NHS

The Information Centre
for health and social care

Annual report and accounts 2008/09

The Health and Social Care Information Centre

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The Health and Social Care Information Centre

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The NHS Information Centre provides accessible, high quality and timely information to help frontline health and social care deliver better care.

www.ic.nhs.uk

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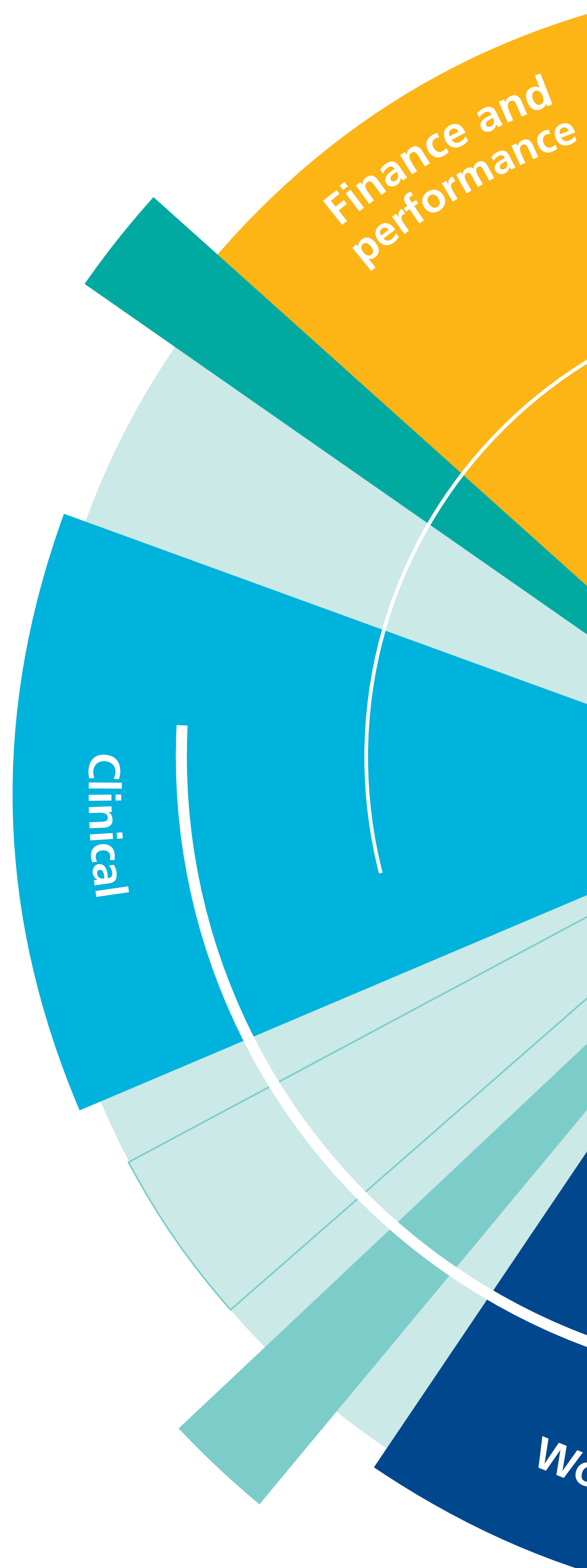


Foreword

I am pleased once again to present The NHS Information Centre's (The NHS IC) annual report and accounts. The past year has been both a challenging and highly productive one in terms of strengthening our role as the recognised, authoritative source of health and social care information. We have continued to focus on the information needs of frontline organisations by developing products and services that they need to plan and deliver better care.

By setting the measures and standards of best practice in information collection, management and usage, we have continued to promote and raise awareness of the production of quality data collections for interpretation and analysis both internally and externally by health care trusts and local authorities.

We have encouraged NHS and social care organisations to make better use of information by promoting the use of our information resources such as the Secondary Uses Service (SUS) data, national benchmarking and comparison services e.g. NHS Comparators and the National Adult Social Care Intelligence Service which will be launching later this summer.

Last year's Joint Strategic Needs Assessments (JSNA) also revealed that some commissioners are not familiar with core sources of data and where to access them. As a result, we are working to develop a web based portal service that will signpost them to the information they need whether it is from within the NHS or outside.

We have continued to ensure that all information is handled securely and effectively – protecting patient confidentiality at all times and that the quality of information that is collected and utilised is consistent, credible and reliable, not least through greater standardisation across care organisations. The NHS IC has also launched a national data quality programme to raise awareness of the importance of quality data and is supporting key health and social care professionals to improve the quality of data across the NHS.

The past year also witnessed a large number of successful events and roadshows for the NHS. A good example was the extremely successful commissioning analytical conference hosted by The NHS IC in association with NHS South East Strategic Health Authority (SHA). 332 delegates attended the event and found our information of vital importance to the World Class Commissioning agenda.

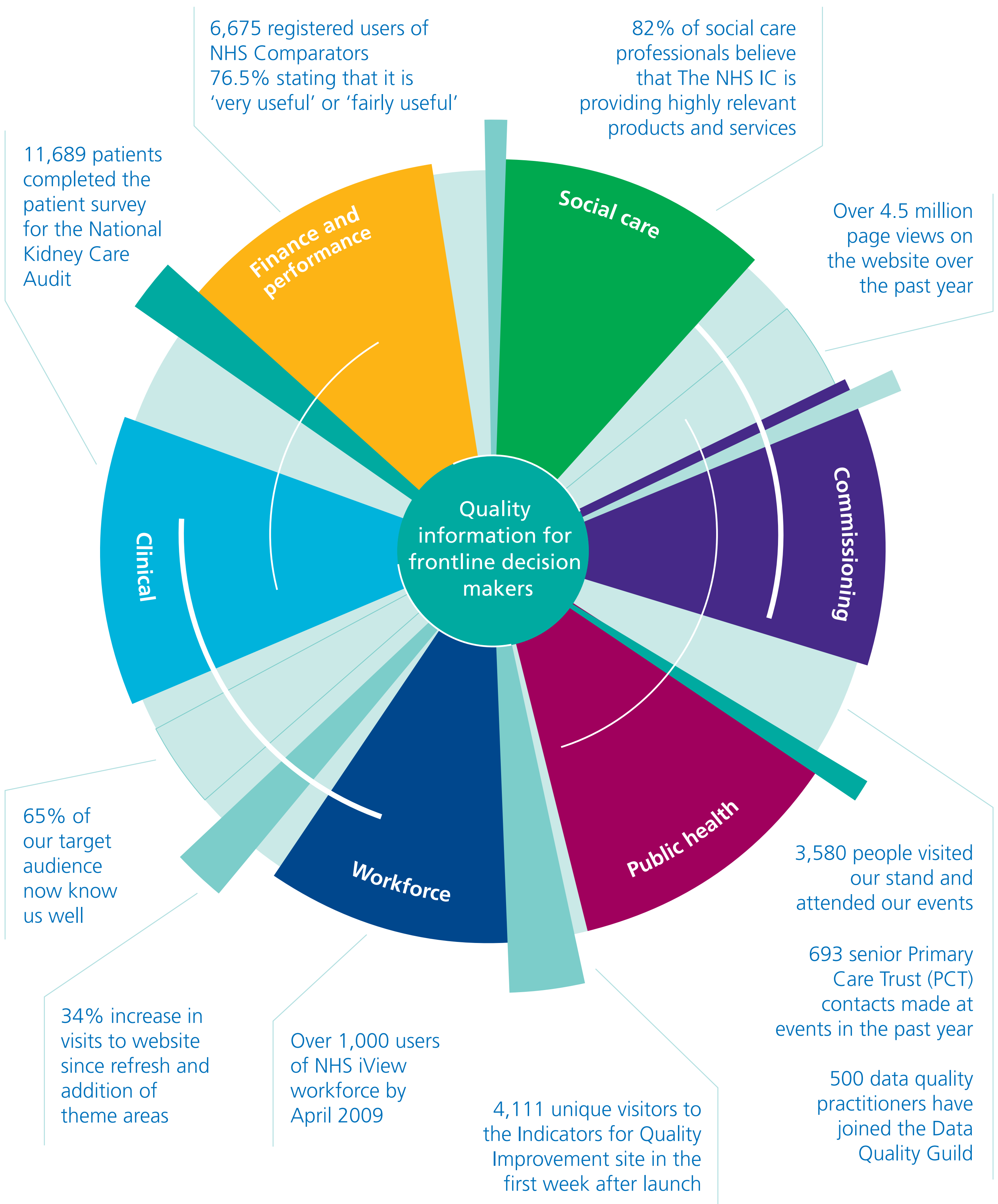
Finally I would like to take this opportunity to thank each and every member of staff for their significant contribution to The NHS IC and its work programmes. Without their hard work, dedication and expertise, the organisation wouldn't be the growing success that it is.

We hope this annual report is useful and informative and inspires you to put high quality information at the heart of your decision making.

Mike Ramsden
10 July 2009

Tim Straughan

Highlights 2008/09



Who we are

We are England's central, authoritative source of health and social care information. Acting as a 'hub' for high quality, national, comparative data for all secondary uses, we deliver information for local decision makers to improve the quality and efficiency of frontline care. Our primary aim is to drive the use of information to improve decision making and deliver better care.

Our strategic objectives

Improving information quality and data standards

- Ensuring the right quality information is provided, using clear governance and standards in data and data collections

Improving access to information

- Improving access to and interpretation of information through better presentation and reporting
- Ensuring fair and equal access to the information

Providing relevant information services

- Delivering the information frontline services need to meet their priorities
- Being the source of data for official statistics published by Department of Health (DH), Care Quality Commission (CQC) and other bodies for the purposes of accountability.

Our customers

We believe our information resources can have a real impact in supporting frontline organisations in delivering better care.

Our information is of value to a wide range of health and social care decision makers, including commissioners, public health analysts, clinicians and informatics professionals in health and social care, as well as the public.

Our partnerships

We recognise the value of collaborative partnerships with a wide range of leading providers including Doctor Foster Intelligence Limited and have an active supplier's forum where we share informatics developments. It actively encourages new entrants into the market place.

The NHS Information Centre has a primary aim to drive the use of information to improve decision making and deliver better care.

“ ”

High quality, relevant information is crucial to enable the NHS to deliver world class services and to enable patients to make decisions about their health and care. The NHS IC has a significant role to play in addressing the quality, innovation and productivity challenges that the NHS and social care system now faces.

Tim Straughan, Chief Executive, The NHS Information Centre

Focusing on quality

The Health Informatics Review (HIR) of 2008 highlighted the importance of data standards and data quality across the NHS. It identified data standards gaps and inadequacies in the data used to support policy, service planning, commissioning and performance management decisions.

Information is vital to the new health and social care vision. Timely information on the quality of care is of direct relevance to local services. It will also empower patients to make informed choices about the services they receive.

The wide range of information provided through The NHS IC from population health analysis through to 'accessible' data on clinical indicators of care, workforce information and choice will provide the foundation to drive this vision.

We take the quality of our information very seriously. Across all of our collections, publications and information services, we apply rigorous standards to collecting and validating data.

The majority of our publications are national or official statistics, and we apply national statistics protocols to all of the information we produce. If we make any changes to our collections or publications we follow a transparent consultation process.

In addition, all of our information is governed and approved by the independently run Information Standards Board for Health and Social Care, the Strategic Information Group for Social Care, or the Review of Central Returns.

We provide feedback to the primary care trusts and local authorities that submit data to us about this and where it can be improved.

Supporting clinical quality

Quality of care is the first priority of both clinicians and patients. It is at the heart of Lord Darzi's Next Stage Review vision for the NHS too. It is only through the measurement of quality that you can improve the quality of services. These are just some of the ways that our clinical programme is focused on helping the clinical community:

Indicators for Quality Improvement

Supporting the Next Stage Review vision of quality care for all. The Indicators for Quality Improvement provide a resource of robust indicators, assured for both clinical use and design methodology, which can be used to support local improvement and benchmarking.

Patient Reported Outcome Measures (PROMs)

Measuring quality from the perspective of the patients themselves. Initially covering four clinical procedures, PROMs calculate the health gain after surgical treatment for hip and knee replacements, hernia and varicose veins. Using pre and post operative surveys, PROMs leads us towards a more rounded way of measuring positive outcomes for treatment.

National Clinical Audit Support Programme

Clinically auditing a wide range of clinical conditions, including diabetes, kidney care, cancer and heart disease.

Medical Research Information Service

Providing demographic information to support your research.

The information we provide supports policy, service planning, commissioning and performance management decisions, so it is important that we work with data providers to improve the quality of the data that they provide to us. We are doing this in a number of ways, including developing data quality comparators and raising awareness of the impact and importance of basing decisions on timely standardised and good quality data.

Clare Sanderson,
Director of Information Governance

Our role within the health and social care market

Information is vital to the new health and social care vision. Timely information on the quality of care is of direct relevance to local services. It will also empower patients to make informed choices about the services they receive.

The wide range of information provided through The NHS IC from population health analysis through to 'accessible' data on clinical indicators of care, workforce information and choice will provide the foundation to drive this vision.

Commissioning

- Information to support local commissioners at every stage of the commissioning cycle including assessment of local health and care needs
- Information supplied to NHS Choices for its data directories

Workforce

- Statistics on the NHS workforce profile including Electronic Staff Record
- Doctors and dentists statistics and remuneration
- NHS iView online service providing aggregated health data to authorised users within the NHS. Information includes staff numbers, workforce earnings and composition

Finance and performance

- Healthcare Resource Groups to support Payment by Results policy
- Access to NHS practice-level comparators and indicators
- 18 weeks referral to treatment reporting application

Clinical

- Indicators for Quality Improvement
- Clinical audits for a wide range of conditions, including diabetes, kidney care, cancer and heart disease
- Support and advice on managing the primary care drugs bill
- Medical Research Information Service

Public health

- National statistics on alcohol, drugs, smoking, obesity and health inequalities
- Area based assessments with robust data from a range of sources using Compendium of Public Health Indicators (NCHOD)
- National Health Survey for England
- Online GP Quality and Outcomes Framework (QOF) database
- NHS Central Register of all NHS patient details, from cradle to grave

Social care

- Development of a new National Adult Social Care Intelligence Service to enable benchmarking and analysis of national trends
- Statistics on the money spent on social services, direct payments and individual budgets for each local authority
- Publications covering many aspects of social care to help decision makers provide the best possible care services

Our strategic focus

We understand that NHS and social care professionals need timely, good quality benchmarking and comparative personal data at a local, rather than national, level. The NHS IC will provide data and information to help local organisations plan better local care and our products and services will help reduce the burden on NHS and social care frontline staff.

From 2009/10 The NHS IC will focus on:

- delivering projects that actively promote information to help the NHS and social care frontline provide better care and drive service reform and improvement
- enabling patients and the public to exercise choice by being a key supplier of quality information for the website NHS Choices
- strengthening The NHS IC capacity and skills to deliver these projects via an organisational development and business change plan
- building the capacity of frontline services to make best use of information through working with NHS Connecting for Health and other key partners through a structured programme to enable better use of existing local resources, support and training.

For more information on the latest programme developments, visit

www.ic.nhs.uk

Key programmes of work

The business plan will be delivered through 14 programmes of work which can be arranged as follows:

Information quality

- Information governance
- Information and data standards
- Data quality
- Streamlining data collections

Access to information

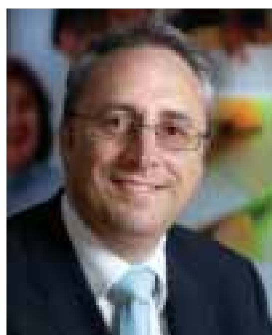
- Syndication service
- Signposting portal
- NHS Choices website
- Information reporting services

Information for the frontline

- Commissioning
- Workforce
- Finance and performance
- Clinical
- Public health
- Social care

Board member profiles

Mike Ramsden, Chairman



Mike began his career in the NHS in 1977 and went on to become chief executive of Wakefield Family Health Services Authority in 1989, chief executive of Leeds Family Health Services Authority in 1992 and chief executive of Leeds Health Authority in 1999.

In 2002, he left the NHS to become a director of two companies specialising in consultancy and management services. At the same time he established Smartrisk Foundation (UK), a charity dedicated to preventing injuries, particularly amongst children. Mike was also appointed as part-time chief executive of the National Association of Primary Care with effect from 1 October 2007.

Tim Straughan, Chief Executive

Tim Straughan was appointed chief executive of The Information Centre for health and social care on 7 December 2007.

He originally joined The NHS IC as director of finance and corporate services and deputy chief executive six months after its creation in April 2005 and was responsible for the recruitment and migration programme that established The NHS IC in its new headquarters in Leeds.

Tim joined The NHS IC from NHS Estates where he was acting chief executive and, prior to that, finance director. He led the closure of the agency which resulted from the DH's arm's length bodies review. As acting chief executive, Tim had direct accountability to ministers for all issues relating to NHS estates and facilities.

Tim has a number of years of frontline NHS experience working in Leeds Teaching Hospitals Trust. There he developed a specialist working knowledge about private finance initiatives and public private partnerships

Tim is a chartered accountant and trained with KPMG. He is also a qualified dentist with experience of working in general practice, hospital and community facilities.

Phil Wade, Director of Business Development and Communications

Phil joined The NHS IC from the University for Industry, where as group director of marketing, research and policy, he played a pivotal role in establishing learndirect as a national brand.

By introducing classic marketing and segmentation techniques he was able to attract record numbers to e-learning and to learndirect's information and advice call centre.

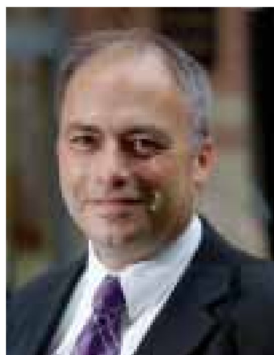
Previously he has worked entirely in the commercial sector where he has a strong track record of successfully developing and marketing products and services for leading blue chip companies such Mars, Del Monte and Pfizer.

In the mid 1990s he worked in a small management team turning around the financial performance of the European division of the world's leading fire safety company.

Earlier in his career Phil worked across numerous sectors with Nielsen Research, the global market research leader.

Phil graduated from York University with a First in History and currently lives there with his wife and three children.

Stephen Leathley, Acting Director of Finance and Performance



Steve was appointed the acting director of finance and performance on 2 July 2007, having previously headed up the finance team. He joined The NHS IC from the now closed NHS Estates where he was ultimately responsible for closing down the agency's finances, alongside Tim Straughan.

Steve is a chartered accountant and trained with Ernst and Young. Before joining the public sector, Steve worked within the distribution sector at Graham Builders Merchants Limited and Maccess limited. Steve graduated from Warwick University with a first in Mathematics. He also runs a family restaurant and bunk barn business in the Yorkshire Dales.

Clare Sanderson, Interim Director of Information Governance and Policy

Clare started working life as a scientific civil servant with the Ministry of Defence working for the Royal Air Force. Since then she has gained extensive experience in NHS information management both as an employee and as a management consultant. Covering a range of issues including system procurement, development of outline and full business cases, information strategy, corporate reporting, management information requirements, review of information services and data quality.

In July 2007 Clare became the interim director of information governance at the NHS Information Centre and in September 2008 was appointed to the permanent role. It was evident that The NHS IC needs to demonstrate the highest standards of information governance and be a respected leader in terms of good practice across the NHS and social care sector. Information governance has an increasingly high profile area across government and there are many challenges ahead but Clare hope to continue to drive the agenda forward in a constructive and positive way.

Clare graduated from Leeds University with an Operational Research and Statistics degree.

Brian Derry, Executive Director of Information Services

Brian Derry was appointed as our new executive director of information services on 1 November 2008. Brian is a professional statistician and has held a senior-level informatics post in a number of Government departments, including DH and in the NHS. He is also currently the chair of the national council of ASSIST (The Association of informatics professionals in health and social care) and is a chartered statistician, chartered IT professional and is registered with the UK Council of Health informatics professions.

Most recently he was the director of informatics at Leeds Teaching Hospitals NHS Trust but before joining The NHS IC was on secondment for 4 months at NHS Connecting for Health, as programme director for implementing the Health Informatics Review.

Dr Mark Davies,
Executive Medical Director

Dr Mark Davies, principal GP in Hebden Bridge, West Yorkshire, joined The NHS IC in 2008 as the organisation's first executive medical director on secondment from NHS Connecting for Health (CfH). Previously he was national clinical director for NHS Connecting for Health, establishing the clinical contents service, for which he remains senior responsible officer. He has been medical director for the NHS Connecting for Health Choose and Book programme and clinical advisor to the Department of Health.

Prior to this he was medical director of one the largest GP urgent care organisations in the country, and was involved in the reforming emergency care agenda for West Yorkshire.

Rachael Allsop,
Executive Director of Workforce

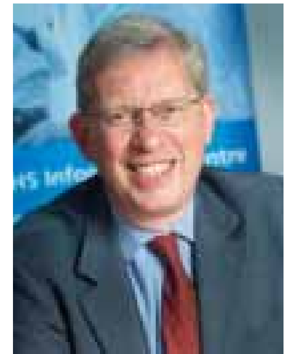
Rachael Allsop was appointed as executive director of workforce in January 2009.

Prior to that, she was the director of human resources at Leeds Teaching Hospitals' Trust, having previously worked at a senior level in a variety of human resource functions across all sectors of the NHS. In that role she led a team which won awards for innovation, recruitment and retention, and diversity.

A member of the Chartered Institute of Personnel and Development, Rachael initially read economics at university, subsequently specialising in employment law at post-graduate level. She is a visiting lecturer at Leeds University where her teaching interests have included equality and diversity, organisational change, HR strategy and practice and employment law.

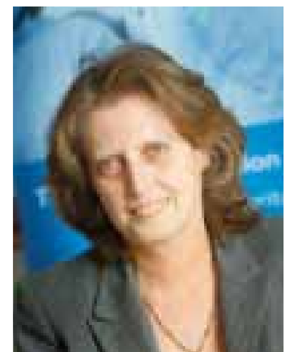
Rachael is currently chair of the Yorkshire branch of the Healthcare People Management Association (HPMA).

Tony Allen,
Vice Chairman



Tony was a partner at PriceWaterhouse Coopers between 1984 and 2005, advising a wide range of corporations, both public and private. From 2001 he was the lead partner for the firm's services to the NHS and to the Department of Health. He also led on governance and the effectiveness of boards. He is an independent member of the Department for Children, School and Families (DCFS) Audit & Risk Committee (from 1 July 2005), an independent member of DH Audit Committee (from March 2007) and chairman of The Chislehurst Society (from April 2008).

Lucinda Bolton,
Non-executive Director



Lucinda is a former executive director of an investment bank and has held a number of public and voluntary sector appointments. She is also a member of the NHS Pay Review Body (Ministerial appointment from June 2004, remuneration £300 per day). In addition she is an independent public appointments assessor for Department for Culture, Media and Sport (DCMS), a governor of Thames Valley University and chair of its Audit & Risk Committee and an independent member of the Audit Committee of the Commission for Local Administration in England. Lucinda has also held several private sector non-executive directorships.

Roger Clarkson, Non-executive Director

Roger was formerly a senior manager with ICL and IBM's government consultancy businesses, he has led major customer focused change programmes within a wide range of organisations. In 2004 he joined the Office of the Deputy Prime Minister as a national advisor for local government modernisation and had responsibility for the local government online programme. In January 2006 Roger was appointed as a non-executive director of Dr Foster Intelligence to represent The NHS IC's 50 per cent shareholding in this joint venture. Other directorships include 3rd Phase Consulting. Previous directorships include the Lancashire Ambulance Trust and Learning Pool Ltd.

Anthony Land, Non-executive Director

Over the past ten years, Anthony has completed a range of interim and advisory board-level assignments at the Kensington and Chelsea Primary Care Trust in London, the General Social Care Council, the Social Care Institute for Excellence, the Commission for Social Care Inspection and the Equal Opportunities Commission. This work has included business and corporate planning and the development and review of new risk management systems, financial and IT systems and corporate governance. He has been a non-executive director of Book Trust, the Brussels-based European Office of Consumer Organisations, and the Kensington Society. In January 2006 Anthony Land was appointed as a non-executive director of Dr Foster Intelligence (DFI) to represent The NHS IC's 50 per cent shareholding in this joint venture.

Professor Michael Pearson, Non-executive Director

Michael is professor of clinical evaluation at University of Liverpool and honorary consultant physician at University Hospital Aintree. Other directorships include Respiratory Education Training Centre (trustee director of charity) and Lung Health (a company set up to develop patient focused software for Chronic Obstructive Pulmonary Disease (COPD) care). He has previously served on the National Clinical Advisory Board of the National Programme for IT and on the interim executive of the NHS Care Records Development Board.

“ ”

Public Health Observatories (PHOs) make great use of The NHS Information Centre’s information resources, including statistics from surveys, such as the Health Survey for England and products like the Compendium of Clinical and Health Indicators. The Association of PHOs is working in partnership with The NHS Information Centre to deliver high quality public health intelligence to help improve health and reduce health inequalities.

David Meechan, Director,
East Midlands Public Health Observatory

“ ”

Commissioning is all about ensuring the provision of quality services for patients. The NHS Information Centre have the data and information, and also the expertise to support commissioners and answer all of their questions, and much more. I wish I'd known about The NHS Information Centre's services when I was actively commissioning services in Surrey.

Sandra Hills, Director for Commissioning, The NHS Information Centre for health and social care

“ ”

Data can be very powerful. When used correctly, data becomes information and then knowledge. Knowledge is the enemy of disease, and it can help us bring about changes and improvements to the quality of care we provide. By embracing the use of information, I believe we clinicians can bring about real improvements for patients and I think The NHS Information Centre has valuable resources to help us with this task.

Dr Donal O’Donoghue,
National Director for Kidney Care

Management Commentary

For the year ended 31 March 2009

Principal activities

The NHS Information Centre for health and social care (The NHS IC) was created in 2005 and is a special health authority that provides facts and figures to help the NHS and social services run effectively.

Our data and information helps local organisations provide better local care, national policy development and delivery, and local and national accountability.

During 2008/09 The NHS IC has:

- increasingly focused on the needs of frontline NHS and social care customers
- delivered programmes of work designed to support social care, commissioning, workforce and clinical requirements
- worked with the commercial sector including our joint venture, Dr Foster Intelligence Limited, to produce relevant products and valued services which support the provision of high quality care
- strengthened all elements of information governance processes.

On 1 April 2008 the NHS Central Registry based in Southport was transferred to The NHS IC from the Office of National Statistics. The main purpose of the Central Registry is to be responsible for creating and maintaining details of everyone resident in England and Wales registered with a NHS general practitioner. The service also generates data used by health researchers.

The strategy for The NHS IC in 2009/10 reaffirms the priority to focus on delivering products and services that meet the information needs of frontline staff in health and social care. The vision is to become the central authoritative source of health and social care information, providing services as a one stop shop for high quality, national comparative data for all secondary uses of operationally gathered information. Pivotal to this will be our role in ensuring the right information quality, governance and standards are applied to data systems and data collections, analysis, reporting and official statistics.

In 2009/10, The NHS IC will focus on 14 programmes which collectively:

- deliver projects that actively promote information to help the NHS and Social Care frontline provide better care and drive service reform and improvement
- inform patients and the public, including enabling them to exercise choice by being a key supplier of quality information for the website NHS Choices
- strengthen The NHS IC's capacity and skills to deliver the above through an organisational development and business change plan. Together with NHS Connecting for Health and other key partners, build the capacity of the frontline services to make the best use of information.

Accounts Preparation

The accounts have been prepared under a direction issued by the Secretary of State in accordance with Section 232 (Schedule 15, paragraph 3) of the National Health Service Act 2006 and have been prepared in accordance with the guidelines set out in the Government Financial Reporting Manual (FReM).

Financial results

The Department of Health allocated The NHS IC a revenue resource limit for 2008/09 of £38.1 million including £2.0 million to cover capital charges and depreciation. The actual results have generated a small surplus of £0.1m.

Similarly an underspend of £0.4m has arisen from the capital resource limit of £7.8m. The NHS IC has invested significant amounts on:

- developing and improving systems such as Hospital Episode Statistics, NHS Comparators and iView which allow customers to both submit and access data
- improving The NHS IC website to incorporate signposting technology
- transferring the IT infrastructure in house which will enable greater flexibility and control.

Like many arms length bodies, central funding has been reduced and further efficiencies will be expected over the next few years. The NHS IC continues to manage its cost base and generate improved value for money by:

- maintaining a sensible balance between permanent and temporary staff and contractors in a year when project and development work increased significantly. There was a slight increase in the ratio of temporary to permanent staff costs from 27 per cent in 2007/08 to 34 per cent in 2008/09
- negotiating improved terms with its suppliers, in particular several large and complex Official Journal of European Union (OJEU) procurements were completed
- subletting spare desk capacity in offices to other public sector bodies generating income of £40,000
- reviewing all areas of business to ensure that all work is of value and does not duplicate activities carried out elsewhere.

Outstanding sales ledger balances were £1.9m, of which £33k was more than 90 days overdue. Debts amounting to £16k have been provided for as irrecoverable. Other debtors largely relate to VAT for February and March transactions.

Deferred income relates to programme monies received from the Department of Health and other related bodies as a contribution towards survey costs, specific capital projects or other major areas of work in advance of the work being completed. This will be released as expenditure is incurred, or in the case of capital expenditure, as depreciation is charged.

Fixed asset investments

The NHS IC entered into a joint venture partnership arrangement known as Dr Foster Intelligence Limited (DFI) on 17 January 2006. The NHS IC initially invested £12 million to purchase a 50 per cent stake in DFI and provide initial working capital, of which £9.5 million was paid immediately and a further £2.5 million was paid in July 2007. Subsequently, the issue of a staff share option scheme has reduced The NHS IC share of the company to 48.6 per cent.

DFI has grown considerably with more NHS Trusts using its services for the first time and existing customers using a greater number of products. Turnover has increased from £9m at inception to over £39m in 2008 including income from undertaking the NHS Choices website development. The NHS IC accounts for the joint venture as a fixed asset investment and therefore does not account for the trading results.

In accordance with the financial reporting standard, FRS 9 Associates and Joint Ventures, a valuation of DFI has been undertaken to support the value of the investment stated in the balance sheet. This valuation carried out by PricewaterhouseCoopers LLP supports the board's opinion that the carrying value of £12m remains appropriate.

Prior Year Comparatives

The prior year comparatives have been adjusted for the transfer of the NHS Central Registry from the Office of National Statistics on 1 April 2008 in accordance with the requirements of FRS 6 Accounting for Acquisitions and Mergers. Net assets of £1.2m were acquired, made up of computer equipment, debtors and creditors. The computer equipment acquired was fully depreciated and disposed of during the year in order to comply with the NHS IC's accounting policies of treating such items as revenue expenditure.

The prior year comparatives have also been restated on a comparable basis in accordance with FRS 28 Corresponding Amounts following a change in basis of receiving income for clinical audit services. Sales invoices of £3.1m were raised during 2008/09 and the prior year figures have been restated on the same basis.

Governance and public interest

Corporate governance

The NHS IC is committed to ensuring a high standard of corporate governance. The board has responsibility for defining strategy and determining resource requirements to ensure the delivery of The NHS IC's objectives. The board has three committees to assist it, namely the audit and risk committee, the remuneration committee and the information governance committee.

The composition, role and main activities of the Board and its principal committees during the year under review are outlined below:

Composition	Meetings Attended	Role
Board Non executive directors		The role of the board is to: • provide continuous effective leadership • ensure appropriate controls are in place to assess, manage and monitor risk and operational and financial performance • setting the organisation's strategic aims and ensuring that appropriate financial and human resources are in place • reviewing management's performance and setting the organisation's values and standards. Board meetings are made up of a public session, where members of the public are able to attend and all papers and minutes are available to view on The NHS IC website, together with a private section, where commercial matters that are not considered appropriate for disclosure are discussed.
M Ramsden (Chairman)	6	
A Allen	6	
L Bolton	6	
R Clarkson	5	
A Land	6	
M Pearson	6	
Executive directors		
T Straughan	6	
S Leathley	6	
P Wade	6	
C Sanderson	4	
R Dewhurst (resigned June 08)	1	
B Derry (appointed November 08)	3	
M Davies (appointed July 08)	3	
R Allsop (appointed January 09)	2	
Audit and risk committee Non executive directors		The audit and risk committee, is responsible for: • monitoring the integrity of the financial statements • reviewing internal financial controls, internal control and risk management systems • monitoring and reviewing the effectiveness of the internal audit function • making recommendations to the board concerning the appointment of the external auditors.
A Allen (Chairman)	5	
L Bolton	5	
R Clarkson	4	
M Pearson	4	
A Land (Reserve)	2	
Executive directors		
T Straughan	4	
S Leathley	5	
In addition, both the internal and external auditors attend meetings.		

Composition	Meetings Attended	Role
Information governance committee Non executive directors		The information governance committee is responsible for: • approving information governance and quality policies, strategies, procedures, codes of best practice and supporting documentation • monitoring the adoption of the policies and compliance with legislative and statutory requirements • advising on the strategic direction on opportunities for the development of external information governance services and communication strategies for promoting and disseminating this work • managing and reporting on information governance and quality risks to the audit & risk committee.
M Pearson (Chairman)	6	
A Land	6	
L Bolton	3	
Executive directors		
T Straughan	6	
C Sanderson	6	
P Wade	3	
S Leathley	5	
M Davis	2	
With effect from December 2008, membership of the information governance committee was changed to limit executive membership to T Straughan, C Sanderson and M Davies		During 2008/09, 6 meetings were held in order to ensure that the emerging policy and procedural improvements were approved and implemented quickly. It is expected that from 2009/10 there will be approximately 4 meetings per year.
Remuneration committee Non executive directors		The role of the remuneration committee is to: • advise the board about the appointment, performance, development and succession planning for executive directors • set the level of executive directors remuneration packages • oversee the implementation and development of the Agenda for Change terms and conditions for all staff • agree the principles and policy for any performance related pay and approve any subsequent performance pay awarded • approve on behalf of the board all voluntary and compulsory redundancies.
M Ramsden (Chairman)	4	
A Allen	4	
L Bolton	4	
Executive director		
T Straughan	4	

The board and each of its committees, other than the remuneration committee, undertake an effectiveness review each year. This review consists of a questionnaire which each regular attendee completes, assessing the performance using a scoring mechanism with the opportunity to comment. An anonymised consolidated schedule is then reviewed by the relevant board or committee to which it relates.

Register of Interests

The NHS Code of Accountability requires board members to declare any interests that are relevant and material to the NHS body of which they are a member. Board members are expected to declare any changes to their interests at each board meeting and on any particular topic on the agenda prior to discussion commencing.

The register of declarations of interest is kept and maintained by the corporate secretary and is available for public inspection.

Of particular note are the directorships of R Clarkson, A Land and T Straughan in Dr Foster Intelligence Ltd as part of the governance structure of the joint venture investment described in note 5.3 to the financial statements.

Risks

The NHS IC board has overall responsibility for risk management and has nominated the Director of Finance and Performance as the director responsible. The audit and risk committee ensures that systems are in place to ensure effective risk management. The internal audit function forms part of the review process and provides assurance on the risk management process, and advises the audit and risk committee accordingly.

Individual directors manage risk at the day-to-day operational and project level, and maintain departmental risk registers. Key risks from the departmental risk registers are consolidated onto the corporate assurance framework which is reviewed on a regular basis by senior management through the performance management committee and the audit and risk committee. Information governance related risks are managed by the information governance committee who provide assurance to the audit and risk committee through an annual statement.

Information Governance

The main purpose of The NHS IC is to collect, analyse and disseminate health related data. Some of this information, notably about patients and NHS employees, is of a personal and sensitive nature and The NHS IC has stringent controls in place to ensure the security of this data.

An information governance committee, chaired by a non-executive director, and which reports to the board, specifically oversees the policies and procedures in this area and manages risks. An information governance toolkit assessment was undertaken in the year, where a high score was attained. During 2009/10, The NHS IC will create an “honest broker” service and compliance unit which will develop policies on behalf of the wider health service and manage sensitive patient identifiable data within the databases managed by The NHS IC.

In the Cabinet Office’s Interim Progress Report on Data Handling Procedures, published on 17 December 2007, Official Report, column 98WS, the Government made a commitment that it’s departments will report information risk management in their annual accounts, in particular whether there have been any personal data related incidents.

There are no protected personal data incidents to report either in 2008 or 2009 to the date of signing these accounts. This includes those incidents that would need to be formally reported to the Information Commissioners Office (ICO) and those that would be deemed not to require reporting to the ICO.

The NHS IC is subject to the Data Protection Act 1998 and has filed the appropriate notification with the ICO.

Complaints and adverse incidents

The NHS IC takes all complaints and adverse incidents seriously. The existing processes associated with such incidents have been strengthened during the year to incorporate a new adverse incident reporting system which enables all staff to report an incident in a common format and allow it to be reported upon and its root causes investigated. Regular learning groups review each incident to understand the reasons and put in place measures that will mitigate a future repeat. The level of adverse incidents is a key performance indicator for the organisation and is reviewed regularly by the board.

Freedom of Information Act

As a special health authority The NHS IC is required to comply with the Freedom of Information Act 2000. This means that all requests for information are responded to within the provisions of the Act, typically within 20 working days. During 2008/09, 161 Freedom of Information requests were received of which just one was not responded to within the 20 working day timeframe.

Better Payments Practice Code

The NHS IC seeks to comply with the Better Payments Practice Code by paying our suppliers within 30 days of the receipt of goods or services, or within 30 days of receipt of an invoice. Further refinements to processes have been implemented to comply with the revised guidelines introduced during 2008/09 to pay smaller suppliers within 10 working days. The performance in meeting these objectives is disclosed in note 2.3 to the financial statements.

Sustainable development

The NHS IC acknowledges its roles and responsibilities towards the sustainable development agenda. The working environment in which the organisation operates is predominantly office based and thus opportunities to impact on the environment are relatively limited. However, a number of steps and initiatives have been put in place and will be further developed in 2009/10 and these include:

- confidential waste disposal through a green waste contractor
- using public transport for business travel wherever possible and putting in place a metro scheme allowing staff to purchase tickets for commuting at a discount and to spread payments
- promoting cycling by providing cycle storage, shower and changing facilities
- disposing of old equipment in a socially and environmentally friendly manner
- use of video conferencing in an effort to reduce the amount of travel
- working with the various building landlords to purchase utility services from sustainable, environmentally friendly sources (the electricity in Trevelyan Square was recently transferred to such a supplier).

Employee policies

Pension liabilities

The NHS IC participates in both the NHS and the civil service pension schemes and in doing so makes contributions based on the salary of individual members. Both schemes are unfunded multi-employer defined benefit schemes in which the employer is unable to identify its share of underlying assets and liabilities. The schemes are therefore accounted for as if they were defined contribution schemes.

Equality and diversity

The NHS IC is committed to equality of opportunity for all employees and potential employees. It aims to create an environment in which individual differences and the contributions of all employees are recognised and valued and ensure that no eligible job applicant or employee receives less favourable treatment on the grounds of race, colour, nationality or ethnic origin, age, gender, sexual orientation, marital status, disability, religion or religious affiliation, or is disadvantaged by conditions or requirements which cannot be shown as justifiable.

All staff are required to attend an equality and diversity awareness training course and this is also incorporated into the induction process for new employees.

Learning and development

The NHS IC is committed to providing employees with proper training and development to enhance their professionalism in supporting The NHS IC's overall objectives. A comprehensive training programme has been developed and implemented.

Employee consultation

The NHS IC is committed to consulting and communicating with staff and their representatives. A Joint Negotiating and Consultative committee meets bi-monthly to discuss organisation wide issues and local consultation takes place over areas of specific interest.

An internal communications manager maintains an intranet site to ensure staff have access to a wide range of information relevant to The NHS IC and the health sector at large. In addition, regular staff briefings are held where senior management update staff and receive feedback on key issues.

Health and safety

The NHS IC recognises and accepts its legal responsibilities in relation to the health, safety and welfare of its employees and for all people using its premises. The NHS IC complies with the Health and Safety at Work Act (1974) and all other legislation as appropriate. A new on line self assessment tool has been introduced in 2008/09 which incorporates a range of Health and Safety issues.

Auditors

The accounts have been audited by the Comptroller and Auditor General, who has been appointed under statute and is responsible to Parliament. The cost of the audit was £70,000. The National Audit Office also undertook a review of the initial work associated with the implementation of Information Financial Reporting Standards (IFRS) as directed by the Department of Health for which a fee of £10,000 has been charged.

The internal audit service during the financial year was provided by Bentley Jennison Risk Management Ltd.

The accounting officer has undertaken all steps to ensure he is aware of any relevant audit information and to ensure that The NHS IC's auditors are aware of that information. As far as the accounting officer is aware, there is no relevant audit information of which The NHS IC's auditors are not aware.

Remuneration Report

Remuneration committee

The pay of the executive board directors is set by the remuneration committee and is reviewed on an annual basis. The remuneration committee consists of three non-executive directors (including the chairman) and all are required to be present. It is chaired by the board chairman Mike Ramsden.

The chief executive and other executive directors are not present for discussions about their own remuneration and terms of service, but may attend meetings of the committee at the chairman's invitation to discuss other employees' terms.

The work of the committee is supported and administered by the chief executive and appropriate staff.

In reaching its recommendations, the remuneration committee took into account:

- the need to recruit, maintain and motivate suitably able and qualified people to exercise their responsibilities
- variations in the labour market and their effects on the recruitment and retention of staff
- recommendations of relevant Department of Health guidelines.

Remuneration policy

The NHS IC aims to pay employees on a fair and equitable basis for the role and responsibilities they undertake in line with best practice within the NHS. All posts have been evaluated under the Agenda for Change (AfC) programme.

Staff who continue on civil service terms and conditions will continue to receive performance related pay (PRP) in line with the Department of Health collective agreements. Staff on NHS terms and conditions may receive increments within their pay-scale under AfC guidelines. This will either be the annual increment or the gateway review depending on an individual's service and their point within the band.

Both PRP and AfC increments are linked to a single individual performance and development review mechanism.

Service contracts

The chief executive and all other permanently employed executive directors are employed under permanent employment contracts with a six month notice period and work for The NHS IC full-time. If their contracts are terminated for reasons other than misconduct, they will come under the terms of the NHS compensation scheme.

Non-executive directors are appointed through the NHS Appointments Commission and its terms and conditions apply to them. All of the non-executive directors (other than the Chair) were reappointed on 1 April 2009 with further contracts ranging from 3 to 4 years. They are not entitled to compensation for loss of office or the early termination of appointment.

Emoluments of Board Directors

The remuneration relating to all directors in post during 2008/09 is detailed on the tables below which identifies the salary, other payments, allowances and pension benefits applicable to executives and non executives and are subject to audit.

	Salary including performance pay 2008/09 £000	Salary including performance pay 2007/08 £000	Real increase in pension and related lump sum at age 60 £000	Total accrued pension at age 60 at 31/3/09 and related lump sum £000	CETV at 31/3/09 £000	CETV at 31/3/08 £000	Real increase in CETV after adjustment for and changes in market investment factors £000
Tim Straughan Chief executive	145 – 150	130 – 135	7.5 – 10	20 – 25	92	42	34
Phil Wade Director of business development and communications	100 – 105	95 – 100	5 – 7.5	10 – 15	65	32	22
***Roger Dewhurst** Director of operations (Resigned 18th June 2008)	210 – 215	90 – 95	5 – 7.5	125 – 130	–	400	–
Stephen Leathley Acting director of finance and performance	70 – 75	45 – 50	2.5 – 5	5 – 10	40	16	16
Brian Derry Director of information services (appointed 1st November 2008)	40 – 45	–	2.5 – 5	160 – 165	905	702	130
****Mark Davies** Medical director (appointed 2nd July 2008)	100 – 105	–	–	–	–	–	–
Rachael Allsop Director of workforce (appointed 1st January 2009)	25 – 30	–	0 – 2.5	145 – 150	641	494	95
*****Clare Sanderson** Interim director of information governance	150 – 155	105 – 110	17.5 – 20	25 – 30	112	35	53
Amounts paid to non-executive directors were as follows:							
Mike Ramsden (chairman)	60 – 65	60 – 65					
Anthony Allen	10 – 15	10 – 15					
Lucinda Bolton	5 – 10	5 – 10					
Roger Clarkson	5 – 10	5 – 10					
Anthony Land	5 – 10	5 – 10					
Michael Pearson	5 – 10	5 – 10					

Emoluments of executive directors consist of basic pay. No non-cash remuneration or benefits in kind were paid.

* The costs for Roger Dewhurst relate to the period until he resigned as a director on 18th June 2008 and include termination costs of £195k but exclude employment costs from July 2008 whilst acting in a different role.

** The costs for Mark Davies refer to secondee charges from NHS Connecting for Health

*** The costs for Clare Sanderson include fees from an external agency until October 2008 and basic pay subsequently from when she joined as a permanent employee.

Brian Derry, Rachael Allsop and Clare Sanderson joined The NHS IC having previously been members of the NHS Pension scheme.

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former pension scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual transferred to the civil service pension arrangements and for which the civil service vote received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

This reflects the increase in the CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions made by the employee (including the value of any benefits transferred from another pension scheme or arrangements) and uses common market valuation factors for the start and end of the period.

Tim Straughan

Chief Executive

10 July 2009

Statement of the board and chief executive's responsibilities

Under the National Health Service Act 2006 and directions made thereunder by the Secretary of State with the approval of Treasury, The NHS IC is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State. The accounts are prepared on an accruals basis and must give a true and fair view of The NHS IC's state of affairs at the year end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the board and accounting officer are required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclosed and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that The NHS IC will continue in operation.

The accounting officer for the Department of Health has appointed the chief executive of The NHS IC as the accounting officer, with responsibility for preparing The NHS IC's accounts and for transmitting them to the Comptroller and Auditor General. Specific responsibilities include the responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding The NHS IC's assets.

Statement on internal control

Scope of responsibility

As accounting officer, I have responsibility, together with the board of The NHS IC for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives whilst safeguarding the public funds and organisation's assets including data and information for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The senior departmental sponsor for the Department of Health is responsible for ensuring that The NHS IC procedures operate effectively, efficiently and in the interest of the public and The NHS and I have regular dialogue with the Department of Health sponsor in which the key issues affecting The NHS IC are discussed in detail. I provide regular business and financial reports to The NHS IC Board.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

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

The system of internal control has been in place within The NHS IC for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

The board and its committees take an active role in risk management and ensure there are effective risk management processes to support the achievement of The NHS IC's policies, aims and objectives. The approach to risk management is continually under review by the board. The risk strategy defines the way in which risks are identified, measured and managed.

The NHS IC maintains an assurance framework containing all principal risks whilst operational teams maintain their own functional risk registers. In particular;

- both the performance committee and the audit and risk committee review the full assurance framework as a standing item
- the information governance committee review all information governance, security and quality risks on which it reports to the audit & risk committee
- the board reviews strategic and high risk areas.

The NHS IC continues to make significant progress in developing its capabilities to manage risk and the whole risk process is to be consolidated through the Programme Management Office using a newly acquired Enterprise Project Management system. This will introduce a common methodology used within the organisation centred on the principles of the Office of Government and Commerce Management of Risk guidance. Several training courses on risk methodologies have been held together with a risk appetite workshop.

Progress continues to be made in strengthening the wider governance arrangements through:

- a balanced scorecard approach to reporting performance which is now well embedded within the organisation
- inclusion of senior managers on the Performance Management Committee which includes the review of governance and risk issues
- the implementation across several key programmes of the IT Information Library (ITIL), a recognised set of standards for service management. It is planned to implement this across the organisation as a whole during 2009/10
- the implementation of a central programme office to manage and report in a standard manner on all programme and project activity
- the implementation of a development plan to build on the improvements made with respect to data and information security processes and enhance compliance with the standards set out in the information governance toolkit.

The risk and control framework

The audit and risk committee has responsibility for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of The NHS IC's activities. It does this by receiving regular reports on the assurances received together with reports from internal audit, external audit and other systems of internal control.

The audit and risk committee reports to the board on:

- the effectiveness of the system of integrated governance, risk management and internal control
- areas where controls need to be strengthened to ensure that principal risks are being managed effectively
- areas where new assurances are required.

The information governance committee oversees all information governance, security and data quality issues and evaluates and manages all associated risks. It provides the audit and risk committee with a written assurance of controls in place for the year as a whole.

The NHS IC is committed to managing risks to an acceptable level on all aspects of the business activity with a clear intention to align The NHS IC's governance framework with its business plan.

Review of effectiveness

As accounting officer, I have responsibility, together with the board, for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work. The internal audit assurance statement concluded that:

"Based on the work undertaken in 2008/09, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently."

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurances. The assurance framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the findings of the National Audit Office as the organisation's external auditors. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and the audit and risk committee and am accordingly aware of the significant issues that have been raised. A plan to address these weaknesses and ensure continuous improvement of the system has been formulated and is progressively being implemented.

Significant internal control issues

There are not considered to be any significant control issues left outstanding at the 31 March 2009.

During 2008/09 The NHS IC key risk management priorities included:

- further development of, and the implementation across, the organisation of all relevant information governance policies to ensure that processes over information security issues are as strong as possible
- reviewing with NHS Connecting for Health the responsibilities for the structure and management of the Secondary Uses Service (SUS) in order to ensure that the service would be fit for purpose in the future
- ensuring that all relevant information issues identified in the informatics review have been addressed and incorporated into The NHS IC strategy
- ensuring that The NHS IC delivered on a range of high profile projects and programmes
- ensuring the transfer of IT services to an in house management solution was undertaken in an effective manner with minimal disruption to services
- improving communications with the NHS and other stakeholders many of whom were not fully aware of The NHS IC's role and service offering.

I believe that The NHS IC has continued to develop and employ an appropriate control environment throughout 2008/09 which will be further developed to meet changing priorities or requirements in the years ahead.

Tim Straughan

Chief Executive

10 July 2009

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Health and Social Care Information Centre (the authority) for the year ended 31 March 2009 under the National Health Service Act 2006. These comprise the operating cost statement, the balance sheet, the cashflow statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the remuneration report that is described in that report as having been audited.

Respective responsibilities of the authority, chief executive and auditor

The authority and chief executive as accounting officer are responsible for preparing the annual report, the remuneration report and the financial statements in accordance with the National Health Service Act 2006 and directions made by the secretary of state with the approval of HM Treasury and for ensuring the regularity of financial transactions. These responsibilities are set out in the statement of the board and chief executive's responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the National Health Service Act 2006 and directions made by the secretary of state with the approval of HM Treasury. I report to you whether, in my opinion, the information which comprises the management commentary is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the authority has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the statement on internal control reflects the authority's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the authority's corporate governance procedures or its risk and control procedures.

I read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the remuneration report to be audited. It also includes an assessment of the significant estimates and judgments made by the authority and the accounting officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the remuneration report to be audited are free from material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the remuneration report to be audited.

Opinions

Audit opinion

In my opinion:

- The financial statements give a true and fair view, in accordance with the National Health Service Act 2006 and directions made by the secretary of state with the approval of HM Treasury, of the state of the authority's affairs as at 31 March 2009 and of its net resource outturn, cashflows, and recognised gains and losses for the year then ended;
- The financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the National Health Service Act 2006 and directions made by the Secretary of State with the approval of HM Treasury; and
- Information which comprises the management commentary is consistent with the financial statements.

Opinion on regularity

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

16 July 2009

Operating cost statement

For the year ended 31 March 2009

	Notes	2008/09 £000	Restated 2007/08 £000
Operating costs	2.1	**47,684**	42,777
Operating income	4	**(9,669)**	(6,158)
Net operating cost		**38,015**	36,619
Net resource outturn		**38,015**	36,619

All activities are from continuing operations. The machinery of government change reflected in these financial statements is disclosed at note 20.

There are no recognised gains or losses other than the net operating cost for the year.

The notes on pages 38 to 53 form part of this account.

Balance sheet

As at 31 March 2009

	Notes	At 31 March 2009 £000	Restated At 31 March 2008 £000
Fixed assets			
Intangible assets	5.1	**391**	30
Tangible assets	5.2	**10,537**	5,261
Investment	5.3	**12,000**	12,000
		22,928	17,291
Current assets			
Debtors	6	**3,449**	4,543
Cash at bank and in hand	7	**5,057**	4,279
		8,506	8,822
Current Liabilities			
Creditors - amounts falling due within one year	8	**(13,652)**	(12,116)
Net current liabilities		**(5,146)**	(3,294)
Total assets less current liabilities		**17,782**	13,997
Provisions for liabilities and charges	9	**(2,096)**	(2,233)
Net assets		**15,686**	11,764
Taxpayers' equity			
General fund	10.1	**15,661**	11,735
Revaluation reserve	10.2	**25**	29
		15,686	11,764

The notes on pages 38 to 53 form part of this account
The financial statements were approved by the Board on 10 June 2009
and signed on its behalf by

Dated 10 July 2009

T Straughan

Chief Executive
The NHS Information Centre

Cash flow statement

For the year ended 31 March 2009

	Notes	2008/09 £000	Restated 2007/08 £000
Net operating cost for the year		**(38,015)**	(36,619)
Depreciation and amortisation	2.1	**1,812**	1,575
Capital charges	2.1	**317**	162
Decrease / (increase) in debtors		**1,094**	(2,934)
Increase in creditors		**806**	3,283
Decrease in provisions		**(137)**	(2,820)
Net cash outflow from operating activities		**(34,123)**	(37,353)
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets	5.1	**(276)**	(20)
Payments to acquire tangible fixed assets	5.2	**(6,443)**	(3293)
Net cash outflow from investing activities		**(6,719)**	(3,313)
Net cash outflow before financing		**(40,842)**	(40,666)
Financing			
Net parliamentary funding	10.1	**41,620**	39,475
Increase / (decrease) in cash		**778**	(1,191)

The notes on pages 38 to 53 form part of this account

Notes to the accounts

1 Accounting Policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual issued by HM Treasury. The particular accounting policies adopted by The NHS Information Centre (NHS IC) are described below. They have been consistently applied in dealing with items considered material in relation to the accounts.

1.1 Accounting Conventions

These financial statements have been prepared under the historical cost convention, modified to account for the revaluation of fixed asset investments. This is in accordance with directions issued by the Secretary of State for Health and approved by HM Treasury.

1.2 Transfer of functions and restatements

The prior year comparisons have been restated in respect of the transfer of the NHS Central Registry from the Office of National Statistics to the NHS IC on 1 April 2008 in line with FRS 6 Acquisitions and Mergers. In addition, the prior year comparisons have also been adjusted following a change in basis of receiving income for clinical audit services to ensure that the prior year numbers were stated on a comparable basis in accordance with FRS 28 Corresponding Amounts.

1.3 Income

The main source of funding is a parliamentary grant from the Department of Health within an approved cash limit, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which it is received.

Operating income is accounted for by applying the accruals convention and primarily comprises of fees and charges for services provided on a full cost basis to external customers and the NHS.

Deferred income refers to:

- income received or credited in the year for which the related costs have not been incurred and
- monies received as a grant or contribution towards capital expenditure which is then written down and released to the operating cost statement in line with the depreciation charged on the assets.

1.4 Taxation

The NHS IC 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 Capital Charges

The treatment of fixed assets in the account is in accordance with the principal capital charges objective to ensure that such charges are fully reflected in the cost of capital. A charge reflecting the cost of capital utilised by The NHS IC is included within operating costs. The charge is calculated at the real rate set by HM Treasury, currently 3.5% (2007/08 3.5%), on the average carrying value of all assets and liabilities except for cash balances with the Office of the Paymaster General, where the charge is nil.

1.6 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 in the operating cost statement.

1.7 Joint Venture

The investment in the Joint Venture is accounted for under the principles of FRS 9 Associates and Joint Ventures. The carrying value for the 2008/09 accounts has been reviewed following an independent revaluation of the investment.

In accordance with the provisions of FRS 9 and the FReM we have treated the investment in the Dr Foster Intelligence Limited (DFI) joint venture as a fixed asset investment shown at cost, less any amounts written off. This has been subject to a valuation at the balance sheet date.

1.8 Fixed Assets

a. Capitalisation

All assets falling into the following categories are capitalised:

1) Intangible assets, including purchase of computer software licences, where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £5,000

2) Tangible assets which are capable of being used for more than one year, and they:

- individually have a cost equal to or greater than £5,000
- collectively have a cost of at least £5,000, 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
- form part of the initial equipping and setting up cost of a new building irrespective of their individual cost

Personal IT equipment such as desk top computers, laptops and local printers are treated as revenue items.

b. Valuation

Intangible fixed assets are valued at historical cost. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount.

On initial recognition, assets are measured at cost, including any costs such as installation directly attributable to bringing them into working condition.

c. Depreciation

Depreciation is charged on each asset as follows:

1) Intangible assets are amortised, on a straight line basis, over the estimated lives of the asset

2) Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic life

3) Each equipment asset is depreciated on a straight line basis over its expected useful life as follows

- Fixtures and fittings 7 - 13 years
- Office, information technology, short life equipment 3 - 5 years

In accordance with HM Treasury directions, no indexation has been applied in 2008/09.

1.9 Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or primary lease term. Rentals under operating leases are charged on a straight line basis over the terms of the lease.

1.10 Provisions

The NHS IC provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

1.11 Accounting for government grants

The development of fixed assets, notably software and IT systems is sometimes made in collaboration with other health sector organisations, for which those other organisations make a contribution towards the cost. In line with SSAP 4 Accounting for Government Grants, the income is credited to the deferred income account and is released against the expected useful life of the related assets.

2.1 Operating costs

	2008/09 £000	Restated 2007/08 £000
Non-executive directors' remuneration	119	113
Salaries and wages	24,398	19,499
External contractors	13,213	15,328
Training and conferences	759	674
Travel	1,202	877
Accommodation costs	2,025	1,838
Personal IT equipment	1,049	531
IT maintenance and support	1,342	1,096
Office services	544	498
Advertising and publicity	512	419
Capital: Depreciation and amortisation	1,812	1,575
Capital Charges	317	162
External audit services	70	70
Other fees to external auditors – adoption of IFRS	10	–
Miscellaneous	312	97
	47,684	42,777

2.2 Staff numbers and related costs

	2008/09 Total £000	Permanently Employed Staff £000	Temporary & Contract Staff £000	Restated 2007/08 Total £000
Salaries and wages	21,390	14,048	7,342	16,811
Social Security Costs	1,089	1,089	–	971
Employer superannuation contributions - NHSPA	1,236	1,236	–	1,001
Employer superannuation contributions - other	802	802	–	829
	24,517	17,175	7,342	19,612

The average number of employees during the year was:	2008/09 Number	Permanently Employed Staff Number	Temporary & Contract Staff Number	Restated 2007/08 Total Number
Total	508	429	79	490

Expenditure on staff benefits

The amount spent on staff benefits during the year totalled £NIL (2007/08: £NIL).

Retirements due to ill health

During 2008/09 there were no early retirements from The NHS IC on the grounds of ill health (2007/08: £NIL).

Staff costs capitalised

During 2008/09 staff costs of £193,435 were capitalised (2007/08: £NIL).

Principal Civil Service Pension Scheme (PCSPS)

From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded, with the costs of benefit met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the retail prices index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum but members may give up (commute) some of their pension to provide a lump sum. Classic plus is essentially a variation of premium, but with the benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). The employer also contributes a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

PCSPS is an unfunded multi-employer defined benefit scheme in which the employer is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was undertaken on 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: (www.civilservice-pensions.gov.uk). For 2008/09, employer's contributions of £882,000 were paid at one of four rates in the range 17.1 per cent to 25.5 per cent. The contribution rates reflect benefits as they accrue, not the costs as they are incurred, and reflect past experience of the scheme.

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension 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 for England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share in the underlying Scheme assets and liabilities. Therefore the Scheme is accounted for as if it was a defined contribution scheme.

The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five year valuation cycle), and a FRS 17 Retirement Benefits accounting valuation every year.

An outline of these follows:

a) 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 to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14 per cent of pensionable pay. On advice from the Scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6 per cent of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5 per cent up to 8.5 per cent of their pensionable pay depending on total earnings.

b) FRS17 Accounting valuation

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued.

The valuation of the Scheme liability as at 31 March 2009, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2009 with summary global member and accounting data.

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) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to three years pension is payable on retirement. 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. On death, a pension of 50 per cent of the member's pension is normally payable to the surviving spouse.

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. Additional pension liabilities arising from early retirement are not funded by the scheme except where the retirement is due to ill-health. For early retirements not funded by the scheme, the full amount of the liability for the additional costs is charged to the operating cost statement at the time The NHS IC commits itself to the retirement, regardless of the method of payment.

A death gratuity of twice final years pensionable pay for death in service, and up to five times their annual pension for death after retirement, less pensions already paid, subject to a maximum amount equal to twice the member's final years

pensionable pay less their retirement lump sum for those who die after retirement is payable.

The scheme provides the opportunity for members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee can make contributions to enhance their pension benefits. The benefits payable relate directly to the value of the investments made.

Scheme provisions from 1 April 2008

From 1 April 2008 changes have been made to the NHS Pension Scheme contribution rates and benefits. Further details of these changes can be found on the NHS Pensions website.

www.pensions.nhsbsa.nhs.uk.

2.3 Better Payment Practice Code - measure of compliance

	Number	£000
Total non NHS bills paid 2008/09	7,374	37,739
Total non NHS bills paid within target	6,904	30,698
Percentage of non NHS bills paid within target	93.6%	81.3%
Total NHS bills paid 2008/09	72	803
Total NHS bills paid within target	49	526
Percentage of NHS bills paid within target	68.1%	65.5%

The Better Payment Practice code requires all valid invoices to be paid by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. During the year, a further target was introduced requiring small suppliers to be paid within 10 working days.

Interest totalling £339 was paid under the Late Payment of Commercial Debt (Interest) Act 1998. (2007/08 £100).

3.1 Reconciliation of net operating cost to net resource outturn

	2008/09 £000	Restated 2007/08 £000
Net resource outturn	**38,015**	36,619
Revenue resource limit	**38,144**	38,553
Underspend against revenue resource limit	**129**	1,934

3.2 Reconciliation of gross capital expenditure to capital resource limit

	2008/09 £000	2007/08 £000
Gross capital expenditure	**7,449**	3,310
Net capital resource outturn	**7,449**	3,310
Capital resource limit	**7,832**	6,500
Underspend against capital resource limit	**383**	3,190

4 Operating Income

	2008/09 £000	Restated 2007/08 £000
Income towards clinical audit programme	**3,116**	2,903
Income towards programme activities	**4,096**	1,262
Income from data related services	**634**	644
Contributions towards surveys and publications	**1,291**	308
Other income	**532**	1,041
	9,669	6,158

In 2007/08 income towards the clinical audit programme was previously shown in the net resource funding as it was received directly from the Department of Health in addition to the Grant in Aid. During 2008/09 the arrangements for transferring funding has changed and thus the prior year comparatives have been amended on a comparable basis in accordance with FRS 28.

5.1 Intangible fixed assets

	Software Licences £000
Gross cost at 1 April 2008	111
Additions - purchased	411
Gross cost at 31 March 2009	**522**
Accumulated amortisation at 1 April 2008	81
Provided during the year	50
Accumulated amortisation at 31 March 2009	**131**
Net Book value at 1 April 2008	30
Net Book value at 31 March 2009	**391**

5.2 Tangible fixed assets

	Information Technology £000	Software £000	Fixtures & Fittings £000	Equipment £000	Total £000
Cost or Valuation					
At 1 April 2008	2,831	6,031	1,341	14	10,217
Additions	390	5,781	867	0	7,038
Disposals	(368)	(93)	(37)	(14)	(512)
At 31 March 2009	**2,853**	**11,719**	**2,171**	**0**	**16,743**
Depreciation					
At 1 April 2008	1,272	3,348	327	9	4,956
Provided during the year	607	945	205	5	1,762
Disposals	(368)	(93)	(37)	(14)	(512)
At 31 March 2009	**1,511**	**4,200**	**495**	**0**	**6,206**
Net Book value at 1 April 2008	1,559	2,684	1,014	5	5,261
Net Book value at 31 March 2009	**1,342**	**7,519**	**1,676**	**0**	**10,537**

The total amount of depreciation charged in the operating cost statement in respect of assets held under finance leases and hire purchase contracts was £nil.

The disposal of information technology assets includes certain equipment acquired as part of the transfer of the NHS Central Registry to bring into line with the NHS IC capitalisation policy.

5.3 Fixed Asset investments

	31 March 2009 £000	31 March 2008 £000
Investment in Joint Venture	**12,000**	12,000

On 17 January 2006, The NHS IC entered into a joint venture arrangement known as Dr Foster Intelligence Limited (DFI). The NHS IC acquired 50 per cent of the ordinary share capital and also provided working capital. The remaining share capital is owned by Dr Foster Holdings LLP.

The accounting date for Dr Foster Intelligence Limited is 31 December.

An employee share option scheme has been implemented allowing employees a joint share holding to a maximum of 5 per cent of the issued share capital. At 31st December 2008, 2.8 per cent of these shares had been awarded and thus The NHS IC's proportionate shareholding has reduced to 48.6 per cent.

The purpose of DFI is to transform the quality and efficiency of the health and social care informatics market by providing authoritative, timely and comparable information presented and marketed in a way that engages managers, clinicians, patients and citizens.

In accordance with the provisions of FRS 9 (Associates and Joint Ventures) and the FReM we have treated our investment in the DFI joint venture as a fixed asset investment shown at cost, less any amounts written off. This has been subject to a valuation at the balance sheet date.

The NHS IC engaged PricewaterhouseCoopers LLP ("PwC") to estimate the value of its investment in DFI as at 31 March 2009. PwC prepared a valuation on the assumption that Dr Foster Holdings LLP, The NHS IC's joint venture partner, would agree to a sale of the whole company's shares and that the NHS IC would receive a 48.6 per cent pro rata share of DFI's current market value.

The NHS IC's share in the accounts of DFI is as follows:

	Year to 31 December 2008 £000	Year to 31 December 2007 £000
Turnover	19,095	12,876
Profit / (Loss) before tax	817	(189)
Taxation	454	(42)
Profit / (Loss) after tax	1,271	(231)
Fixed Assets	9,048	9,605
Current Assets	7,905	4,857
Liabilities due within one year	(5,582)	(4,093)

6 Debtors

Amounts falling due within one year	31 March 2009 £000	Restated 31 March 2008 £000
DH and related bodies	**1,448**	3,277
Prepayments	**1,199**	603
Other debtors	**802**	663
	3,449	4,543

7 Analysis of changes in cash

	31 March 2008 £000	Changes during the year £000	31 March 2009 £000
Cash at the Office of HM Paymaster General	4,279	778	**5,057**

8 Creditors

	31 March 2009 £000	Restated 31 March 2008 £000
DH and related bodies	**478**	41
Tax and social security	**431**	283
Other creditors	**4,047**	4,700
Deferred income	**3,088**	2,586
Accruals	**5,608**	4,506
	13,652	12,116

All creditors are due within one year.

9 Provisions for liabilities and charges

	Injury Benefit £000	Lease Surrender £000	Dilapidations £000	Staff Termination £000	Total £000
At 31 March 2008	172	111	640	1,310	2,233
Arising during the year	–	5	50	200	255
Utilised during the year	(16)	–	–	(303)	(319)
Released	–	–	–	(73)	(73)
At 31 March 2009	**156**	**116**	**690**	**1,134**	**2,096**
Expected timing of cash flows					
Within 1 year	16	–	130	438	584
1-5 years	63	–	–	625	688
Over 5 years	77	116	560	71	824

10 Movements on reserves

10.1 General fund

	31 March 2009 £000	Restated 31 March 2008 £000
Balance at 1 April 2008	**11,735**	8,717
Net operating costs for the year	**(38,015)**	(36,619)
Net parliamentary funding	**41,620**	39,475
Non cash item - capital charge	**317**	162
Transfer from revaluation reserve	**4**	–
Balance at 31 March 2009	**15,661**	11,735

10.2 Revaluation Reserve

	31 March 2009 £000	Restated 31 March 2008 £000
Balance at 1 April 2008	**29**	29
Transfer to general reserve	**(4)**	–
Balance at 31 March 2009	**25**	29

11 Contingent assets and liabilities

The joint venture contract includes a put option whereby if, anytime from 1 January 2009 to 31 December 2013, Dr Foster Holdings LLP shareholders wish to sell their share in the investment, The NHS IC would be obliged to buy out their share of the business, at market value, if no other buyer can be found.

12 Capital Commitments

Capital commitments amount to £347,422 (2007/08 £NIL) and relates to the purchase of IT equipment.

13 Commitments under operating leases

	31 March 2009		31 March 2008	
	Land & Buildings £000	**Office Equipment £000**	Land & Buildings £000	Office Equipment £000
The NHSIC is committed to making the following operating lease payments during the next financial year for leases expiring:				
Within one year	**31**	**2**	0	2
One to five years	**889**	**58**	893	31
More than five years	**181**	**0**	20	3
	1,101	**60**	913	36

14 Other Commitments

The NHS IC has entered into non-cancellable contracts (which are not operating leases) for the provision of services totalling £NIL as at 31 March 2009 (2007/08 £NIL)

15 Losses and Special Payments

There were five losses and special payments in 2008/09 amounting to £209,187 (2007/08 £118,617).

16 Related Parties

The NHS IC is a Special Health Authority established under the National Health Service Act 2006 and directions made thereunder by the Secretary of State for Health. The Department of Health is regarded as a controlling related party.

During the year The NHS IC has had a number of material transactions with the department, and with other entities for which the department is regarded as the parent department. Transactions with these organisations include the provision of software enhancements, maintenance and support, seconded staff, training courses and conferences.

	Creditor at 31 March 2009 £000	Debtor at 31 March 2009 £000	Income in 2008/09 £000	Expenditure in 2008/09 £000
Department of Health	357	1,390	5,526	713
Dr Foster Intelligence Limited	–	–	172	–
London Strategic Health Authority	20	–	–	63
Yorkshire and The Humber Strategic Health Authority	–	8	27	25
Bradford & Airedale PCT	–	3	206	63
Hampshire PCT	–	–	20	–
National Patient Safety Agency	10	–	18	–
NHS Business Services Authority	75	–		83
NHS Institute of Innovation and Improvement	16	16	48	–
East Midlands Ambulance Service NHS Trust	–	–	15	–
East of England Ambulance Service NHS Trust	–	–	18	–
Imperial College Healthcare NHS Trust	–	–	–	20
North West Ambulance Service NHS Trust	–	–	27	–
Portsmouth Hospitals NHS Trust	–	–	–	23
South Central Ambulance Service NHS Trust	–	–	12	–
South East Coast Ambulance Service NHS Trust	–	–	15	–
West Midlands Ambulance Service NHS Trust	–	–	19	–
Yorkshire Ambulance Service NHS Trust	–	–	23	–
Barnsley Hospital NHS Foundation Trust	–	26	41	–
Leeds Partnerships NHS Foundation Trust	–	–	–	15
University College London NHS Foundation Trust	–	–	–	45
Health Protection Agency	–	–	3	58
The Appointments Commission	–	–	19	–
Ministry of Defence (MoD)	–	45	178	–
Welsh Assembly Government	–	–	265	–
Office for National Statistics	437	83	237	1,288
Department of Communities and local government	–	–	–	46

17 Financial Instruments

As the cash requirements of The NHS IC are met through grant-in-aid and programme monies provided by the Department of Health, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with The NHS IC's expected purchase and usage requirements and The NHS IC is therefore exposed to little credit, liquidity or market risk.

18 Intra-government balances

	Debtors Amounts falling due within one year		Creditors Amounts falling due within one year	
	2008/09	2007/08	**2008/09**	2007/08
	£000	£000	**£000**	£000
Central government bodies	**1,390**	2,786	**357**	616
NHS Trusts & PCT's	**32**	786	**121**	58
Other external bodies	**2,027**	971	**13,174**	11,442
At 31 March 2009	**3,449**	4,543	**13,652**	12,116

19 Authorised date for issue

The NHS IC's Annual Report and Accounts are laid before the Houses of Parliament by the NHS IC. FRS 21 Events after the Balance Sheet date requires The NHS IC to disclose the date on which the Annual Report and Accounts are authorised for issue.

The authorised date for issue is 16 July 2009.

20 Transfer of functions and restatements

FRS 28 sets out the requirements for disclosure of corresponding amounts in the primary financial statements and the notes to the financial statements.

Due to the transfer of functions to The NHS IC on 1 April 2008 and changes in accounting treatment, balances for the year ended 31 March 2009 are not directly comparable with those published in the financial statements for the year ending 31 March 2008. In order to provide a true and fair view the comparative balances have been restated as follows:

The NHS Central Register (NHSCR) transferred from the Office for National Statistics to the NHS IC on 1 April 2008. The income and operating costs of the NHS Central Registry are included within the NHS IC's results for 2008/09 as shown in the operating cost statement. In order that the prior year comparatives are stated on a comparable basis, both the 2007/08 operating cost statement and the 31 March 2008 balance sheet have been adjusted for this machinery of government transfer.

From 1 April 2008 income for the clinical audit programme (NCASP) has been through the raising of a sales invoice and has been included within operating income. In 2007/08 the income was received directly from the Department of Health in addition to Grant in Aid and was shown in net resource funding. In order that the prior year comparatives are stated on a comparable basis, the 2007/08 operating cost statement has been adjusted to reflect this as operating income as shown below.

	Per 2007/08 Accounts £000	Transfer of NHSCR £000	NCASP Funding £000	Restated at 31 March 2008 £000
OPERATING COST STATEMENT				
Operating costs	39,538	3,239	-	42,777
Operating income	(2,124)	(1,131)	(2,903)	(6,158)
Net operating cost	37,414	2,108	(2,903)	36,619
BALANCE SHEET				
Fixed assets				
Intangible assets	26	4	-	30
Tangible assets	5,090	171	-	5,261
Investment	12,000	-	-	12,000
	17,116	175	-	17,291
Current assets				
Debtors	3,398	1,145	-	4,543
Cash at bank and in hand	4,279	-	-	4,279
	7,677	1,145	-	8,822
Current Liabilities				
Creditors - amounts falling due within one year	(12,102)	(14)	-	(12,116)
Net current assets				
Provisions for liabilities and charges	(2,233)	-	-	(2,233)
Net assets	10,458	1,306	-	11,764
Taxpayers' equity				
General fund	10,433	1,302	-	11,735
Revaluation reserve	25	4	-	29
	10,458	1,306	-	11,764

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