Department of Health

NHS

Suffolk Primary Care Trust

2012-13 Annual Report and Accounts

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Suffolk Primary Care Trust

2012-13 Annual Report

Suffolk PCT
Annual report and accounts
2012-2013














Foreword from the Accountable Officer

This is the last Annual Report of Suffolk Primary Care Trust.
Since its creation in 2006 the main focus for Suffolk PCT was to provide the very best healthcare for the people of Suffolk. In April 2013 the Primary Care Trust handed over the baton to the newly authorised clinical commissioning groups which place patients at the heart of everything they do.
The Primary Care Trust has worked alongside GPs in supporting them through the authorisation process with both West Suffolk and Ipswich and East Suffolk Clinical Commissioning Groups gaining authorisation in March 2013. The two groups became statutory bodies on 1 April 2013 taking over the £963 million commissioning work of Suffolk PCT.
A significant amount of time has been spent this year on making sure the shutdown of Suffolk PCT as an organisation was a smooth one involving the transfer of staff to the relevant CCG and to Suffolk County Council's public health department; the closure of websites and transfer of relevant material, capturing the knowledge and expertise of Suffolk PCT and making this available to the CCGs' governing bodies. This work was vital if the CCGs were to start their tenure as effectively as possible.
While these changes have been implemented, quality has remained the focus as well as ensuring patients continue to receive top quality healthcare services. This report outlines some of the achievements this year and throughout the history of Suffolk PCT.

Highlights in 2012-13 include:

- The reopening of Hartismere Health and Care (formerly known as Hartismere Hospital). This followed a major 18-month £1.3 million refurbishment programme which saw the building transformed into a modern healthcare facility housing a wide range of community health services.
- The launch of a new NHS phone service in February 2013. People can call 111 for medical advice when it is urgent but not an emergency.
- A new health centre for Sudbury is given the green light, with building work expected to start in the spring of 2013.
- Haverhill Health Centre is given a £500,000 makeover to improve the building and its facilities.
- A new medical centre for Felixstowe was given the go ahead which marked a major milestone in improving healthcare in this coastal town.

These highlights show a commitment to healthcare in the community and putting patients first. We know this work will be continued with the two clinical commissioning groups in Suffolk and we wish them well as they work with GPs, patients, staff and partner organisations to further improve healthcare for the people of Suffolk.

Signed
Andrew Reed
Designated Accountable Officer on behalf of the Department of Health
Date: 21 June 2013

About us

Our employees

Suffolk PCT always recognised that providing high quality care and support services to service users and carers requires a highly skilled and motivated workforce.

The organisation considered its staff to be the most prized asset and the workforce strategy reflected this belief.

In the last year of operation (2012/13), Suffolk PCT employed 227 people and hosted the services for the East of England Public Health Training programme (43 trainees); Anglia Cancer Network, Critical Care Network and County Workforce Group (27 employees).

On the 31 March, all hosted services were transferred to new employers with 42 Suffolk PCT employees transferring to Suffolk County Council, Public Health England ,Health Education England, NHS Property Services and the NHS Midlands and East Commissioning Board.
In October 2012, around 1383 Suffolk Community Healthcare employees transferred to Serco Group plc.

Throughout the year work was undertaken to see the transfer or recruitment of staff to the West Suffolk and Ipswich and East Suffolk Clinical Commissioning Groups (CCGs). The two CCGs decided to have one management support structure between them and these members of staff transferred over to the CCGs on 1 April 2013.
Work has been underway to ensure that the legacy of Suffolk PCT – its good work and what it has learned – can be passed on to the two CCGs.

For example:

- Employee involvement: From a staff away morning in November 2012, a range of ideas generated by employees and stakeholders resulted in six working groups being created to bring about change in six key areas: Stakeholder Engagement; Staff Development; Leadership; Communications; Employee Welfare and Information Management and Technology. These are led by cohorts of employees with several ideas already implemented.
- Performance and Development Review: Suffolk PCT continued to improve its internal performance appraisal and development systems so staff better understand their role and the expectations of them. Line managers are responsible for making sure all staff members have the proper support and training so they can reach their objectives – all of which are directly linked to strategic and operational plans.
- Education and training: Stronger links have been forged with the NHS Local Education Training Board and the NHS in Suffolk will continue to work with University Campus Suffolk NHS Leadership Academy.
- Lunch and learn sessions: These were introduced to support the knowledge, skills and understanding of employees; an internal network of buddies and trained coaches and mentors complimented sessions.

- Chief Officer Meetings: The Accountable Officer held weekly meetings with the chief officers, from which a headline briefing was e-mailed to all members of staff. This was supported by the Chief Officer monthly staff briefings and underpinned by weekly team briefings and regular one to one meetings. Snapshot audits were undertaken regularly to ensure that staff received these messages.
- Partnership Forum: This consisted of management and staff representatives, who met every six weeks so that the views of employees could be taken into account when decisions were taken which were likely to affect them. This has resulted in Suffolk PCT's approach to partnership working with staff, including the shadow CCGs being reflected in joint working with staff representatives , for example with policy reviews, human resources strategy, education, and development. Other excellent work was done in developing and improving partnership working with GPs.
- Evidence of the organisations commitment to employee involvement and development is evidenced by the Investors in People award.
- Suffolk PCT created an active Staff Partnership Forum which met quarterly and continues with the two CCGs in Suffolk. The Forum has full time officer representation as well as local staff side representatives. The forum has been in place for several months and was well received by staff. Communication was sent out to all staff after each meeting as it was deemed appropriate to act in a transparent way. In addition to the Forum, each Trade Union was invited into the organisation at least once a year as an opportunity to update on their work and so that staff could raise concerns.

Staff Health Sickness absence was 2.08% against 2.48% last year, (2011/12). This compares favourably with the PCT average of 2.93% and 4.06% for the NHS in England. Every case of sickness is different and, therefore, is judged on its individual merits. The aim of sickness absence monitoring is to reduce the levels of absence to a more acceptable minimum consistent with genuine illness.
The organisation took its responsibility to all staff seriously with well-developed health and safety arrangements as part of its overall risk management strategy.

As directed by the Equality Act 2010, Suffolk PCT published workforce data on its public website. Suffolk PCT was an active supporter of the Suffolk NHS Black and Minority Ethnic staff network which included members from Suffolk PCT, the local hospitals and Norfolk and Suffolk NHS Foundation Trust.

Towards the end of Suffolk PCT's lifetime 12 long service awards were presented to 9 staff members for 10 years' service and 3 awards for 20 years' service.

ENVIRONMENTAL SUSTAINABILITY

The Trust recognised its responsibility to the local environment and demonstrated continuing commitment towards social responsibility over the last year.

In order to meet its obligations under the Climate Change Act 2008 to reduce carbon dioxide emissions (CO2) by 20% by 2020, not only was Suffolk PCT a supporter of the Good Corporate Citizen (GCC) but it also developed a number of initiatives including:

- Installation of power optimisation units at Felixstowe and Newmarket Community Hospitals, which reduce electricity consumption
- Review of the waste management contract to increase effectiveness
- Promotion of cycle to work scheme
- Ethical procurement was made a priority
- Sourcing of catering materials from local producers

The GCC is a process managed by the NHS Sustainable Development Commission and helps public and private organisations focus on environmental and social responsibility issues.

Suffolk PCT continued to reduce its carbon emissions.

The organisation had an up to date Sustainable Development Management Plan (SDMP). Having an up to date SDMP is a good way to ensure that an NHS organisation fulfils its commitment to conducting all aspects of its activities with due consideration to sustainability whilst providing high quality patient care. The NHS Carbon Reduction Strategy asks for the boards of all NHS organisations to approve such a plan.

Adaptation to climate change will pose a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that it is considered when planning how patients will be best served in the future.

Sustainability issues were included in our analysis of risks facing our organisation.

NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations.
In addition to our focus on carbon, we were also committed to reducing wider environmental and social impacts associated with the procurement of goods and services. This was set out within our policies on sustainable procurement.

Work was started to calculate the carbon emissions associated goods and services procured.

Martin Royal was the board level lead for Sustainability.

A board-level lead for sustainability ensured that sustainability issues had visibility and ownership at the highest level of the organisation.

All our staff had sustainability issues, such as carbon reduction, included in their job descriptions and post induction process.
A sustainable NHS can only be delivered through the efforts of all staff.

Staff awareness campaigns were shown to deliver cost savings and associated reductions in carbon emissions.

Our organisation had a Sustainable Transport Plan which was key in obtaining approval for the Sudbury health centre development.

The NHS places a substantial burden on the transport infrastructure, whether through patient, clinician or other business activity.

This has an impact on air quality and greenhouse gas emissions. It is therefore important that appropriate steps are considered to reduce or change travel patterns.

THE FREEDOM OF INFORMATION ACT 2000

Suffolk PCT fully supported the principles of openness and transparency in decision-making and routinely made information available on its website and through publications. During 2012-13 we received 325 Freedom of Information requests, of which 294 (90%) were responded to inside the 20-day time limit. There are exemptions to the provision of information covered by the Data Protection Act and where, in the rare event that there has been only partial disclosure of information requested, the exemptions applied have been in regard to either personal information (both staff and patient) or commercial confidence.

The number of requests received remained largely constant and enquiries made under the Act covered all areas of Suffolk PCT's activities, most notably around financial, governance, human resources and clinical matters. In line with Health and Social Care Act there has been an increase in requests for information relating to the transition to GP commissioning. Of those requests where the 20-day response deadline was not met, the majority was in regard to this and where definitive information was not immediately available.

Enquiries were been received from a wide range of sources but most frequently from the media, both national and local, general business and commercial healthcare organisations and the general public. However, a significant number came from unknown sources.

EMERGENCY PLANNING

Following the publication of guidance from the NHS Commissioning Board, much focus in 2012-13 was to ensure the smooth and effective transition of PCT emergency preparedness arrangements to the new CCGs. The PCT participated in national workshops to help formulate, understand and test new arrangements and trained a number of senior staff in new 'on call' responsibilities.

The first meeting of the new Local Health Resilience Partnership was held, agreeing terms of reference and membership.

Suffolk PCT attended multi-agency meetings to prepare for the passage of the Olympic Torch Relay through Suffolk and maintained a presence in the operations centre on the day.

The PCT also assisted in formulating emergency arrangements for NHS staff to obtain fuel in the event of disruption to supplies, either from designated filling stations or bunkered stocks held by partner organisations.

Suffolk PCT has participated in a number of exercises including a nuclear transportation accident, an oil spillage and a Sizewell power station offsite emergency.

HIGHLIGHTS

Suffolk PCT was established on 1 October 2006 following national restructuring of the NHS, bringing in to a single organisation the four previous Primary Care Trusts in Suffolk. Here are some of the highlights during its seven-year existence.

2007 – Suffolk PCT inherited £40 million in historic debts from the previous Primary Care Trusts – through prudent financial management these debts were fully repaid by April 2008.

2008 – Suffolk PCT was a lead partner in establishing Healthy Ambitions Suffolk (HAS). HAS brought together 20 key partner organisations to reduce health inequalities and raise life expectancy of the most socially disadvantaged people in the county over the next 20 years.

2009 - The Suffolk population experiences some of the highest life expectancy in England with a new born girl expected to live 84 years and a boy 80 years. Over the past 10 years life expectancy in Suffolk has increased year on year for both males (1.9 year increase) and females (1.7 year increase)

2010 – Over two years more than £5 million was invested into NHS primary dental services to increase patient access to NHS dentistry.

2010 – Patients in Suffolk rated their GP practices amongst the best in the East of England. In a national survey Suffolk PCT GP practices achieved an overall satisfaction rate of 93.5%, above the national average of 90.3%

2010 – A new training programme was introduced which saw NHS staff across Suffolk given dedicated training to support dementia patients and their families.

2011 – Safe circumcision for non-medical reasons was introduced to Suffolk for the very first time and is now available in Ipswich and Bury St Edmunds.

2011 - More people in Suffolk had their end of life choice fulfilled – figures show that more than half of people (51.2%) who died in July 2011 died either in their home or care home, compared to 43.8% in July 2010.

2012 – Hartismere Health and Care (formerly known as Hartismere Hospital) reopened following an 18-month major refurbishment programme. The building had been totally transformed to house a wide range of community health services.

2013 - A new three digit freephone number – 111 – which people can call for medical advice and urgent healthcare information was launched in Suffolk on 19 February.

2013 – A new health centre for Sudbury was given the green light, with building work expected to commence in Spring 2013

31 March 2013 – Suffolk PCT was abolished under the Government's national overhaul of the NHS. Two clinical commissioning groups, NHS Ipswich and East Suffolk Clinical Commissioning Group and NHS West Suffolk Clinical Commissioning Group take on responsibility for commissioning healthcare services for the local population.

Clinical Commissioning Groups – the way forward

IPSWICH AND EAST SUFFOLK CCG

The NHS Ipswich and East Suffolk Clinical Commissioning Group (CCG) has a vision of working with the community, clinical and social care colleagues to meet the needs of the local people.

The CCG will help people to help themselves and find better ways to treat patients. The CCG has already delivered improvements for patients – new ideas which increase the quality of its services.

There are approximately 385,000 patients in the CCG area covering a wide area of rural and urban populations.

The CCG was officially authorised by the NHS Commissioning Board in February 2013 and on 1 April 2013 took on the responsibility for commissioning in Ipswich and east Suffolk.

The Governing Body of the CCG ensures the organisation runs effectively, efficiently, economically and with good governance.

Seven GPs have been elected to the CCG Governing Body in addition to a secondary care nurse, a lead nurse and two lay members.

The Governing Body GP members are:

- Dr Paul Bethell, Lattice Barn, Ipswich
- Dr John Flather, Hadleigh
- Dr John Hague, Derby Road, Ipswich
- Dr Paul Kaiser, Wickham Market
- Dr Billy McKee, Walton
- Dr Imran Qureshi, Ravenswood, Ipswich

Dr Mark Shenton, who chairs the CCG and is a GP in Stowmarket said: “Our CCG will make a real difference to the lives of patients, their carers and families who will be at the heart of our work. We want to involve all health professionals, patients, the public, our local authority and voluntary sector partners in understanding what works well, what needs to change and how. We have already started to make improvements which mean that patients can be treated closer to home and reduce the number of unnecessary hospital visits. We also have plans to improve diabetes services, increase prompt diagnosis of cancer, improve children’s mental health and learning disability services and make sure people reaching the end of their lives have a choice to die at home, if they wish.”

Priorities for 2013-14 include:

- Preventing the onset or complications from long term conditions such as diabetes, cardiovascular disease and cancers through delivering enhanced evidence based health improvement programmes
- Delivering improved post natal care for breastfeeding mothers; reducing the number of pregnant mothers who smoke and reducing rates of obesity during pregnancy
- Deliver timely, consistent and improved palliative and end of life care for patients
- Make mental health service provision open and accessible to every person who needs it

More information can be found at www.ipswichandeastsuffolkccg.nhs.uk

WEST SUFFOLK CCG

NHS West Suffolk Clinical Commissioning Group

The NHS West Suffolk Clinical Commissioning Group was officially authorised by the NHS Commissioning Board in February 2013 and on 1 April 2013 took on responsibility for commissioning in West Suffolk.

The CCG has responsibility for around 235,000 people and has a membership of 25 GP practices stretching from Sudbury to Haverhill and from Woolpit to Newmarket.

The CCG has a Governing Body of eight elected GPs, a secondary care doctor and a nurse. There are two lay members to ensure good governance and excellent patient and public engagement and two Practice Managers to ensure sound communication with member practices.

The eight GPs elected to the CCG board are:

- Dr Simon Arthur, Oakfield
- Dr Christopher Browning, Long Melford
- Dr Emma Derbyshire, Swan, Bury St Edmunds
- Dr Jon Ferdinand, Victoria, Bury St Edmunds
- Dr Rakesh Raja, Hardwicke House, Sudbury
- Dr Amit Sethi, The Rookery, Newmarket
- Dr Rosalind Tandy, Christmas Maltings and Clement, Haverhill
- Dr Andrew Yager, Botesdale

Dr Christopher Browning, chairman of the CCG governing body and a GP in Long Melford said: “We are committed to improving local services and will work with the public and local organisations to make health care in Suffolk the very best it can be.

Our CCG has already been working to make improvements including addressing the challenges of our ageing population by helping to ensure fewer people suffer falls and making sure people with long term conditions are better placed to look after themselves. We have already set out plans for the future which will include improving access to mental health services, continue to develop services for older people including a robust dementia strategy and an improvement in stroke care.”

The NHS West Suffolk CCG ambition is to deliver to highest quality health service and its priorities include:

- A focus on trauma and orthopaedics and develop pathways for hips, knees, shoulder and carpal tunnel syndrome
- Review and develop and effective system wide dementia strategy
- Implement an integrated pathway for falls and fractures
- Procure a new learning disabilities service
- Reduce the number of unnecessary emergency cancer admissions
- Improve management of long term conditions to avoid unnecessary asthma, diabetes and epilepsy hospital admission

More information can be found at www.westsuffolkcommissioning.co.uk

Suffolk Community Healthcare

NHS community services in Suffolk were provided by Suffolk Community Healthcare (SCH). In October 2012 these services were taken over by Serco, in partnership with South Essex Partnership University NHS Foundation Trust (SEPT) -a leading provider of community and mental health services and Community Dental Services CIC, a staff-owned social enterprise. This brings together a combination of expertise and experience from the private, public and not-for-profit sectors.

SCH worked with local partners to develop ways of improving community health services including:

- the development of a 24/7 Care Coordination Centre based in Ipswich to provide an additional point of contact for patients, carers, staff, partner organisations and GPs, as well as centralised administration
- a named care lead for each patient
- the introduction of mobile technology for frontline clinical staff to enable them to spend more time with patients
- the creation of 15 locally based Community Health Teams to provide the range of community nursing and therapy services in their localities
- the delivery of services at times that are most convenient for patients and the extension of routine service delivery hours from eight hours a day (8-4) to 12 hours a day (8-8).

A summary of the services provided:

Serco/SCH

- Community Health Teams including district and community nurses, physiotherapists and occupational therapists and technicians, healthcare support workers, and generic workers
- four community hospitals in Aldeburgh, Felixstowe, Ipswich (Bluebird Lodge) and Newmarket
- a network of specialist nurses caring for people with a wide range of conditions
- Community Intervention Service working to prevent admission to hospital by providing urgent care interventions in the patient's home setting
- Modern Matrons, supporting patients with complex needs
- Minor Injuries Unit at Felixstowe Hospital
- Community Equipment Service.

SEPT:

Community Paediatric Service comprising:

- ☐ Community Paediatric Medical Team
- ☐ Children's Community Nursing Team
- ☐ Paediatric Speech and Language Therapy
- ☐ Paediatric Occupational Therapy
- ☐ Paediatric Physiotherapy
- ☐ Child and Family Clinical Psychology Service
- ☐ Newborn Hearing Screening Programme (West Suffolk)

Podiatry and Foot and Ankle surgery
Speech and Language Therapy for adults

CDS:

Community Dentistry for patients who are very frail or have special needs

SCH served more than 700,000 Suffolk residents, and offered care in the patient's own home, clinics and community hospitals, GP practices, acute hospitals and care homes. In transforming our services we held about 100 meetings with key groups of people including patients and GPs.

Contracts

GPs

Suffolk PCT directly commissioned primary care services in the Suffolk area to meet the needs of the population.
There are 67 general practices in Suffolk. Suffolk PCT regularly met with General Practitioners (GPs) to share good practice, maintain high quality and service performance and to offer support and development.

The Department of Health GP patient survey 2012 showed that GPs in Suffolk were doing a good job, exceeding the national average in many categories.

The 2012 survey showed that 92% of patients reported having a good overall experience of using their GP surgery (national average 88%); 86% of patients would recommend their GP surgery (81% national average) and 43% were very satisfied with the GP opening hours (40% national average).

DENTISTRY

There are 90 NHS dental practices in Suffolk. Over the last three years, £5 million has been invested into primary dental services to increase patient access to NHS dentists.

- New patient access increased from 318,620 to 351,183 in the period March 2009 – Jan 2012.
- 52% of dental practices accepting all categories of patient are accepting new patients and this includes seven child only practices
- Access standards state that individuals should be able to access a dentist within five miles if living in an urban area and 12 miles in a rural area. A routine appointment should be made available within six weeks and an urgent appointment within 36 hours these standards are being met in Suffolk.

PHARMACY

There are 114 pharmacies, of which 16 are 100 hour pharmacies. Suffolk PCT worked closely with the Suffolk and Great Yarmouth Local Pharmaceutical Committee. Seven enhanced services were provided including, one to one stop smoking, basic stop smoking, Chlamydia testing, emergency hormone contraception, prescription intervention scheme, out of hours rota and supervised consumption and needle exchange.

OPTICIANS

There are 31 additional services contracts (domiciliary providers) and 44 mandatory services contracts across 62 physical stores. ‘Jolly Giraffe’ is a publicity programme aimed at children approaching school age to encourage them to have their eyes tested before starting school.

111

The NHS 111 service for Suffolk was launched on 22nd January 2013 and since then has been delivering urgent but non-life threatening healthcare advice to Suffolk.

The call centre based in Ipswich has experienced high demand and pressure recently, particularly at weekends, but continues to provide a clinically safe and effective service. These pressures caused some decrease in performance but after joint actions taken with the provider (Harmoni) the service is currently meeting national quality requirements (NQRs) and key performance indicators (KPIs).

The service is monitored closely by the CCGs and, as of 21st April, had taken 41,896 calls of which 33,881 were triaged using NHS Pathways. Of those triaged, some 6% (2119) were advised to go to A&E and 5% (1776) resulted in ambulance dispatch. Both these are at or below national NHS 111 experience. NHS 111 demand continues to grow and the CCGs are working closely with all partners to ensure the population of Suffolk and the healthcare system continues to benefit from the introduction of this new service.

LIVE WELL

Established in 2011 Live Well Suffolk, Suffolk's healthy lifestyle service was commissioned by Suffolk PCT and provided services to more than 6,000 people.

☐Working in communities
Community Health Coaches delivered the service in priority areas within Ipswich, Felixstowe, Sudbury, Haverhill and Bury. Some 119 community events were attended, and 15,000 leaflets were distributed during the year.

☐Weight Management
Weight management programmes for adults (Fit Fans) and children (Alive N Kicking) helped 776 adults and 257 children to achieve sustainable weight loss.

☐Stop Smoking Services
The service achieved its target of 4,240 quits supporting GP practices, acute care, and pharmacies, and through Live Well Suffolk's clinics.

☐Campaigns and promotions
Four social marketing campaigns helped spread healthy lifestyle messages, and 33,500 visitors sought help from the website www.livewellsuffolk.org.uk

Campaigns included:

April 2012 – 'OG Cancer awareness' supporting the 'Be Clear on Cancer' campaign
June 2012 – 'Alcohol awareness' an interactive promotion to promote safe drinking during the summer

October 2012 – ‘Suffolk Get Active’, a joint project with Suffolk County Council and charity Optua raising awareness of sporting activities in Suffolk
January 2013 – ‘4,000 more smokers wanted’ encouraging smokers to quit in the New Year
March 2013 – ‘Lunchtime is back ’, underlining the importance of healthier lunches.

MENTAL HEALTH

Norfolk and Suffolk NHS Foundation Trust provides a range of inpatient and community mental health services across Suffolk for children, adults and older people as well as learning disability and eating disorder services.

In October 2012, the Trust launched the new Suffolk Wellbeing Service, which was officially opened by West End star Ruthie Henshall on World Mental Health Day.

Suffolk Wellbeing Service combines a range of approaches and resources to allow people to manage common emotional problems such as low mood, stress or anxiety and support them to take steps to manage their own emotional wellbeing. The service uses a range of support systems such as workshops, computerised interactive support, signposting and talking therapies. It sees NHS experts, local charities and voluntary organisations work together to provide wide-ranging wellbeing services within the community.

From October 2012 to January 2013, the Trust consulted its staff on a Service Strategy, which sets out their response to budget demands facing the public sector and will be implemented over the next few years. The strategy was drawn up by clinicians in partnership with service users, family carers, commissioners and independent and third sector providers.

Patient and Public Engagement

WORKING IN PARTNERSHIP WITH LOCAL PEOPLE

Asking the community to get involved with deciding how healthcare services should be organised makes for better and more cost effective services. Ultimately, this makes for a healthier population. Changes to the NHS in 2012-13 have made it easier than ever to get involved and have a say on healthcare services. This has led to an increase in the number of people who are able to be involved in, and influence, decision-making in areas of importance to them.

In 2012-13 local people continued to work closely with Suffolk PCT at a strategic level at the Community Reference Group (CRG). The CRG is made up of nominated members of the Suffolk Health Forum with a varied range of expertise and from a variety of backgrounds. Meetings were also attended by senior members of Suffolk PCT staff. The group met regularly to ensure that there was continuing communication between Suffolk PCT and patient, carer and community representatives. Towards the end of the year members of Suffolk PCT's CRG migrated to new groups for the clinical commissioning groups (CCGs): Ipswich and East Suffolk CCG's Community Engagement Partnership and West Suffolk CCG's Community Engagement Group. These new groups have expanded after attracting new members and both groups held stakeholder events during the year.

The Suffolk Health Forum was set up in 2010-11, with membership continuing to further grow in 2012-13. This year members were offered the chance to migrate to one or both of the new groups for the CCGs: Ipswich and East Suffolk CCG's Points of View, or West Suffolk CCG's Health Forum. Membership to both groups is free and open to anyone with an interest in health and healthcare in the CCG areas. Members are invited to participate in meetings, forums, surveys and events according to their particular interests, and are kept up to date with the latest news from the CCGs.

Anyone who wishes to join Points of View should call 01473 770021 or email getinvolved@ipswichandeastsuffolkccg.nhs.uk

To join the Health Forum call 01284 774 811 or email getinvolved@westsuffolkccg.nhs.uk

Suffolk PCT has valued its longstanding work with Suffolk Local Involvement Network (LINk). From 1 April 2013, all national LINks, including Suffolk LINk, were replaced by Healthwatch. A consultation exercise was carried out with members of the community to determine how best to manage the transition from LINks to Healthwatch and how Healthwatch Suffolk could be structured. The responses from this exercise have been used to ensure that Healthwatch continues and builds upon the good work carried out in partnership with Suffolk LINk to ensure the independent voice of patients and the public continue to be heard.

ENGAGING DIVERSE COMMUNITIES

Suffolk PCT continues to ensure services it commissions are sensitive to the needs of Suffolk's diverse communities and that it responds to what really matters to patients and local people.

Suffolk PCT works with a range of diverse groups and individuals to ensure their voices are heard.

Work is ongoing with a subgroup of Healthwatch Suffolk focussed on raising the voice of Suffolk's black and minority ethnic (BME) communities on health matters. Suffolk PCT staff also worked with the health and education subgroup of the Gypsy and Traveller Liaison Service – a group aimed at improving the health and wellbeing of Suffolk's Gypsies and Travellers. Community events run by the Ipswich and Suffolk Indian Association (Indian Summer Mela) and the Bangladeshi Support Centre (1 Big Multicultural Festival) were also well supported by Suffolk PCT staff and GPs and presented good opportunities to engage with some of Suffolk's BME communities.

In depth communication with the lesbian, gay, bisexual and transgender (LGB&T) communities continued to be strengthened through membership to the LGB&T Advisory Group, involvement in transgender group meetings and participation in events such as Suffolk Pride.

The views of older people continued to be heard and better understood through the Voice project, through close work with Age UK Suffolk, Suffolk County Council and NHS Norfolk and Waveney.

Members of the Suffolk Disability and Health Action Group continued to provide invaluable advice to Suffolk PCT, for example, advice on access facilities to new or refurbished NHS buildings. Suffolk PCT also participated in the second Disability Involvement Day – an event attended by more than 100 local disabled people and key staff from local organisations to share views and perceptions.

INVOLVING LOCAL PEOPLE

Local people continued to make a difference to services through NHS Community Conversations – hosted by Suffolk PCT in partnership with other local NHS organisations. Three events were hosted in 2012 in Bury St Edmunds, Kesgrave and Ipswich, providing an opportunity for people from a diverse range of backgrounds to share their healthcare stories with NHS staff.

As well as the two general events, Ipswich NHS Community Conversations was hosted with local charity Suffolk Young People's Health Project, or 4YP, and captured the health stories and experiences of some of Ipswich's young people.

These personal experiences help Suffolk PCT to identify what is working well and what needs improving.

EQUALITY AND DIVERSITY

Suffolk PCT's vision was to be a just and inclusive organisation where everyone who receives services from, or works for, the Trust has the opportunity to fulfil his or her potential. In order to achieve this vision, Suffolk PCT has taken steps to eliminate prejudice and discrimination and to ensure healthcare services are accessible, appropriate and sensitive to the needs of all service users.

In October 2010, the Equality Act came into force to replace and strengthen previous anti-discrimination laws. The Equality Act has widened previous legislation to protect people with so-called 'protected characteristics' from discrimination. Previous legislation protected the characteristics of age, disability, race, religion or belief, sex and sexual orientation but the Act extends protection to the further characteristics of gender reassignment, marriage and civil partnership, and pregnancy and maternity.

To ensure Suffolk PCT met its new requirements under the Equality Act and the general and specific equality duties placed on public sector bodies, Suffolk PCT adopted the Equality Delivery System (EDS) for the NHS. This performance management tool helped Suffolk PCT to drive forward and embed work on equality and diversity into all of its business.

In April 2012 Suffolk PCT published its three equality objectives – the areas it had selected by using the EDS to focus its work on equality and diversity.These objectives were:

- Changes across services for individual patients are discussed with them and transitions are made smoothly
- Patients, carers and communities can readily access services and should not be denied access on unreasonable grounds
- Middle managers and other line managers support and motivate their staff to work in culturally competent ways within a work environment free from discrimination

A workshop held earlier this year with some of Suffolk PCT's stakeholders and community representatives showed progress had been made against these objectives this year. Both clinical commissioning groups have also adopted the EDS and will be agreeing the equality objectives that they will pursue later this year.

Patient experience

PATIENT SAFETY AND CLINICAL QUALITY

There was a greater focus and emphasis on quality of care and patient safety this year supported by the Quality Improvement Visit programme (QIV)

- There were several high profile inquiries into serious failings at NHS hospitals and services, most notably the Francis Inquiry into Mid Staffordshire Hospital NHS Trust. A key focus of the Francis Inquiry was the need to listen to patients, carers and frontline staff, as a source of intelligence and assurance on the safety and quality of services.

The QIV programme represents an opportunity for commissioners to fulfil their duty to patients and the public for the quality of commissioned services by:

- Connecting with patients, carers and staff at the point of care
- Further developing relationships and understanding between clinical commissioners and providers
- Developing a better understanding and experience of the care environment that has been commissioned
- Enabling commissioners to triangulate evidence of adherence to care standards, achievement of Suffolk-wide Harm Free Care, CQUINS, Patient Experience and staff satisfaction.

INFECTION CONTROL

The role of the infection control team is to ensure infection control practice within all of the services commissioned to provide healthcare to the people in Suffolk is delivered to the highest standard. These services include the acute care hospitals, the mental health trust and community services.

The main areas of focus for the infection control team are:

- Ensuring evidence-based best practice is adhered to in all areas including hand washing by all healthcare workers, cleaning of areas using the recommended materials and all patients being promptly placed into an environment which can limit potential exposure to other patients.
- Working to reduce the prescribing of unnecessary or inappropriate antibiotics to protect against side effects and emerging resistance to common treatments
- All cases of MRSA bacteraemia (blood infection) and Clostridium difficile diarrhoea are closely scrutinised to identify any causative elements and areas of practice that could be improved in the future.

The number of Clostridium difficile cases slightly increased against last year's figure of 103 in total. Work will be continued to reduce the numbers of cases of this infection. All areas identified where improvements can be made will be monitored closely.

C.difficile	2012/13 Cases
Suffolk PCT community	119
Ipswich Hospital	27
West Suffolk Hospital	33

The number of MRSA bacteraemia cases reduced by 50% from last year. These cases were all reviewed to understand the areas of practice where any further improvements to patient management can be made.

MRSA bacteraemia	2012/13 Cases
Suffolk PCT community	4
Ipswich Hospital	2
West Suffolk Hospital	2

Norovirus has been circulating in the community affecting both acute and community hospitals. Communication between the Health Protection Agency (HPA) and all health care providers to provide outbreak information was coordinated by Suffolk PCT to provide a county wide approach to containing and limiting the effect of this infection. Suffolk PCT worked timelessly to monitor the management of this infection and raise awareness with the general public to avoid spreading the virus to hospital or care environments.

Suffolk PCT worked with both the HPA and the acute hospitals to manage the increase in measles cases attending Suffolk hospitals. All care was scrutinised to ensure all measures are in place to prevent the spread of this highly infectious disease. There was a national increase in measles cases reported over this year which initiated a public health programme to vaccinate children and vulnerable adults.

The PCT was also kept informed by the HPA of a national increase in the number of pertussis cases this year. Suffolk PCT was available to answer telephone enquiries as necessary in support of the HPA guidelines.

SERIOUS INCIDENT MONITORING

- Serious Incidents Requiring Investigation (SIRIs)
All organisations providing healthcare are required to report serious incidents to its local commissioner through a national reporting system in order to ensure that robust investigations are carried out and lessons are learnt by all organisations. It will also address how changes, improvements and actions can be made to prevent their reoccurrence. The wider sharing of these lessons learnt is also used to inform the whole healthcare sector to improve patient safety and experience.

Suffolk PCT monitored all organisations providing healthcare in Suffolk to ensure that all appropriate serious incidents were reported and any trends identified. This would alert the commissioner to any serious failings and ensure actions were taken to reduce the likelihood of the event happening again.

Discussions and reporting of these incidents and themes were undertaken at the Suffolk PCT Patient Safety and Clinical Quality Network, through contract meetings with providers and also with partner organisations such as social care services which enabled all organisations to learn from each other to improve the safety and quality of services.

Key themes identified from SIRI reports have included inpatient falls and pressure ulcers (it is a requirement that all Grade 3 and 4 pressure ulcers and falls causing serious harm, which have occurred during healthcare delivery, are reported). There have also been a small number of 'Never Events' in the local acute hospitals in Suffolk. These are defined as serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented by the health care provider.

These incidents included a 'wrong site surgery' and a 'retained swab event'. The response to these events will be monitored by the CCGs to ensure that all required actions are taken by the Trusts.

SAFEGUARDING CHILDREN AND YOUNG PEOPLE

The past year was dominated by the restructuring of the health service nationally and the impact locally on commissioning and provider arrangements in a context of austerity measures. Suffolk maintained the 'golden thread' of safeguarding children and health services rose to the challenge of ensuring that the safety and welfare of children remained a high priority. The major challenge for the health agency in the future will be the maintenance of this focus where there are competing priorities for scarce resources.

Two key projects in safeguarding children were initiated in 2012.

- An enhanced electronic tool to flag up safeguarding concerns which can easily be seen by appropriate clinicians called Systmone 'safeguarding palette'. This has been introduced in community services for which the project lead has developed a planned phased approach. The aim is to complete the implementation by the end of 2013. This goes hand in hand with the wider drive to encourage GPs to adopt Systemone for patient records throughout Suffolk and to introduce Systmone Clinical Records Viewer within both the Suffolk acute hospitals. The overall aim is to facilitate effective and appropriate communication and information sharing.

- There has been strategic sign up across the agency partnership to develop a Suffolk Multi-Agency Safeguarding Hub (MASH) which aims to strengthen the current social care 'front door' arrangements and facilitate early help offers for children and their families that aim to prevent escalation of potential harm and promote the welfare of children and young people.

LOOKED AFTER CHILDREN (LAC)

The third Suffolk PCT LAC annual report identified a number of concerns about the health agency ability to adequately meet the health needs of this very vulnerable group of children and young people, particularly their mental health and emotional wellbeing needs, This culminated in a recommendation to commission a joint (health / social care) review of the health element of LAC. This Review was duly undertaken and the Final Review Report has now been completed. The recommendations are to be presented to the Clinical Commissioning Groups Clinical Executive members with a view to implement the recommendations over the coming year 2013/14.

VULNERABLE ADULTS

Under Suffolk PCT safeguarding vulnerable adults remained a priority and this work continued through the transition process for both Ipswich & East and West Suffolk Clinical Commissioning Groups to ensure the safety of healthcare services.
This means that the services protect patients whilst in their care and train staff to recognise and report any concerns they have about patients coming into their care. Joint working with Suffolk County Council, all health care providers and the voluntary sector improved communication and information sharing to detect and report concerns, improving practices where necessary.
Quality Improvement Visits with a focus on adult safeguarding are being carried out across all NHS health providers which includes nursing care homes, reviewing processes in place, training compliance and questioning staff on their knowledge and understanding of safeguarding vulnerable adults' healthcare services.

PALS

The PALS service received 10289 requests for support or information during the year 2012-13. The table below provides figures for comparison purposes.

Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2007/08	474	535	683	1,040	2,732
2008/09	1,776	2,504	3,051	3,432	10,763
2009/10	4,586	4,378	3,580	4,016	16,560
2010/11	3,460	3,461	2,982	2,924	12,827
2011/12	2,643	2,667	2,561	2,504	10,375
2012/13	2,739	2,946	2,414	2,190	10,289

The PALS Service encompasses all Suffolk PCT contractors to include GP and dental practices, pharmacies and opticians in the Suffolk PCT area and all provider services including Harmoni . The service has been the front line communication for new contractors; for example Newmedica and Prime Diagnostics. It is also responsible for the running of the Emergency Dental Line for Suffolk, referring patients to duty NHS dentists on a ‘first come first served’ basis each weekday in Ipswich and Bury St Edmunds.

PALS is fully operational in supporting prisoners with health care issues in all four prisons in the Suffolk PCT area. The service acts as the appeals process for free hospital transport provided by the Patient Transport Clinical Assessment and Advice Service (PTCAAS).

PALS Activity

The highest number of contacts to the PALS Service (6869) was around dental services, in particular access to an NHS dentist and to request appointments through the emergency dental line.

PALS Activity	Total
Dental	6,869
GP Query	470
Continuing Care	92
Funding	96
Podiatry	52
Optical	113
Physiotherapy	41
Meds/Pharmacy	192
Mental health	58
Med cert/recs	74
Continence	26
Screening	14
Acute	159
PALS other area	56
Prisons	298
Transport	396

COMPLAINTS

It is always disappointing when a patient feels the care or service that they have received has fallen below the standards they expect.

It is important to know about this so there can be an investigation to see what happened and to enable improvements to be made.

The Patient Experience team managed complaints about any health service commissioned by Suffolk PCT. In 2012-13 the team received 266 complaints.

Among these were issues associated with primary care, prison health, continuing healthcare, complaints about the Primary Care Trust and also about out of hours GP and dentistry services.

The highest number of complaints was in respect of GP services (114) and dentistry (36), with very few about pharmacy (4).

The team responded by requesting an investigation which would be undertaken by the relevant service and a report provided to Suffolk PCT. The complainant received information from the service's response and would be given the opportunity to further pursue the complaint if the reply did not satisfy their concerns. This may have involved further investigation and/or follow-up meetings.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2008/09	1,776	2,504	3,051	3,432	10,763
2009/10	4,586	4,378	3,580	4,016	16,560
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2011/12	2,643	2,667	2,561	2,504	10,375
2012/13	2,739	2,946	2,414	2,190	10,289

OUT OF HOURS

This has been the third year Harmoni has provided the Out of Hours services in Suffolk. Harmoni continues to provide an accessible and responsive service to people living in the county. Its performance against nationally set contractual standards for responding to patients' phone calls and times to see a GP has been a challenge this year. Both Clinical Commissioning Groups in Suffolk continue to work with Harmoni to improve compliance with contractual standards aimed at further improving patient access and the patient experience.

PALLIATIVE AND END OF LIFE CARE

Most people in the UK would choose to die at home if they had a terminal illness. Suffolk PCT has worked to ensure more people are able to achieve this. Figures for 2012-13 show that 50% of those choosing to die at home were able to do so.

The workforce received training in communication skills and advance care planning and the hand held record - the "yellow folder" scheme - was further rolled out across the County. This assisted in the planning and co-ordination of end of life care and has resulted in an increase in the percentage of patients who chose to die in their usual place of residence being able to do so. Further work took place in developing an electronic palliative care co-ordination system to improve communication between professionals delivering end of life care and to help patients achieve their preferred place of care at the end of their lives.

Operating and financial review

HOW AVAILABLE RESOURCES WERE USED

Overview

Suffolk PCT delivered its key statutory and administrative financial duties during the financial year ending 31 March 2013 with a year end surplus of £8,012k on an overall budget of £971,202k. This has only been possible as a direct result of all the hard work and commitment of all PCT staff.

Operational financial balance

The PCT's Revenue Resource Limit (RRL) for the year ended 31 March 2013 was £971,202k. The value of the initial RRL is based upon the weighted capitation formula. This formula is based upon the population served by the PCT amended for factors including age, need and market forces. Additional RRL was also received in the year from funds held centrally by the Department of Health. Suffolk PCT also receives income direct from other sources, including NHS organisations, for healthcare services provided by Suffolk Community Healthcare, its provider arm.

Capital resource limit

The PCT's Capital Resource Limit (CRL) for the year ended 31 March 2013 was £1,989k for which the PCT had an under-spend of £1,342k against its capital resource limit in 2012-13.

Compliance with better payment practice code

Suffolk PCT has signed up to the prompt payments code which is a payment initiative developed by the Government with the Institute of Credit Management (ICM) to tackle the crucial issue of late payment and help small businesses.

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. The code gives the NHS a target of paying 95% of bills within the contract terms.

Principles for Remedy

The Parliamentary and Health Service Ombudsman have issued six Principles for Remedy when handling complaints. These principles set out for complainants and bodies within the Parliamentary and Health Service Ombudsman's jurisdiction how they think public bodies should put things right when they have gone wrong and our approach to recommending remedies.

The Principles for Remedy are:
1. Getting it right
2. Being customer focused
3. Being open and accountable
4. Acting fairly and proportionately
5. Putting things right
6. Seeking continuous improvement

Pensions

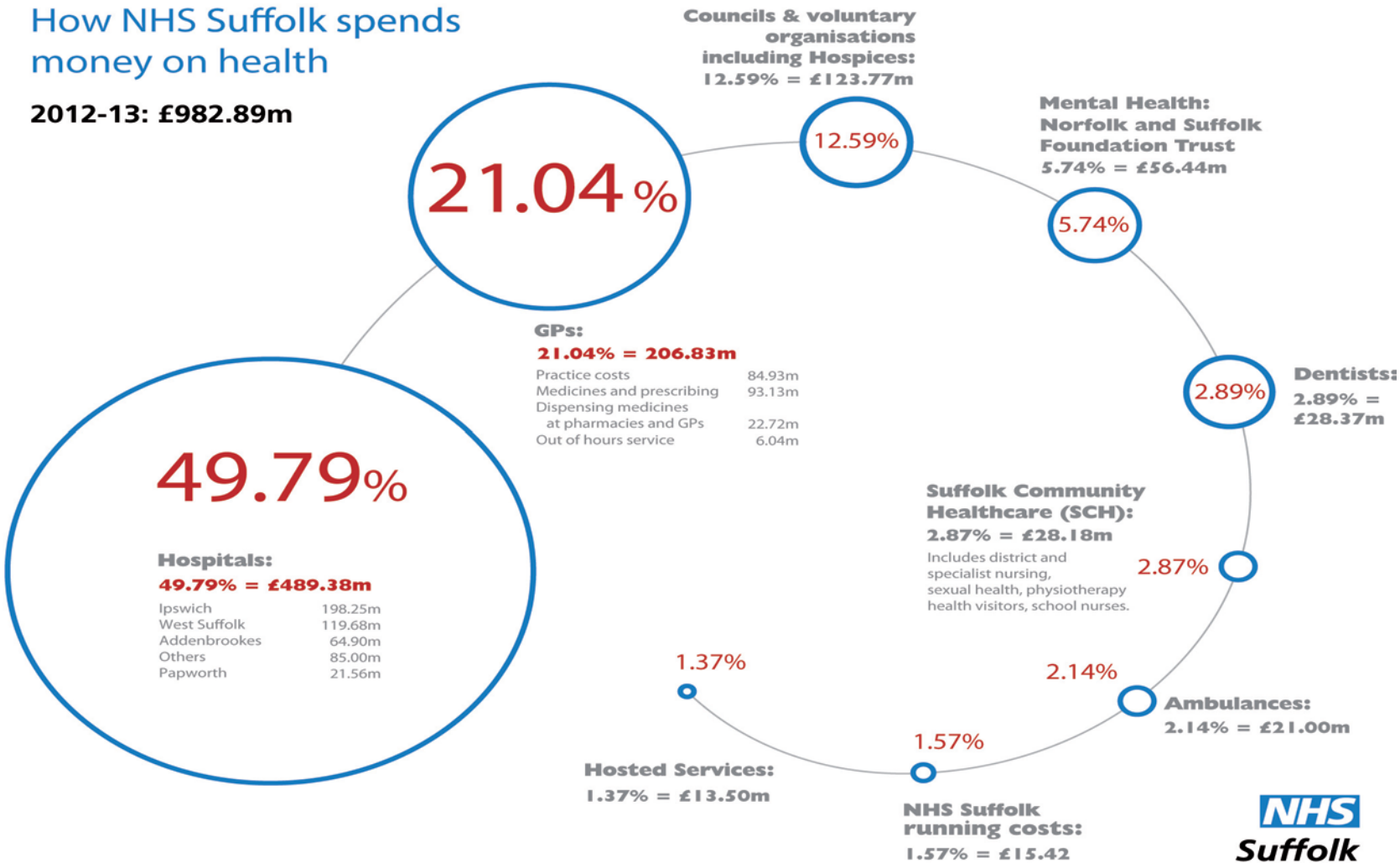
Details of the accounting for pension liabilities can be found in the Accounting Policy note in the full set of financial statements. Further details of directors' pension benefits are also disclosed in this annual report.

External Auditors

Ernst & Young were appointed auditors to the PCT for 2012/13. The cost of statutory audit services in 2012-13 was £123k with a further £28k being spent on non-audit fees.

Directors' disclosure of information to Auditors

So far as the Directors are aware, there is no relevant information of which the Trust's auditors are unaware and the Directors have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.


How NHS Suffolk spends money on health
2012-13: £982.89m
Councils & voluntary organisations including Hospices:
12.59% = £123.77m
12.59%
Mental Health: Norfolk and Suffolk Foundation Trust
5.74% = £56.44m
5.74%
21.04%
GPs:
21.04% = 206.83m
Practice costs 84.93m
Medicines and prescribing 93.13m
Dispensing medicines at pharmacies and GPs 22.72m
Out of hours service 6.04m
2.89%
Dentists:
2.89% = £28.37m
49.79%
Hospitals:
49.79% = £489.38m
Ipswich 198.25m
West Suffolk 119.68m
Addenbrookes 64.90m
Others 85.00m
Papworth 21.56m
Suffolk Community Healthcare (SCH):
2.87% = £28.18m
Includes district and specialist nursing, sexual health, physiotherapy health visitors, school nurses.
2.87%
1.37%
2.14%
Ambulances:
2.14% = £21.00m
1.57%
Hosted Services:
1.37% = £13.50m
NHS Suffolk running costs:
1.57% = £15.42
NHS Suffolk

Summary Financial Statements

The summary financial statements are extracts from Suffolk PCT's annual accounts for 2012-13.
The summary financial statements do not contain sufficient information to allow as full an understanding of the results of Suffolk PCT and of its policies and arrangements concerning Directors' remuneration as would be provided by the full annual accounts and reports.

These are available upon request, free of charge.

Please see contact details at the end of the report.

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2013

The purpose of this statement is to summarise, on an accruals basis, the net operating costs of the Primary Care Trust (PCT). The statement identifies gross operating costs, less miscellaneous income to arrive at the net operating costs of the PCT, showing income and costs from the Provider arm of the PCT separately from those of the Commissioning function.
It can be seen from the Statement of Comprehensive Net Expenditure that Net Operating Costs in 2012-13 have increased by 2% compared to 2011 -12, reflecting increased expenditure on the provision of healthcare for the population of Suffolk.

	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	33,036	51,136
Other costs	949,851	912,013
Income	(19,354)	(19,583)
Net operating costs before interest	963,533	943,566
Investment income	0	(14)
Other (Gains)/Losses	(379)	0
Finance costs	36	35
Net operating costs for the financial year	963,190	943,587
Transfers by absorption -(gains)/losses	0	0
Net (gain)/loss on transfers by absorption	0	0
Net Operating Costs for the Financial Year including absorption transfers	963,190	943,587
Of which:		
Administration Costs -		
Gross employee benefits	13,207	11,847
Other costs	4,098	4,217
Income	(382)	(1,330)
Net administration costs before interest	16,923	14,734
Investment income	0	(14)
Other (Gains)/Losses	0	0
Finance costs	0	32
Net administration costs for the financial year	16,923	14,752
Programme Expenditure		
Gross employee benefits	19,829	39,289
Other costs	945,753	907,796
Income	(18,972)	(18,253)
Net programme expenditure before interest	946,610	928,832
Investment income	0	0
Other (Gains)/Losses	(379)	0
Finance costs	36	3
Net programme expenditure for the financial year	946,267	928,835
Other Comprehensive Net Expenditure		
Impairments and reversals put to the Revaluation Reserve	130	793
Net (gain) on revaluation of property, plant & equipment	0	(1,429)
Net (gain) on revaluation of intangibles	0	0
Net (gain) on revaluation of financial assets	0	0
Net (gain)/loss on other reserves	0	0
Net (gain)/loss on available for sale financial assets	0	0
Net (gain) /loss on Assets Held for Sale	0	
Release of Reserves to Statement of Comprehensive Net Expenditure	0	
Net actuarial (gain)/loss on pension schemes	0	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	0	0
Total comprehensive net expenditure for the year *	963,320	942,951

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

The Statement of Financial Position states the assets and liabilities of the PCT as at the end of the financial year being reported on, and is made up of two parts: the upper part shows the net assets/liabilities of the PCT and the lower part identifies the source of finance used to fund those net assets/liabilities. Due to the way PCTs receive funding from the Department of Health it is usual to have a negative value for the General Fund. In the opinion of the Directors there is no material difference between the carrying value and market value of the PCT's interest in land.

	31 March 2013 £000	31 March 2012 £000
Non-current assets:		
Property, plant and equipment	34,444	36,638
Intangible assets	0	39
investment property	0	0
Other financial assets	0	0
Trade and other receivables	0	0
Total non-current assets	34,444	36,677
Current assets:		
Inventories	4	953
Trade and other receivables	17,006	9,674
Other financial assets	0	0
Other current assets	0	0
Cash and cash equivalents	9	14
Total current assets	17,019	10,641
Non-current assets held for sale	0	0
Total current assets	17,019	10,641
Total assets	51,463	47,318
Current liabilities		
Trade and other payables	(44,985)	(42,466)
Other liabilities	0	0
Provisions	(15,666)	(3,964)
Borrowings	0	(21)
Other financial liabilities	0	0
Total current liabilities	(60,651)	(46,451)
Non-current assets plus/less net current assets/liabilities	(9,188)	867
Non-current liabilities		
Trade and other payables	0	0
Other Liabilities	0	0
Provisions	(1,211)	(949)
Borrowings	0	(18)
Other financial liabilities	0	0
Total non-current liabilities	(1,211)	(967)
Total Assets Employed:	(10,399)	(100)
Financed by taxpayers' equity:		
General fund	(19,028)	(9,033)
Revaluation reserve	8,629	8,933
Other reserves	0	0
Total taxpayers' equity:	(10,399)	(100)

Andrew Reed

Designated Accountable Officer (on behalf of the Dept. of Health) **Date 7 JUNE 2013**

STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR THE YEAR ENDED 31 MARCH 2013

The Statement of Changes in taxpayer's equity records the movement on the General Fund and reserves in the period.

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(9,033)	8,933	0	(100)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(963,190)			(963,190)
Net gain on revaluation of property, plant, equipment		0		0
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(130)		(130)
Movements in other reserves			0	0
Transfers between reserves	174	(174)		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	(963,016)	(304)	0	(963,320)
Net Parliamentary funding	953,021			953,021
Balance at 31 March 2013	(19,028)	8,629	0	(10,399)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

The statement of cash flows provides information on PCT liquidity, viability and financial adaptability.
The statement also summarises the cash coming in and out of the PCT in the accounting period.

	2012-13	2011-12
	£000	£000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	(963,533)	(943,566)
Depreciation and Amortisation	1,558	1,542
Impairments and Reversals	1,192	2,969
Other Gains / (Losses) on foreign exchange	0	0
Donated Assets received credited to revenue but non-cash	0	(133)
Government Granted Assets received credited to revenue but non-cash	0	0
Interest Paid	(2)	(3)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	949	(98)
(Increase)/Decrease in Trade and Other Receivables	(7,465)	1,837
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	2,280	(572)
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(1,078)	(432)
Increase/(Decrease) in Provisions	13,008	3,846
Net Cash Inflow/(Outflow) from Operating Activities	(953,091)	(934,610)
Cash flows from investing activities		
Interest Received	0	14
(Payments) for Property, Plant and Equipment	(2,655)	(6,081)
(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)	2,587	151
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	(68)	(5,916)
Net cash inflow/(outflow) before financing	(953,159)	(940,526)
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	0	0
Net Parliamentary Funding	953,021	940,517
Capital Receipts Surrendered	0	0
Capital grants and other capital receipts	133	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	0	0
Net Cash Inflow/(Outflow) from Financing Activities	953,154	940,517
Net increase/(decrease) in cash and cash equivalents	(5)	(9)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	14	23
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	9	14

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Note 1
Financial Performance Targets

The following notes contain supporting information detailing how the organisation fared against its financial performance targets. PCTs have a number of statutory financial duties which form part of their overall performance management arrangements.

1.1 Revenue Resource Limit

The target is to contain expenditure on a full 'income and expenditure' basis within approved revenue resource limits. The table below illustrates that the organisation charged £963,190k against its final revenue resource limit of £971,202k. This produced an underspend of £8,012k, clearly demonstrating achievement of this particular duty.

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		943,587
Net operating cost plus (gain)/loss on transfers by absorption	963,190	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	971,202	944,657
Under/(Over)spend Against Revenue Resource Limit (RRL)	8,012	1,070

1.2 Capital Resource Limit

The PCT is required to maintain capital expenditure within an approved limit. The following table demonstrates that Suffolk PCT had an underspend of £1,342k against its final reported Capital Resource Limit which shows full compliance with the financial duty.

	2012-13 £000	2011-12 £000
Capital Resource Limit	1,989	4,922
Charge to Capital Resource Limit	647	4,883
(Over)/Underspend Against CRL	1,342	39

1.3 Provider full cost recovery duty

PCTs are required to demonstrate that they have recovered the full costs of their provider functions from within their own resources.

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	28,177	60,196
Provider Operating Revenue	(3,018)	(6,188)
Net Provider Operating Costs	25,159	54,008
Costs Met Within PCTs Own Allocation	(24,951)	(54,176)
Under/(Over) Recovery of Costs	208	(168)

Note 2

Better Payment Practice Code

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. The code gives the NHS a target of paying 95% of bills within the contract terms.

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	25,805	128,641	35,096	112,113
Total Non-NHS Trade Invoices Paid Within Target	24,414	126,307	32,863	109,381
Percentage of NHS Trade Invoices Paid Within Target	94.61%	98.19%	93.64%	97.56%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,900	604,847	5,271	638,245
Total NHS Trade Invoices Paid Within Target	4,676	603,816	5,064	636,056
Percentage of NHS Trade Invoices Paid Within Target	95.43%	99.83%	96.07%	99.66%

Note 3
Exit Packages agreed during 2012-13

This note provides an analysis of Exit Packages agreed during the year.

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

One package in excess of £100k was not given approval by the Midlands and East Strategic Health Authority. Approval was requested after payment was made by the PCT and the Strategic Health Authority declined to approve retrospectively. Therefore this payment did not follow the full approval process.

	2012-13			2011-12		
Exit package cost band (including any special payment element)	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band
Lees than £10,000	3	2	5	3	0	3
£10,001-£25,000	5	0	5	10	0	10
£25,001-£50,000	2	1	3	4	0	4
£50,001-£100,000	1	0	1	0	0	0
£100,001 - £150,000	1	0	1	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	12	3	15	17	0	17
	£000s	£000s	£000s			£000s
Total resource cost	335	51	386			271

Note 4
Running Costs

	Commissioning Services	Public Health	Total
Running Costs 2012-13			
Running costs (£000s)	13,867	1,552	15,419
Weighted population (number in units)	566,558	566,558	566,558
Running Costs per weighted head of population (£ per head)	24.48	2.74	27.22
Running Costs 2011-12			
Running costs (£000s)	13,287	1,465	14,752
Weighted population (number in units)	566,558	566,558	566,558
Running Costs per weighted head of population (£ per head)	23.45	2.59	26.04

Note 5
Staff Sickness absence

	2012-13 Number	2011-12 Number
Total Days Lost	8,783	12,283
Total Staff Years	1,702	1,440
Average working Days Lost	8.19	8.53

These figures relate to the 2012 calendar year and have been provided by the DoH to ensure a consistent reporting basis when accounts are consolidated.

Note 6

Purchase of Healthcare

	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS / APMS / PCTMS	84,860	85,260
Prescribing costs	93,132	97,525
Contractor led GDS & PDS	28,372	27,909
Trust led GDS & PDS	0	0
General Ophthalmic Services	5,614	5,536
Department of Health Initiative Funding	0	0
Pharmaceutical services	7,476	7,966
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	15,248	14,667
Non-GMS Services from GPs	499	992
Other	0	0
Total Primary Healthcare purchased	235,201	239,855
Purchase of Secondary Healthcare		
Learning Difficulties	11,373	11,318
Mental Illness	82,604	83,738
Maternity	47,403	39,586
General and Acute	458,796	442,128
Accident and Emergency	14,434	13,119
Community Health Services	82,065	81,692
Other Contractual	13,273	13,336
Total Secondary Healthcare Purchased	709,948	684,917
Grant Funding		
Grants for capital purposes	3,102	637
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	948,251	925,409
PCT self-provided secondary healthcare included above	24,951	54,176
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	264,313	169,360

Remuneration Report

REMUNERATION & HR COMMITTEE

Committee Chair: Hazel Hole

Members: Alastair McWhirter
William Banks, Audit Committee Chair, has right of attendance at Remuneration and HR meetings.

Attendees: Amanda Lyes (Director of Human Resources, Organisational Development & Transformation)
Johanna Finn, (Lay member West Suffolk CCG)
Gulshan Kayembe (Lay member Ipswich & East Suffolk CCG)
Dr Paul Kaiser (Ipswich & East Suffolk CCG)
Rachael Beard, Head of HR & Corporate Services, SCH
Colin Boakes (Interim Trust Secretary)
Ellen Woodruffe, (Committee & Governance Officer)

Policy on remuneration of senior managers

Suffolk PCT's chief executive and executive directors were paid in accordance with the national guidance for very senior managers in Primary Care Trusts. The terms and conditions of all other senior managers within the PCT were also determined by national arrangements: either "Agenda for Change" for the majority of management staff or medical and dental terms and conditions. Each year objectives were set through the personal development review process.

Performance was assessed each year against achievement of these objectives. In addition, for those staff on Agenda for Change terms and conditions, the competency requirements for the post were determined and achievement was reviewed annually. Senior medical staff agreed a job plan and performance was evaluated against this. Very senior manager terms and conditions provided for two elements of performance related pay:

1. Any annual pay uplift was dependent on sound organisational financial performance and individual achievement of a satisfactory standard of performance.

2. A non-consolidated bonus may have been paid to very senior managers whose performance exceeds expectations or was outstanding, with the approval of the Remuneration and HR Committee.

Agenda for Change terms and conditions require a competency assessment before progression through the pay band is approved. For senior medical or dental staff, exceptional performance may be rewarded through the Clinical Excellence Award Scheme. Generally Suffolk PCT employed staff on a permanent basis, unless there were clear operational reasons for not doing so. For example, staff who are covering the

temporary absence of a permanent member of staff or are undertaking time limited projects may have been employed on a fixed term basis. The Suffolk PCT chief executive and executive directors needed to give Suffolk PCT three months notice and the Suffolk PCT would give these officers six months notice to terminate employment. Other senior managers needed to give and would have received three months notice. Any termination payments would have only been those required contractually.

Suffolk PCT - Salaries & allowances year-ended 31 March 2013

Name and Title		2012/13			2011/12		
		Salary	Other Remuneration	Benefits in kind	Salary	Other Remuneration	Benefits in kind
		(bands of £5,000)	(bands of £5,000)	(Rounded to the nearest £00)	(bands of £5,000)	(bands of £5,000)	(Rounded to the nearest £00)
Dr Paul Watson - Chief Executive	Left 09/07/2012	40 - 45	0 - 5	4	155 - 160	0	0
Julian Herbert - Director of Finance and Performance/Deputy Chief Executive		130 - 135	5 - 10	5	110 - 115	0	0
Dr Amanda Jones - Interim Director of Public Health	Left 15/04/2012	0 - 5	0	0	25 - 30	55 - 60	0
Lynne Wigens - Director of Patient Safety & Clinical Quality	Left 10/08/2012	30 - 35	0	1	90 - 95	0	0
Dr Andrew Hassan - Medical Director	Left 31/03/2013	65 - 70	0	0	55 - 60	0	0
Professor Mike Saks - Academic Advisor to the Board		5 - 10	0	0	5 - 10	0	0
Alastair McWhirter - Chairman		35 - 40	0	0	35 - 40	0	0
Martin Smith - Non Executive Director		5 - 10	0	0	5 - 10	0	0
Hazel Hole - Non Executive Director		5 - 10	0	2	5 - 10	0	0
William Banks - Non Executive Director		25 - 30	0	5	10 - 15	0	0
Graham Leaf - Non Executive Director		15 - 20	0	1	5 - 10	0	0
Graham Crerar - Non Executive Director	Left 30/04/2011	-	-	-	0 - 5	0	0
Tracy Dowling - Director of Strategic Commissioning	Left 31/03/2013	100 - 105	0	2	95 - 100	0	0
Martin Royal - Director of Corporate Services	Left 31/03/2013	85 - 90	0	4	85 - 90	0	10
Dawn Godbold - Interim Chief Operating Officer, Suffolk Community Healthcare	Left 30/09/2012	45 - 50	0	0	90 - 95	0	11
Lesley Macleod - Interim Director of Finance	Appointed 23/07/2012 Left 10/12/2012	90 - 95	0 - 5	0	0	0	0
Carl Goulton - Director of Finance and Performance	Appointed 03/12/2012	35 - 40	0	2	0	0	0
Dr Peter Bradley - Director of Public Health	Left 31/10/2011	-	-	-	40 - 45	0	0
Tessa Lindfield - Director of Public Health	Appointed 16/04/2012 - (50% Recharged to Suffolk County Council)	50 - 55	0	4	0	0	0
Barbara McLean - Director of Patient Safety and Quality	Appointed 08/05/2012	80 - 85	0	1	0	0	0
John Wicks - Interim Director of Strategic Commissioning/Interim Chief Contracts Officer	Appointed 14/01/2013 Left 31/03/2013	40 - 45	0	0	0	0	0
Amanda Lyes - Director of Human Resources, Organisational Development and Transformation	Appointed 01/04/2012	95 - 100	0	4	0	0	0
Melanie Craig - Chief Operating Officer (Designate), Ipswich & East Suffolk CCG	Appointed 01/04/2012	90 - 95	0	1	85 - 90	0	0
Dr Edmund Garratt - Chief Operating Officer (Designate), West Suffolk CCG	Appointed 01/04/2012	100 - 105	0	5	0	0	0
Sandra Hogg - Chief Redesign Officer (Designate), Ipswich and East Suffolk CCG	Appointed 10/12/2012	25 - 30	0	1	0	0	0
James Downes - Chief Redesign Officer (Designate), West Suffolk CCG	Appointed 06/02/2013	10 - 15	0	0	0	0	0
Band of Highest Paid Director's Total Remuneration (£'000)		£135 - 140			155 - 160		
Median total remuneration		£34,189			25,528		
Ratio		3.97			6.17		

Following a selection process for roles within Local Area Office of the NHS Commissioning Board the following individual was confirmed in a director role for the PCT Cluster.

Name	Position	Appointment date	Salary paid by existing employer (bands of £5,000) *
Sheila Bremner	Chief Executive	1st October 2012	Not disclosed

* In accordance with national guidance the salary costs of the Local Area Office staff have continued to be met in full by their employer, rather than be accounted for in part by Suffolk PCT, so they are not disclosed in the above table.

The pension benefits of the directors of the Local Area Office of the National Commissioning Board listed above, are reported in the Annual Reports of the NHS organisation employing them.

Suffolk PCT - Pension Benefits year-ended 31 March 2013

		Real increase/ decrease in pension at age 60	Real increase/ decrease in pension lump sum at aged 60	Total accrued pension at age 60 at 31 March 2013	Lump sum at age 60 related to accrued pension at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase/ decrease in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
		(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	£00
Dr Paul Watson - Chief Executive	Left 09/07/2012	-2.5 - 0	-2.5 - 0	45 - 50	135 - 140	773	722	13	0
Julian Herbert - Director of Finance and Performance/Deputy Chief Executive		2.5 - 5	7.5 - 10	15 - 20	45 - 50	251	189	51	0
Dr Amanda Jones - Interim Director of Public Health	Left 15/04/2012	0 - 2.5	0 - 2.5	35 - 40	105 - 110	714	479	210	0
Lynne Wigens - Director of Patient Safety & Clinical Quality	Left 10/08/2012	0 - 2.5	2.5 - 5	30 - 35	100 - 105	622	525	25	0
Tracy Dowling - Director of Strategic Commissioning	Left 31/03/2013	0 - 2.5	2.5 - 5	25 - 30	85 - 90	497	442	33	0
Martin Royal - Director of Corporate Services		0 - 2.5	2.5 - 5	20 - 25	65 - 70	445	392	32	0
Dawn Godbold - Interim Chief Operating Officer, Suffolk Community Healthcare	Left 30/09/2012	0 - 2.5	0 - 2.5	20 - 25	70 - 75	463	415	13	0
Tessa Lindfield - Director of Public Health	Appointed 16/04/2012	0 - 2.5	2.5 - 5	20 - 25	65 - 70	385	334	34	0
Amanda Lyes - Director of Human Resources, Organisational Development and Transformation	Appointed 01/04/2012	-2.5 - 0	0 - 2.5	30 - 35	90 - 95	456	427	8	0
Carl Goulton - Director of Finance and Performance	Appointed 03/12/2012	0 - 2.5	0 - 2.5	0 - 5	0	6	0	6	0
Barbara McLean - Director of Patient Safety and Quality	Appointed 08/05/2012	-2.5 - 0	-5 - -2.5	30 - 35	100 - 105	619	601	-12	0
Melanie Craig - Chief Operating Officer (Designate), Ipswich & East Suffolk CCG	Appointed 01/04/2012	0 - 2.5	0 - 2.5	10 - 15	35 - 40	191	171	10	0
Dr Edmund Garratt - Chief Operating Officer (Designate), West Suffolk CCG	Appointed 01/04/2012	0 - 2.5	2.5 - 5	10 - 15	30 - 35	123	100	18	0
Sandra Hogg - Chief Redesign Officer (Designate), Ipswich and East Suffolk CCG	Appointed 10/12/2012	-2.5 - 0	-2.5 - 0	25 - 30	85 - 90	484	485	-8	0
James Downes - Chief Redesign Officer (Designate), West Suffolk CCG	Appointed 06/02/2013	0 - 2.5	-2.5 - 0	0 - 5	0 - 5	25	21	2	0
Dr Andrew Hassan - Medical Director (GP)	Left 31/03/2013	Pension disclosure not required							
Professor Mike Saks - Academic Advisor to the Board		Pension disclosure not required							
Alastair McWhirter - Chairman		Not eligible for pension scheme							
Martin Smith - Non Executive Director		Not eligible for pension scheme							
Hazel Hole - Non Executive Director		Not eligible for pension scheme							
William Banks - Non Executive Director		Not eligible for pension scheme							
Graham Leaf - Non Executive Director		Not eligible for pension scheme							

All members of the Clinical Senate are remunerated for their roles within Clinical Commissioning Groups or in the form of a management fee if a GP. Part of their remuneration within these other roles is to attend Clinical Senate meetings, but no remuneration is paid specifically for their attendance.

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

Number in place on 31 January 2012	6
Of which:	
Number that have since come onto the organisation's payroll	0
Of which:	
Number that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	2
Number that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
Number that have come to an end	4
Total	6

There were no new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months.

Independent Auditor's Report to the Accountable Officer of Suffolk Primary Care Trust

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Changes in Taxpayers Equity, Statement of Cash Flows, Note 1: Financial Performance Targets, Note 2: Better Payment Practice Code: Note 3: Exit Packages Agreed During 2012-13, Note 4: Running Costs, Note 5: Staff Sickness Absence and Note 6: Purchase of Healthcare and the Remuneration Report.

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

Respective responsibilities of the Signing Officer and the Finance Signing Officer and auditor

The Signing Officer and the Finance Signing Officer 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 Suffolk Primary Care Trust for the year ended 31 March 2013. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements on 7 June 2013 and the date of this statement.

Neil Harris
Ernst & Young LLP
Statutory Auditor
Cambridge

Xx June 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 responsibilities, as designated Signing Officer.

Signed:  Designated Signing Officer

Name: Andrew Reed

Date: 7 June 2013

Statement of Directors' responsibilities in respect of the accounts

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

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

- make judgements and estimates which are reasonable and prudent;

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

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

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

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

By order of the Permanent Secretary.

Date: 7 June 2013  Andrew Reed - Signing Officer

Date: 7 June 2013  Adrian Marr - Finance Signing Officer

Service Contracts

Name	Date of Contract	Notice Period	Provision for Early Termination
Dr Paul Watson Chief Executive	1 October 2010 - 9 July 2012	Six months	None
Julian Herbert Director of Finance/Deputy Chief Executive	1 October 2006	Six months	None
Carl Goulton Director of Finance and Performance	3 December 2012	Six months	None
Dr Amanda Jones Interim Director of Public Health	1 November 2011 - 15 April 2012	Six months	None
Tessa Lindfield Director of Public Health	16 April 2012	Six months	None
Lynne Wigens Director of Patient Safety & Clinical Quality	22 February 2010 - 10 August 2012	Six months	None
Barbara McLean Director of Patient Safety & Quality	8 May 2012	Six months	None
Tracy Dowling Director of Strategic Commissioning	1 July 2008	Six months	None
Martin Royal Director of Corporate Services	4 June 2008	Six months	None
Dawn Godbold Interim Chief Operating Officer Suffolk Community Healthcare	1 October 2011	Three months	None
Amanda Lyes Director of Human Resources, Organisational Development and Transformation	1 April 2012	Six months	None

Interests Declared by NHS Suffolk Board Members

Alastair McWhirter, Chairman	Member of the University Campus Suffolk Audit Committee Trustee of Alcohol Concern – a National Charity
William Banks, Non Executive Director	Member of the University Campus Suffolk Audit Committee
Hazel Hole, Non Executive Director	Nil
Graham Leaf, Non Executive Director	Director of Colchester Community Stadium Limited
Martin Smith, Non Executive Director	Nil
Paul Watson, Chief Executive (left 09/07/12)	Nil
Julian Herbert, Director of Finance & Performance/Deputy Chief Executive	Nil
Carl Goulton, Director of Finance and Performance	Nil
Lesley MacLeod , Interim Director of Finance	Director of Public Solutions Limited
Tracy Dowling, Director of Strategic Commissioning (left 31/03/13)	Nil
Tessa Lindfield, Director of Public Health – Suffolk PCT/Suffolk County Council	Nil
Martin Royal, Director of Corporate Services	EEAST Community First Responder
Lynne Wigens, Director of Patient Safety and Clinical Quality (left 10/08/12)	Visiting Senior Fellow at University Campus Suffolk
Barbara McLean, Director of Patient Safety and Clinical Quality	Director of Allington Healthcare Ltd. Spouse is Interim CEO of Independent Living Group (ILG) and a shareholder in Clearwater Specialist Care Group Ltd.
Dr Andrew Hassan, Medical Director (left 31/03/13)	Senior Partner: Dr Hassan and Partners – GMS contract holder President: Anglo-French Medical Society Spouse holds a GDS contract with NHS Suffolk

AUDIT COMMITTEE

The Audit Committee provides the Suffolk PCT Board with an independent and objective review of the adequacy and effective operation of the organisations overall internal control system including its financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS.

Members

William Banks, Non Executive Director (Committee Chair)
Graham Leaf, Non Executive Director

In attendance

Carl Goulton, Director of Finance and Performance
Dr Paul Kaiser, Ipswich & East Suffolk CCG Governing Body
Peter Knights, West Suffolk CCG Governing Body
Colin Boakes, Interim Trust Secretary
Ellen Woodruffe, Committee and Governance Officer
Alastair McWhirter, Trust Chairman, Observer Member
Neil Abbott, Head of Internal Audit
Lorraine Bennett, Counter Fraud Manager
Neil Harris, External Audit
Tina Meyer, External Audit

FURTHER INFORMATION

To maintain transparency the Department of Health has published the full annual accounts together with this Annual Report on its web-site:-

www.dh.gov.uk

Annual Governance Statement

Please note a full summarised Annual Governance Statement 2012-13 which forms part of the Suffolk PCT full accounts for 2012-13 is available from the Department of Health as above.

Our Board members

Dr Paul Watson
Chief Executive
(to 9/7/12)

Tracy Dowling
Director of Strategic Commissioning

Andrew Hassan
Medical Director

Martin Smith
Non-executive Director

Hazel Hole
Non-executive Director

Alastair McWhirter
Chairman

Martin Royal
Director of Corporate Services

Lynne Wigens
Director of Patient Safety & Clinical Quality (left 10/8/12

Barbara Maclean
(appointed to interim 8/4/12)

William Banks
Non-executive Director

Graham Leaf
Non-executive Director

Julian Herbert
Director of Finance and Performance

Melanie Craig
Director of Primary Care (to 31/12/11)

Dr Peter Bradley
Director of Public Health (left 31/10/11)

Amanda Jones
Interim Director of Public Health (from 1/11/11)

Mike Saks
Academic Adviser

Suffolk Primary Care Trust

Accounts for the 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 responsibilties 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 responsibilities, as designated Signing Officer.

Signed: ..... Designated Signing Officer

Name: Andrew Reed

Date: 7 June 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.

Date: 7 June 2013 ..... Andrew Reed - Signing Officer

Date: 7 June 2013..... Adrian Marr - Finance Signing Officer

Annual Governance Statement for 2012-13

Scope of responsibility
The Accountable Officer for NHS Suffolk had responsibility for maintaining a sound system of internal control that supported the achievement of the organisation's policies, aims and objectives. As set out in the Accountable Officer Memorandum, the Accountable Officer also had responsibility for safeguarding the public funds and the organisation's assets, for demonstrating effective propriety and regularity, for prudent and economical administration, for the achievement of value for money and the avoidance of waste. In this, the Accountable Officer was challenged, if necessary, by the Audit Committee in relation to their responsibilities to scrutinise matters of propriety and regularity, supported by the programme of Internal Audit and culminating in the Head of Internal Audit Opinion.

The Accountable Officer ensured appropriate accountability arrangements through the Executive Management Team and the NHS Suffolk Board and was accountable to the Department of Health, the Secretary of State and to Parliament.

During the year, 3 individuals held the role of Accountable Officer. Paul Watson was the Accountable Officer until 9/07/12. Julian Herbert fulfilled this role from 10/07/12 until 30/09/12 and Sheila Bremner from 01/10/12 until 31/3/13. I have fulfilled the Accountable Officer role since 01/04/13.

NHS Suffolk worked in partnership arrangements with a wide variety of other organisations:
- NHS, voluntary and independent sector organisations via contractual arrangements;
- North Essex Partnerships NHS Foundation Trust in respect of the management arrangement for Suffolk Community Healthcare (until October 2012);
- Across the Suffolk health system in relation to the Quality, Innovation, Productivity & Prevention (QIPP) Integrated Plan;
- Suffolk Social Services through legal agreements;
- Specialised commissioning via delegated authority to the Specialised Commissioning Group;
- Suffolk Local Involvement Network and patient and public engagement groups;
- Midlands and East Strategic Health Authority;
- The Suffolk Health & Well Being Board.

In line with the Health and Social Care Act 2012, NHS Suffolk delegated responsibility and resource to the new Clinical Commissioning Groups (CCGs) from 1 April 2012, to support their authorisation to statutory bodies from April 2013.

The Accountable Officer also participated actively in a range of networks and groups.

The Governance Framework of the Organisation
In accordance with the Corporate Governance Code, the Governance Framework was the system by which NHS Suffolk was directed and controlled in order to achieve its objectives and meet the necessary standards of accountability and probity. Effective corporate governance, along with clinical governance, was essential for a PCT to achieve its clinical, quality, and financial objectives. Fundamental to effective corporate governance was having a system of internal control.

The NHS Act 2006 and associated legislation set out the legal framework within which the PCT operated. It was a statutory requirement that the PCT Board specify their terms of reference, schedule of reservation, delegation of powers, and the financial framework within which the organisation operated. These key documents comprised the Trust's corporate governance arrangements and included:
- The Standing Orders - as a framework for Board governance;
- The Standing Financial Instructions - as a framework for financial governance;
- The Scheme of Reservation and Delegation - as a framework for internal governance.

It was essential that the public and all employees knew of the existence of these documents and for staff, that they were aware of their responsibilities as set out within. Therefore they were reviewed, updated, approved each year at a meeting of the Board in public, and they were made available to staff on the NHS Suffolk intranet.

With effect from 1 April 2013 responsibility for finalising the accounts transferred to the Secretary of State. Formal accountability lies with the Department of Health's accounting officer with the designated signing officer discharging the responsibilities for the Department in preparing the accounts.

Following delegation of functions, risks from the Business Assurance Framework were formally transferred to CCGs, with the PCT retaining full statutory accountability until the 31st March and with the Board continuing to review all significant risks throughout the year. Outstanding risk issues were included in the General and Quality Handover documents for receiver organisations.

Meetings were held with successor bodies for handing over quality issues in the General and Quality Handover Document, iterations of which had been submitted to the SHA, regularly reviewed by the Executive Management Team and by the PCT Board.

As staff moved to new organisations, formal handover meetings were held and appropriately recorded to ensure formal transfer of responsibilities, issues and risks. This included the Accountable Officer.

A governance framework was established to ensure the scrutiny and sign off of PCT 2012/13 accounts in line with the guidance in Gateway ref 18561, statutory financial returns and agreement of closing balances. Two Non-Executive members of the Audit Committee and the PCT Chairman were nominated as members of the Audit Sub-Committee of the Department of Health Audit and Risk Committee.

In accordance with the Health and Social Care Act 2012, NHS Suffolk established the framework necessary to support the transition to clinical commissioning.

The three statutory committees established by the NHS Suffolk Board included:

The Clinical Senate (which became the CCG Collaboration Group in year)
The purpose and key functions of the Clinical Senate included:

- Oversight and scrutiny of the financial and operational performance of the GP Commissioning Consortia (GPCCs);
- Provision of strategic clinical leadership, expertise, and advice to the Board;
- Ensuring effective clinical engagement, utilising clinician's knowledge of local communities, and public and patient involvement;
- Provision of a forum for clinical assurance and scrutiny;
- Oversight and scrutiny for commissioning plans and policies for county-wide and GP-led commissioning service reconfiguration and care pathway redesign;
- Overseeing the implementation of significant service changes.

Annual Governance Statement for 2012-13

The Audit Committee
The purpose and key functions of the Audit Committee included reviewing the adequacy of:

- All risk and control related disclosure statements (in particular the Statement on Internal Control, now known as the Annual Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the PCT Board;
- The structures, processes, and responsibilities for identifying and managing key risks facing the organisation through the oversight of risk management and information governance strategies;
- The operational effectiveness of policies and procedures relating to internal control and risk management including the Board Assurance Framework;
- The policies and procedures for all work related fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.

In order to comply with the new NHS Audit Committee Handbook 2011 and to demonstrate best practice, the Audit Committee carried out an assessment of its own effectiveness during November/December 2012.

Audit Committee Members were asked to complete a comprehensive questionnaire based on the NHS Audit Committee Handbook Checklist. Board Members who were not members of the Audit Committee and members representing the two CCGs were asked to complete a brief questionnaire. Outcomes from the self assessment were entirely satisfactory.

In addition to the regular items concerning internal and external audit, counter fraud, information governance, adoption of the annual accounts and review of the Governance Manual, the Audit Committee specifically addressed:

- *Risk Management* - more specifically the Board Assurance Framework (BAF) has been monitored and reviewed by the Committee at every meeting throughout the year. A Risk Register was also in place which was monitored regularly, scored appropriately, and used to populate the BAF;
- *Corporate Manslaughter* - the Committee received regular updates on actions taken which continued to reduce NHS Suffolk's exposure to charges of corporate manslaughter;
- *Transition Planning* - as a consequence of the NHS Reforms the Committee was mindful, and discussed throughout the year, how governance was to be managed as business transfers from the PCT to Clinical Commissioning Groups. In preparation for this, CCG members joined the Audit Committee and each CCG produced its own Governing Body Assurance Framework (GBAF);
- *Audit Commission* - Ernst & Young commenced their 5 year contract for the Eastern and South East areas and as a consequence, as External Auditors for the PCT.

The Remuneration and Human Resources Committee
The core purpose of the Remuneration and HR Committee was to advise the NHS Suffolk Board about the appropriate remuneration and terms of service for the Chief Executive, Executive Directors and Senior Managers of NHS Suffolk.

The Remuneration and HR Committee had delegated powers from the Board to make decisions on all aspects of the Chief Executive's, Directors', and Senior Managers' salaries (including any performance-related elements/bonuses and any allowances) within the provisions of the National Frameworks for Very Senior Managers and Agenda for Change, provisions for other benefits including pensions and cars, as well as arrangements for termination of employment, and other contractual terms. Operational responsibility remained with the Chief Executive.

The Remuneration and HR Committee had delegated powers from the Board for all Human Resources policies and procedures and issues that may have had an impact on the terms and conditions of employment for all staff, for instance, lease cars and travel policies.

The Remuneration and HR Committee had delegated powers from the NHS Suffolk Board for all matters of health and safety.

Annual Governance Statement for 2012-13

In addition to the statutory committees, the Board had a number of other scrutinising and decision making bodies including:

The Executive Management Team
The purpose and key functions of the Executive Management Team included:

- Leading on overall strategy and forward planning;
- Providing strategic leadership, expertise and advice to the Board;
- Overseeing and scrutinising the financial and operational performance of the PCT;
- Ensuring that robust corporate governance arrangements are in place, scrutinising and advising as appropriate;
- Overseeing and scrutinising risk management arrangements;
- Overseeing and scrutinising organisational development issues;
- Leading on operational business management and associated policies;
- Supporting the development of clinical commissioning and managing the transitional arrangements;
- Ensuring effective clinical engagement so that local health needs achieve the best outcomes within the resources available;
- Providing a forum for debate for the Executive Team, and others invited to attend for specific agenda items.

The Suffolk Community Healthcare Interim Management Meeting (Until October 2012)
The purpose and key functions of the Interim Management Meeting included:

- Monitoring the performance of the Interim Management Agreement through a monthly executive meeting between officers of the PCT and the interim host;
- Acting as a communication channel for key issues between the PCT and interim hosts;
- Agreeing decisions around the delivery of the Interim Management agreement through the monitoring of the agreed minimum data set;
- Referring relevant matters to the appropriate Boards for action as required.

The Suffolk Community Healthcare service was transferred to Serco as part of a 3 year contract commencing 1 October 2012. At this point the responsibilities of the Suffolk Community Healthcare Interim Management Meeting transferred to the new provider.

The Clinical Commissioning Group Sub-Committees (Ipswich and East Suffolk and West Suffolk)
The purpose and key functions of the Clinical Commissioning Group Sub-Committees included:

- Overseeing and scrutinising the commissioning plans of the CCG;
- Overseeing and scrutinising the financial and operational performance of the CCG;
- Overseeing preparation for and achievement of authorisation;
- Providing a forum for debate on issues local to the CCG;
- Providing a local focus on the commissioning plans of the CCG;
- Ensuring effective clinical engagement, utilising clinician's knowledge of local health needs that achieve the best outcomes within the resources available.

The Charitable Funds Committee
In line with its role as a corporate trustee for any funds held in trust by the PCT, either as charitable or non charitable funds, the PCT Board delegated to Norfolk and Suffolk Foundation NHS Trust the role of establishing a Charitable Funds Committee to administer those funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

The Pharmacy & Dispensing Committee
The Pharmacy and Dispensing Committee is the mechanism through which the PCT Board discharged its duties under the statutory Pharmacy and Dispensing regulations.

Board Effectiveness
The Board complied with the Corporate Governance Framework. The Directors believe the PCT was led by an effective Board as the attendance rate at Board meetings by both Executive and Non-Executive Directors was 96%. The Chairman and Chief Executive/Deputy Chief Executive attended 100% of the meetings. Ongoing assessment of Board effectiveness formed part of the informal Board workshops that were held six times each year.

Annual Governance Statement for 2012-13

Risk Assessment

The Accountable Officer was responsible for having in place a system for risk management and internal control. The Audit Committee had a key role in overseeing and ensuring the effectiveness of the organisation's integrated governance, risk management, and internal control arrangements across all of NHS Suffolk's activities.

During the course of 2012-13, the organisation's processes for effective risk management were managed in line with the Risk Management Strategy and Organisational Framework 2010-2013 and the Business Assurance Framework (BAF). This was reviewed by the Executive Management Team monthly and by the Audit Committee at each of its meetings.

The Trust Secretary was the designated lead for overseeing the day to day coordination of risk management reporting arrangements, including training, and was a resource for all risk related issues. The Trust Secretary advised and supported Executive Directors, Heads of Department, and Line Managers, whilst also scrutinising all identified risk and incident data. As the designated lead, the Trust Secretary worked in partnership with:

- The Health and Safety Adviser, who acted as NHS Suffolk's 'Competent Person';
- The Director of Patient Safety and Clinical Quality with respect to risk management requirements set out in the Care Quality Commission standards;
- The Information Governance Manager.

The BAF provided NHS Suffolk with a simple but comprehensive method for the effective and focused management of risk. Through the BAF, the Board gained assurance from the Executive Directors that all risks were being appropriately managed throughout the organisation.

The BAF identified which of the organisation's strategic goals may have been at risk because of inadequacies in the operation of controls, or where NHS Suffolk had insufficient assurance. At the same time it encompassed the control of risk, provided structured assurances about where risks were being managed, and ensured that objectives were being delivered. This allowed the Board to determine how to make the most efficient use of resources and address the issues identified, in order to continuously improve the quality and safety of healthcare commissioning.

In order to ensure consistency in the risk assessment process, the likelihood and consequences of all risks on the Risk Register were assessed against the National Patient Safety Agency 5x5 risk matrix. Those scoring 15 and above migrated to the BAF and informed the Trust Board agenda. The risk matrix and subsequent red, amber, green (RAG) score identified the level at which identified risks were managed within the organisation. It also assigned priorities for remedial action and determined whether risks were to be accepted on the basis of the colour bandings and risk ratings. In evaluating effectiveness, the RAG rating system was also used to present how well the agreed controls were operating.

The key focus for engaging stakeholders in managing risks which impact upon them was through the local strategic partnership structures as well as major incident planning, including the development of inter-agency plans. In addition, NHS Suffolk continued to pursue a programme of community engagement to inform decisions on both strategic and operational priorities.

Regarding data security, risks were reported through the Information Governance Manager and Head of Information Management & Technology to the Director of Corporate Services. The Information Governance Group that reported to the Audit Committee monitored a detailed action plan, linked to the requirements of the National Information Governance Toolkit. Level-two compliance was achieved for all of the toolkit requirements giving an overall rating of 'satisfactory'. No strategic data security risks were included in the BAF during the course of 2012-13. There were no lapses in data security during the year.

Annual Governance Statement for 2012-13

Key strategic risks which have been identified and added during 2012-13 are detailed below:

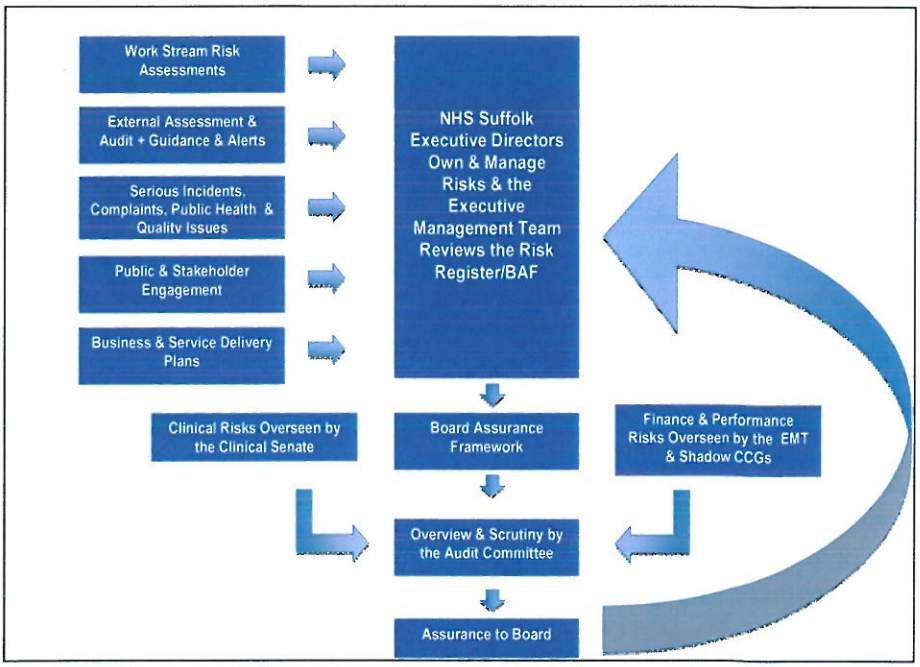
Risk	Key controls to manage risk	RAG Rating of Controls & Assurance
Failure to meet emergency service performance standards A&E Quality Indicator: total time spent in A&E Department - 95th centile > 4 hours Ambulance clinical handover < 15 minutes	· Performance at each provider · Escalation process agreed system wide · Contract management applied if performance drops · Escalation during failure to deliver includes daily director level conference calls · EEAST/IHT/WSH action plans to improve ambulance · Additional resources and initiatives for winter period · CEO to CEO daily calls with WSH · First Exception Report to WSH Board · Daily reporting to NCB Regional Team	AMBER / CHALLENGING
Failure to meet 18 week Referral to Treatment (RTT) at Ipswich Hospital NHS Trust	· Contract Query issued and remedial action plan in place · Weekly monitoring of RAP · Review of 18 week data quality in progress · Discussed CEO:CEO meetings	GREEN / MANAGEABLE
Contractual breaches with out of hours service (Harmoni) in relation to patient safety and clinical quality	· Intensive review of Harmoni service in relation to contract completed · CEO to CEO discussions completed · Continuing review of serious incidents, complaints & patient safety issues indicate improving position · Action plan completed. Robust monitoring in relation to 8 base pilot in place · Non East of England performers management has been strengthened	GREEN / MANAGEABLE
Failure to achieve the national & regional targets for MRSA as established	· Action Plan developed including acute hospital and non-acute actions to reduce MRSA cases in 12/13 (11/12 16 actual cases against a trajectory of 12) · Thematic review of 16 cases for 11/12 – has influenced development of action plan and informed expert review day March 2012 · Definition of avoidable MRSA agreed and all MRSA RCAs to be reviewed using this tool · West Suffolk Hospital will be issued with a contract query	AMBER / CHALLENGING
Ipswich Hospital finance position adversely impacting on quality and performance at the Trust	· Financial Recovery Plan agreed by IHT Board · Sign off of FRP in relation to quality & performance impact · Ongoing review of FRP process with IHT · Escalation of review process · Quality review completed May 12 · Regular FD meetings established · Revised IC quality metrics established · Colo-rectal governance action plan agreed	GREEN / MANAGEABLE
Failure to deliver all cancer waiting times – especially 62 day consultant upgrade & 62 day to treatment	· Alert providers to issues with cancer performance · Agree action plans to improve consistent delivery of all standards · Issue Contract Query for failure to deliver and agree RAP	GREEN / MANAGEABLE
Failure to meet breast feeding trajectory	· Monthly partnership meeting established in July 2012 to review progress against the action plan · Action plan developed with commissioners & managers reviewed in Dec 2012 to include the development of a system wide approach to Breast feeding which takes into account the environmental element eg breast feeding venues, workplace policies	AMBER / CHALLENGING
Failure to achieve the recommended levels of seasonal flu vaccinations: 75% of those aged 65 and over and 70% of pregnant women and under 65s in at risk groups.	· Greater involvement of midwives in promoting and performing vaccinations for pregnant women. · GP practices signed up to actively encourage all eligible patients who do not turn up for vaccination at first invite	AMBER / CHALLENGING
Failure to achieve the national & regional targets for Clostridium difficile as established	· Robust RCA process with action planning for each case · Thematic analysis of cases · Audit programme for recognised IC standards including antibiotic prescribing · Infection control education within CCGs · System wide expert review day	AMBER / CHALLENGING
Loss of confidence in Serco model of care and transformation as a result of staff consultation Major change introduces instability	· Serco invited to meetings with CCG and stakeholders · Assessment of plan with bid and ITT · Risk assessment of changes · Formal presentation to HOSC · Enhanced GP involvement with Serco & formation of Co-Production Board · Engagement with Sudbury WATCH · Formal inclusion of KPI's in performance report from March 2013	GREEN / MANAGEABLE
Failure to deliver performance standards and quality of care at Addenbrookes Hospital (CUHFT)	· CCG contracts team active at SLA meetings · Quality lead to join contract quality meetings · Joint approach with C&P CCG now and into 2013/14 · CCG GP lead actively involved	AMBER / CHALLENGING
Service risks as a result of the NSFT proposed service redesign model	· NSFT invited to meeting with CCGs · Risk assessment of changes · HOSC scrutiny · Revised quality monitoring criteria	AMBER / CHALLENGING
Failure to comply with NHS continuing Health care Framework Retrospective claims for CHC for September, 2012 and March 2013 cut off dates.	· Investment of clinical and administration personnel, not yet fully in place · Performance trajectories established for the CHC team · Policies and processes to be esablished and agreed by both CCGs · Establish management and administration process to review and manage the claims · Identify claims applicable to Ipswich and East CCG with indicative cost · Recruitment of personnel to administer and clinically review all claims	AMBER / CHALLENGING

Annual Governance Statement for 2012-13

The Risk and Control Framework

All actions contain inherent risks, and risk management is central to the effective running of any organisation. Therefore, NHS Suffolk ensured that decisions made on behalf of the organisation, were taken with due consideration to the management of risks.

To achieve this, the Board had to be confident that the systems, policies and people it had put in place were operating in a way that was effective, was focused on key risks, and was driving the delivery of the organisations objectives. The Board also had to demonstrate that it has been properly informed, through evidence from the BAF, that it was aware of the totality of risk facing the organisation, and that it had made decisions on the management of that risk based on all of the available evidence. The PCT's risk and control mechanism is described diagrammatically below:



The key elements were chosen to deliver reasonable assurance for the prevention of risk, as a deterrent to risks arising (eg fraud deterrents) and for the management of both manifest and potential risks.

The BAF was built around the Risk Register and from which the relevant strategic risks were drawn. Whilst appropriately rated strategic risks would automatically migrate to the BAF, the Executive Management Team, with additional oversight provided by the Audit Committee, determined whether or not any other risks from the Risk Register should be transferred to the BAF even if they have a RAG score of below 15 but were considered strategically significant.

As a working document, the BAF was reviewed and updated monthly by the Executive Management Team and by the Audit Committee at each of its meetings. Additionally, it was formally presented at public meetings of the NHS Suffolk Board three times each year, in March, July and November.

Annual Governance Statement for 2012-13

Review of the Effectiveness of Risk Management and Internal Control

As Accountable Officer, I had responsibility for reviewing the effectiveness of the systems for risk management and internal control. My review was informed in a number of ways:

- Executive Directors within the organisation who had responsibility for the development and maintenance of the system of internal control provided me with assurance.
- The BAF itself provided me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives had been reviewed.
- The work of Board committees, particularly the Audit Committee, which scrutinised and challenged on governance and risk activities and sought assurances on the effectiveness of controls.
- The Clinical Senate, which in year became the CCG Collaboration Group, as a committee of the Board, provided strategic clinical leadership, expertise and advice to the Board whilst ensuring effective clinical engagement, utilising clinician's knowledge of local communities and public and patient involvement.
- The work of the Director of Clinical Quality & Patient Safety's team in carrying out unannounced visits, inspections, monitoring provider serious incidents and risks.
- Contract meetings with providers which held them to account for the quality of the services commissioned.
- The Health & Safety Group reviewed health & safety risks and ensured the health & safety of the workforce and any persons working or visiting the premises.
- The Information Governance Committee reviewed information governance risks and issues, including data losses, IT security, the PCT's obligations under the Data Protection Act 1998 and progress with the IG Toolkit assessment, action plan and submission. The latter was also monitored by the Audit Committee.
- The work of regulatory bodies such as Monitor and the Care Quality Commission - their inspection reports provided assurance on the quality and governance of our provider organisations and services and helped triangulate local information.
- Third party assurance (ISAE 3402) for Anglia Support Partnership in relation to finance systems.
- The work of the Local Counter Fraud Specialist.
- Governance and performance reports on specialised commissioning.
- The external auditors' assessment of the PCT's value for money arrangements.
- The Serious Incident (SI) process for reporting and investigating serious incidents and robust monitoring of action plans to ensure recommendations were put into practice and risk mitigated.
- The Midlands and East Strategic Health Authority led regular performance reviews with NHS Suffolk, which monitored performance and risks to the delivery of corporate objectives.
- Internal Audit provided an independent, objective opinion on the degree to which governance and risk management supported the achievement of the organisation's objectives in 2012/13. The Head of Internal Audit, in accordance with NHS Internal Audit Standards, was required to provide an annual opinion of the overall adequacy and effectiveness of the organisation's system of internal control, covering the whole financial year. For 2012/13 the opinion stated that good assurance can be given as a generally sound system of internal control was in place, designed to meet the organisation's objectives, and controls were generally being applied consistently and effectively, with only minor improvements identified.

Significant Issues

Significant issues for the PCT during the year included the transfer of community services to Serco, the transition of the PCT to Clinical Commissioning Groups (CCGs) and claims in respect of Continuing Healthcare.

The transfer of community services to Serco Ltd was completed in year. Serco Ltd succcessfully commenced providing community services from 1st October 2012. This was the conclusion of the Transforming Community Services (TCS) initiative where PCTs were required to transfer services they historically provided to other providers.

With the demise of the PCT as at 31 March and the introduction of new NHS structures with effect from 1 April 2013 risks in relation to the transition/handover of responsibilities were initially considered to be significant. However as a non-clustered PCT there were far fewer transition risks particularly with regard to operational closedown. The transition and closedown process was completed with no amendments being required.

Issues around continuing healthcare were formally recorded as part of the risk register and further details in respect of this issue is included on page 6 of this report.

Designated Accountable Officer:
(On Behalf of Department of Health)

Organisation: Suffolk PCT

Signature: 

Date: 7 June 2013

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

We have audited the financial statements of Suffolk Primary Care Trust for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 40. 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 44;
- the table of pension benefits of senior managers [and related narrative notes] on page 45; and
- the table of pay multiples [and related narrative notes] on page 44.

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

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

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

Scope of the audit of the financial statements

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

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

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

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

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

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 Suffolk Primary Care Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Neil Harris
for and on behalf of Ernst & Young LLP
Cambridge
7 June 2013

FOREWORD TO THE ACCOUNTS

SUFFOLK PRIMARY CARE TRUST

These accounts for the year ended 31 March 2013 have been prepared by the Suffolk Primary Care Trust under the National Health Service Act 2006 in the form which the Secretary of State has, with the approval of the Treasury, directed.

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**33,036**	51,136
Other costs	5.1	**949,851**	912,013
Income	4	**(19,354)**	(19,583)
Net operating costs before interest		**963,533**	943,566
Investment income	9	**0**	(14)
Other (Gains)/Losses	10	**(379)**	0
Finance costs	11	**36**	35
Net operating costs for the financial year		**963,190**	943,587
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		**963,190**	**943,587**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**13,207**	11,847
Other costs	5.1	**4,098**	4,217
Income	4	**(382)**	(1,330)
Net administration costs before interest		**16,923**	**14,734**
Investment income	9	**0**	(14)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	32
Net administration costs for the financial year		**16,923**	**14,752**
Programme Expenditure			
Gross employee benefits	7.1	**19,829**	39,289
Other costs	5.1	**945,753**	907,796
Income	4	**(18,972)**	(18,253)
Net programme expenditure before interest		**946,610**	**928,832**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**(379)**	0
Finance costs	11	**36**	3
Net programme expenditure for the financial year		**946,267**	**928,835**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**130**	793
Net (gain) on revaluation of property, plant & equipment	**0**	(1,429)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**963,320**	**942,951**

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 16 to 57 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**34,444**	36,638
Intangible assets	13	**0**	39
investment property	15	**0**	0
Other financial assets	21	**0**	0
Trade and other receivables	19	**0**	0
Total non-current assets		**34,444**	36,677
Current assets:			
Inventories	18	**4**	953
Trade and other receivables	19	**17,006**	9,674
Other financial assets	21	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**9**	14
Total current assets		**17,019**	10,641
Non-current assets held for sale	24	**0**	0
Total current assets		**17,019**	10,641
Total assets		**51,463**	47,318
Current liabilities			
Trade and other payables	25	**(44,985)**	(42,466)
Other liabilities	26	**0**	0
Provisions	32	**(15,666)**	(3,964)
Borrowings	27	**0**	(21)
Other financial liabilities	28	**0**	0
Total current liabilities		**(60,651)**	(46,451)
Non-current assets plus/less net current assets/liabilities		**(9,188)**	867
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	26	0	0
Provisions	32	(1,211)	(949)
Borrowings	27	0	(18)
Other financial liabilities	28	0	0
Total non-current liabilities		**(1,211)**	(967)
Total Assets Employed:		**(10,399)**	(100)
Financed by taxpayers' equity:			
General fund		(19,028)	(9,033)
Revaluation reserve		8,629	8,933
Other reserves		0	0
Total taxpayers' equity:		**(10,399)**	(100)

The notes on pages 16 to 57 form part of this account.

The financial statements on pages 12 to 57 were approved by the Audit Sub Committee of the Department of Health Audit and Risk Committee on 5 June 2013 and signed on its behalf by

Andrew Reed
Designated Accountable Officer (on Behalf of the Dept of Health) **Date: 7 June 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	**(9,033)**	**8,933**	**0**	**(100)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(963,190)			**(963,190)**
Net gain on revaluation of property, plant, equipment		0		**0**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(130)		**(130)**
Movements in other reserves			0	**0**
Transfers between reserves	174	(174)		**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	**(963,016)**	**(304)**	**0**	**(963,320)**
Net Parliamentary funding	953,021			**953,021**
Balance at 31 March 2013	**(19,028)**	**8,629**	**0**	**(10,399)**

Balance at 1 April 2011	**(5,971)**	**8,305**	**0**	**2,334**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(943,587)			(943,587)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,429		1,429
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		(793)		(793)
Movements in other reserves			0	0
Transfers between reserves	8	(8)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(943,579)	628	0	(942,951)
Net Parliamentary funding	940,517			940,517
Balance at 31 March 2012	**(9,033)**	**8,933**	**0**	**(100)**

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		**(963,533)**	(943,566)
Depreciation and Amortisation		**1,558**	1,542
Impairments and Reversals		**1,192**	2,969
Other Gains / (Losses) on foreign exchange		**0**	0
Donated Assets received credited to revenue but non-cash		**0**	(133)
Government Granted Assets received credited to revenue but non-cash		**0**	0
Interest Paid		**(2)**	(3)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**949**	(98)
(Increase)/Decrease in Trade and Other Receivables		**(7,465)**	1,837
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**2,280**	(572)
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions Utilised		**(1,078)**	(432)
Increase/(Decrease) in Provisions		**13,008**	3,846
Net Cash Inflow/(Outflow) from Operating Activities		**(953,091)**	**(934,610)**
Cash flows from investing activities			
Interest Received		**0**	14
(Payments) for Property, Plant and Equipment		**(2,655)**	(6,081)
(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)		**2,587**	151
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		**(68)**	**(5,916)**
Net cash inflow/(outflow) before financing		**(953,159)**	**(940,526)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**0**	0
Net Parliamentary Funding		**953,021**	940,517
Capital Receipts Surrendered		**0**	0
Capital grants and other capital receipts		**133**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**953,154**	**940,517**
Net increase/(decrease) in cash and cash equivalents		**(5)**	**(9)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**14**	**23**
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	23	**9**	**14**

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.

On 1st October 2012 the following services were transferred to Serco Ltd at a total contract value of £29m for the period ending 31 March 2013:

- Adult Universal Services;
- Central Equipment Stores;
- Children's Specialist Services;
- Dentistry.

Non-current assets totalling £1,050k were transferred to Serco Ltd during 2012-13 (see note 24). No further assets or liabilities were transferred.

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

There were no critical judgements that management has made in the process of applying the entity's accounting policies and that have significant effect on the amounts recognised in the financial statements involved estimations.

Key sources of estimation uncertainty

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

Estimates in respect of March 2013 actual prescribing costs were calculated using the Prescription Pricing Authority profile. This estimation technique is in line with previous years. The carrying amount of the liability at the Statement of Financial Position date was £7.4m (2011-12: £8.3m).

Estimates in respect of GMS/PMS Quality and Outcomes Framework achievement payment were calculated based upon the previous years actual figures less 70% aspiration payments made in year. The carrying amount of the liability at the Statement of Financial Position date was £3.7m (2011-12: £4m).

Significant provisions are included in the 2012-2013 accounts in respect of Continuing Healthcare. These provisions relate to backlog cases (business as usual) and retrospective cases.

The provision for backlog cases of £6.25m was calculated as follows:
i) The average length of claim was calculated by taking a quarterly snapshots of the backlog case numbers during 2012-2013 and by assuming a linear spread of these cases between periods.
ii) A conversion rate of 34.5% was derived from examining historic data and trends and applied to the case numbers.
iii) The number of estimated successful claims was derived from the number of cases to be reviewed multiplied by the conversion rate.
iv) The value of the final provision was calculated by multiplying the estimated number of successful claims by the average length of claim (in weeks) and by an average care package cost of £676 per week.

The provision for retrospective cases of £9.24m was calculated as follows:
i) The retrospective portfolio consisted of 768 cases. A sample of 250 cases were subject to an external review with 113 cases deemed to be suitable to progress to the next stage of assessment. This equated to 45% of the sample and therefore for the purpose of the provision 347 (45%) of the total of 768 cases were reviewed.
ii) A conversion rate of 34.5% was derived from examining historic data and trends and applied to the case numbers.
iii) The number of estimated successful claims was derived from the number of cases to be reviewed (347) multiplied by the conversion rate and reduced by 30% based on the judgement that the retrospective case conversion rate should be lower than the standard conversion rate.
iv) The average length of claim (3.2 years) was established by an external review of 85 cases from the original sample of 250 cases.
v) The value of the final provision was calculated by multiplying the estimated number of successful claims by the estimated length of claim (in weeks) and by an average care package cost of £676 per week.
vi) The assumptions applied in the calculation of the above provision for restrospective cases highlights the potential for a further liability in respect of 95 cases, although this liability is deemed to be highly unlikely.

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The pool is hosted by Suffolk County Council. Under the arrangement funds are pooled under section 75 of the NHS Act 2006 and a memorandum note to the accounts provides details of the joint income and expenditure. As a commissioner of healthcare services, Suffolk PCT makes contributions to the pool, which are then used to purchase Mental Health, Learning Disability and Drug Misuse healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement.

1.4 Taxation

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

1.5 Administration and Programme Costs

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

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

1. Accounting policies (continued)

1.6 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

One property has been deemed as surplus to requirements by the PCT and has therefore been valued to open market value. One property has been valued as if it were a residential property i.e. given a residential use value.

Two properties were carried at historic cost less depreciation as they were deemed not to fall within the scope of the valuation exercise.

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.7 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

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

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

1. Accounting policies (continued)

1.9 Donated assets

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

1.10 Government grants

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

1.11 Non-current assets held for sale

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

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

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

1.12 Inventories

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

1.13 Cash and cash equivalents

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

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

1.14 Losses and Special Payments

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

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

1.15 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.16 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

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

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

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1. Accounting policies (continued)

1.20 Contingencies

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

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

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

1.21 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.22 Foreign exchange

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

1.23 Provisions

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

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

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

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

1.24 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

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

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

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

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

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

1.26 Going Concern

Management have considered the changes proposed by the Government in the Health and Social Care Act and, as services will continue to be provided by another public sector entity, have concluded that it is appropriate for the accounts to be prepared on a going concern basis. In addition, management has considered the implications of the Act and does not believe that it will have a material impact on the carrying value of assets and liabilities as the functions of the SHAs will be transferred to the various successor bodies. As a result, the accounts are prepared on a going concern basis.

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Suffolk PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 40 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

1.27 Transition-related redundancy payments

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

2. Operating segments

Suffolk PCT operates with two segments - NHS Suffolk (the Commissioning arm of the PCT) and Suffolk Community Healthcare (the Provider arm of the PCT).

	NHS Suffolk		Suffolk Community Healthcare		Total	
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
	£000	£000	**£000**	£000	**£000**	£000
Income -						
External customers	**(16,336)**	(13,395)	**(3,018)**	(6,188)	**(19,354)**	(19,583)
Expenditures -						
Common costs	**951,581**	899,616	**28,055**	59,022	**979,636**	958,638
Impairments	**1,192**	2,969	**0**	0	**1,192**	2,969
Depreciation/amortisation	**1,558**	368	**122**	1,174	**1,680**	1,542
Other non-cash items	**34**	32	**0**	0	**34**	32
Net operating costs before interest	**938,029**	889,590	**25,159**	54,008	**963,188**	943,598
Interest	**0**	(14)	**2**	3	**2**	(11)
Net operating costs for financial year	**938,029**	889,576	**25,161**	54,011	**963,190**	943,587
Inter-segment (income)/expenditure	**24,951**	54,176	**(24,951)**	(54,176)	**0**	0
	962,980	943,752	**210**	(165)	**963,190**	943,587
Revenue Resource Limit	**(971,202)**	(944,657)	**0**	0	**(971,202)**	(944,657)
Segmental (surplus)/deficit	**(8,222)**	(905)	**210**	(165)	**(8,012)**	(1,070)
Total assets	**51,463**	42,629	**0**	4,689	**51,463**	47,318
Adjustment for NHS Suffolk owned assets used by SCH	**0**	(33,066)	**0**	33,066	**0**	0
Total assets used	**51,463**	9,563	**0**	37,755	**51,463**	47,318
Total liabilities	**(61,862)**	(44,414)	**0**	(3,004)	**(61,862)**	(47,418)
Segment net assets/(liabilities)	**(10,399)**	(34,851)	**0**	34,751	**(10,399)**	(100)

Suffolk Community Healthcare accounts for depreciation in respect of fixed assets held by NHS Suffolk. These assets are utilised by Suffolk Community Healthcare in the provision of healthcare services.

Suffolk Community Healthcare ceased trading on 30 September 2012 and the provision of services previously provided by Suffolk Community Healthcare transferred to Serco Ltd on 1 October 2012.

NHS Suffolk reported at Board level a segmental breakdown to reflect the new structure of the NHS as at 1 April 2013 as follows:

	NHS England	Public Health	Ipswich & East Suffolk CCG	West Suffolk CCG	Total re NHS Suffolk
	2012-13	**2012-13**	**2012-13**	**2012-13**	**2012-13**
	£000	**£000**	**£000**	**£000**	**£000**
Net operating costs for financial year	211,211	31,492	454,210	266,067	962,980
Revenue Resource Limit	(218,359)	(31,485)	(455,673)	(265,685)	(971,202)
Segmental (surplus)/deficit	(7,148)	7	(1,463)	382	(8,222)

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		943,587
Net operating cost plus (gain)/loss on transfers by absorption	963,190	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	(971,202)	(944,657)
(Under)/Overspend Against Revenue Resource Limit (RRL)	(8,012)	(1,070)

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	(1,989)	(4,922)
Charge to Capital Resource Limit	647	4,883
(Under)/Overspend Against CRL	(1,342)	(39)

3.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	28,177	60,196
Provider Operating Revenue	(3,018)	(6,188)
Net Provider Operating Costs	25,159	54,008
Costs Met Within PCTs Own Allocation	(24,951)	(54,176)
Under/(Over) Recovery of Costs	208	(168)

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	953,021	940,517
Cash Limit	(961,771)	(940,517)
(Under)/Overspend Against Cash Limit	(8,750)	0

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

	2012-13 £000
Total cash received from DH (Gross)	845,344
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	845,344
(Less)/plus: transfers (to)/from other resource account bodies	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	19,651
Plus: drugs reimbursement (central charge to cash limits)	88,026
Parliamentary funding credited to General Fund	953,021

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12 Total
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	**8,673**		8,673	8,654
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**1,250**		1,250	1,265
Strategic Health Authorities	**839**	97	742	1,168
NHS Trusts	**290**	0	290	1,796
NHS Foundation Trusts	**670**	0	670	754
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**739**	12	727	2,661
Primary Care Trusts - Lead Commissioning	**0**	0	0	0
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	**20**	0	20	63
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**2,777**	0	2,777	2,177
Patient Transport Services	**0**		0	0
Education, Training and Research	**48**	0	48	97
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	133
Receipt of Government granted assets	**0**		0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**2,719**	0	2,719	0
Other revenue	**1,329**	273	1,056	815
Total miscellaneous revenue	**19,354**	**382**	**18,972**	**19,583**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	67,104		67,104	69,460
Non-Healthcare	529	527	2	487
Total	67,633	527	67,106	69,947
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	234,479	15	234,464	309,140
Goods and services (other, excl Trusts, FT and PCT))	16	0	16	18
Total	234,495	15	234,480	309,158
Goods and Services from Foundation Trusts	264,698	385	264,313	178,095
Purchase of Healthcare from Non-NHS bodies	117,793		117,793	78,798
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	5,974		5,974	5,867
Non-GMS Services from GPs	499	0	499	992
Contractor Led GDS & PDS (excluding employee benefits)	28,372		28,372	27,909
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0		0	0
Chair, Non-executive Directors & PEC remuneration	111	111	0	83
Executive committee members costs	0	0	0	0
Consultancy Services	1,062	307	755	1,665
Prescribing Costs	93,132		93,132	97,525
G/PMS, APMS and PCTMS (excluding employee benefits)	84,860	0	84,860	85,260
Pharmaceutical Services	7,476		7,476	7,966
Local Pharmaceutical Services Pilots	0		0	0
New Pharmacy Contract	15,248		15,248	14,667
General Ophthalmic Services	5,614		5,614	5,536
Supplies and Services - Clinical	5,636	2	5,634	10,017
Supplies and Services - General	271	40	231	396
Establishment	3,177	1,060	2,117	3,265
Transport	476	15	461	792
Premises	4,785	770	4,015	4,503
Impairments & Reversals of Property, plant and equipment	1,192	0	1,192	2,969
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	1,519	31	1,488	1,503
Amortisation	39	0	39	39
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	29	0	29	(439)
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	123	123	0	238
Other Auditors Remuneration	28	16	12	30
Clinical Negligence Costs	156	0	156	138
Education and Training	849	203	646	3,045
Grants for capital purposes	3,102	0	3,102	637
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	1,502	493	1,009	1,412
Total Operating costs charged to Statement of Comprehensive Net Expenditure	949,851	4,098	945,753	912,013
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	1,277	1,277	0	1,138
Other Employee Benefits	31,759	11,930	19,829	49,998
Total Employee Benefits charged to SOCNE	33,036	13,207	19,829	51,136
Total Operating Costs	982,887	17,305	965,582	963,149

5. Operating costs (continued)

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**1,567**	0	1,567	329
Grants to Local Authorities to Fund Capital Projects	**0**	0	0	115
Grants to Private Sector to Fund Capital Projects	**1,050**	0	1,050	128
Grants to Fund Capital Projects - Dental	**485**	0	485	65
Grants to Fund Capital Projects - Other	**0**	0	0	0
Total Capital Grants	**3,102**	**0**	**3,102**	**637**
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	**3,102**	**0**	**3,102**	**637**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**15,419**	13,867	1,552
Weighted population (number in units)*	**566,558**	566,558	566,558
Running costs per head of population (£ per head)	**27.22**	**24.48**	**2.74**
PCT Running Costs 2011-12			
Running costs (£000s)	**14,752**	13,287	1,465
Weighted population (number in units)	**566,558**	566,558	566,558
Running costs per head of population (£ per head)	**26.04**	**23.45**	**2.59**

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	84,860	85,260
Prescribing costs	93,132	97,525
Contractor led GDS & PDS	28,372	27,909
Trust led GDS & PDS	0	0
General Ophthalmic Services	5,614	5,536
Department of Health Initiative Funding	0	0
Pharmaceutical services	7,476	7,966
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	15,248	14,667
Non-GMS Services from GPs	499	992
Other	0	0
Total Primary Healthcare purchased	**235,201**	239,855
Purchase of Secondary Healthcare		
Learning Difficulties	11,373	11,318
Mental Illness	82,604	83,738
Maternity	47,403	39,586
General and Acute	458,796	442,128
Accident and Emergency	14,434	13,119
Community Health Services	82,065	81,692
Other Contractual	13,273	13,336
Total Secondary Healthcare Purchased	**709,948**	684,917
Grant Funding		
Grants for capital purposes	3,102	637
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**948,251**	**925,409**
PCT self-provided secondary healthcare included above	24,951	54,176
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	264,313	169,360

6. Operating Leases

6.1 PCT as lessee

	2012-13 Land £000	2012-13 Buildings £000	2012-13 Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				1,034	1,013
Contingent rents				0	0
Sub-lease payments				0	0
Total				1,034	1,013
Payable:					
No later than one year	0	573	2	575	1,088
Between one and five years	0	1,976	0	1,976	2,414
After five years*	0	3,270	0	3,270	3,743
Total	0	5,819	2	5,821	7,245

Total future sublease payments expected to be received: £nil

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

- IAS 17 Leases;
- SIC 27 Evaluating the substance of transactions involving the legal form of a lease;
- IFRIC 4 Determining whether an arrangement contains a lease.

The PCT has determined that those operating leases must be recognised but, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the Statement of Comprehensive Net Expenditure for 2012-13 is £1,149k (£1,077k in 2011-12).

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	2,719	0
Contingent rents	0	0
Total	2,719	0
Receivable:		
No later than one year	4,475	0
Between one and five years	6,713	0
After five years	0	0
Total	11,188	0

The above leasing arrangements relate to licence agreements for the use of Suffolk PCT owned and leases premises for the provision of community services by Serco Ltd. These licence agreements are for a three year period from 1st October 2012.

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13				Permanently employed			Other		
	Total	Admin	Programme	Total	Admin	Programme	Total	Admin	Programme
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee Benefits - Gross Expenditure									
Salaries and wages	**27,685**	11,263	16,422	**24,807**	9,942	14,865	**2,878**	1,321	1,557
Social security costs	**1,549**	563	986	**1,465**	559	906	**84**	4	80
Employer Contributions to NHS BSA - Pensions Division	**3,486**	1,368	2,118	**3,344**	1,365	1,979	**142**	3	139
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	**316**	13	303	**316**	13	303	**0**	0	0
Total employee benefits	33,036	13,207	19,829	29,932	11,879	18,053	3,104	1,328	1,776
Less recoveries in respect of employee benefits (table below)	**0**	0	0	**0**	**0**	**0**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	33,036	13,207	19,829	29,932	11,879	18,053	3,104	1,328	1,776
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	33,036	13,207	19,829	29,932	11,879	18,053	3,104	1,328	1,776
Recognised as:									
Commissioning employee benefits	**14,400**			13,072			1,328		
Provider employee benefits	**18,636**			16,860			1,776		
Gross Employee Benefits excluding capitalised costs	33,036			29,932			3,104		

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

Employee Benefits - Prior- year

	Total	Permanently employed	Other
	£000	£000	£000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**42,547**	37,675	4,872
Social security costs	**2,853**	2,853	0
Employer Contributions to NHS BSA - Pensions Division	**5,453**	5,453	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**283**	283	0
Total gross employee benefits	51,136	46,264	4,872
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	51,136	46,264	4,872
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	51,136	46,264	4,872
Recognised as:			
Commissioning employee benefits	**13,022**		
Provider employee benefits	**38,114**		
Gross Employee Benefits excluding capitalised costs	51,136		

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	**26**	26	0	**29**	27	2
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**333**	294	39	**447**	391	56
Healthcare assistants and other support staff	**59**	55	4	**261**	248	13
Nursing, midwifery and health visiting staff	**265**	249	16	**438**	395	43
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**148**	144	4	**231**	225	6
Social Care Staff	**0**	0	0	**0**	0	0
Other	**0**	0	0	**4**	0	4
TOTAL	**831**	**768**	**63**	**1,410**	**1,286**	**124**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	**8,783**	**12,283**
Total Staff Years	**1,072**	**1,440**
Average working Days Lost	8.19	8.53

These figures relate to the 2012 calendar year and have been provided by the DoH to ensure a consistent reporting basis when accounts are consolidated.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**1**	2
	£000s	£000s
Total additional pensions liabilities accrued in the year	**34**	137

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Lees than £10,000	**3**	**2**	**5**	3	0	**3**
£10,001-£25,000	**5**	**0**	**5**	10	0	**10**
£25,001-£50,000	**2**	**1**	**3**	4	0	**4**
£50,001-£100,000	**1**	**0**	**1**	0	0	**0**
£100,001 - £150,000	**1**	**0**	**1**	0	0	**0**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**0**	**0**	**0**	0	0	**0**
Total number of exit packages by type (total cost	**12**	**3**	**15**	**17**	**0**	**17**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Total resource cost	**335**	**51**	**386**	271	0	271

This note provides an analysis of Exit Packages agreed during the year.

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

One package in excess of £100k was not given approval by the Midlands and East Strategic Health Authority. Approval was requested after payment was made by the PCT and the Strategic Health Authority declined to approve retrospectively. Therefore this payment did not follow the full approval process.

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

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

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

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

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

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

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

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	**25,805**	**128,641**	35,096	112,113
Total Non-NHS Trade Invoices Paid Within Target	**24,414**	**126,307**	32,863	109,381
Percentage of NHS Trade Invoices Paid Within Target	**94.61%**	**98.19%**	93.64%	97.56%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,900**	**604,847**	5,271	638,245
Total NHS Trade Invoices Paid Within Target	**4,676**	**603,816**	5,064	636,056
Percentage of NHS Trade Invoices Paid Within Target	**95.43%**	**99.83%**	96.07%	99.66%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	0	0	0	0
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	14
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	0	0	0	14
Total investment income	0	0	0	14

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	0	0	0	0
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain (Loss) on disposal of assets held for sale	379	0	379	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	379	0	379	0

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Interest				
Interest on obligations under finance leases	2	0	2	3
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	2	0	2	3
Other finance costs	0	0	0	0
Provisions - unwinding of discount	34		34	32
Total	36	0	36	35

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	7,435	25,225	334	0	3,452	352	139	2,776	39,713
Additions of Assets Under Construction				0					0
Additions Purchased	0	2,693	0		49	0	0	113	2,855
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	1,046	55	0	24	0	0	(1,125)	0
Reclassifications as Held for Sale	(401)	(724)	0	0	(2,217)	(352)	(55)	(165)	(3,914)
Disposals other than for sale	0	0	0	0	0	0	(84)	0	(84)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments/negative indexation	0	(130)	0	0	0	0	0	0	(130)
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	7,034	28,110	389	0	1,308	0	0	1,599	38,440
Depreciation									
At 1 April 2012	0	0	0	0	1,913	157	125	880	3,075
Reclassifications	0	285	23		13	0	0	(321)	0
Reclassifications as Held for Sale	0	(6)	0		(1,338)	(173)	(55)	(134)	(1,706)
Disposals other than for sale	0	0	0		0	0	(84)	0	(84)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	859	0	0	67	0	0	266	1,192
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	902	13		349	16	14	225	1,519
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	2,040	36	0	1,004	0	0	916	3,996
Net Book Value at 31 March 2013	7,034	26,070	353	0	304	0	0	683	34,444
Purchased	7,034	25,763	353	0	304	0	0	629	34,083
Donated	0	198	0	0	0	0	0	54	252
Government Granted	0	109	0	0	0	0	0	0	109
Total at 31 March 2013	7,034	26,070	353	0	304	0	0	683	34,444
Asset financing:									
Owned	7,034	26,070	353	0	304	0	0	683	34,444
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	7,034	26,070	353	0	304	0	0	683	34,444

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	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2012	3,324	5,225	292	0	46	0	0	46	8,933
Movements	(61)	(159)	0	0	(42)	0	0	(42)	(304)
At 31 March 2013	3,263	5,066	292	0	4	0	0	4	8,629

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	**7,449**	**22,266**	**333**	**0**	**3,934**	**166**	**5,818**	**2,916**	**42,882**
Additions - purchased	38	4,300	0	0	81	219	0	396	**5,034**
Additions - donated	0	133	0	0	0	0	0	0	**133**
Additions - government granted	0	0	0	0	0	0	0	0	**0**
Reclassifications	1	75	(1)	0	(75)	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	(68)	(33)	(158)	0	**(259)**
Disposals other than by sale	0	0	0	0	0	0	0	0	**0**
Revaluation & indexation gains	0	1,402	27	0	0	0	0	0	**1,429**
Impairments	(42)	(731)	0	0	(9)	0	0	(11)	**(793)**
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 depn netted off cost following revaluation	(11)	(2,220)	(25)	0	(411)	0	(5,521)	(525)	**(8,713)**
At 31 March 2012	**7,435**	**25,225**	**334**	**0**	**3,452**	**352**	**139**	**2,776**	**39,713**
Depreciation									
At 1 April 2011	**0**	**872**	**13**		**1,737**	**158**	**3,770**	**874**	**7,424**
Reclassifications		13	0		(13)	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		(22)	(25)	(61)	0	**(108)**
Disposals other than for sale	0	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	11	560	0	0	238	0	1,902	258	**2,969**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	775	12		384	24	35	273	**1,503**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative depn netted off cost following revaluation	(11)	(2,220)	(25)	0	(411)	0	(5,521)	(525)	**(8,713)**
At 31 March 2012	**0**	**0**	**0**	**0**	**1,913**	**157**	**125**	**880**	**3,075**
Net Book Value at 31 March 2012	**7,435**	**25,225**	**334**	**0**	**1,539**	**195**	**14**	**1,896**	**36,638**
Purchased	7,435	24,619	334	0	1,518	195	14	1,823	**35,938**
Donated	0	207	0	0	21	0	0	73	**301**
Government Granted	0	399	0	0	0	0	0	0	**399**
At 31 March 2012	**7,435**	**25,225**	**334**	**0**	**1,539**	**195**	**14**	**1,896**	**36,638**
Asset financing:									
Owned	7,435	25,225	334	0	1,526	195	14	1,896	**36,625**
Held on finance lease	0	0	0	0	13	0	0	0	**13**
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**7,435**	**25,225**	**334**	**0**	**1,539**	**195**	**14**	**1,896**	**36,638**

12.3 Property, plant and equipment

Suffolk Primary Care Trust's freehold properties (Land and Buildings) were valued as at 31 March 2012 by an External Valuer, Boshier & Company Chartered Surveyors (Royal Institute of Chartered Surveyors (RICS)). The valuations were in accordance with the requirements of RICS Valuation Standards sixth edition and the International Valuation Standards.

For non-specialised owner occupied operational property the basis of valuation is Existing Use Value (EUV) which is defined as:

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

Specialised operational property were valued using a method of valuation known as Depreciated Replacement Cost which is defined as:

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Non-operational property and property to be sold were valued to market value which is defined as:

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Economic lives of property, plant and equipment

	Minimum life (years)	Maximum life (years)
Buildings excluding dwellings	3	60
Dwellings	25	25
Plant and machinery	3	15
Transport equipment	7	7
Information technology	3	3
Furniture and fittings	3	15

Open market value of assets at balance sheet date	Land	Buildings excl. dwellings	Dwellings	Total
	£000	£000	£000	£000
Open market value at 31 March 2013	531	91	0	622
Open market value at 31 March 2012	761	461	0	1,222

13.1 Intangible non-current assets

2012-13	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2012	**0**	**117**	**0**	**0**	**0**	**117**
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	(117)	0	0	0	**(117)**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Amortisation						
At 1 April 2012	**0**	**78**	**0**	**0**	**0**	**78**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	(117)	0	0	0	**(117)**
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	39	0	0	0	**39**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	0	**0**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2011	**0**	**117**	**0**	**0**	**0**	**117**
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 depn netted off cost following revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**117**	**0**	**0**	**0**	**117**
Amortisation						
At 1 April 2011	**0**	**39**	**0**	**0**	**0**	**39**
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	39	0	0	0	**39**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
Less cumulative depn written down on revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**78**	**0**	**0**	**0**	**78**
Net Book Value at 31 March 2012	**0**	**39**	**0**	**0**	**0**	**39**
Net Book Value at 31 March 2012 comprises						
Purchased	0	39	0	0	0	**39**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**39**	**0**	**0**	**0**	**39**

13.3 Intangible non-current assets

The intangible non-current asset as per note 13.1 is held at amortised cost.

Economic lives of intangible non-current assets

	Minimum life (years)	Maximum life (years)
Intangible assets		
Software licences	3	3
Licences and trademarks	0	0
Patents	0	0
Development expenditure	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	1,040	0	1,040
Changes in market price	152	0	152
Total charged to Annually Managed Expenditure	**1,192**	**0**	**1,192**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	130		
Total impairments for PPE charged to reserves	**130**		
Total Impairments of Property, Plant and Equipment	**1,322**	**0**	**1,192**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	**0**		
Total Impairments of Intangibles	**0**	**0**	**0**

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	0		
Total Impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of non-current assets held for sale	0	0	0
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	0		
Total Investment Property Impairments	0	0	0
Total Impairments charged to Revaluation Reserve	130		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	1,192		1,192
Overall Total Impairments	1,322	0	1,192
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	426	0	426
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME	0	0	0

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

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

16.2 Other financial commitments

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

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

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	9,946	0	127	0
Balances with Local Authorities	381	0	2,349	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	537	0	8,059	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	6,142	0	34,450	0
At 31 March 2013	**17,006**	**0**	**44,985**	**0**
prior period:				
Balances with other Central Government Bodies	749	0	2,267	0
Balances with Local Authorities	902	0	1,265	0
Balances with NHS Trusts and Foundation Trusts	1,067	0	2,506	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	6,956	0	36,428	0
At 31 March 2012	**9,674**	**0**	**42,466**	**0**

18 Inventories

	Energy	Loan Equipment	Other	Total
	£000	£000	£000	£000
Balance at 1 April 2012	**38**	**763**	**152**	**953**
Additions	0	0	0	**0**
Inventories recognised as an expense in the period	(34)	(763)	(152)	**(949)**
Write-down of inventories (including losses)	0	0	0	**0**
Reversal of write-down previously taken to SoCNE	0	0	0	**0**
Transfers (to)/from other public sector bodies	0	0	0	**0**
Balance at 31 March 2013	**4**	**0**	**0**	**4**

19. Receivables

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	£000	£000	£000	£000
NHS receivables - revenue	**9,996**	1,630	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**0**	0	**0**	0
Non-NHS receivables - revenue	**4,459**	2,384	**0**	0
Non-NHS receivables - capital	**0**	133	**0**	0
Non-NHS prepayments and accrued income	**2,164**	5,411	**0**	0
Provision for the impairment of receivables	**(104)**	(75)	**0**	0
VAT	**487**	186	**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	**4**	5	**0**	0
Total	**17,006**	9,674	**0**	0
Total current and non current	**17,006**	9,674		
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.

The large majority of non-NHS receivables is trade with other Public sector bodies such as local authorities therefore no credit scoring of them is considered necessary.

19.2 Receivables past their due date but not impaired

	31 March 2013	31 March 2012
	£000	£000
By up to three months	**14**	324
By three to six months	**7**	17
By more than six months	**70**	11
Total	**91**	352

19.3 Provision for impairment of receivables

	2012-13	2011-12
	£000	£000
Balance at 1 April 2012	**(75)**	(514)
Amount written off during the year	**0**	0
Amount recovered during the year	**0**	514
(Increase)/decrease in receivables impaired	**(29)**	(75)
Balance at 31 March 2013	**(104)**	(75)

20 NHS LIFT investments

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

21. Other financial assets

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

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

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**14**	23
Net change in year	**(5)**	(9)
Closing balance	**9**	14
Made up of		
Cash with Government Banking Service	**9**	9
Commercial banks	**0**	5
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**9**	14
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**9**	14
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery**	Transport and Equipment**	Information Technology	Furniture and Fittings**	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	401	718	0	0	879	179	0	31	0	**2,208**
Less assets sold in the year	(401)	(718)	0	0	(879)	(179)	0	(31)	0	**(2,208)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	**0**
Revaluation	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
										0
Balance at 1 April 2011	0	0	0	0	0	0	0	0	0	**0**
Plus assets classified as held for sale in the year	0	0	0	0	46	8	97	0	0	**151**
Less assets sold in the year	0	0	0	0	(46)	(8)	(97)	0	0	**(151)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	**0**

**** NOTE: Included in the £1,089k assets sold in year re Plant and Machinery, Transport and Equipment and Fixtures and Fittings is £1,050k re Suffolk Community Healthcare Assets assets transferred to Serco Ltd.**

25 Trade and other payables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Interest payable	**0**	0	**0**	0
NHS payables - revenue	**8,186**	2,663	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**0**	0	**0**	0
Family Health Services (FHS) payables	**20,929**	23,970	**0**	0
Non-NHS payables - revenue	**3,966**	3,000	**0**	0
Non-NHS payables - capital	**473**	273	**0**	0
Non-NHS accruals and deferred income	**11,149**	10,450	**0**	0
Social security costs	**1**	472	**0**	0
VAT	**0**	0	**0**	0
Tax	**6**	156	**0**	0
Payments received on account	**0**	0	**0**	0
Other	275	1,482	**0**	0
Total	**44,985**	42,466	**0**	0
Total payables (current and non-current)	**44,985**	**42,466**		
Included above:				
To buy out the liability for early retirements over 5 years (£000)	0	0		
Number of cases involved (number)	0	0		
Outstanding pension contributions at year end (£000)	119	1,482		

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Bank overdraft - Government Banking Service	**0**	0	**0**	0
Bank overdraft - commercial banks	**0**	0	**0**	0
PFI liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	21	**0**	18
Other (describe)	**0**	0	**0**	0
Total	**0**	**21**	**0**	**18**
Total other liabilities (current and non-current)	**0**	**39**		

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Opening balance at 1 April 2012	**38**	0	**0**	0
Deferred income addition	**0**	38	**0**	0
Transfer of deferred income	**(38)**	0	**0**	0
Current deferred Income at 31 March 2013	**0**	38	**0**	0
Total other liabilities (current and non-current)	**0**	**38**		

30 Finance lease obligations

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

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

Amounts payable under finance leases (Other)	Minimum lease payments		Present value of minimum lease	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Within one year	**0**	23	**0**	21
Between one and five years	**0**	19	**0**	18
After five years	**0**	0	**0**	0
Less future finance charges	**0**	(3)		
Present value of minimum lease payments	**0**	39	**0**	39
Included in:				
Current borrowings			**0**	21
Non-current borrowings			**0**	18
			0	39

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

31 Finance lease receivables as lessor

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

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

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

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

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

32 Provisions

	Total	Pensions to Former Directors	Pensions Relating to Other Staff	Legal Claims	Restructuring	Continuing Care	Equal Pay	Agenda for Change	Other	Redundancy
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2012	**4,913**	218	853	14	0	2,918	0	0	820	90
Arising During the Year*	**13,570**	14	53	0	0	13,055	0	0	448	0
Utilised During the Year	**(1,078)**	(40)	(189)	(3)	0	(469)	0	0	(377)	0
Reversed Unused	**(562)**	0	0	0	0	(18)	0	0	(454)	(90)
Unwinding of Discount	**34**	6	28	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**16,877**	**198**	**745**	**11**	**0**	**15,486**	**0**	**0**	**437**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**15,666**	**20**	**108**	**3**	**0**	**15,486**	**0**	**0**	**49**	**0**
Later than One Year and not later than Five Years	**591**	**80**	**432**	**3**	**0**	**0**	**0**	**0**	**76**	**0**
Later than Five Years	**620**	**98**	**205**	**5**	**0**	**0**	**0**	**0**	**312**	**0**

* Provisions relating to the PCT's own provider functions are shown gross with the expected reimbursements from the NHSLA included in debtors.

The pensions provisions relate to liabilities transferred from the former Norfolk, Suffolk and Cambridgeshire Strategic Health Authority as at 1 April 2002 on the formation of Primary Care Trusts. This is in respect of directors and other staff who were formerly employed by Suffolk Health Authority.

The provision is based on future projections of pensions in payment, calculated using actuarial tables of life expectancy, and discounted to current values. The liability is reduced each year by the payment of pensions but increased by the unwinding of discounts. No reimbursement is anticipated in respect of this provision.

The legal claims provision relates to back to back provisions with NHS providers for injury benefit payable to former employees. The provision is calculated in a similar manner to, and with the same assumptions as, the pension provisions above.

The continuing care provision of £15,486k relates to a combination of backlog cases and retrospective claims and appeals. When arriving at the value of the provision the PCT has considered both the number of outstanding cases and the probability of a successful outcome based on previous history.

Details of the calculation in respect of the continuing care provision are included in note 1.1 on page 16 under Key sources of estimation uncertainty. The potential maximum liability for retrospective cases was initially assessed as £22.2m, however the judgements applied by the PCT has resulted in the lower provision as detailed in the table above.

The balance on "Other" represents a provision in respect of clinical negligence claims (£30k) and an injury benefit provision (£407k).

Included in the provisions of the NHS Litigation Authority, as at 31 March 2013, is £752,726 in respect of clinical negligence liabilities of the PCT (31 March 2012: £1,148,045).

33 Contingencies

	31 March 2013	31 March 2012
	£000	£000
Contingent liabilities		
Equal Pay	**0**	0
Other	**(7)**	(11)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(7)**	(11)
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

Contingent liabilities consist of clinical negligence claims (£7k).

34 Impact of IFRS treatment - 2012-13

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

35 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

35.1 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		9,996		**9,996**
Receivables - non-NHS		4,355		**4,355**
Cash at bank and in hand		9		**9**
Other financial assets	0	0	0	**0**
Total at 31 March 2013	**0**	**14,360**	**0**	**14,360**
Embedded derivatives	0			0
Receivables - NHS		1,630		1,630
Receivables - non-NHS		2,442		2,442
Cash at bank and in hand		14		14
Other financial assets	0	0	0	0
Total at 31 March 2012	0	4,086	0	4,086

35.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		**0**
NHS payables		8,186	**8,186**
Non-NHS payables		4,439	**4,439**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**12,625**	**12,625**
Embedded derivatives	0		0
NHS payables		2,663	2,663
Non-NHS payables		3,273	3,273
Other borrowings		0	0
PFI & finance lease obligations		39	39
Other financial liabilities	0	1,071	1,071
Total at 31 March 2012	**0**	7,046	7,046

36. Related party transactions

Suffolk PCT is a body corporate established by order of the Secretary of State for Health.

During the year only one of the Board members, or members of the key management staff, or parties related to them, had undertaken any material transactions with Suffolk PCT.
From 1 November 2011 to 15 April 2012, Dr Amanda Jones was Interim Director of Public Health. Her husband is a director of Suffolk Integrated Healthcare. During the year, Suffolk PCT paid £281,322 to Suffolk Integrated Healthcare and received £240 from them. No amounts were owing at year end.

During the year Suffolk PCT funded GP Practices as part of its traditional core business.

One GP Practice partner is a representative on the Trust Board. The GP Board Member, together with the name of the practice in which they are a partner, and the total payments to the practice are shown below.

	Payments to related party £	Receipts from related party £	Amounts owed to related party £	Amounts due from related party £
Dr Hassan & Partners Dr Andrew Hassan	609,411	0	0	0

The Clinical Senate, established in April 2011, was disbanded during the year and replaced with separate Clinical Commissioning Group (CCG) Sub-Committees for Ipswich and East Suffolk CCG and West Suffolk CCG. Several members of the CCG Sub-Committees have worked in other Health organisations within Suffolk during the year. They are detailed below, along with the name of the organisation, the position held and the transactions between that organisation and Suffolk PCT.

	Payments to related party £	Receipts from related party £	Amounts owed to related party £	Amounts due from related party £
StowHealth Mark Shenton (GP & Director)	2,165,047	0	3,051	0
Wickham Market Medical Centre Paul Kaiser (Partner)	1,292,813	0	36,552	0
Long Melford Christopher Browning (GP)	1,502,912	0	0	0
Saxmundham Practice John Havard (Partner)	1,358,913	0	10,528	0
StowHealth Ltd Mark Shenton (Director)	103,609	0	12,426	0
IPSCOM Gary Scott (MD) & Ivan Rudd (CEO)	4,184	113,200	0	0
Partners in Practice David Pannell (Director) & Paul Kaiser (Chairman)	943,786	35,372	14,151	0
Commissioning Ideals Alliance Ltd David Pannell (Director) & John Havard (Director)	0	0	0	0
West Suffolk Commissioning Federation Claire Jay (General Manager)	0	68,000	0	0
Suffolk Brett Stour Commissioning Group Mark Shenton (Director)	0	0	0	0
Suffolk GP Services Christopher Browning (Chair)	164,964	614	0	0
Harmoni Christopher Browning (Clinical Lead)	6,607,750	24,548	0	0

A number of officers and senior managers are linked to organisations from which Suffolk PCT has purchased goods or services during the year.
These officers, their relationship to these organisations and the payments in 2012-13 are shown below.

Mrs J. A. Hassan (the wife of Dr Andrew Hassan (Medical Director)) is contracted as a Dental Practitioner by Suffolk PCT and was paid £70,431 during the financial year.

Dr Amanda Jones sat on the Board of both the PCT and Suffolk County Council as the Interim Director of Public Health of both entities and was doing the same role for both organisations. She was employed by the PCT as a Director of Public Health, and the PCT received a contribution from Suffolk County Council towards her remuneration.

Alastair McWhirter, Chairman of the Board and Bill Banks, Non-Executive Director, are also members of the Audit Committee of University Campus Suffolk. Professor Mike Saks, Academic Advisor to the Board, is also Chief Executive of University Campus Suffolk. During 2012-13, Suffolk PCT paid £2,842 to University Campus Suffolk and received £17,088 from them. An amount of £4,000 was owed to University Campus Suffolk at the year end.

Lesley MacLeod was hired as Interim Director of Finance. She is a Director of Public Solutions Limited to which the PCT paid £8,460 during the year.

Colin Boakes was hired as Governance Advisor. He is a Director of Chandelier Healthcare Consulting Limited to which the PCT paid £56,475 during the year.

Dr Caroline Everitt (the wife of Dr Mark Shenton) is a partner of the Hadleigh Boxford Group GP Practice. Suffolk PCT paid £2,174,049 to the Practice during the year.

The Department of Health is regarded as a related party. During the year Suffolk PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities where transactions exceed £1 million are listed below;

Norfolk PCT
South East Essex PCT
Papworth Hospital NHS Foundation Trust
East of England Ambulance NHS Trust
Ipswich Hospital NHS Trust
Norfolk & Suffolk NHS Foundation Trust (formerly known as Suffolk Mental Health Partnership NHS Trust)
West Suffolk Hospital NHS Foundation Trust
Cambridge University Hospital NHS Foundation Trust
Cambridgeshire Community Services NHS Trust
Colchester Hospital University NHS Foundation Trust
James Paget University Hospitals NHS Foundation Trust
Norfolk & Norwich University Hospitals NHS Foundation Trust
Norfolk Community Health and Care NHS Trust
North Essex Partnerships NHS Foundation Trust
Midlands & East SHA
Mid Essex Hospital Services NHS Trust

In addition, Suffolk PCT has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Suffolk County Council.

36 Related party transactions (continued) - Prior Year

Suffolk PCT is a body corporate established by order of the Secretary of State for Health.

During the year only one of the Board members, or members of the key management staff, or parties related to them, had undertaken any material transactions with Suffolk PCT.

During the year Suffolk PCT has funded GP Practices as part of its traditional core business.
One GP Practice partner is a representative on the Trust Board. They are shown below, together with the name of the practice in which they are a partner, and the total payments to that practice.

	Payments to related party £	Receipts from related party £	Amounts owed to related party £	Amounts due from related party £
Dr Hassan & Partners Dr Andrew Hassan	566,654	0	0	0

On 1 November 2011, Dr Amanda Jones became Interim Director of Public Health, having previously been a budget holder. Her husband is a director of Suffolk Integrated Healthcare. During the year, Suffolk PCT paid £6,337,871 to Suffolk Integrated Healthcare and received £3,111 from them. No amounts were owing at year end.

The Clinical Senate was established from April 2011. Several members of the Clinical Senate have worked in other Health organisations within Suffolk during the year. They are detailed below, along with the name of the organisation, the position held, and the transactions between that organisation and Suffolk PCT.

	Payments to related party £	Receipts from related party £	Amounts owed to related party £	Amounts due from related party £
StowHealth Mark Shenton (GP & Director)	2,208,208	9,843	0	0
Wickham Market Medical Centre Paul Kaiser (Partner)	1,194,187	0	300	0
Long Melford Christopher Browning (GP)	1,405,447	0	0	0
Saxmundham Practice John Havard (Partner)	1,223,279	0	1,782	0
StowHealth Ltd Mark Shenton (Director)	44,378	587	3,230	0
IPSCOM Gary Scott (MD) & Ivan Rudd (CEO)	221,458	0	0	0
Partners in Practice David Pannell (Director) & Paul Kaiser (Chairman)	1,061,371	100,518	0	5,500
Commissioning Ideals Alliance Ltd David Pannell (Director) & John Havard (Director)	37,714	21,000	0	0
West Suffolk Commissioning Federation Claire Jay (General Manager)	125,926	38,000	0	0
Suffolk Brett Stour Commissioning Group Mark Shenton (Director)	43,332	0	0	0
Suffolk GP Services Christopher Browning (Chair)	142,062	0	0	0
Harmoni Christopher Browning (Clinical Lead)	6,791,777	45,772	0	0

A number of officers and senior managers are linked to organisations from which Suffolk PCT has purchased goods or services during the year.

These officers, their relationship to these organisations and the payments in 2011-12 are shown below.

Mrs J. A. Hassan (the wife of Dr Andrew Hassan (Medical Director)) is contracted as a Dental Practitioner by Suffolk PCT and was paid £43,116 during the financial year.

Dr Peter Bradley sat on the Board of both the PCT and Suffolk County Council as the Director of Public Health of both entities and was doing the same role for both organisations until 31 October 2011. He was employed by the PCT as a Director of Public Health, and the PCT received a contribution from Suffolk County Council towards his remuneration.

Dr Amanda Jones sat on the Board of both the PCT and Suffolk County Council as the Interim Director of Public Health of both entities and was doing the same role for both organisations. She was employed by the PCT as a Director of Public Health, and the PCT received a contribution from Suffolk County Council towards her remuneration.

Alastair McWhirter, Chairman of the Board, Bill Banks, Non-Executive Director, are also members of the Audit Committee of University Campus Suffolk. Professor Mike Saks, Academic Advisor to the Board, is also Chief Executive of University Campus Suffolk. During 2011-12, Suffolk PCT paid £992,421 to University Campus Suffolk.

Sally Hogg, Assistant Director of Public Health, is also a Director of Ipswich Town Football Club Community Trust to which Suffolk PCT paid £1,275 during the year.

Colin Boakes was hired as Governance Advisor. He is a Director of Chandelier Healthcare Consulting Limited to which the PCT paid £53,775 during the year.

The Department of Health is regarded as a related party. During the year Suffolk PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities where transactions exceed £1 million are listed below;

Norfolk PCT
South East Essex PCT
Papworth Hospital NHS Foundation Trust
East of England Ambulance NHS Trust
Ipswich Hospital NHS Trust
Norfolk & Suffolk NHS Foundation Trust (formerly known as Suffolk Mental Health Partnership NHS Trust)
West Suffolk Hospital NHS Foundation Trust
Cambridge University Hospital NHS Foundation Trust
Cambridgeshire & Peterborough NHS Foundation Trust
Colchester Hospital University NHS Foundation Trust
James Paget University Hospitals NHS Foundation Trust
Norfolk & Norwich University Hospitals NHS Foundation Trust
North Essex Partnerships NHS Foundation Trust
Midlands & East SHA
Great Yarmouth & Waveney PCT
Mid Essex Hospital Services NHS Trust

In addition, Suffolk PCT has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Suffolk County Council.

37 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	399	3
Special payments - PCT management costs	57000	1
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	399	3
Total special payments	57,000	1
Total losses and special payments	57,399	4

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	877	2
Special payments - PCT management costs	34,696	3
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	877	2
Total special payments	34,696	3
Total losses and special payments	35,573	5

Details of cases individually over £250,000
There were no individual cases over £250,000.

38. Third party assets

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

39. Pooled budgets

Suffolk PCT has entered into two pooled funding arrangements under section 75s, with a total contribution by the Trust of £7,286,170 (2011-12: £7,283,345). This is a jointly controlled operation under IAS 31.

The pool is hosted by Suffolk County Council. As a commissioner of healthcare services, Suffolk PCT makes contributions to the pool, which are then used to purchase Mental Health and Drug Misuse healthcare services. During 2012-13, Suffolk PCT contributed £1,280,034 (2011-12: £1,334,623) to the Mental Health Services pooled budget and £5,973,386 (2011-12: £5,948,722) to the Drug and Alcohol Action Team (DAAT).

The PCT has been informed of an underspend on the Mental Health pooled budget of £32,750.
The PCT has not been informed of any under/overspends on the DAAT pooled budget.

40. Events after the end of the reporting period

The Statement of Accounts has been amended following the audit and was authorised for issue by the Designated Signing Officer on 7 June 2013. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2013, the figures in the financial statements and notes are adjusted in all material respects to reflect the impact of this information.

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

Ipswich and East Suffolk Clinical Commissioning Group and West Suffolk Clinical Commissioning Group

Both CCGs are responsible for commissioning the following services (previously commissioned by the PCT):

Secondary and community healthcare from NHS and non NHS providers;
GP prescribing;
Primary care - local enhanced services;
Primary care - out of hours.

The value of these services previously commissioned by Suffolk PCT is circa £700m.

NHS England

NHS England is responsible for commissioning the following services (previously commissioned by the PCT):

Specialised services;
Prison healthcare;
GP services;
General dental services;
General ophthlamic services;
Pharmaceutical services;
Secondary dental care;
Public health (including health visiting and screening services).

The value of these services previously commissioned by Suffolk PCT is circa £205m.

Suffolk County Council

Suffolk County Council is responsible for commissioning the following services (previously commissioned by the PCT):
Public health (including sexual health, drug and alcohol misuse and school nursing services).

The value of these services previously commissioned by Suffolk PCT is circa £20m.

NHS Property Services Ltd.

NHS Property Services Ltd has taken over the management of the PCTs freehold and leasehold estate.

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

Department of Health

NHS

Suffolk Primary Care Trust

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