



Department
of Health



Oxfordshire Primary Care Trust

2012-13 Annual Report and Accounts

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Oxfordshire Primary Care Trust

2012-13 Annual Report

**ANNUAL REPORT
2012/13**

OXFORDSHIRE PRIMARY CARE TRUST

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Oxfordshire Primary Care Trust - Annual Report 2012/13

Directors Report

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

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

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

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

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

During 2012/13 we have also made a number of significant improvements in care and service provision in the county.

Oxfordshire PCT has made significant progress in the redevelopment of community hospitals in Bicester and Henley. These schemes both have all the necessary business case approvals and planning applications and I was delighted that we reached financial close for Bicester in the last few days of Oxfordshire PCT's existence. The Henley scheme is due to reach financial close early in the 2013/14 financial year.

Oxfordshire PCT has implemented the NHS 111 service during 2012/13. The NHS 111 service was co-designed by the NHS and the Department of Health but implemented locally in a way that best supports local services. The implementation has been challenging and at times performance has fallen well below expected standards in terms of response times. The Trust and Clinical Commissioning Group has worked hard with Oxford Health NHS

Foundation Trust and the South Central Ambulance Service NHS Foundation Trust to improve performance and ensure any clinical risk is minimised. This has resulted in measurable improvements through the year.

Performance in many areas has improved including cancer access times, MRSA incidents, increasing Health Visitor numbers although providers have experienced difficulty maintaining the Accident and Emergency access target throughout the winter and we have not seen the reduction in delayed transfers of care that we had aspired to. These issues remain a key focus of the Oxfordshire Clinical Commissioning Group going forward.

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

A handwritten signature in black ink, appearing to read 'Matthew Tait', with a stylized flourish at the end.

Matthew Tait
Chief Executive
NHS Buckinghamshire & Oxfordshire Cluster

About this report

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

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

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

About NHS Oxfordshire

NHS Oxfordshire is a primary care trust which means we are given funding from the government to plan and buy health services for Oxfordshire residents. We serve a population of over 680,000 people across Oxfordshire.

We buy services from hospitals, mental health trusts, the ambulance service and a range of other organisations. We also support 83 GP practices, 112 pharmacies and 86 dental practices (including 6 orthodontic practices) as well as optometry and other community services. Some services are jointly commissioned with Oxfordshire County Council.

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

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

PCT Cluster Arrangements

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

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

Performance

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

In 2012/13 Oxfordshire continued to deliver improvements including:

- Cancer access times
- Incidence of MRSA bacteremia
- Ambulance response times
- Early intervention of Psychosis
- Continuing to achieve the NHS Constitution Standard for patients being seen within 18 weeks

Key areas for improvement:

- Diagnostic waiting times – whilst we have seen some improvement in 2012/13, we fell short of the national target
- Reducing the number of Delayed Transfers of Care – a new discharge pathway has been introduced during 2012/13 which has not yet had the expected impact on reducing delays
- A&E 4 hour target – increasing demand and complexity of patients has resulted in the target not being achieved throughout the winter

All of the improvement areas were reflected in the formal quality handover document and are identified as key priorities for the successor organisations.

Sustainability

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

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

Our staff

At the end of March 2013 we employed 227 staff, with 189 whole time equivalents. This included staff employed by the emerging Oxfordshire Clinical Commissioning Group (CCG). A number of hosted functions were transferred to other NHS trusts via TUPE arrangement during the last quarter of the year and therefore do not appear in the final headcount figure.

Valuing and developing staff

We remain committed to the development and training of our staff, particularly to support delivery of business as usual and also equipping staff with skills to enable them to thrive in the NHS of the future. We provide learning and development for our staff through a service level agreement with one of our provider organisations, which offers a range of personal and management development courses.

Staff engagement

We involve staff in key decisions and keep them informed of what is happening in the organisation through a number of different mechanisms.

Throughout 2012/13, we have maintained our regular monthly staff briefings, led by the Chief Executive, ensuring staff are kept up to date with the direction of the organisation and the changes as result of Health and Social Care Act. These were supplemented by meetings for staff joining Oxfordshire CCG. We also introduced our weekly electronic staff bulletin called 'The Point', which is emailed to all staff. Important transition information for all staff e.g. job vacancies was also circulated to all staff by email.

Newsletters and briefing sessions were provided to all staff and information received from the emerging organisations was disseminated to all staff as and when received. Representatives from Oxfordshire Clinical Commissioning Group attended staff briefings

Wellbeing at work

During 2012/13, the pace of national and local change has accelerated and we have maintained a close focus on staff well-being. In February 2012 we introduced an Employee Assistance Programme which provides 24/7 telephone help for all employees on a variety of issues, with the option of face-to-face counselling close to home or work, if appropriate. This continued during the remainder of 2012 and into 2013.

The focus on staff well being during the year was equipping both staff and managers for the recruitment and selection process for the new organisations. This involved a programme of career counselling, CV writing, interviewing skills as well as Leading through Change training for managers.

Due to its demise, the PCT was exempt from taking part in the National Staff Survey.

Staff absence and sickness remained below the 3% target set by South Central Strategic Health Authority (SHA) for all but one month of the year.

Equality and Diversity

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

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

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

Disability 'two-ticks' symbol

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

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

Staff data

Staff Group	Total	Percentage
Additional Professional Scientific and Technical	16	7.0
Administration and Clerical	188	82.8
Medical and Dental	19	8.4
Nursing, Midwifery & Health Visiting	4	1.8
Others	0	0
TOTAL	227	100.0%

Ethnic Origin	Total
A White - British	177
B White - Irish	4
C White - Any other White background	9
CA White English	2
F Mixed White & Asian	1
GF Mixed other – specified	1
H Asian or Asian British - Indian	6
J Asian or Asian British - Pakistani	1
K Asian or Asian British - Bangladeshi	3
L Asian or Asian British – Any other Asian background	2
M Black or Black British Caribbean	3
N Black or Black British - African	6
R Chinese	3
Undefined	5
Z Not Stated	4
Total	227

Percentage monthly Commissioning staff absence rate

Month	Year	Percentage
April	2012	3.2%
May	2012	2.9%
June	2012	2.9%
July	2012	2.9%
August	2012	2.7%
September	2012	1.9%
October	2012	2.6%
November	2012	2.3%
December	2012	2.0%
January	2013	2.0%
February	2013	1.0%
March	2013	0.5%

The Cluster Board

Board Chairman

- Stewart George – Chairman, NHS Buckinghamshire
- Fred Hucker – Chairman, NHS Oxfordshire (to 28/09/12)
- Ailsa Granne – Chairman, NHS Oxfordshire (from 26/09/12)

Non Executive Directors on the Cluster Board

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

Executive Directors on the Cluster Board

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

Honorary Contract

- James Drury - Director of Finance (from 01/01/13)
- Helen Clanchy - Director of Commissioning (from 01/01/13)
- Jan Fowler - Director of Nursing (from 01/01/13)

Executive Committee

- John Galuszka – GP, Oxfordshire PCT
- Richard Green – Clinical Governance Lead & GP, Oxfordshire PCT

Invitation to attend:

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

Non Executive Directors not on the Cluster Board

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

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

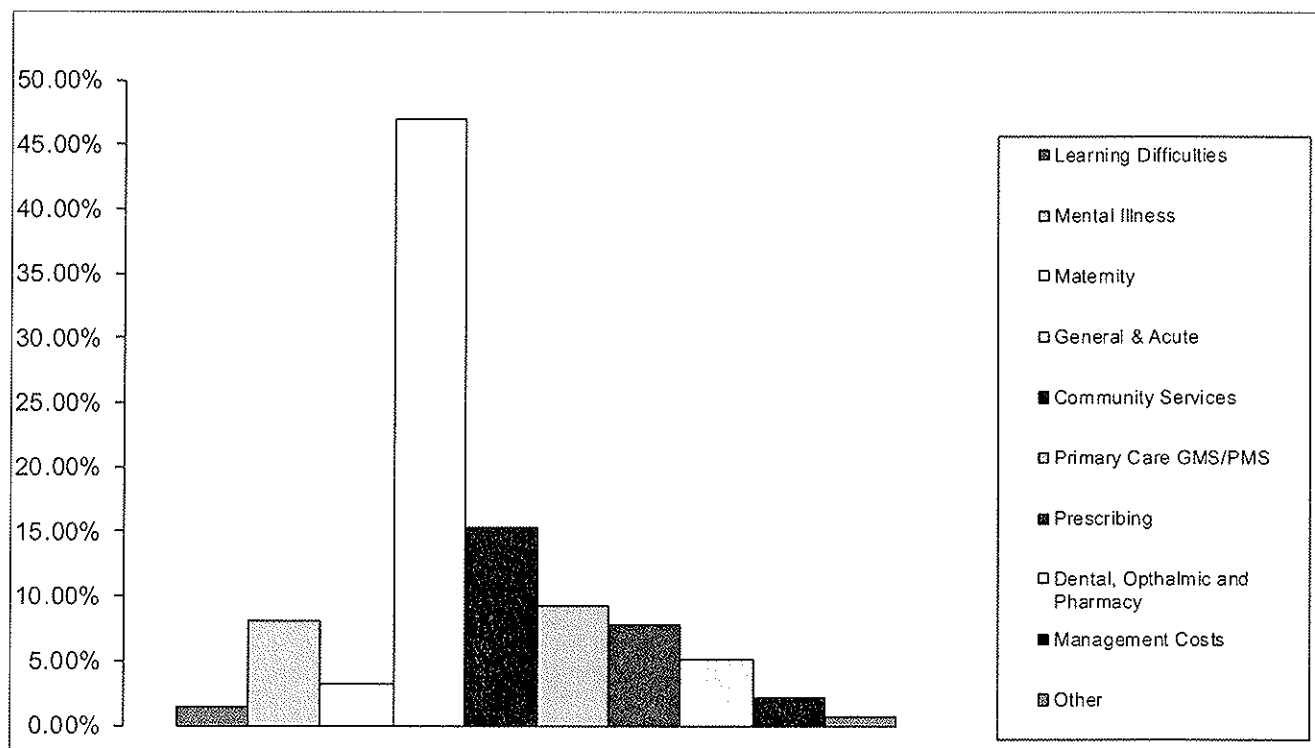
All directorships (both executive and non-executive) came to an end on the 31 March 2013 with the closedown of the PCT.

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

Financial Information - Accounts Year Ended 31 March 2013

How Your Money Is Spent

During 2012/13 Oxfordshire PCT spent over £956m on a range of services commissioned from acute, mental health, community service providers and contracted with an array of Primary Care Practitioners. The profile of this spend is reflected in the graph below.



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

Financial Position of Oxfordshire PCT for the Year Ended 31st March 2013

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

Statement of Comprehensive Net Expenditure

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

- Commissioning - services supplied by other organisations outside the PCT such as Acute Trusts
- Gross Operating Costs - total expenditure incurred through operating activities

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

Statement of Financial Position (Balance Sheet)

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

Terminology covers:

- Property, Plant and Equipment - which is Land, buildings, equipment and fixture and fittings
- Non Current Assets - represent rights or other access to future economic benefits controlled by the PCT as a result of past transactions or events which will materialise in the future greater than twelve months
- Current Assets - rights or other access to future economic benefits controlled by the PCT as a result of past transactions or events which will materialise within the next twelve months
- Inventories - items purchased for future use
- Trade and Other Receivables - amounts owed to the PCT at the Balance Sheet date
- Cash and Cash equivalents- cash held in banks and in hand
- Liabilities - obligation of the PCT to transfer economic benefits as a result of past transactions or events
- Provisions - liabilities in which the amount and timing is uncertain. While there has been no cash payment, the PCT anticipates making a payment at a future date and so its net assets are reduced accordingly
- Borrowings - this relates to Finance Leases which the PCT has entered into, mainly the LIFT schemes and the Independent Sector Treatment Centre at the Horton
- General Fund - represents the funds needed but not yet sought from DH that is required to meet the cost of goods and services received less cash not received for services provided and payments/investments made in fixed assets
- Revaluation Reserve- reserve generated by the excess of revalued amount of assets over book value of assets
- Donation Reserve - value of assets purchased by donations from the public or charities

Cash Flow Statement

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

- Net Cash Outflow from Activities - relates to cash spent from normal operating activities
- Capital Expenditure - payments for new capital assets and receipts from asset sales. Capital expenditure relates to spending on buildings, land and equipment which exceeds £5,000

- Net Cash Inflow from Financing - the total amount of cash the PCT has been given by the Department of Health
- Net Parliamentary Funding - money given to the PCT by the Department of Health to spend on the provision of services

Capital Resource Limit

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

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

Summary Financial Statements for Accounts to 31 March 2013

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE: YEAR ENDED 31 MARCH 2013

	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	14,593	13,458
Other costs	985,248	1,003,645
Income	(44,306)	(43,863)
Net operating costs before interest	<u>955,535</u>	<u>973,240</u>
Investment income	(28)	(29)
Other (Gains)/Losses	(225)	0
Finance costs	1,672	1,993
Net operating costs for the financial year	<u>956,954</u>	<u>975,204</u>
Revenue Resource Limit	964,830	977,428
Under/(Over)spend Against Revenue Resource Limit (RRL)	7,876	2,224

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	31 March 2013	31 March 2012
	£000	£000
Non-current assets:		
Property, plant and equipment	87,152	87,613
Intangible assets	247	398
investment property	0	0
Other financial assets	445	455
Trade and other receivables	0	0
Total non-current assets	87,844	88,466
Current assets:		
Inventories	0	0
Trade and other receivables	7,949	8,037
Other financial assets	0	0
Other current assets	0	0
Cash and cash equivalents	195	0
Total current assets	8,144	8,037
Non-current assets held for sale	1,750	1,000
Total current assets	9,894	9,037
Total assets	97,738	97,503
Current liabilities		
Trade and other payables	(45,430)	(62,790)
Other liabilities	0	0
Provisions	(4,395)	(4,495)
Borrowings	(548)	(565)
Other financial liabilities	0	0
Total current liabilities	(50,373)	(67,850)
Non-current assets plus/less net current assets/liabilities	47,365	29,653
Non-current liabilities		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(8,659)	(4,618)
Borrowings	(15,830)	(16,178)
Other financial liabilities	0	0
Total non-current liabilities	(24,489)	(20,796)
Total Assets Employed:	22,876	8,857
Financed by taxpayers' equity:		
General fund	1,829	(11,808)
Revaluation reserve	21,047	20,665
Other reserves	0	0
Total taxpayers' equity:	22,876	8,857



Matthew Tait,
Chief Executive



James Drury,
Director of Finance

STATEMENT OF CHANGES IN TAXPAYERS EQUITY: YEAR ENDED 31 MARCH 2013

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(11,808)	20,665	0	8,857
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(956,954)			(956,954)
Net gain on revaluation of property, plant, equipment		2,170		2,170
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		(952)		(952)
Movements in other reserves			0	0
Transfers between reserves*	836	(836)		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	(956,118)	382	0	(955,736)
Net Parliamentary funding	969,755			969,755
Balance at 31 March 2013	1,829	21,047	0	22,876
Balance at 1 April 2011	(20,807)	21,448	0	641
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(975,204)			(975,204)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,854		1,854
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		(2,080)		(2,080)
Movements in other reserves			0	0
Transfers between reserves*	557	(557)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	42	0	0	42
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	(974,605)	(783)	0	(975,388)
Net Parliamentary funding	983,604			983,604
Balance at 31 March 2012	(11,808)	20,665	0	8,857

SUMMARY CASH FLOW STATEMENT: YEAR ENDED 31 MARCH 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	(955,535)	(973,240)
Depreciation and Amortisation	3,676	3,731
Impairments and Reversals	534	10,685
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	(1,549)	(1,874)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in inventories	0	336
(Increase)/Decrease in Trade and Other Receivables	88	423
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(15,326)	3,679
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(5,013)	(3,529)
Increase/(Decrease) in Provisions	8,831	2,447
Net Cash Inflow/(Outflow) from Operating Activities	(964,294)	(957,342)
Cash flows from investing activities		
Interest Received	28	29
(Payments) for Property, Plant and Equipment	(6,577)	(12,094)
(Payments) for Intangible Assets	0	0
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	1,500	495
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	(5,049)	(11,570)
Net cash inflow/(outflow) before financing	(969,343)	(968,912)
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(143)	(15,264)
Net Parliamentary Funding	969,755	983,604
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	969,612	968,340
Net increase/(decrease) in cash and cash equivalents	269	(572)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	(74)	498
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	195	(74)

The balances are analysed in the following table:

	31 March 2013 £000	31 March 2012 £000
PCT own bank accounts	0	0
TVPCA - Primary Care paying Agency	0	0
Cash in Hand	0	0
Pooled Budget arrangements	195	(74)
	195	(74)

RUNNING COSTS

	Total	Commissioning Public Health Services	
PCT Running Costs 2012-13			
Running costs (£000s)	20,448	16,391	4,057
Weighted population (number in units)*	530,227	530,227	530,227
Running costs per head of population (£ per head)	<u>38.56</u>	<u>30.91</u>	<u>7.65</u>
PCT Running Costs 2011-12			
Running costs (£000s)	20,703	16,046	4,657
Weighted population (number in units)	530,227	530,227	530,227
Running costs per head of population (£ per head)	<u>39.05</u>	<u>30.26</u>	<u>8.78</u>

Weighted population figures are not available for 2012/13 as the weighted capitation formula for PCT allocations was not updated for 2012/13. This was because it was decided to give all PCTs the same percentage growth in their allocations in this transitional year rather than differential growth based on a weighted capitation formula. Therefore, 2011/12 weighted populations have been used when calculating the Running Costs per head of population in 2012/13.

FUNDS HELD ON TRUST

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

CAPITAL RESOURCE LIMIT

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	3,130	13,124
Charge to Capital Resource Limit	3,130	13,124
(Over)/Underspend Against CRL	<u>0</u>	<u>0</u>

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

SALARIES AND ALLOWANCES OF SENIOR MANAGERS 2012/13

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

Name	Title	Status	Total Salary (Bands of £5,000) £000	Total Pensions Benefit (Bands of £5,000) £000	Oxon PCT Salary (Bands of £5,000) £000	Bonuses (Bands of £5,000) £000	Other Remuneration (Bands of £5,000) £000
Board Chairman							
Fred Hucker	Joint Chairman	Cluster (2)	15-20		5-10		
Stewart George	Joint Chairman	Cluster (1)	35-40		15-20		
Ailsa Granne	Joint Chairman	Cluster (2)	20-25		10-15		
Board Non Executive Directors							
Rosslyn Avery	Non Executive Director	Cluster (2)	10-15		5-10		
Sumit Biswas	Non Executive Director	Cluster (2)	5-10		0-5		
Tony Mullee	Non Executive Director	Cluster (2)	5-10		0-5		
David Lunn	Non Executive Director	Cluster (1)	5-10		0-5		
Murray Fraser	Non Executive Director	Cluster (1)	5-10		0-5		
Elaine Deste	Non Executive Director	Cluster (1)	10-15		5-10		
Board Executive Members							
Jonathan McWilliam	Director of Public Health	Oxfordshire PCT only	115-120	60-65	115-120		60-65
Matthew Tail	Chief Executive	Cluster (2)	145-150	25-30	70-75		
Colin Thompson	Director of QIPP, Performance - to 1/11/13	Cluster (1)	50-55	10-15	25-30		
Ronan O'Connor	Director of Communications & Patient Information	Cluster (2)	95-100	5-10	45-50		
Caroline Gregory	Acting Director of Finance - to 01/01/13	Cluster (2)	75-80	15-20	35-40		
Jane Dudley	Director of Reform, Governance and People Management	Cluster (1)	95-100	25-30	45-50		185-190
Sula Wiltshire	Director of Nursing & Quality - to 1/1/13	Cluster (3)	70-75	20-25	35-40		
Geoff Payne	Medical Director	Cluster (1)	95-100	75-80	45-50		
Honorary Contracts - contracts without remuneration							
James Drury	Director of Finance						
Jan Fowler	Director of Nursing						
Helen Clanchy	Director of Commissioning						
Non Executive Directors - Not on the Board							
Fiona Mackay Perkins	Non Executive Director	Cluster (2)	5-10		0-5		
Bryan Thompson	Non Executive Director	Cluster (2)	10-15		10-15		
Executive Committee (as above Board Executive Members plus the following)							
John Walton	GP	Oxfordshire PCT only	35-40		35-40		
John Galuszka	GP	Oxfordshire PCT only	25-30		25-30		
Richard Green	Clinical Governance Lead & GP	Oxfordshire PCT only	55-60		55-60		

Notes :

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

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

3- Originally from Oxfordshire PCT joined Cluster October 2011

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

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

Matthew Tail is a Director of Oxford Infracare LIFT Ltd

In 2011/12 Buckinghamshire and Oxfordshire PCT's clustered under a joint management structure.

The Remuneration of the Senior Managers is apportioned 50% to each organisation

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

Bryan Thompson and Fiona Mackay Perkins are non executive directors but not members of the Cluster Board.

PENSION BENEFITS- GREENBURY DISCLOSURE 2012/13

The following relates to Board Executive Directors only.

Name	Title	Status	Real increase in pension at age 60 (Bands of £2,500) £000	Lump sum at aged 60 related to real increase in pension (Bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (Bands of £5,000) £000	Lump sum at aged 60 related to accrued pension at 31 March 2013 (Bands of £5,000) £000	CETV at 30 March 2013 £000	CETV at 31 March 2012 £000	Real increase in CETV £000	Employer's contribution to stakeholder pension £000
Board Executive Members										
Jonathan McWilliam	Director of Public Health	Oxfordshire PCT only	2.5-5	2.5-5	60-65	180-185	1,257	1,131	67	0
Matthew Tait	Chief Executive	Cluster (2)	0-2.5	0-2.5	25-30	75-80	413	376	17	0
Colin Thompson	Director of QIPP	Cluster (1)	0-2.5	0-2.5	10-15	50-55	274	260	7	0
Ronan O'Connor	Director of Communications & Patient Information	Cluster (2)	0-2.5	0	5-10	0	48	32	14	0
Caroline Gregory	Acting Director of Finance	Cluster (2)	0-2.5	10-12.5	15-20	60-65	403	318	52	0
Jane Dudley	Director of Reform, Governance and People Management	Cluster (1)	(0-2.5)	(0-2.5)	25-30	75-80	484	450	11	0
Sula Wiltshire	Director of Nursing & Quality	Cluster (3)	0-2.5	0-2.5	20-25	80-85	668	581	42	0
Geoff Payne	Medical Director	Cluster (1)	2.5-5	12.5-15	75-80	210-215	0	0	0	0

Notes

1- Previously from Buckinghamshire PCT prior to Cluster

2- Previously from Oxfordshire PCT prior to Cluster

3- Originally from Oxfordshire PCT joined Cluster October 2011

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

G Payne - Pension is fully paid up

PENSION BENEFITS- GREENBURY DISCLOSURE

2011/12

Name	Job Title	Status	Real increase in pension at age 60 (Bands of £2,500) £000	Lump sum at aged 60 related to real increase in pension (Bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2012 (Bands of £5,000) £000	Lump sum at aged 60 related to accrued pension at 31 March 2012 (Bands of £5,000) £000	CETV at 31 March 2012 £000	CETV at 31 March 2011 £000	Real increase in CETV £000	Employer's contribution to stakeholder pension £000
Board Executive Members										
Ronan O'Connor	Director of Communications & Patient Information	Cluster (2)	0-2.5	0	0.5	0	32	12	20	0
Jane Dudley	Director of Reform, Governance and People Management	Cluster (1)	0-2.5	0-2.5	20-25	70-75	450	385	53	0
Caroline Gregory	Acting Director of Finance (From 12/11) (From 12/11)	Cluster (2)	0-2.5	0-2.5	20-25	60-65	318	258	52	0
Jonathan McWilliam	Director of Public Health	Oxfordshire PCT only	0-2.5	0-2.5	55-60	170-175	1,131	1,007	93	0
Sonia Mills	Chief Executive (to 11/11)	Cluster (2)	0-2.5	0-2.5	75-80	235-240	0	1,556	(1,615)	0
Catherine Mountford	Deputy Director Reform and Governance (to 06/11)	Oxfordshire PCT only	0-2.5	0-2.5	25-30	85-90	520	440	60	0
Geoff Payne	Medical Director	Cluster (1)	(0-2.5)	(2.5-5)	65-70	200-205	0	0	0	0
Matthew Tail	Acting Chief Executive (From 12/11)	Cluster (2)	2.5-5	7.5-10	25-30	75-80	376	266	101	0
Colin Thompson	Director of QIPP Performance & Quality	Cluster (1)	0-2.5	0-2.5	15-20	50-55	250	193	51	0
Alan Webb	Transition Director	Oxfordshire PCT only	0-2.5	0-2.5	25-30	80-85	428	346	71	0
Sue Wiltshire	Director of Nursing & Quality	Cluster (2)	0-2.5	5-7.5	25-30	75-80	581	502	63	0

Notes

1- Previously from Buckinghamshire PCT prior to Cluster

2- Previously from Oxfordshire PCT prior to Cluster

3- Originally from Oxfordshire PCT joined Cluster October 2011

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

G Payne - Pension is fully paid up

The content of the tables above covering Pension Benefits relates to Oxfordshire PCT only; they have not been apportioned across Buckinghamshire 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 pension scheme member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which this disclosure applies.

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

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

Real Increase in CETV

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

Exit Packages

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

Exit package cost band (including any special payment element)	2012/13			2011/12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Lees than £10,000	3	0	3	0	12	12
£10,001-£25,000	2	0	2	0	2	2
£25,001-£50,000	2	0	2	0	1	1
£50,001-£100,000	1	0	1	0	3	3
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	1	1
£200,001 - £250,000	0	0	0	0	0	0
£205,001 - £300,000	0	0	0	0	0	0
>£300,000	0	0	0	0	1	1
Total number of exit packages by type (total cost)	8	0	8	0	20	20
Total resource cost	£000s 181	£000s 0	£000s 181	£000s 0	£000s 821	£000s 821

Workforce Remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Oxfordshire PCT in the financial year 2012/13 was £150k (£175k in 2011/12). In 2012/13, this was 4 times (5 times in 2011/12) the median remuneration of the workforce, which was £37k (£34k in 2011/12). The difference in the multiple is due to the appointment of a new Chief Executive at lower remuneration. In 2012/13, 0 (0 in 2011/12) employees received remuneration in excess of the highest-paid director based on remuneration applicable to Oxfordshire PCT.

Public Sector Payment Policy

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

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

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

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

PCT compliance was:

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	17,729	112,358	24,923	134,756
Total Non-NHS Trade Invoices Paid Within Target	<u>16,516</u>	<u>106,076</u>	<u>22,483</u>	<u>125,575</u>
Percentage of Non-NHS Trade Invoices Paid Within Target	<u>93.16%</u>	<u>94.41%</u>	<u>90.21%</u>	<u>93.19%</u>
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,967	677,340	4,553	649,870
Total NHS Trade Invoices Paid Within Target	<u>4,638</u>	<u>677,295</u>	<u>3,974</u>	<u>635,849</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>93.38%</u>	<u>99.99%</u>	<u>87.28%</u>	<u>97.84%</u>

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.

Notes to the Accounts

Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

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

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership.

Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

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

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

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

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

Governance Statement

Scope of Responsibility

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

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

Oxfordshire PCT, as part of the Buckinghamshire and Oxfordshire PCT Cluster, works closely with other NHS and non-NHS organisations across the system, in particular the NHS South of England Strategic Health Authority, and Oxfordshire County Council (OCC).

The PCT has taken a leading role in driving forward the significant changes needed for the local health economy. This has been developed through meetings, such as those held by CAHO (Creating a Healthy Oxfordshire) Programme Board, which was attended by Chief Executives from Oxfordshire PCT, Oxfordshire NHS Trusts and Foundation Trusts and OCC, and latterly the Provider Chief Executives' Group. This forum oversees all change initiatives that underpin the implementation of the Quality, Innovation, Productivity and Prevention (QIPP), Reform and Operational Plan (QRO).

The PCT has developed strong governance arrangements with OCC on the management of its pooled budget arrangements spanning continuing care, learning disabilities, and mental health services.

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

The Governance Framework of the Organisation

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

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

representation.

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

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

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

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

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

There have been three Cluster Board workshops during the year:

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

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

Board-delegated Committees

Audit Committee

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

The Committee comprises of three non-executive director members. In addition, there is

regular attendance on the part of executive directors. Key leads are invited to attend on specific agenda items.

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

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

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

Joint Audit Committee

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

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

Audit Sub Committee

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

Operational Handover

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

The Planning Process

The PCT engaged the Oxfordshire Clinical Commissioning Group (OCCG) in the planning process for 2012/13, including establishing clear responsibility for relevant areas of the QIPP process and formalising this through an Accountability Agreement approved by the Cluster Board in March 2012. OCCG have played a key role in the health economy in 2012/13 year

and planning for 2013/14 and beyond.

Oxfordshire Commissioning Quality Committee (formerly Commissioning Quality Subcommittee)

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

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

Risk Assessment

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

Structured risk management and assessment processes include:

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

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

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

Key risks to the PCT's QIPP, Reform and Operating Plans are identified, assessed and monitored in year.

New members of staff are made aware of the importance of managing risk through induction sessions covering governance (corporate and information), risk management, human resources related policies, whistle blowing and counter fraud.

Staff briefings and workshops are provided to ensure board members and current staff are updated regularly.

The importance of managing the Oxfordshire health economy in times of change have been identified through a number of risks on the BAF, including:

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

These risks were reported and managed appropriately throughout 2012/13 as evidenced by Oxfordshire CCG's progress to authorisation, the approval of quality handover documents in March and the successful transition process. The PCT has taken steps to ensure that successor organisations continue to mitigate and manage these risks.

The Board has assessed the performance of the PCT against its objectives and has also obtained assurance from its internal auditors on the governance arrangements in place.

Handover and Closure

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

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

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

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

Framework for financial closedown

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

- preparation and sign off of PCT accounts for 2012/13;
- support for the completion of the Department's resource account;
- transfer of closing balances to residual organisations;
- management of local discharge of balances transferred to the Department;
- management of payroll queries and other related payroll issues; and
- handover of residual balances managed on behalf of the Department.

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

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

Compliance with Corporate Governance Code

The Board of the PCT meets in public and publishes Board Papers, agenda and minutes on their websites. The Board adheres to the "Nolan Principles" setting out the ways in which holders of Public Office behave in the discharge of their duties and as a guiding principle for decision making. The Board does not consider that there are any departures from the Corporate Governance Code that require explanation in this statement.

The Risk and Control Framework

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

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

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

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

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

Review of the Effectiveness of Risk Management and Internal Control

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

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

Controls have been put in place to manage risks within the organisation. The key Board Committees have regularly received and discussed their respective risk registers. The Audit Committee has sought assurance that the BAF appropriately reflects the level of risk and incorporates mitigating actions. Independent assurance on the effectiveness of risk management and internal control has been provided through Internal Audit reviews of risk management, statutory duties and responsibilities and Cluster governance arrangements. .

Controls have been implemented to manage risks within the organisation. The Cluster Board and the Joint Audit Committee (Buckinghamshire and Oxfordshire) regularly review the BAF, risk registers and related reports on any significant issues which may impact on the PCT.

The Oxfordshire Commissioning for Quality Committee receives regular risk-related reports providing assurance on the quality and safety of commissioned services. If there are significant issues which relate to the whole health economy, these are highlighted to the South Central Strategic Health Authority (now NHS South of England).

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

- Risk management is incorporated into the planning and decision making processes of the PCT with assessment of risk to the organisation's strategic objectives described, mitigating actions identified, reported on and regularly updated through the assurance framework and risk registers.
- Each director has defined accountability for ensuring that risks are identified and for putting in place actions to manage and control these risks.
- The PCT Risk Manager monitors the Board Assurance Framework and Risk Registers to ensure that the risk management process is fully reflected in the reports sent to Audit Committees and Cluster Board.
- Identification and management of risks are embedded across the whole organisation through a widely accessible e-learning course and risk management software (Datix).
- There have been no identified lapses of data security which are significant issues in Oxfordshire throughout 2012/13.

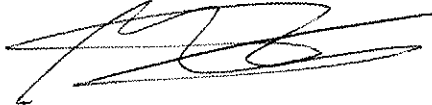
The Head of Internal Audit for Oxfordshire in his Annual Report stated that based on the work undertaken in 2012/13: "significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk".

The Oxfordshire Audit Committee confirmed that there were no significant control issues for

the financial year ending 31 March 2013.

Accountable Officer:

Matthew Tait

A handwritten signature in black ink, appearing to be 'MT', written over a horizontal line.

Organisation:

Oxfordshire NHS Primary Care Trust

Date:

05/06/2013

Off-payroll Engagements

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

	Oxfordshire Primary Care Trust
No. In place on 31 January 2012	4
Of which:	
No. that have since come onto the Organisation's payroll	Nil
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	3
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	1
No that have come to an end	Nil
Total	4

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

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

	Oxfordshire Primary Care Trust
No. of new engagements	3
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	3
Of which:	
No. for whom assurance has been accepted and received	3
No. for whom assurance has been accepted and not received	Nil
No. that have been terminated as a result of assurance not being received	Nil
Total	3

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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF OXFORDSHIRE PCT

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Net Expenditure, Summary Statement of Financial Position, Statement of changes in Taxpayers Equity, Summary Cash Flow Statement, Running Costs note and the Capital Resource Limit set out on pages 16 to 20 and the associated notes.

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

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

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

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

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Oxfordshire PCT for the year ended 31 March 2013.



Ernst & Young LLP, Statutory Auditor
06 June 2013

The Audit Fee for 2012/13 was £160,823.

The audit was carried out by:

Ernst & Young LLP

Apex Plaza

Forbury Road

Reading

RG1 1YE

United Kingdom

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

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



Department
of Health



Oxfordshire Primary Care Trust

2012-13 Accounts

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Oxfordshire Primary Care Trust

2012-13 Accounts

**OXFORDSHIRE
PRIMARY CARE TRUST**

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2013**

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

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

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

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

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

effective and sound financial management systems were in place; and

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

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

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

Name: Matthew Tait

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

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

- make judgements and estimates which are reasonable and prudent;

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

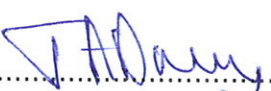
- ensure that the PCT kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

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

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

By order of the Permanent Secretary.

05/06/2013 Date  Signing Officer

05/06/2013 Date  Finance Signing Officer

Governance Statement

Scope of Responsibility

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

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

Oxfordshire PCT, as part of the Buckinghamshire and Oxfordshire PCT Cluster, works closely with other NHS and non-NHS organisations across the system, in particular the NHS South of England Strategic Health Authority, and Oxfordshire County Council (OCC).

The PCT has taken a leading role in driving forward the significant changes needed for the local health economy. This has been developed through meetings, such as those held by CAHO (Creating a Healthy Oxfordshire) Programme Board, which was attended by Chief Executives from Oxfordshire PCT, Oxfordshire NHS Trusts and Foundation Trusts and OCC, and latterly the Provider Chief Executives' Group. This forum oversees all change initiatives that underpin the implementation of the Quality, Innovation, Productivity and Prevention (QIPP), Reform and Operational Plan (QRO).

The PCT has developed strong governance arrangements with OCC on the management of its pooled budget arrangements spanning continuing care, learning disabilities, and mental health services.

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

The Governance Framework of the Organisation

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

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

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

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

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

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

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

There have been three Cluster Board workshops during the year:

- The May 2012 workshop which focused on the corporate governance framework.
- The July 2012 workshop which focused on the Cluster Risk Management Structure, the organisation's strategic and corporate objectives and review and agreement on related principal risks; and NHS reform and its impact. The February 2013 workshop which focussed on NHS transition to ensure a smooth and effective handover to receiver organisations.
- The workshops were attended by executive and non-executive Board members, CCGs' accountable officers and key leads.

Board-delegated Committees

Audit Committee

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

The Committee comprises of three non-executive director members. In addition, there is regular attendance on the part of executive directors. Key leads are invited to attend on specific agenda items.

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

- the Director of Finance;
- the Chief Financial Officer of Oxfordshire CCG in respect of financial performance;
- Internal Audit and External Audit – including reports on the outcome of reviews together with recommendations on any necessary actions;
- the Director of Finance of the Commissioning Support Unit (CSU)
- the Local Counter Fraud Specialist, and
- the Director of Finance in respect of the risk registers and the Board Assurance Framework, the latter in conjunction with the Buckinghamshire Audit Committee at the joint meetings held since May 2012.

The audit committee also received updates on the authorisation process and PCT transition arrangements.

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

Joint Audit Committee

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

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

Audit Sub Committee

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

Operational Handover

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

The Planning Process

The PCT engaged the Oxfordshire Clinical Commissioning Group (OCCG) in the planning process for 2012/13, including establishing clear responsibility for relevant areas of the QIPP process and formalising this through an Accountability Agreement approved by the Cluster Board in March 2012. OCCG have played a key role in the health economy in 2012/13 year and planning for 2013/14 and beyond.

Oxfordshire Commissioning Quality Committee (formerly Commissioning Quality Subcommittee)

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

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

Risk Assessment

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

Structured risk management and assessment processes include:

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

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

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

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

The importance of managing the Oxfordshire health economy in times of change have been identified through a number of risks on the BAF, including:

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

These risks were reported and managed appropriately throughout 2012/13 as evidenced by Oxfordshire CCG's progress to authorisation, the approval of quality handover documents in March and the successful transition process. The PCT has taken steps to ensure that successor organisations continue to mitigate and manage these risks.

The Board has assessed the performance of the PCT against its objectives and has also obtained assurance from its internal auditors on the governance arrangements in place.

Handover and Closure

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

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

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

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

Framework for financial closedown

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

- preparation and sign off of PCT accounts for 2012/13;
- support for the completion of the Department's resource account;
- transfer of closing balances to residual organisations;
- management of local discharge of balances transferred to the Department;
- management of payroll queries and other related payroll issues; and
- handover of residual balances managed on behalf of the Department.

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

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

Compliance with Corporate Governance Code

The Board of the PCT meets in public and publishes Board Papers, agenda and minutes on their websites. The Board adheres to the "Nolan Principles" setting out the ways in which holders of Public Office behave in the discharge of their duties and as a guiding principle for decision making. The Board does not consider that there are any departures from the Corporate Governance Code that require explanation in this statement.

The Risk and Control Framework

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

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

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

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

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

Review of the Effectiveness of Risk Management and Internal Control

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

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

Controls have been put in place to manage risks within the organisation. The key Board Committees have regularly received and discussed their respective risk registers. The Audit Committee has sought assurance that the BAF appropriately reflects the level of risk and incorporates mitigating actions. Independent assurance on the effectiveness of risk management and internal control has been provided through Internal Audit reviews of risk management, statutory duties and responsibilities and Cluster governance arrangements.

Controls have been implemented to manage risks within the organisation. The Cluster Board and the Joint Audit Committee (Buckinghamshire and Oxfordshire) regularly review the BAF, risk registers and related reports on any significant issues which may impact on the PCT.

The Oxfordshire Commissioning for Quality Committee receives regular risk-related reports providing assurance on the quality and safety of commissioned services. If there are significant issues which relate to the whole health economy, these are highlighted to the South Central Strategic Health Authority (now NHS South of England).

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

- Risk management is incorporated into the planning and decision making processes of the PCT with assessment of risk to the organisation's strategic objectives described, mitigating actions identified, reported on and regularly updated through the assurance framework and risk registers.
- Each director has defined accountability for ensuring that risks are identified and for putting in place actions to manage and control these risks.
- The PCT Risk Manager monitors the Board Assurance Framework and Risk Registers to ensure that the risk management process is fully reflected in the reports sent to Audit Committees and Cluster Board.
- Identification and management of risks are embedded across the whole organisation through a widely accessible e-learning course and risk management software (Datix).
- There have been no identified lapses of data security which are significant issues in Oxfordshire throughout 2012/13.

The Head of Internal Audit for Oxfordshire in his Annual Report stated that 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, some weaknesses in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk"*.


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

Accountable Officer:

Matthew Tait

Organisation:

Oxfordshire NHS Primary Care Trust

Signature.....

Date.....05/04/2013

INDEPENDENT AUDITORS' REPORT TO THE ACCOUNTABLE OFFICER FOR OXFORDSHIRE PCT

We have audited the financial statements of Oxfordshire PCT for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 45. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

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

- the table of salaries and allowances of senior managers and related narrative notes on page 21;
- the table of pension benefits of senior managers and related narrative notes on page 22; and
- the pay multiples and related narrative notes on page 25.

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

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

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

Scope of the audit of the financial statements

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

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

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

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

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects

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

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

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

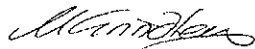
- our review of the Governance Statement;

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

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

Certificate

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



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

06 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	14,593	13,458
Other costs	5.1	985,248	1,003,645
Income	4	(44,306)	(43,863)
Net operating costs before interest		955,535	973,240
Investment income	9	(28)	(29)
Other (Gains)/Losses	10	(225)	0
Finance costs	11	1,672	1,993
Net operating costs for the financial year		956,954	975,204
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		956,954	975,204
Of which:			
Administration Costs			
Gross employee benefits	7.1	14,593	13,458
Other costs	5.1	8,488	10,655
Income	4	(2,633)	(3,410)
Net administration costs before interest		20,448	20,703
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		20,448	20,703
Programme Expenditure			
Gross employee benefits	7.1	0	0
Other costs	5.1	976,760	992,990
Income	4	(41,673)	(40,453)
Net programme expenditure before interest		935,087	952,537
Investment income	9	(28)	(29)
Other (Gains)/Losses	10	(225)	0
Finance costs	11	1,672	1,993
Net programme expenditure for the financial year		936,506	954,501
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		952	2,080
Net (gain) on revaluation of property, plant & equipment		(2,170)	(1,854)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	0
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
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		955,736	975,430

The notes on pages 16 to 65 form part of these accounts.



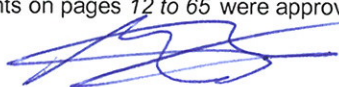
Statement of Financial Position at 31 March 2013

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	87,152	87,613
Intangible assets	13.1	247	398
Investment property	15	0	0
Other financial assets	21	445	455
Trade and other receivables	19.1	0	0
Total non-current assets		87,844	88,466
Current assets:			
Inventories	18	0	0
Trade and other receivables	19.1	7,949	8,037
Other financial assets	36.1	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	195	0
Total current assets		8,144	8,037
Non-current assets held for sale	24	1,750	1,000
Total current assets		9,894	9,037
Total assets		97,738	97,503
Current liabilities			
Trade and other payables	25	(45,430)	(62,790)
Other liabilities	26,28	0	0
Provisions	32	(4,395)	(4,495)
Borrowings	27	(548)	(565)
Other financial liabilities	36.2	0	0
Total current liabilities		(50,373)	(67,850)
Non-current assets plus/less net current assets/liabilities		47,365	29,653
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(8,659)	(4,618)
Borrowings	27	(15,830)	(16,178)
Other financial liabilities	36.2	0	0
Total non-current liabilities		(24,489)	(20,796)
Total Assets Employed:		22,876	8,857
Financed by taxpayers' equity:			
General fund		1,829	(11,808)
Revaluation reserve		21,047	20,665
Other reserves		0	0
Total taxpayers' equity:		22,876	8,857

The notes on pages 16 to 65 form part of these accounts.

The financial statements on pages 12 to 65 were approved by the Board on

Chief Executive:



Director of Finance



and signed on its behalf by

Date:

05/06/2013

Date:

05/06/2013

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(11,808)	20,665	0	8,857
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(956,954)			(956,954)
Net gain on revaluation of property, plant, equipment		2,170		2,170
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		(952)		(952)
Movements in other reserves			0	0
Transfers between reserves*	836	(836)		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	(956,118)	382	0	(955,736)
Net Parliamentary funding	969,755			969,755
Balance at 31 March 2013	1,829	21,047	0	22,876
Balance at 1 April 2011	(20,807)	21,448	0	641
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(975,204)			(975,204)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,854		1,854
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		(2,080)		(2,080)
Movements in other reserves			0	0
Transfers between reserves*	557	(557)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	42	0	0	42
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	(974,605)	(783)	0	(975,388)
Net Parliamentary funding	983,604			983,604
Balance at 31 March 2012	(11,808)	20,665	0	8,857

**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		(955,535)	(973,240)
Depreciation and Amortisation		3,676	3,731
Impairments and Reversals		534	10,685
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		(1,549)	(1,874)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	336
(Increase)/Decrease in Trade and Other Receivables		88	423
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(15,326)	3,679
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(5,013)	(3,529)
Increase/(Decrease) in Provisions		8,831	2,447
Net Cash Inflow/(Outflow) from Operating Activities		(964,294)	(957,342)
Cash flows from investing activities			
Interest Received		28	29
(Payments) for Property, Plant and Equipment		(6,577)	(12,094)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		1,500	495
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		(5,049)	(11,570)
Net cash inflow/(outflow) before financing		(969,343)	(968,912)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(143)	(15,264)
Net Parliamentary Funding		969,755	983,604
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		969,612	968,340
Net increase/(decrease) in cash and cash equivalents		269	(572)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		(74)	498
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		195	(74)

1. Accounting policies

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

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

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

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

1. Accounting policies (continued)

a) Provisions

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

In 2012/13 in response to the Department of Health's announcement that all claims for NHS Continuing Healthcare relating to the period from 1 April 2004 to 31 March 2012 be submitted to PCTs by 30 September 2012 the PCT has recognised a provision for these retrospective claims of £11.1m. The key assumptions used in estimating the provision relate to the period for which funding was claimed, the weekly cost and the probability of the claims being successful. Management have relied on historic PCT records in respect of the period of claim and costs of continuing care. In considering the probability of the claims being successful the PCT has estimated the conversion rate, however, due to the non-recurrent nature of the claims, the period that the retrospective claims cover and the high number of claims submitted there is a potential uncertainty in respect of the number of successful claims and the resulting financial cost. Actual claims settled may therefore differ from those calculated.

b) Impairment of Assets

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

- The PCT is required, on at least an annual basis, to calculate the value accounts receivable should be impaired using determined assumptions. The judgement applied assumes that as debts age the likelihood of recovery reduces so the impairment covers Non NHS debts greater than 30 days. This method requires an estimation and actual outcomes can vary significantly.
- Property, Plant and Equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined by the use of the District Valuer who will prepare valuations based on assumptions and estimates.

Key sources of estimation uncertainty

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

The PCT has performed a revaluation exercise in 2011-12 and again at the end of 2012-13 performed by the District Valuer and utilising the All in Tender Price index published by the Building Cost Information Service (BCIS) and the land index is based on the residential building and land values reported in the Property Market Report published by the valuation office. Whilst the market remains volatile by having regular professional valuations to reaffirm the carrying values it will take away the uncertainty.

Accruals are calculated utilising management knowledge, market intelligence and contractual arrangements. These accruals cover GMS, Contractor Led Dentistry, Prescribing and contracts for healthcare and non healthcare services, e.g. GMS is £3m and Prescribing is £10m. Actual results may differ from those calculated.

1.2 Revenue and Funding

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

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. Accounting policies (continued)

1.3 Care Trusts Designation

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

1.4 Pooled budgets

As a commissioner of healthcare services, the Primary Care Trust makes contributions to the pool, which are then used to purchase healthcare services. The Primary Care Trust accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement.

The PCT has entered into the following Pooled Budgets arrangements:

i) Older People (including Continuing Care)

The PCT has entered into a pooled budget arrangement with Oxfordshire County Council (OCC). Under the arrangement, funds are pooled under S75 of the Health Act 2006 for Older People and Continuing Care Services and a memorandum note to the accounts provides details of the joint income and expenditure. These arrangements are hosted by OCC.

ii) Mental Health

The PCT has entered into a pooled budget arrangement with Oxfordshire County Council (OCC). Under the arrangement, funds are pooled under S75 of the Health Act 2006 for Mental Health Services and a memorandum note to the accounts provides details of the joint income and expenditure.

iii) Learning Disabilities

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

1.5 Taxation

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

1.6 Administration and Programme Costs

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

From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme"

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

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

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

1. Accounting policies (continued)

1.7 Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.8 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.9 Depreciation, amortisation and impairments

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

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

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

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

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.

AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1. Accounting policies (continued)

1.10 Donated assets

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

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

1.11 Government grants

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

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

1.12 Non-current assets held for sale

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

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

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

1.13 Inventories

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

1.14 Cash and cash equivalents

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

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

1.15 Losses and Special Payments

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

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

1.16 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.17 Employee benefits

Short-term employee benefits

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

Retirement benefit costs

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

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

1.18 Research and Development

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

1.19 Other expenses

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

1.20 Grant making

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

1.21 EU Emissions Trading Scheme

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

1. Accounting policies (continued)

1.22 Contingencies

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

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

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

1.23 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.24 Foreign exchange

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

1.25 Provisions

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

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

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

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

1. Accounting policies (continued)

1.26 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

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

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the Statement of Comprehensive Net Expenditure on de-recognition. Fair value is determined by experts in the area the assets relate eg for Land and Buildings the expert is the District Valuer, for Stocks and Shares it will be a stock broker.

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.

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

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

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

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

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss

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

Other financial liabilities

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

1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

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

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

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

a) Services received

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

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

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

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

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

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

1. Accounting policies (continued)

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

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

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

c) Lifecycle replacement

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

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

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

Assets contributed by the PCT to the operator for use in the scheme

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

Other assets contributed by the PCT to the operator

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

1. Accounting policies (continued)

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

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

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

2 Operating Segments

Since the transfer of the Provider services to Oxford Health Foundation Trust from the 1/4/11, the PCT has only one segment that it now reports on and that is Healthcare.

	2012-13 £000	2011-12 £000
Net Expenditure	<u>956,954</u>	<u>975,204</u>
Net Assets:		
Segment net assets	<u>22,876</u>	<u>8,857</u>

3. Financial Performance Targets

3.1 Revenue Resource Limit

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

	2012-13 £000	2011-12 £000
Total Net Operating Cost for the Financial Year	956,954	975,204
Net operating cost plus (gain)/loss on transfers by absorption	0	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	964,830	977,428
Under/(Over)spend Against Revenue Resource Limit (RRL)	7,876	2,224

3.2 Capital Resource Limit

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

	2012-13 £000	2011-12 £000
Capital Resource Limit	3,130	13,124
Charge to Capital Resource Limit	3,130	13,124
(Over)/Underspend Against CRL	0	0

3.3 Provider full cost recovery duty

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

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

3.4 Under/(Over)spend against cash limit

Total Charge to Cash Limit

Cash Limit

Under/(Over)spend Against Cash Limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	969,755	983,604
Cash Limit	969,755	983,604
Under/(Over)spend Against Cash Limit	0	0

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

Total cash received from DH (Gross)

Less: Trade Income from DH

Less/(Plus): movement in DH working balances

Sub total: net advances

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

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

Plus: drugs reimbursement (central charge to cash limits)

Parliamentary funding credited to General Fund

2012-13 £000
871,465
(2,571)
0
868,894
0
21,170
79,691
969,755

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	0	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	8,204		8,204	8,088
Dental Charge income from Trust-Led GDS & PDS	0		0	173
Prescription Charge income	4,104		4,104	3,826
Strategic Health Authorities	1,674	0	1,674	188
NHS Trusts	1,137	0	1,137	1,200
NHS Foundation Trusts	2,429	0	2,429	1,495
Primary Care Trusts Contributions to DATs	0		0	0
Primary Care Trusts - Other	2,760	2,407	353	30
Primary Care Trusts - Lead Commissioning	3,332	0	3,332	7,985
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	2,571	0	2,571	2,334
Recoveries in respect of employee benefits	226	226	0	1,794
Local Authorities	10,382	0	10,382	9,677
Patient Transport Services	0		0	0
Education, Training and Research	907	0	907	911
Non-NHS: Private Patients	0		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0		0	0
NHS Injury Costs Recovery	0		0	0
Other Non-NHS Patient Care Services	0	0	0	0
Charitable and Other Contributions to Expenditure	0		0	0
Receipt of donated assets	0		0	0
Receipt of Government granted assets	0		0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	5,584	0	5,584	5,138
Other revenue	996	0	996	1,024
Total miscellaneous revenue	44,306	2,633	41,673	43,863

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	91,756		91,756	67,523
Non-Healthcare	1,036	1,036	0	2,269
Total	92,792	1,036	91,756	69,792
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	358,248	0	358,248	406,367
Goods and services (other, excl Trusts, FT and PCT))	0	0	0	0
Total	358,248	0	358,248	406,367
Goods and Services from Foundation Trusts				
Purchase of Healthcare from Non-NHS bodies	190,651	1,121	189,530	163,179
Social Care from Independent Providers	87,508		87,508	85,661
Expenditure on Drugs Action Teams	0		0	0
Non-GMS Services from GPs	6,706		6,706	6,938
Contractor Led GDS & PDS (excluding employee benefits)	1,252	682	570	797
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	29,335		29,335	34,320
Chair, Non-executive Directors & PEC remuneration	3,729		3,729	4,003
Executive committee members costs	109	109	0	104
Consultancy Services	303	303	0	368
Prescribing Costs	4,104	235	3,869	4,945
G/PMS, APMS and PCTMS (excluding employee benefits)	74,804		74,804	81,539
Pharmaceutical Services	88,922	0	88,922	87,283
Local Pharmaceutical Services Pilots	3,396		3,396	3,487
New Pharmacy Contract	0		0	0
General Ophthalmic Services	18,713		18,713	17,741
Supplies and Services - Clinical	4,363		4,363	4,434
Supplies and Services - General	2,030	0	2,030	2,236
Establishment	419	419	0	746
Transport	1,536	1,536	0	1,869
Premises	119	0	119	14
Impairments & Reversals of Property, plant and equipment	5,824	1,241	4,583	5,255
Impairments and Reversals of non-current assets held for sale	534	0	534	10,685
Depreciation	0	0	0	0
Amortisation	3,525	404	3,121	3,592
Impairment & Reversals intangible non-current assets	151	0	151	139
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	0
Inventory write offs	(594)	0	(594)	(552)
Research and Development Expenditure	0	0	0	0
Audit Fees	3,295	0	3,295	3,296
Other Auditors Remuneration	187	187	0	232
Clinical Negligence Costs	77	77	0	37
Education and Training	132	132	0	53
Grants for capital purposes	304	304	0	831
Grants for revenue purposes	295	0	295	1,146
Impairments and reversals for investment properties	0	0	0	0
Other	0	0	0	0
Total Operating costs charged to Statement of Comprehensive Net Expenditure	2,479	702	1,777	3,108
	985,248	8,488	976,760	1,003,645
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	387
PCT Officer Board Members	858	858	0	900
Other Employee Benefits	13,735	13,735	0	12,171
Total Employee Benefits charged to SOCNE	14,593	14,593	0	13,458
Total Operating Costs	999,841	23,081	976,760	1,017,103

Analysis of grants reported in total operating costs

For capital purposes

Grants to fund Capital Projects - GMS	112	0	112	142
Grants to Local Authorities to Fund Capital Projects	0	0	0	0
Grants to Private Sector to Fund Capital Projects	0	0	0	750
Grants to Fund Capital Projects - Dental	183	0	183	254
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	295	0	295	1,146
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	295	0	295	1,146

	Total	Commissioning Public Health Services	
PCT Running Costs 2012-13			
Running costs (£000s)	20,448	16,391	4,057
Weighted population (number in units)*	530,227	530,227	530,227
Running costs per head of population (£ per head)	<u>38.56</u>	<u>30.91</u>	<u>7.65</u>
PCT Running Costs 2011-12			
Running costs (£000s)	20,703	16,046	4,657
Weighted population (number in units)	530,227	530,227	530,227
Running costs per head of population (£ per head)	<u>39.05</u>	<u>30.26</u>	<u>8.78</u>

* 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

Contractor Led costs are overstated in 2011/12 by £4,003k and the Healthcare from Foundation Trusts understated.

Note 5.1 analysis of gross operating costs:

Notes

(a) Consultancy costs

	2012/13 £000's	2011/12 £000's
Health Services	113	70
General Management	3,968	4,807
IT Consultancy	23	68
Grand Total	<u>4,104</u>	<u>4,945</u>

General Management includes Consultancy Costs for Commissioning Enablement Service (CES) which relates to the whole of the South Central Area: £3,297k (£4,704k in 11/12) and £245k on Transition costs implementing the Health and Social Care Act 2012.

Oxfordshire PCT capitalisation share of the CES costs is £461k (£691k in 11/12)

	2012/13 £000's	2011/12 £000's
(b) Other audit Fees		
Payments by Results - Data Assurance	25	36
Other Audit Fees	52	0
Fraud Audit	0	1
Grand Total	<u>77</u>	<u>37</u>

5.2 Analysis of operating expenditure by expenditure classification	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	88,922	87,440
Prescribing costs	74,804	81,539
Contractor led GDS & PDS	29,335	34,320
Trust led GDS & PDS	3,729	4,221
General Ophthalmic Services	4,363	4,434
Department of Health Initiative Funding	0	0
Pharmaceutical services	3,396	3,487
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	18,713	17,741
Non-GMS Services from GPs	501	797
Other	751	0
Total Primary Healthcare purchased	224,514	233,979
Purchase of Secondary Healthcare		
Learning Difficulties	13,075	13,183
Mental Illness	76,881	78,982
Maternity	30,956	29,836
General and Acute	410,966	420,244
Accident and emergency	38,743	34,941
Community Health Services	152,007	128,248
Other Contractual	3,553	4,113
Total Secondary Healthcare Purchased	726,181	709,547
Grant Funding		
Grants for capital purposes	295	1,146
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	950,990	944,672
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	187,879	159,775

6. Operating Leases

The PCT has entered into lease arrangements for the use of buildings, vehicles (under the staff scheme whereby a contribution is paid by the employee) and small equipment such as photocopiers and printers, which meet the criteria of operating leases.

The significant lease arrangements relate to the use of buildings of which the lease of Jubilee House (the PCT Headquarters) is the largest which has minimum lease payments of £676k and has a remaining life of 6 years.

In all cases there are no option to purchase clauses and the PCT has not calculated or provided for any contingent rent. Most leases require a 6 month termination period for the PCT and the average life remaining is 6 years.

The PCT has not entered into any operating or long land leases with the exception of the premises for Community Services, leased from the Order of St John. This lease is for the Community Hospital at Chipping Norton which is classed as a finance lease and the Land is classed as an operating lease under IAS17.

Oxfordshire PCT has entered into certain financial arrangements involving the use of GP premises. Under IAS 17: 'Leases', SIC 27: 'Evaluating the substance of transactions involving the legal form of a lease' and IFRIC 4: 'Determining whether an arrangement contains a lease', the PCT has determined that those operating leases must be recognised, but, as there is no defined term in the arrangement(s) entered into, it is not possible to analyse the arrangement(s) over financial years. The financial value included in the Operating Cost Statement for 2012/13 is £5,374k (£6823k in 11/12).

6.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
Payments recognised as an expense					
Minimum lease payments				1,413	1,690
Contingent rents				0	0
Sub-lease payments				0	0
Total				1,413	1,690
Payable:					
No later than one year	28	2,096	60	2,184	1,665
Between one and five years	111	6,704	109	6,924	6,474
After five years	1,279	12,583	0	13,862	4,340
Total	1,418	21,383	169	22,970	12,479
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

Oxfordshire PCT has entered into certain financial arrangements involving leasing. Under IAS 17: 'Leases', SIC 27: 'Evaluating the substance of transactions involving the legal form of a lease', IFRIC 4: 'Determining whether an arrangement contains a lease', the PCT has determined that those operating leases must be recognised, but, as there is no defined term in the arrangement(s) entered into, it is not possible to analyse the arrangement(s) over financial years.

Such arrangements include the use of the PCT owned premises by GPs for surgeries

From the 1st April 2011 Oxford Health Foundation Trust was contracted to supply the provision of community health services for Oxfordshire. Part of that agreement involves the leasing the assets used for that provision of service such as Community Hospitals and associated equipment to the value of £4.6m. £984k relates to other leases to health care practitioners e.g. GP's.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	5,584	5,138
Contingent rents	0	0
Total	5,584	5,138
Receivable:		
No later than one year	5,584	5,138
Between one and five years	0	0
After five years	0	0
Total	5,584	5,138

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	12,102	12,102	0	11,371	11,371	0	731	731	0
Social security costs	941	941	0	941	941	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	1,369	1,369	0	1,369	1,369	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	181	181	0	181	181	0	0	0	0
Total employee benefits	14,593	14,593	0	13,862	13,862	0	731	731	0
Less recoveries in respect of employee benefits (table below)	(226)	(226)	0	(226)	(226)	0	0	0	0
Total - Net Employee Benefits including capitalised costs	14,367	14,367	0	13,636	13,636	0	731	731	0
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	14,593	14,593	0	13,862	13,862	0	731	731	0
Recognised as:									
Commissioning employee benefits	14,593			13,862			731		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	14,593			13,862			731		

	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	226	226	0	226	226	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	226	226	0	226	226	0	0	0	0

Employee Benefits 2011/12

	Permanently employed			Other £000
	Total £000	£000	£000	
Employee Benefits Gross Expenditure 2011-12				
Salaries and wages	9,404	8,896	508	
Social security costs	1,810	1,810	0	
Employer Contributions to NHS BSA - Pensions Division	1,423	1,423	0	
Other pension costs	0	0	0	
Other post-employment benefits	0	0	0	
Other employment benefits	0	0	0	
Termination benefits	821	821	0	
Total gross employee benefits	13,458	12,950	508	
Less recoveries in respect of employee benefits	(1,794)	(1,792)	(2)	
Total - Net Employee Benefits including capitalised costs	11,664	11,158	506	
Employee costs capitalised	0	0	0	
Gross Employee Benefits excluding capitalised costs	13,458	12,950	508	
Recognised as:				
Commissioning employee benefits	13,458			
Provider employee benefits	0			
Gross Employee Benefits excluding capitalised costs	13,458			

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	10.1	10.1	0.0	40.0	39.0	1.0
Ambulance staff	0.0	0.0	0.0	0.0	0.0	0.0
Administration and estates	194.9	180.3	14.6	208.5	195.0	13.5
Healthcare assistants and other support staff	0.0	0.0	0.0	0.0	0.0	0.0
Nursing, midwifery and health visiting staff	4.8	2.8	2.0	8.0	7.0	1.0
Nursing, midwifery and health visiting learners	0.0	0.0	0.0	0.0	0.0	0.0
Scientific, therapeutic and technical staff	4.1	4.1	0.0	15.0	15.0	0.0
Social Care Staff	0.0	0.0	0.0	0.0	0.0	0.0
Other	4.6	4.6	0.0	2.0	2.0	0.0
TOTAL	218.5	201.9	16.6	273.5	258.0	15.5
Of the above - staff engaged on capital projects	0	0	0	2	2	0

7.3 Staff Sickness absence and ill health retirements

	2012-13	2011-12
	Number	Number
Total Days Lost	1,024	1,361
Total Staff Years	209	240
Average working Days Lost	4.90	5.67

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			Total number of exit packages by cost band
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed		
	Number	Number	Number	Number	Number	Number	
Less than £10,000	3	0	3	0	12	12	
£10,001-£25,000	2	0	2	0	2	2	
£25,001-£50,000	2	0	2	0	1	1	
£50,001-£100,000	1	0	1	0	3	3	
£100,001 - £150,000	0	0	0	0	0	0	
£150,001 - £200,000	0	0	0	0	1	1	
>£200,000	0	0	0	0	1	1	
Total number of exit packages by type (total cost)	8	0	8	0	20	20	
	£000s	£000s	£000s	£000s	£000s	£000s	
Total resource cost	181	0	181	0	821	821	

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

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

7.5 Pension costs [to update - details from NHS BSA]

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	17,729	112,358	24,923	134,756
Total Non-NHS Trade Invoices Paid Within Target	16,516	106,076	22,483	125,575
Percentage of NHS Trade Invoices Paid Within Target	93.16%	94.41%	90.21%	93.19%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,967	677,340	4,553	649,870
Total NHS Trade Invoices Paid Within Target	4,638	677,295	3,974	635,849
Percentage of NHS Trade Invoices Paid Within Target	93.38%	99.99%	87.28%	97.84%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	28	0	28	29
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	<u>28</u>	<u>0</u>	<u>28</u>	<u>29</u>
Total investment income	<u>28</u>	<u>0</u>	<u>28</u>	<u>29</u>

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)	(275)	0	(275)	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	500	0	500	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	<u>225</u>	<u>0</u>	<u>225</u>	<u>0</u>

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	317	0	317	596
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	1,232	0	1,232	1,277
- 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	<u>1,549</u>	<u>0</u>	<u>1,549</u>	<u>1,873</u>
Other finance costs	0	0	0	0
Provisions - unwinding of discount	123		123	120
Total	<u>1,672</u>	<u>0</u>	<u>1,672</u>	<u>1,993</u>

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	£000
Cost of valuation: At 1 April 2012	27,490	44,678	255	4,718	2,151	40	8,075	12,589	89,976
Additions of Assets Under Construction	0	122	0	2,803	39	0	1,213	227	2,803
Additions Purchased	0	0	0	0	0	0	0	0	0
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Grants	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	189	0	(2,561)	666	0	1,140	596	0
Reclassifications as Held for Sale	(1,750)	0	0	0	0	0	0	0	(1,750)
Disposals other than for sale	0	(12)	0	0	(207)	0	0	(302)	(521)
Upward revaluation/positive indexation	150	616	0	0	0	0	0	0	766
Impairment/negative indexation	(681)	(261)	0	0	0	0	0	0	(942)
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	25,199	45,333	255	4,930	2,649	40	10,428	13,090	101,924
Depreciation									
At 1 April 2012	45	0	10	0	634	40	5,781	5,853	12,363
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	(4)	0	0	(86)	0	0	(186)	(246)
Upward revaluation/positive indexation	75	459	(5)	0	0	0	0	0	(1,404)
Reversal of impairments	0	0	0	0	0	0	0	0	534
Charged During the Year	0	1,407	5	0	93	0	1,055	965	3,525
Transfers to/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	120	463	10	4,930	1,978	40	6,836	6,652	14,772
Not Book Value at 31 March 2013	25,079	44,870	245	4,930	1,978	0	3,592	6,458	87,152
Purchased	25,079	44,870	245	4,930	1,978	0	3,592	6,458	87,152
Donated	0	0	0	0	0	0	0	0	0
Government Grants	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	25,079	44,870	245	4,930	1,978	0	3,592	6,458	87,152
Asset financing:									
Owned	25,079	29,807	245	4,930	1,978	0	3,592	6,458	72,089
Held on finance lease	0	2,666	0	0	0	0	0	0	2,666
On-SCFP PFI contracts	0	12,397	0	0	0	0	0	0	12,397
PFI residual interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	25,079	44,870	245	4,930	1,978	0	3,592	6,458	87,152

The PCT has £500k of donated assets (£604m 11/12) in the total for Property, Plant and Equipment

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	19,897	6,357	106	64	0	0	161	20,665
Movements (specify)	(697)	202	(1)	(1)	0	0	(5)	382
At 31 March 2013	12,580	7,540	105	63	0	0	156	21,047

Additions to Assets Under Construction in 2012-13

Land	Buildings excl Dwellings	Dwellings	Plant & Machinery	Total
£000	£000	£000	£000	£000
Land	0	0	0	0
Buildings excl Dwellings	2,803	0	0	2,803
Dwellings	0	0	0	0
Plant & Machinery	0	0	0	0
Balance as at YTD	2,803	0	0	2,803

Open Market Value of Assets at Balance Sheet date

Land	Buildings excl. dwellings	Dwellings	Total
£000s	£000s	£000s	£000s
Open Market Value at 31 March 2013	4,450	1,050	5,500
Open Market Value at 31 March 2012	3,100	900	4,000

12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011-12									
Cost or valuation:									
At 1 April 2011	30,385	42,729	250	1,114	2,108	40	8,075	13,935	98,636
Additions - purchased	0	9,012	0	4,253	43	0	0	311	13,619
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	145	0	(649)	0	0	0	504	0
Reclassified as held for sale	(850)	(150)	0	0	0	0	0	0	(1,000)
Disposals other than by sale	0	0	0	0	0	0	0	(2,181)	(2,181)
Revaluation & indexation gains	0	1,847	5	0	0	0	0	0	1,852
Impairments	(2,045)	(35)	0	0	0	0	0	0	(2,080)
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	(8,870)	0	0	0	0	0	0	(8,870)
At 31 March 2012	27,445	44,678	255	4,718	2,151	40	8,075	12,569	99,976
Depreciation									
At 1 April 2011	0	(807)	5	560	40	4,804	4,541	9,143	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	(2,187)	(2,187)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	45	9,103	0	0	0	0	0	2,384	11,532
Reversal of Impairments	0	(847)	0	0	0	0	0	0	(847)
Charged During the Year	0	1,421	5	74	0	0	977	1,115	3,592
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	(8,870)	0	0	0	0	0	0	(8,870)
At 31 March 2012	45	(8,870)	10	634	40	4,804	5,781	5,853	12,363
Net Book Value at 31 March 2012	27,445	44,678	245	4,718	1,517	0	2,294	6,716	87,613
Purchased	27,445	44,678	245	4,718	1,517	0	2,294	6,716	87,613
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	27,445	44,678	245	4,718	1,517	0	2,294	6,716	87,613
Asset financing:									
Owned									
Held on finance lease	27,445	29,438	245	4,718	1,517	0	2,294	6,716	72,373
On-SOFP PFI contracts	0	2,853	0	0	0	0	0	0	2,853
PFI residual: interests	0	12,387	0	0	0	0	0	0	12,387
At 31 March 2012	27,445	44,678	245	4,718	1,517	0	2,294	6,716	87,613

12.3 Property, plant and equipment

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

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

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

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

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

The revaluation exercise has resulted in an increase of Oxfordshire PCT asset base by £0.7m.

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

Economic Lives of Non-Current Assets

	Min life Years	Max life Years
Intangible Assets		
Software Licences	0	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings excluding Dwellings	0	80
Dwellings	0	46
Plant & Machinery	0	24
Transport Equipment	0	7
Information Technology	0	5
Furniture and Fittings	0	10

With the implementation of IFRS the asset lives used previously have changed due to the componentisation of assets. The result of this will be an immaterial change in depreciation charged to the OCS in future years.

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

Oxfordshire PCT currently has £5.5m of non operational assets comprising £0.75m of assets at Jericho Health Centre, £3.0m at Townlands Hospital and assets at Bicester of £1.75m.

The PCT has written down the following assets to market value with the intention to dispose of them in the near future. The assets at Bicester have been classified as Non-Current Assets held for sale. The remaining assets noted below have not been classed as Non-Current Assets held for sale as this criteria has not been met.

	2012-13	2011-12
Land	£000	£000
Townlands Hospital - non operational land	2,250	2,250
Jericho Health Centre	450	
Buildings		
Townlands Hospital two blocks not being used	750	750
Jericho Health Centre	300	
Asset Held for sale		
Chipping Norton Hospital Land		850
Chipping Norton Hospital Buildings		150
Bicester Community Hospital	1,750	

Oxfordshire Primary Care Trust - Annual Accounts 2012-13

The PCT has the following asset in use which has been fully depreciated:

Mini Bus at Witney Hospital	Cost £000	Depreciation £000
Additions	40	40

Capital Resource

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

1) Estates

Within Oxfordshire PCT estates infection control work and fire precaution works has continued. Full electrics have been replaced at Abingdon Community Hospital and further electrical works carried out at Witney and Wallingford Community Hospitals. Extension to Ward 1 at Abingdon has been completed and the old oil tank at Wallingford has been removed and replaced.

2) IT

Development of the RIO project and the IT refresh programme has continued across Oxfordshire PCT. COIN (Community Of Interest Network) and Health Information Exchange have been implemented this year.

3) Grants

Oxfordshire PCT has issued grants to successful bidders from both Dental and GP Practices to help with the improvements and extensions.

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	726	0	0	0	726
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	726	0	0	0	726
Amortisation						
At 1 April 2012	0	328	0	0	0	328
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	151	0	0	0	151
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	479	0	0	0	479
Net Book Value at 31 March 2013	0	247	0	0	0	247
Net Book Value at 31 March 2013 comprises						
Purchased	0	247	0	0	0	247
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	247	0	0	0	247
Revaluation reserve balance for intangible non-current assets						
	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
At 1 April 2012	0	0	0	0	0	0
Movements (specify)	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	0	0

13.2 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2011	0	726	0	0	0	726
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	726	0	0	0	726
Amortisation						
At 1 April 2011	0	189	0	0	0	189
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	139	0	0	0	139
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	328	0	0	0	328
Net Book Value at 31 March 2012	0	398	0	0	0	398
Net Book Value at 31 March 2012 comprises						
Purchased	0	398	0	0	0	398
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	398	0	0	0	398

13.3 Intangible non-current assets

Intangible assets are held at their original cost for the asset. They are depreciated over the life of the asset which is deemed to be 5 years. The PCT has no reserve for Intangible Non-Current Assets.

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	534	0	534
Total charged to Annually Managed Expenditure	534	0	534
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	952	0	0
Total impairments for PPE charged to reserves	952	0	0
Total Impairments of Property, Plant and Equipment	1,486	0	534
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	0	0	0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total impairments for Intangible Assets charged to Reserves	0	0	0
Total Impairments of Intangibles	0	0	0

Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	<u>0</u>	<u>0</u>	<u>0</u>
Loss as a result of catastrophe			
Other	0	0	0
Total charged to Annually Managed Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Other	0	0	0
TOTAL impairments for Financial Assets charged to reserves	<u>0</u>	<u>0</u>	<u>0</u>
Total Impairments of Financial Assets	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen obsolescence			
Loss as a result of catastrophe	0	0	0
Other	0	0	0
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Total impairments of non-current assets held for sale	<u>0</u>	<u>0</u>	<u>0</u>
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen Obsolescence			
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Total impairments of Inventories	<u>0</u>	<u>0</u>	<u>0</u>
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	<u>0</u>	<u>0</u>	<u>0</u>
Unforeseen Obsolescence			
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
Total charged to Annually Managed Expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Total Investment Property impairments charged to SoCNE	<u>0</u>	<u>0</u>	<u>0</u>
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0	0	0
Over Specification of Assets	0	0	0
Abandonment of Assets in the Course of Construction	0	0	0
Unforeseen Obsolescence	0	0	0
Loss as a Result of a Catastrophe	0	0	0
Other (Free text note required)*	0	0	0
Changes in Market Price	0	0	0
TOTAL impairments for Investment Property charged to Reserves	<u>0</u>	<u>0</u>	<u>0</u>
Total Investment Property Impairments	<u>0</u>	<u>0</u>	<u>0</u>
Total Impairments charged to Revaluation Reserve	952	0	0
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	534	0	534
Overall Total Impairments	<u>1,486</u>	<u>0</u>	<u>534</u>
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	534	0	534
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL*			
	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*			
	0	0	0

The PCT undertook a revaluation of assets as at 31st March 2013 to maintain fair value of its Land and Buildings as the property market is still volatile. This valuation was performed under MEA (Market Equivalent Asset) basis and resulted in an overall increase of the carrying amounts. Under IAS 16 where a fall to individual assets applied a fall in value is first taken to the Revaluation Reserve for the assets concerned and if there is insufficient reserve to cover the fall in value for that particular asset then the residue is impaired and charged to the SOCNE (Statement of Comprehensive Net Expenditure).

The amount of impairment released to the OCS (Operating Cost Statement) as a result of an increase in fair value to offset charges in previous years was nil. The amount transferred to the Revaluation Reserve was a reduction of £691k for Land and £231k for Buildings.

15 Investment property

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

16 Commitments**16.1 Capital commitments**

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

	31 March 2013 £000	31 March 2012 £000
Property, plant and equipment	0	633
Intangible assets	0	0
Total	<u>0</u>	<u>633</u>

The commitment as at 31 March 2013 relates to the redesign of Bicester Hospital that achieved financial close.

16.2 Other financial commitments

The trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service

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

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	2,001	0	1,257	0
Balances with Local Authorities	2,214	0	3,731	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,202	0	5,361	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,532	0	35,081	0
At 31 March 2013	<u>7,949</u>	<u>0</u>	<u>45,430</u>	<u>0</u>
prior period:				
Balances with other Central Government Bodies	1,254	0	1,457	0
Balances with Local Authorities	2,354	0	2,591	0
Balances with NHS Trusts and Foundation Trusts	821	0	8,472	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	3,608	0	50,260	0
At 31 March 2012	<u>8,037</u>	<u>0</u>	<u>62,780</u>	<u>0</u>

18 Inventories

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

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	1,213	1,575	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	1,928	126	0	0
Non-NHS receivables - revenue	1,468	1,329	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	2,151	3,988	0	0
Provision for the impairment of receivables	(179)	(773)	0	0
VAT	62	374	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	1,306	1,418	0	0
Total	7,949	8,037	0	0
Total current and non current	7,949	8,037		
Included above:				
Prepaid pensions contributions	0	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months		
By three to six months	1,710	1,673
By more than six months	393	196
Total	2,103	2,373

The PCT does not hold any collateral.

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(773)	(1,325)
Amount written off during the year	0	0
Amount recovered during the year	305	0
(Increase)/decrease in receivables impaired	289	552
Balance at 31 March 2013	(179)	(773)

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	455	0	455
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(10)	0	(10)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	<u>445</u>	<u>0</u>	<u>445</u>
Balance at 1 April 2011	494	0	494
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(39)	0	(39)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	<u>455</u>	<u>0</u>	<u>455</u>

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	<u>0</u>	<u>0</u>

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	455	455
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	(10)	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	<u>445</u>	<u>455</u>

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	0	0
Capital Income	(10)	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	<u>0</u>	<u>0</u>

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	0	0
Net change in year	195	0
Closing balance	<u>195</u>	<u>0</u>
Made up of		
Cash with Government Banking Service	0	0
Commercial banks	195	0
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	<u>195</u>	<u>0</u>
Bank overdraft - Government Banking Service	0	(74)
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	<u>195</u>	<u>(74)</u>
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	850	150	0	0	0	0	0	0	0	1,000
Plus assets classified as held for sale in the year	1,750	0	0	0	0	0	0	0	0	1,750
Less assets sold in the year	(850)	(150)	0	0	0	0	0	0	0	(1,000)
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	1,750	0	0	0	0	0	0	0	0	1,750
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2011	0	0	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in the year	850	150	0	0	0	0	0	0	0	1,000
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	850	150	0	0	0	0	0	0	0	1,000
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0

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

At 31 March 2012	0
At 31 March 2013	0

The Asset Held for Sale relates to the land at Bicester Community Hospital. This hospital is being redeveloped and financial close on the project has been reached. As part of the agreement the land will be sold to finance the new hospital. The land is valued at Open Market value in line with the valuation under taken by the District Valuer at 31st March 2013. The PCT has marketed the asset and is expected to conclude the sale in the next financial year.

There are no plans to reverse the current situation and retain the property.

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	1,851	3,616	0	0
NHS payables - capital	344	0	0	0
NHS accruals and deferred income	3,760	5,831	0	0
Family Health Services (FHS) payables	14,012	15,247		
Non-NHS payables - revenue	3,122	2,354	0	0
Non-NHS payables - capital	509	2,887	0	0
Non_NHS accruals and deferred income	16,442	27,908	0	0
Social security costs	139	139		
VAT	0	0	0	0
Tax	184	168		
Payments received on account	0	0	0	0
Other	5,067	4,640	0	0
Total	45,430	62,790	0	0
Total payables (current and non-current)	45,430	62,790		

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	74		
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	617	568	12,998	13,615
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	(69)	(77)	2,832	2,563
Other (describe)	0	0	0	0
Total	548	565	15,830	16,178
Total other liabilities (current and non-current)	16,378	16,743		

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	0	367	0	0
Deferred income addition	0	0	0	0
Transfer of deferred income	0	(367)	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

Oxfordshire PCT has a Finance Lease with a liability of £176k relating to a floor of the GP surgery in Marcham Road, Abingdon for the use of Community Hospital health workers.

Oxfordshire PCT has entered into a contract to lease Chipping Norton Community Hospital Centre, to provide community and secondary healthcare services, under a finance lease as directed by the Department of Health. This asset is shared by parties of the contract and only the proportion relevant to Oxfordshire PCT is accounted for. The agreement is with the Order of St John Care Trust who administer the site on behalf of the users.

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	139	139	(69)	(77)
Between one and five years	841	770	82	(19)
After five years	4,767	4,978	2,750	2,582
Less future finance charges	(2,984)	(3,401)		
Present value of minimum lease payments	2,763	2,486	2,763	2,486
Included in:				
Current borrowings			(69)	(77)
Non-current borrowings			2,832	2,563
			2,763	2,486

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

Amounts payable under finance leases (Other)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £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	31 March 2012
Future Sublease Payments Expected to be received			£000	£000
Contingent Rents Recognised as an Expense			0	0
			0	0

31 Finance lease receivables as lessor

The PCT does not have any finance lease receivable.

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	9,413	0	4,592	524	273	0	0	0	130	0	3,451	143
Arising During the Year	12,275	0	717	0	0	0	0	11,566	0	0	0	0
Utilised During the Year	(5,013)	0	(4,547)	(118)	0	0	0	0	0	0	(348)	0
Reversed Unused	(3,444)	0	0	(311)	0	0	0	0	(130)	0	(2,860)	(143)
Unwinding of Discount	123	0	123	0	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	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	0	0
Balance at 31 March 2013	13,054	0	885	95	0	0	0	11,831	0	0	243	0
Expected Timing of Cash Flows:												
No Later than One Year	4,395	0	56	95	0	0	0	4,001	0	0	243	0
Later than One Year and not later than Five Years	8,054	0	224	0	0	0	0	7,830	0	0	0	0
Later than Five Years	805	0	605	0	0	0	0	0	0	0	0	0

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

As at 31 March 2013	842
As at 31 March 2012	1,172

The provisions for liabilities and charges above include:

Provision for staff injury of £865k expected to be expensed in full in future years. The PCT paid the capitalised cost of the OHA pensions to the NHS Pension Agency of £4,547k

Provision for legal claims of £95k relates to the PCT's contribution of cases to the NHS Litigation Authority of £10k and the balance for other legal claims.

Provision for Continuing Care of £572k being the PCT's contribution of the Older People Pool provision for Continuing Care claims.

In March 2012 the Department of Health announced that all claims for NHS Continuing Healthcare relating to the period from 1 April 2004 to 31 March 2012 be submitted to PCTs by 30 September 2012. In response to this deadline NHS Oxfordshire have received a significant number of claims, which are subject to a process of review to determine eligibility for funding of NHS Continuing Healthcare. For the purposes of these financial statements NHS Oxfordshire have provided for £11.7m of potential claims. Claims were broken down into 5 Cohorts depending on the level of information the PCT obtained at the time. The provision is based on 636 claims. Where the length of stay was unknown, an average of 4.21 years was used. An average weekly cost was used based on historic data and a 10% probability of a valid claim was applied. Whilst the probability of claims being successful is assessed in determining the financial value of the provision NHS Oxfordshire has no experience record from similar retrospective claims to substantiate this probability. This therefore results in a potential uncertainty relating to the success of the claims and the resulting financial cost of these claims. The PCT has assumed that cash flows relating to the continuing care provision will be paid in the next three financial years. Given the uncertainty referred to in the accounting policies and the assessment process to be undertaken cash flows may vary from those set out in the table above.

A provision of £3.4m was made in 11/12 relating to Funded Nursing Care (FNC) based on an estimate of the number of claims at the time. The actual number of claims was significantly less than expected and accordingly the remaining balance of the provision has been released

33 Contingencies

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

34 PFI and LIFT - additional information

The PCT has two LIFT schemes, based at the Leys, Dunnock Way Oxford and East Oxford Health Centre (EOHC), Manzil Way, Oxford. The contract is to supply the infrastructure to enable the conveyance of Primary and Community services supplied by GPs and other healthcare professionals.

The estimated capital value of these assets which are not owned by the Trust but is included in the Statement of Financial Position is £12,396k apportioned the Leys £2,610k and EOHC £9,786k

A Local Improvement Finance Trust (LIFT) has been set up under a government initiative that brings together the local councils and NHS Trusts with the Department of Health and our private partner Infracare (South West) Limited. In November 2004, a Public Private Partnership (PPP) company called Oxford Infracare LIFT Limited was established to invest in, develop and deliver improved healthcare and community facilities in the city.

The LIFT programme is formally steered by a Strategic Partnering Board (SPB) that consists of representatives of Oxfordshire PCT, Oxford City Council, Oxfordshire County Council, Oxford and Buckinghamshire Mental Health Foundation NHS trust, Oxford University Hospitals NHS Trust and Oxford Infracare LIFT Ltd. This board has a key role in integrating the service strategies of partner organisations and develop a vision for the modernisation of facilities and infrastructure.

The geographical area covered relates to the previous Oxford City PCT and not the entire boundary of the PCT.

The annual cost over time rises with inflation with significant life cycle costs being incurred in 2026 to 2028 of approximately £3.8m

The PCT has the right to use the building, to convey healthcare services to the public and has the ability to change the interior of the building to ensure the suitability of fit for purpose. Over the period of the lease the PCT has obligations to maintain and keep secure the interior of the building. The PCT does not have any residual interest in the building at the end of the lease.

Under IFRIC 12, the asset is treated as an asset of the PCT; the substance of the contract is that the trust has a finance lease and payments comprise two elements -- imputed finance lease charges and service charges and details of the imputed finance lease charges are shown in the table below

The PCT does not have any PFI agreements.

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	2,576	2,513
Total	2,576	2,513

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.

LIFT Scheme Expiry Date:	31 March 2013 £000	31 March 2012 £000
No Later than One Year	2,640	2,576
Later than One Year, No Later than Five Years	11,239	10,965
Later than Five Years	42,162	45,076
Total	56,041	58,617

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	1,614	1,612
Later than One Year, No Later than Five Years	6,338	7,952
Later than Five Years	16,036	16,036
Subtotal	23,988	25,600
Less: Interest Element	(10,373)	(11,417)
Total	13,615	14,183

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	268	0	268
Interest Expense	1,232	0	1,232
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	0	0	0
Revenue Receivable from subleasing	(1,362)	0	(1,362)
Total IFRS Expenditure (IFRIC12)	138	0	138
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	0	0	0
Net IFRS change (IFRIC12)	138	0	138
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

The income for the PCT primarily relates to other NHS organisations and as such there is minimal credit risk.

Liquidity Risk

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

36.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		3,141		3,141
Receivables - non-NHS		2,822		2,822
Cash at bank and in hand		0		0
Other financial assets	0	0	0	0
Total at 31 March 2013	0	5,963	0	5,963
Embedded derivatives	0			0
Receivables - NHS		1,701		1,701
Receivables - non-NHS		2,747		2,747
Cash at bank and in hand		(74)		(74)
Other financial assets	0	0	0	0
Total at 31 March 2012	0	4,374	0	4,374

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		5,956	5,956
Non-NHS payables		3,631	3,631
Other borrowings		0	0
PFI & finance lease obligations		16,526	16,526
Other financial liabilities	0	35,420	35,420
Total at 31 March 2013	0	61,533	61,533
Embedded derivatives	0		0
NHS payables		9,447	9,447
Non-NHS payables		5,241	5,241
Other borrowings		0	0
PFI & finance lease obligations		16,669	16,669
Other financial liabilities	0	47,795	47,795
Total at 31 March 2012	0	79,152	79,152

37 Related party transactions

Oxfordshire Primary Care Trust is a body corporate established by order of the Secretary of State for Health.

During the year 2012/13 the following Board Members or members of the key management staff or parties related to them have undertaken material transactions with Oxfordshire Primary Care Trust.

The following transactions were made between the Primary Care Trust and the practices of the staff listed below.

	Short Term Employee Benefits £000	Post Employment Benefits £000	Other Long Term Benefits £000	Termination Benefits £000	Shared Based Payments £000	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
J Gahleitl - Victoria House Surgery	27	0	0	0	0	986	0	0	0
Richard Green - Dr Wood and Partners (Dormington Health centre)	60	0	0	0	0	1,594	0	0	0
Gavin Bartholemew - White Horse, Faringdon	62	0	0	0	0	2,032	0	0	0
Joe McManners - Manor Surgery	46	0	0	0	0	1,527	0	0	0
Joe Santos - Cogges, Witney	46	0	0	0	0	828	0	0	0
Stephen Allwood - Bicester Health Centre	35	0	0	0	0	1,972	0	0	0
Miles Carter - Eynsham	23	0	0	0	0	2,426	0	0	0
Barbara Batty - Woodlands, Didcot	15	0	0	0	0	1,221	0	0	0
Will O'Gorman - Montgomery House, Bicester	15	0	0	0	0	2,121	0	0	0
Karen Kearley - Jericho Health Centre	36	0	0	0	0	2,102	0	0	0
David Chapman - Hollow Way	21	0	0	0	0	1,043	0	0	0
Nick Elwig - Long Hanborough	14	0	0	0	0	925	0	0	0
P von Erlischoff - Barton Surgery	51	0	0	0	0	908	0	0	0
A Burnett - Sanning Common Surgery	46	0	0	0	0	1,432	0	0	0
PJ Park - Babury Data Centre	27	0	0	0	0	2,062	0	44	22
Judith Wright - Creprey Surgery	15	0	0	0	0	12	0	0	0

The following transactions were made between the Primary Care Trust and the Organisations related to the staff listed below.

Matthew Tait, Oxford Infiracare Ltd (LIFT)	139	0	0	0	0	8,727	0	0	0
Jonathan McWilliam	179	0	0	0	0	60,626	0	1,651	882
Director of Oxford Infiracare LIFT Ltd Joint Post with Oxfordshire County Council									

37 Related party transactions

During the year 2011/12 the following Board Members or members of the key management staff or parties related to them have undertaken material transactions with Oxfordshire Primary Care Trust

The following transactions were made between the Primary Care Trust and the practices of the staff listed below:

	Short Term Employee Benefits £000	Post Employment Benefits £000	Other Long Term Benefits £000	Termination Benefits £000	Shared Based Payments £000	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Andy Chivers, Dr Chivers & Partner - Jericho Health Centre									
John Galuska - Victoria House Surgery	27	0	0	0	0	238	0	0	0
Jaqueline Moss - Bloxham Surgery	43	0	0	0	0	995	0	0	0
Stephen Richards - Goring & Woodcote	138	0	0	0	0	1,406	0	0	0
John Walton - West Street Chipping Norton	0	0	0	0	0	1,176	0	0	0
Richard Green - Dr Wood and Partners (Donnington Health centre)	0	0	0	0	0	851	0	2	0
Alan Webb - Dr Van-Oss & Partners	46	0	0	0	0	1,602	0	0	0
Sister-in-law, DN	105	0	0	0	0	1,111	0	0	0

The following transactions were made between the Primary Care Trust and the Organisations related to the staff listed below:

	Short Term Employee Benefits £000	Post Employment Benefits £000	Other Long Term Benefits £000	Termination Benefits £000	Shared Based Payments £000	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Andy Chivers, Milton Keynes PCT	27	0	0	0	0	256	0	0	0
Matthew Tait, Oxford Infracare Ltd (LIFT)	139	0	0	0	0	2,209	0	0	0
Fiona Mackay Perkins, Oxfordshire Children's Information Service	0	0	0	0	0	0	0	0	0
Jonathan McWilliam	179	0	0	0	0	51,668	0	1,542	712
Sonia Mills, Oxford Infracare Ltd (LIFT)	455	0	0	0	0	2,209	0	0	0

Spouse is Director of Public Health Resources Unit (passed by Milton Keynes PCT)
 Director of Oxford Infracare LIFT Ltd (October 2011 to March 2013)
 Trustee
 Joint Post with Oxfordshire County Council
 Director of Oxford Infracare LIFT Ltd (April 2010 to November 2011)

37 Related party transactions(cont)

The Department of Health is regarded as a related party. During the year Oxfordshire Primary Care Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

Organisation Code	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Q38	24	2,713	3	314
5QF	1,545	503	226	194
RTH	363,250	1,906	289	0
RYE	22,464	86	780	0
RHX	2,079	0	45	0
RNU	149,904	5,187	1,493	956
5QC	91,321	797	5	147
RHW	22,302	357	690	0

Comparables 11/12

Organisation Code	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Q38	3	2,174	8	446
5QF	1,325	693	476	13
RTH	376,155	2,807	3,585	414
RYE	22,662	(82)	0	86
RHX	1,943	0	2	0
RNU	145,575	5,956	1,022	82
5QC	67,613	1,555	44	51
RHW	20,261	(168)	0	218

In addition, the Primary Care Trust has had a significant number of material transactions with other Government Agencies The Ridgeway Partnership Trust merge with Southern Healthcare Trust (November 2012)

38 Losses and special payments

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	71,082	11
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	71,082	11
Total special payments	0	0
Total losses and special payments	71,082	11

The above included a loss incurred under a dental contract of £68k.

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	3,124	1
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	3,124	1
Total special payments	0	0
Total losses and special payments	3,124	1

Details of cases individually over £250,000

39 Third party assets

The PCT held £0 cash and cash equivalents at 31 March 2013 on behalf of patients (£0 at 31 March 2012).

40 Pooled budgets**Continuing Care Pooled Budget**

Oxfordshire Primary Care Trust has a pooled budget arrangement with Oxfordshire County Council this is hosted by Oxfordshire County Council.

During the year, Oxfordshire County Council acted as host for the pooled budget to provide continuing care services to the population of Oxfordshire.

	2012/13				Total £000's
	Older People £000's	Physical Disability £000's	Equipment £000's	Total £000's	
Partner Contributions					
Oxfordshire Primary Care Trust	28,590	7,043	900	36,533	
Oxfordshire CC Social & Community Services Directorate	81,486	9,995	1,636	93,117	
Total Funding	<u>110,076</u>	<u>17,038</u>	<u>2,536</u>	<u>129,650</u>	
Gross Expenditure					
Social & Community Services					
Residential & Nursing	53,746	3,336		57,082	
Extra care housing	1,039			1,039	
Support at Home incl Prevention Services	21,052	6,659		27,711	
Intermediate Care	1,850			1,850	
Reablement Service	3,027			3,027	
Infrastructure Support & Delayed Discharge	772			772	
S & CS sub-total	<u>81,486</u>	<u>9,995</u>	<u>-</u>	<u>91,481</u>	
Oxfordshire PCT					
Continuing Care	8,795	4,561		13,356	
Funded Nursing Care and Continence	10,749	104		10,853	
Support at Home	2,613	1,715		4,328	
Delegated Health Tasks	890	663		1,553	
Community Therapy Services	5,543			5,543	
PCT sub-total	<u>28,590</u>	<u>7,043</u>	<u>-</u>	<u>35,633</u>	
Equipment			2,536	2,536	
Total Expenditure	<u>110,076</u>	<u>17,038</u>	<u>2,536</u>	<u>129,650</u>	
Contribution to OCC Earmarked Reserve	0	0	0	0	
Total Expenditure for the year	<u>110,076</u>	<u>17,038</u>	<u>2,536</u>	<u>129,650</u>	
Net (Under)/Overspend	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	

	2011/12	
	Total £000's	Total £000's
Partner Contributions		
Carry Forward from 2008/9		
Oxfordshire Primary Care Trust		33,117
Oxfordshire CC Social & Community Services Directorate		87,218
Total Funding		<u>120,335</u>
Gross Expenditure		
Social & Community Services Directorate		
Residential & Nursing		49,344
Support at Home incl Prevention Services		30,187
Intermediate Care		2,401
Reablement Service		3,330
Infrastructure Support & Delayed Discharge		628
		<u>85,890</u>
Oxfordshire PCT		
Continuing Care		11,662
Funded Nursing Care and Continence		10,412
Support at Home		3,512
Delegated Health Tasks		1,572
Community Therapy Services		5,501
PCT sub-total		<u>32,659</u>
Equipment		1,786
Total Expenditure		<u>120,335</u>
Contribution to OCC Earmarked Reserve		0
Total Expenditure		<u>120,335</u>
Net (Under)/Overspend		<u>0</u>

The following balances, included in the Statement of Financial Position on page 12 of these accounts and supporting notes, relate to the pooled budget. These balances have been derived from the pooled budget agreement.

	12/13 £'000	11/12 £'000
CURRENT ASSETS		
Debtors - Amounts falling due within 1 year		
Other prepayments and accrued income	1,173	879
Cash at bank and in hand	278	(57)
TOTAL CURRENT ASSETS	<u>1,451</u>	<u>822</u>
Creditors - Amounts falling due within 1 year		
Accruals and deferred income	(779)	(548)
NET CURRENT ASSETS / (LIABILITIES)	<u>672</u>	<u>274</u>
Provisions for Liabilities & Charges	(672)	(274)
TOTAL ASSETS EMPLOYED	<u>0</u>	<u>0</u>
FINANCED BY:		
TAXPAYERS EQUITY		
Reserve	0	0
TOTAL TAXPAYERS EQUITY	<u>0</u>	<u>0</u>

Mental Health Pooled budget

Oxfordshire Primary Care Trust has a pooled budget arrangement with Oxfordshire County Council to provide Mental Health services to adults of a working age up to 65 years within the Oxfordshire community.

During the year, Oxfordshire PCT acted as host for this pooled budget.

Oxfordshire Mental Health Care Pooled Budget

	2012/13 £000	2011/12 £000
Gross Funding		
Primary Care Trusts	40,015	35,424
Oxfordshire County Council	7,211	6,589
Total	<u>47,226</u>	<u>42,013</u>
Expenditure		
Voluntary Sector Payments	3,689	3,672
Non Voluntary Sector Payments	42,710	37,640
Service Redesign	273	281
Staff Costs	412	420
Total Expenditure	<u>47,084</u>	<u>42,012</u>

The following balances, included in the balance sheet on page 11 of these accounts and supporting notes, relate to the pooled budget. These balances have been derived from the pooled budget agreement.

	2012-13		2011-12	
	PCT £000	OCC £000	PCT £000	OCC £000
CURRENT ASSETS				
Debtors - Amounts falling due within 1 year				
Other prepayments and accrued income	0	5	40	7
Cash at bank and in hand	0	0	0	0
TOTAL CURRENT ASSETS	0	5	40	7
Creditors - Amounts falling due within 1 year				
Accruals and deferred income	(489)	(88)	(711)	(132)
NET CURRENT ASSETS / (LIABILITIES)	(489)	(83)	(671)	(125)
TOTAL ASSETS EMPLOYED	<u>(489)</u>	<u>(83)</u>	<u>(671)</u>	<u>(125)</u>
FINANCED BY:				
TAXPAYERS EQUITY				
General Fund	(489)	(83)	(671)	(125)
TOTAL TAXPAYERS EQUITY	<u>(489)</u>	<u>(83)</u>	<u>(671)</u>	<u>(125)</u>

Learning Disability Pooled Budget

Oxfordshire Primary Care Trust has a pooled budget arrangement with Oxfordshire County Council that is hosted by Oxfordshire County Council

During the year, Oxfordshire County Council acted as host for the pooled budget to provide Learning Disability services to the population of Oxfordshire.

Oxfordshire Learning Disabilities Pooled Budget

	2012/13 Actual £000's		2011/12 Actual £000's
Partner Contributions		Partner Contributions	
Primary Care Trusts	12,263	Primary Care Trusts	12,123
Oxfordshire County Council	65,132	Oxfordshire County Council	62,883
Social & Community Services Directorate		Social & Community Services Directorate	
Total Funding	<u>77,395</u>	Total Funding	<u>75,006</u>
Gross expenditure		Gross expenditure	
<u>Personal Budget Expenditure</u>	0	<u>Personal Budget Expenditure</u>	9,310
<u>External Services</u>		<u>External Services</u>	
Residential	19,729	Residential	15,334
Shared Lives	95		
Supported Living	28,455	Supported Living	23,383
Home Support/Respite	760	Home Support/Respite	353
Respite	1,105		
Carer's Grants for Service Users	0	Carer's Grants for Service Users	71
Direct Payments	6,353	Direct Payments	3,558
Day Services	2,561	Day Services	1,757
Employment Services	291	Employment Services	299
Transport	591	Transport	492
Housing Management Agreements	605	Housing Management Agreements	1,504
Information & Consultation	52		
Assistive Technology	48	Assistive Technology	48
	<u>60,645</u>		<u>46,800</u>
<u>Purchased via SLA</u>		<u>Purchased via SLA</u>	
Independent Living Service Support Costs	152	Independent Living Service Support Costs	169
Supported Living	1,603	Supported Living	3,471
Day Services	4,081	Day Services	3,895
Transport	174	Transport	174
Legal	21	Legal	8
	<u>6,031</u>		<u>7,718</u>
<u>Carer's Grants</u>		<u>Carer's Grants</u>	
Life of Your Own	20	Life of Your Own	18
Carer's Grants for Service Users	99		
PCT Carer's Grant	43	PCT Carer's Grant	35
	<u>162</u>		<u>52</u>
Staffing Costs	5,930	Staffing Costs	5,982
Partnership Boards	32	Partnership Boards	71
<u>Health Contracts</u>		<u>Health Contracts</u>	
In patient service	2,743	In patient service	2,490
OAT (Out of Area Treatment) placements	782	OAT (Out of Area Treatment) placements	470
LD FNC	101		
Continuing Health Care	989	Continuing Health Care	1,310
	<u>4,595</u>		<u>4,269</u>
Total Expenditure	<u>77,395</u>	Total Expenditure	<u>74,202</u>
Net underspend	0	Net underspend	0
Journalled to OCC Non-Pool Budget	0	Journalled to OCC Non-Pool Budget	804
Net position for the year	<u>0</u>	Net position for the year	<u>804</u>

In 2011/12 expenditure on personal budgets was shown as a separate category. In 2012/13 this has been categorised across the expenditure in which it relates to.

Contributions to the pool from Primary Care Trusts within Oxfordshire are stated below:-

Oxfordshire PCT £12,263k

The following balances, included in the Statement of Financial Position on page 12 of these accounts and supporting notes, relate to the pooled budget. These balances have been derived from the pooled budget agreement

	TOTAL £000's		TOTAL £000's
CURRENT ASSETS		CURRENT ASSETS	
Debtors - Amounts falling due within 1 year		Debtors - Amounts falling due within 1 year	
Other Debtors	165	Other Debtors	63
Cash at bank and in hand	0	Cash at bank and in hand	108
TOTAL CURRENT ASSETS	165	TOTAL CURRENT ASSETS	171
Other Creditors	(165)	Other Creditors	(171)
NET CURRENT ASSETS / (LIABILITIES)	0	NET CURRENT ASSETS / (LIABILITIES)	0
TOTAL ASSETS EMPLOYED	0	TOTAL ASSETS EMPLOYED	0
FINANCED BY:		FINANCED BY:	
TAXPAYERS EQUITY		TAXPAYERS EQUITY	
General Fund	0	General Fund	0
TOTAL TAXPAYERS EQUITY	0	TOTAL TAXPAYERS EQUITY	0

41 Cashflows relating to exceptional items

There are no exceptional items to disclose.

42 Events after the end of the reporting period

The main functions carried out by Oxfordshire PCT in 2012-13 are to be carried out in 2013-14 by the
Oxfordshire Clinical Commissioning Group
Oxfordshire County Council
NHS England

Certain assets have transferred to NHS Property Services and other entities on 1st April 2013. These

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

Note 43	2012-13	2011-12
Other Income	£000	£000
Home Office grants to DAAT	313	392
Property Rental	69	137
Sale of equipment		495
GP decontamination services	423	
Other	191	0
	<u>996</u>	<u>1,024</u>

Note 44	2012-13	2011-12
Other Expenditure	£000	£000
Grants	306	80
Clinical Academic grants	769	607
End of Life Project Costs		20
Public Health initiatives - Alcohol, Diabetes & Obesity		425
IT project costs	846	806
Redundancy costs	216	0
Change in clinical pathways initiatives eg Single point of contact, Stroke, MSLC		1,029
Other	342	141
	<u>2,479</u>	<u>3,108</u>

Redundancy costs of £216k have been accrued in 12/13, in 11/12 these were within provisions.

45 Third party assets

There are no third party assets account for in these accounts.