significant change for the organisations as they have prepared for their abolition on 31 March 2013 and handover of functions to the new commissioning organisations detailed in the Health and Social Care Act 2012. The delivery of the PCT's statutory functions and arrangements for closedown were achieved whilst the PCT sought to develop, prepare, support and engage with those organisations emerging as a result of the Act so that they were in the best position possible to continue the legacy of the PCTs. These challenges have been reviewed regularly by the PCT and the changing risk profile reflected within the audit plan and the type of work that has been delivered by EMIAS during the year.

The overall opinion of the head of Internal Audit for 2012/2013 was as follows, *"I am pleased to report that the organisation has achieved **Significant Assurance** as there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently."*

7. Overall Opinion

In providing an opinion for the 2012/2013 financial year, it is important to reflect on the environment in which the PCT has been required to function and the impact such an unprecedented period of change has had on the operation of control.

The PCT has continued to meet their statutory functions despite significant reductions in staff and the related loss of organisational knowledge. The cluster arrangements and subsequent delegation of management responsibility to the new Nottinghamshire and Derbyshire Area Team of NHS England has enabled the PCT to make the best use of the resources available to it and also support the continuity of work and retention of key employees. This has taken place alongside the Clinical Commissioning Group being authorised by NHS England and unanticipated issues arising as a result of the transition period. Each of these issues had the potential to impact on the overall control environment; collectively they created a volatility that inherently increased the level of risk being faced by

all PCTs, arguably in spite of any additional control mechanisms that may be implemented. However, the system of internal control was designed to manage risk to a reasonable level rather than eliminate all risk of failure. From EMIAS's review of our systems of internal control, primarily through the operation of our Assurance Framework and the individual assignments they have undertaken they have provided a **Significant Assurance** that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

8. Significant Issues

National guidance defines significant issues as those that:

- Could have a material impact on the accounts;
- may prejudice the achievement of the business plan or other priorities;
- could undermine the integrity or reputation of the organisation;
- are of concern to the organisation's Audit and Governance Committee;
- have been highlighted as significant by the organisation's internal or external auditors;
- could impact on the delivery of the standards expected of the Accountable Officer;
- may make it harder to resist fraud or other misuse of resources;
- put a significant programme or project at risk;
- could divert resources from another significant aspect of the business; and
- may put national security or data integrity at risk.

The PCT did not have any significant control issues during 2012/13.

Designated Signing Officer for the PCT
and Accountable Office for the PCT until 31st March 2013: Derek Bray

Organisation: NHS Nottingham City

Signature Derek Bray

Date 6/6/2013

INDEPENDENT AUDITOR'S REPORT TO THE SIGNING OFFICER FOR NOTTINGHAM CITY PRIMARY CARE TRUST

We have audited the financial statements of Nottingham City PCT for the year ended 31 March 2013 which comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and associated notes. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

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

Respective responsibilities of Signing Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Nottingham City PCT as at 31 March 2013 and of its expenditure and income for the year then ended; and

- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

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

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

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

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

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

Conclusion on the 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 2010 for local NHS bodies, having regard to the guidance issued by the Audit Commission in November 2012. We have considered the results of the following:

- our review of the Governance Statement; 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; and

- our review of the PCT's closedown and transition plans.

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 Nottingham City PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.

Sue Sunderland for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

7th 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	**10,419**	10,793
Other costs	5.1	**622,543**	603,824
Income	4	**(51,831)**	(51,790)
Net operating costs before interest		**581,131**	562,827
Investment income	9	**(65)**	(102)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**5,443**	4,996
Net operating costs for the financial year		**586,509**	567,721
Transfers by absorption -(gains)		**0**	0
Transfers by absorption - losses		**0**	0
Net (gain)/loss on transfers by absorption		**0**	0
Net Operating Costs for the Financial Year including absorption transfers		**586,509**	**567,721**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**9,521**	9,920
Other costs	5.1	**4,623**	6,223
Income	4	**(1,121)**	(1,744)
Net administration costs before interest		**13,023**	**14,399**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	0
Net administration costs for the financial year		**13,023**	**14,399**
Programme Expenditure			
Gross employee benefits	7.1	**898**	873
Other costs	5.1	**617,920**	597,601
Income	4	**(50,710)**	(50,046)
Net programme expenditure before interest		**568,108**	**548,428**
Investment income	9	**(65)**	(102)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**5,443**	4,996
Net programme expenditure for the financial year		**573,486**	**553,322**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**361**	301
Net (gain) on revaluation of property, plant & equipment	**0**	(1,270)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	0
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	0
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**586,870**	**566,752**

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	**67,606**	71,412
Intangible assets	13	**0**	0
investment property	15	**0**	0
Other financial assets	21	**939**	939
Trade and other receivables	19	**1,137**	1,160
Total non-current assets		**69,682**	73,511
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**10,918**	20,886
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**28**	1
Total current assets		**10,946**	20,887
Non-current assets held for sale	24	**350**	500
Total current assets		**11,296**	21,387
Total assets		**80,978**	94,898
Current liabilities			
Trade and other payables	25	**(34,643)**	(30,853)
Other liabilities	26,28	**0**	0
Provisions	32	**(1,991)**	(3,421)
Borrowings	27	**(412)**	(389)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(37,046)**	(34,663)
Non-current assets plus/less net current assets/liabilities		**43,932**	60,235
Non-current liabilities			
Trade and other payables	25	**(2,427)**	0
Other Liabilities	28	**0**	0
Provisions	32	**(3,835)**	(1,535)
Borrowings	27	**(66,465)**	(66,026)
Other financial liabilities	36.2	**0**	0
Total non-current liabilities		**(72,727)**	(67,561)
Total Assets Employed:		**(28,795)**	(7,326)
Financed by taxpayers' equity:			
General fund		**(31,431)**	(10,323)
Revaluation reserve		**2,636**	2,997
Other reserves		**0**	0
Total taxpayers' equity:		**(28,795)**	(7,326)

The notes on pages 5 to 48 form part of this account.

The financial statements on pages *1-4* were approved by the Board on *[date]* and signed on its behalf by

Chief Executive: Date:

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**(10,323)**	**2,997**	**0**	**(7,326)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(586,509)			(586,509)
Net gain on revaluation of property, plant, equipment		0		0
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(361)		(361)
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	**(586,509)**	**(361)**	**0**	**(586,870)**
Net Parliamentary funding	565,401			565,401
Balance at 31 March 2013	**(31,431)**	**2,636**	**0**	**(28,795)**

Balance at 1 April 2011	**(19,623)**	**2,028**	**0**	**(17,595)**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(567,721)			(567,721)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,270		1,270
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		(301)		(301)
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(567,721)	969	0	(566,752)
Net Parliamentary funding	577,021			577,021
Balance at 31 March 2012	**(10,323)**	**2,997**	**0**	**(7,326)**

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		**(581,131)**	(562,827)
Depreciation and Amortisation		**2,948**	1,593
Impairments and Reversals		**1,227**	2,203
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		**(4,981)**	(4,485)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**0**	0
(Increase)/Decrease in Trade and Other Receivables		**9,991**	3,112
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**6,262**	(3,977)
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions Utilised		**(3,413)**	(3,011)
Increase/(Decrease) in Provisions		**4,283**	185
Net Cash Inflow/(Outflow) from Operating Activities		**(564,814)**	**(567,207)**
Cash flows from investing activities			
Interest Received		**65**	102
(Payments) for Property, Plant and Equipment		**(625)**	(9,932)
(Payments) for Intangible Assets		**0**	0
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**0**	0
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	0
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(560)**	**(9,830)**
Net cash inflow/(outflow) before financing		**(565,374)**	**(577,037)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		0	0
Net Parliamentary Funding		565,401	577,021
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		**565,401**	**577,021**
Net increase/(decrease) in cash and cash equivalents		**27**	**(16)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**1**	**17**
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		**28**	**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.

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

The PCT is not a corporate trustee for any NHS charitable funds.

1.1 Accounting Conventions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

Where the PCT enters into arrangements involving the use of specific properties, whether these are subject to a formal lease, or not, it considers the appropriate treatment of the arrangement under IAS 17 "leases", SIC 27 "Evaluating the substance of transactions involving the legal form of the lease" and IFRIC4 "Determining whether an arrangement contains a lease".

Key sources of estimation uncertainty

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

Estimates have been used in calculating Provisions:

The Continuing Care provision is based on a percentage of cases being successful at regional panel (based on success rates in previous years), multiplied by the average value of claims submitted.

Early retirements have been calculated using estimated remaining lives.

The PCT carries an onerous contract provision against aspects of the Nottingham Independent Treatment Centre contract with Nations Healthcare. The value as at 31/3/13 is £1,437k (£2,880k 2011/12) and this is based on estimates of future Retail Price Indices (RPIx) movements.

Estimates have been used for the following accruals.The continuing care accrual is based on the number of patients not invoiced for. The GMS accrual is based on outstanding payments on the Exeter system. Prescribing costs are estimated using data from the Prescription Pricing Authority and includes an accrual for 2.2 months of charges.

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 Care Trust Designation

NHS Nottingham City is not a Care Trust.

1.4 Pooled budgets

The PCT has entered into three pooled budgets: two with Nottingham City Council and one with Nottinghamshire County Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for various activities and a memorandum note to the accounts provides details of the joint income and expenditure.

The first is for the provision of Community Equipment. As a commissioner of healthcare services, the PCT makes contributions to the pool, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement. The pool hosted by Nottingham City Council (County South) terminated during 2011-12 and the balance on the account was paid to the PCT during 2012-13. The (County South) scheme was replaced in 2011-12 by a pooled arrangement hosted by Nottinghamshire County Council (County Wide).

Nottingham City PCT also has established a pooled budget arrangement with Nottingham City Council under 75 of the National Health Service Act 2006 for the development and running of the Joint Service Centre in St Anns Nottingham.

1.5 Taxation

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

1.6 Administration and Programme Costs

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

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

1. Accounting policies (continued)

1.7 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.8 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.9 Depreciation, amortisation and impairments

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

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

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

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

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

1. Accounting policies (continued)

1.10 Donated assets
The PCT does not have any donated assets.

1.11 Government grants
The PCT does not have any government granted assets.

1.12 Non-current assets held for sale

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

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

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

1.13 Inventories
The PCT does not hold any inventories.

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

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

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

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

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

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

1. Accounting policies (continued)

1.17 Employee benefits

Short-term employee benefits

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

Retirement benefit costs

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

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

1.18 Research and Development

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

1.19 Other expenses

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

1.20 Grant making

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

1.21 EU Emissions Trading Scheme

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

1. Accounting policies (continued)

1.22 Contingencies

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

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

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

1.23 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.24 Foreign exchange

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

1.25 Provisions

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

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

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

A restructuring provision is recognised when the PCT has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures 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)

1.26 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

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

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

1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

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

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

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

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

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

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

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

1. Accounting policies (continued)

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

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

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

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

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

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

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

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

1. Accounting policies (continued)

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

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

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

1.29 Going Concern

Under the provisions of *The Health and Social Care Act 2012 (Commencement No. 4 Transitional, Savings and Transitory Provisions) Order 2013,* Nottingham City 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 Statement of Financial Position has therefore been drawn up as at 31st March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there have been no disclosures made under IFRS 5 *Non Current Assets Held for Sale and Discontinued Operations.*

Revaluations and impairments recognised within this financial year have been undertaken as routine annual cycle of the PCT.

2 Operating segments

Nottingham City PCT operates two reporting segments, PCT Cluster and the Clinical Commissioning Group, for its decision making and performance monitoring arrangements.

This level of segmental reporting has arisen due to the PCT adopting shadow CCG Board arrangements as a response to the Health and Social Care Bill future requirements. They have operated in shadow form during 2011-12.

	PCT Cluster		CCG		Total	
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
	£000	£000	**£000**	£000	**£000**	£000
Expenditure	**156,819**	161,016	**429,690**	406,705	**586,509**	567,721
Surplus/(Deficit)						
Segment surplus/(deficit)	**1,258**	2,141	**3,154**	1,271	**4,412**	3,412
Common costs	**0**	0	**0**	0	**0**	0
Surplus/(deficit) before interest	**1,258**	2,141	**3,154**	1,271	**4,412**	3,412
Net Assets:						
Segment net assets	**(28,795)**	(7,326)	**0**	0	**(28,795)**	(7,326)

PCT Cluster

The PCT Cluster segment derives its funding from a share of the PCT Department of Health allocation, and is responsible for securing the provision of specialised healthcare and primary care services for the resident population. The PCT Cluster is also responsible for the PCT Estate.

CCG

The CCG Cluster segment derives its funding from a share of the PCT Department of Health allocation, and is responsible for securing the provision of general acute, emergency, mental and community healthcare services and prescribing spend for the resident population.

The main area of healthcare expenditure for both segments during 2012/13 was with Nottingham University Hospitals NHS Trust.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year	**586,509**	567,721
Net operating cost plus (gain)/loss on transfers by absorption	**0**	0
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**590,921**	571,133
Under/(Over)spend Against Revenue Resource Limit (RRL)	**4,412**	3,412

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**612**	19,577
Charge to Capital Resource Limit	**580**	19,371
(Over)/Underspend Against CRL	**32**	**206**

3.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	**0**	0
Provider Operating Revenue	**0**	0
Net Provider Operating Costs	**0**	0
Costs Met Within PCTs Own Allocation	**0**	0
Under/(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	**565,401**	577,021
Cash Limit	**565,401**	577,021
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)	**501,412**
Less: Trade Income from DH	**0**
Less/(Plus): movement in DH working balances	**0**
Sub total: net advances	**501,412**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	**0**
Plus: cost of Dentistry Schemes (central charge to cash limits)	**16,760**
Plus: drugs reimbursement (central charge to cash limits)	**47,229**
Parliamentary funding credited to General Fund	**565,401**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	**3,105**	0	3,105	3,265
Dental Charge income from Trust-Led GDS & PDS	**0**	0	0	0
Prescription Charge income	**2,352**	0	2,352	2,227
Strategic Health Authorities	**1,480**	2	1,478	1,211
NHS Trusts	**49**	49	0	56
NHS Foundation Trusts	**16**	0	16	0
Primary Care Trusts Contributions to DATs	**0**	0	0	0
Primary Care Trusts - Other	**0**	0	0	0
Primary Care Trusts - Lead Commissioning	**39,255**	0	39,255	41,720
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**2,069**	0	2,069	89
Recoveries in respect of employee benefits	**637**	455	182	805
Local Authorities	**574**	0	574	154
Patient Transport Services	**0**	0	0	0
Education, Training and Research	**0**	0	0	0
Non-NHS: Private Patients	**0**	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**	0	0	0
NHS Injury Costs Recovery	**0**	0	0	0
Other Non-NHS Patient Care Services	**572**	572	0	351
Charitable and Other Contributions to Expenditure	**0**	0	0	2
Receipt of donated assets	**0**	0	0	0
Receipt of Government granted assets	**0**	0	0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**462**	0	462	404
Other revenue	**1,260**	43	1,217	1,506
Total miscellaneous revenue	**51,831**	**1,121**	**50,710**	**51,790**

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	**67,186**	0	67,186	57,494
Non-Healthcare	**525**	339	186	2,003
Total	**67,711**	339	67,372	59,497
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**242,277**	0	242,277	239,934
Goods and services (other, excl Trusts, FT and PCT))	**0**	0	0	1
Total	**242,277**	0	242,277	239,935
Goods and Services from Foundation Trusts	**7,711**	21	7,690	7,444
Purchase of Healthcare from Non-NHS bodies	**162,985**	0	162,985	152,828
Social Care from Independent Providers	**0**	0	0	0
Expenditure on Drugs Action Teams	**3,718**	0	3,718	3,678
Non-GMS Services from GPs	**0**	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	**18,825**	0	18,825	20,146
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**0**	0	0	0
Chair, Non-executive Directors & PEC remuneration	**518**	518	0	437
Executive committee members costs	**199**	199	0	224
Consultancy Services	**78**	46	32	271
Prescribing Costs	**36,695**	0	36,695	40,496
G/PMS, APMS and PCTMS (excluding employee benefits)	**45,937**	0	45,937	45,408
Pharmaceutical Services	**0**	0	0	0
Local Pharmaceutical Services Pilots	**0**	0	0	375
New Pharmacy Contract	**11,223**	0	11,223	11,152
General Ophthalmic Services	**3,216**	0	3,216	3,229
Supplies and Services - Clinical	**2,505**	0	2,505	2,377
Supplies and Services - General	**40**	2	38	29
Establishment	**2,312**	1,065	1,247	1,803
Transport	**3**	0	3	0
Premises	**6,706**	1,548	5,158	5,438
Impairments & Reversals of Property, plant and equipment	**1,077**	0	1,077	2,203
Impairments and Reversals of non-current assets held for sale	**150**	0	150	0
Depreciation	**2,948**	81	2,867	1,593
Amortisation	**0**	0	0	0
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**0**	0	0	0
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**995**	0	995	0
Audit Fees	**98**	98	0	151
Other Auditors Remuneration	**0**	0	0	135
Clinical Negligence Costs	**0**	0	0	0
Education and Training	**299**	144	155	254
Grants for capital purposes	**0**	0	0	0
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**4,317**	562	3,755	4,721
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**622,543**	4,623	617,920	603,824
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	**585**	585	0	536
Other Employee Benefits	**9,834**	8,936	898	10,257
Total Employee Benefits charged to SOCNE	**10,419**	9,521	898	10,793
Total Operating Costs	**632,962**	14,144	618,818	614,617
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	0
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**	**0**
Grants to fund revenue expenditure				
To Local Authorities	0	0	0	0
To Private Sector	0	0	0	0
To Other	0	0	0	0
Total Revenue Grants	**0**	**0**	**0**	**0**
Total Grants	**0**	**0**	**0**	**0**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	12,066	10,480	1,586
Weighted population (number in units)*	339,333	339,333	339,333
Running costs per head of population (£ per head)	**36**	**31**	**5**
PCT Running Costs 2011-12			
Running costs (£000s)	12,652	9,995	2,657
Weighted population (number in units)	339,333	339,333	339,333
Running costs per head of population (£ per head)	**37**	**29**	**8**

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	45,937	45,408
Prescribing costs	36,695	40,496
Contractor led GDS & PDS	18,825	20,146
Trust led GDS & PDS	0	0
General Ophthalmic Services	3,216	3,229
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	375
New Pharmacy Contract	11,223	11,152
Non-GMS Services from GPs	0	0
Other	0	0
Total Primary Healthcare purchased	**115,896**	120,806
Purchase of Secondary Healthcare		
Learning Difficulties	6,841	6,458
Mental Illness	66,703	64,662
Maternity	13,526	13,368
General and Acute	238,440	228,223
Accident and emergency	8,457	7,655
Community Health Services	80,509	72,965
Other Contractual	23,731	19,762
Total Secondary Healthcare Purchased	**438,209**	413,093
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**554,105**	**533,899**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	4,351	4,549

6. Operating Leases

The PCT enters into operating leases of plant and machinery and buildings. Typical durations of the leases are:

Plant and machinery - up to 10 years
Buildings - up to 40 years

For buildings, in most cases the lease rental payments vary with inflation rates, and the inflation-linked amount is treated as contingent rental expense. Office and health centre premises are the main buildings leased.
The terms and conditions of these operating leases do not impose any significant financial restrictions on the PCT.

The PCT also enters into certain financial arrangements involving the use of GP premises. Under:

- IAS17 "Leases",
- SIC 27 "Evaluating the substance of transactions involving the legal form of a lease" and
- IFRIC 4 "Determining whether an arrangement contains a lease".

The PCT has determined that those arrangements should be recognised as operating leases, but as there is no term in the arrangements entered into, it is not possible to analyse the rentals under the leases over financial years. The financial value included in the Operating Cost Statement for 2012/13 is £2,852k (£2,678k in 2011/12).

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments	**0**	**349**	**0**	**349**	466
Contingent rents	**0**	**37**	**0**	**37**	16
Sub-lease payments	**0**	(126)	**0**	(126)	(120)
Total	**0**	**260**	**0**	**260**	**362**
Payable:					
No later than one year	**0**	**378**	**0**	**378**	244
Between one and five years	**0**	**1,358**	**0**	**1,358**	1,323
After five years	**0**	**1,333**	**0**	**1,333**	1,633
Total	**0**	**3,069**	**0**	**3,069**	**3,200**
Total future sublease payments expected to be received				205	324

6.2 PCT as lessor

The PCT sub-leases one of its Health Centres and part of one of its LIFT Buildings. The rental receivables are disclosed below.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**462**	404
Contingent rents	**0**	0
Total	**462**	404
Receivable:		
No later than one year	**479**	417
Between one and five years	**1,896**	1,810
After five years	**5,288**	5,406
Total	**7,663**	7,633

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13								
				Permanently employed			Other	
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	**8,798**	8,015	783	**8,152**	7,517	635	**646**	498	148
Social security costs	**608**	561	47	**608**	561	47	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**869**	801	68	**869**	801	68	**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	**144**	144	0	**144**	144	0	**0**	0	0
Total employee benefits	**10,419**	**9,521**	**898**	**9,773**	**9,023**	**750**	**646**	**498**	**148**
Less recoveries in respect of employee benefits (table below)	**(637)**	(455)	(182)	**(637)**	**(455)**	**(182)**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**9,782**	**9,066**	**716**	**9,136**	**8,568**	**568**	**646**	**498**	**148**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**10,419**	**9,521**	**898**	**9,773**	**9,023**	**750**	**646**	**498**	**148**
Recognised as:									
Commissioning employee benefits	**10,419**			**9,773**			**646**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**10,419**			**9,773**			**646**		

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	**637**	455	182	**637**	455	182	**0**	0	0
Social Security costs	**0**	0	0	**0**	0	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**0**	0	0	**0**	0	0	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other Post Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination Benefits	**0**	0	0	**0**	0	0	**0**	0	0
TOTAL excluding capitalised costs	**637**	**455**	**182**	**637**	**455**	**182**	**0**	**0**	**0**

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2012-13			
Salaries and wages	**8,797**	8,426	371
Social security costs	**604**	604	0
Employer Contributions to NHS BSA - Pensions Division	**933**	933	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**459**	459	0
Total gross employee benefits	**10,793**	**10,422**	**371**
Less recoveries in respect of employee benefits	**(805)**	(805)	0
Total - Net Employee Benefits including capitalised costs	**9,988**	**9,617**	**371**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**10,793**	**10,422**	**371**
Recognised as:			
Commissioning employee benefits	**10,793**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**10,793**		

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	**8**	8	0	**10**	10	0
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**161**	141	20	**163**	145	18
Healthcare assistants and other support staff	**0**	0	0	**0**	0	0
Nursing, midwifery and health visiting staff	**5**	5	0	**5**	5	0
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**11**	11	0	**12**	12	0
Social Care Staff	**0**	0	0	**0**	0	0
Other	**1**	1	0	**0**	0	0
TOTAL	**186**	**166**	**20**	**190**	**172**	**18**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	**3,224**	**8,952**
Total Staff Years	**528**	**1,150**
Average working Days Lost	6.11	7.78

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**1**	0
	£000s	£000s
Total additional pensions liabilities accrued in the year	86	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**
Lees than £10,000	**0**	**0**	**0**	2	0	**2**
£10,001-£25,000	**1**	**0**	**1**	1	0	**1**
£25,001-£50,000	**1**	**0**	**1**	2	0	**2**
£50,001-£100,000	**1**	**0**	**1**	1	1	**2**
£100,001 - £150,000	**0**	**0**	**0**	0	0	**0**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**0**	**0**	**0**	0	1	**1**
Total number of exit packages by type (total cost	**3**	**0**	**3**	**6**	**2**	**8**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Total resource cost	143,536	0	**143,536**	164,000	293,000	**457,000**

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Redundancy 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.

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.
The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

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

c) Scheme provisions

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

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

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	**16,627**	**154,376**	14,895	163,654
Total Non-NHS Trade Invoices Paid Within Target	**16,229**	**152,182**	14,446	161,677
Percentage of NHS Trade Invoices Paid Within Target	97.61%	98.58%	96.99%	98.79%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,715**	**398,100**	4,070	395,224
Total NHS Trade Invoices Paid Within Target	**4,531**	**396,593**	3,884	392,276
Percentage of NHS Trade Invoices Paid Within Target	96.10%	99.62%	95.43%	99.25%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	**0**	**0**	**0**	0
PFI finance lease revenue (contingent)	**0**	**0**	**0**	0
Other finance lease revenue	**0**	**0**	**0**	0
Subtotal	**0**	**0**	**0**	0
Interest Income				
LIFT: equity dividends receivable	**0**	**0**	**0**	0
LIFT: loan interest receivable	**65**	**0**	**65**	102
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	**65**	**0**	**65**	102
Total investment income	**65**	**0**	**65**	102

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	**2,800**	**0**	**2,800**	2,744
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	**2,294**	**0**	**2,294**	1,966
- contingent finance cost	**349**	**0**	**349**	286
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**5,443**	**0**	**5,443**	**4,996**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**0**		**0**	
Total	**5,443**	**0**	**5,443**	**4,996**

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	**3,674**	**66,292**	**0**	**0**	**580**	**29**	**4,256**	**775**	**75,606**
Additions of Assets Under Construction	0	0	0	0	0	0	0	0	**0**
Additions Purchased	0	580	0	0	0	0	0	0	**580**
Additions Donated	0	0	0	0	0	0	0	0	**0**
Additions Government Granted	0	0	0	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments/negative indexation	0	(483)	0	0	(17)	(2)	(190)	(14)	**(706)**
Reversal of Impairments	0	345	0	0	0	0	0	0	**345**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**3,674**	**66,734**	**0**	**0**	**563**	**27**	**4,066**	**761**	**75,825**
Depreciation									
At 1 April 2012	**0**	**0**	**0**	**0**	**320**	**24**	**3,482**	**368**	**4,194**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments	0	1,195	0	0	0	0	0	0	**1,195**
Reversal of Impairments	0	(118)	0	0	0	0	0	0	**(118)**
Charged During the Year	0	1,725	0	0	243	3	584	393	**2,948**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**0**	**2,802**	**0**	**0**	**563**	**27**	**4,066**	**761**	**8,219**
Net Book Value at 31 March 2013	**3,674**	**63,932**	**0**	**0**	**0**	**0**	**0**	**0**	**67,606**
Purchased	3,674	61,032	0	0	0	0	0	0	**64,706**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	2,900	0	0	0	0	0	0	**2,900**
Total at 31 March 2013	**3,674**	**63,932**	**0**	**0**	**0**	**0**	**0**	**0**	**67,606**
Asset financing:									
Owned	2,531	7,275	0	0	0	0	0	0	**9,806**
Held on finance lease	0	34,813	0	0	0	0	0	0	**34,813**
On-SOFP PFI contracts	1,143	21,844	0	0	0	0	0	0	**22,987**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**3,674**	**63,932**	**0**	**0**	**0**	**0**	**0**	**0**	**67,606**

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	**1,065**	**1,709**	**0**	**0**	**17**	**2**	**190**	**14**	**2,997**
Movements due to annual revaluation exercise	0	(138)	0	0	(17)	(2)	(190)	(14)	**(361)**
At 31 March 2013	**1,065**	**1,571**	**0**	**0**	**0**	**0**	**0**	**0**	**2,636**

Additions to Assets Under Construction in 2012-13

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

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments 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	**4,157**	**57,317**	**0**	**0**	**580**	**29**	**4,256**	**775**	**67,114**
Additions - purchased	0	19,371	0	0	0	0	0	0	**19,371**
Additions - donated	0	0	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassified as held for sale	(250)	(250)	0	0	0	0	0	0	**(500)**
Disposals other than by sale	0	0	0	0	0	0	0	0	**0**
Revaluation & indexation gains	0	1,270	0	0	0	0	0	0	**1,270**
Impairments	(175)	(126)	0	0	0	0	0	0	**(301)**
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 revaluatio	(58)	(11,290)	0	0	0	0	0	0	**(11,348)**
At 31 March 2012	**3,674**	**66,292**	**0**	**0**	**580**	**29**	**4,256**	**775**	**75,606**
Depreciation									
At 1 April 2011	**0**	**7,766**	**0**	0	**269**	**23**	**3,397**	**291**	**11,746**
Reclassifications	**0**	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments	58	5,319	0	0	0	0	0	0	**5,377**
Reversal of Impairments	0	(3,174)	0	0	0	0	0	0	**(3,174)**
Charged During the Year	0	1,379	0	0	51	1	85	77	**1,593**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatio	(58)	(11,290)	0	0	0	0	0	0	**(11,348)**
At 31 March 2012	**0**	**0**	**0**	**0**	**320**	**24**	**3,482**	**368**	**4,194**
Net Book Value at 31 March 2012	**3,674**	**66,292**	**0**	**0**	**260**	**5**	**774**	**407**	**71,412**
Purchased	3,674	63,592	0	0	260	5	774	407	**68,712**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	2,700	0	0	0	0	0	0	**2,700**
At 31 March 2012	**3,674**	**66,292**	**0**	**0**	**260**	**5**	**774**	**407**	**71,412**
Asset financing:									
Owned	2,531	7,094	0	0	260	5	774	407	**11,071**
Held on finance lease	0	36,525	0	0	0	0	0	0	**36,525**
On-SOFP PFI contracts	1,143	22,673	0	0	0	0	0	0	**23,816**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**3,674**	**66,292**	**0**	**0**	**260**	**5**	**774**	**407**	**71,412**

12.3 Property, plant and equipment

The PCT undertook professional valuations of the estate carried out by the DVS, the commercial arm of the Valuation Office Agency. The valuations have been carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Market Value for non-specialised operational property.

In accordance with the requirements of the Department of Health, the asset valuations were undertaken in 2013 as at the prospective valuation date of 1 April 2013 and were applied on 31 March 2013.

Equipment assets have been written down, as a review in year highlighted that their recoverable amount was nil.

Economic Lives of Non-Current Assets	**Min life**	**Max life**
Property, Plant and Equipment	**Years**	**Years**
Buildings exc Dwellings	1	90
Dwellings	0	0
Plant & Machinery	1	14
Transport Equipment	7	7
Information Technology	1	13
Furniture and Fittings	2	8

Independent Sector Treatment Centres (ISTCs): The PCT's "Property, Plant & Equipment" note includes an amount in respect of the PCT's share of the expected minimum lease payments for the Nottingham ISTC.

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

Revaluation reserve balance for intangible non-current assets

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

13.3 Intangible non-current assets

The PCT has no intangible assets.

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	1,077	0	1,077
Total charged to Annually Managed Expenditure	**1,077**	**0**	**1,077**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	361	0	1,077
Total impairments for PPE charged to reserves	**361**	**0**	**0**
Total Impairments of Property, Plant and Equipment	**1,438**	**0**	**1,077**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total impairments for Intangible Assets charged to Reserves	**0**	**0**	**0**
Total Impairments of Intangibles	**0**	**0**	**0**

Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
TOTAL impairments for Financial Assets charged to reserves	**0**	**0**	**0**
Total Impairments of Financial Assets	**0**	**0**	**0**
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	150	0	150
Total charged to Annually Managed Expenditure	**150**	**0**	**150**
Total impairments of non-current assets held for sale	**150**	**0**	**150**
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Total impairments of Inventories	**0**	**0**	**0**
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	**0**	**0**	**0**
Total Investment Property impairments charged to SoCNE	**0**	**0**	**0**
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of Assets in the Course of Construction	0	0	0
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
TOTAL impairments for Investment Property charged to Reserves	**0**	**0**	**0**
Total Investment Property Impairments	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	361	0	0
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	1,227	0	1,227
Overall Total Impairments	**1,588**	**0**	**1,227**
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**	0
Gain from Fair Value Adjustments	**0**	0
Transfers (to)/from Other Public Sector Bodies	**0**	0
Other Changes	**0**	0
Balance at 31 March 2013	**0**	0
Investment property capital transactions in 2012-13		
Capital expenditure	**0**	0
Capital income	**0**	0
	0	0

16 Commitments

16.1 Capital commitments

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

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

16.2 Other financial commitments

The trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements) for Nottingham Treatment Centre, Arriva and Derbyshire Health United. The payments to which the PCT is committed are as follows:

	31 March 2013 £000	31 March 2012 £000
Not later than one year	**7,841**	22,450
Later than one year and not later than five year	**5,951**	12,902
Later than five years	**0**	0
Total	**13,792**	35,352

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	1,685	0	2,974	0
Balances with Local Authorities	0	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	916	0	2,261	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	8,317	1,137	29,408	2,427
At 31 March 2013	**10,918**	**1,137**	**34,643**	**2,427**
prior period:				
Balances with other Central Government Bodies	352	0	1,544	0
Balances with Local Authorities	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	2,100	0	1,275	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	18,434	1,160	28,034	0
At 31 March 2012	**20,886**	**1,160**	**30,853**	**0**

18 Inventories

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

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
NHS receivables - revenue	**1,489**	2,452	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**0**	0	**0**	0
Non-NHS receivables - revenue	**2,568**	2,053	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**6,724**	16,140	**1,137**	818
Provision for the impairment of receivables	**0**	0	**0**	0
VAT	**137**	241	**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**	342
Total	**10,918**	20,886	**1,137**	1,160
Total current and non current	**12,055**	22,046		
Included above:				
Prepaid pensions contributions	**0**	0		

The great majority of trade is with other NHS bodies, including other Primary Care Trusts as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**512**	1,016
By three to six months	**29**	35
By more than six months	**39**	246
Total	**580**	1,297

19.3 Provision for impairment of receivables

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

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**938**	**1**	**939**
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	**938**	**1**	**939**
Balance at 1 April 2011	938	1	939
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	**938**	**1**	**939**

NHS LIFT investments are also included in the 'Other financial assets' note below.

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**939**	939
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	**939**	939

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**	17
Net change in year	**27**	(16)
Closing balance	**28**	1
Made up of		
Cash with Government Banking Service	**28**	1
Commercial banks	**0**	0
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**28**	1
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**28**	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	250	250	0	0	0	0	0	0	0	**500**
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	(50)	(100)	0	0	0	0	0	0	0	**(150)**
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	**200**	**150**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**350**
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	250	250	0	0	0	0	0	0	0	**500**
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	**250**	**250**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**500**
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

The held for sale asset (Linden House) has been revalued by the Valuation Office. Disposal is expected during 2013/14.

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Interest payable	**0**	0	**0**	0
NHS payables - revenue	**5,231**	2,819	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**4**	0	**0**	0
Family Health Services (FHS) payables	**12,877**	16,657	**2,427**	0
Non-NHS payables - revenue	**5,287**	7,108	**0**	0
Non-NHS payables - capital	**0**	45	**0**	0
Non_NHS accruals and deferred income	**11,230**	4,223	**0**	0
Social security costs	**0**	0	**0**	0
VAT	**0**	0	**0**	0
Tax	**0**	0	**0**	0
Payments received on account	**0**	0	**0**	0
Other	14	1	0	0
Total	**34,643**	30,853	**2,427**	0
Total payables (current and non-current)	**37,070**	**30,853**	**2,427**	**0**

There are no payments in future years to buy out the liability for early retirements, and none in respect of outstanding pensions contributions at 31 March 2013 or at 31st March 2012.

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Bank overdraft - Government Banking Service	**0**	0	**0**	0
Bank overdraft - commercial banks	**0**	0	**0**	0
PFI liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**412**	389	**26,525**	26,937
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**39,940**	39,089
Other (describe)	**0**	0	**0**	0
Total	**412**	**389**	**66,465**	**66,026**
Total other liabilities (current and non-current)	**66,877**	**66,415**		

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Opening balance at 1 April 2012	**0**	0	**0**	0
Deferred income addition	**4**	0	**0**	0
Transfer of deferred income	**0**	0	**0**	0
Current deferred Income at 31 March 2013	**4**	0	**0**	0
Total other liabilities (current and non-current)	**4**	**0**		

30 Finance lease obligations

The PCT provides a number of Healthcare services through an Independent Sector Treatment Centre (ISTC), currently operated by Nations Healthcare. For the period of the contract with Nations, the PCT's share of the asset is recognised on its Statement of Financial Position. At the end of this contract in 2013/14 the PCT has the right to purchase Leasehold rights to the Centre.

The total future minimum lease payments are £42,086,514 (2011/12 £44,034,644), which reconciles to the total outstanding creditor of £39,940,494 (2011/12 £39,088,315) and the future interest charges of £2,146,000 (2011/12 £4,946,329).

Amounts payable under finance leases (Buildings)	**Minimum lease payments**		**Present value of minimum lease payments**	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Within one year	**42,086**	1,948	**39,940**	0
Between one and five years	**0**	42,087	**0**	39,089
After five years	**0**	0	**0**	0
Less future finance charges	**(2,146)**	(4,946)		
Present value of minimum lease payments	**39,940**	39,089	**39,940**	39,089
Included in:				
Current borrowings			**0**	0
Non-current borrowings			**39,940**	39,089
			39,940	39,089

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

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

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

31 Finance lease receivables as lessor

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

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

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

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

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**4,956**	0	1,690	0	294	0	0	0	2,972	0
Arising During the Year	**4,283**	0	0	0	128	2,718	0	0	1,437	0
Utilised During the Year	**(3,413)**	0	(159)	0	(294)	0	0	0	(2,960)	0
Reversed Unused	**0**	0	0	0	0	0	0	0	0	0
Unwinding of Discount	**0**	0	0	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**5,826**	**0**	**1,531**	**0**	**128**	**2,718**	**0**	**0**	**1,449**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**1,991**	**0**	**142**	**0**	**128**	**272**	**0**	**0**	**1,449**	**0**
Later than One Year and not later than Five Years	**3,011**	**0**	**565**	**0**	**0**	**2,446**	**0**	**0**	**0**	**0**
Later than Five Years	**824**	**0**	**824**	**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	£5,855,132
As at 31 March 2012	£5,822,800

The amount and timings of these provisions are based on facts that were known at the time of completion of the PCT's accounts. Subsequent changes may alter the estimated value of the provision and or the timing of the cash flows.

The provision for pensions relating to other staff, which relates to pre-1995 early retirements, has been assessed using average life expectancies, and is thus uncertain as to the amount and timing of the cash flows.

The provision for restructuring and redundancy relates to expenditure associated with organisational change.

The provision for Continuing Care relates to claims from individuals in respect of care homes fees, which the PCT is obliged to pay for under the National Health Service Act 2006.

The 'Other' column contains provisions for the onerous Nottingham Treatment Centre contract (£1,437k), and a small provision for NHS Litigation liabilities (£12k).

The onerous contract provision varies according to Retail Price Index movements over the life of the contract. The index used is RPIx, and average rises over the contract were forecast to be 3.2%, and whilst this has proved to be materially correct over the period elapsed, current political and financial uncertainty make forecasting difficult.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other	**(6,343)**	0
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(6,343)**	0
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

The amount included in 'Other' is associated with the Continuing Care provision in Note 32. A contingent liability has been created for claims which have been brought to the attention of the PCT and are in varying stages of being processed and reviewed, but have not been through an appeal panel. This means there is some uncertainty over timing and likelihood of payment. Potential costs reported are estimated maximum payments based upon a successful appeal in each case.

34 PFI and LIFT - additional information

Nottingham City PCT has involvement within NHS LIFT schemes to provide three LIFT buildings in Clifton, Hyson Green and Bulwell. The LIFT (Local Finance Improvement Trust) lease-plus contracts relate to the lease of healthcare facilities along with the provision of various services for a 25 year period.

The PCT has a significant interest in the residual value of the buildings in Clifton and Hyson Green, via an option to buy the facilities in the last 6 months of the contract. This does not apply to the new building in Bulwell as this interest diverts to Nottingham City Council. The substance of the LIFT contract is that the trust has a finance lease and the payments made by the PCT comprise of two elements - service charges and imputed finance lease charges. These are shown below.

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

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

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

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	**31 March 2013 £000**	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	**0**	0
Service element of on SOFP LIFT charged to operating expenses in year	**609**	475
Total	**609**	475

	31 March 2013 £000	31 March 2012 £000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
LIFT Scheme Expiry Date:		
No Later than One Year	**629**	609
Later than One Year, No Later than Five Years	**2,003**	2,631
Later than Five Years	**16,310**	15,308
Total	**18,941**	18,548

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

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

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**31 March 2013 £000**	31 March 2012 £000
No Later than One Year	**2,677**	2,684
Later than One Year, No Later than Five Years	**10,550**	10,631
Later than Five Years	**50,034**	52,629
Subtotal	**63,261**	65,944
Less: Interest Element	**(36,325)**	(38,618)
Total	**26,936**	27,326

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	**566**	0	566
Interest Expense	**2,634**	0	2,634
Impairment charge - AME	**261**		261
Impairment charge - DEL	**0**	0	0
Other Expenditure	**0**	0	0
Revenue Receivable from subleasing	**0**	0	0
Total IFRS Expenditure (IFRIC12)	**3,461**	**0**	**3,461**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**0**	0	0
Net IFRS change (IFRIC12)	**3,461**	**0**	**3,461**
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

36.1 Financial Assets	**At 'fair value through profit and loss' £000**	**Loans and receivables £000**	**Available for sale £000**	**Total £000**
Embedded derivatives	0	0	0	**0**
Receivables - NHS	0	1,489	0	**1,489**
Receivables - non-NHS	0	2,705	0	**2,705**
Cash at bank and in hand	0	28	0	**28**
Other financial assets	0	0	939	**939**
Total at 31 March 2013	**0**	**4,222**	**939**	**5,161**
Embedded derivatives	0	0	0	0
Receivables - NHS	0	2,452	0	2,452
Receivables - non-NHS	0	2,053	0	2,053
Cash at bank and in hand	0	1	0	1
Other financial assets	0	0	939	939
Total at 31 March 2012	0	4,506	939	5,445

36.2 Financial Liabilities	**At 'fair value through profit and loss' £000**	**Other £000**	**Total £000**
Embedded derivatives	0	0	**0**
NHS payables	0	5,235	**5,235**
Non-NHS payables	0	31,835	**31,835**
Other borrowings	0	0	**0**
PFI & finance lease obligations	0	66,877	**66,877**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**103,947**	**103,947**
Embedded derivatives	0	0	0
NHS payables	0	2,819	2,819
Non-NHS payables	0	11,376	11,376
Other borrowings	0	0	0
PFI & finance lease obligations	0	66,415	66,415
Other financial liabilities	0	2,800	2,800
Total at 31 March 2012	**0**	83,410	83,410

37 Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Dr I M Trimble (Sherwood Medical Centre)*	920,894		45,188 **	
Dr H Porter (University of Nottingham Health Service)*	2,182,654		86,174 **	
Dr A McLachlan (Hucknall Road Medical Centre)*	1,496,969		50,553 **	
Dr O P Sharma (Greenfields Medical Practice)*	299,399		4,222 **	
Dr S Karim (Lime Tree Surgery)*	425,412		10,304 **	
Dr M Bicknell (Beechdale Surgery)*	625,836		18,202 **	
Dr A Tangri (Riverlyn Medical Centre)*	476,290		12,993 **	
Dr M Arora (Rivergreen Medical centre)*	1,029,695		45,863 **	
Dr M Abbott (Windmill Practice)*	914,383		19,539 **	

*The amounts reported are the practice contract payments, not payments to the individual.
** These are estimated amounts accrued for QOF and Enhanced Service Claims.

The Department of Health is regarded as a related party. During the year 2012 - 2013 the PCT has had a significant number of material transactions with the

Nottinghamshire County Teaching PCT
Nottingham University Hospital NHS Trust
Nottinghamshire Healthcare NHS Trust
Leicestershire County and Rutland PCT
East Midlands Ambulance Service
Sherwood Forest Hospitals Foundation Trust
East Midlands Strategic Health Authority

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of

2011/12 prior year comparators	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Dr I M Trimble (Sherwood Medical Centre)*	849,306		108,237 **	
Dr H Porter (University of Nottingham Health Service)*	2,216,039		221,462 **	
Dr A McLachlan (Hucknall Road Medical Centre)*	1,523,868		157,500 **	
Dr O P Sharma (Greenfields Medical Practice)*	301,862		17,313 **	
Dr S Karim (Lime Tree Surgery)*	504,020		0 **	
Dr M Bicknell (Beechdale Surgery)*	582,102		66,191 **	
Dr A Tangri (Riverlyn Medical Centre)*	505,777		0 **	
Dr M Arora (Rivergreen Medical centre)*	1,007,020		116,836 **	
Dr M Abbott (Windmill Practice)*	995,212		79,597 **	

*The amounts reported are the practice contract payments, not payments to the individual.
** These are estimated amounts accrued for QOF and Enhanced Service Claims.

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	28	1
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	28	1
Total losses and special payments	28	1

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	3,594	3
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	3,594	3
Total special payments	0	0
Total losses and special payments	3,594	3

39 Third party assets

The PCT held £0 cash and cash equivalents at 31 March 2013 on behalf of patients (£0 at 31 March 2012). This is not an asset of the PCT and has been excluded from the balance reported in the accounts.

40.1 Integrated Community Equipment Services Pooled Budget

Nottingham City PCT has entered into a pooled budget arrangement with Nottinghamshire County Council (County Wide), who act as host. The County Wide scheme has replaced the (County South) pooled budget arrangement with Nottingham City Council. The accounts for the County South pooled budget closed down during 2012-13.

The partners shares of the income and expenditure handled by the pooled budget in the financial year were:

	2012-13 (ICES) County Wide £000	2012-13 (ICES) County South £000	2011-12 £000
Funding			
Balance Brought Forward	395	815	646
NCC Balances b/fwd	-38		
Income To cover 2011/12 Overspend	-357		
Nottingham City Council	949		929
Nottinghamshire County Council	1,737		1,658
NHS Bassetlaw	497		288
NHS Nottingham City	1,599		804
NHS Nottinghamshire County	3,306		2,144
Continuing Care Contributions	323		
DLC Contribution/Rent			
Miscellaneous	8		393
	8,419	**815**	**6,862**
Expenditure			
Employees	291		159
Property	0		154
Transport			1
Supplies & Services	7,217		4,570
Administrative	0		
Continuing Care	225		
Third Party Payments	0		1,077
Balance repaid to Partners		815	
Transfer to ICES County Wide			
	7,733	**815**	**5,961**
Balance Carried Forward	**686**	**0**	**901**

40.2 St Anns Joint Service Centre Pooled Budget

Nottingham City PCT also has established a pooled budget arrangement with Nottingham City Council under 75 of the National Health Service Act 2006 for the running of the Joint Service Centre in St Anns Nottingham.

41 Cashflows relating to exceptional items

There are no exceptional items.

42.1 Events after the end of the reporting period

Although the auditors have given assurance that the opening balances of organisations in 2013/14 is outside the scope of audit of organisations for 2012/13. The receiving organisations for the PCT are as follows:

NHS Nottingham City Clinical Commissioning Group
Department of Health
NHS England
NHS Property Services
Community Health Partnerships