Department of Health

NHS

Hillingdon Primary Care Trust

2012-13 Annual Report and Accounts

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Hillingdon Primary Care Trust

2012-13 Annual Report

NHS Hillingdon

Annual Report for 2012/13

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Chair and Chief Executive NHS North West London joint statement

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

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

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

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

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

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

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

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

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

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

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

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

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

Jeff Zitron
Chair NHS North West London
1 April 2012 – 31 March 2013

Anne Rainsberry
Chief Executive NHS North West London
1 April 2012 – 31 March 2013

Chair and Chief Officer NHS Hillingdon Clinical Commissioning Group joint statement

When faced with significant challenges, it is always important to stay focused on your priorities, and use your resources in innovative and flexible ways in order to achieve your goals.

Certainly, this has been the approach adopted by NHS Hillingdon and Hillingdon Clinical Commissioning Group in 2012/13, with providing better outcomes for patients at the heart of our decision making.

Previous annual reports have highlighted the significant challenges faced by NHS Hillingdon which are expected to continue into 2013. These include a growing and ageing population with more long term diseases which require more long term care; increasing levels of dementia; rising rates of childhood obesity; and significantly higher numbers of alcohol related A&E attendances.

All of this put pressure on our resources which were already severely stretched, and hence the need to remain focussed on our priorities. These include providing quality services and excellent health outcomes for patients, and using our resources innovatively and flexibly to achieve them.

A key piece of work in 2012/13 was the development, and now implementation, of a three year financial recovery programme to bring our finances back on track. Of course, this programme could not be created and delivered in isolation, and Hillingdon CCG worked closely with the local authority, voluntary sector and other NHS providers to draw it up. Most importantly, we used a bottom up approach to ensure our programme is founded on evidence based data and is grounded in what is possible. Too often these plans fail because they are imposed from above with no real linkage to what is happening on the ground and without significant clinical input. We were determined to avoid this happening.

We have a programme recovery board whose membership is drawn from across local health and social care organisations in recognition of the shared responsibility we all have to deliver a sustainable health system. The board oversees the work of our clinical working groups and links to the borough's health and wellbeing board to ensure all our activities support each other to deliver the recovery programme.

In drawing up the programme, we accepted that Hillingdon CCG needs to be at the forefront of implementing new ways of providing care, in order to improve the patient experience and deliver better services with the resources we have available.

A good example of this is in urgent care, where patient feedback showed that people were confused about how to access urgent care services in Hillingdon. Hillingdon CCG responded by being the first CCG in London to introduce the new NHS 111 freephone telephone service, where a trained advisor guides callers to the most appropriate care in the borough for their condition.

This is just one element of our plans for urgent care, which also include a new urgent care centre due to open in the Hillingdon Hospital in 2013; registering unregistered patients with a GP practice; and the provision of health promotion and self-management education. All this ensures we use our resources effectively and patients get the right care in the right place at the right time.

A key element of our bottom up and evidenced based approach to commissioning has been to work closely with patients and the public on proposed changes to services, to ensure that they meet their needs. Throughout the year we implemented a wide ranging programme of engagement, including neighbourhood meetings with CCG board members, focus groups, consultations and presentations at community and hospital events. This programme gave us a wealth of information to use in commissioning new services, and has helped us increase our understanding of patients needs, and explain to people our priorities and how we want to work with them.

This activity was commented upon by the external assessors at our authorisation visit in December, who said that patients' views were clearly being taken into account in our commissioning decisions.

Of course, much energy was focused by NHS Hillingdon and the CCG to ensure all our services deliver and meet the needs of Hillingdon residents. With a population of 275,000 people, significant economic differences between the north and south of the borough resulting in large health inequalities, and a growing ethnic diversity in the population, means this has been a challenge.

The vision of the CCG is, through clinically focused commissioning, to deliver a high performing, good quality, collaborative and cost effective health system for the residents of Hillingdon. We have worked hard to deliver this and will apply the same focus to delivery of our recovery plan whilst assuring quality services in 2013/14. We are pleased to say that, despite significant financial challenges in Hillingdon, at the end of 2012, the Health Services Journal stated that Hillingdon's primary care system was the best in London according to a number of performance measures.

Given the scale of the challenges we face in Hillingdon, and with the transition from PCTs to CCGs, a big focus of our work in 2012/13 has been to prepare the CCG board and members to fully take on their commissioning role from April 2013. Key to this has been the ability to take a detailed look at the expertise, competencies and structures needed by the CCG to deliver its vision for health care in Hillingdon. These included an organisational plan to develop the CCG board members; full clinical engagement in our savings plan; and robust triangulation between savings, contracts and finance measures to ensure delivery.

We are pleased to report that at our authorisation visit from the NHS National Commissioning Board, the assessors earmarked only five issues for further work from an original 119 criteria. Four of these related to our management of our inherited financial situation, and one was a procedural matter.

All staff in NHS Hillingdon went through a restructuring process as part of the changes underway across the NHS. Staff moved either to work in the clinical

commissioning group, the new commissioning support unit, the public health team based in the local authority, or NHS England. However, some staff were not able to secure a role and we supported these staff to find alternative employment.

Organisational restructuring is always a stressful process for everyone involved, and we would like to pay tribute to the hard work by all staff throughout the year, even though everyone's personal future was uncertain. Organisations are only as good as their people, and the progress and successes we achieved in Hillingdon in 2012/13 is a reflection of the high calibre of staff we were fortunate to have working for us.

2012/13 was a challenging year and this year looks like being equally challenging as we seek to make changes that will save us £14m over the course of the year. However, we are confident that a continued focus on quality services, patient outcomes and the hard work undertaken by everyone in 2012/13 provides us with a solid base on which to go forward.

Dr Ian Goodman
Chair and local GP
Hillingdon Clinical Commissioning Group

Rob Larkman
Chief Officer
Hillingdon Clinical Commissioning Group

The NHS in Hillingdon 2012/13

NHS Hillingdon

NHS Hillingdon was established in 2002, and covered the same area as the London Borough of Hillingdon. It was dissolved, along with all primary care trusts, 1 April 2013.

NHS Hillingdon commissioned all NHS services provided by GPs, pharmacists, prescriptions, dentists and opticians for the 275,656 residents in the borough. It also paid for hospital care on behalf of patients registered with Harrow GPs, care for mental health patients and community services. It worked with local partners and the community to ensure that it provided the services residents needed and wanted in a joined-up way. It also worked with Hillingdon Council to help promote good health among residents and to support vulnerable people who were eligible for social care.

Changes to the NHS in Hillingdon

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

The key changes to primary healthcare in Hillingdon were as follows:

Clinical commissioning groups

In Hillingdon, the primary care trust NHS Hillingdon was dissolved on 1 April 2013 and responsibility for the commissioning of acute, mental health and community NHS care in Hillingdon passed to NHS Hillingdon Clinical Commissioning Group. This gave GPs and other clinicians the responsibility for using resources to secure high quality services for their patients.

Hillingdon CCG's governing body is made up of GPs, a senior nurse, a secondary care doctor, lay members and a chief officer and chief financial officer. Authorisation of Hillingdon CCG followed a rigorous assessment process by the NHS National Commissioning Board (now called NHS England) which ensured that the CCG is competent and effective and ready to take on the task of commissioning healthcare services.

Hillingdon CCG works collaboratively with three of its neighbouring CCGs - Brent, Ealing and Harrow CCGs. Many of the providers are shared between the four CCGs and working together enables them to make decisions jointly where that makes sense and manage financial resources to address its patients' needs.

NHS England

NHS England has taken on many of the functions of the former primary care trusts for the commissioning of primary care health services, as well as some of the nationally-based functions previously undertaken by the Department of Health. This includes GP services, pharmaceutical and primary ophthalmic services, dental

services and some other specialist services. It is a single national organisation with many of its functions carried out at a local level.

Public health

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

Commissioning support units

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

Healthwatch England

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

Health and wellbeing board

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

The London Borough of Hillingdon

Hillingdon is the second largest of London's 32 boroughs covering an area of 42 square miles. Hillingdon's population for 2011 was estimated at 273,900 (13th largest in London), an increase of 2.93 per cent over midyear estimates for 2010. Hillingdon has significantly higher population of young people (aged 5-19) compared with England and London. The population of older age groups (50+) is also larger than London but smaller than England. Both groups are expected to increase ahead of average population growth rates.

Hillingdon is a relatively affluent borough, but with large differences existing between the north and south. The north of the borough is semi-rural, with large sections protected by green-belt regulation. The south of the borough is more urban and

densely populated. It also has areas falling in the 20 per cent most deprived quartile nationally, and a significant number of areas have children living in poverty.

Hillingdon is an ethnically diverse borough with around 32 per cent of the population from black and minority ethnic communities, which is lower than London's 35 per cent. The largest ethnic community is Asian, with Indian community forming 13 per cent of the total population followed by Black at 3.7 per cent

Hillingdon has 48 GP practices that serve a population of 275,656 (Feb 2011), with other patients coming from surrounding boroughs. There are 42 dental practices with 150 GDPs, 62 Pharmacies and 47 ophthalmic practices.

Performance against national indicators

NHS Hillingdon has a statutory duty to report on the performance of a number of services against the national operating framework indicators for 2012/13.

In 2012/13 NHS Hillingdon met the following national indicators:

- Methicillin-resistant *Staphylococcus aureus* bacteraemia: reducing the number of outbreaks
- Ambulance response times: category A response within 8 minutes
- Ambulance response times: category A response within 19 minutes
- 18 weeks referral to treatment: admitted performance within 18 weeks
- 18 weeks referral to treatment: non-admitted performance within 18 weeks
- 18 weeks referral to treatment: incomplete pathways performance within 18 weeks
- Cancer two week wait – percentage seen within two weeks of an urgent GP referral for suspected cancer.
- Cancer 62 day wait percentage treated in 62 days from urgent GP referral for suspected cancer.

NHS Hillingdon did not fully meet the following indicator:

- Clostridium difficile: reducing the number of outbreaks: 68 cases against a local tolerance of 65 cases.
- Childhood immunisation levels continued to be a challenge for all PCT's with performance slipping from 2011/12 levels. Action plans were agreed with providers and best practice shared across all of North West London PCTs.

Key highlights for 2012/13

There were a number of major achievements in Hillingdon over the last year that have made, or will make, a major difference for patients.

Chronic obstructive pulmonary disease

In Hillingdon it is estimated that some 7,700 people (3.8 per cent of the adult population) have chronic obstructive pulmonary disease (COPD) which accounted for 89 deaths in 2009. Nationally, it is the fifth biggest killer disease. In 2012 NHS Hillingdon with the shadow Hillingdon CCG introduced a new care pathway to support the treatment and care of people suffering from COPD. The aim was to introduce a well-structured, proactive and more integrated patient management system. This included co-ordinating local NHS partners including the stop smoking service, secondary care teams at two local hospitals and community nursing teams.

This improved the effectiveness of the patient support, particularly through on going follow up so treatments continue to be effective. Improving the availability of clear and structured information is also essential to help Hillingdon CCG identify practices that require support, so the CCG could target its resources to best effect. It is anticipated that the improved pathway will reduce inappropriate emergency admissions and ambulance call-outs, with GPs and community nursing staff as a patient's first point of contact.

A new set of guidelines were produced for GPs, based on the NICE guidelines. A new home oxygen assessment service was commissioned to provide a systematic and integrated assessment service, with plans to extend and develop this to a full home oxygen assessment and review service.

Hillingdon's local respiratory network, which was set up in June 2011, contributed to the development of this COPD work stream. The group comprises of primary, community, secondary and tertiary clinicians (specialist nurse and consultant), medicines management, LINk and public health input.

The network focused on implementing quality standards for COPD, by building on the local health system's assessment of actions as determined by the NICE quality standards. The aim was to reduce and eliminate waste and poor quality care; and ensure that COPD patients in Hillingdon have a positive experience of care.

Urgent care

Urgent care is an area where being at the forefront of implementing new ways of providing care will improve the patient experience and deliver better services. This is because patient surveys have shown that Hillingdon residents are not clear where they should go when they have an unexpected or urgent healthcare need.

Hillingdon was the first borough in London to introduce the new NHS 111 telephone service with a soft launch in February 2012 followed by a public launch in March. The new service, which became a national service in 2013, directs patients to the most appropriate urgent care service which could be their GP, a pharmacist, urgent care centre or A&E, depending on what their condition is. The NHS 111 phone service is free from a landline or a mobile, and offers immediate advice from trained advisers. Since its introduction, calls to the service have steadily increased, with most callers being directed to primary care services.

The NHS 111 service underpins the goal of making sure that the right care is provided at the right time, by the most appropriate person and in the right setting. Signposting patients in this way not only provides for better patient experience but also helps achieve significant savings as people are treated in the place most suitable for their condition.

Another key element is the development of the new urgent care centre at the Hillingdon Hospital. The new centre will relieve pressure on the hospital's A&E facility by providing treatment for people who are not seriously ill, and redirecting them back into primary care if necessary. Throughout 2012 NHS Hillingdon worked closely with the hospital to develop the specification for the new service. The hospital has already started enabling works and relocated a number of services to free up space next to the A&E department where the UCC will be located.

The new UCC is planned to be up and running in the second half of 2013. In future, the provision of urgent care will be focussed at the UCC, with other similar services transferred to the hospital, thus providing a more streamlined and simpler pathway for patients.

Improving intermediate care in Hillingdon

Intermediate care is care provided for up to six weeks following a medical event or exacerbation. Intermediate care services were delivered in Hillingdon by a number of providers in a fragmented manner with organisations having their own access criteria and waiting times, making it difficult for patients to access care in a timely manner. NHS Hillingdon, in collaboration with the shadow Hillingdon CCG, agreed a service re-design to provide a more integrated service to improve clinical outcomes and patient and carer experience, supporting people to maintain their independence for longer.

After a review and patient and stakeholder engagement it was agreed that the new service would have a number of key elements to:

- increase the capacity of the rapid response service so that it has a daily presence in the A&E at The Hillingdon Hospital and can take on more complex cases;
- provide enhanced community bed based 'step up' facilities at the Northwood and Pinner Community Unit; and
- provide timely and integrated access to re-ablement and rehabilitation services in the community.

This new system will benefit patients and reduce expensive hospital stays.

Developing the all age adult mental health strategy

During 2012, a new strategy for adults with mental health problems was agreed with Hillingdon Council. This acknowledged the importance of mental health and sort to support delivery of the six national outcomes for mental health services:

- More people will have good mental health

- More people with mental health problems will recover
- More people with mental health problems will have good physical health
- More people will have a positive experience of care and support
- Fewer people will suffer avoidable harm
- Fewer people will experience stigma and discrimination

To reflect this, the objectives were that adults of all ages living in Hillingdon with mental health problems should be able to:

- Live a normal life as far as possible
- Be included in local communities and activities
- Not be stigmatised or discriminated against on any grounds
- Have easy access to up to date and accurate information
- Have options in the choices of care available locally
- Have personalised care plans built around the wishes of each individual and their carers
- Be supported with services that promote and enable recovery and well-being

There is potential for significant improvement in both patient experience and outcomes and the efficiency by developing an integrated, whole systems approach building on the current strength of GPs in managing adults with mental health problems in the community. Implementation will lead to personalised, recovery focussed, community based services; a shift from hospital based care to community based provision.

To achieve this, the following specific actions will be taken with the local authority and other key partners, including Central and North West London NHS Foundation Trust:

- Improve the primary care based mental health services infrastructure;
- Evaluate the psychiatric liaison service in The Hillingdon Hospital in order to determine whether to continue to commission the service at current or a revised level; and
- Initiate a process of improvement to acute and community mental health services through the development and implementation of integrated care pathways working with key partners including the local authority, the voluntary sector and community organisations.

Public Health in Hillingdon

There were a number of successes in the work of the public health team in 2012/13:

- Physical activity: Our Walk Hillingdon programme received national recognition. During 2012/13 there was five per cent increase in participation in walking activities by local residents. In addition, over 1,300 over 55's participating in physical activity events such as cycling, walking, and dancing in the borough
- Smoking cessation: Hillingdon stop smoking service helped 1,550 residents quit smoking during 2012/13. The service maintained its position amongst the

top five in London for conversion to quit rates, carbon monoxide validation and socio-economic registration – showing that the service provides a validated and quality service to those who need it the most. Improving quality and accessibility also included innovation, with Champix PGD for community pharmacists, and a nicotine replacement treatment direct supply protocol for community advisors. In recognition of the smoking cessation work with local providers, our specialist pharmacist was recognised as a finalist for public health pharmacist of the year 2012 by the Royal Pharmaceutical Society.

- COPD screening for smokers: A successful COPD screening programme was put in place, initiated by the stop smoking service and the local COP network. The service annually screened between 50-100 'high risk' smokers and had a 70 per cent referral rate for additional spirometry. An assertive programme of engaging with smokers with chronic conditions was also run throughout the year – especially targeting those with diabetes and COPD.
- Smoking in pregnancy: An opt out programme for screening pregnant smokers which supported a two per cent prevalence drop in smoking over two years.
- Teenage pregnancy: The most recent data shows a significant reduction (37 per cent in 2010/11) in Hillingdon's teenage pregnancy rates. This coincided with broadening the sexual health outreach work, alongside strengthened preventative services in places which young people frequented.
- Breastfeeding: There were improvements in breastfeeding initiation rates (81 per cent) and continuation (60 per cent) as compared to 77 per cent and 54 per cent in the previous year.
- Childhood immunisation: Improvements in childhood immunisations have led to Hillingdon being ranked one of the best in London for take-up of immunisations.
- Childhood obesity: The MEND programme was commissioned to tackle the increasing rates of childhood obesity for ages 5-7 years and 7-13 years across geographic areas in Hillingdon. MEND Barnhill received a quality assurance gold award as one of the top five performing sites.
- A specialist alcohol nurse in Hillingdon Hospital A&E was been funded to pilot brief intervention and diverting patients from presentations at A&E into community based treatment.

Shaping a healthier future

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

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

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

The Shaping a Healthier Future vision is to:

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

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

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

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

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

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

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

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

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

Compliments and complaints

Complaints are an important source of feedback on the quality of local health services. A national complaints process applies to all NHS organisations and seeks to provide complainants with an explanation and address their concerns The NHS always seeks to learn from complaints and improve procedures to prevent problems being repeated. The NHS complaints procedure adheres to the principles of remedy published by the Parliamentary and Health Service Ombudsman.

The NHS seeks to learn from complaints and improve procedures to prevent problems being repeated. The NHS complaints procedure adheres to the Principles of Remedy published by the Parliamentary and Health Service Ombudsman.

In 2012/13 we received a total of 128 complaints (compared to 105 in 2011/12). These related to primary care services, including general practice, dentists, optometrists and pharmacists.

Emergency planning

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

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

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

The team also supported NHS North West London, community providers, mental health, acute trusts and the directly commissioned services to develop business continuity procedures. The on-call system was reviewed and revised and all staff participating in the on-call rota received training on the process that had been put in place. An extensive training programme was delivered to primary care, specifically in relation hazardous materials. The team delivered various training sessions throughout the health community, tailored to meet individual's needs, focusing on the organisations ability to respond and recover should an incident occur. The emergency planning function transferred to NHS England early in 2013.

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

Taking care of our environment

A North West London-wide waste strategy was introduced which focused on increasing recycling rates, thus saving money through reducing the amount of waste being sent to landfill, saving on landfill tax . Throughout the year recycling was introduced to sites that had not previously had any, and recycling rates steadily improved.

Several initiatives throughout NW London were invested in, including the installation of more remotely monitored meter readers at health centre and clinic sites across the cluster, which allowed regular monitoring of electricity and gas consumption data. Anomalies are spotted more effectively and irregular usage investigated and managed. Energy efficient lighting was installed in some sites and wherever boiler replacement was carried out, they were replaced with the most energy efficient model possible.

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

New contract clauses were developed, including key performance indicators to ensure that all provider contracts include sustainability as standard. Display energy certificates (DECs) were put in place in buildings where was is a legal requirement to display one.

Utility contracts were renegotiated within the Office of Government Commerce framework, thus providing stability for the next two years. New contracts included the purchase of some green energy as part of the commitment to carbon reduction.

Breaches of data protection

In 2012/13 there were no breaches of confidential information reported by NHS Hillingdon. This is very positive, and staff were compliant with information governance mandatory training, resulting in a greater understanding of the importance of data protection issues.

About our workforce

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

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

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

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

Equality and diversity and disabled employees

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

NHS Hillingdon served a diverse population and had a wide staff demographic. As a large employer and as a commissioner of services, it remained constantly committed

to promoting diversity and equality by eliminating discrimination and complying fully with the statutory duties under the single equality scheme.

Staff sickness absence	2012/13	2011/12
Total days lost	Information not available	4,978
Total staff years	1.65	6.47
Average working days lost	Information not available	7.69

Note: These figures are based on calendar year and not financial year. Total Staff Years relates to the number of Whole Time Equivalents in post during the calendar year. Sickness data is collated centrally by Department of Health but was missing for Hillingdon PCT for 2012-13.

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

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

Heading	FTE
No. of new engagements	1
No. of new engagements which include contractual clauses giving the organisation the right to request assurance in relation to income tax and National insurance obligations	1
Of which:	
No. for whom assurance has been accepted and received	1
No. for whom assurance has been accepted and not received	0
No that have been terminated as a result of assurance not being received	0
Total	1

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

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the primary care trust;

- the expenditure and income of the primary care trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

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

To the best of my knowledge and belief, and from the assurances provided by the PCT Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

Signed.....

Date.....

Richard Douglas
Signing Officer

Annual governance statement

The annual governance statement is included with the full annual accounts which are available on the website of the Hillingdon Clinical Commissioning Group at www.hillingdon.nhs.uk

Charging for information and principles of remedy

A statement that the entity has complied with Treasury's guidance on setting charges for information is required. This guidance is available as *Appendix 6.3 to Treasury's MPM.* In the unlikely event that an entity has not complied with this guidance (e.g. on commercial sensitivity grounds), DH should be consulted.

NHS bodies are required to include a reference in their annual reports to *Principles for Remedy* and state to what extent such principles have been adopted by the body and form part of its complaints handling procedure.

Operating and financial review

Message from Jonathan Wise, Director of Finance

PCTs were required to achieve three statutory financial duties. NHS Hillingdon's performance against each is summarised below:

- ***Meet revenue resource limit:*** NHS Hillingdon had a surplus of £1.979 million against a revenue resource limit of £447.185 million

- ***Meet capital resource limit:*** NHS Hillingdon had an underspend of £0.129 million on a capital resource limit of £1.914 million

- ***Meet cash limit (revenue and capital) with no unplanned borrowing at year end:*** NHS Hillingdon had an underspend of £15.5 million against the cash limit of £447.521 million and therefore operated within the cash limit allocated.

During 2012/13 there was an in year support of £21.2m from the cluster which included a transfer of Resource Limit of £15m from Brent PCT to Hillingdon PCT. This was with the agreement with the Shadow CCG that an agreed repayment profile would be reflected in Hillingdon CCG's future year plans.

In addition NHS Hillingdon's performance against a non-statutory financial duty:

- ***To meet the Better Payment Practice Code by paying 95% of non-NHS trade invoices within 30 days of the invoice date****:* NHS Hillingdon achieved 71.9% (on volume) and 85.4% (on value)

As a result of the underlying financial position the PCT received a qualified value for money opinion from external auditors.

Capital structure

The PCT funded its assets using an annual allocation set by the Department of Health. It had no bank borrowings. Where the PCT revalued assets, the extent of that revaluation is reflected in the revaluation reserve.

The PCT normally carried out a full revaluation of its estate every five years. The last full revaluation was carried out in March 2010 and the district valuer provided a desktop update to this revaluation in March 2013.

Cash funding

The total cash available was based on the PCT's revenue and capital resource limits. There is no flexibility to exceed the notified cash limit.

The PCT planned cash requisitions to ensure that there were minimal month end balances and no supplementary advances in month. Monthly cash drawings were requisitioned by the date advised the DH. This was managed by forecasting all material cash transactions in the forthcoming month. Month and year end balances were maintained to a minimum level and closing cash was £50,000.

Publication

This section of the annual report is a summarised version of the full accounts of NHS Hillingdon. A full copy can be obtained free of charge from the NHS Hillingdon CCG website at www.hillingdonccg.nhs.uk

The accounts for the year ended 31st March 2013 have been prepared by NHS Hillingdon under Section 98(2) of the NHS Act 1977 (as amended by Section 24(2), Schedule 2, of the National Health Service and Community Care Act 1990) in the form which the Secretary of State has directed. The main source of funding was income from the Department of Health.

Deloitte LLP is the external auditor appointed by the Department of Health. Deloitte has undertaken the audit of the statutory accounts and the annual report. The total cost of the service was £108,000.

Jonathan Wise, Director of Finance
23rd May 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	**6,681**	5,475
Other costs	**443,177**	418,266
Income	**(5,902)**	(8,215)
Net operating costs before interest	**443,956**	415,526
Investment income	**(8)**	(13)
Other (Gains)/Losses	**0**	0
Finance costs	**1,258**	67
Net operating costs for the financial year	**445,206**	415,580
Transfers by absorption -(gains)	**0**	
Transfers by absorption - losses	**0**	
Net (gain)/loss on transfers by absorption	**0**	
Net Operating Costs for the Financial Year including absorption transfers	**445,206**	**415,580**
Of which:		
Administration Costs		
Gross employee benefits	**4,584**	4,205
Other costs	**4,748**	5,365
Income	**(736)**	(1,004)
Net administration costs before interest	**8,596**	**8,566**
Investment income	**0**	(13)
Other (Gains)/Losses	**0**	0
Finance costs	**0**	67
Net administration costs for the financial year	**8,596**	**8,620**
Programme Expenditure		
Gross employee benefits	**2,097**	1,270
Other costs	**438,429**	412,901
Income	**(5,166)**	(7,211)
Net programme expenditure before interest	**435,360**	**406,960**
Investment income	**(8)**	0
Other (Gains)/Losses	**0**	0
Finance costs	**1,258**	0
Net programme expenditure for the financial year	**436,610**	**406,960**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**246**	265
Net (gain) on revaluation of property, plant & equipment	**(476)**	(123)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**444,976**	**415,722**

Statement of Financial Position at 31 March 2013

	31 March 2013	31 March 2012
	£000	£000
Non-current assets:		
Property, plant and equipment	**36,794**	37,890
Intangible assets	**1,124**	375
investment property	**0**	0
Other financial assets	**79**	84
Trade and other receivables	**0**	0
Total non-current assets	**37,997**	38,349
Current assets:		
Inventories	**0**	408
Trade and other receivables	**1,739**	7,184
Other financial assets	**0**	0
Other current assets	**0**	0
Cash and cash equivalents	**50**	3
Total current assets	**1,789**	7,595
Non-current assets held for sale	**0**	0
Total current assets	**1,789**	7,595
Total assets	**39,786**	45,944
Current liabilities		
Trade and other payables	**(26,578)**	(28,596)
Other liabilities	**0**	0
Provisions	**(11,004)**	(725)
Borrowings	**0**	0
Other financial liabilities	**0**	0
Total current liabilities	**(37,582)**	(29,321)
Non-current assets plus/less net current assets/liabilities	**2,204**	16,623
Non-current liabilities		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(504)	(1,968)
Borrowings	0	0
Other financial liabilities	0	0
Total non-current liabilities	**(504)**	(1,968)
Total Assets Employed:	**1,700**	14,655
Financed by taxpayers' equity:		
General fund	(13,009)	54
Revaluation reserve	14,709	14,601
Other reserves	0	0
Total taxpayers' equity:	**1,700**	14,655

Statement of cash flows for the year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		**(443,956)**	(415,526)
Depreciation and Amortisation		**2,503**	2,720
Impairments and Reversals		**(141)**	(27)
Other Gains / (Losses) on foreign exchange		**0**	0
Donated Assets received credited to revenue but non-cash		**0**	0
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest Paid		**0**	0
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**408**	(389)
(Increase)/Decrease in Trade and Other Receivables		**5,445**	(463)
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**(1,552)**	(5,988)
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions Utilised		**(3,751)**	(565)
Increase/(Decrease) in Provisions		**11,308**	281
Net Cash Inflow/(Outflow) from Operating Activities		**(429,736)**	**(419,957)**
Cash flows from investing activities			
Interest Received		**13**	15
(Payments) for Property, Plant and Equipment		**(1,279)**	(1,297)
(Payments) for Intangible Assets		**(972)**	(113)
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**0**	0
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	0
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(2,238)**	**(1,395)**
Net cash inflow/(outflow) before financing		**(431,974)**	**(421,352)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**0**	0
Net Parliamentary Funding		**432,021**	421,294
Capital Receipts Surrendered		**0**	0
Capital grants and other capital receipts		**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**432,021**	**421,294**
Net increase/(decrease) in cash and cash equivalents		**47**	**(58)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**3**	**61**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		**50**	**3**

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**54**	**14,601**	**0**	**14,655**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(445,206)			**(445,206)**
Net gain on revaluation of property, plant, equipment		476		**476**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(246)		**(246)**
Movements in other reserves			0	**0**
Transfers between reserves*	122	(122)		**0**
Release of Reserves to SOCNE		0		**0**
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		**0**
Net actuarial gain/(loss) on pensions	0		0	**0**
Total recognised income and expense for 2012-13	**(445,084)**	**108**	**0**	**(444,976)**
Net Parliamentary funding	432,021			**432,021**
Balance at 31 March 2013	**(13,009)**	**14,709**	**0**	**1,700**
Balance at 1 April 2011	**-6101**	**15184**	**0**	**9,083**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(415,580)			(415,580)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		123		123
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(265)		(265)
Movements in other reserves			0	0
Transfers between reserves*	441	(441)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(415,139)	(583)	0	(415,722)
Net Parliamentary funding	421,294			421,294
Balance at 31 March 2012	**54**	**14,601**	**0**	**14,655**

Financial Performance Targets

Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		415,580
Net operating cost plus (gain)/loss on transfers by absorption	**445,206**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**447,185**	415,624
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,979	44

Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**1,914**	1,980
Charge to Capital Resource Limit	**1,785**	1,980
(Over)/Underspend Against CRL	**129**	**0**

Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**432,021**	421,294
Cash Limit	**447,521**	421,294
Under/(Over)spend Against Cash Limit	**15,500**	**0**

Reconciliation of Cash Drawings to Parliamentary Funding (current year)

	2012-13 £000
Total cash received from DH (Gross)	385,800
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**385,800**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	7,289
Plus: drugs reimbursement (central charge to cash limits)	38,932
Parliamentary funding credited to General Fund	**432,021**

Better Payment Practice Code

Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**6,463**	**46,012**	6,224	47,780
Total Non-NHS Trade Invoices Paid Within Target	**4,650**	**39,293**	4,780	42,909
Percentage of Non-NHS Trade Invoices Paid Within Target	71.9%	85.4%	76.8%	89.8%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,738**	**329,644**	3,012	303,172
Total NHS Trade Invoices Paid Within Target	**2,701**	**303,728**	1,883	296,390
Percentage of NHS Trade Invoices Paid Within Target	57.0%	92.1%	62.5%	97.8%

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

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

Related Party Transactions

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Hillingdon Primary Care Trust. The following related party transactions were reported by the Shadow Clinical Commissioning Board that relate to Hillingdon Primary Care Trust. The GMS payments shown below relates to services provided by the practice which the Shadow Clinical Commissioning member is a partner rather than payments to Shadow Clinical Commissioning members themselves. The payment is the total paid to the practices as a whole before taking into account practice expenses in delivering services.

	Payments to Related Party	
Clinical Commissioning Board - PMS or GMS Costs	**2012/13**	**2011/12**
	£'000	**£'000**
Dr M Garsin	954	881
Dr R Gudi	595	593
Dr K Johal	1,053	1,034
Dr S Mort	373	347
Dr M Nanavati	753	725
Dr I Goodman	1,659	1,571
Dr S Shapiro	1,245	1,227
Dr T Davies	896	883
Dr P Hurton	1,356	1,299

The practices for which the above GPs are partners held shares in both Harmoni Ltd and Hillingdon Health Ltd and both companies had dealings with Hillingdon PCT in 2012/13. Harmoni was sold during 2012/13 to Care UK, and the above practices are no longer shareholders. The above practices also no longer hold shares in Hillingdon Health.

In addition to the above Dr Johal has the following related party disclosures:
Hillingdon Hospital NHS Foundation Trust - spouse is Emergency Medicine Consultant
RCGP (UK) - Clinical Commissioning Champion - Advisory Role

Ian Goodman, Hillingdon PCT Caldicott Guardian and Chair of Hillingdon Commissioning Consortium, was also paid a monthly salary from Harmoni Ltd for his role as Medical Director, and held shares in HWH (Harmoni), Harmoni Independent and Harmoni plus. Following the sale of Harmoni during 12/13 all of his shares were disposed of. Ian Goodman now receives a salary form Care UK for his role as Information Governance Lead.

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

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

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

	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
A Primary Care Trusts				
Croydon PCT	2	22,480	83	0
Ealing PCT	241	137	0	306
Harrow PCT	13	160	7	0
Westminster PCT	36	2,510	17	272
B Trusts				
Barts Health NHS Trust	0	827	498	0
Buckinghamshire Healthcare NHS Trust	0	400	0	69
Ealing Hospital NHS Trust	0	2,257	9	0
East And North Hertfordshire NHS Trust	0	7,726	0	16
Imperial College Healthcare NHS Trust	0	16,988	0	178
London Ambulance Service NHS Trust	0	9,790	0	12
North West London Hospitals NHS Trust	0	12,131	0	10
Oxford University Hospitals NHS Trust	0	324	0	0
South West London And St Georges Mental Health NHS Trust	0	261	0	0
St Georges Healthcare NHS Trust	0	408	53	0
The Royal National Orthopaedic Hospital NHS Trust	0	2,843	0	163
West Hertfordshire Hospitals NHS Trust	0	5,721	0	215
West London Mental Health NHS Trust	0	620	0	56
West Middlesex University NHS Trust	0	1,526	0	32
Whittington Hospital NHS Trust	0	186	0	3
C Foundation Trusts				
Ashford And St Peters Hospitals NHS Foundation Trust	0	305	10	0
Central And North West London MH NHS Foundation Trust	527	53,735	469	1,317
Chelsea And Westminster Hospital NHS Foundation Trust	0	2,114	0	128
Great Ormond Street Hospital for Children NHS Foundation Trust	0	2,991	0	85
Guys And St Thomas NHS Foundation Trust	0	1,600	0	48
Heatherwood And Wexham Park Hosps NHS Foundation Trust	0	1,735	28	0
Kings College Hospital NHS Foundation Trust	0	442	23	0
Moorfields Eye Hospital NHS Foundation Trust	0	1,013	0	69
Oxford Health NHS Foundation Trust	0	183	0	53
Royal Brompton And Harefield NHS Foundation Trust	0	15,820	0	1,112
Royal Free London NHS Foundation Trust	0	3,000	0	58
The Hillingdon Hospital NHS Foundation Trust	0	131,738	4	3,264
The Royal Marsden Hospital NHS Foundation Trust	0	477	0	0
University College London NHS Foundation Trust	0	4,752	0	453
D Others				
London Strategic Health Authority	1,187	0	0	0
E Local Councils				
Hillingdon London Borough Council	71	9,889	906	276

Remuneration report

Membership of the remuneration and terms of services committee

Membership of the remuneration and terms of services committee were:

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

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

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

Directors

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

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

Performance measurement

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

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

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

Cluster Board

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

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

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

Senior managers' remuneration

NHS Hillingdon is required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the organisation's workforce. The calculation for the median remuneration does not include agency employees covering vacancy staff as this information is impracticable to retrieve.

The banded remuneration of the highest paid director in Hillingdon PCT in the financial year 2012-13 was £71k (2011-12, £197.5k). This was 2.1 times (2011-12, 3.7) the median remuneration of the workforce, which was £36k (2011-12, £54k).

In 2012-13, 6 (2011-12, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £3,300 to £182,850 (2011-12 £1,395-£101,829).

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

Cluster arrangements

The eight PCTs in North West London – NHS Brent, NHS Ealing, NHS Hammersmith & Fulham, NHS Harrow, NHS Hillingdon, NHS Kensington & Chelsea and NHS Westminster – operated collectively under a cluster arrangement from 1 April 2012 to 31 March 2013.

There were no members of the Cluster Board employed by Hillingdon PCT.

Clinical commissioning group

The Health and Social Care Act 2012 sets out the new structure for the commissioning of NHS services. This saw primary care trusts (PCTs) dissolved 1 April 2013 and replaced by GP-led clinical commissioning groups (CCGs).

There were eight CCGs created in North West London:

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

The NWL CCGs operated in shadow form from 1 October 2012, with the following responsibilities:

- ensure a rigorous assurance and reporting process during the shadow period from 1 October 2012 – 31 March 2013.
- agree governance that reflects new responsibilities.
- liberate CCGs to lead 13/14 commissioning round whilst providing effective support.
- support development of CCGs proactive risk management.
- fully align with national guidance - Nolan Principles.
- clarify accountability and responsibility – reflecting London changes.
- ensure CCGs governance is capable of receiving relevant PCTs Committee business.
- continue resource shift to enable CCGs capacity and capabilities.
- reduce complexity and avoid duplication – adding value not work.
- build on well developed arrangements to manage a safe and orderly transition and closure programme.

The membership of the shadow clinical commissioning board was:

SALARIES AND ALLOWANCES	Note	2012/13			2011/12		
Name and Title		Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in Kind (bands of £1000) £000
Hillingdon CCB							
Dr I Goodman, Chair,		70-75			55-60		
Dr T Davies, Vice Chair		50-55			0-5		
Mr C Somani, Lay Member and Chair of Audit Committee	1	0			0		
Ms A Seidlar, Lay Member		5-10			5-10		
Dr M Garsin, Board Member		30-35			10-15		
Dr R Gudi, Board Member		30-35			0-5		
Dr K Johal, Board Member		40-45			5-10		
Dr S Mort, Board Member		30-35			0-5		
Dr M Nanavati, Board Member		30-35			10-15		
Dr P Hurton, Board Member		30-35			0-5		
Dr S Shapiro, Board Member		30-35			15-20		
Mr R Larkman, Accountable Officer, Board Member	2	0			0		
Mr J Wise, Chief Finance Officer	3	0			0		
Ms C Jacob, Chief Operating Officer	3	0			0		
Professor U Gallagher, Nurse Member	4	95-100			30-35		
Trevor Begg, Chair of Hillingdon Links - Associate Board Member	5	0			0		

1. Employed by Brent and Harrow PCTs. Lay Member and Chair of Audit Committee for Brent, Ealing, Harrow and Hillingdon CCGs.
2. On secondment to Brent PCT from Camden PCT
3. Employed by Brent and Harrow PCT's
4.Ealing Borough Director to Aug 2011, then seconded to DH
5. Paid by London Borough of Hillingdon

Pension Benefits

Cluster Board

		Real Increase in pension at age 60 and related lump sum (bands of £2,500)		Total accrued pension at age 60 and related lump sum (bands of £5,000)		Cash Equivalent Transfer Value			
		Pension	Lump Sum	Pension	Lump Sum	at 31 March 2012	at 31 March 2013	Real increase	Employer's contribution to growth in CETV for the year
		£000	£000	£000	£000	£000	£000	£000	£000
A Rainsberry: Chief Executive	1	0	0	55-60	165-170	880	940	14	10
D Elkeles: Director of Strategy/Chief Officer designate, CWHH CCGs	2	0-2.5	2.5-5	20-25	60-65	242	281	27	19
R Larkman: Chief Officer designate BEHH CCGs (from 1 October 2012)	6	0-2.5	2.5-5	35-40	105-110	644	751	36	25
C Parker: Director of Finance, Hammersmith and Fulham, Hounslow, Kensington and Chelsea and Westminster PCTs (from 1 October 2012)	5	0-2.5	0-2.5	20-25	70-75	297	324	6	4
D Slegg: Director of Finance (until 30 September 2012)	4	2.5-5	5-10	65-70	195-200	1216	1439	80	56
J Wise: Director of Finance, Brent, Ealing, Harrow and Hillingdon PCTs (from 1 October 2012)	3	0-2.5	5-7.5	45-50	140-145	747	878	46	32
S Weldon: Director of Commissioning and Performance (until 30 September 2012)	2	0-2.5	2.5-5	20-25	70-75	309	378	26	19
M Spencer: Medical Director	2	0	0	50-55	155-160	948	1021	23	16
A Howe: Director of Public Health	3	0-2.5	2.5-5	25-30	85-90	453	519	42	30
D Chaffer: Director of Nursing (until 30 June 2012)	2	0-2.5	0-2.5	30-35	90-95	544	611	10	7
J Webster: Acting Director of Nursing (from 1 July 2012)	4	0-2.5	5-7.5	25-30	85-90	389	467	44	31

The pension costs of the shared posts remained with their employing PCT.

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 member's 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 other pension scheme or arrangement when a member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a

consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

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

Exit Packages

Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Lees than £10,000	**2**	**0**	**2**	0	0	**0**
£10,001-£25,000	**2**	**0**	**2**	0	0	**0**
£25,001-£50,000	**3**	**0**	**3**	1	0	**1**
£50,001-£100,000	**4**	**0**	**4**	0	0	**0**
£100,001 - £150,000	**0**	**0**	**0**	0	0	**0**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**2**	**0**	**2**	0	0	**0**
Total number of exit packages by type (total cost)	**13**	**0**	**13**	**1**	**0**	**1**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	830,284	0	**830,284**	27,000	0	**27,000**

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Agenda for Change Terms and Conditions. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

PCT running costs

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**8,880**	8,029	851
Weighted population (number in units)*	**242,331**	242,331	242,331
Running costs per head of population (£ per head)	**37**	**33**	**4**
PCT Running Costs 2011-12			
Running costs (£000s)	**8,807**	8,174	633
Weighted population (number in units)	**242,331**	242,331	242,331
Running costs per head of population (£ per head)	**36**	**34**	**3**

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

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

Independent auditor's statement

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER OF HILLINGDON 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, the Statement of Financial Position, the Cash Flow Statement and the notes on Financial Balance, Post Balance Sheet Events, Running Costs and Audit.

This report is made solely to the Accountable Officer for Hillingdon Primary Care Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. Our audit work has been undertaken so that we might state to the Primary Care Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Primary Care Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Signing Officer is responsible for preparing the Annual Report.

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

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

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of the Hillingdon Primary Care Trust for the year ended 31 March 2013.

Craig Wisdom (Engagement Lead)
for and on behalf of Deloitte LLP
Appointed Auditor
St Albans, United Kingdom

6 June 2013

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Department of Health

NHS

Hillingdon Primary Care Trust

2012-13 Accounts

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Hillingdon Primary Care Trust

2012-13 Accounts

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

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the primary care trust;

- the expenditure and income of the primary care trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

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

To the best of my knowledge and belief, and from the assurances provided by the PCT Accountable Officer until 31 March 2013, I am assured that the responsibilities have been properly discharged.

Signed.....

Date.....

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

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

To assist you in that process, I can confirm that in my role managing the preparation of the annual statutory accounts, the accounts were prepared in the format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the net operating cost, recognised gains and losses and cash flows for the year. As required the accounts;

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

Name: JONATHAN WISE

Signed: 

Date: 4/6/13

Hillingdon Primary Care Trust
Governance Statement 2012-2013

1.	**Introduction**

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

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

- management systems for safeguarding public funds and assets and assisting in the implementation of corporate governance have been properly maintained;
- achievement of value for money with the resources available;
- expenditure and income were properly accounted for; and
- effective and sound financial management systems were in place.

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

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

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

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

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

The Codes of Conduct and Accountability incorporated in the Corporate Governance

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

From April 2011, the PCT entered into a collaborative arrangement with other PCTs in North West London and underwent significant structural and organisational change.
The "Cluster" of NHS North West London was formed of eight PCTs: Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Kensington and Chelsea and Westminster.

The Strategic Health Authority confirmed the "Cluster" was compliant with Primary Care Trust regulations and Primary Care Trust Cluster Implementation Guidance. The Strategic Health Authority reviewed the Corporate Governance Framework outlining the shared working arrangements that was agreed by the PCT Board in February 2011 and confirmed it as compliant with PCT regulations and PCT Cluster Implementation Guidance.
The Framework was revised in September 2012 to reflect the transitional development of the new system as described in the Health and Social Care Act 2012. A single management team performed its role on behalf of each of the PCTs, who retained their statutory duties and powers. All PCT statutory functions, powers and duties were mapped to ensure that they were aligned to the new cluster management structure. The former Chief Executive of Hillingdon Primary Care Trust (PCT), and Accountable Officer was also the Accountable Officer for the other seven PCTs.

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

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

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

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

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

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

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

3. **Board Performance**

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

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

4. **Governance Framework**

The Cluster Board established the following committees between the eight PCTs:-

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

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

The PCT established the shadow Hillingdon Clinical Commissioning Group (CCG) governing Body as a sub committee of the Cluster Board.

In addition, the Cluster set up a number of supporting groups, including the following:-

- Decision Making
- Individual Funding Request (IFR) Group
- Patient and Public Advisory Group
- Cluster Executive Team

Terms of Reference were adopted by the Cluster Board for each of these Committees and Groups. In the light of the handover and transition to the new governance arrangements from April 2013 as determined by the Health and Social Care Act 2012, the Board kept the Committees and their terms of reference under review during the year. From September the Governance Framework was supported by an Interim Operating Model of management designed to deliver in-year objectives and smooth transition to the new arrangements.

5. **Committee Functions and Performance**

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

Joint Audit Committee

The Committee was established in accordance with the guidance in the NHS Audit Handbook. It reviewed the financial management, governance, risk management and internal control in the PCTs and ensured they were adequate and effective.

The Audit Committee met seven times during 2012/13 and at its initial meeting considered audit planning, priorities, working methods and the internal audit programme for the year. Regular reports were received on the overall financial position, risk management, counter fraud, internal and external audit and transition. The Committee paid particular attention to receiving assurance on the Joint Boards Assurance Framework, transition and handover and closure arrangements. In addition, the Committee received reports on IT, the Integrated Care Pilot and the review of recommendations from the NHS London report into NHS Croydon. At its final meeting the Committee agreed its Annual Report to the Board on its work during the year and reviewed the second draft of the Annual Governance Statement.

Joint Quality and Clinical Risk Committee

The Committee kept under review and required assurance on issues affecting the quality of services commissioned across NHS North West London, including patient safety, clinical effectiveness and patient experience. The Quality and Clinical Risk Committee met six times during 2012/13 and received regular reports on quality (quality exception reports), quality and clinical risk register, serious incidents and never events, revalidation, Organisational Health Intelligence reports, transition and handover and closure. The Committee paid particular attention to receiving assurance on action to improve clinical quality at Imperial College Healthcare NHS Trust and the handover and closure of quality and safety in accordance with the guidance issued by the National Quality Board. In addition, the Committee received reports on looked after children in Brent and Harrow, the "Savile" case and the Mid Staffordshire Inquiry.

Joint Information Governance Committee

The Joint Information Governance Committee was a standing group accountable to the North West London Cluster Executive Team Its purpose was to support and drive the broader Information Governance ("IG") agenda and provide assurance that effective IG best practice mechanisms were in place within the North West London Cluster. The Information

Governance Committee met eight times during 2012/13 and was reconstituted during the course of the year in response to changing circumstances. Information governance risk was managed by reviewing progress towards IG toolkit submission reinforced by audit. Regular reports were received on policies, the risk register, transition and records management.

Joint Finance and Performance Committee

The Committee undertook performance monitoring and oversight of Cluster-wide performance objectives to ensure that appropriate progress was made across NHS North West London. It ensured that progress was coordinated effectively and coherently between the Cluster (eight PCTs) and the eight emerging Clinical Commissioning Groups (established as Committees of the relevant PCT) without unnecessary duplication. It supplemented the work of the Joint Audit Committee, which ensured that the statutory and regulatory requirements of the PCT functions were independently reviewed and assured. The Finance and Performance Committee met six times during 2012/13 and received regular reports on progress against finance and performance targets, risk register, transition and handover and closure. It paid particular attention to PCT Recovery Plans in the context of the Integrated Commissioning Plan.

Joint Remuneration Committee

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

Joint Clinical Executive Committee

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

Joint Health & Safety Committee

The Committee kept under review and required assurance on issues affecting the health and safety requirements across NHS North West London Cluster. The Health and Safety Committee was established during the year and met six times during 2012/13. The focus of its work during the year was to assure itself that the PCT met its health and safety responsibilities, taking account of commissioned external reviews. It reviewed fire, health and safety and carbon reduction policies prior to endorsement by the Board. The Committee received regular reports on serious incidents, the risk register, implementation of mandatory training and premises assessment. It also received reports on the handover and closure of estates.

Hillingdon Clinical Commissioning Group Shadow Governing Body

The Committee undertook a range of functions on behalf of the PCT Board, including:-

a. the commissioning functions for the practice patients of the members of the Group, and for those resident in the area of the emerging CCG who were not practice patients of any other emerging CCG for services commissioned on a practice patient basis; and commissioned

services required to be provided on an open access basis for all persons resident in the area of the emerging CCG

b. developed close links with the Borough of Hillingdon and participated in the development of joint strategic needs assessment for the borough and contributed to the Health and Well being board

c. prepared the members of the Group for the submission of an application to the NHS Commissioning Board for Authorisation

d. carried out such other functions as were required under the Accountability Agreement for the purpose of developing the competencies of a Clinical Commissioning Group.

The Clinical Commissioning Group met regularly during 2012/13 and its prime focus was complying with national guidance in order to become authorised as a legal entity with effect from 1 April 2013. A substantial part of its work was the development of its constitution and governance arrangements, while at the same time discharging the commissioning responsibilities delegated to it by the Joint Boards. It set up its own Sub Committees to match key Cluster Committees in preparation for taking on its own statutory responsibilities with effect from April 2013. The CCG was authorised with 10 conditions with effect from 1 April 2013. An action plan was designed to address and close the conditions.

6. **Handover and Closure**

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

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

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

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

At Board and Committee level, the risk registers were made available to the CCGs so that they could determine their own risk management arrangements. The PCT adopted a practice of using handover certificates to formalise the handover of functions to successor bodies. The certificates included provision for the identification of outstanding issues and any risks which could impact on delivery in future if not adequately mitigated. These were designed to act as a trigger for discussion at handover meetings with receivers. This process gave the receiving organisation the information with which to assess risks against its own risk appetite and risk management strategy.

7. **Framework for Financial Closedown**

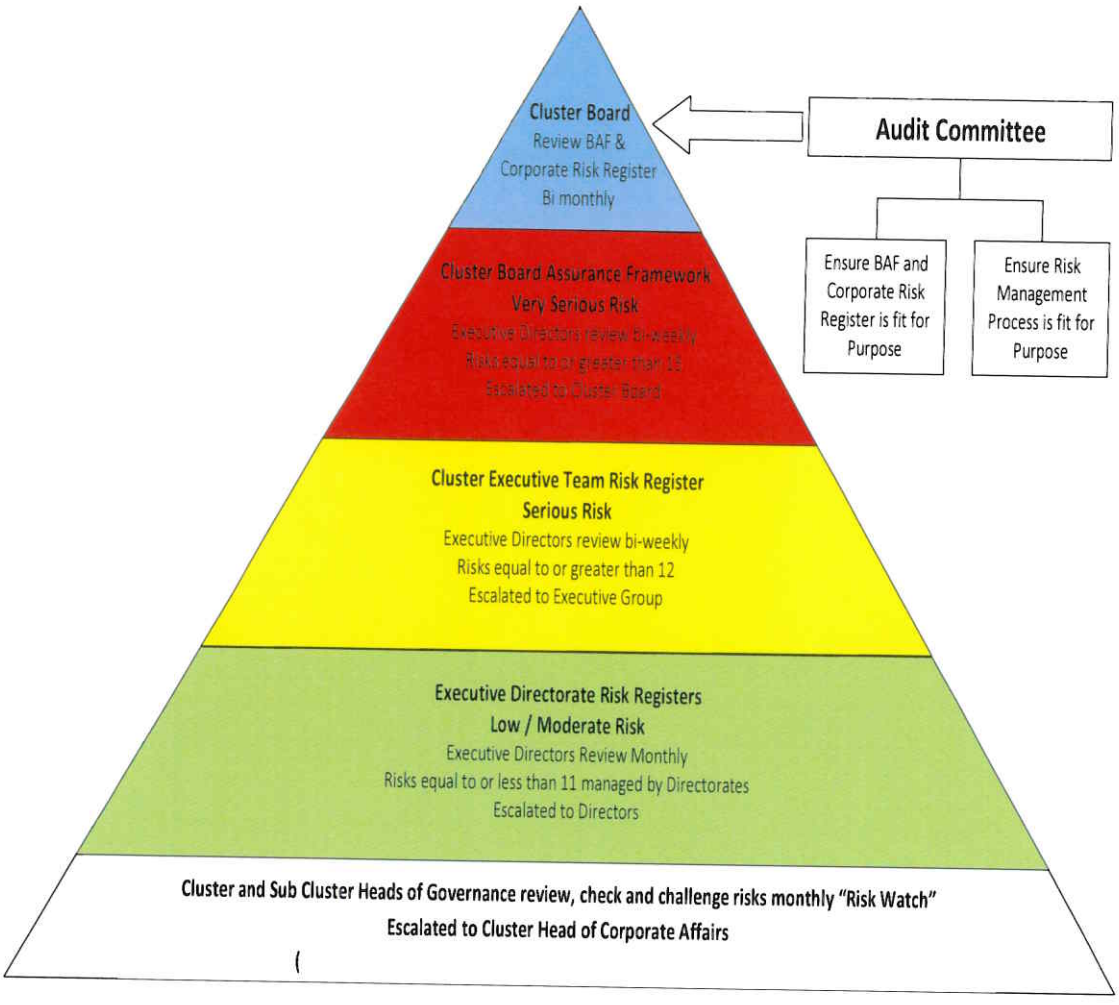
In accordance with national guidance, arrangements were put in place for financial closedown.

	This included:- • preparation and sign off of PCT accounts for 2012/13; • support for the completion of the Department's resource account; • transfer of closing balances to residual organisations; • management of local discharge of balances transferred to the Department; • management of payroll queries and other related payroll issues; and • handover of residual balances managed on behalf of the Department. The PCT Chief Executive and Director of Finance both secured posts in successor bodies but retained responsibility for financial closedown and the Accounts. Staff resources were secured to secure effective accounts preparation by means of agreement with successor organisations for staff who have secured employment and by means of staff appointments under the Retention and Exit Terms Scheme. In addition, staff resources were identified to transfer to, or be available to, the Legacy Management Office. For scrutiny and audit, existing arrangements for both internal and external audit encompassed the work associated with reviewing financial closedown and the completion of final accounts. All Audit Committee members, whether they had secured a role in the new system or not, were asked and agreed to become members of an Audit Sub-Committee of the Department of Health Audit and Risk Committee to support the final accounts process.
8.	**Compliance with Corporate Governance Code**
	The Board of the PCT met in public and published Board Papers, agenda and minutes on their websites. The Board adhered to the "Nolan Principles" setting out the ways in which holders of Public Office behave in the discharge of their duties and as a guiding principle for decision making. The principles adopted by this Board were:- • Selflessness • Integrity • Objectivity • Accountability • Openness • Honesty • Leadership As a central part of the NHS the Board affirmed its commitment to the rights and values set out in the NHS Constitution and the seven key principles that guide the Board in all its actions:- • The NHS provides a comprehensive service available to all; • Access to NHS Services is based on clinical need, not an individual's ability to pay; • The NHS aspires to the highest standards of excellence and professionalism on the provision of high-quality care that is safe, effective and focussed on the patient experience; • NHS services must reflect the needs and preferences of patients, their families and carers; • The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population; • The NHS is committed to providing best value for taxpayer's money and the most cost-effective, fair and sustainable use of finite resources; • The NHS is accountable to the public, communities and patients that it serves.
9.	**Discharge of Statutory Functions**
	An integral part of transition was the reconciliation of the statutory functions of the PCT and their destination after the end of March 2013. The PCT used legal advice to establish the

	definitive list of statutory responsibilities and established a tracker to ensure that each function was transferred appropriately. In doing so, the PCT established that no irregularities were identified and assured itself that it was legally compliant. NHS continuing care issues were raised about the appropriate interpretation of the legislation in individual cases and the PCT followed the national process to review outstanding cases.
10.	**Risk and Control Framework**
	The following is a summary of the Cluster risk management strategy:- The Cluster Risk Management Strategy, agreed by the Cluster Board in November 2011, was embedded in the normal management processes and structures and encouraged by a culture of responsibility. The Risk Management Strategy promoted the philosophy of integrated governance and required all risk management to be systematic, robust and evident. It required that risk management processes were applied to business planning at all levels and that risk management issues were communicated to key stakeholders where necessary. The Strategy covered quality, clinical, organisational and financial risk, and identifies the key management structures and processes defining objectives and responsibilities within the Cluster. The principles of the Strategy were consistent with the Cluster key priorities – patient safety and staff management. Implementation of the Risk Management Strategy was co-ordinated and monitored by the Cluster Executive Team. The Strategy was supported by a NWL Risk Management Process which clearly described the processes that the Cluster had put into place in order to adequately manage risk. From April 2012 there was a coherent and consistent approach across all eight PCTs in the Cluster and in May the Board reviewed its appetite and tolerance for risks. The process ensured that the highest risks appeared on the Board Assurance Framework with a systematic approach to lower risks. The process ensured where risks are identified, there was a requirement for action to be taken to mitigate the risk. Where risks remained at a high level, they were subject to regular scrutiny by the Board, relevant Committee or the Executive Team, so that they received the appropriate level of management attention. During the course of 2012/13 in response to the exceptional challenges of transition, specific risk registers were maintained for specific risks, for example handover and closure and financial handover and closedown. The discipline of the strategy together with the training of staff ensured that the number of risks arising was kept to a minimum. The Strategy complied with best practice, NHS Litigation Authority and National Patient Safety guidance and the Department of Health requirements.
11.	**Risk Identification and Evaluation**
	The identification of new risks was a standing item on the agenda for the Cluster Boards, its committees and key working groups from 2011. This ensured that each forum considered risk at the end of each meeting and was very effective in focusing attention on risk. The Cluster Executive Team work programmes captured all risks and issues within their risk logs (low scores) and dashboards which were then escalated to the appropriate risk register or log if scores reached the relevant threshold. Any risks identified or amended which reached thresholds for the Cluster tiered Risk Registers were passed to the Head of Corporate Affairs and duly considered, rated and assigned to an appropriate risk register and shared at a regular Heads of Governance meeting. They were then referred to the owner of the relevant risk register for additional controls and actions to mitigate the risk. The "5 x 5" matrix used when rating risks considered the impact of each risk in terms of: Injury/Safety, Legal or Financial, Performance/Service Interruption, Regulatory or Adverse Publicity/Reputation. Each risk was then assigned to an appropriate register depending upon the score for its impact multiplied by the score for the likelihood of that occurring. Each rating was presented as a mitigated score based upon consideration of the controls in place. Actions were recommended to reduce the risk rating. The risk matrix included consideration of stakeholders in the assessment of impact of risks identified including among others such as:

patients, the public, service users and the Department of Health. Controls for individual risks were only recorded where they were verified as making an active difference to reducing or mitigating a risk. They must have been verified as controls at an appropriate forum or by a recognised external/regulatory body. These were continually reviewed at the Head of Corporate Affairs, Head of Clinical Governance or Cluster Executive Team for Corporate or Directors' Risks; or by the designated lead for directorate risk registers with guidance and support from the Head of Corporate Affairs. All risks were triangulated with NHS London.

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



12. **New Risks**

The Cluster operated an integrated Board Assurance Framework and Risk Register (as described above) based on the strategic objectives for the year. The BAF was reviewed at every Board meeting and was updated and revised as new risks were identified and existing risks were mitigated. The year was challenging in meeting in-year delivery targets, ensuring effective handover and closure and establishing new organisations which are fit for purpose. In addition, the year included formal consultation on *Shaping a Healthier Future,* the strategy to secure improvements in health care across North West London. In that context, the most significant and enduring risks for 2012/13 are described below:-

Delivery of improvements in clinical quality and patient experience

In terms of delivering improvement in clinical quality and patient experience, high risks were associated with Imperial College Healthcare NHS Trust and North West London Hospitals NHS

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

Support the development of the new commissioning and provider landscape

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

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

Delivery of financial savings to achieve financial balance

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

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

Hillingdon PCT had a statutory duty to report on performance services against the national operating framework indicators for 2012/13.

In 2012/13 Hillingdon PCT met the following national indicators:

- Infection Control - MRSA bacteraemia
- Cancer 62 day wait percentage treated in 62 days from urgent GP referral for suspected cancer.
- Ambulance quality - Category A response within 8 mins
- Ambulance quality - Category A response within 19 mins
- 18 weeks RTT – admitted performance within 18 weeks
- 18 weeks RTT - non-admitted performance within 18 weeks
- 18 weeks RTT - incomplete pathways performance within 18 weeks
- Cancer 2 week wait – percentage seen within 2 weeks of an urgent GP referral for suspected cancer.

Hillingdon PCT did not fully meet the following indicators:

- C. Diff: 68 cases against a local tolerance of 65 cases.
- Childhood immunisation levels continued to be a challenge for all PCT's with performance slipping from 2011/12 levels. Action plans were agreed with providers and

	best practice shared across all of North West London PCTs.
14	**Lapses of Data Security**
	There were no lapses of data security identified and none reported to the Information Commissioner.
15	**Effectiveness of Risk Management and Internal Control**
	The key Board Committees regularly received and discussed their respective risk registers. The Audit Committee sought assurance that the BAF appropriately reflected the level of risk and incorporated mitigating actions. Independent assurance on the effectiveness of risk management and internal control was provided through Internal Audit reviews of risk management, statutory duties and responsibilities and Cluster governance arrangements. The outcome of each of the audits was a green rating with a total of two low priority recommendations for which actions have been agreed. In summary, the Board could take substantial assurance that the controls upon which the organisation relied to manage these risk/areas were suitably designed, consistently applied and effective. A further audit on handover and closure was designed to provide independent assurance that the implementation of the process is effective. These specific audits were accompanied by a wider internal audit programme encompassing (amongst others) the following areas:- • Business continuity • Payroll and payroll feeder systems • Procurement • Clinical Commissioning Groups • QIPP • Continuing care • Performance Management • Information and Clinical Governance • Acute and non-acute commissioning and contract management • Transfers of estates and public health • Financial matters e.g. creditors, general ledger, financial management, accounts receivable, cash and treasury The Board maintained an active programme of fraud prevention in accordance with the core activities required by NHS Protect. The PCT was compliant with the Secretary of State's Directions.
16	**Significant Issues**
	During the course of the year it became apparent that the financial plan for 12/13 would not be achieved. The CCG CFO designate, on appointment in August, undertook an immediate review of the position and during the year £21.2m of additional in-year financial support was required. The Shadow CCG implemented an in year recovery actions as well as producing a 3 year Recovery Plan to address the underlying deficit, which was approved by the Shadow CCG and the Cluster Board. As a result of the in-year adverse position as well as the underlying position the external auditors issued a qualified opinion in regard to Value for Money (VfM) assessment. Although the PCT reported a surplus, this was after significant in-year unplanned financial support referred to above. As a result the PCT did not meet the Operating Framework requirement of transferring a balanced position to the CCG.

	An internal audit report on Continuing Care was undertaken during 2012/13 and was able to provide only partial assurance regarding the controls in place. In response to that report, local action plans were put in place to ensure that the issues identified in the audit report relating to 2012/13 were addressed.
17	**Head of Internal Audit Opinion**
	The purpose of the Head of Internal Audit Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. The opinion is as follows:- *"Based on the work undertaken in 2012/13,* ***significant assurance*** *can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, we have noted one area of weakness. Whilst we have not issued any RED rated reports we were only able to provide some (partial) assurance over* ***Continuing Care.*** *In particular we identified a backlog of assessments of patients having been undertaken which could have an impact both on quality of care and have financial implications. An agreed action plan is in place at borough level to be owned by the Clinical Commissioning Group moving forwards. We were only able to provide some assurance over the Budgetary Control and Financial Reporting systems at Hillingdon PCT. This reflects the difficulties experienced in managing the financial position at the PCT within the cost envelope."*
18	**Conclusion**
	This statement was been discussed at the Audit Committee (19 January and 5 March 2013) and at the Cluster Board meeting (19 March 2013). It was also discussed at the sub committee of the Audit Committee of the Department of Health on the 8 May 2013 and approved at this committee on the 3rd June 2013. The views of the Committees and the Board have been taken into account in the preparation of this statement. Richard Douglas **6th June 2013**

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER FOR HILLINGDON PCT

We have audited the financial statements of Hillingdon Primary Care Trust for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 42. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

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

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

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

Respective responsibilities of the Signing Officer and auditors

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

- in our opinion the governance statement does not reflect compliance with the Department of Health's Guidance;
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have reason to believe that the 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

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

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy,

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

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

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

As a result, we have concluded that there is the following matter to report: In considering the Trust's arrangements for financial management, we identified that whilst the Trust can demonstrate that it has arrangements in place for monitoring financial management, these arrangements have not been effective in achieving the desired outcomes. This is reflected in the fact that the financial support for 2012/13 needed to be substantially increased from that implied by the original 2012/13 budget. In addition the requirements of the PCT Operating Framework require PCTs, on dissolution, to transfer their responsibilities to the relevant CCG on 1 April 2013 in a position where the financial situation is in balance will not be achieved as the underlying deficit implied for 2013/14 amounts to £11million.

On the basis of this work, having regard to the guidance on the specified criteria published by the Audit Commission, with the exception of the matter reported in the basis for qualified conclusion paragraph above, we are satisfied that in all significant respects Hillingdon PCT had in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Certificate

We certify that we have completed the audit of the accounts of Hillingdon Primary Care Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Craig Wisdom (Engagement Lead)
for and on behalf of Deloitte LLP
Appointed Auditor
St Albans, UK

6 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**6,681**	5,475
Other costs	5.1	**443,177**	418,266
Income	4	**(5,902)**	(8,215)
Net operating costs before interest		**443,956**	415,526
Investment income	9	**(8)**	(13)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,258**	67
Net operating costs for the financial year		**445,206**	415,580
Transfers by absorption -(gains)		**0**	
Transfers by absorption - losses		**0**	
Net (gain)/loss on transfers by absorption		**0**	
Net Operating Costs for the Financial Year including absorption transfers		**445,206**	**415,580**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**4,584**	4,205
Other costs	5.1	**4,748**	5,365
Income	4	**(736)**	(1,004)
Net administration costs before interest		**8,596**	**8,566**
Investment income	9	**0**	(13)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	67
Net administration costs for the financial year		**8,596**	**8,620**
Programme Expenditure			
Gross employee benefits	7.1	**2,097**	1,270
Other costs	5.1	**438,429**	412,901
Income	4	**(5,166)**	(7,211)
Net programme expenditure before interest		**435,360**	**406,960**
Investment income	9	**(8)**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,258**	0
Net programme expenditure for the financial year		**436,610**	**406,960**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**246**	265
Net (gain) on revaluation of property, plant & equipment	**(476)**	(123)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**444,976**	**415,722**

The notes on pages 6 to 47 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**36,794**	37,890
Intangible assets	13	**1,124**	375
investment property	15	**0**	0
Other financial assets	21	**79**	84
Trade and other receivables	19	**0**	0
Total non-current assets		**37,997**	38,349
Current assets:			
Inventories	18	**0**	408
Trade and other receivables	19	**1,739**	7,184
Other financial assets	36.1	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**50**	3
Total current assets		**1,789**	7,595
Non-current assets held for sale	24	**0**	0
Total current assets		**1,789**	7,595
Total assets		**39,786**	45,944
Current liabilities			
Trade and other payables	25	**(26,578)**	(28,596)
Other liabilities	26,28	**0**	0
Provisions	32	**(11,004)**	(725)
Borrowings	27	**0**	0
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(37,582)**	(29,321)
Non-current assets plus/less net current assets/liabilities		**2,204**	16,623
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(504)	(1,968)
Borrowings	27	0	0
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(504)**	(1,968)
Total Assets Employed:		**1,700**	14,655
Financed by taxpayers' equity:			
General fund		(13,009)	54
Revaluation reserve		14,709	14,601
Other reserves		0	0
Total taxpayers' equity:		**1,700**	14,655

The notes on pages 6 to 47 form part of this account.

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

Responsible Officer **Date:** 6/6/13

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**54**	**14,601**	**0**	**14,655**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(445,206)			**(445,206)**
Net gain on revaluation of property, plant, equipment		476		**476**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(246)		**(246)**
Movements in other reserves			0	**0**
Transfers between reserves*	122	(122)		**0**
Release of Reserves to SOCNE		0		**0**
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		**0**
Net actuarial gain/(loss) on pensions	0		0	**0**
Total recognised income and expense for 2012-13	**(445,084)**	**108**	**0**	**(444,976)**
Net Parliamentary funding	432,021			**432,021**
Balance at 31 March 2013	**(13,009)**	**14,709**	**0**	**1,700**
Balance at 1 April 2011	**(6,101)**	**15,184**	**0**	**9,083**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(415,580)			(415,580)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		123		123
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(265)		(265)
Movements in other reserves			0	0
Transfers between reserves*	441	(441)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(415,139)	(583)	0	(415,722)
Net Parliamentary funding	421,294			421,294
Balance at 31 March 2012	**54**	**14,601**	**0**	**14,655**

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	**(443,956)**	(415,526)
Depreciation and Amortisation	**2,503**	2,720
Impairments and Reversals	**(141)**	(27)
Other Gains / (Losses) on foreign exchange	**0**	0
Donated Assets received credited to revenue but non-cash	**0**	0
Government Granted Assets received credited to revenue but non-cash	**0**	0
Interest Paid	**0**	0
Release of PFI/deferred credit	**0**	0
(Increase)/Decrease in Inventories	**408**	(389)
(Increase)/Decrease in Trade and Other Receivables	**5,445**	(463)
(Increase)/Decrease in Other Current Assets	**0**	0
Increase/(Decrease) in Trade and Other Payables	**(1,552)**	(5,988)
(Increase)/Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(3,751)**	(565)
Increase/(Decrease) in Provisions	**11,308**	281
Net Cash Inflow/(Outflow) from Operating Activities	**(429,736)**	**(419,957)**
Cash flows from investing activities		
Interest Received	**13**	15
(Payments) for Property, Plant and Equipment	**(1,279)**	(1,297)
(Payments) for Intangible Assets	**(972)**	(113)
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**0**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**0**	0
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(2,238)**	**(1,395)**
Net cash inflow/(outflow) before financing	**(431,974)**	**(421,352)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**0**	0
Net Parliamentary Funding	**432,021**	421,294
Capital Receipts Surrendered	**0**	0
Capital grants and other capital receipts	**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	**0**	0
Net Cash Inflow/(Outflow) from Financing Activities	**432,021**	**421,294**
Net increase/(decrease) in cash and cash equivalents	**47**	**(58)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**3**	**61**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	**50**	**3**

1. Accounting policies

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

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

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

1.1 Accounting Conventions

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

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

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

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

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

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

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

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

The deadline for notifying PCT's were as follows:

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

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

Provision
The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

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

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

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

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

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

Accruals
NHS creditor accruals are based on AOB statements. In addition an estimate has been made for un-notified NCA's. Statements have also been used to accrue for material non NHS creditors.

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

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

Quality & Outcome Framework

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

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

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

1. Accounting policies (continued)

1.2 Revenue and Funding

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

Miscellaneous revenue is income which relates directly to the operating activities of the Primary Care Trust. It principally comprises 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 Hillingdon Local Authority. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Hillingdon Community Equipment Service and a memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by London Borough of Hillingdon. 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.

1.5 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. Accounting policies (continued)

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.7 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.

1.8 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. Accounting policies (continued)

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.

Hillingdon PCT does not own any donated assets.

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.

Hillingdon PCT does not own any government granted assets.

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 Inventories

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

1.13 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.

1.14 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).

1.15 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.16 Employee benefits

Short-term employee benefits

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

Retirement benefit costs

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

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

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

1.17 Research and Development

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

1.18 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.

1.19 Grant making

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

1. Accounting policies (continued)

1.20 Contingencies

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

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

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

For the Continuing Care Contingent Liability see Note 1.1.

1.21 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.

1.22 Foreign exchange

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

1.23 Provisions

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

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

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

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

1. Accounting policies (continued)

1.24 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

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

1. Accounting policies (continued)

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

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

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

1.26 Going Concern

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Hillingdon PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42.2 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

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

1.27 Events after the Reporting Period

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

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

NHS England

Hillingdon Clinical Commissioning Group
London Borough of Hillingdon

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

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

2 Operating segments

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

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

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		415,580
Net operating cost plus (gain)/loss on transfers by absorption	**445,206**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**447,185**	415,624
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,979	44

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**1,914**	1,980
Charge to Capital Resource Limit	**1,785**	1,980
(Over)/Underspend Against CRL	**129**	**0**

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**432,021**	421,294
Cash Limit	**447,521**	421,294
Under/(Over)spend Against Cash Limit	**15,500**	**0**

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

	2012-13 £000
Total cash received from DH (Gross)	385,800
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**385,800**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	7,289
Plus: drugs reimbursement (central charge to cash limits)	38,932
Parliamentary funding credited to General Fund	**432,021**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	**2,290**		2,290	2,860
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**1**		1	0
Strategic Health Authorities	**1,187**	0	1,187	1,231
NHS Trusts	**0**	0	0	4
NHS Foundation Trusts	**527**	527	0	1,050
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**129**	0	129	215
Primary Care Trusts - Lead Commissioning	**308**	0	308	359
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**0**	0	0	0
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**0**	0	0	0
Patient Transport Services	**0**		0	0
Education, Training and Research	**2**	2	0	114
Non-NHS: Private Patients	**0**		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**		0	0
NHS Injury Costs Recovery	**0**		0	0
Other Non-NHS Patient Care Services	**71**	0	71	122
Charitable and Other Contributions to Expenditure	**0**		0	0
Receipt of donated assets	**0**		0	0
Receipt of Government granted assets	**0**		0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**821**	0	821	941
Other revenue	**566**	207	359	1,319
Total miscellaneous revenue	**5,902**	**736**	**5,166**	**8,215**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	**23,288**		23,288	17,478
Non-Healthcare	**2,182**	2,182	0	1,428
Total	**25,470**	**2,182**	**23,288**	**18,906**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**62,871**	0	62,871	68,622
Goods and services (other, excl Trusts, FT and PCT))	**127**	0	127	331
Total	**62,998**	**0**	**62,998**	**68,953**
Goods and Services from Foundation Trusts	**220,482**	313	220,169	206,643
Purchase of Healthcare from Non-NHS bodies	**37,537**		37,537	27,313
Social Care from Independent Providers	**0**		0	0
Expenditure on Drugs Action Teams	**0**		0	0
Non-GMS Services from GPs	**156**	72	84	585
Contractor Led GDS & PDS (excluding employee benefits)	**10,089**		10,089	10,277
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**0**		0	0
Chair, Non-executive Directors & PEC remuneration	**6**	6	0	8
Executive committee members costs	**320**	320	0	24
Consultancy Services	**832**	102	730	684
Prescribing Costs	**31,380**		31,380	33,534
G/PMS, APMS and PCTMS (excluding employee benefits)	**35,178**	0	35,178	34,391
Pharmaceutical Services	**0**		0	0
Local Pharmaceutical Services Pilots	**0**		0	0
New Pharmacy Contract	**7,648**		7,648	7,624
General Ophthalmic Services	**2,592**		2,592	2,496
Supplies and Services - Clinical	**886**	2	884	812
Supplies and Services - General	**192**	19	173	19
Establishment	**488**	245	243	110
Transport	**393**	1	392	201
Premises	**1,435**	391	1,044	608
Impairments & Reversals of Property, plant and equipment	**(141)**	0	(141)	(27)
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**2,356**	492	1,864	2,646
Amortisation	**147**	77	70	74
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**879**	0	879	(8)
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**0**	0	0	0
Audit Fees	**108**	108	0	191
Other Auditors Remuneration	**27**	27	0	36
Clinical Negligence Costs	**0**	0	0	0
Education and Training	**1,235**	40	1,195	1,247
Grants for capital purposes	**0**	0	0	390
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**484**	351	133	529
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**443,177**	**4,748**	**438,429**	**418,266**
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**0**	0	0	298
Trust led PDS and PCT DS	**0**	0	0	0
PCT Officer Board Members	**0**	0	0	499
Other Employee Benefits	**6,681**	4,584	2,097	4,678
Total Employee Benefits charged to SOCNE	**6,681**	**4,584**	**2,097**	**5,475**
Total Operating Costs	**449,858**	**9,332**	**440,526**	**423,741**
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**0**	0	0	0
Grants to Local Authorities to Fund Capital Projects	**0**	0	0	0
Grants to Private Sector to Fund Capital Projects	**0**	0	0	390
Grants to Fund Capital Projects - Dental	**0**	0	0	0
Grants to Fund Capital Projects - Other	**0**	0	0	0
Total Capital Grants	**0**	**0**	**0**	**390**
Grants to fund revenue expenditure				
To Local Authorities	**0**	0	0	0
To Private Sector	**0**	0	0	0
To Other	**0**	0	0	0
Total Revenue Grants	**0**	**0**	**0**	**0**
Total Grants	**0**	**0**	**0**	**390**

The figure for Purchase of Healthcare from Non-NHS Bodies for 2012/13 includes the provision for retrospective continuing care claims £10,580k.

Hillingdon PCT does not directly employ any Executive members of the North West London Cluster Board. The majority of the NWL Cluster Board member are employed by Westminster PCT as the host. These costs are then recharged from Westminster PCT as part of the overall recharge we receive for the NWL Cluster and is charged against the 'Goods and Services from other PCTs' lines and is £2,414k.

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

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

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**8,880**	8,029	851
Weighted population (number in units)*	**242,331**	242,331	242,331
Running costs per head of population (£ per head)	**37**	**33**	**4**
PCT Running Costs 2011-12			
Running costs (£000s)	**8,807**	8,174	633
Weighted population (number in units)	**242,331**	242,331	242,331
Running costs per head of population (£ per head)	**36**	**34**	**3**

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	35,178	34,391
Prescribing costs	31,380	33,534
Contractor led GDS & PDS	10,089	10,277
Trust led GDS & PDS	0	0
General Ophthalmic Services	2,592	2,496
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	7,648	7,624
Non-GMS Services from GPs	156	585
Other	0	0
Total Primary Healthcare purchased	**87,043**	88,907
Purchase of Secondary Healthcare		
Learning Difficulties	3,899	3,719
Mental Illness	27,387	27,724
Maternity	12,315	13,780
General and Acute	227,515	207,590
Accident and emergency	9,462	9,749
Community Health Services	34,562	33,716
Other Contractual	29,164	23,759
Total Secondary Healthcare Purchased	**344,304**	320,037
Grant Funding		
Grants for capital purposes	0	390
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**431,347**	**409,334**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	220,195	207,758

6. Operating Leases

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**2,545**	2,506
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**2,545**	**2,506**
Payable:					
No later than one year	**0**	**689**	**0**	**689**	638
Between one and five years	**0**	**2,758**	**0**	**2,758**	2,554
After five years	**0**	**4,663**	**0**	**4,663**	5,122
Total	**0**	**8,110**	**0**	**8,110**	**8,314**
Total future sublease payments expected to be received				0	0

The PCT has 4 (2011/12: 4) significant operating leases in respect of properties on standard commercial terms.

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**821**	941
Contingent rents	**0**	0
Total	**821**	941
Receivable:		
No later than one year	**381**	381
Between one and five years	**0**	381
After five years	**0**	0
Total	**381**	762

Hillingdon Primary Care Trust has entered into certain financial arrangements involving the use of GP premises. The PCT has recognised the rental payable and receivable in expenditure and income in the above disclosure. However, 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 £2.5m (2011/12: £2.5m) in respect of recognised expenditure and £821k (2011/12: £941k) in respect of recognised income. The PCT has also entered into lease and sub lease arrangements for 15 of its buildings with Central and North West London Foundation Trust for which it has received £381k rental income. (2011/12: £381k)

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	**5,190**	3,984	1,206	**3,211**	2,844	367	**1,979**	1,140	839
Social security costs	**268**	245	23	**268**	245	23	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**438**	400	38	**438**	400	38	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other post-employment benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other employment benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination benefits	**830**	0	830	**830**	0	830	**0**	0	0
Total employee benefits	**6,726**	**4,629**	**2,097**	**4,747**	**3,489**	**1,258**	**1,979**	**1,140**	**839**
Less recoveries in respect of employee benefits (table below)	**0**	0	0	**0**	**0**	**0**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**6,726**	**4,629**	**2,097**	**4,747**	**3,489**	**1,258**	**1,979**	**1,140**	**839**
Employee costs capitalised	**45**	45	0	**45**	45	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**6,681**	**4,584**	**2,097**	**4,702**	**3,444**	**1,258**	**1,979**	**1,140**	**839**
Recognised as:									
Commissioning employee benefits	**6,681**			**4,702**			**1,979**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**6,681**			**4,702**			**1,979**		

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	**0**	0	0	**0**	0	0	**0**	0	0
Social Security costs	**0**	0	0	**0**	0	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**0**	0	0	**0**	0	0	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other Post Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other Employment Benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination Benefits	**0**	0	0	**0**	0	0	**0**	0	0
TOTAL excluding capitalised costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**4,646**	3,374	1,272
Social security costs	**344**	344	0
Employer Contributions to NHS BSA - Pensions Division	**451**	451	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**93**	93	0
Total gross employee benefits	**5,534**	**4,262**	**1,272**
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	**5,534**	**4,262**	**1,272**
Employee costs capitalised	**59**	59	0
Gross Employee Benefits excluding capitalised costs	**5,475**	**4,203**	**1,272**
Recognised as:			
Commissioning employee benefits	**5,475**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**5,475**		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	**0**	0	0	**4**	4	0
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**83**	62	21	**89**	68	21
Healthcare assistants and other support staff	**0**	0	0	**0**	0	0
Nursing, midwifery and health visiting staff	**1**	1	0	**3**	2	1
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**6**	5	1	**6**	6	0
Social Care Staff	**0**	0	0	**0**	0	0
Other	**0**	0	0	**0**	0	0
TOTAL	**90**	**68**	**22**	**102**	**80**	**22**
Of the above - staff engaged on capital projects	**1**	1	0	**0**	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	**N/A**	**4,978**
Total Staff Years	**165**	**647**
Average working Days Lost	0.00	7.69

Figures given are in calendar years.
Total Staff Years relates to the number of Whole Time Equivalents in post during the calendar year.
Sickness data is collated centrally by Department of Health but was missing for Hillingdon PCT for 2012-13.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**0**	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	44

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Less than £10,000	**2**	**0**	**2**	0	0	**0**
£10,001-£25,000	**2**	**0**	**2**	0	0	**0**
£25,001-£50,000	**3**	**0**	**3**	1	0	**1**
£50,001-£100,000	**4**	**0**	**4**	0	0	**0**
£100,001 - £150,000	**0**	**0**	**0**	0	0	**0**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**2**	**0**	**2**	0	0	**0**
Total number of exit packages by type (total cost)	**13**	**0**	**13**	**1**	**0**	**1**
	£s	**£s**	**£s**	**£s**	**£s**	**£s**
Total resource cost	830,284	0	**830,284**	27,000	0	**27,000**

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Agenda for Change Terms and Conditions. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

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

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

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

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

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

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

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

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

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

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**6,463**	**46,012**	6,224	47,780
Total Non-NHS Trade Invoices Paid Within Target	**4,650**	**39,293**	4,780	42,909
Percentage of Non-NHS Trade Invoices Paid Within Target	71.95%	85.40%	76.80%	89.81%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,738**	**329,644**	3,012	303,172
Total NHS Trade Invoices Paid Within Target	**2,701**	**303,728**	1,883	296,390
Percentage of NHS Trade Invoices Paid Within Target	57.01%	92.14%	62.52%	97.76%

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

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	**0**	**0**	**0**	0
PFI finance lease revenue (contingent)	**0**	**0**	**0**	0
Other finance lease revenue	**0**	**0**	**0**	0
Subtotal	**0**	**0**	**0**	0
Interest Income				
LIFT: equity dividends receivable	**0**	**0**	**0**	0
LIFT: loan interest receivable	**8**	**0**	**8**	13
Bank interest	**0**	**0**	**0**	0
Other loans and receivables	**0**	**0**	**0**	0
Impaired financial assets	**0**	**0**	**0**	0
Other financial assets	**0**	**0**	**0**	0
Subtotal	**8**	**0**	**8**	13
Total investment income	**8**	**0**	**8**	13

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	**0**	**0**	**0**	0
Interest on obligations under PFI contracts:				
- main finance cost	**0**	**0**	**0**	0
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**0**	**0**	**0**	0
- contingent finance cost	**0**	**0**	**0**	0
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**0**	**0**	**0**	**0**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**1,258**		**1,258**	67
Total	**1,258**	**0**	**1,258**	**67**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	**17,640**	**16,684**	**2,420**	**1,852**	**248**	**251**	**7,967**	**410**	**47,472**
Additions of Assets Under Construction				10					**10**
Additions Purchased	0	206	0		0	0	673	0	**879**
Additions Donated	0	0	0	0	0	0	0	0	**0**
Additions Government Granted	0	0	0	0	0	0	0	0	**0**
Additions Leased	0	0	0		0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	(131)	0	0	(248)	(251)	(1,292)	(410)	**(2,332)**
Upward revaluation/positive indexation	422	0	54	0	0	0	0	0	**476**
Impairments/negative indexation	0	(246)	0	0	0	0	0	0	**(246)**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**18,062**	**16,513**	**2,474**	**1,862**	**0**	**0**	**7,348**	**0**	**46,259**
Depreciation									
At 1 April 2012	**(220)**	**4,949**	**84**	**0**	**248**	**251**	**3,881**	**389**	**9,582**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	(131)	0		(248)	(251)	(1,292)	(410)	**(2,332)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	48	0	0	0	0	0	0	**48**
Reversal of Impairments	0	(189)	0	0	0	0	0	0	**(189)**
Charged During the Year	0	928	59		0	0	1,348	21	**2,356**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**(220)**	**5,605**	**143**	**0**	**0**	**0**	**3,937**	**0**	**9,465**
Net Book Value at 31 March 2013	**18,282**	**10,908**	**2,331**	**1,862**	**0**	**0**	**3,411**	**0**	**36,794**
Purchased	18,282	10,908	2,331	1,862	0	0	3,411	0	**36,794**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**18,282**	**10,908**	**2,331**	**1,862**	**0**	**0**	**3,411**	**0**	**36,794**
Asset financing:									
Owned	18,282	10,908	2,331	1,862	0	0	3,411	0	**36,794**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**18,282**	**10,908**	**2,331**	**1,862**	**0**	**0**	**3,411**	**0**	**36,794**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**11,989**	**1,523**	**1,088**	**0**	**1**	**0**	**0**	**0**	**14,601**
Movements	422	(349)	35	0	0	0	0	0	**108**
At 31 March 2013	**12,411**	**1,174**	**1,123**	**0**	**1**	**0**	**0**	**0**	**14,709**

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	10
Dwellings	0
Plant & Machinery	0
Balance as at YTD	**10**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:									
At 1 April 2011	**17,530**	**16,760**	**2,409**	**1,504**	**248**	**0**	**6,796**	**27**	**45,274**
Additions - purchased	0	120	0	726	0	0	920	0	**1,766**
Additions - donated	0	0	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	0	69	0	(378)	0	0	251	0	**(58)**
Reclassified as held for sale	0	0	0	0	0	251	0	383	**634**
Disposals other than by sale	0	0	0	0	0	0	0	0	**0**
Revaluation & indexation gains	110	0	11	0	0	0	0	0	**121**
Impairments	0	(265)	0	0	0	0	0	0	**(265)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**17,640**	**16,684**	**2,420**	**1,852**	**248**	**251**	**7,967**	**410**	**47,472**
Depreciation									
At 1 April 2011	**(220)**	**4,153**	**28**		**248**	**0**	**2,752**	**2**	**6,963**
Reclassifications		0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	26	0	0	0	0	0	0	**26**
Reversal of Impairments	0	(53)	0	0	0	0	0	0	**(53)**
Charged During the Year	0	823	56		0	251	1,129	387	**2,646**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**(220)**	**4,949**	**84**	**0**	**248**	**251**	**3,881**	**389**	**9,582**
Net Book Value at 31 March 2012	**17,860**	**11,735**	**2,336**	**1,852**	**0**	**0**	**4,086**	**21**	**37,890**
Purchased	17,860	11,735	2,336	1,852	0	0	4,086	21	**37,890**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**17,860**	**11,735**	**2,336**	**1,852**	**0**	**0**	**4,086**	**21**	**37,890**
Asset financing:									
Owned	17,860	11,735	2,336	1,852	0	0	4,086	21	**37,890**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**17,860**	**11,735**	**2,336**	**1,852**	**0**	**0**	**4,086**	**21**	**37,890**

12.3 Property, plant and equipment

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

12.4 Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	0	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	15	41
Dwellings	38	45
Plant & Machinery	0	0
Transport Equipment	0	0
Information Technology	0	5
Furniture and Fittings	0	0

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	**0**	**464**	**0**	**0**	**0**	**464**
Additions - purchased	0	896	0	0	0	**896**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**1,360**	**0**	**0**	**0**	**1,360**
Amortisation						
At 1 April 2012	**0**	**89**	**0**	**0**	**0**	**89**
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	147	0	0	0	**147**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**236**	**0**	**0**	**0**	**236**
Net Book Value at 31 March 2013	**0**	**1,124**	**0**	**0**	**0**	**1,124**
Net Book Value at 31 March 2013 comprises						
Purchased	0	1,124	0	0	0	**1,124**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**1,124**	**0**	**0**	**0**	**1,124**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2011	**0**	**192**	**0**	**0**	**0**	**192**
Additions - purchased	0	214	0	0	0	**214**
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	58	0	0	0	**58**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**464**	**0**	**0**	**0**	**464**
Amortisation						
At 1 April 2011	**0**	**15**	**0**	**0**	**0**	**15**
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	74	0	0	0	**74**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
Less cumulative dep written down on revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**89**	**0**	**0**	**0**	**89**
Net Book Value at 31 March 2012	**0**	**375**	**0**	**0**	**0**	**375**
Net Book Value at 31 March 2012 comprises						
Purchased	0	375	0	0	0	**375**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**375**	**0**	**0**	**0**	**375**

13.3 Intangible non-current assets

Intangible assets relate to the following projects completed in year:

RIO Upgrade
GP N3 Network Upgrade
GP Clinical information System (EMIS)
GP Extranet Development
GP Discharge Notification
Diabetic Retinopathy Screening Service

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

There are no internally generated assets.

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	(141)		(141)
Total charged to Annually Managed Expenditure	**(141)**		**(141)**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	246		
Total impairments for PPE charged to reserves	**246**		
Total Impairments of Property, Plant and Equipment	**105**	**0**	**(141)**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	**0**		
Total Impairments of Intangibles	**0**	**0**	**0**
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	**0**		
Total Impairments of Financial Assets	**0**	**0**	**0**

Non-current assets held for sale - impairments and reversals charged to SoCNE.

Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of non-current assets held for sale	**0**	**0**	**0**
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of Inventories	**0**	**0**	**0**
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total Investment Property impairments charged to SoCNE	**0**	**0**	**0**

Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	**0**		
Total Investment Property Impairments	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	246		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	(141)		(141)
Overall Total Impairments	**105**	**0**	**(141)**
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	**0**	0	0

The PCT has £48,042 of impairments on three of its buildings which are as follows:
Harefield Health Centre £7,393
West Mead Clinic £10,814
Ickenham Clinic £29,835

This has been offset by the following impairments which have been reversed in the period due to upward market movements:
Northwood and Pinner Hospital (Buildings) £154,208
Elers Road £4,207
Grange Park £30,681
This has resulted in a net impairment reversal of £141,054.

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

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

16.2 Other financial commitments

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

17 Intra-Government and other balances

	Current receivables £000s	**Non-current receivables £000s**	**Current payables £000s**	**Non-current payables £000s**
Balances with other Central Government Bodies	296	0	702	0
Balances with Local Authorities	906	0	276	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,155	0	8,031	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	(618)	0	17,569	0
At 31 March 2013	**1,739**	**0**	**26,578**	**0**
prior period:				
Balances with other Central Government Bodies	2,091	0	1,058	0
Balances with Local Authorities	1,184	0	10	0
Balances with NHS Trusts and Foundation Trusts	2,525	0	10,467	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,384	0	17,061	0
At 31 March 2012	**7,184**	**0**	**28,596**	**0**

18 Inventories

	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000	Of which held at NRV £000
Balance at 1 April 2012	**0**	**0**	**0**	**0**	**0**	**408**	**408**	0
Additions	0	0	0	0	0	0	**0**	0
Inventories recognised as an expense in the period	0	0	0	0	0	(408)	**(408)**	0
Write-down of inventories (including losses)	0	0	0	0	0	0	**0**	0
Reversal of write-down previously taken to SoCNE	0	0	0	0	0	0	**0**	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	**0**	0
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

The £408k relates to a contract between Medequip and the London Borough of Hillingdon for community loan equipment, for which the PCT are recharged. This has been expensed to I&E in year due to the closure of the PCT.

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
NHS receivables - revenue	**1,320**	4,426	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**0**	146	**0**	0
Non-NHS receivables - revenue	**1,171**	1,272	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**113**	(61)	**0**	0
Provision for the impairment of receivables	**(1,012)**	(133)	**0**	0
VAT	**131**	41	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**16**	1,493	**0**	0
Total	**1,739**	7,184	**0**	0
Total current and non current	**1,739**	7,184		
Included above:				
Prepaid pensions contributions	**0**	0		

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

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**90**	3
By three to six months	**15**	14
By more than six months	**0**	11
Total	**105**	28

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(133)**	(158)
Amount written off during the year	**0**	17
Amount recovered during the year	**111**	95
(Increase)/decrease in receivables impaired	**(990)**	(87)
Balance at 31 March 2013	**(1,012)**	(133)

A provision has been made based on the age of the debt as follows:

0-90 days - nil provision
91-120 days - 50% provision
121-180 days - 75% provision
181 + days - 100% provision

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**84**	**0**	**84**
Additions	**0**	**0**	**0**
Disposals	**0**	**0**	**0**
Loan repayments	**(5)**	**0**	**(5)**
Revaluations	**0**	**0**	**0**
Loans repayable within 12 months	**0**	**0**	**0**
Balance at 31 March 2013	**79**	**0**	**79**
Balance at 1 April 2011	84		84
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	**84**	**0**	**84**

[Analyse between individual investments where these are material].

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**84**	84
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	(5)	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	**79**	84

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	**0**	0
Capital Income	**(5)**	0

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**3**	61
Net change in year	**47**	(58)
Closing balance	**50**	3
Made up of		
Cash with Government Banking Service	**50**	3
Commercial banks	**0**	0
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**50**	3
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**50**	3
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	**0**
Revaluation	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
										0
Balance at 1 April 2011	0	0	0	0	0	251	0	383	0	**634**
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	**0**
Less assets sold in the year	0	0	0	0	0	0	0	0	0	**0**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	(251)	0	(383)	0	**(634)**
Balance at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	**0**

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

At 31 March 2012	0
At 31 March 2013	0

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Interest payable	**0**	0		
NHS payables - revenue	**3,839**	8,908	**0**	0
NHS payables - capital	**0**	153	**0**	0
NHS accruals and deferred income	**4,855**	2,296	**0**	0
Family Health Services (FHS) payables	**12,106**	11,128		
Non-NHS payables - revenue	**1,413**	2,647	**0**	0
Non-NHS payables - capital	**1,723**	2,036	**0**	0
Non_NHS accruals and deferred income	**2,170**	1,055	**0**	0
Social security costs	**0**	48		
VAT	**0**	0	**0**	0
Tax	**38**	58		
Payments received on account	**0**	0	**0**	0
Other	434	267	0	0
Total	**26,578**	28,596	**0**	0
Total payables (current and non-current)	**26,578**	**28,596**		

Other payables include £73k (2011-12: £140k) in respect of outstanding pensions contributions at 31 March 2013.

26 Other liabilities

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

27 Borrowings

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

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	**Other £000s**	**Total £000s**
0 - 1 Years	0	0	**0**
1 - 2 Years	0	0	**0**
2 - 5 Years	0	0	**0**
Over 5 Years	0	0	**0**
TOTAL	**0**	**0**	**0**

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Opening balance at1 April 2012	**0**	10	**0**	0
Deferred income addition	**0**	0	**0**	0
Transfer of deferred income	**0**	(10)	**0**	0
Current deferred Income at 31 March 2013	**0**	0	**0**	0
Total other liabilities (current and non-current)	**0**	**0**		

30 Finance lease obligations

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

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

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

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

31 Finance lease receivables as lessor

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

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

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

Finance Leases (as a Lessor)	**31 March 2013**	31 March 2012
	£000	£000
The unguaranteed residual value accruing to the PCT is	**0**	**0**
Accumulated allowance for uncollectible minimum lease payments receivable	**0**	**0**

Rental Income	**31 March 2013**	31 March 2012
	£000	£000
Contingent rent	**0**	0
Other	**0**	0
Total rental income	**0**	0

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

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**2,693**	0	2,137	0	0	70	0	0	486	0
Arising During the Year	**11,308**	0	317	0	0	10,580	0	0	0	411
Utilised During the Year	**(3,751)**	0	(3,395)	0	0	(20)	0	0	(336)	0
Reversed Unused	**0**	0	0	0	0	0	0	0	0	0
Unwinding of Discount	**1,258**	0	1,258	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**11,508**	**0**	**317**	**0**	**0**	**10,630**	**0**	**0**	**150**	**411**
Expected Timing of Cash Flows:										
No Later than One Year	**11,004**	**0**	**20**	**0**	**0**	**10,630**	**0**	**0**	**150**	**204**
Later than One Year and not later than Five Years	**288**	**0**	**81**	**0**	**0**	**0**	**0**	**0**	**0**	**207**
Later than Five Years	**216**	**0**	**216**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	87
As at 31 March 2012	253

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

The remaining provision relates to an injury benefit case which has been discounted at 2.35%.

An amount of £10,630k has been included in the provisions relating to any outstanding Continuing Care Retrospective Claims. This provision has been calculated using two phases, phase one being claims for period of care between 1st April 2004 and 31st March 2011, and phase two being claims for period of care between 1st April 2011 and 31st March 2012. The basis for calculation includes an estimate of the average staff costs involved for assessing each case, average weekly cost of providing the care based on a sample of provider costs for this group of patients, and an estimated number of years based on a sample of claims for length of care. A County Court Judgement interest of 8% has been used along with unwinding of discount of 1.8%.

Other provisions of £150k are in respect of capital grants.

£411k relates to redundancy provisions for two employees at risk.

£87k is included in the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the PCT (31/03/2012 £253k).

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other	**(8,676)**	0
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(8,676)**	0
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

The £8,676k contingent liability is in respect of the retrospective continuing care outstanding claims (see Note 1.1) as the final outcome and the resultant financial effects remain uncertain at the year end. The value reported is the worst case scenario.

34 PFI and LIFT - additional information

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

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

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

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

	31 March 2013 £000	31 March 2012 £000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
LIFT Scheme Expiry Date:		
No Later than One Year	**0**	0
Later than One Year, No Later than Five Years	**0**	0
Later than Five Years	**0**	0
Total	**0**	0

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

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

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	31 March 2013 £000	31 March 2012 £000
No Later than One Year	**0**	0
Later than One Year, No Later than Five Years	**0**	0
Later than Five Years	**0**	0
Subtotal	**0**	0
Less: Interest Element	**0**	0
Total	**0**	0

35 Impact of IFRS treatment - 2012-13

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

36 Financial Instruments

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

Currency risk

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

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

Credit Risk

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

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

36.1 Financial Assets	**At 'fair value through profit and loss' £000**	**Loans and receivables £000**	**Available for sale £000**	**Total £000**
Embedded derivatives	0			**0**
Receivables - NHS		1,320		**1,320**
Receivables - non-NHS		306		**306**
Cash at bank and in hand		50		**50**
Other financial assets	0	0	79	**79**
Total at 31 March 2013	**0**	**1,676**	**79**	**1,755**
Embedded derivatives	0			0
Receivables - NHS		4,572		4,572
Receivables - non-NHS		2,564		2,564
Cash at bank and in hand		3		3
Other financial assets	0	0	84	84
Total at 31 March 2012	0	7,139	84	7,223

36.2 Financial Liabilities	**At 'fair value through profit and loss' £000**	**Other £000**	**Total £000**
Embedded derivatives	0		**0**
NHS payables		8,694	**8,694**
Non-NHS payables		28,964	**28,964**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**37,658**	**37,658**
Embedded derivatives	0		0
NHS payables		12,996	12,996
Non-NHS payables		17,689	17,689
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	30,685	30,685

37 Related party transactions

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Hillingdon Primary Care Trust. The following related party transactions were reported by the Shadow Clinical Commissioning Board that relate to Hillingdon Primary Care Trust. The GMS payments shown below relates to services provided by the practice which the Shadow Clinical Commissioning member is a partner rather than payments to Shadow Clinical Commissioning members themselves. The payment is the total paid to the practices as a whole before taking into account practice expenses in delivering services.

	Payments to Related Party	
Clinical Commissioning Board - PMS or GMS Costs	**2012/13**	**2011/12**
	£'000	**£'000**
Dr M Garsin	954	881
Dr R Gudi	595	593
Dr K Johal	1,053	1,034
Dr S Mort	373	347
Dr M Nanavati	753	725
Dr I Goodman	1,659	1,571
Dr S Shapiro	1,245	1,227
Dr T Davies	896	883
Dr P Hurton	1,356	1,299

The practices for which the above GPs are partners held shares in both Harmoni Ltd and Hillingdon Health Ltd and both companies had dealings with Hillingdon PCT 2012/13. Harmoni was sold during 2012/13 to Care UK, and the above practices are no longer shareholders. The above practices also no longer hold shares in Hillir Health.

In addition to the above Dr Johal has the following related party disclosures:
Hillingdon Hospital NHS Foundation Trust - spouse is Emergency Medicine Consultant
RCGP (UK) - Clinical Commissioning Champion - Advisory Role

Ian Goodman, Hillingdon PCT Caldicott Guardian and Chair of Hillingdon Commissioning Consortium, was also paid a monthly salary from Harmoni Ltd for his role as held shares in HWH (Harmoni), Harmoni Independent and Harmoni plus. Following the sale of Harmoni during 12/13 all of his shares were disposed of. Ian Goodma salary form Care UK for his role as Information Governance Lead.

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

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

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

	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
A Primary Care Trusts				
Croydon PCT	2	22,480	83	0
Ealing PCT	241	137	0	306
Harrow PCT	13	160	7	0
Westminster PCT	36	2,510	17	272
B Trusts				
Barts Health NHS Trust	0	827	498	0
Buckinghamshire Healthcare NHS Trust	0	400	0	69
Ealing Hospital NHS Trust	0	2,257	9	0
East And North Hertfordshire NHS Trust	0	7,726	0	16
Imperial College Healthcare NHS Trust	0	16,988	0	178
London Ambulance Service NHS Trust	0	9,790	0	12
North West London Hospitals NHS Trust	0	12,131	0	10
Oxford University Hospitals NHS Trust	0	324	0	0
South West London And St Georges Mental Health NHS Trust	0	261	0	0
St Georges Healthcare NHS Trust	0	408	53	0
The Royal National Orthopaedic Hospital NHS Trust	0	2,843	0	163
West Hertfordshire Hospitals NHS Trust	0	5,721	0	215
West London Mental Health NHS Trust	0	620	0	56
West Middlesex University NHS Trust	0	1,526	0	32
Whittington Hospital NHS Trust	0	186	0	3
C Foundation Trusts				
Ashford And St Peters Hospitals NHS Foundation Trust	0	305	10	0
Central And North West London MH NHS Foundation Trust	527	53,735	469	1,317
Chelsea And Westminster Hospital NHS Foundation Trust	0	2,114	0	128
Great Ormond Street Hospital for Children NHS Foundation Trust	0	2,991	0	85
Guys And St Thomas NHS Foundation Trust	0	1,600	0	48
Heatherwood And Wexham Park Hosps NHS Foundation Trust	0	1,735	28	0
Kings College Hospital NHS Foundation Trust	0	442	23	0
Moorfields Eye Hospital NHS Foundation Trust	0	1,013	0	69
Oxford Health NHS Foundation Trust	0	183	0	53
Royal Brompton And Harefield NHS Foundation Trust	0	15,820	0	1,112
Royal Free London NHS Foundation Trust	0	3,000	0	58
The Hillingdon Hospital NHS Foundation Trust	0	131,738	4	3,264
The Royal Marsden Hospital NHS Foundation Trust	0	477	0	0
University College London NHS Foundation Trust	0	4,752	0	453
D Others				
London Strategic Health Authority	1,187	0	0	0
E Local Councils				
Hillingdon London Borough Council	71	9,889	906	276

38 Losses and special payments

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

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

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	14,326	13
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	14,326	13
Total special payments	0	0
Total losses and special payments	14,326	13

39 Third party assets

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

40 Community Equipment Service Pooled Budget

Hillingdon PCT has a pooled budget arrangement with London Borough of Hillingdon. London Borough of Hillingdon is the host. The memorandum account for the pooled budget is:

SECTION 75 POOLED BUDGET - FINANCIAL YEAR 2012/13 COMMUNITY EQUIPMENT SERVICE	Budget	Actual	Variance
FORECAST AS AT PERIOD 9			
INCLUDES EQUIPMENT INVOICED UP TO NOVEMBER 2012			
	£	**£**	**£**
STAFF			
APT Staff & Car allowances	47,767	50,000	2,233
Sub Total	**47,767**	**50,000**	**2,233**
NON-STAFF			
Equipment Purchase	580,000	849,119	269,119
Equipment Preventative Maintenance	9,000	42,163	33,163
Delivery Charges	300,000	328,949	28,949
Operational Activity Charge - Chemical WC Emptying	13,000	14,945	1,945
IT Support for new software	9,540	9,540	0
Lead Authority role Royal Borough of Kensington & Chelsea	10,000	10,000	0
Allocation of Overheads	8,000	8,000	0
Total Staff & Non Staff	**977,307**	**1,312,716**	**335,409**
INCOME			
Fees/Charges - Chemical WC Emptying Service	-6,200	-4,495	1,705
Sub Total	**-6,200**	**-4,495**	**1,705**
TOTALS	**971,107**	**1,308,221**	**337,114**
50% SHARE FROM HILLINGDON PCT	**485,554**	**654,111**	**£168,557**
50% SHARE FROM SOCIAL CARE	**485,554**	**654,111**	**£168,557**

41 Cashflows relating to exceptional items

There are no cash flows relating to exceptional items.

42 Events after the end of the reporting period

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

NHS England
Hillingdon Clinical Commissioning Group
London Borough of Hillingdon

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

Current Assets and Liabilties where the asset or liabilty will be discharged by 30th June 2013 will transfer to the Department of Health. Assets and Liabilities which will not be discharged by the 30th June 2013 will transfer with the function to the receivers above.