



Department  
of Health



# Stoke-on-Trent Primary Care Trust

2012-13 Annual Report and Accounts

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# Stoke-on-Trent Primary Care Trust

2012-13 Annual Report

NHS Stoke-on-Trent

# Annual Report 2012/13





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## Message from Graham Urwin, Chief Executive

Welcome to your annual report for NHS Stoke-on-Trent, which covers the period 1 April 2012 to 31 March 2013.

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

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

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

Major changes to the provision of public health services, to ensure improvements to the health of the local population, have also been progressed this year. The Public Health Team has transferred over to Stoke-on-Trent City Council, which formally takes over this service in April 2013.

During the transformation we have not lost sight of the health needs of our local population and progress has been made in achieving service reconfigurations and

securing greater quality outcomes across patient safety, patient experience and clinical effectiveness through emphasis on commissioning for quality. However, there are still significant quality improvements we need to achieve across the health system.

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

Patient engagement activities continue to build. Patient Participation Groups (PPGs) are now active in all 55 practices in Stoke-on-Trent. All patient groups meet on a regular basis and we would like to thank everyone who has been actively involved. The CCG continues to use a model of engagement called Customer Insight, which has been shortlisted for a number of awards. This model includes capturing Insight through many routes, including complaints, Patient Advice and Liaison Service (PALS), PPGs, patient members and community engagement – including work with health care professionals, the voluntary sector and a range of stakeholder groups. Insight ensures that the



experiences of patients, carers and service users drives everything the NHS does.

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

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

We are mindful that the significant changes experienced over the last 12 months have affected staff and we would like to express our sincere thanks to them and wish them success in whatever organisations they work with in the future.

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

Finally, we would like to thank the public and our patients for their support and engagement, particularly

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

A handwritten signature in black ink, appearing to read 'G. Urwin', with a small flourish at the end.

**Graham Urwin**  
Chief Executive

**Staffordshire Cluster of Primary Care Trusts**  
on behalf of NHS Stoke-on-Trent

## About us, who we are and what we do

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

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

The PCT serves a population of approximately 270,000 people and had a turnover in 2012/13 of £545 million. We are held to account on a cluster basis through the Staffordshire and Stoke-on-Trent Common PCT Board.

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

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

### Our strategic goals are:-

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

### The three common goals are:

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

### Changes to the PCT in 2012/13

In preparation for the changes and subsequent abolition of the PCTs, following the Health and Social Care Bill, we moved to a new model of governance that created a Common Board for all three PCTs in Staffordshire called the Staffordshire and Stoke-on-Trent Common PCT Board.

This arrangement took into account the new future organisations such as the CCGs, Health and Wellbeing Board (HWBB) and National Commissioning Board (now known as NHS England) at national and regional levels. We have a single Chair for all three PCTs and a single set of Non-Executive Directors (NEDs) meet with the single Executive Team as a Common Board to discharge the respective statutory functions of the constituent three PCT Boards.

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

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

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

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

The CCG has a designate Chair, an Accountable Officer, a Chief Finance Officer and a Chief Operating

Officer. Staff assignments have been ongoing since early 2011, with structures finalised in August 2012.

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

Area	CCG	Population	Chair
North	Stoke-on-Trent	270,000	Dr Prasad Rao

### The make-up of the CCGs is:



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The CCGs has a formal shadow Governing Body meeting, which is a sub-committee of the Common Board and has been allocated an aligned Board non-executive director to work with them to support them in their development during the transition.

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

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

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

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

### Our main providers of services

The main provider of services in the Stoke-on-Trent area is the UHNS.

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

Mental health and learning disability services are provided in Stoke-on-Trent by North Staffordshire Combined Healthcare NHS Trust.

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

#### Hospice Services

- NHS Stoke-on-Trent commissions health services from one adult hospice and one children's hospice

#### Nursing Homes

- NHS Stoke-on-Trent commissions both Continuing Health Care (CHC) services from 123 nursing home providers and Funded Nursing Care (FNC) from 17 nursing home providers

#### Ambulance Service

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



### Commissioning Support Unit

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

### Public Health Transition

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

### Local Authority Transition

There is a Joint Commissioning Unit (JCU) in place, hosted by Stoke-on-Trent City Council. NHS Stoke-on-Trent commissions services collaboratively with Stoke-on-Trent City Council for adult and children's services. In the Adult JCU, the main work areas are around older people, mental health and learning disability, whilst the Children's JCU also focuses on Child and Adolescent Mental Health Service (CAMHS) and disability services. Drug and Alcohol services are also jointly commissioned as part of the Safer City Partnership.

Adult social care services from Stoke-on-Trent City Council are heavily involved in the Fit for the Future design programme in the north. There is a single Safeguarding Board in place for adults across Staffordshire and a Local Authority based Children's Safeguarding Board.

### Health and Wellbeing Board Transition

Established in 2011, a Shadow HWBB is in place in Stoke-on-Trent City Council. An independent Chair for the HWBB has been appointed and membership of the Board reflects of the required core membership.



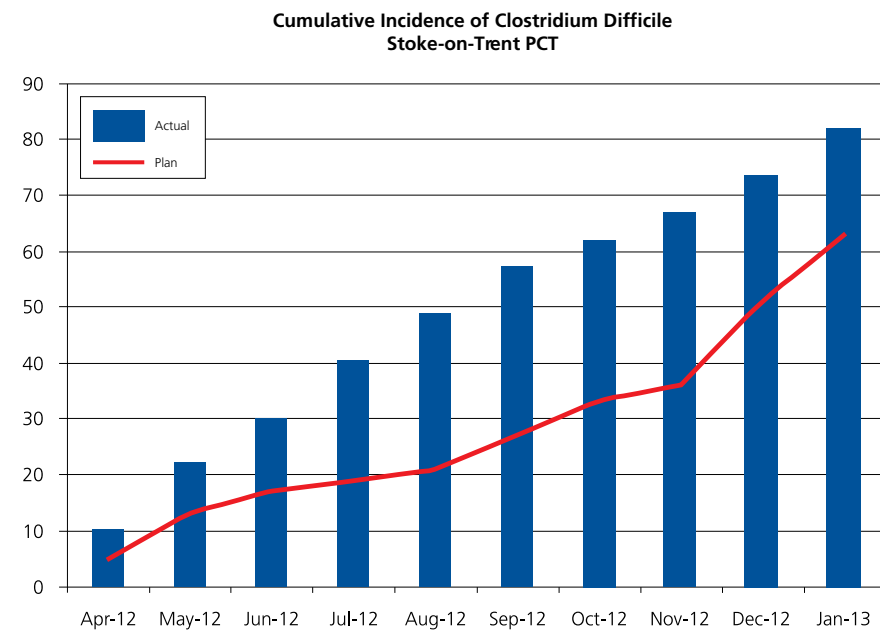
## How we performed in 2012/13

Maintaining strong clinical governance is vital at the PCT.

NHS Stoke-on-Trent is dedicated to the ongoing development of clinical governance and has focused on meeting all Integrated Performance Measures. This is why we introduced a range of challenging targets covering all aspects of healthcare including patient safety, clinical effectiveness and cost effectiveness.

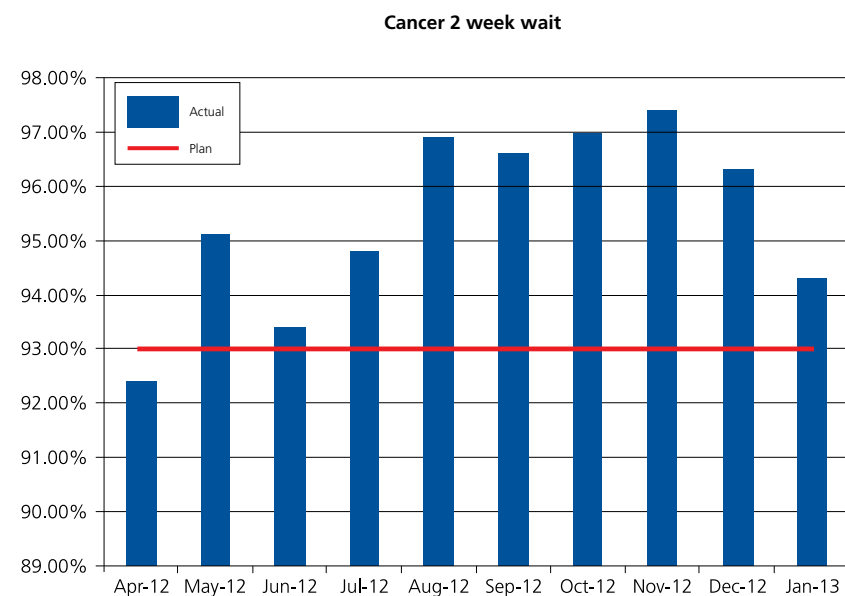
### Incidence of Clostridium Difficile

The PCT continues to focus on reducing the incidences of Clostridium Difficile (C.Diff) infection.



### Cancer two-week wait from GP referral

The PCT achieved the cancer two week wait target for all months Year-to-Date (YTD) in 2012/13.



Source: UNIFY

### Performance achieved year to date (YTD)

What	Target	Performance (as at March 2013 unless otherwise stated)
Category A calls meeting eight minute standard	75%	79.59% (March West Midlands Performance)
Category A calls meeting 19 minute standard	95%	96.37% (March West Midlands Performance)
Cancer two week wait from urgent GP referral	93%	97.3% (Q4)
Cancer two week wait from GP referral (symptomatic breast)	93%	98.6% (Q4)
Cancer 31 day (one month) wait to first definitive treatment	96%	99.7% (Q4)
31 day standard for subsequent cancer treatments (surgery)	94%	100% (Q4)
31 day standard for subsequent cancer treatments (drug)	98%	100% (Q4)
31 day standard for subsequent cancer treatments (Radiotherapy)	94%	99.3% (Q4)
Cancer 62 day (two month) wait from urgent referral to treatment	85%	86.3% (Q4)
Cancer 62 day wait (referral from NHS Cancer Screening Service)	90%	97.9% (Q4)
Cancer 62 day wait (consultant upgrade)	94%	96.2% (Q4)
Referral to Treatment (admitted)	90%	89.94% (March)
Referral to Treatment (non-admitted)	95%	97.67% (March)
Referral to treatment (incomplete pathways)	92%	93.47% (March)
Diagnostic waiting times	99%	99.6% (March)
Stroke Care – time spent in hospital on a stroke unit	80%	83.2% (Q4)
Stroke Care – suspected TIAs assessed and treated within 24 hours	60%	87.2% (Q4)
Maternity 12 weeks	90%	100%
Mental health measure – the care programme approach	95%	98.6% (Q4)
Mental Health Crisis Resolution	95%	100%
MRSA bacteraemia	7 cases	1 case
C.Diff	92 cases	96 cases
NHS Health Checks (offered)	22% plan	21.8% (Q4)
NHS Health Checks (received)	11% plan	11.1% (Q4)
Smoking quitters	1226 quitters	1660 quitters up to quarter two
Mixed Sex accommodation breaches	0 breaches	0 breaches

### Performance measures not achieving (YTD)

What	Target	Performance (as at March 2013 unless otherwise stated)
Mental Health – Improved access to psychological therapies (general need of population)	3.5%	3.13% (Q4)
Mental Health – Improved access to psychological therapies (moving to recovery)	58.9%	32.5% (Q4)

## Achievements

### Infection Prevention and Control

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

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

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

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

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

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

### Serious Incidents

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

#### Stoke-on-Trent PCT

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

All five external providers were nursing homes.



### West Midlands Specialised Commissioning Group

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

The group's six engagement projects received valuable feedback in 2012/13. Patient and public involvement (PPI) activities included workshops, question and answer sessions and increased opportunities for groups to have their say across the following projects:

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

#### Key achievements for 2012/13 included:

1. New congenital heart networks introduced across England and Wales to ensure safe and sustainable care for all children. These networks will be structured around specialist Surgical Centres in Bristol, Birmingham, Liverpool, Newcastle and Southampton.
2. The review into how neurological services are delivered to children continued, including an assessment of centres against agreed standards.
3. Views were gathered on services for adults with congenital heart disease, through workshops with patients, families, clinicians, young people and people from black and minority ethnic communities.
4. A network of 22 new trauma centres was announced in April 2012, including the UHNS. The Local Involvement Networks (LINKs) represent the North West Midlands and Wales Major Trauma Network.

5. A new operating model for commissioning specialised services was published, setting out how a single, national system will ensure patients are offered consistent, high quality services across the country.
6. A national peer review took place into intestinal failure, with input from UHNS.
7. A range of providers were commissioned to ensure children and young people could be offered mental health services as close to home as possible and involve young people in their treatment plans.

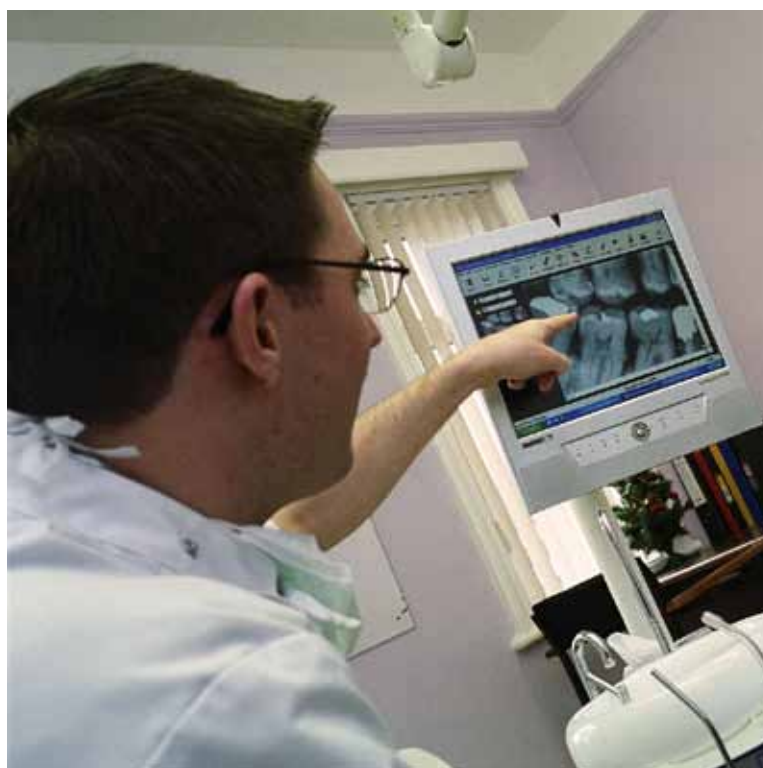
## Dental Public Health

A supervised tooth brushing programme was successfully rolled out in day nurseries based in children's centres and special schools.

The programme aims to reduce levels of tooth decay in young children. Evidence shows that regular tooth brushing with a family strength toothpaste, containing between 1350-1500 parts per million of fluoride, twice a day, is effective in reducing levels of tooth decay by up to 40% - especially if established at an early age.

The roll out went to six day nurseries and three special schools across Stoke-on-Trent and north Staffordshire and 100% of parents agreed to their child taking part.

Designed to be fun, the programme encouraged children to brush at home, in the nursery or at school. Parents fed back that children do not usually like to brush their teeth at home, so this was an opportunity to make tooth brushing a fun group activity and staff reported that children really enjoyed taking part



## Safety and environment

### Emergency Planning Resilience and Response

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

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

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

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

### Improvement Grants

This investment was in response to NHS Stoke-on-Trent's commissioner investment and asset management strategy and the grant bidding process undertaken with Primary Care Commissioners. This year, the level of budgeted capital investment in GP improvement grants is £120,000. This investment has been targeted at meeting infection control, public safety, security measures and general improvements towards making GP accommodation fit for purpose.

### Environmental Footprint

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

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

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

NHS Stoke-on-Trent worked with its Estates Service Providers (ESPs) to optimise energy and waste management contracts and ensure environmental targets would be met (under the Carbon Reduction Commitment, introduced in April 2010). The new Cobridge and Meir Primary Care Centre buildings are good operational examples of this, meeting the performance standard rating of 'excellent,' with features including solar panel arrays and rain water harvesting.



## Sustainability Strategy

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

## Estates Development

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

The corporate office strategy has continued to drive the efficient use of administrative accommodation and refurbishment of accommodation to support the new organisations, including major investment in the Grade 2 Listed Herbert Minton Building for the CCG and Heron House for the CSU organisation.

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

## Equality and Diversity

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

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

Throughout this year, the PCTs have worked with the CCGs to undertake a baseline assessment and each CCG has developed its equality strategy using this system.



## Quality through QIPP

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

The NHS needs to achieve up to £20 billion of efficiency savings by 2015, which will be reinvested back into frontline care. NHS Stoke-on-Trent has to find £74 million of this by focusing on quality, innovation, productivity and prevention. Every saving made will be put back into patient care by supporting frontline staff, funding innovative treatments and giving patients more choice.

The QIPP saving delivered in 2012-13 is £23,438 million in total, which includes £18,250 million of price efficiency savings.

### QIPP Achievements

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

### Long Term Conditions

- More patients with diabetes, respiratory conditions (including Chronic Obstructive Pulmonary Disease) and heart conditions received care in primary care and community settings.
- Patients helped to monitor their conditions and play a more active role in managing their health through an interactive and friendly text based service called Florence. This telehealth tool has over 300 users and there are five times more people involved in telehealth than before.
- A range of therapies made available in the community, including blood transfusions and intravenous infusion of some cancer drugs. Patients can have these treatments at local centres rather than spending a day or longer in hospital – which is more accessible and convenient.

## Planned Care

### • Ear, Nose and Throat (ENT)

The Community ENT Service operates from two locations in Bentilee Health Centre and Cobridge Health Centre. Patients receive a one stop service, including a consultant appointment, suction cleaning under microscope and audiology booths for hearing services, if required. Patient satisfaction is high and GP referrals to secondary care have consequently reduced.

### • Dermatology

The Community Dermatology Service also saw a reduction in the number of GP referrals to secondary care. Appointments are booked at two locations, in Bentilee Health Centre and Cobridge Health Centre and the service comprises of consultant dermatologists, GPs with specialist interest in dermatology and two specialist nurses. Appointment waiting times are low (within three weeks of GP referral) and the service is looking to expand to include minor surgery in the community.



### • Gynaecology

The Community Gynaecology Service also operates from Bentilee Health Centre and Cobridge Health Centre and looks after patients with a range of conditions that can be safely managed in the community. The service is consultant-led and minor procedures are carried out including; polyp removal, endometrial biopsies, mirena coil fitting and ring pessaries. 96% of patients are seen within four weeks of GP referral. The pilot was a success with patients and GPs and led to the permanent tendering of this service which will include further procedures in the future, such as sterilisation and ablations.

### • Minor Hand Surgery

Around 210 carpal tunnel decompressions and 12 trigger finger releases were performed. Patients seen within four weeks of referral from the Musculoskeletal Service (MSK), which diagnoses the patient and the procedure is done within a further four weeks. Patient satisfaction is high at more than 90%. The service is based at Middleport Health Centre where the consultations and procedures are carried out. It is looking to offer other minor procedures and provide a one stop service for carpal tunnel and trigger finger.

### • Diagnostics

An x-ray service at Longton Cottage Hospital and a non-obstetric ultrasound service at Bentilee provides patients in the south of the city with better access to GP direct referrals. Haywood Hospital and Cobridge Health Centre have these facilities in the central and northern parts of the city. A new state-of-the-art digital x-ray machine, installed at Longton Cottage Hospital, can directly transfer digital images to UHNS and other trusts if required, meaning the patient is not inconvenienced again if referred to secondary care at a later stage. Walk-in x-ray patients at Longton Cottage Hospital get a report sent back to their GP within 48 hours. The ultrasound service at Bentilee appoints patients within two weeks and also reports the results back to the referring GP within 48

hours. Patient satisfaction has significantly increased as a result.

### • Phlebotomy

When the Central Pathology Laboratory closed its doors in April 2012, a walk-in service opened at two locations, in Meir Health Centre and Cobridge Health Centre. The service still provides appointment based blood taking from several locations in Stoke-on-Trent for those who do not wish to use the walk in facilities. The service received a lot of patient praise, with waiting times for walk in around 30-45 minutes and appointment based clinics not exceeding 15 minutes of the appointment time. The service is continually improving and is looking to reduce its waiting times over the next year.

### Mental Health and Specialist Groups Mental Health Redesign

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

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

### Alcohol services

The number of people admitted to UHNS with alcohol needs has been reduced by:



- Developing a liaison service within UHNS to follow up people with alcohol-related needs and provide training and support to UHNS staff.
- Providing beds within mental health services to people needing supervised support. This enabled a diversion to the appropriate services in the community to support a reduction in drinking behaviour.
- Commissioning an integrated brief interventions and treatment community service to case manage people needing support.

### Medicines Management

- Seamless Patient Care - the Stoke-on-Trent CCG worked with secondary care providers to review the impact of new medicines and keep the North Staffordshire Joint Medicines Formulary up to date. A formalised process was put in place to ensure the National Institute for Health and Care Excellence (NICE) Technology Appraisals were dealt with in a timely way.
- Waste Campaign - a public awareness campaign was introduced to help tackle wasted medicines.
- Medication in Care Home Project - the care home pharmacist became a member of the Multi-Disciplinary Team (MDT) and supported GPs to review medicine management issues in care homes.

- Rapid Access to Palliative Care Medicines - the community pharmacy service was re-designed to improve patient access to medicines.
- Antimicrobial Prescribing Guidelines - these guidelines were reviewed and re-launched through an educational event.
- Joint Dressings Formulary - a new joint primary and secondary care provider dressings formulary was launched for use across Stoke-on-Trent.
- Blood Glucose Test Strips - a review was done across primary and secondary care, with support from Diabetes UK, to agree a preferred provider for test strip machines and meters.

### Children and Maternity Services

#### • Hospital at Home Service

The Hospital at Home Service provides holistic family centred nursing care in the child's own home. An alternative to a short stay hospital admission, this service fosters confidence, competence and independence in families in caring for their children at home and the feedback from families was very positive. The service provides care for approximately 200 children each quarter, who would otherwise have been in hospital.

#### • Tongue Tie Services

The community based tongue-tie service moved to the community in May 2012 and 249 procedures have been carried out.

## Make your voice heard

### Patient Experience

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

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

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

In Stoke-on-Trent, locality patient groups are currently being established. The locality groups feed up from the PPG and provide a link to the newly established Patient Congress within the CCGs. The Patient Congress is the strategic oversight and scrutiny body that works in partnership with the CCG and provides scrutiny of Public and Patient Involvement (PPI) and outputs from the Insight database.

To broaden the spectrum of patient involvement, the CCG is recruiting to a membership. Stoke-on-Trent CCG has created a new scheme which has over 1200 members.

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

The data recorded is available to all staff via real time dashboards that highlight themes and trends and this data is driving the work programmes for the Patient



Congress and capturing patient feedback at all levels. The work has been recognised at a national level with the project gaining recognition in the following awards:

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

As part of the 'Patient Revolution' agenda, there is a drive for greater co-production between patients and professionals. This will be achieved through shared decision making between health professionals

and individual patients and carers - particularly in the management of long term conditions - and will be led by the CCGs. The Friends and Family test was included in the contracts for 2012/13 and has been supported via Commissioning for Quality and Innovation (CQUIN). Local results for the Friends and Family test are reported at CQRM and at the Cluster Transitional Quality Committee.

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

### Patient Advice and Liaison Service (PALS)

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

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

During 2012/13 777 contacts were received through PALS – and most of these were requests for information.

### Complaints

Last year, NHS Stoke-on-Trent received 114 complaints which covered all areas of healthcare. NHS National Complaints regulations are followed when dealing with complaints – together with the principles set out by the Parliamentary and Health Service Ombudsman.

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

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

The following were introduced as a direct result of the feedback received:

- Practice training on:
  - Incident reporting and the process involved; use of technology and reception staff/message procedures
- New stretcher transportation procedures were put in place with WMAS

The PCT fully adopted the 'Principles for Remedy,' published by the Parliamentary and Health Service Ombudsman. These comply with the six principles representing best practice and directly apply to NHS procedures.

## Consultations

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

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

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

## Meaningful engagement with the public, patients and partners

During a year of transition, which saw a shift in the ownership of patient and public involvement to the CCG, the model of patient and public involvement in place across Stoke-on-Trent is realising significant tangible change. Patients and local communities are in a position to influence decision-making, from a grass roots practice level through to a governing body level, in an open and transparent way.

The membership scheme builds on the model of involvement by engaging with a wider representation of residents and groups. These members have the option to get involved at a level which suits them – which may be staying informed via the e-newsletter, taking part in surveys, or attending events and focus groups.

## Our work this year has seen:

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

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

- Consultation on transforming cancer care services in Stoke-on-Trent and Staffordshire.
- NHS Constitution engagement over 18 weeks.
- NHS 111 awareness raising and feedback across Stoke-on-Trent and Staffordshire.
- Consultation on the service specification for the Out of Hours service in Stoke-on-Trent and Staffordshire.
- Any Qualified Provider consultation and feedback.
- Changing waiting times for patient transport.
- The ongoing development of Integrated Locality Care Teams.
- Miniature Stroke.
- Chronic Neuro Psychiatry.

## Freedom of Information

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

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

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

Organisation	Numbers of requests received
NHS Stoke-on-Trent	25

Organisation	Number responded to within 20 working days		Number responded to over 20 working days	
NHS Stoke-on-Trent	18	72%	6	24%

Organisation	Exemption applied				
	Section 12 Costs	Section 21 Publication Scheme	Section 22 Intended for Future Publication	Section 40 Personal Information	Section 43 Commercial Interest
NHS Stoke-on-Trent	0	0	0	0	1



## How we work in partnership

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

Joint action on health inequalities, previously developed through Local Strategic Partnerships (LSPs) in Staffordshire and Stoke-on-Trent, are being carried through and developed as part of the new HWBBs, working in partnership with Local Authorities, Staffordshire Police, the Fire Service and local voluntary and third sector agencies. NHS Stoke-on-Trent currently works in partnership with Stoke-on-Trent City Council on the Age Friendly Strategy and 1,000 Lives.

NHS Stoke-on-Trent has worked closely with local LINKs and partnerships will be developed further as the proposals under the Health and Social Care Bill are rolled out. CCGs and the Cluster (on behalf of PCTs) are actively engaged in the development of the shadow HWBBs within Local Authorities. Both Stoke-on-Trent City Council and Staffordshire County Council are early implementers of its shadow HWBBs.



## A healthy future for us all

A range of initiatives across the city of Stoke-on-Trent have continued to reduce health inequalities. But the commitment to improve health outcomes remains an important priority.

### A smoke-less generation

Smoking is still responsible for many health inequalities and smoking rates among adults and children remains above the national average.

The Stop Smoking Service continued its successful run. More than 3,248 people quit for four weeks in 2012/13. The number of organisations delivering stop smoking support also increased and an organisation working with minority ethnic groups helped 64 people to quit for four weeks in its first two months.

Second-hand smoke is particularly harmful in young children, so a programme to reduce exposure in the home was piloted in Meir. The first of its kind in the UK, this offers a combination of behavioural support, self-help information and nicotine replacement therapy. Initial results showed over half of households taking part remained smoke free four weeks later.

The Stoke-on-Trent Tobacco Control Alliance was set up. Chaired by Councillor Adrian Knapper, the Alliance is made up of 10 organisations tasked with reducing inequalities and harm caused by tobacco.

The trend of young people smoking remains 3% above the national average. Alarmingly, 95% of these have tried smoking before reaching year 9. An exciting new campaign aimed at secondary schools was launched called ASSIST: 'A Stop Smoking in Schools Trial'. This works by spreading new norms of non-smoking behaviour through social networks of year 8 pupils. Three schools in Stoke-on-Trent have received the programme and a further three will take part. Evaluation of the project found take up of regular smoking in adolescents for two years is reduced by 22%. In a typical PCT this would prevent between 100-180 pupils from taking up the habit.

### Cancer awareness activity

135 events were held across the city, talking to over 5,500 people about the early signs and symptoms of the most common forms of cancer.

The focus on cancer screening continued, with cervical screening in women between 25 and 34 as well as promoting the importance of breast and bowel screening programmes.

A new sun and skin cancer awareness campaign ran from May to August and over 80 frontline staff delivered cancer awareness messages as part of their everyday role.

New working partnerships with specialist organisations and hard to reach groups increased cancer awareness activity amongst the Black and Ethnic Minority (BME), learning disability and homeless communities. Activities also supported the national campaigns; Cancer Awareness Month and Be Clear on Cancer.



## Integrated sexual health

The community based integrated sexual health service completed its development, with the introduction of a private provider for pregnancy terminations serving the population of Stoke-on-Trent. The Staffordshire-wide Sexual Assault Referral Centre (SARC) means patients from these areas can now benefit from a one stop service where all their needs can be met.

Let's Talk About It, a free information and activity book was launched in response to local youngsters' and parents' views. Opinions were gathered during a consultation on risk-taking behaviours. It aims to help parents and carers start conversations and learn together about the dangers of risk-taking. The book contains information on communication, confidence, self-esteem, alcohol, drugs and sexual health.

## NHS Health Check

Deaths from heart disease, stroke and modifiable risk factors like smoking and physical inactivity are well above average in Stoke-on-Trent. The NHS Health Check programme provided a real opportunity to identify people at risk of developing these conditions. Every five years, those aged between 40 and 74 years old, who do not have a pre-diagnosed vascular condition, are invited to their GP for a screening. Stoke-on-Trent is amongst the best performing PCTs in this activity and a number of research papers have been written about the delivery of this programme. NHS Diabetes and Kidney Care and the national support team for NHS Health Check acknowledged the city's contribution to research and practice in this area. Next year is about building on this success, so that as many people as possible can benefit from this programme.

## Lifestyle programme

Now in its fourth year, the programme engaged with over 2,300 people last year. Each person produced a personal health improvement plan with Specific, Measurable, Achievable, Realistic and Timely (SMART) lifestyle goals, and were supported by a lifestyle coach for up to 12 months. The majority completed their

lifestyle coach support within six months and the following milestones were reached:

- 81% reduced their alcohol intake
- 83% improved their diet
- 57% increased the amount of exercise done
- 42.5% either reduced or quit smoking

The coming year will engage at least 3,000 local people in positive lifestyle changes, including: weight management, physical activity, think well, cook and eat, smoking cessation and alcohol and drug advice.

In association with Stoke City Football Club and Premier League funding, Active Families, successfully ran for 10 weeks. It encouraged families with at least one overweight child to attend two weekly sessions on health related topics. 132 families took part and the next couple of years will seek to increase capacity to deliver at least 18 programmes and reach 216 families.

Stoke City Football Club also helped 41 people to join Drop a Shirt Size in October. Over a 12-week period nearly 126 kgs weight loss was achieved and everyone lost centimetres from their waist or chest. Each participant received a club shirt in a new, smaller size. There are plans to repeat this initiative with both Stoke City and Port Vale football clubs next year.

## Mental wellbeing

The Mobilising Communities programme launched to support people to live healthy and independent lives. This comprised three Connecting Community partnerships, which identified solutions to local issues and the development of the 1000 Lives initiative. 1000 Lives is a network of community champions with skills and experience in contributing to the health, wellbeing and quality of life in the city. The How's Your Business Feeling online tool continued to support businesses to create mentally healthy workplaces, along with a programme of Mental Health First Aid training and 5 Ways to Wellbeing. Age Friendly City engaged older citizens to help reduce isolation and loneliness and create meaningful employment opportunities.

## Our Staff

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

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

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

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

## Workforce

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

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



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

## Sickness absence

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

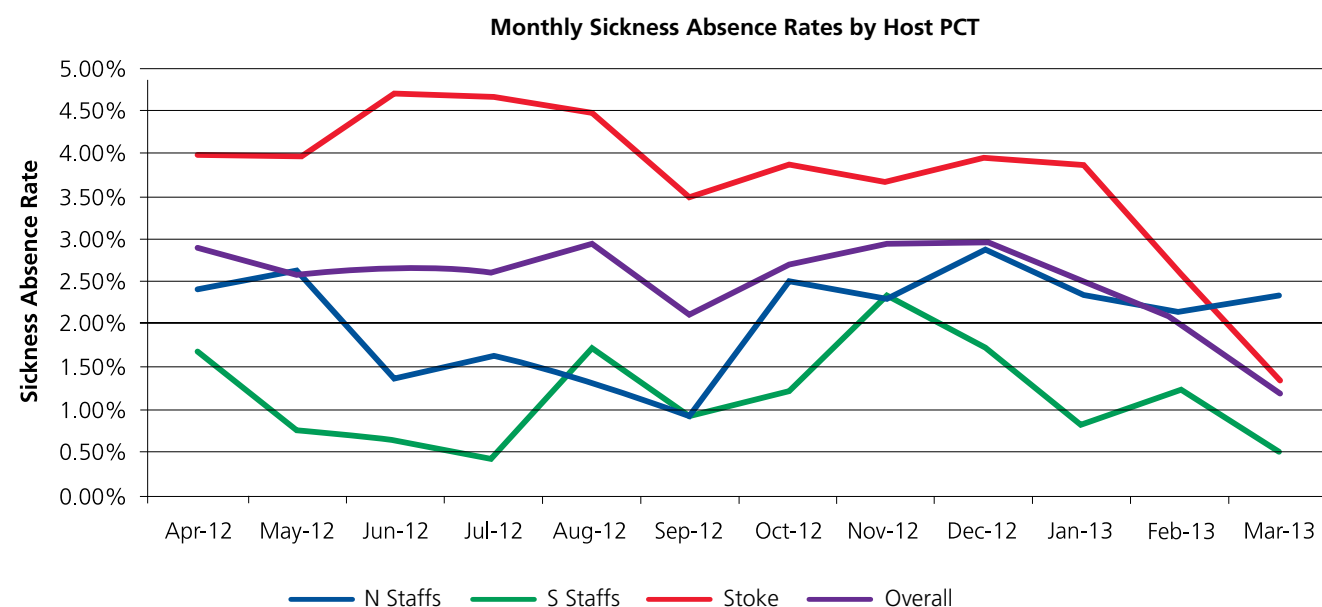
### Monthly sickness absence rates – by host PCT

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

Previous months' rates refreshed each month with latest ESR figures

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

### Sickness absence rates are represented graphically as:



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

### Monthly sickness absence rates – by commissioning entity

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

Previous months' rates refreshed each month with latest ESR figures

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

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

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

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

### Days Lost in Month due to Sickness Absence Rates by Reason

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

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

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

## Looking forward

As mentioned in the introduction to the annual report, NHS Stoke-on-Trent is in a period of great change, and the Staffordshire Cluster of PCTs has to tackle this change. To support this, a 2012/13 Integrated System Plan was developed for the whole Staffordshire health economy to enable the delivery of better services and better health outcomes for the population.

### The strategic challenges for the Cluster in 2013/14 and beyond are:

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





## Annual Governance Statement 2012/13

### Scope of responsibility

NHS Stoke-on-Trent has a budget of £503 million and serves a population of more than 270,000 people.

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

### The governance framework of the organisation

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

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

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

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

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

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

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

As the CCG moved through the authorisation process and held their own Governing Body meetings in public, the need for their attendance at the Common Board was superseded. The Shadow CCG committees were being disbanded and the setting up of new governance arrangements was underway.

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

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

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

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

### The Quality Committee focuses on:

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

This relates to all Provider Trusts within the Cluster PCT area

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

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

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

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





## Risk assessment

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

### Risks are identified from a variety of sources including:

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

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

- Alignment of integrated IT infrastructure to ensure that staff can access aligned network systems
- Health economy - sustainability across Staffordshire in light of significant financial pressures and therefore radical service redesign needed
- Commissioning Support services (CSU) – impact of competitors entering the market

- CSU – keeping business as usual whilst developing CSU processes
- Fit For the Future – ability to deliver sustainable service transformation whilst remaining within current funding quantum

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

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

Control measures are in place to ensure that risks to data security are identified, managed

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

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

## The risk and control framework

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of NHS Stoke-on-Trent, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

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

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

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

Public Health funding allocations have now been agreed – the allocations have been driven by advice from the Advisory Committee on Resource Allocation



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

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

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

The Plan has been developed in collaboration with local health and social care organisations with engagement and involvement of GPs, providers, patients and Non Executive Directors. It sets out an integrated approach to health care planning, reflecting both the opportunities and the challenges facing the local health economy and how high quality, innovative and productive services will be delivered for the people of Staffordshire and Stoke-on-Trent.

NHS Stoke-on-Trent is a key partner in the Stoke-on-Trent Local Strategic Partnership (LSP) working together with the Local Authority, Police and Fire Services and private, community and voluntary sector organisations.

As part of the preparation for the transfer of functions in April 2013, a Transition/Closedown Plan was considered and reviewed by the Board at its informal meetings. The work was supported by a project group made up of representatives from the main project areas

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

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

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

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

## Review of the effectiveness of risk management and internal control

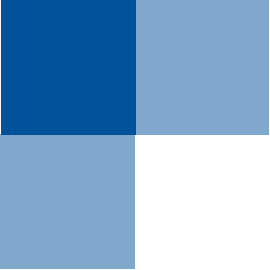
As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the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

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

- A number of individual internal audit reports relating to the PCT's Quality Monitoring Framework; Quality of Providers; Ledger and Budgetary Reporting and Financial Controls; Quality Outcomes Framework and Assurance Framework.
- External Audit via their Annual Audit Letter which provides a high level summary of audit work carried out.
- Regular Executive Team meetings
- Reports to Audit Committee by the Local Counter Fraud Specialists
- Information Governance Toolkit submission
- Review of the corporate risk register by the Cluster Quality Committee (clinical risks) and Common Audit Committee (non-clinical risks)
- Scrutiny of the Assurance Framework by the Common Audit Committee
- Performance Management of Independent Contractors
- Regular reports to Board from Clinical Commissioning Groups
- Regular Clinical Quality Review Meetings with all main providers
- Fit For the Future Reports to Board







### Significant Issues

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

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

**Accountable Officer (name):** Graham Urwin

**Organisation:** Stoke-on-Trent Primary Care Trust

Date: 07 June 2013

## Summary of financial statements

The following pages contain Summary Financial Statements.

If read on their own they may not contain sufficient information for a full understanding of NHS Stoke-on-Trent's financial position and performance. A complete list of the account policies adopted is included with the full accounting statements.

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

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

Tel: 0300 7900 233



# Summary Financial Statements and Remuneration Report 2012/13

## Operating and Financial Review

### Introduction

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

The financial reporting requirements of NHS bodies are determined by the Department of Health with the approval of HM Treasury. Based on the Treasury's Government Financial Reporting Manual (FRM), NHS Stoke-on-Trent is required to prepare its financial statements based on International Financial Reporting Standards (IFRS).

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

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

Stoke-on-Trent GP Commissioning Consortia (SoTGPCC) operates as a formal sub-committee of the Staffordshire Cluster Common Trust Board. The SoTGPCC in 2012/13 had delegated responsibility for £376 million (71.6%) of the PCT's 2012/13 allocation devolved to purchase health care for their registered patients and become heavily involved in commissioning decisions.

## Financial Performance

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

- To achieve financial balance by managing revenue expenditure within resource limits. Achieved surplus in 2012/13 £39,000 (2011/12 £1.993 million). Actual spend of £547,567 million against resource limit of £547,606 million.
- To remain within the capital resource limit allocated by the Department of Health. The PCT spent £1.436 million on capital in 2012/13, representing an underspend of £1.870 million against the capital resource limit.
- To remain within the notified cash limit resource of £541.044 million for the year, which was achieved.

## Better Payment Practice Code

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

90.24% of Non-NHS invoices (2011/12 89.20%) and 86.48% of NHS invoices (2011/12 83.43%) based on count (the number of invoices paid within 30 days)

and

94.50% of Non NHS invoices (2011/12 93.89%) and 98.75% of NHS invoices (2011/12 97.91%) based on value (based on the value of invoices paid within 30 days).

## Running Costs

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

The PCT's Running Costs per weighted head of population (£ per head) is £34.97 compared to a PCT Running cost target of £35.43, giving a favourable variance of £0.46 and an improvement of 12% compared to last year.

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

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

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

## Revenue Expenditure

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

## Capital Expenditure

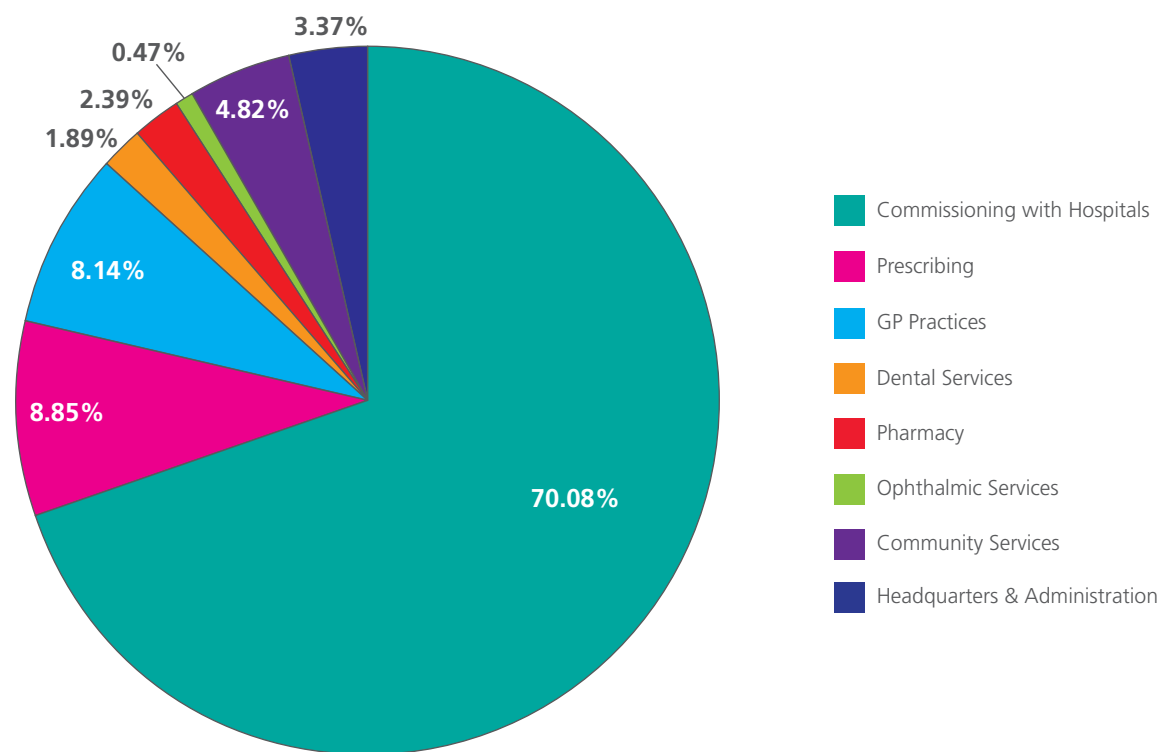
The PCT also received its capital funding from the Department of Health; a capital resource limit which is the maximum amount of capital expenditure the PCT can incur. Capital spending includes expenditure on improving buildings and purchasing equipment that has a useful life of more than one year.

### The main items of capital investment were;

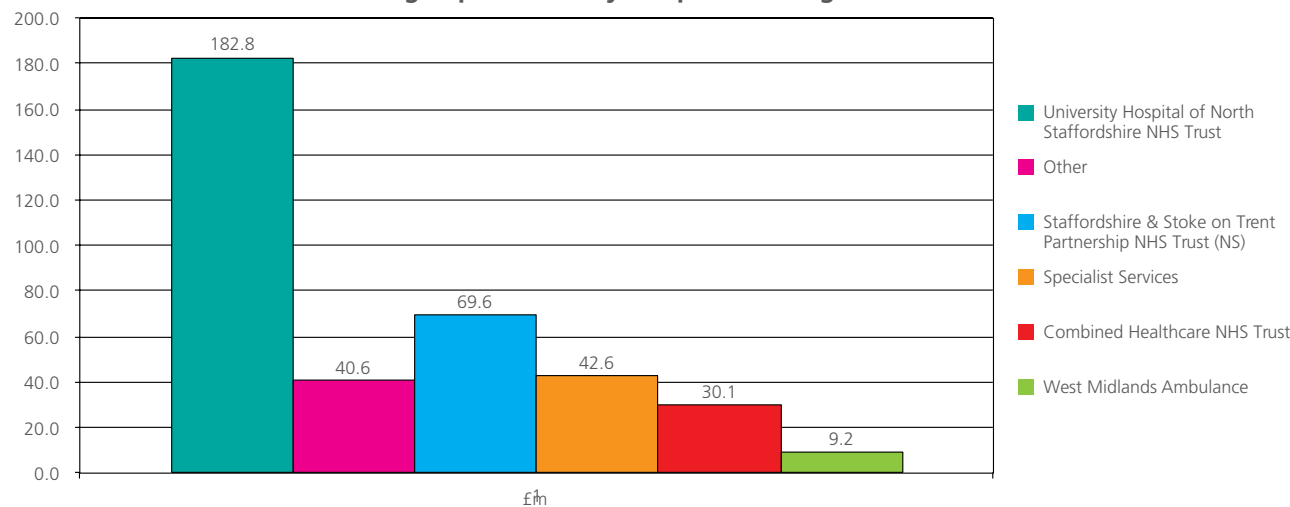
- Haywood Hospital £0.983 million
- Longton Hospital £0.220 million
- Health Centre maintenance £0.215 million



## How your money was spent



Commissioning Expenditure by Hospital/Setting



## 2012/13 Audit Committee and Fees

NHS Stoke-on-Trent undergoes scrutiny from a combination of audit mechanisms which includes the Audit Committee, Internal and External Audit.

During April 2013 the PCT came under a Cluster Common Audit Committee with terms of reference agreed by the Common Trust Board. External and Internal Auditors continued to give separate audit opinions for each entity within the Cluster. Whilst all Non Executives (with the exception of the Chairman) are invited to attend the Audit Committee, quorum being not less than two, the key membership was as follows:

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

### In attendance:

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

NHS Stoke-on-Trent's appointed external auditor for 2012/13 was

James Cook  
Engagement Lead  
For and on behalf of Grant Thornton

In 2012/13 NHS Stoke-on-Trent paid £111k incl. VAT in respect of external audit fees to Grant Thornton UK LLP, 300 Pavillion Drive, Northampton Business Park, Northampton, NN4 7YE and £35k to RSM Tenon in respect of internal audit fees.

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

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

## Remuneration

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

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

#### The terms of reference of the committee are:

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

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

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

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

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

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

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

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

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

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

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

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

### Non Executives Contract Expiry Dates

	South Staffordshire PCT	North Staffordshire PCT	Stoke on Trent PCT
<b>Mr Alex Fox</b>	30th September 2014	31st March 2013	31st March 2013
<b>Mr Andre Bruns</b>	31st December 2013	31st March 2013	31st March 2013
<b>Mr David Ibbs</b>	31st December 2013	31st March 2013	31st March 2013
<b>Mr John Howard</b>	31st March 2013	30th September 2013	31st March 2013
<b>Mr Lloyd Cooke</b>	31st March 2013	31st March 2013	31st December 2013
<b>Mrs Lynne Smith</b>	31st December 2013	31st March 2013	31st March 2013
<b>Mr Barry Machin</b>	31st March 2013	30th September 2013	31st March 2013
<b>Mrs Lynn Kemp</b>	31st March 2013	31st March 2013	28th February 2014

### Significant awards made to past senior managers

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

### Pension Liabilities

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The PCTs pension liabilities are calculated in accordance with the accounting policies note 7.6 of the Annual Accounts.





### Pay Multiples

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

The banded remuneration of the highest paid director in NHS Stoke-on-Trent in the financial year 2012/13 was £115-120k (2011/12 £120-125k). This was 4.79 times (2011/12 5.60 times) the median remuneration of the workforce, which was £24,554 (2011/12 £21,798).

In 2012/13 5 employees (2011/12 1 employee) received remuneration in excess of the highest paid director. Remuneration in excess of the highest paid director ranged from £115-160k (2011/12 £120-145k).

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

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





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

	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>		
Gross employee benefits	12,865	11,973
Other costs	594,005	538,158
Income	(63,224)	(40,823)
<b>Net operating costs before interest</b>	<b>543,646</b>	<b>509,308</b>
Investment income	(10)	(39)
Other (Gains)/Losses	0	485
Finance costs	3,931	2,860
<b>Net operating costs for the financial year</b>	<b>547,567</b>	<b>512,614</b>
Transfers by absorption - (gains)	0	0
Transfers by absorption - losses	0	0
Net (gain)/loss on transfers by absorption	0	0
<b>Net operating costs and transfer gains/losses for the financial year</b>	<b>547,567</b>	<b>512,614</b>
Of which:		
<b>Administration Costs</b>		
Gross employee benefits	10,104	8,326
Other costs	6,386	5,800
Income	(3,139)	(1,416)
<b>Net administration costs before interest</b>	<b>13,351</b>	<b>12,710</b>
Investment income	0	0
Other (Gains)/Losses	0	0
Finance costs	0	0
<b>Net administration costs for the financial year</b>	<b>13,351</b>	<b>12,710</b>
<b>Programme Expenditure</b>		
Gross employee benefits	2,761	3,647
Other costs	587,619	532,358
Income	(60,085)	(39,407)
<b>Net programme expenditure before interest</b>	<b>530,295</b>	<b>496,598</b>
Investment income	(10)	(39)
Other (Gains)/Losses	0	485
Finance costs	3,931	2,860
<b>Net programme expenditure for the financial year</b>	<b>534,216</b>	<b>499,904</b>

	2012-13 £000	2011-12 £000
<b>Other Comprehensive Net Expenditure</b>		
Impairments and reversals put to the Revaluation Reserve	2,582	2,062
Net (gain) on revaluation of property, plant & equipment	0	(1,749)
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 Assets Held for Sale	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0
Net (gain)/loss on available for sale financial assets	0	0
Net actuarial (gain)/loss on pension schemes	0	0
<b>Reclassification Adjustments</b>		
Reclassification adjustment on disposal of available for sale financial assets	0	0
<b>Total comprehensive net expenditure for the year</b>	<b>550,149</b>	<b>512,927</b>

### Administration and Programme Costs

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

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

For PCTs, the Department has defined "administration and programme" in terms of running costs.

The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.

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

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

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

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

## Statement of Financial Position at 31 March 2013

	31 March 2013 £000	31 March 2012 £000
<b>Non-current assets:</b>		
Property, plant and equipment	71,169	75,904
Intangible assets	0	0
Investment property	0	0
Other financial assets	668	668
Trade and other receivables	99	104
<b>Total non-current assets</b>	<b>71,936</b>	<b>76,676</b>
<b>Current assets:</b>		
Inventories	0	0
Trade and other receivables	6,524	18,320
Other financial assets	0	0
Other current assets	0	0
Cash and cash equivalents	0	1
<b>Total current assets</b>	<b>6,524</b>	<b>18,321</b>
<b>Non-current assets held for sale</b>	<b>513</b>	<b>513</b>
<b>Total current assets</b>	<b>7,037</b>	<b>18,834</b>
<b>Total assets</b>	<b>78,973</b>	<b>95,510</b>
<b>Current liabilities</b>		
Trade and other payables	(37,219)	(45,316)
Other liabilities	0	0
Provisions	(221)	(402)
Borrowings	(1,642)	(1,437)
Other financial liabilities	0	0
<b>Total current liabilities</b>	<b>(39,082)</b>	<b>(47,155)</b>
Non-current assets plus/less net current assets/liabilities	39,891	48,355
<b>Non-current liabilities</b>		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(2,805)	(638)
Borrowings	(61,720)	(63,246)
Other financial liabilities	0	0
<b>Total non-current liabilities</b>	<b>(64,525)</b>	<b>(63,884)</b>
<b>Total Assets Employed:</b>	<b>(24,634)</b>	<b>(15,529)</b>
<b>Financed by taxpayers' equity:</b>		
General fund	(32,458)	(26,225)
Revaluation reserve	7,824	10,696
Other reserves	0	0
<b>Total taxpayers' equity:</b>	<b>(24,634)</b>	<b>(15,529)</b>

The notes on pages 6 to 53 form part of this account.

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

Chief Executive:

Date:

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

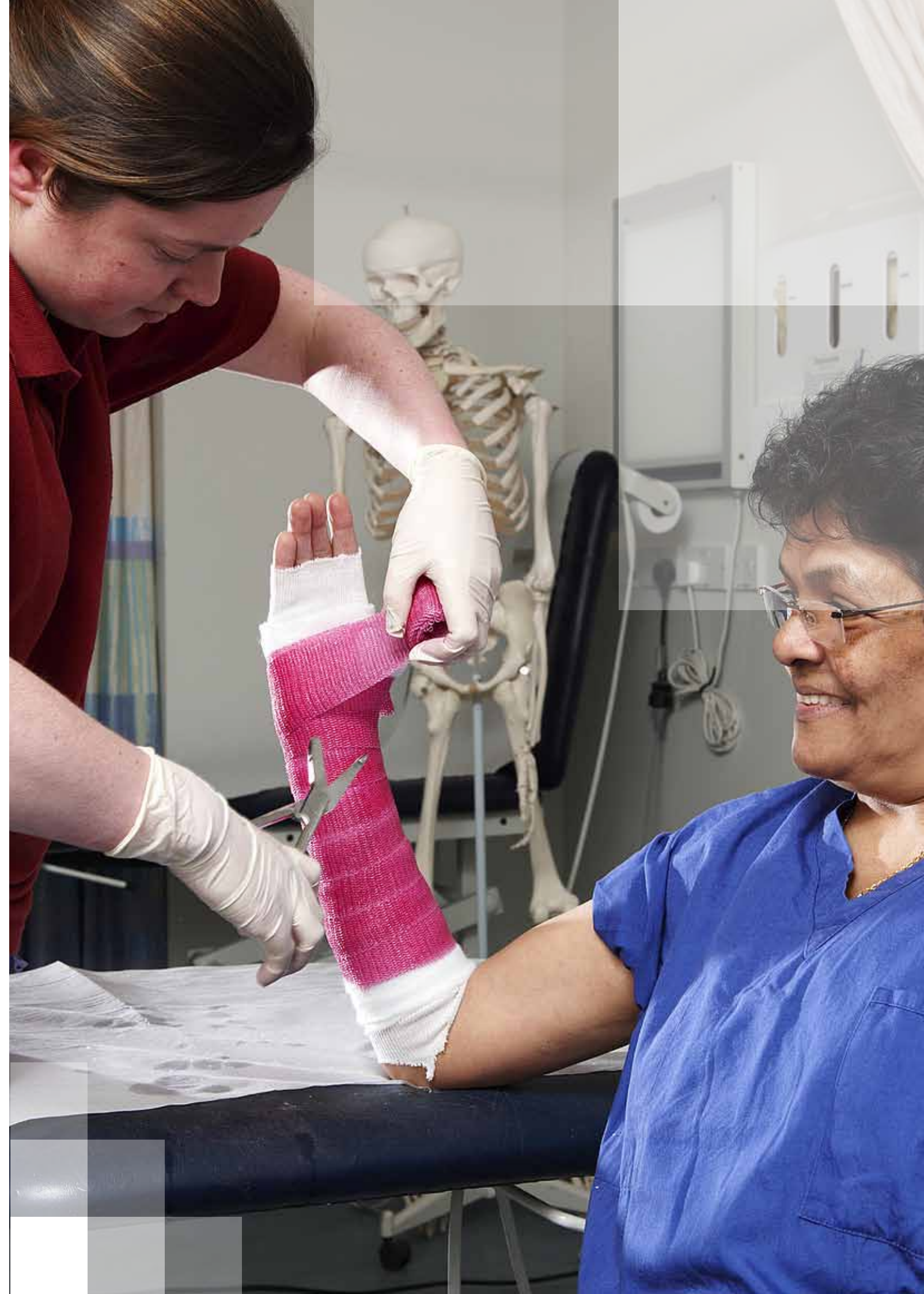
### Merger Adjustments

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

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

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

	General fund £000	Revaluation reserve £000	Other reserves £000	Total reserves £000
<b>Balance at 1 April 2012</b>	<b>(26,225)</b>	<b>10,696</b>	<b>0 0</b>	<b>(15,529)</b>
<b>Changes in taxpayers' equity for 2012-13</b>				
Net operating cost for the year	(547,567)	0	0	(547,567)
Net gain on revaluation of property, plant, equipment	0	0	0	0
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(2,582)	0	(2,582)
Movements in other reserves	0	0	0	0
Transfers between reserves	290	(290)	0	0
Release of Reserves to SOCNE	0	0	0	0
Net Gain/(loss) on transfers by absorption	0	0	0	0
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
<b>Total recognised income and expense for 2012-13</b>	<b>(547,277)</b>	<b>(2,872)</b>	<b>0</b>	<b>(550,149)</b>
Net Parliamentary funding	541,044	0	0	541,044
<b>Balance at 31 March 2013</b>	<b>(32,458)</b>	<b>7,824</b>	<b>0</b>	<b>(24,634)</b>
<b>Balance at 1 April 2011</b>				
	<b>(29,814)</b>	<b>11,269</b>	<b>0</b>	<b>(18,545)</b>
Other adjustments	(4,970)	0	0	(4,970)
<b>Restated balance at 1 April 2011</b>	<b>(34,784)</b>	<b>11,269</b>	<b>0</b>	<b>(23,515)</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Net operating cost for the year	(512,614)	0	0	(512,614)
Net gain on revaluation of property, plant, equipment	0	1,749	0	1,749
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(2,062)	0	(2,062)
Movements in other reserves	0	0	0	0
Transfers between reserves	260	(260)	0	0
Transfers to/(from) other bodies within the group	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
<b>Total recognised income and expense for 2011-12</b>	<b>(512,354)</b>	<b>(573)</b>	<b>0</b>	<b>(512,927)</b>
Net Parliamentary funding	520,913	0	0	520,913
<b>Balance at 31 March 2012</b>	<b>(26,225)</b>	<b>10,696</b>	<b>0</b>	<b>(15,529)</b>





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

	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost Before Interest	(543,646)	(509,308)
Depreciation and Amortisation	2,343	2,107
Impairments and Reversals	1,246	(1,057)
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	(3,931)	(2,860)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	0
Decrease/(Increase) in Trade and Other Receivables	11,801	(14,955)
(Increase)/Decrease in Other Current Assets	0	0
(Decrease)/Increase in Trade and Other Payables	(7,941)	9,542
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(88)	(83)
Increase/(Decrease) in Provisions	2,074	(146)
<b>Net Cash Outflow from Operating Activities</b>	<b>(538,142)</b>	<b>(516,760)</b>
<b>Cash flows from investing activities</b>		
Interest Received	10	39
(Payments) for Property, Plant and Equipment	(1,592)	(3,006)
(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
<b>Net Cash Outflow from Investing Activities</b>	<b>(1,582)</b>	<b>(2,967)</b>
<b>Net Cash Outflow Before Financing</b>	<b>(539,724)</b>	<b>(519,727)</b>
<b>Cash flows from financing activities</b>		
Other Loans Received	0	0
Other Loans Repaid	0	0
Other Capital Receipts	0	0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(1,321)	(1,184)
Net Parliamentary Funding	541,044	520,913
Capital Receipts Surrendered	0	0
Capital grants and other capital receipts	0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	0	0
<b>Net Cash Inflow from Financing Activities</b>	<b>539,723</b>	<b>519,729</b>

	2012-13 £000	2011-12 £000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1)</b>	<b>2</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>1</b>	<b>1</b>
Opening balance adjustment - TCS transactions	0	(2)
<b>Restated Cash and Cash Equivalents at Beginning of the Period</b>	<b>1</b>	<b>(1)</b>
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
<b>Cash and Cash Equivalents at year end</b>	<b>0</b>	<b>1</b>

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

### Cash Limit

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

### Currency Risk

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

### Interest Rate Risk

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

### Credit Risk

Due to the majority of the PCT's income coming from funds provided by Parliament, the PCT has low exposure to credit risk.

### Liquidity Risk

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

## Financial Performance Targets

	2012-13 £000	2011-12 £000
<b>Revenue Resource Limit</b>		
The PCTs' performance for the year ended 2012-13 is as follows		
Total Net Operating Cost for the Financial Year	547,567	512,614
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	547,606	514,607
<b>Underspend Against Revenue Resource Limit (RRL)</b>	<b>39</b>	<b>1,993</b>

	2012-13 £000	2011-12 £000
<b>Capital Resource Limit</b>		
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	3,306	25,767
Charge to Capital Resource Limit	1,436	20,041
<b>(Over)/Underspend Against CRL</b>	<b>1,870</b>	<b>5,726</b>

	2012-13 £000	2011-12 £000
<b>Under/(Over)spend against cash limit</b>		
Total Charge to Cash Limit	541,044	520,913
Cash Limit	541,044	520,913
<b>Under/(Over)spend Against Cash Limit</b>	<b>0</b>	<b>0</b>

	2012-13 £000	2011-12 £000
<b>Reconciliation of Cash Drawings to Parliamentary Funding (current year)</b>		
Total cash received from DH (Gross)	472,655	
Less: Trade Income from DH	0	
	0	
Sub total: net advances	472,655	
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0	
Plus: cost of Dentistry Schemes (central charge to cash limits)	11,183	
Plus: drugs reimbursement (central charge to cash limits)	57,206	
Parliamentary funding credited to General Fund	541,044	

## Better Payment Practice Code

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Measure of compliance</b>				
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.				
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	17,536	97,749	16,826	99,092
Total Non-NHS Trade Invoices Paid Within Target	15,824	92,368	15,008	93,040
Percentage of NHS Trade Invoices Paid Within Target	90.24%	94.50%	89.20%	93.89%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	3,343	397,954	3,060	343,053
Total NHS Trade Invoices Paid Within Target	2,891	392,985	2,553	335,883
Percentage of NHS Trade Invoices Paid Within Target	86.48%	98.75%	83.43%	97.91%
<b>The Late Payment of Commercial Debts (Interest) Act 1998</b>			<b>2012-13</b>	<b>2011-12</b>
			£000	£000
Amounts included in finance costs from claims made under this legislation			0	0
Compensation paid to cover debt recovery costs under this legislation			0	0
<b>Total</b>			<b>0</b>	<b>0</b>

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

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



## Running Costs

NHS Stoke-on-Trent measures its Running Costs according to the definitions provided by the Department of Health (DoH).

	Total	Commissioning Services	Public Health
<b>PCT Running Costs 2012-13</b>			
Running costs (£000s)	11,129	10,008	1,121
Weighted population (number in units)*	318,218	318,218	318,218
<b>Running costs per head of population (£ per head)</b>	<b>35</b>	<b>31</b>	<b>4</b>
<b>PCT Running Costs 2011-12</b>			
Running costs (£000s)	12,710	10,627	2,083
Weighted population (number in units)*	318,218	318,218	318,218
<b>Running costs per head of population (£ per head)</b>	<b>40</b>	<b>33</b>	<b>7</b>

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

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

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

Included in Other Auditors Remuneration IS £24K for Payment By Results work carried out by The Audit Commission.

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

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

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



## Directors Remuneration

Lists of senior managers for whom Remuneration Information is required

Table based on weighted capitation proportion for Stoke-on-Trent PCT

Name	Title	Appointment Details	2012/13							2011/12						
			Salary (bands of £5,000) £'000	Bonus payments (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Compensatory Payments (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	Stoke-on-Trent PCT Recharge (based on Weighted Capitation) % of Salary Represented within PCT's Accounts	Salary (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	South Staffordshire PCT Recharge (based on Weighted Capitation) % of Salary Represented within PCT's Accounts	Salary (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	
Graham Urwin	Chief Executive	Cluster Executive 01/04/2012	40-45	0	0	0	0	0	29%	40-45	0	1,3-1,4				
Tony Matthews	Director of Finance	Cluster Executive 01/04/2012 until 13/01/2013	25-30	0	0	0	0	0	29%	30-35	0	1, 1-1,2				
Dawn Wickham	Director of Partnerships and Planning	Cluster Executive 01/04/2012	25-30	0	0	0	0	0	29%	25-30	0	0				
Sue Price	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/04/2012	25-30	0	0	0	0	0	29%	25-30	0	0,0-0,1				
Sultaan Mahmud	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/01/2013	5-10	0	0	0	0	0	29%	N/A	N/A	N/A				
Jan Warren	Director of Nursing	Cluster Executive 01/04/2012	5-10	0	0	0	0	0	29%	25-30	0	0				
Brigid Stacey	Director of Nursing	Cluster Executive 07/05/2012	10-15	0	0	0	0	0	29%	N/A	N/A	N/A				
Dr Kenneth Deacon	Medical Director	Cluster Executive 01/04/2012	25-30	0	0	0	0	0	29%	20-25	0	0				
Zafar Iqbal	Acting Director of Public Health for Stoke-on-Trent	Cluster Executive 01/04/2012	115-120	35-40	0	0	0	0	N/A	115-120	35-40	0				
Wendy Kerr	CFO East staffordshire CCG	Cluster Executive 01/08/2012	20-25	0	0	0	0	0	29%	N/A	N/A	N/A				
Andrew Chandler	CFO Stafford & Surround CCG	Cluster Executive 01/04/2012	20-25	0	0	0	0	0	29%	N/A	N/A	N/A				
Stuart Hydon	CFO South East Staffordshire CCG	Cluster Executive 01/04/2012	20-25	0	0	0	0	0	29%	N/A	N/A	N/A				
Andrew Donald	Accountable officer Stafford and Surrounds and Cannock	Cluster Executive 01/04/2012	25-30	0	0	0	0	0	29%	35-40	0	0				
Rita Symons	Accountable Officer South East Staffordshire CCG	Cluster Executive 01/11/2012	10-15	0	0	0	0	0	29%	N/A	N/A	N/A				
Tony Bruce	Accountable Officer East Staffordshire CCG	Cluster Executive 01/11/2012	35-40	0	0	0	0	0	29%	N/A	N/A	N/A				
Dr David Hughes	Accountable Officer North Staffordshire CCG	Cluster Executive 01/04/2012	20-25	0	0	0	0	0	29%	N/A	N/A	N/A				
Dr Andrew Bartlam	Accountable Officer Stoke-on-Trent CCG	Cluster Executive 01/04/2012	20-25	0	0	0	0	0	29%	70-75	0	0				
Andrew Lee*	Director of Finance North Staffordshire CCG	Cluster Executive 01/04/2012	30-35	0	0	0	0	0	29%	N/A	N/A	N/A				
Tim O'Hanlon*	Director of Performance	Cluster Executive 01/04/2012	70-75	0	0	0	0	0	29%	N/A	N/A	N/A				
Sarah Sheppard*	Director of HR	Cluster Executive 01/04/2012	35-40	0	0	0	0	0	29%	35-40	0	0				

Trust Board  
Executive Directors

Name	Title	Appointment Details	2012/13							2011/12						
			Salary (bands of £5,000) £'000	Bonus payments (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Compensatory Payments (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	South Staffordshire PCT Recharge (based on Weighted Capitation) % of Salary Represented within PCT's Accounts	Salary (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	Stoke-on-Trent PCT Recharge (based on Weighted Capitation) % of Salary Represented within PCT's Accounts	Salary (bands of £5,000) £'000	Other Remuneration (bands of £5,000) £'000	Benefits in Kind (bands of £100) £'00	
Alex Fox	Chair	Cluster Non-Executive 01/04/2012	10-15	0	0	0	0	0	29%	0-5	0	0				
Andre Burns	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
David Ibbs	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
Lynn Kemp	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
John Howard	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
Barry Machin	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
Lynne Smith	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
Lloyd Cooke	Non Executive Director	Cluster Non-Executive 01/04/2012	0-5	0	0	0	0	0	29%	0-5	0	0				
George Dawes	Non Executive Director	Cluster Non-Executive 01/04/2012	0	0	0	0	0	0	29%	0	0	0				

Trust Board  
Common Trust Board Executives

## Notes for Director's Remuneration

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

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

As a result of the above changes, the Trust Board Executive Directors acted as executives across South

Staffordshire PCT, NHS North Staffordshire and NHS Stoke-on-Trent statutory bodies until 31 November 2011, from 1 December 2011 although the three PCTs remained separate legal entities, the cluster became a common board for all three PCTs as governance arrangements for NHS North Staffordshire, South Staffordshire PCT and NHS Stoke-on-Trent had been amalgamated under the umbrella of Staffordshire Cluster. The remuneration of Directors is recharged across all three PCTs based on a Weighted Capitation basis (See table below).

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

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

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

## Directors/Non Executives total pay across Staffordshire Cluster

Name	Title	Appointment Details	Salary (bands of £5,000)	Bonus payments (bands of £5,000)	Other Remuneration (bands of £5,000)	Compensatory Payments (bands of £5,000)	Benefits in Kind (bands of £100)
Graham Urwin	Chief Executive	Cluster Executive 01/04/2012	145-150	0	0	0	0
Tony Matthews	Director of Finance	Cluster Executive 01/04/2012 until 13/01/2013	85-90	0	0	0	0
Dawn Wickham	Director of Partnerships and Planning	Cluster Executive 01/04/2012	95-100	0	0	0	0
Sue Price	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/04/2012	95-100	0	0	0	0
Sultan Mahmud	Director of Primary Care and Specialised Commissioning	Cluster Executive 01/01/2013	20-25	0	0	0	0
Jan Warren	Director of Nursing	Cluster Executive 01/04/2012	15-20	0	0	0	0
Brigid Stacey	Director of Nursing	Cluster Executive 07/05/2012	45-50	0	0	0	0
Dr Kenneth Deacon	Medical Director	Cluster Executive 01/04/2012	85-90	0	0	0	0
Dr Aliko Ahmed	Director of Public Health for Staffordshire	Cluster Executive 01/04/2012 - NHS North and South Staffordshire	115-120	0	0	0	0
Zafar Iqbal	Acting Director of Public Health for Stoke-on-Trent	Cluster Executive 01/04/2012	115-120	35-40	0	0	0
Wendy Kerr	CFO East staffordshire CCG	Cluster Executive 01/08/2012	80-85	0	0	0	0
Andrew Chandler	CFO Stafford & Surround CCG	Cluster Executive 01/04/2012	80-85	0	0	0	0
Stuart Hydon	CFO South East Staffordshire CCG	Cluster Executive 01/04/2012	80-85	0	0	0	0
Andrew Donald	Accountable officer Stafford and Surrounds and Cannock	Cluster Executive 01/04/2012	95-100	0	0	0	0
Rita Symons	Accountable Officer South East Staffordshire CCG	Cluster Executive 01/11/2012	40-45	0	0	0	0
Tony Bruce	Accountable Officer East Staffordshire CCG	Cluster Executive 01/11/2012	125-130	0	0	0	0
Dr David Hughes	Accountable Officer North Staffordshire CCG	Cluster Executive 01/04/2012	70-75	0	0	0	0
Dr Andrew Bartlam	Accountable Officer Stoke-on-Trent CCG	Cluster Executive 01/04/2012	80-85	0	0	0	0
Andrew Lee*	Director of Finance North Staffordshire CCG	Cluster Executive 01/04/2012	115-120	0	0	0	0
Tim O'Hanlon*	Director of Performance	Cluster Executive 01/04/2012	250-255	0	0	0	0
Sarah Sheppard*	Director of HR	Cluster Executive 01/04/2012	125-130	0	0	0	0
Alex Fox	Chair	Cluster Non-Executive 01/04/2012	40-45	0	0	0	0
Andre Burns	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
David Ibbs	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
Lynn Kemp	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
John Howard	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
Barry Machin	Non Executive Director	Cluster Non-Executive 01/04/2012	10-15	0	0	0	0
Lynne Smith	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0
Lloyd Cooke	Non Executive Director	Cluster Non-Executive 01/04/2012	5-10	0	0	0	0

There is a nil disclosure for Ros Francke as she is employed by NHS England.

Name	Title	Real Increase in Pension at age 60 (bands of £2,500)	Real Increase in Pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	Real Increase in Cash Equivalent Transfer Value	Legal Entity Employing Senior Manager
Graham Urwin	Chief Executive	(0.0)-(2.5)	(2.5)-(5.0)	50-55	160-165	902	853	4	Stoke-on-Trent PCT
Tony Matthews	Director of Finance	(0.0)-(2.5)	(0.0)-(2.5)	35-40	105-110	574	536	10	Stoke-on-Trent PCT
Ros Francké*	Director of Finance	0	0	0	0	0	0	0	Commissioning Board
Dawn Wickham	Director of Partnerships and Planning	(0.0)-(2.5)	(0.0)-(2.5)	30-35	95-100	544	509	8	Stoke-on-Trent PCT
Sue Price	Director of Primary Care and Specialised Commissioning	(0.0)-(2.5)	(0.0)-(2.5)	35-40	105-110	668	628	8	South Staffordshire PCT
Sultan Mahmud	Director of Primary Care and Specialised Commissioning	(0.0)-(2.5)	0	0-5	0	3	6	(1)	Stoke-on-Trent PCT
Jan Warren	Director of Nursing	(0.0)-(2.5)	55.0-57.5	35-40	115-120	No CETV shown for members over 60	No CETV shown for members over 60	0	Stoke-on-Trent PCT
Brigid Stacey	Director of Nursing	0	0	30-35	95-100	491	454	6	Stoke-on-Trent PCT
Dr Kenneth Deacon	Medical Director	0.0-2.5	2.5-5.0	30-35	90-95	424	371	34	South Staffordshire PCT
Dr Aliko Ahmed	Director of Public Health for Staffordshire	0.0-2.5	0.0-2.5	10-15	40-45	214	191	13	South Staffordshire PCT
Zafar Iqbal	Acting Director of Public Health for Stoke-on-Trent	(0.0)-(2.5)	(0.0)-(2.5)	45-50	140-145	894	836	15	Stoke-on-Trent PCT
Wendy Kerr	CFO East Staffordshire CCG	(0.0)-(2.5)	(0.0)-(2.5)	10-15	40-45	285	277	(6)	South Staffordshire PCT
Andrew Chandler	CFO Stafford & Surround CCG	0.0-2.5	0.0-2.5	15-20	55-60	280	257	9	South Staffordshire PCT
Stuart Hydon	CFO South East Staffordshire CCG	0.0-2.5	(2.5)-(5.0)	15-20	50-55	415	369	27	South Staffordshire PCT
Andrew Donald	Accountable officer Stafford and Surrounds and Cannock	(0.0)-(2.5)	(5.0)-(7.5)	35-40	115-120	762	743	(20)	BEN and Heart of England both raising recharges for Andy
Rita Symons	Accountable Officer South East Staffordshire CCG	0.0-2.5	0.0-2.5	20-25	60-65	309	280	7	South Staffordshire PCT
Tony Bruce	Accountable Officer East Staffordshire CCG	(0.0)-(2.5)	(2.5)-(5.0)	50-55	155-160	958	904	8	North Staffordshire PCT
Dr David Hughes	Accountable Officer North Staffordshire CCG	0.0-2.5	2.5-5.0	55-60	170-175	No CETV shown for members over 60	1,251	0	North Staffordshire PCT
Dr Andrew Bartlam	Accountable Officer Stoke-on-Trent CCG	0.0-2.5	0.0-2.5	60-65	185-190	1,219	1,111	50	Stoke-on-Trent PCT
Andrew Lee*	Director of Finance North Staffordshire CCG	0	0	0	0	0	0	0	Interim via North Staffordshire PCT
Tim O'Hanlon*	Director of Performance	0	0	0	0	0	0	0	ATOS Consulting via Stoke-on-Trent PCT
Sarah Sheppard*	Director of HR	0	0	0	0	0	0	0	Sarah Sheppard Consulting via North Staffordshire PCT

## Notes for Pension Entitlements of Senior Managers

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

\*\* Seconded from Birmingham East and North PCT.

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

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

As a result of the above changes, the Trust Board Executive Directors acted as executives across South Staffordshire PCT, NHS North Staffordshire and NHS Stoke-on-Trent statutory bodies until 31/11/11, from

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension schemes or arrangement when the member leaves a schemes and chooses to transfer the benefit accrued in their former scheme. The pensions figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. No CETV will be shown for members over 60 (1995 Section).

01/12/12 although the three PCTs remained separate legal entities, the cluster become a common board for all three PCTs as governance arrangements for NHS North Staffordshire, South Staffordshire PCT and NHS Stoke-on-Trent had been amalgamated under the umbrella of Staffordshire Cluster. The remuneration of Directors is recharged across all three PCTs based on a Weighted Capitation basis (See Remuneration Table for apportionment split).

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

## Real Increase in CETV

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



## Exit packages for staff leaving in 2012/13

### Exit Packages Agreed During 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12		
	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number
Less than £10,000	0	2	2	0	2	2
£10,001-£25,000	0	3	3	0	1	1
£25,001-£50,000	0	3	3	0	0	0
£50,001-£100,000	2	2	4	0	1	1
£100,001-£150,000	0	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
<b>Total number of exit packages by type (total cost)</b>	<b>2</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>4</b>	<b>4</b>
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Total resource cost</b>	<b>125</b>	<b>298</b>	<b>423</b>	<b>0</b>	<b>83</b>	<b>83</b>

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 National Redundancy Scheme and the Mutually Agreed Resignation Scheme. Exit costs in this note are accounted for in full in the year of departure. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages 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.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Redundancy Scheme and the Mutually Agreed Resignation Scheme. This note provides an analysis of Exit Packages agreed during the year, and these may not be the same as those in respect of the year of departure. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

## Related Party Transactions for Year Ended 31 March 2013

### Financial Year 2012/13

NHS Stoke-on-Trent is a corporate body established by order of the secretary of State for Health.

During the year, the PCT has undertaken transactions with the following Board Members and Professional Executive Committee Members, in their capacity as Primary Care General Practitioner, or members of the key management staff or parties related to them.

### 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 £
Mrs L Kemp	833,059	37,375	2,153	2,286
Dr A Bartlam	2,086,844	1,193	323,206	0
Mr A Matthews	4,019,420	0	13,417	0
Mr A Donald	79,145,031	14,840,814	3,883,000	2,332,000

Mrs L Kemp is a Trustee of Brighter Futures and Disability Solutions.

Dr A Bartlam is chair of the Stoke-on-Trent Clinical Commissioning Group and was a partner of Millrise Medical Centre

Mr A Matthews is a director of Prima 200 Ltd, which is a requirement of holding the position of Director of Finance

Mr A Donald is Married to the Chief Operating Officer at Stoke-on-Trent and Staffordshire Partnership NHS Trust

**The Department of Health is regarded as a related party. During the year Stoke-on-Trent PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:**

	Payments to Other NHS £000s	Receipts from Other NHS £000s	Amounts owed to Other NHS £000s	Amounts due from Other NHS £000s
University Hospital of North Staffordshire NHS Trust	202,614	547	2,916	139
Stoke-on-Trent and Staffordshire Partnership NHS Trust	79,145	14,841	3,883	2,332
Birmingham East and North PCT	42,623	5	0	0
North Staffordshire Combined Healthcare NHS Trust	38,623	364	11	0
North Staffordshire PCT	5,849	4,565	251	698
South Staffordshire PCT	41,258	3,132	1,485	1,077
<b>Total</b>	<b>410,112</b>	<b>23,454</b>	<b>8,546</b>	<b>4,246</b>

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

Staffordshire County Council

Stoke-on-Trent City Council

HM Revenue & Customs.

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

### Prior Year (2011-12)

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mrs L Kemp	786,206	4,103	0	0
Dr A Bartlam	2,102,875	0	337,392	0
Mr A Matthews	2,342,000	0	0	0
Mr A Donald	67,479,223	8,889,475	10,253,942	8,993,471

Mrs L Kemp is a Trustee of Brighter Futures and Disability Solutions.

Dr A Bartlam is chair of the Stoke-on-Trent Clinical Commissioning Group and was a partner of Millrise Medical Centre

Mr A Matthews is a director of Prima 200 Ltd, which is a requirement of holding the position of Director of Finance

Mr A Donald is Married to the Chief Operating Officer at Stoke-on-Trent and Staffordshire Partnership NHS Trust

**The Department of Health is regarded as a related party. During the year Stoke-on-Trent PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below;**

	Payments to Other NHS	Receipts from Other NHS	Amounts owed to Other NHS	Amounts due from Other NHS
	£000s	£000s	£000s	£000s
University Hospital of North Staffordshire NHS Trust	169,147	1,035	0	2,614
Stoke-on-Trent and Staffordshire Partnership NHS Trust	61,097	8,889	10,253	8,993
Birmingham East and North PCT	41,916	5	0	0
North Staffordshire Combined Healthcare NHS Trust	34,527	562	182	0
North Staffordshire PCT	6,356	20,040	1,884	1,417
South Staffordshire PCT	3,554	1,386	372	1,156
<b>Total</b>	<b>316,597</b>	<b>31,917</b>	<b>12,691</b>	<b>14,180</b>

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Staffordshire County Council, Stoke-on-Trent City Council and HM Revenue & Customs.

## Off-payroll engagements

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

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

	Main Department	Arms Length Body
No. In place on 31 January 2013	3	0
Of which:		
No. that have since come onto the Organisation's payroll	0	0
Of which:		
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	0	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0	0
No that have come to an end	3	0
<b>Total</b>	<b>3</b>	<b>0</b>

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

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

## Statement of Directors' Responsibilities in respect of the accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Primary Care Trust and the net operating cost, recognised gains and losses and cash flows for the year. In preparing these accounts, directors are required to:

- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- Make judgements and estimates which are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable

accuracy at any time the financial position of the Primary Care Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Primary Care Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

By order of the board.



**Graham Urwin**  
Chief Executive  
Date: 07 June 2013

**Ros Francke**  
Finance Director  
Date: 07 June 2013

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

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Primary Care Trust;
- the expenditure and income of the Primary Care Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and
- Annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the net operating cost, recognised gains and losses and cash flows for the year.

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



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



## Independent Auditor's Report to the Accountable Officer of Stoke-on-Trent Primary Care Trust

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Net Expenditure, Statement of Financial Performance, Statement of Changes in Taxpayers Equity, Statement of Cash Flows, Financial Performance Targets, Better Payment Practice Code, and Running Costs set out on pages 45 to 58.

This report is made solely to the Department of Health's accounting officer in respect of Stoke-on-Trent PCT in accordance with Part 11 of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2012. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Department of Health's accounting officer and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

### Respective responsibilities of Accountable Officer signing officer and auditor

The Accountable Officer is responsible for preparing the Annual Report.

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

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

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

### Opinion

In our opinion the summary financial statement is consistent with the statutory financial statement of Stoke-on-Trent PCT for the year ended 31 March 2013.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Colmore Plaza  
20 Colmore Circus  
BIRMINGHAM  
West Midlands  
B4 6AT

7 June 2013

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

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

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

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

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

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

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

نہم بہلگہیہ ہر وہا بہ زمانہکانی کہ، بہ چاپی درشت و بہ شریتی تہسجیل دہس دہکویت

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

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

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

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

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

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

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

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

Tel: 0300 790 233 Website: [www.southstaffordshirepct.nhs.uk](http://www.southstaffordshirepct.nhs.uk)



Shropshire and Staffordshire Area Team  
NHS England, Anglesey House  
Wheelhouse Road  
Rugeley  
Staffordshire  
WS15 1UL  
Tel: 0300 7900 233

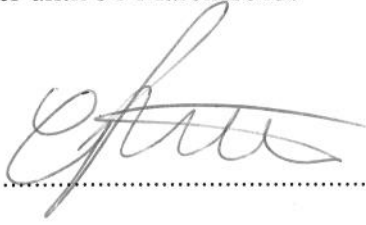
**2012-13 Annual Accounts of Stoke on Trent Primary Care Trust (non-London)**

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

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

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

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

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

Name: Graham Urwin

Date 7 June 2013



## 2012-13 Annual Accounts of Stoke on Trent Primary Care Trust (non-London)

### STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

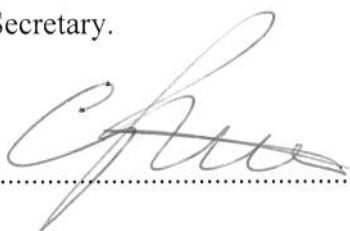
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

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

By order of the Permanent Secretary.

7 June 2013

Date.....



.....Signing Officer

7 June 2013

Date.....



.....Finance Signing Officer

**Organisation** STOKE ON TRENT PRIMARY CARE TRUST

**Organisation Code:** 5PJ

## **Governance Statement 2012/13**

### **Scope of responsibility**

Stoke on Trent Primary Care Trust has a budget of £548 million and serves a population of more than 270,000 people.

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

### **The governance framework of the organisation**

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

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

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

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

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

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

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

As the CCG moved through the authorisation process and held their own Governing Body meetings in public, the need for their attendance at the Common Board was superseded. The Shadow CCG committees were being disbanded and the setting up of new governance arrangements was underway.

The scheme of delegation from the Common Board was therefore amended to recognise that the CCG Governing Bodies became formal sub committees of the Common Board until March 2013



with responsibility and accountability for the delegated powers.

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

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

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

The Quality Committee focuses on:

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

This relates to all Provider Trusts within the Cluster PCT area

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

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

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

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

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## **Authorisation domains**

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

The domains are:

Domain one: a strong clinical and multi-professional focus which brings real added value.

Domain two: meaningful engagement with patients, carers and their communities.

Domain three: clear and credible plans which continue to deliver the QIPP challenge within financial resources, in line with national requirements (including outcomes) and local joint health and wellbeing strategies.

Domain four: proper constitutional and governance arrangements, with the capacity and

capability to deliver all their duties and responsibilities, including financial control, as well as effectively commission all the services for which they are responsible.

Domain five: collaborative arrangements for commissioning with other CCGs, local authorities and the NHS CB as well as the appropriate external commissioning support.

Domain six: great leaders who individually and collectively can make a real difference.

The Stoke-on-Trent Clinical Commissioning Group was conditionally authorised by the Department of Health on 5 December 2012. Five conditions were attached without directions.

## **Risk assessment**

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

Risks are identified from a variety of sources including:

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

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

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

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

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

Control measures are in place to ensure that risks to data security are identified, managed

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

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

### **The risk & control framework**

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of NHS Stoke on Trent, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

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

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

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

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

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

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



The Plan has been developed in collaboration with local health and social care organisations with engagement and involvement of GPs, providers, patients and Non Executive Directors. It sets out an integrated approach to health care planning, reflecting both the opportunities and the challenges facing the local health economy and how high quality, innovative and productive services will be delivered for the people of Staffordshire and Stoke-on-Trent.

NHS Stoke on Trent is a key partner in the Stoke-on-Trent Local Strategic Partnership (LSP) working together with the Local Authority, Police and Fire Services and private, community and voluntary sector organisations.

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

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

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

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

### **Review of the effectiveness of risk management and internal control**

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

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

- A number of individual internal audit reports relating to the PCT's Quality Monitoring Framework; Quality of Providers; Ledger & Budgetary Reporting and

- Financial Controls; Quality Outcomes Framework and Assurance Framework.
- External Audit via their Annual Audit Letter which provides a high level summary of audit work carried out.
  - Regular Executive Team meetings
  - Reports to Audit Committee by the Local Counter Fraud Specialists
  - Information Governance Toolkit submission
  - Review of the corporate risk register by the Cluster Quality Committee (clinical risks) and Common Audit Committee (non-clinical risks)
  - Scrutiny of the Assurance Framework by the Common Audit Committee
  - Performance Management of Independent Contractors
  - Regular reports to Board from Clinical Commissioning Groups
  - Regular Clinical Quality Review Meetings with all main providers
  - Fit For the Future Reports to Board

### Significant Issues

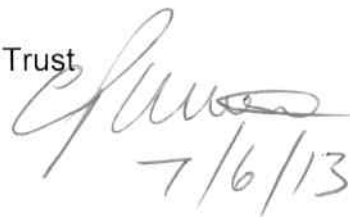
The Head of Internal Audit Opinion on the system of internal control has not revealed any significant internal control weaknesses; however, following reviews, the areas below were highlighted as having the potential to affect the achievement of the PCT's strategic goals. Governance – ensuring committees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

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

**Accountable Officer (name):** Graham Urwin

**Organisation:** Stoke on Trent Primary Care Trust

**Signature:**



**Date:**

## **INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER OF STOKE ON TRENT PCT**

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

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

- the table of salaries and allowances of senior managers on page 63;
- the table of pension benefits of senior managers on page 64 and
- the table of pay multiples on page 45.

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

### **Respective responsibilities of the signing officer, finance signing officer and auditor**

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

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

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



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

### **Opinion on regularity**

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

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matters**

In our opinion:

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

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

We report to you if:

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

We have nothing to report in these respects.

### **Other matters on which we are required to conclude**

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice 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 and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work on the PCT's transition arrangements

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

### **Certificate**

We certify that we have completed the audit of the financial statements of Stoke on Trent PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



James Cook

Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

Colmore Plaza  
20 Colmore Circus  
Birmingham  
B4 6AT

10 June 2013



Department  
of Health



# Stoke-on-Trent Primary Care Trust

2012-13 Accounts



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# Stoke-on-Trent Primary Care Trust

2012-13 Accounts

**Stoke on Trent PCT - Annual Accounts 2012-13**

**FOREWORD TO THE ACCOUNTS**

Stoke on Trent PCT

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



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

	NOTE	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>			
Gross employee benefits	7.1	12,865	11,973
Other costs	5.1	594,005	538,158
Income	4	(63,224)	(40,823)
<b>Net operating costs before interest</b>		<b>543,646</b>	<b>509,308</b>
Investment income	9	(10)	(39)
Other (Gains)/Losses	10	0	485
Finance costs	11	3,931	2,860
<b>Net operating costs for the financial year</b>		<b>547,567</b>	<b>512,614</b>
Transfers by absorption - (gains)		0	0
Transfers by absorption - losses		0	0
Net (gain)/loss on transfers by absorption		0	0
<b>Net operating costs and transfer gains/losses for the financial year</b>		<b>547,567</b>	<b>512,614</b>
<b>Of which:</b>			
<b>Administration Costs</b>			
Gross employee benefits	7.1	10,104	8,326
Other costs	5.1	6,386	5,800
Income	4	(3,139)	(1,416)
<b>Net administration costs before interest</b>		<b>13,351</b>	<b>12,710</b>
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
<b>Net administration costs for the financial year</b>		<b>13,351</b>	<b>12,710</b>
<b>Programme Expenditure</b>			
Gross employee benefits	7.1	2,761	3,647
Other costs	5.1	587,619	532,358
Income	4	(60,085)	(39,407)
<b>Net programme expenditure before interest</b>		<b>530,295</b>	<b>496,598</b>
Investment income	9	(10)	(39)
Other (Gains)/Losses	10	0	485
Finance costs	11	3,931	2,860
<b>Net programme expenditure for the financial year</b>		<b>534,216</b>	<b>499,904</b>
<b>Other Comprehensive Net Expenditure</b>			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		2,582	2,062
Net (gain) on revaluation of property, plant & equipment		0	(1,749)
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 Assets Held for Sale		0	0
Release of Reserves to Statement of Comprehensive Net Expenditure		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net actuarial (gain)/loss on pension schemes		0	0
<b>Reclassification Adjustments</b>			
Reclassification adjustment on disposal of available for sale financial assets		0	0
<b>Total comprehensive net expenditure for the year</b>		<b>550,149</b>	<b>512,927</b>

The notes on pages 6 to 53 form part of this account.

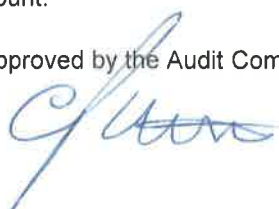
## Statement of Financial Position at 31 March 2013

		31 March 2013	31 March 2012
	NOTE	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	12	71,169	75,904
Intangible assets	13	0	0
Investment property	15	0	0
Other financial assets	21	668	668
Trade and other receivables	19	99	104
<b>Total non-current assets</b>		<b>71,936</b>	<b>76,676</b>
<b>Current assets:</b>			
Inventories	18	0	0
Trade and other receivables	19	6,524	18,320
Other financial assets	36.1	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	0	1
<b>Total current assets</b>		<b>6,524</b>	<b>18,321</b>
Non-current assets held for sale	24	513	513
<b>Total current assets</b>		<b>7,037</b>	<b>18,834</b>
<b>Total assets</b>		<b>78,973</b>	<b>95,510</b>
<b>Current liabilities</b>			
Trade and other payables	25	(37,219)	(45,316)
Other liabilities	26,28	0	0
Provisions	32	(221)	(402)
Borrowings	27	(1,642)	(1,437)
Other financial liabilities	36.2	0	0
<b>Total current liabilities</b>		<b>(39,082)</b>	<b>(47,155)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>39,891</b>	<b>48,355</b>
<b>Non-current liabilities</b>			
Trade and other payables	25	0	0
Other Liabilities	26,28	0	0
Provisions	32	(2,805)	(638)
Borrowings	27	(61,720)	(63,246)
Other financial liabilities	36.2	0	0
<b>Total non-current liabilities</b>		<b>(64,525)</b>	<b>(63,884)</b>
<b>Total Assets Employed:</b>		<b>(24,634)</b>	<b>(15,529)</b>
<b>Financed by taxpayers' equity:</b>			
General fund		(32,458)	(26,225)
Revaluation reserve		7,824	10,696
Other reserves		0	0
<b>Total taxpayers' equity:</b>		<b>(24,634)</b>	<b>(15,529)</b>

The notes on pages 6 to 53 form part of this account.

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

Chief Executive:



Date:

7/6/13

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	<b>(26,225)</b>	<b>10,696</b>	<b>0</b>	<b>(15,529)</b>
<b>Changes in taxpayers' equity for 2012-13</b>				
Net operating cost for the year	(547,567)	0	0	(547,567)
Net gain on revaluation of property, plant, equipment	0	0	0	0
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(2,582)	0	(2,582)
Movements in other reserves	0	0	0	0
Transfers between reserves	290	(290)	0	0
Release of Reserves to SOCNE	0	0	0	0
Net Gain/(loss) on transfers by absorption	0	0	0	0
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
<b>Total recognised income and expense for 2012-13</b>	<b>(547,277)</b>	<b>(2,872)</b>	<b>0</b>	<b>(550,149)</b>
Net Parliamentary funding	541,044	0	0	541,044
<b>Balance at 31 March 2013</b>	<b>(32,458)</b>	<b>7,824</b>	<b>0</b>	<b>(24,634)</b>
<b>Balance at 1 April 2011</b>	<b>(29,814)</b>	<b>11,269</b>	<b>0</b>	<b>(18,545)</b>
Other adjustments	(4,970)	0	0	(4,970)
<b>Restated balance at 1 April 2011</b>	<b>(34,784)</b>	<b>11,269</b>	<b>0</b>	<b>(23,515)</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Net operating cost for the year	(512,614)	0	0	(512,614)
Net gain on revaluation of property, plant, equipment	0	1,749	0	1,749
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(2,062)	0	(2,062)
Movements in other reserves	0	0	0	0
Transfers between reserves	260	(260)	0	0
Transfers to/(from) other bodies within the group	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
<b>Total recognised income and expense for 2011-12</b>	<b>(512,354)</b>	<b>(573)</b>	<b>0</b>	<b>(512,927)</b>
Net Parliamentary funding	520,913	0	0	520,913
<b>Balance at 31 March 2012</b>	<b>(26,225)</b>	<b>10,696</b>	<b>0</b>	<b>(15,529)</b>

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

	NOTE	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>			
Net Operating Cost Before Interest		(543,646)	(509,308)
Depreciation and Amortisation		2,343	2,107
Impairments and Reversals		1,246	(1,057)
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		(3,931)	(2,860)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	0
Decrease/(Increase) in Trade and Other Receivables		11,801	(14,955)
(Increase)/Decrease in Other Current Assets		0	0
(Decrease)/Increase in Trade and Other Payables		(7,941)	9,542
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(88)	(83)
Increase/(Decrease) in Provisions		2,074	(146)
<b>Net Cash Outflow from Operating Activities</b>		<b>(538,142)</b>	<b>(516,760)</b>
<b>Cash flows from investing activities</b>			
Interest Received		10	39
(Payments) for Property, Plant and Equipment		(1,592)	(3,006)
(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
<b>Net Cash Outflow from Investing Activities</b>		<b>(1,582)</b>	<b>(2,967)</b>
<b>Net Cash Outflow Before Financing</b>		<b>(539,724)</b>	<b>(519,727)</b>
<b>Cash flows from financing activities</b>			
Other Loans Received		0	0
Other Loans Repaid		0	0
Other Capital Receipts		0	0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(1,321)	(1,184)
Net Parliamentary Funding		541,044	520,913
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
<b>Net Cash Inflow from Financing Activities</b>		<b>539,723</b>	<b>519,729</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1)</b>	<b>2</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>		<b>1</b>	<b>1</b>
Opening balance adjustment - TCS transactions		0	(2)
<b>Restated Cash and Cash Equivalents at Beginning of the Period</b>		<b>1</b>	<b>(1)</b>
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
<b>Cash and Cash Equivalents at year end</b>		<b>0</b>	<b>1</b>



## 1. Accounting policies

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

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

### 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

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

#### Transforming Community Services (TCS) transactions

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

#### Acquisitions and Discontinued Operations

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

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

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

#### Critical judgements in applying accounting policies

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

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

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

## 1. Accounting policies (continued)

### Key sources of estimation uncertainty

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

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

From 2009-10 onwards the PCT has made a decision to undertake a revaluation of its non current assets, in accordance with the requirements of IAS16, on an annual basis, supplemented by appropriate indices as required. Therefore book values will more closely relate to market values and this estimation uncertainty will, to a large extent, be eliminated.

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

The PCT applies estimation techniques to establish appropriate levels of expenditure for prescribing costs, Quality Outcome Framework (QOF) payments to GPs and other accrued expenditure based on trend information, extrapolation and locally gathered information. The prescribing creditor as at 31st March 2013 was £6.359m of which £5.575m was estimated.

The Quality Outcome Framework payments to GPs creditor at 31st March 2013 is £4.5m which is entirely based on activity data available at that time. Subsequent 2012-13 QOF information received will impact on the 2012-13 expenditure should this estimate be different to the actual creditor.

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

## 1.2 Revenue and Funding

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

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

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

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

## 1.3 Pooled budgets

The PCT has entered into a pooled budget with Stoke on Trent City Council. Under the arrangement funds are pooled under S75 of the Health Act 1999 for operating a joint integrated equipment store.

The pool is hosted by Stoke on Trent City Council. 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.

## 1.4. Taxation

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

## 1. Accounting policies (continued)

### 1.5 Administration and Programme Costs

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

The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.

Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrangements and so is recorded as such in the financial statements.

### 1.6 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 PCTs 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.

For 2012-13 the PCT only undertook a full revaluation of a property where the expenditure incurred during the year on an individual property was greater than £250,000. The revaluation was conducted by David Cooney MA MRICS for and on behalf of GVA Grimley Ltd, the PCTs independent qualified valuer. The PCT only undertook a full valuation of Haywood Hospital during 2012-13. Properties over which the PCT held a legal charge have been impaired during 2012-13. The impact of both of these transactions is an overall impairment value of £1,246k shown in the SOCNE. The PCT received funding from the SHA equal to this impairment. Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

## 1. Accounting policies (continued)

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

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

### Subsequent expenditure

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

## 1.7 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. Accounting policies (continued)

### 1.8 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.

### 1.9 Donated assets

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

### 1.10 Government grants

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

## **1. Accounting policies (continued)**

### **1.11 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.

### **1.12 Cash and cash equivalents**

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

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

### **1.13 Losses and Special Payments**

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

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

### **1.14 Clinical Negligence Costs**

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

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

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

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

### **1.15 Employee benefits**

#### **Short-term employee benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. Due to the demise of the PCT, all annual leave was required to be taken. Therefore there is no cost of leave earned but not taken by employees at the end of the period to be recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

## **1. Accounting policies (continued)**

### **Retirement benefit costs**

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

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

### **1.16 Other expenses**

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

### **1.17 Grant making**

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

In 2012/13, grants were made to fund capital projects at GP and Dental practices.

### **1.18 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.

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

**1. Accounting policies (continued)**

**1.19 Directors/Non Executive Costs incorporated within the PCTs operating costs**

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

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

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

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

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



## 1. Accounting policies (continued)

### 1.20 Leases

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

#### The PCT as lessee

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

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

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

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

#### The PCT as lessor

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

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

### 1.21 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.

#### Clinical Negligence Costs

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

Since financial responsibility for clinical negligence cases transferred to the NHS Litigation Authority at 1 April 2002, the only charge to operating expenditure in relation to clinical negligence in 2012-13 relates to the PCT's contribution to the Clinical Negligence Scheme for Trusts.

#### Non Clinical Risk Pooling

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

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

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

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

### 1.22 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.

The PCT classifies Financial assets as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial 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 using IAS 39 AG 74 and following paragraphs. Given that there is no active market for these assets, the investments are valued at historic cost.

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

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

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

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

## 1. Accounting policies (continued)

### Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

### Other financial liabilities

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

### 1.23 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 net 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.

The PCT has an operating lease arrangement with Stoke on Trent City Council for the use of its Bentilee Neighbourhood Centre PFI scheme. The PFI arrangement does not involve the PCT and the PCT has no option to purchase at the end of the lease. However the operating lease was transferred to Staffordshire and Stoke on Trent Partnership Trust on the 1st April 2012. The operating lease payments would therefore be shown in the SSOTP Statement of Comprehensive Net Expenditure.

The balance is subsequently released to operating income over the life of the concession on a straight-line basis.

The Haywood Hospital (PFI) is sub leased to the Staffordshire and Stoke on Trent Partnership Trust and accordingly the costs of this are shown within their Statement of Comprehensive Net Expenditure.

## 1.24 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  
IAS 19 (Revised 2011) Employee Benefits  
IAS 32 Financial Instruments: Presentation  
IFRS 7 Financial Instruments: Disclosures



## **1. Accounting policies (continued)**

### **1.25 Going Concern**

As a consequence of the Health and Social Care Act 2012, The PCT was dissolved on 31st March 2013.

It's functions will be transferred to various new or existing public sector entities.

The Secretary of State has directed that where Parliamentary funding continues to be voted to permit the relevant services to be carried out elsewhere in the public sector, this is normally sufficient evidence of going concern.

As a result, the Board of Stoke on Trent PCT have prepared these financial statements on a going concern basis.

### **1.26 PCT Closedown**

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

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

See Note 1.7 regarding revaluation and impairments of the PCTs properties during 2012-13.

## **2. Operating segments**

The PCT has no operating segments since its Provider Services functions split from the Commissioning functions during 2011-12. The Provider functions transferred to Staffordshire and Stoke on Trent Partnership NHS Trust and under merger accounting principles the financial results for the whole of 2011-12 are recorded in the new NHS Trust's Accounts.

This resulted in the transfer of £61.532m of revenue resources and £4.970m of Non Current and Net Current Assets to the new NHS Trust in 2011-12.

**3. Financial Performance Targets****3.1 Revenue Resource Limit**

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

Total Net Operating Cost for the Financial Year

Adjusted for prior period adjustments in respect of errors

Revenue Resource Limit

**Underspend Against Revenue Resource Limit (RRL)**

2012-13 £000	2011-12 £000
547,567	512,614
0	0
547,606	514,607
<u>39</u>	<u>1,993</u>

**3.2 Capital Resource Limit**

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

Capital Resource Limit

Charge to Capital Resource Limit

**(Over)/Underspend Against CRL**

2012-13 £000	2011-12 £000
3,306	25,767
1,436	20,041
<u>1,870</u>	<u>5,726</u>

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

Total Charge to Cash Limit

Cash Limit

**Under/(Over)spend Against Cash Limit**

2012-13 £000	2011-12 £000
541,044	520,913
541,044	520,913
<u>0</u>	<u>0</u>

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

Total cash received from DH (Gross)

Less: Trade Income from DH

**Sub total: net advances**

(Less)/plus: transfers (to)/from other resource account bodies (free text note required)

Plus: cost of Dentistry Schemes (central charge to cash limits)

Plus: drugs reimbursement (central charge to cash limits)

**Parliamentary funding credited to General Fund**

2012-13 £000
472,655
0
<u>0</u>
472,655
0
11,183
57,206
<u>541,044</u>

**4. Miscellaneous income**

	<b>2012-13 Total £000</b>	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Fees and Charges	<b>10</b>	10	0	15
Dental Charge income from Contractor-Led GDS & PDS	<b>3,277</b>	0	3,277	3,192
Dental Charge income from Trust-Led GDS & PDS	<b>0</b>	0	0	0
Prescription Charge income	<b>2,970</b>	0	2,970	2,861
Strategic Health Authorities	<b>1,340</b>	80	1,260	1,014
NHS Trusts	<b>2,635</b>	2,632	3	3,351
NHS Foundation Trusts	<b>14</b>	14	0	22
Primary Care Trusts Contributions to DATs	<b>51</b>	0	51	0
Primary Care Trusts - Other	<b>8,460</b>	324	8,136	3,940
Primary Care Trusts - Lead Commissioning	<b>33,900</b>	0	33,900	17,559
English RAB Special Health Authorities	<b>0</b>	0	0	42
Other English Special Health Authorities	<b>0</b>	0	0	0
Department of Health - SMPTB	<b>0</b>	0	0	5
Department of Health - Other	<b>0</b>	0	0	0
Recoveries in respect of employee benefits	<b>36</b>	0	36	497
Local Authorities	<b>420</b>	0	420	200
Patient Transport Services	<b>0</b>	0	0	0
Education, Training and Research	<b>20</b>	0	20	0
Non-NHS: Private Patients	<b>0</b>	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	<b>0</b>	0	0	0
NHS Injury Costs Recovery	<b>0</b>	0	0	0
Other Non-NHS Patient Care Services	<b>27</b>	27	0	0
Charitable and Other Contributions to Expenditure	<b>0</b>	0	0	0
Receipt of donated assets	<b>0</b>	0	0	0
Receipt of Government granted assets	<b>0</b>	0	0	0
Rental income from finance leases	<b>85</b>	0	85	0
Rental income from operating leases	<b>9,206</b>	0	9,206	8,125
Other Income	<b>773</b>	52	721	0
<b>Total miscellaneous income</b>	<b>63,224</b>	<b>3,139</b>	<b>60,085</b>	<b>40,823</b>

## 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
<b>Goods and Services from Other PCTs</b>				
Healthcare	48,283	0	48,283	48,550
Non-Healthcare	507	165	342	934
<b>Total</b>	<b>48,790</b>	<b>165</b>	<b>48,625</b>	<b>49,484</b>
<b>Goods and Services from Other NHS Bodies other than FTs</b>				
Goods and services from NHS Trusts	310,264	418	309,846	274,636
Goods and services (other, excl Trusts, FT and PCT))	0	0	0	223
<b>Total</b>	<b>310,264</b>	<b>418</b>	<b>309,846</b>	<b>274,859</b>
Goods and Services from Foundation Trusts	14,620	0	14,620	7,066
Purchase of Healthcare from Non-NHS bodies	72,704	0	72,704	64,656
Social Care from Independent Providers	0	0	0	0
Expenditure on Drugs Action Teams	5,833	0	5,833	5,787
Non-GMS Services from GPs	0	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	14,052	0	14,052	13,237
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0	0	0	0
Chair, Non-executive Directors & PEC remuneration	16	16	0	52
Executive committee members costs	607	607	0	514
Consultancy Services	1,475	1,115	360	1,149
Prescribing Costs	48,152	0	48,152	51,217
G/PMS, APMS and PCTMS (excluding employee benefits)	42,738	0	42,738	42,799
Pharmaceutical Services	0	0	0	0
Local Pharmaceutical Services Pilots	0	0	0	0
New Pharmacy Contract	13,689	0	13,689	14,042
General Ophthalmic Services	2,519	0	2,519	2,605
Supplies and Services - Clinical	17	1	16	41
Supplies and Services - General	445	151	294	178
Establishment	3,187	1,182	2,005	933
Transport	636	1	635	10
Premises	8,758	2,459	6,299	6,322
Impairments & Reversals of Property, plant and equipment	1,246	0	1,246	(1,057)
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	2,343	0	2,343	2,107
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	92	(122)	214	224
Inventory write offs	0	0	0	0
Research and Development Expenditure	5	5	0	0
Audit Fees	111	111	0	170
Other Auditors Remuneration	25	0	25	37
Clinical Negligence Costs	0	0	0	0
Education and Training	1,575	277	1,298	1,062
Grants for capital purposes	106	0	106	141
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	0	0	0	523
<b>Total Operating costs charged to Statement of Comprehensive Net Expenditure</b>	<b>594,005</b>	<b>6,386</b>	<b>587,619</b>	<b>538,158</b>
<b>Employee Benefits (excluding capitalised costs)</b>				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	191	191	0	190
Other Employee Benefits	12,674	7,691	4,983	11,783
<b>Total Employee Benefits charged to SOCNE</b>	<b>12,865</b>	<b>7,882</b>	<b>4,983</b>	<b>11,973</b>
<b>Total Operating Costs</b>	<b>606,870</b>	<b>14,268</b>	<b>592,602</b>	<b>550,131</b>

## 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	106	0	106	141
Grants to fund Capital Projects - Dental	0	0	0	0
Grants to fund Capital Projects - Other	0	0	0	0
<b>Total Capital Grants</b>	<b>106</b>	<b>0</b>	<b>106</b>	<b>141</b>
<b>Grants to fund revenue expenditure</b>				
To Local Authorities	0	0	0	0
To Private Sector	0	0	0	0
To Other	0	0	0	0
<b>Total Revenue Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Grants</b>	<b>106</b>	<b>0</b>	<b>106</b>	<b>141</b>

	Total	Commissioning Services	Public Health
<b>PCT Running Costs 2012-13</b>			
Running costs (£000s)	11,129	10,008	1,121
Weighted population (number in units)*	318,218	318,218	318,218
Running costs per head of population (£ per head)	35	31	4
<b>PCT Running Costs 2011-12</b>			
Running costs (£000s)	12,710	10,627	2,083
Weighted population (number in units)*	318,218	318,218	318,218
Running costs per head of population (£ per head)	40	33	7

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

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

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

Included in Other Auditors Remuneration IS £24K for Payment By Results work carried out by The Audit Commission.



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

	2012-13	2011-12
	£000	£000
<b>Purchase of Primary Health Care</b>		
GMS / PMS/ APMS / PCTMS	42,738	42,799
Prescribing costs	48,152	51,217
Contractor led GDS & PDS	14,052	13,237
Trust led GDS & PDS	0	0
General Ophthalmic Services	2,519	2,605
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	13,689	14,042
Non-GMS Services from GPs	0	0
Other	0	0
<b>Total Primary Healthcare purchased</b>	<b>121,150</b>	<b>123,900</b>
<b>Purchase of Secondary Healthcare</b>		
Learning Difficulties	17,639	16,284
Mental Illness	43,410	40,076
Maternity	13,708	12,655
General and Acute	217,391	200,695
Accident and emergency	16,948	15,646
Community Health Services	92,385	85,290
Other Contractual	8,256	7,622
<b>Total Secondary Healthcare Purchased</b>	<b>409,737</b>	<b>378,268</b>
<b>Grant Funding</b>		
Grants for capital purposes	106	141
Grants for revenue purposes	0	0
<b>Total Healthcare Purchased by PCT</b>	<b>530,993</b>	<b>502,309</b>
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	14,620	7,119

## 6. Operating Leases

The PCT currently owns premises which it leases to the Staffordshire and Stoke-on-Trent Partnership NHS Trust. This arrangement ceased at the 1st April 2013 when the properties transferred to NHS Property Services and Community Health Partnerships.

£61k of the £529k lease payments made in the year, relate to payments regarding lease cars. The remainder of the value relates to numerous properties and one car park leased by the PCT for the provision of services. The terms of these schemes vary from 1 to 60

6.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	Total £000
<b>Payments recognised as an expense</b>					
Minimum lease payments				529	559
Contingent rents				0	0
Sub-lease payments				0	0
<b>Total</b>				<b>529</b>	<b>559</b>
<b>Payable:</b>					
No later than one year	0	226	35	261	409
Between one and five years	0	842	0	842	1,068
After five years	0	51	0	51	561
<b>Total</b>	<b>0</b>	<b>1,119</b>	<b>35</b>	<b>1,154</b>	<b>2,038</b>

## 6.2 PCT as lessor

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

The 2012-13 lease income consists of £1.525m from GPs, £1.608m from the Staffordshire and Stoke-on-Trent Partnership NHS Trust for its occupation of Health Centre premises, and £6.073m from the Staffordshire and Stoke-on-Trent Partnership NHS Trust for its occupation of LIFT & PFI premises.

	2012-13 £000	2011-12 £000
<b>Recognised as income</b>		
Rents	9,206	8,125
Contingent rents	0	0
<b>Total</b>	<b>9,206</b>	<b>8,125</b>
<b>Receivable:</b>		
No later than one year	0	0
Between one and five years	0	0
After five years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The PCT has entered into certain financial arrangements involving the use of GP premises. Under:

IAS 17 Leases

SIC 27 Evaluating the substance of transactions involving the legal form of a lease

IFRIC 4 Determining whether an arrangement contains a lease

The PCT has determined that those operating leases must be recognised, but, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the Operating Cost Statement for 2012-13 is £1,129k (£855k in 2011-12).

The future sublease payments after the 1st April 2013 will be received by NHS Property Services and Community Health Services.

**7. Employee benefits and staff numbers**

**7.1 Employee benefits**

	2012-13						Other			2011-12		
	Permanently employed			Permanently employed			Other			Total	Permanently employed	Other
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	£000	£000
<b>Employee Benefits - Gross Expenditure</b>												
Salaries and wages	10,539	8,423	2,116	8,619	7,308	1,311	1,920	1,115	805	10,049	8,566	1,483
Social security costs	732	621	111	732	621	111	0	0	0	699	699	0
Employer contributions to NHS Pensions scheme	1,166	990	176	1,166	990	176	0	0	0	1,179	1,179	0
Other pension costs	0	0	0	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0	0	0	0
Termination benefits	428	70	358	428	70	358	0	0	0	46	46	0
<b>Total employee benefits</b>	<b>12,865</b>	<b>10,104</b>	<b>2,761</b>	<b>10,945</b>	<b>8,989</b>	<b>1,956</b>	<b>1,920</b>	<b>1,115</b>	<b>805</b>	<b>11,973</b>	<b>10,490</b>	<b>1,483</b>
<b>Less recoveries in respect of employee benefits (table below)</b>	<b>(36)</b>	<b>0</b>	<b>(36)</b>	<b>(36)</b>	<b>0</b>	<b>(36)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(497)</b>	<b>(493)</b>	<b>(4)</b>
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>12,829</b>	<b>10,104</b>	<b>2,725</b>	<b>10,909</b>	<b>8,989</b>	<b>1,920</b>	<b>1,920</b>	<b>1,115</b>	<b>805</b>	<b>11,476</b>	<b>9,997</b>	<b>1,479</b>
<b>Employee costs capitalised</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employee Benefits excluding capitalised costs</b>	<b>12,865</b>	<b>10,104</b>	<b>2,761</b>	<b>10,945</b>	<b>8,989</b>	<b>1,956</b>	<b>1,920</b>	<b>1,115</b>	<b>805</b>	<b>11,973</b>	<b>10,490</b>	<b>1,483</b>
<b>Recognised as:</b>												
Commissioning employee benefits	12,865	10,104	2,761	10,945	8,989	1,956	1,920	1,115	805	11,973	10,490	1,483
Provider employee benefits	0	0	0	0	0	0	0	0	0	0	0	0
<b>Employee Benefits excluding capitalised costs</b>	<b>12,865</b>	<b>10,104</b>	<b>2,761</b>	<b>10,945</b>	<b>8,989</b>	<b>1,956</b>	<b>1,920</b>	<b>1,115</b>	<b>805</b>	<b>11,973</b>	<b>10,490</b>	<b>1,483</b>

**Employee Benefits - Income**

Salaries and wages	0	0	0	0	0	0	0	0	0	497	493	4
Social Security costs	0	0	0	0	0	0	0	0	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	0	0	0	0	0	0	0	0	0	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0	0	0	0
Other Post Employment Benefits	0	0	0	0	0	0	0	0	0	0	0	0
Other Employment Benefits	0	0	0	36	0	36	0	0	0	0	0	0
Termination Benefits	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL excluding capitalised costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>0</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>497</b>	<b>493</b>	<b>4</b>

	2012-13			2011-12		
	Total £000	Permanently employed £000	Other £000	Total £000	Permanently employed £000	Other £000
<b>Net Expenditure - 2012-13</b>						
Salaries and wages	10,539	8,619	1,920	9,552	8,073	1,479
Social security costs	732	732	0	699	699	0
Employer contributions to NHS Pensions scheme	1,166	1,166	0	1,179	1,179	0
Other pension costs	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0
Other employment benefits	(36)	(36)	0	0	0	0
Termination benefits	428	428	0	46	46	0
<b>Total employee benefits</b>	<b>12,829</b>	<b>10,909</b>	<b>1,920</b>	<b>11,476</b>	<b>9,997</b>	<b>1,479</b>
<b>Employee costs capitalised</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Employee Benefits excluding capitalised costs</b>	<b>12,829</b>	<b>10,909</b>	<b>1,920</b>	<b>11,476</b>	<b>9,997</b>	<b>1,479</b>
<b>Recognised as:</b>						
Commissioning Employment Benefits	12,829	10,909	1,920	11,476	9,997	1,479
Provider Employment Benefits	0	0	0	0	0	0
<b>TOTAL - excluding capitalised costs</b>	<b>12,829</b>	<b>10,909</b>	<b>1,920</b>	<b>11,476</b>	<b>9,997</b>	<b>1,479</b>

## 7.2 Staff Numbers

	Total Number	2012-13 Permanently employed Number	Other Number	Total Number	2011-12 Permanently employed Number	Other Number
<b>Average Staff Numbers</b>						
Medical and dental	8	3	5	8	3	5
Ambulance staff	0	0	0	0	0	0
Administration and estates	235	221	14	230	224	7
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	14	13	1	13	12	1
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	9	8	1	8	7	1
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>TOTAL</b>	<b>266</b>	<b>245</b>	<b>21</b>	<b>259</b>	<b>247</b>	<b>14</b>
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	2,116	2,642
Total Staff Years	246	247
Average working Days Lost	9	11

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

## 7.4 Retirements due to ill-health

The 2012-13 Information on retirements due to ill-health is reported directly to the Department of Health. The total additional accrued pensions liabilities in the year amounted to £nil. The cost of ill-health retirements is borne by the NHS Business Services Authority, which administers the NHS Pensions Scheme.

**7.5 Exit Packages agreed during 2012-13**

Exit package cost band (including any special payment element)	2012-13			*Number of compulsory redundancies	2011-12		Total number of exit packages by cost band
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band		*Number of compulsory redundancies	*Number of other departures agreed	
	Number	Number	Number	Number	Number	Number	Number
Lees than £10,000	0	2	2	0	2	2	2
£10,001-£25,000	0	3	3	0	1	1	1
£25,001-£50,000	0	3	3	0	0	0	0
£50,001-£100,000	2	2	4	0	1	1	1
£100,001-£150,000	0	0	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0
<b>Total number of exit packages by type (total cost)</b>	<b>2</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Total resource cost</b>	<b>125</b>	<b>298</b>	<b>423</b>	<b>0</b>	<b>83</b>	<b>83</b>	<b>83</b>

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 National Redundancy Scheme and the Mutually Agreed Resignation Scheme. Exit costs in this note are accounted for in full in the year of departure. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages 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.



## 7.6 Pension costs

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

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

### a) Accounting valuation

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

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

### b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

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

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

### c) Scheme provisions

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

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

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

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

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

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

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

**8. Better Payment Practice Code****8.1 Measure of compliance**

	<b>2012-13 Number</b>	<b>2012-13 £000</b>	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	<b>17,536</b>	<b>97,749</b>	16,826	99,092
Total Non-NHS Trade Invoices Paid Within Target	<b>15,824</b>	<b>92,368</b>	15,008	93,040
Percentage of NHS Trade Invoices Paid Within Target	<b>90.24%</b>	<b>94.50%</b>	89.20%	93.89%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	<b>3,343</b>	<b>397,954</b>	3,060	343,053
Total NHS Trade Invoices Paid Within Target	<b>2,891</b>	<b>392,985</b>	2,553	335,883
Percentage of NHS Trade Invoices Paid Within Target	<b>86.48%</b>	<b>98.75%</b>	83.43%	97.91%

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**

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

**9. Investment Income**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
<b>Rental Income</b>				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Interest Income</b>				
LIFT: equity dividends receivable	10	0	10	39
LIFT: loan interest receivable	0	0	0	0
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
<b>Subtotal</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>39</b>
<b>Total investment income</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>39</b>

**10. Other Gains and Losses**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Gain/(loss) on disposal of property, plant and equipment	0	0	0	(485)
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of financial assets	0	0	0	0
Gain (Loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	0	0	0	0
Change in fair value of investment property	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(485)</b>

**11. Finance Costs**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
<b>Interest</b>				
Interest on obligations under finance leases	329	0	329	150
<b>Interest on obligations under PFI contracts:</b>				
- main finance cost	1,653	0	1,653	1,681
- contingent finance cost	0	0	0	0
<b>Interest on obligations under LIFT contracts:</b>				
- main finance cost	1,563	0	1,563	969
- contingent finance cost	386	0	386	60
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
<b>Total interest expense</b>	<b>3,931</b>	<b>0</b>	<b>3,931</b>	<b>2,860</b>
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
<b>Total</b>	<b>3,931</b>	<b>0</b>	<b>3,931</b>	<b>2,860</b>

## 12.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2012-13</b>									
<b>Cost or valuation:</b>									
<b>At 31 March 2012</b>	10,066	66,571	0	0	277	0	1,367	260	<b>78,541</b>
Prior period adjustments	(827)	880	0	0	0	0	122	0	<b>175</b>
<b>At 1 April 2012</b>	<b>9,239</b>	<b>67,451</b>	<b>0</b>	<b>0</b>	<b>277</b>	<b>0</b>	<b>1,489</b>	<b>260</b>	<b>78,716</b>
Additions Purchased	0	1,436	0	0	0	0	0	0	<b>1,436</b>
Additions Donated	0	0	0	0	0	0	0	0	<b>0</b>
Additions Government Granted	0	0	0	0	0	0	0	0	<b>0</b>
Additions Leased	0	0	0	0	0	0	0	0	<b>0</b>
Reclassifications	0	0	0	0	18	0	(18)	0	<b>0</b>
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	<b>0</b>
Disposals other than for sale	0	0	0	0	0	0	0	0	<b>0</b>
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	<b>0</b>
Impairments/negative indexation	(986)	(1,596)	0	0	0	0	0	0	<b>(2,582)</b>
Reversal of Impairments	0	0	0	0	0	0	0	0	<b>0</b>
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2013</b>	<b>8,253</b>	<b>67,291</b>	<b>0</b>	<b>0</b>	<b>295</b>	<b>0</b>	<b>1,471</b>	<b>260</b>	<b>77,570</b>
<b>Depreciation</b>									
<b>At 31 March 2012</b>	827	155	0	0	85	0	1,291	279	<b>2,637</b>
Prior period adjustments	(827)	880	0	0	0	0	122	0	<b>175</b>
<b>At 1 April 2012</b>	<b>0</b>	<b>1,035</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>0</b>	<b>1,413</b>	<b>279</b>	<b>2,812</b>
Reclassifications	0	0	0	0	114	0	(18)	(96)	<b>0</b>
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	<b>0</b>
Disposals other than for sale	0	0	0	0	0	0	0	0	<b>0</b>
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	<b>0</b>
Impairments	227	1,019	0	0	0	0	0	0	<b>1,246</b>
Reversal of Impairments	0	0	0	0	0	0	0	0	<b>0</b>
Charged During the Year	0	2,275	0	0	14	0	44	10	<b>2,343</b>
Transfers to NHS Bodies	0	0	0	0	0	0	0	0	<b>0</b>
Cumulative dep'n adjustment following revaluation	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2013</b>	<b>227</b>	<b>4,329</b>	<b>0</b>	<b>0</b>	<b>213</b>	<b>0</b>	<b>1,439</b>	<b>193</b>	<b>6,401</b>
<b>Net Book Value at 31 March 2013</b>	<b>8,026</b>	<b>62,962</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>32</b>	<b>67</b>	<b>71,169</b>
Purchased	8,026	62,962	0	0	82	0	32	67	<b>71,169</b>
Donated	0	0	0	0	0	0	0	0	<b>0</b>
Government Granted	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total at 31 March 2013</b>	<b>8,026</b>	<b>62,962</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>32</b>	<b>67</b>	<b>71,169</b>
<b>Asset financing:</b>									
Owned	6,668	17,176	0	0	82	0	32	67	<b>24,025</b>
Held on finance lease	0	3,826	0	0	0	0	0	0	<b>3,826</b>
On-SOFP PFI contracts	1,358	41,960	0	0	0	0	0	0	<b>43,318</b>
PFI residual: interests	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total at 31 March 2013</b>	<b>8,026</b>	<b>62,962</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>32</b>	<b>67</b>	<b>71,169</b>

## Revaluation Reserve Balance for Property, Plant &amp; 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
<b>At 31 March 2012</b>	3,842	6,594	0	0	7	0	0	0	<b>10,443</b>
Prior period adjustments	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 1 April 2012</b>	<b>3,842</b>	<b>6,594</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,443</b>
Movements	(986)	(1,633)	0	0	0	0	0	0	<b>(2,619)</b>
<b>At 31 March 2013</b>	<b>2,856</b>	<b>4,961</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,824</b>

## Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	0
Dwellings	0
Plant & Machinery	0
<b>Balance as at YTD</b>	<b>0</b>

## 12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2011-12</b>									
<b>Cost or valuation:</b>									
<b>At 31 March 2011</b>	10,565	54,209	0	488	2,463	32	2,160	2,503	<b>72,420</b>
Prior period adjustments	(659)	(5,275)	0	0	0	0	0	0	<b>(5,934)</b>
Merger adjustments	0	0	0	0	(1,955)	(5)	(1,219)	(3,082)	<b>(6,261)</b>
<b>At 1 April 2011</b>	<b>9,906</b>	<b>48,934</b>	<b>0</b>	<b>488</b>	<b>508</b>	<b>27</b>	<b>941</b>	<b>(579)</b>	<b>60,225</b>
Additions - purchased	1,584	17,037	0	0	7	0	794	619	<b>20,041</b>
Additions - donated	0	0	0	0	0	0	0	0	<b>0</b>
Additions - government granted	0	0	0	0	0	0	0	0	<b>0</b>
Reclassifications	0	488	0	(488)	(220)	0	0	220	<b>0</b>
Reclassified as held for sale	(513)	0	0	0	0	0	0	0	<b>(513)</b>
Disposals other than by sale	0	(485)	0	0	(18)	(27)	(368)	0	<b>(898)</b>
Revaluation & indexation gains	0	1,748	0	0	0	0	0	0	<b>1,748</b>
Impairments	(911)	(1,151)	0	0	0	0	0	0	<b>(2,062)</b>
Reversals of impairments	0	0	0	0	0	0	0	0	<b>0</b>
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2012</b>	<b>10,066</b>	<b>66,571</b>	<b>0</b>	<b>0</b>	<b>277</b>	<b>0</b>	<b>1,367</b>	<b>260</b>	<b>78,541</b>
<b>Depreciation</b>									
<b>At 31 March 2011</b>	659	5,275	0	0	958	27	1,657	326	<b>8,902</b>
Prior period adjustments	(659)	(5,275)	0	0	0	0	0	0	<b>(5,934)</b>
Merger adjustments	0	0	0	0	(649)	0	(42)	(277)	<b>(968)</b>
<b>At 1 April 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>309</b>	<b>27</b>	<b>1,615</b>	<b>49</b>	<b>2,000</b>
Reclassifications	0	0	0	0	(220)	0	0	220	<b>0</b>
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	<b>0</b>
Disposals other than for sale	0	0	0	0	(18)	(27)	(368)	0	<b>(413)</b>
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	<b>0</b>
Impairments	827	2,231	0	0	0	0	0	0	<b>3,058</b>
Reversal of Impairments	0	(4,115)	0	0	0	0	0	0	<b>(4,115)</b>
Charged During the Year	0	2,039	0	0	14	0	44	10	<b>2,107</b>
Transfers to NHS Bodies	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2012</b>	<b>827</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>0</b>	<b>1,291</b>	<b>279</b>	<b>2,637</b>
<b>Net Book Value at 31 March 2012</b>	<b>9,239</b>	<b>66,416</b>	<b>0</b>	<b>0</b>	<b>192</b>	<b>0</b>	<b>76</b>	<b>(19)</b>	<b>75,904</b>
Purchased	9,239	66,302	0	0	192	0	76	(19)	<b>75,790</b>
Donated	0	114	0	0	0	0	0	0	<b>114</b>
Government Granted	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2012</b>	<b>9,239</b>	<b>66,416</b>	<b>0</b>	<b>0</b>	<b>192</b>	<b>0</b>	<b>76</b>	<b>(19)</b>	<b>75,904</b>
<b>Asset financing:</b>									
Owned	6,668	17,677	0	0	192	0	76	(19)	<b>24,594</b>
Held on finance lease	1,196	5,356	0	0	0	0	0	0	<b>6,552</b>
On-SOFP PFI contracts	1,375	43,383	0	0	0	0	0	0	<b>44,758</b>
PFI residual: interests	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 31 March 2012</b>	<b>9,239</b>	<b>66,416</b>	<b>0</b>	<b>0</b>	<b>192</b>	<b>0</b>	<b>76</b>	<b>(19)</b>	<b>75,904</b>
<b>Revaluation Reserve Balance for Property, Plant &amp; Equipment</b>									
	Land	Buildings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>At 31 March 2011</b>	4,977	6,285	0	0	7	0	0	0	<b>11,269</b>
Prior period adjustments	0	0	0	0	0	0	0	0	<b>0</b>
Merger adjustments	0	0	0	0	0	0	0	0	<b>0</b>
<b>At 1 April 2011 restated</b>	<b>4,977</b>	<b>6,285</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,269</b>
Movements	(1,135)	309	0	0	0	0	0	0	<b>(826)</b>
<b>At 31 March 2012</b>	<b>3,842</b>	<b>6,594</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,443</b>



### 12.3 Property, plant and equipment

The PCT last undertook a full revaluation of all its premises 30th September 2011. In 2012-13 the PCT only undertook a full revaluation of properties where expenditure during the year was greater than £250,000. The revaluation was conducted by David Cooney MA MRICS for and on behalf of GVA Grimley Ltd, the PCTs independent qualified valuer. As a result on the 31st March 2013 only Haywood Hospital was fully revalued. On advice from GVA Grimley Ltd during February 2013 the movement in BCIS indices since the PCTs last full revaluation was negligible and so no further revaluation for buildings valued on a Depreciated Replacement Cost, based on these indices, was appropriate.

In relation to land values, there is no direct index that is available. There have still been limited open market sales of land in the Staffordshire area to justify any major changes in previous land values reported. On advice from GVA Grimley Ltd, the PCT considered that there have been no significant changes in values that were previously reported.

In relation to the properties that were reported under a market value basis, the market conditions have not changed significantly. On advice from GVA Grimley Ltd, the PCT considered that there would be no change in values that were previously reported.

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

With effect from 1st April 2012 the PCT has impaired the Learning Disability Properties over which it holds a Legal Charge as the commissioning of Learning Disability services transferred to Local Authorities and the PCT therefore no longer held direct control of the services within those premises. The PCT received revenue funding from the DoH to cover the impairments taken to SoCNE for the value of £1.246m.

Fair values are determined as follows:

- Land and non-specialised buildings - market value for existing use
- Specialised buildings - Modern Equivalent asset (MEA) subset of depreciated replacement cost

The economic lives of the PCTs assets are:

	Minimum Life Years	Maximum Life Years
<b>Property, Plant and Equipment</b>		
Buildings, excl dwellings	1	79
Plant & Machinery	1	14
Information Technology	1	4
Furniture and Fittings	3	10

<sup>1</sup> As the PCTs independent qualified valuer

**13.1 Intangible non-current assets**

	Software purchased	Software internally generated	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
<b>2012-13</b>						
<b>At 31 March 2012</b>	77	0	0	0	0	77
Prior period adjustments	0	0	0	0	0	0
<b>At 1 April 2012</b>	77	0	0	0	0	77
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
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77</b>
<b>Amortisation</b>						
<b>At 31 March 2012</b>	77	0	0	0	0	77
Prior period adjustments	0	0	0	0	0	0
<b>At 1 April 2012</b>	77	0	0	0	0	77
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
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77</b>
<b>Net Book Value at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value at 31 March 2013 comprises</b>						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revaluation reserve balance for intangible non-current assets</b>						
	£000's	£000's	£000's	£000's	£000's	£000's
<b>At 31 March 2012</b>	0	0	0	0	0	0
Prior period adjustments	0	0	0	0	0	0
<b>At 1 April 2012</b>	0	0	0	0	0	0
Movements	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**13.2 Intangible non-current assets**

	Software purchased	Software internally generated	Licences & trademarks	Patents	Development expenditure	Total
2011-12	£000	£000	£000	£000	£000	£000
<b>Cost or valuation:</b>						
<b>At 31 March 2011</b>	77	0	0	0	0	77
Prior period adjustments	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0
<b>At 1 April 2011 restated</b>	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>
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
<b>At 31 March 2012</b>	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>
<b>Amortisation</b>						
<b>At 31 March 2011</b>	77	0	0	0	0	77
Prior period adjustments	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0
<b>At 1 April 2011 restated</b>	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>
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
<b>At 31 March 2012</b>	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>
<b>Net Book Value at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value at 31 March 2012 comprises</b>						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2012</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Revaluation reserve balance for intangible non-current assets</b>						
	£000's	£000's	£000's	£000's	£000's	£000's
<b>At 1 April 2011</b>	0	0	0	0	0	0
Prior period adjustments	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0
<b>At 1 April 2011 restated</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Movements	0	0	0	0	0	0
<b>At 31 March 2012</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

### **13.3 Intangible Assets**

The PCT does not hold any material Intangible Assets.

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

The PCT has incurred the following material impairments.

The PCT only undertook a full valuation of Haywood Hospital during 2012-13 . With effect from 1st April 2012 the PCT has impaired the Learning Disability Properties over which it holds a Legal Charge as the commissioning of Learning Disability services transferred to Local Authorities and the PCT therefore no longer held direct control of the services within those premises. The impact of both of these transactions is an overall impairment value of £1,246k shown in the SOCNE and a further £2,582 charged back to the revaluation reserve giving a total impairment value of £3,828k. The PCT received funding from the SHA equal to this impairment Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed

	<b>2012-13 Total £000</b>	2012-13 Admin £000	2012-13 Programme £000
<b>Property, Plant and Equipment impairments and reversals taken to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	258	0	258
Changes in market price	988	0	988
<b>Total charged to Annually Managed Expenditure</b>	<b>1,246</b>	<b>0</b>	<b>1,246</b>
<b>Property, Plant and Equipment impairments and reversals charged to the revaluation reserve</b>			
Loss or damage resulting from normal operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	2,486	0	0
Changes in market price	96	0	2,582
<b>Total impairments for PPE charged to reserves</b>	<b>2,582</b>	<b>0</b>	<b>2,582</b>
<b>Total Impairments of Property, Plant and Equipment</b>	<b>3,828</b>	<b>0</b>	<b>3,828</b>
<b>Intangible assets impairments and reversals charged to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Intangible Assets impairments and reversals charged to the Revaluation Reserve</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
<b>Total impairments for Intangible Assets charged to Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Impairments of Intangibles</b>	<b>0</b>	<b>0</b>	<b>0</b>



	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
<b>Financial Assets charged to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<u>0</u>	<u>0</u>	<u>0</u>
Loss as a result of catastrophe	0	0	0
Other	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Financial Assets impairments and reversals charged to the Revaluation Reserve</b>			
Loss or damage resulting from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
<b>TOTAL impairments for Financial Assets charged to reserves</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Impairments of Financial Assets</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Non-current assets held for sale - impairments and reversals charged to SoCNE.</b>			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total impairments of non-current assets held for sale</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Investment Property impairments charged to SoCNE</b>			
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
<b>Total charged to Annually Managed Expenditure</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Investment Property impairments charged to SoCNE</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Impairments charged to Revaluation Reserve</b>	2,582	0	0
<b>Total Impairments charged to SoCNE - DEL</b>	0	0	0
<b>Total Impairments charged to SoCNE - AME</b>	1,246	0	1,246
<b>Overall Total Impairments</b>	<u>3,828</u>	<u>0</u>	<u>1,246</u>
<b>Of which:</b>			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
<b>Donated and Gov Granted Assets, included above</b>			
Donated Asset Impairments: amount charged to SOCNE - DEL	0	0	0
Donated Asset Impairments: amount charged to SOCNE - AME	0	0	0
Donated Asset Impairments: amount charged to revaluation reserve	0	0	0
<b>Total Donated Asset Impairments</b>	<u>0</u>	<u>0</u>	<u>0</u>
Government Granted Asset Impairments: amount charged to SoCNE - DEL	0	0	0
Government Granted Asset Impairments: amount charged to SoCNE - AME	0	0	0
Government Granted Asset Impairments: amount charged to revaluation reserve	0	0	0
<b>Total Gov Granted asset Impairments.</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL DONATED/GOVERNMENT GRANTED ASSET IMPAIRMENTS</b>	<u>0</u>	<u>0</u>	<u>0</u>

**15 Investment property**

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

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

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

**16.2 Other financial commitments**

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

	31 March 2013 £000	31 March 2012 £000
Not later than one year	0	0
Later than one year and not later than five year	0	0
Later than five years	0	0
<b>Total</b>	<u>0</u>	<u>0</u>

**17 Intra-Government and other balances**

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	2,284	0	1,903	0
Balances with Local Authorities	330	0	2,377	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	3,520	0	8,884	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	390	99	24,055	0
<b>At 31 March 2013</b>	<u>6,524</u>	<u>99</u>	<u>37,219</u>	<u>0</u>
<b>Prior period:</b>				
Balances with other Central Government Bodies	2,777	0	2,326	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	14,136	0	13,810	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,511	104	29,180	0
<b>At 31 March 2012</b>	<u>18,424</u>	<u>104</u>	<u>45,316</u>	<u>0</u>

**18 Inventories**

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000
<b>Balance at 31 March 2012</b>	0	0	0	0	0	0	0
Prior period adjustments	0	0	0	0	0	0	0
<b>Balance at 1 April 2012</b>	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
<b>Balance at 31 March 2013</b>	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	2,869	5,892	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	2,647	11,021	0	0
Non-NHS receivables - revenue	889	985	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	347	622	99	104
Provision for the impairment of receivables	(583)	(491)	0	0
VAT	288	224	0	0
Current part of PFI and other PPP arrangements prepayments and	67	67	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	0	0	0
<b>Total</b>	<b>6,524</b>	<b>18,320</b>	<b>99</b>	<b>104</b>
<b>Total current and non current</b>	<b>6,623</b>	<b>18,424</b>		
<b>Included above:</b>				
<b>Prepaid pensions contributions</b>	<b>0</b>	<b>0</b>		

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	2,126	3,427
By three to six months	204	189
By more than six months	122	0
<b>Total</b>	<b>2,452</b>	<b>3,616</b>

**19.3 Provision for impairment of receivables**

	2012-13 £000	2011-12 £000
<b>Balance at 31 March 2012</b>	(491)	(267)
Prior period adjustments	0	0
<b>Balance at 1 April 2012</b>	(491)	(267)
Amount written off during the year	0	0
Amount recovered during the year	75	140
(Increase)/decrease in receivables impaired	(167)	(364)
<b>Balance at 31 March 2013</b>	<b>(583)</b>	<b>(491)</b>

The PCT impaired receivables in line with its internal policies and procedures. There were no material impairments during the year.

**20 NHS LIFT investments**

	Loan £000	Share capital £000	Total £000
<b>Balance at 1 April 2012</b>	663	5	668
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
<b>Balance at 31 March 2013</b>	<b>663</b>	<b>5</b>	<b>668</b>
<b>Balance at 1 April 2011</b>	663	5	668
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
<b>Balance at 31 March 2012</b>	<b>663</b>	<b>5</b>	<b>668</b>

**21 Other financial assets**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
<b>Financial assets carried at fair value through SoCNE</b>				
Embedded Derivatives at Fair Value through SoCNE	0	0	0	0
Financial assets carried at fair value through SoCNE	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Held to maturity investments at amortised cost	0	0	0	0
Available for sale financial assets carried at fair value	0	0	5	5
Loans carried at amortised cost	0	0	663	663
<b>Total</b>	<b>0</b>	<b>0</b>	<b>668</b>	<b>668</b>
<b>Total other financial assets (current and non-current)</b>	<b>668</b>	<b>668</b>		

**22 Other current assets**

	31 March 2013 £000	31 March 2012 £000
EU Emissions Trading Scheme Allowance	0	0
Other Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**23 Cash and Cash Equivalents**

	31 March 2013 £000	31 March 2012 £000
<b>Opening balance</b>	1	1
Net change in year	(1)	0
<b>Closing balance</b>	<b>0</b>	<b>1</b>
<b>Made up of</b>		
Cash with Government Banking Service	0	1
Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	<b>0</b>	<b>1</b>
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>0</b>	<b>1</b>
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
<b>Balance at 31 March 2012</b>	513	0	0	0	0	0	0	0	0	<b>513</b>
Prior period adjustments	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Balance at 1 April 2012</b>	513	0	0	0	0	0	0	0	0	<b>513</b>
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	<b>0</b>
Less assets sold in the year	0	0	0	0	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
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	<b>0</b>
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0	<b>0</b>
Revaluation	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Balance at 31 March 2013</b>	<b>513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>513</b>
<b>Liabilities associated with assets held for sale at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 1 April 2011</b>	0	0	0	0	0	0	0	0	0	<b>0</b>
Plus assets classified as held for sale in the year	513	0	0	0	0	0	0	0	0	<b>513</b>
Less assets sold in the year	0	0	0	0	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
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	<b>0</b>
<b>Balance at 31 March 2012</b>	<b>513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>513</b>
<b>Liabilities associated with assets held for sale at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

	£000
At 31 March 2012	253
At 31 March 2013	253

**Assets classified for sale**

Tunstall Health Centre. ST6 5AP (5PJ16) 737sqm. Built 1969  
Meir Health Centre. ST3 7DX (5PJ33) 719sqm. Built 1963

These properties are typical of the lightweight, flat roofed health centre designs of the period. Both properties have been adapted over the years, but their functionality, high maintenance costs, energy performance, fitness for purpose and capacity exceeded. Capital investment plans, encapsulated in the PCTs Strategic Service Development Plan (SSDP) and annual operating plans resulted in successful business cases for their replacement. The service capacity was a requirement for the delivery of the Fit for the Future programme in North Staffordshire, resulting in a smaller Acute Hospital and transfer of outpatient activity into primary care settings.

Both properties have been placed on the Governments Surplus Property Register and actively marketed. Capital receipts, less any disbursements are expected in 2013/14.

The PCT has not recognised any gain or loss on the re-classification from Property, Plant and Equipment to Non Current Assets held for sale.

**25 Trade and other payables**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0	0	0
NHS payables - revenue	10,759	16,136	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	0	0	0	0
Family Health Services (FHS) payables	6,359	8,327	0	0
Non-NHS payables - revenue	5,335	6,878	0	0
Non-NHS payables - capital	280	436	0	0
Non-NHS accruals and deferred income	14,457	13,750	0	0
Social security costs	0	201	0	0
VAT	28	(390)	0	0
Tax	0	0	0	0
Payments received on account	0	0	0	0
Other	1	(22)	0	0
<b>Total</b>	<b>37,219</b>	<b>45,316</b>	<b>0</b>	<b>0</b>
Total payables (current and non-current)	<b>37,219</b>	<b>45,316</b>		

Other payables include £nil in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012: £79,872).

**26 Other liabilities**

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

**27 Borrowings**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0	0	0
Bank overdraft - commercial banks	0	0	0	0
PFI liabilities:				
Main liability	705	624	37,129	37,834
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	652	673	21,041	21,719
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	285	140	3,550	3,693
Other (describe)	0	0	0	0
<b>Total</b>	<b>1,642</b>	<b>1,437</b>	<b>61,720</b>	<b>63,246</b>
Total other liabilities (current and non-current)	<b>63,362</b>	<b>64,683</b>		

**Borrowings/Loans - Payment of Principal Falling Due in:**

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	1,356	1,356
1 - 2 Years	0	1,227	1,227
2 - 5 Years	0	3,882	3,882
Over 5 Years	0	56,897	56,897
<b>TOTAL</b>	<b>0</b>	<b>63,362</b>	<b>63,362</b>



**28 Other financial liabilities**

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

**29 Deferred income**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	0	0	0	0
Deferred income addition	0	0	0	0
Transfer of deferred income	312	0	0	0
<b>Current deferred Income at 31 March 2013</b>	<b>312</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	312	0		

**30 Finance lease obligations**

Tunstall Health Care Centre has been classified as a Finance Lease.

The rent was accepted by the tenant after consulting with the Quantity Surveyor and District Valuer. It was a condition of the agreement for lease that the total premise had to have a net internal floor area of at least 1,784m<sup>2</sup>. The District Valuer checked the net internal floor area on completion and established that it is higher than 1,784m<sup>2</sup>. Under the terms of the lease, however, the Landlord could not charge a rent higher than the original agreed rate.

The Escalation clause is determined annually and is the rent at which the premises could reasonably be expected to be let in the open market without fine or premium. There is no renewal option and no option to purchase.

The tenant is responsible for the payment of all outgoing, service charge and insurance. They are required to keep the premises in good and substantial repair and condition. To decorate every fifth year and in the last three months of the term. No alterations without the Landlord's consent. To reinstate the premises at the end of the term. No assignment or underletting of whole or part without the landlord's consent unless it is to an NHS body or the Secretary of State.

It is a rental only option not to buy and the net present value is £3.833m.

The PCT also has PFI and LIFT finance lease obligations separately disclosed in Note 34

**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	382	385	285	140
Between one and five years	1,528	1,539	590	582
After five years	7,097	7,134	2,960	3,111
Less future finance charges	(5,172)	(5,225)	0	0
<b>Present value of minimum lease payments</b>	<b>3,835</b>	<b>3,833</b>	<b>3,835</b>	<b>3,833</b>
Included in:				
Current borrowings			285	140
Non-current borrowings			3,550	3,693
			<b>3,835</b>	<b>3,833</b>

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

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Included in:

Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

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

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Included in:

Current borrowings	0	0
Non-current borrowings	0	0
	<b>0</b>	<b>0</b>

**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**

The PCT has no finance lease obligations other than the PFI/LIFT schemes separately disclosed in Note 34

**Amounts receivable under finance leases (buildings)**

	Gross investments in leases		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less future finance charges	0	0	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Less allowance for uncollectible lease payments:

<b>Total finance lease receivable recognised in the statement of financial position</b>	<b>0</b>	<b>0</b>
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Included in:

Current finance lease receivables	0	0
Non-current finance lease receivables	0	0
	<b>0</b>	<b>0</b>

**Amounts receivable under finance leases (land)**

Within one year	0
Between one and five years	0
After five years	0
Less future finance charges	0
<b>Present value of minimum lease payments</b>	<b>0</b>

Less allowance for uncollectible lease payments:  
**Total finance lease receivable recognised in the statement of financial position**

Included in:

Current finance lease receivables	0
Non-current finance lease receivables	0

Gross investments in leases		Present value of minimum lease payments	
31 March 2013	31 March 2012	31 March 2013	31 March 2012
£000	£000	£000	£000
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		0	0
		<b>0</b>	<b>0</b>
		0	0
		<b>0</b>	<b>0</b>

**Amounts receivable under finance leases (other)**

Within one year	0
Between one and five years	0
After five years	0
Less future finance charges	0
<b>Present value of minimum lease payments</b>	<b>0</b>

Less allowance for uncollectible lease payments:  
**Total finance lease receivable recognised in the statement of financial position**

Included in:

Current finance lease receivables	0
Non-current finance lease receivables	0

Gross investments in leases		Present value of minimum lease payments	
31 March 2013	31 March 2012	31 March 2013	31 March 2012
£000	£000	£000	£000
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		0	0
		<b>0</b>	<b>0</b>
		0	0
		<b>0</b>	<b>0</b>

The unguaranteed residual value accruing to the PCT is £nil (prior year £nil)

Accumulated allowance for uncollectible minimum lease payments receivable

<b>31 March 2013</b>	<b>31 March 2012</b>
<b>£000</b>	<b>£000</b>

**Rental Income**

Contingent rent	85
Other	0
<b>Total rental income</b>	<b>85</b>

<b>31 March 2013</b>	<b>31 March 2012</b>
<b>£000</b>	<b>£000</b>
85	0
0	0
<b>85</b>	<b>0</b>

**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
<b>Balance at 31 March 2012</b>	1,040	0	686	24	0	236	0	0	94	0
Prior period adjustments	0	0	0	0	0	0	0	0	0	0
<b>Balance at 1 April 2012</b>	1,040	0	686	24	0	236	0	0	94	0
Arising During the Year	2,599	0	0	32	0	2,535	0	0	32	0
Utilised During the Year	(88)	0	(57)	0	0	0	0	0	(31)	0
Reversed Unused	(525)	0	(289)	0	0	(236)	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
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31 March 2013</b>	<b>3,026</b>	<b>0</b>	<b>340</b>	<b>56</b>	<b>0</b>	<b>2,535</b>	<b>0</b>	<b>0</b>	<b>95</b>	<b>0</b>
<b>Expected Timing of Cash Flows:</b>										
No Later than One Year	221	0	48	20	0	113	0	0	40	0
Later than One Year and not later than Five Years	277	0	50	10	0	187	0	0	30	0
Later than Five Years	2,528	0	242	26	0	2,235	0	0	25	0

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

As at 31 March 2013	0
As at 31 March 2012	0

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

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

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

**Continuing Healthcare Provision**

There were a significant number of continuing healthcare claims being assessed at 31st March 2013. The PCT expects that a percentage of these claims will be valid, and based on the information available at 31st March 2013 has estimated the value of these claims to be £2.535m.

**33 Contingencies**

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

**34 PFI and LIFT - additional information****LIFT Properties**

The PCT has six operational LIFT schemes at Fenton, Packmoor, Shelton, Middleport, Cobridge and Meir. Both Fenton and Packmoor schemes became operational in 2006-07, Shelton became operational in 2008-09, Middleport became operational in 2009-10 and Cobridge and Meir became operational in 2011-12. All six schemes were for a term of 25 years. The contract between the PCT and LIFT Co follows the national format. There are no terms in the arrangement that affect the amount, timing or certainty of future cashflows as the contracts are subject to annual increase as per RPI. The service element of the contract will be retendered every 5 years. The PCT has rights to purchase the asset at the end of the contract.

Name of Property	Start of Operating Period	End of Operating Period
Packmoor Health Centre	10/04/2006	09/04/2031
Fenton Health Centre	19/02/2007	18/02/2032
Shelton Health Centre	12/05/2008	11/05/2033
Middleport Health Centre	01/02/2010	31/01/2035
Cobridge Health Centre	29/09/2011	28/09/2036
Meir Health Centre	14/12/2011	13/12/2036

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

The PCT has an option to purchase each property at the end of the above operating periods. The PCT has assessed each scheme and has accounted for each LIFT scheme on the basis it will opt not to buy the asset at the end of the scheme.

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

	31 March 2013 £000	31 March 2012 £000
<b>34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI</b>		
Total charge to operating expenses in year - OFF SOFP PFI	0	0
Service element of on SOFP PFI charged to operating expenses in year	<u>2,681</u>	<u>2,512</u>
<b>Total</b>	<u>2,681</u>	<u>2,512</u>

	31 March 2013 £000	31 March 2012 £000
<b>Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI</b>		
No Later than One Year	2,220	2,512
Later than One Year, No Later than Five Years	9,450	9,146
Later than Five Years	<u>92,919</u>	<u>97,760</u>
<b>Total</b>	<u>104,589</u>	<u>109,418</u>

	31 March 2013 £000	31 March 2012 £000
<b>34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due</b>		
No Later than One Year	2,332	2,277
Later than One Year, No Later than Five Years	9,024	9,092
Later than Five Years	<u>58,102</u>	<u>60,365</u>
<b>Subtotal</b>	<u>69,458</u>	<u>71,734</u>
Less: Interest Element	<u>(31,624)</u>	<u>(33,276)</u>
<b>Total</b>	<u>37,834</u>	<u>38,458</u>

	31 March 2013 £000	31 March 2012 £000
<b>Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT</b>		
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	<u>1,198</u>	<u>727</u>
<b>Total</b>	<u>1,198</u>	<u>727</u>

	31 March 2013 £000	31 March 2012 £000
<b>Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT</b>		
LIFT Scheme Expiry Date:		
No Later than One Year	1,183	727
Later than One Year, No Later than Five Years	5,558	4,769
Later than Five Years	<u>32,416</u>	<u>34,145</u>
<b>Total</b>	<u>39,157</u>	<u>39,641</u>

	31 March 2013 £000	31 March 2012 £000
<b>Imputed "finance lease" obligations for on SOFP LIFT Contracts due</b>		
No Later than One Year	2,316	2,417
Later than One Year, No Later than Five Years	9,109	8,865
Later than Five Years	<u>34,712</u>	<u>37,885</u>
<b>Subtotal</b>	<u>46,137</u>	<u>49,167</u>
Less: Interest Element	<u>(24,444)</u>	<u>(26,775)</u>
<b>Total</b>	<u>21,693</u>	<u>22,392</u>

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

	Total £000	Admin £000	Programme £000
<b>Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g. LIFT/PFI)</b>			
Depreciation charges	1,237	0	1,237
Interest Expense	3,930	0	3,930
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	2,952	0	2,952
Revenue Receivable from subleasing	(6,073)	0	(6,073)
<b>Total IFRS Expenditure (IFRIC12)</b>	<b>2,046</b>	<b>0</b>	<b>2,046</b>
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(2,676)	0	(2,676)
<b>Net IFRS change (IFRIC12)</b>	<b>(630)</b>	<b>0</b>	<b>(630)</b>
<b>Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12</b>			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		
<b>Revenue costs of IFRS: all other expenditure associated with IFRS (e.g. finance leases)</b>			
Depreciation charge	156	0	156
Interest expense	330	0	330
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other expenditure	0	0	0
Total IFRS expenditure (non IFRIC12)	486	0	486
Revenue consequences under UK GAAP	(383)	0	(383)
<b>Net IFRS change (non IFRIC12)</b>	<b>103</b>	<b>0</b>	<b>103</b>
<b>Capital consequences of IFRS all other expenditure associated with IFRS</b>			
Capital expenditure 2012-13	0	0	0
Net assets relating to non-IFRIC12 IFRS - IFRS basis	0	0	0
Net assets relating to non-IFRIC12 IFRS - UKGAAP basis	0	0	0
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0	0	0

**36 Financial Instruments****Financial risk management**

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

**Currency risk**

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

**Interest rate risk**

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

**Credit Risk**

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

**Liquidity Risk**

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



**36 Financial Instruments (continued)****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	5,516	0	5,516
Receivables - non-NHS	0	1,107	0	1,107
Cash at bank and in hand	0	1	0	1
Other financial assets	0	663	5	668
<b>Total at 31 March 2013</b>	<b>0</b>	<b>7,287</b>	<b>5</b>	<b>7,292</b>
Embedded derivatives	0	0	0	0
Receivables - NHS	0	16,913	0	16,913
Receivables - non-NHS	0	1,607	0	1,607
Cash at bank and in hand	0	1	0	1
Other financial assets	0	663	5	668
<b>Total at 31 March 2012</b>	<b>0</b>	<b>19,184</b>	<b>5</b>	<b>19,189</b>

**36.2 Financial Liabilities**

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0	0	0
NHS payables	0	10,759	10,759
Non-NHS payables	0	26,460	26,460
Other borrowings	0	0	0
PFI & finance lease obligations	0	63,362	63,362
Other financial liabilities	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>100,581</b>	<b>100,581</b>
Embedded derivatives	0	0	0
NHS payables	0	16,136	16,136
Non-NHS payables	0	21,064	21,064
Other borrowings	0	0	0
PFI & finance lease obligations	0	42,290	42,290
Other financial liabilities	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>79,490</b>	<b>79,490</b>

**37 Related party transactions**

Stoke on Trent Primary Care Trust is a body corporate established by order of the secretary of State for Health. During the year the PCT has undertaken transactions with the following Board Member:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mrs L Kemp	833,059	37,375	2,153	2,286
Dr A Bartlam	2,086,844	1,193	323,206	0
Mr A Matthews	4,019,420	0	13,417	0
Mr A Donald	79,145,031	14,840,814	3,883,000	2,332,000

Mrs L Kemp is a Trustee of Brighter Futures and Disability Solutions.

Dr A Bartlam is chair of the Stoke on Trent Clinical Commissioning Group and was a partner of Millrise Medical Centre

Mr A Matthews is a director of Prima 200 Ltd, which is a requirement of holding the position of Director of Finance

Mr A Donald is Married to the Chief Operating Officer at Stoke on Trent and Staffordshire Partnership NHS Trust

The Department of Health is regarded as a related party. During the year Stoke on Trent PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below;

	Payments to Other NHS	Receipts from Other NHS	Amounts owed to Other NHS	Amounts due from Other NHS
	£000s	£000s	£000s	£000s
University Hospital of North Staffordshire NHS Trust	202,614	547	2,916	139
Stoke on Trent and Staffordshire Partnership NHS Trust	79,145	14,841	3,883	2,332
Birmingham East and North PCT	42,623	5	0	0
North Staffordshire Combined Healthcare NHS Trust	38,623	364	11	0
North Staffordshire PCT	5,849	4,565	251	698
South Staffordshire PCT	41,258	3,132	1,485	1,077
<b>Total</b>	<b>410,112</b>	<b>23,454</b>	<b>8,546</b>	<b>4,246</b>

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Staffordshire County Council, Stoke on Trent City Council and HM Revenue & Customs.

**Prior Year (2011-12)**

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mrs L Kemp	786,206	4,103	0	0
Dr A Bartlam	2,102,875	0	337,392	0
Mr A Matthews	2,342,000	0	0	0
Mr A Donald	67,479,223	8,889,475	10,253,942	8,993,471

Mrs L Kemp is a Trustee of Brighter Futures and Disability Solutions.

Dr A Bartlam is chair of the Stoke on Trent Clinical Commissioning Group and was a partner of Millrise Medical Centre

Mr A Matthews is a director of Prima 200 Ltd, which is a requirement of holding the position of Director of Finance

Mr A Donald is Married to the Chief Operating Officer at Stoke on Trent and Staffordshire Partnership NHS Trust

The Department of Health is regarded as a related party. During the year Stoke on Trent PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below;

	Payments to Other NHS	Receipts from Other NHS	Amounts owed to Other NHS	Amounts due from Other NHS
	£000s	£000s	£000s	£000s
University Hospital of North Staffordshire NHS Trust	169,147	1,035	0	2,614
Stoke on Trent and Staffordshire Partnership NHS Trust	61,097	8,889	10,253	8,993
Birmingham East and North PCT	41,916	5	0	0
North Staffordshire Combined Healthcare NHS Trust	34,527	562	182	0
North Staffordshire PCT	6,356	20,040	1,884	1,417
South Staffordshire PCT	3,554	1,386	372	1,156
<b>Total</b>	<b>316,597</b>	<b>31,917</b>	<b>12,691</b>	<b>14,180</b>

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Staffordshire County Council, Stoke on Trent City Council and HM Revenue & Customs.

### 38 Losses and special payments

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

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

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

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

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

There were no cases individually over £250,000 (prior year nil).

### 39 Third party assets

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

### 40 Cashflows relating to exceptional items

None.

### 41 Events after the reporting period

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

	2012-13 Baseline Estimate	2013-14 Revenue Allocation
	£'000	£'000
- Stoke On Trent CCG	327,054	334,576
- NHS England, containing the Commissioning Support Unit and Local Area Team	145,966	146,643
- Staffordshire County Council	21,685	22,249
- Public Health England	1,035	1,062
	495,740	504,530

Clinical Commissioning Groups will be responsible for commissioning health services to meet all the reasonable requirements of their patients, with the exception of: certain services commissioned directly by the NHS England; health improvement services commissioned by local authorities; and health protection and promotion services provided by Public Health England.

NHS England commissions:

- specialised services;
- primary care services;
- offender healthcare and
- some services for members of the armed forces.

Commissioning of public health services is carried out by Public Health England (PHE) and local authorities, although NHS England commissions, on behalf of PHE, many of the public health services delivered by the NHS.

The Department of Health has made detailed arrangements for the transfer of balances (assets / liabilities / contractual commitments) at their recognised carrying value such that there will be no surplus or deficit arising from this transfer. It is for the successor body to consider whether, in 2013/14, it is necessary to review these for impairment.

The PCT has a Transfer Agreement showing the expected destination of these balances but the final details have not yet been confirmed. The Department's arrangements ensure the assets, liabilities and contractual obligations of the PCT will be transferred to other bodies within the public sector.