



Department  
of Health



# Swindon Primary Care Trust

2012-13 Annual Report and Accounts

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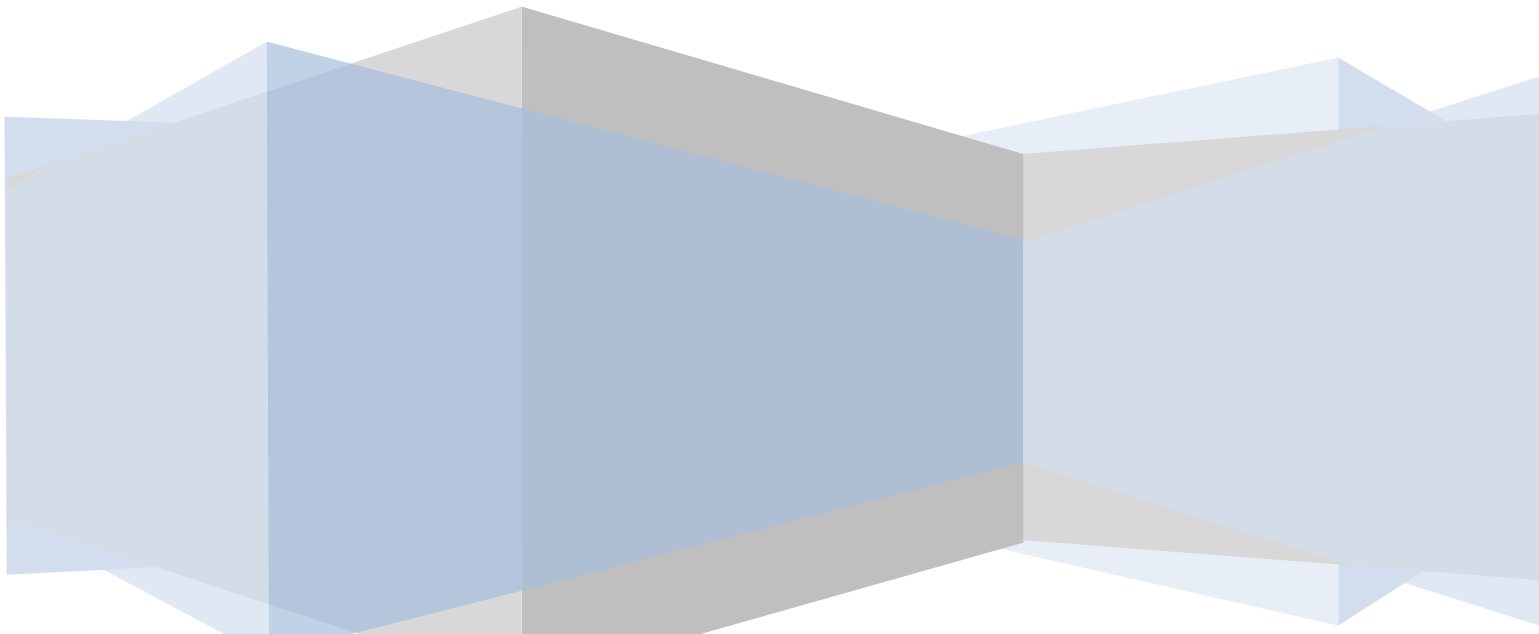
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# Swindon Primary Care Trust

2012-13 Annual Report

**Swindon Primary Care Trust Annual  
Report 2012/13**



## Swindon Primary Care Trust Annual Report 2012/13

### Development of Services

During 2012/13 Swindon Primary Care Trust continued working to improve healthcare in Swindon and Shrivenham by planning and buying the healthcare needed in these communities.

A number of new initiatives were introduced at the beginning of the year which aimed to improve the experience of each patient and service user. Some of these initiatives included the awareness campaigns for screening programmes in Swindon and Shrivenham with special focus on Breast screening, Cervical screening, Bowel cancer screening and Diabetic eye screening.

In 2013, Virgin Care became the new supplier of the diabetic eye screening service following a competitive bidding process.

Over the past three years, secondary schools in Swindon have taken part in a project aimed at reducing risk taking behaviour in young people. Results published in July 2012 showed improved perceptions around peer group behaviour across a range of areas including alcohol consumption, smoking and early sexual activity.

2012/13 saw the Health Ambassador programme continue with great results.  
Health

Ambassadors are ordinary people, based in our local communities, who are not medically qualified, but understand the difficulties people have in making changes in their behaviours to improve their health, such as stopping smoking or being more physically active or losing weight.

At the same time, the PCT worked closely with the Swindon Clinical Commissioning Group to ensure a clean handover from one organisation to the other at the end of March 2013 when Swindon CCG took over responsibility of

planning and buying health services and healthcare for Swindon and Shrivenham.

## **Performance**

The performance of NHS organisations is measured against a number of prescribed targets which review how effectively clinical services are provided, assess improvements in quality and focus on areas such as financial viability and productivity.

Areas where performance was particularly good in Swindon during 2012/13 include:

- Achieving the four hour Accident & Emergency target - to treat and discharge all patients within four hours
- Performance targets for Ambulances responding within specific timescales to emergency calls from the public
- All referral to treatment targets
- All cancer targets
- Venous thromboembolism (VTE) risk assessment target

The PCT achieved its year end forecast position with a surplus of £3.092m in line with its original plan.

Swindon PCT had an ambitious Quality, Innovation, Productivity and Prevention (QIPP) programme to deliver savings across the local health economy. Although it did achieve its QIPP schemes, Swindon did experience a rise in non-elective admissions partly due to growth, the phasing of new initiatives aimed at reducing emergency demand for Great Western Trusts services and additional pressures over the winter months.

## **Swindon and Gloucestershire Cluster Board**

<p><b>Ruth Fitzjohn - Chair</b></p>	<p>Ruth has a wealth of NHS experience and before being appointed Chair of Gloucestershire PCT in 2006, she was Chair of the '3 Star' Cheltenham and Tewkesbury Primary Care Trust since April 2002. Before that, Ruth was Vice Chair of the former East Gloucestershire NHS Trust for 4 years and came to the health service following an international career in IT management and strategic planning. Ruth now takes over the role of Chair for the NHS Gloucestershire and NHS Swindon Board. Ruth lives in Cheltenham with her partner and two children.</p>
<p><b>Jan Stubbings – Chief Executive</b></p>	<p>Jan Stubbings took up the post of Chief Executive of the NHS Gloucestershire and NHS Swindon Cluster in 2011. She was previously the Chief Executive of NHS Gloucestershire and Gloucestershire Care Services from October 2006. Jan has substantial experience of working at senior levels within the NHS and Civil Service, as well as working for periods as an independent consultant. In the last ten years of her career Jan has also worked as the Chief Executive of Swindon PCT in a combined post with the Borough Council and prior to that, as the Deputy Chief Executive and Director of Finance of Wiltshire Health Authority. Jan holds an MSc in health policy and management and is also a qualified accountant.</p>
<p><b>Dr Jose Ortega – Director of Public Health, Swindon</b></p>	<p>Jose is a Spanish graduate and trained in the UK as a Public Health Physician. After a spell of a couple of years in New Zealand, he was appointed Deputy Director of Public Health in Richmond PCT in 2003 where he was the Cancer and Screening lead for the South West London Public Health Network. Other duties at the time were in the area of Clinical Effectiveness, and acute commissioning. Jose then spent two years in the Caribbean as Chair of Public Health in Barbados. Back in NHS Richmond, Jose was the Acting Director of Public Health, for some months and the Screening lead for South West London. He also collaborates with the DrPH at Brunel University.</p>
<p><b>Dr Shona Arora - Director of Public Health, Gloucestershire</b></p>	<p>Prior to taking up the post of Director of Public Health for Gloucestershire, Shona was Director of Public Health for Cheltenham and Tewkesbury PCT. She trained as a doctor at Cambridge University, undertaking her Post Graduate work at a hospital in London. After completing her Public Health training in London, she worked in general practice and was a</p>

	visiting Fellow at the Kings Fund, working on health improvement and diversity issues.
<b>Michael Barnes – Non Executive Director (Vice Chair)</b>	Michael Barnes, LL.M is a retired solicitor who specialised in commercial conveyancing. He served as a Swindon Borough councillor for twelve years and was mayor of Swindon 2007/2008. Michael provides Non-Executive input on the Swindon Clinical Commissioning Group Shadow Board and also represents NHS Swindon on the Great Western Hospitals Charitable Funds Committee and on the Joint Commissioning Board (Adult Services) of NHS Swindon and Swindon Borough Council.
<b>Deb Bignell – Non Executive Director</b>	Deb is the development manager for Swindon Carers Centre. She is responsible for carer involvement, policy and strategy. Deb is also the manager of the Young Carers team and is a volunteer trustee for the charity the Friends of Young Carers. Initially, Deb worked as an analytical chemist before a change in career and trained to be a state registered nurse. She was an accident and emergency sister but after undertaking her MA, this prompted another career change and she worked in the North east as a community development officer.
<b>Richard Busby – Non Executive Director</b>	Prior to taking early retirement at the end of 2008, Richard held senior management positions at the Capita Group, Vertex and SunGard Public Sector. He now work as an independent consultant with a focus on strategic planning, business development, company growth and sales acceleration. He has designed sold and delivered services to a broad spectrum of organisations in the public sectors and brings his skills to NHS Gloucestershire.
<b>Jill Crook – Director of Nursing</b>	Jill was appointed to the post of Director of Clinical Development at Gloucestershire PCT in December 2006 and has now taken on the role of Director of Nursing for the NHS Gloucestershire and NHS Swindon PCT Cluster. Prior to this, she was Director of Nursing at Avon, Gloucestershire and Wiltshire Strategic Health Authority
<b>Peter Crouch – Chair, Swindon Clinical Commissioning Group</b>	Dr Crouch is a GP at Tawhill Medical Centre in Swindon and is the Chair of the Swindon Clinical Commissioning Group.
<b>Alan Elkin – Non Executive Director (Vice Chair)</b>	Alan Elkin brings to the Board his experience drawn from a career of community regeneration within Birmingham’s local government as well as from his work using his specialist expertise in India, Poland, Portugal and Japan. With his



	<p>particular career focus on housing, environmental health and public health, Alan brings his real understanding of the way to integrate health into wider service thinking and provision. As a board member of Mercian Housing Association and also as Chair of the Witton Lodge Community Association, Alan is well placed to ensure the Board develops close links with the voluntary sector. He lives in Cirencester with his wife.</p>
<p><b>Debra Elliott – Director of Commissioning Development</b></p>	<p>Debra is a former midwife who joined NHS Gloucestershire in 2008 to oversee commissioning of primary care services (GPs, Dentists, Pharmacists, Opticians). She took up the role of Director of Commissioning Development for the NHS Gloucestershire and NHS Swindon Cluster in 2011.</p>
<p><b>William Fishlock – Non Executive Director</b></p>	<p>Bill retired from a local firm of chartered accountants in 1995. Since that time, he has been involved in various charities and is a vice president of Prospect Hospice. He is chairman of the Audit Committee and has a special interest in cancer services.</p>
<p><b>Mary Hutton - Director of Finance And Deputy Chief Executive</b></p>	<p>Mary joined the NHS Gloucestershire and NHS Swindon Cluster in 2011. She had previously been Director of Finance and Performance at NHS North Somerset.</p>
<p><b>Dr Liz Mearns - Medical Director</b></p>	<p>Dr Liz Mearns is a GP trainer and an examiner for the Royal College of General Practitioners. She completed her MSc in primary health care in 2004, researching into GP attitudes towards self directed learning. She was nominated a Fellow of the Royal College of General Practitioners in 2007.</p>
<p><b>Dr Helen Miller - Chair of The Gloucestershire Clinical Commissioning Group Shadow Board</b></p>	<p>Dr Miller became Chair of the Gloucestershire Professional Executive Committee in July 2009. She was then appointed Chair of the emerging Gloucestershire Clinical Commissioning Group in July 2011. She has served as a member of the Professional Executive Committee since 2007. She has worked as a GP at College Yard and Highnam Surgeries in Gloucester since 1991 having previously worked in New Zealand and Australia as well as being involved in the Local Medical Committee. Dr Miller has a passion for patient care and hopes to use her GP skills and experience within NHS Gloucestershire to drive this forward.</p>
<p><b>Anne Noble – Non Executive Director</b></p>	<p>From her previous career as Director of the Health Services Development &amp; Evaluation Centre at Brunel University, Anne Noble brings a proven track record of translating abstract ideas into practical organisation to achieve clinical solutions through research, change management and formative evaluation. Anne</p>

	<p>also gives her time within Gloucestershire’s voluntary sector advising on strategies for organisational development. Well known to Gloucestershire’s health services from her role as Non Executive Director on Cheltenham and Tewkesbury PCT, Anne has played a leading role both in establishing and monitoring effective clinical governance arrangements, as Champion for Older People’s Services: she has influenced national policy on end of life care. Anne is Chair of the Integrated Governance Committee . She lives in Shurdington near Cheltenham, with her partner and daughter.</p>
<p><b>Nuala Ring – Director of Human And Corporate Resources</b></p>	<p>Nuala joined Gloucestershire PCT in December 2006. Previous to this, Nuala had worked in HR for approximately 18 years in Acute ,Mental Health and Community Trusts and was HR Director for Swindon PCT between June 2004 and the end of 2006. As Director of HR, Nuala provides strategic and corporate leadership across the PCT on the successful planning, development and implementation of national and local strategic HR policy initiatives.</p>
<p><b>David Wren – Non Executive Director</b></p>	<p>David joined the NHS Swindon board in January 2003. Working for British Telecom until 1997, when he took early retirement, he was a project manager and systems and business analyst. He has been a Swindon borough councillor, serving on numerous committees and commissions and was the cabinet member for the local environment. Within NHS Swindon, he is chair of the Provider Services Committee, a member of the Audit Committee, the Assurance Committee, the Workforce and Remuneration Committee. He is also a member of the Patient Environment Assessment Team, a complaints convenor and lead non-executive director for public health and workforce and diversity.</p>

Swindon PCT														
Salary and Pension entitlements of Senior Managers														
Name	Note	Title	Start date if after 31 March 2012	Leaving Date	2012/13					2011/12				
					Salary (bands of £5,000) £'000	Bonus Payments (bands of £5,000) £'000	Other remuneration (Bands of £5,000) £'000	Benefits In Kind (rounded to the nearest £000)	Cluster wide Remuneration (Bands of £5,000) £'000	Salary (bands of £5,000) £'000	Bonus Payments (bands of £5,000) £'000	Other remuneration (Bands of £5,000) £'000	Benefits In Kind (rounded to the nearest £000)	Cluster wide Remuneration (Bands of £5,000) £'000
Michelle Howard		Chair								5-10	-	-	1	
Michael Barnes		Acting Chair								15-20	-	-		
Ruth Fitzjohn	2	Chair			10-15	-	-		40-45	0-5	-	-		10-15
Michael Barnes		Non Executive Member								0-5	-	-		
Michael Barnes	1	Non Executive Member			10-15	-	-		10-15	0-5	-	-		0-5
William Fishlock	1	Non Executive Member			10-15	-	-		10-15	10-15	-	-		0-5
David Wren	1	Non Executive Member			5-10	-	-		5-10	5-10	-	-		0-5
Deborah Bignell	1	Non Executive Member			5-10	-	-		5-10	5-10	-	-		0-5
Alan Elkin	2	Non Executive Member			0-5	-	-	-	5-10	-	-	-	-	0-5
Anne Noble	2	Non Executive Member			0-5	-	-	-	5-10	-	-	-	-	0-5
Richard Busby	2	Non Executive Member			0-5	-	-	-	5-10	-	-	-	-	0-5
David King		Non Executive Member								0-5	-	-		
Ian James		Non Executive Member								5-10	-	-		
Heather Mitchell	5	Acting Chief Executive								10-15	-	10-15		
Jan Subings	3	Cluster Chief Executive			40-45	-	-		125-130	30-35	-	-		125-130
Nicola Dunn		Director of Finance								15-20	-	-		
Mary Hutton	3	Cluster Director of Finance & Deputy Chief Executive			40-45	-	-		170-175	20-25	-	-		90-95
Debra Elliott	3	Cluster Director of Commissioning			25-30	-	-		100-105	20-25	-	-		80-85
Gill May		Executive Nurse								10-15	-	-	1	
Jill Crook	3	Cluster Director of Nursing			25-30	-	-		110-115	20-25	-	-		75-80
Philip Mayes	6	Clinical Director								5-10	-	-		
Liz Mearns	4	Cluster Medical Director			15-20	-	-		70-75	15-20	-	25-30		45-50
Cherry Jones	5,7	Acting Director of Public Health (job share) - Swindon PCT								20-25	-	5-10		
Karthik Paranthaman	5,7	Acting Director of Public Health (job share) - Swindon PCT								25-30	-	0-5		
Jose Ortega	5	Director of Public Health - Swindon PCT			80-85	-	20-25		80-85	35-40	-	10-15		35-40
Christine Osman	9	Director of Workforce & Corporate Development								10-15	-	100-105	-	
Nuala Ring	3	Cluster Director of Human and Corporate Resources			25-30	-	-		95-100	20-25	-	-	-	80-85
Heather Mitchell	5	Acting Chief Executive Provider Services								15-20	-	15-20	-	
Michelle Howard		Adult Provider Services Director								10-15	-	-	-	
Jan Trethewey	5	Interim Joint Director of Provider Services								5-10	-	5-10	-	
Edward Wilson	5	Projects Director								35-40	-	-	-	
Victoria Downing-Burn		Director of Strategic Change								35-40	-	-	-	
Elizabeth Mearns	6,7,8	Chair (Commissioning Committee)								5-10	-	-	-	
Shona Arora		Director of Public Health - Gloucester PCT							110-115	-	-	-	-	105-110
Helen Miller	6	Chair Shadow Clinical Commissioning Group - Gloucester PCT							75-80	-	-	-	-	65-70
Tony Ranzetta		Chief Accountable Officer - Shadow Clinical Commissioning Group - Swindon CCG	01-Dec-12		40-45	-	-							
Caroline Gregory		Chief Finance Officer - Shadow Clinical Commissioning Group - Swindon CCG	14-Jan-13		20-25	-	-							
Peter Crouch	6	Chair (TLG/CCG) - Swindon PCT			240-245	-	-		240-245	230-235	-	-	-	230-235
Philip Mayes	6	TLG/CCG Member			45-50	-	-			45-50	-	-	-	
Peter Mack	6	TLG/CCG Member			45-50	-	-			45-50	-	-	-	
Angela Brunning	6	TLG/CCG Member			10-15	-	-			20-25	-	-	-	
Eric Holliday	6	TLG/CCG Member			20-25	-	-			20-25	-	-	-	
Alan Measroch	6	TLG/CCG Member			20-25	-	-			20-25	-	-	-	
Gavin Jamie	6	TLG/CCG Member								25-30	-	-	-	
Thelma Speed	6	TLG/CCG Member		31-Aug-12	0-5	-	-			0-5	-	-	-	
Sarah Francome	6	TLG/CCG Member	01-Sep-12		5-10	-	-				-	-	-	

A PCT Cluster Board for Swindon and Gloucestershire was formed with effect from 1st December 2011. The Chair, Non Executive Members and Cluster Executive Directors work across both Swindon PCT and Gloucestershire PCT. Cluster Executive Directors were appointed from 1st June 2011. Each PCT has its own Director of Public Health and a Shadow Clinical Commissioning Group. Both Directors of Public Health and Chairs of the Shadow Clinical Commissioning Groups attend the PCT Board.

Notes	
1	Non Executive Members of the Cluster Board from 1st December 2011 and also members of the Swindon PCT Board from 1st April 2011, remunerated by Swindon PCT
2	Non Executive Members of the Cluster Board from 1st December 2011. Of these, Swindon PCT has paid Gloucestershire PCT for a proportion of the Chair's time (26%) but not the other Non Executive Members who were paid by Gloucestershire PCT.
3	Member of the Cluster Executive team. Employed by Gloucestershire PCT with a recharge to Swindon PCT of 26% of costs.
4	Member of the Cluster Executive team. Employed by Swindon PCT with a recharge to Gloucestershire PCT of 74% of costs.
5	Other Remuneration relates to payments made for staff covering positions within Swindon Borough Council for which costs are recovered from Swindon Borough Council
6	Salary includes compensatory allowances. Compensatory allowances are payments made to cover the cost of locum and or management backfill costs.
7	Other remuneration relates to payments made for non director roles within Swindon PCT.
8	Salary covers payment made for membership of the Board in addition to the Commissioning Committee
9	Other remuneration relates to redundancy payments

All Benefits in Kind relate to lease cars  
TLG - Transitional Leadership Group  
CCG - Clinical Commissioning Group

<b>Pension entitlements</b>									
<b>Name</b>	<b>and title</b>	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2013	Lump Sum at aged 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value *	Employer's contribution to stakeholder pension 2013
		(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
Elizabeth Mearns	Cluster Medical Director	0.0-2.5	2.5-5.0	40-45	125-130	814	668	111	6
Jose Ortega	Director of Public Health	0.0-2.5	2.5-5.0	15-20	55-60	449	394	35	7

Self-employed GPs who are members of the Commissioning Committee (CC) and also the Clinical Commissioning Group have pension entitlements, however, the proportion of those entitlements that relates to their membership of the CC and CCG is not significant compared to their role as GPs. Additionally as Non Executive members do not receive pensionable remuneration there are no entries in respect of pensions for Non Executive members.

#### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

#### **Real Increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. The annual uplift for public sector pensions is now calculated using the Consumer Price Index (CPI) rather than the Retail Price Index (RPI); this has resulted in a reduction in CETV values.

#### **Pay Multiples**

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

The banded remuneration of the highest-paid director in Swindon PCT in the financial year 2012-13 was £82,500 (2011-12 was £82,500). This was 2.51 times (2011-12 was 2.55) the median remuneration of the workforce, which was £32,014 (2011-12 was £32,324).

In 2012-13 2 employees (2011-12 Nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £16,110 to £80,810 (2011-12 from £16,444 to £77,236)

The changes noted above reflect the reduction in number and the change in composition of the workforce arising from the transfer of the provider arm to a social enterprise with effect from 1st October 2011.

## STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

By order of the Permanent Secretary.

.....Date.....Signing Officer

.....Date .....Finance Signing Officer

## **NHS Swindon**

**Organisation Code: 5K3**

### **Annual Governance Statement**

#### **Scope of Responsibility**

As the Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of NHS Swindon's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the Primary Care Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Accountable Officer memorandum and published in the PCT's Standing Orders, Standing Financial Instructions, Reservations of Power and Scheme of Delegation.

I am accountable to the Chair of the PCT Board with whom I set my objectives. I am also accountable to the NHS South of England Health Authority for the performance of the PCT and agree objectives annually. Together with Executive Directors I meet with NHS South of England on a regular basis to assess performance and ensure that NHS targets have clear risk assessed action plans for achievement. The Board ensures that quality improvement, patient and public safety and risk management receive priority and which are supported by the necessary resources in order to achieve the PCT's strategic objectives. This is supported by adherence to the PCT's ethical framework.

I have been advised through the draft Head of Internal Audit opinion for 2012/13 that significant assurance can be given that there is a sound system of internal control which is designed to meet the organisation's objectives, and that controls are generally being applied consistently.

However, some weaknesses were identified that put the achievement of particular objectives at risk and this has been noted in further detail under the section Review of the effectiveness of risk management and internal control.

#### **The Governance Framework of the Organisation**

NHS Swindon clustered with NHS Gloucestershire under a single Executive Team in June 2011 and from December 2011, the two PCTs have been operating under a single PCT Cluster Board and supporting sub-committee structure.

There is a single PCT Cluster Board that meets bi-monthly, but has the ability to convene additional extraordinary meetings if required. Two such meetings were convened during 2012-13 and related to the separation of the NHS Gloucestershire provider arm.

The Board is supported by the following sub-committees that include;

- Integrated Governance Committee
- Remuneration and Terms of Service Committee
- Gloucestershire Clinical Commissioning Group Shadow Board
- Swindon Clinical Commissioning Group Shadow Board
- NHS Gloucestershire Audit Committee
- NHS Swindon Audit Committees
- Joint Estates and Sustainability Committee (JESC)
- NHS Gloucestershire Care Services Sub-Committee
- NHS Gloucestershire Charitable funds.

Charitable funds for Swindon are administered by Great Western Hospitals NHS Foundation Trust with Non-Executive representation.

Other Board sub-committees are the NHS South of England Specialised Commissioning Group and the Joint Commissioning Boards (JCB) with Gloucestershire County Council and Swindon Borough Council respectively.

The Board of NHS Swindon (as a standalone and cluster Board) receive regular reports on finance, performance and quality issues and ensure follow up on actions and lessons learned from these, as well Serious Incidents, through the sub-Committee structure.

The Board adheres to the Corporate Governance Code and Good Governance standards and practice that is consistent with the Nolan Principles. This is demonstrated through annual assessments of sub-committee performance.

As part of the supporting transfer of commissioning responsibilities to CCGs, the Board reviewed its effectiveness and governance arrangements in June 2012 and approved the latest version of Standing Orders, SFIs, Reservation of Powers and Scheme of Delegation. These documents are published on the internet. This work followed a governance review in December 2011 when the Cluster Board structure was implemented.

### **Risk Assessment**

Identified risks are assessed by the responsible managers in terms of likelihood and significance using the '5x5' matrix recommended by the National Patient Safety Agency. The organisation's Risk Register is presented to each meeting of the Integrated Governance Committee which has delegated responsibility for the review of this document on behalf of the Board.

For 2011-12 the major risk themes for the PCT have been associated with:

- Organisational and structural changes
- Achievement of Financial Targets
- Quality of Service

### **The Risk and Control Framework**

The risk management control framework is outlined in the Risk Management Policy approved and

monitored on behalf of the Board by the Integrated Governance Committee.

This document outlines the processes for the:

- Identification of risks
- Risk analysis and assessment
- Risk Treatment and control
- Reporting
- Communication and training; and
- Monitoring and review

As per the Policy, the organisation has had a structure of directorate risk registers which populated the Corporate Risk Register. The Corporate Risk Register has been presented to each meeting of the Integrated Governance Committee for review.

The principal risks relating to the achievement of the operating plan have also been included within the Assurance Framework. The Assurance Framework has been presented to each meeting of the Integrated Governance Committee.

#### **Review of the Effectiveness of Risk Management and Internal Control**

The risk processes have been subject to an annual review by the internal auditors, RSM Tenon. Internal Audit is involved with the work of the Audit Committee and works alongside the PCT in the development of risk management processes and arrangements for mitigating risk.

The Head of Internal Audit's overall opinion is that significant assurance can be given that there is a generally sound system of control, designed to meet the organisation's objectives and that controls are generally being applied consistently. However, some weaknesses were identified that put the achievement of particular objectives at risk. The key risks and issues are:

Information Governance – To achieve the required level 2/3 scores the Trust needs to ensure that the evidence requirements noted in the Findings and Recommendations section of the Internal Audit report are uploaded to the Connecting for Health IG Toolkit servers prior to the March 2013 deadline. We note management comments that all evidence will be uploaded by 28<sup>th</sup> March 2013.

Primary Care Commissioning – a number of weaknesses in the monitoring of such contracts were identified. We note this monitoring will move to the Local Area Team from April 2013.

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

Based on the work of Internal Audit supported by managers and the Assurance Framework, I believe that the processes of internal control including risk management are effective.



### **Significant Issues**

During the year there have been two Serious Incidents (SIs) reported in relation to the functions of NHS Swindon. The first, in reference to a disruption to the Diabetic Retinopathy Screening Service that occurred during the re-tender of service provision. The disruption to service was further compounded by the PCT receiving a challenge from one of the tenders to re-evaluate their submission. The PCT observed a voluntary standstill period of 10 days to consider its evaluation process and considered all the scores awarded to be objectively justified.

Throughout the period of disruption, the PCT liaised closely with the Quality Assurance Reference Centre who monitored progress of the action plan to restore the Screening service. This was accomplished on the 7<sup>th</sup> February 2103. The QA team were satisfied with the plan and actions taken and agreed that the Serious Incident should now be closed.

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In all these cases NHS Swindon has reported as a responsible commissioner and worked with providers to follow up on investigations and lessons learned so these can be shared as appropriate with the wider health community.

### **Transitional Arrangements and Transfer of Commissioning Responsibility**

NHS Swindon has a single Clinical Commissioning Group (CCG) for its Practices. NHS Swindon CCG was authorised in January 2013.

A Shadow Board has been operating as a sub-committee of the PCT Cluster Board and work has been taking place to develop and strengthen the governance structure for the CCG to take over its commissioning responsibilities on 1<sup>st</sup> April 2013.

The PCTs in the Cluster have been also working with others to develop the Central Southern Commissioning Support Unit (CSCSU) to provide commissioning support to 14 CCGs across the South of England.

**Accountable Officer: Jennifer Howells**

**Organisation: NHS Swindon**

**Signature:**

**Date:**

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

	<b>2012-13</b>	<b>2011-12</b>
	<b>£000</b>	<b>£000</b>
<b>Commissioning</b>		
Gross employee benefits	1,718	1,791
Other costs	322,500	301,177
Income	(8,376)	(6,305)
<b>Providing</b>		
Gross employee benefits	304	7,427
Other costs	108	3,750
Income	(278)	(1,926)
<b>Total Programme Expenditure</b>	<b>315,976</b>	<b>305,914</b>
<b>Administration Costs</b>		
Gross employee benefits	3,792	4,571
Other costs	2,599	2,768
Income	(96)	(513)
<b>Net operating costs before interest</b>	<b>322,271</b>	<b>312,740</b>
Finance costs	44	46
<b>Net operating costs for the financial year</b>	<b>322,315</b>	<b>312,786</b>
<b>Other Comprehensive Net Expenditure</b>		
Impairments and reversals put to the Revaluation Reserve	1,293	150
Net (gain) on revaluation of property, plant & equipment	0	(364)
Net loss on Assets Held for Sale	30	0
<b>Total comprehensive net expenditure for the year</b>	<b>323,638</b>	<b>312,572</b>

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

	<b>General fund</b>	<b>Revaluation reserve</b>	<b>Total reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April 2012</b>	<b>(8,269)</b>	<b>3,943</b>	<b>(4,326)</b>
<b>Changes in taxpayers' equity for 2012-13</b>			
Net operating cost for the year	(322,315)		(322,315)
Net gain on revaluation of assets held for sale		(30)	(30)
Impairments and reversals		(1,293)	(1,293)
Transfers between reserves*	368	(368)	0
<b>Total recognised income and expense for 2012-13</b>	<b>(321,947)</b>	<b>(1,691)</b>	<b>(323,638)</b>
Net Parliamentary funding	314,414		314,414
<b>Balance at 31 March 2013</b>	<b>(15,802)</b>	<b>2,252</b>	<b>(13,550)</b>

## Statement of Financial Position at 31 March 2013

	31 March 2013	31 March 2012
	£000	£000
<b>Non-current assets:</b>		
Property, plant and equipment	9,262	12,458
Intangible assets	37	63
<b>Total non-current assets</b>	<u>9,299</u>	<u>12,521</u>
<b>Current assets:</b>		
Inventories	0	0
Trade and other receivables	940	2,972
Cash and cash equivalents	0	1
<b>Total current assets</b>	<u>940</u>	<u>2,973</u>
Non-current assets held for sale	0	250
<b>Total current assets</b>	<u>940</u>	<u>3,223</u>
<b>Total assets</b>	<u>10,239</u>	<u>15,744</u>
<b>Current liabilities</b>		
Trade and other payables	(20,854)	(16,473)
Provisions	(2,935)	(2,297)
Borrowings	0	(49)
<b>Total current liabilities</b>	<u>(23,789)</u>	<u>(18,819)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>	<u>(13,550)</u>	<u>(3,075)</u>
<b>Non-current liabilities</b>		
Borrowings	0	(1,251)
<b>Total non-current liabilities</b>	<u>0</u>	<u>(1,251)</u>
<b>Total Assets Employed:</b>	<u>(13,550)</u>	<u>(4,326)</u>
<b>Financed by taxpayers' equity:</b>		
General fund	(15,802)	(8,269)
Revaluation reserve	2,252	3,943
<b>Total taxpayers' equity:</b>	<u>(13,550)</u>	<u>(4,326)</u>

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

	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost Before Interest	(322,271)	(312,740)
Depreciation and Amortisation	1,092	935
Impairments and Reversals	46	65
Interest Paid	(44)	(46)
Decrease in Trade and Other Receivables	2,032	15
Increase in Trade and Other Payables	4,346	2,314
Provisions Utilised	(3,614)	(3,880)
Increase in Provisions	4,252	2,479
<b>Net Cash Outflow from Operating Activities</b>	<b>(314,161)</b>	<b>(310,858)</b>
<b>Cash flows from investing activities</b>		
Payments for Property, Plant and Equipment	(421)	(101)
Proceeds of disposal of assets held for sale (PPE)	220	0
<b>Net Cash Outflow from Investing Activities</b>	<b>(201)</b>	<b>(101)</b>
<b>Net cash outflow before financing</b>	<b>(314,362)</b>	<b>(310,959)</b>
<b>Cash flows from financing activities</b>		
Capital Element of Payments in Respect of Finance Leases	(53)	(48)
Net Parliamentary Funding	314,414	311,004
<b>Net Cash Inflow from Financing Activities</b>	<b>314,361</b>	<b>310,956</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1)</b>	<b>(3)</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>1</b>	<b>4</b>
<b>Cash and Cash Equivalents at year end</b>	<b>0</b>	<b>1</b>

### 3. Financial Performance Targets

#### 3.1 Revenue resource limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year	322,315	312,786
Revenue Resource Limit	<u>325,407</u>	<u>315,753</u>
<b>Underspend Against Revenue Resource Limit (RRL)</b>	<u>3,092</u>	<u>2,967</u>

#### 3.2 Capital resource limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	438	229
Charge to Capital Resource Limit	<u>236</u>	<u>151</u>
<b>Underspend Against Capital Resource Limit (CRL)</b>	<u>202</u>	<u>78</u>

#### 3.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	412	11,177
Provider Operating Revenue	<u>(278)</u>	<u>(1,926)</u>
<b>Net Provider Operating Costs</b>	134	9,251
Costs Met Within PCTs Own Allocation	<u>(134)</u>	<u>(9,251)</u>
<b>Full Recovery of Costs</b>	<u>0</u>	<u>0</u>

#### 3.4 Cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	314,414	311,004
Cash Limit	<u>321,708</u>	<u>311,727</u>
<b>Underspend Against Cash Limit</b>	<u>7,294</u>	<u>723</u>

The under spend against the cash limit was returned to the Department of Health at the year end.

## 5.1 Analysis of operating costs

	Total	Commissioning Services	Public Health
<b>PCT Running Costs 2012-13</b>			
Running costs (£000s)	6,295	5,570	725
Weighted population (number in units)*	190,600	190,600	190,600
Running costs per head of population (£ per head)	<u>33</u>	<u>29</u>	<u>4</u>
<b>PCT Running Costs 2011-12</b>			
Running costs (£000s)	6,826	6,027	799
Weighted population (number in units)	190,600	190,600	190,600
Running costs per head of population (£ per head)	<u>36</u>	<u>32</u>	<u>4</u>

Details of the basis of the calculation are given in the Annual Accounts

## 8. Better Payment Practice Code

### 8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	6,070	74,676	9,631	40,555
Total Non-NHS Trade Invoices Paid Within Target	<u>5,623</u>	<u>74,221</u>	<u>8,586</u>	<u>37,516</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>92.64%</u>	<u>99.39%</u>	<u>89.15%</u>	<u>92.51%</u>
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	2,624	196,713	2,558	189,308
Total NHS Trade Invoices Paid Within Target	<u>2,172</u>	<u>192,105</u>	<u>2,127</u>	<u>181,636</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>82.77%</u>	<u>97.66%</u>	<u>83.15%</u>	<u>95.95%</u>

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

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

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



Department  
of Health



# Swindon Primary Care Trust

2012-13 Accounts

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# Swindon Primary Care Trust

2012-13 Accounts

**2012-13 Annual Accounts of Swindon Primary Care Trust (non-London)**

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

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

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

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

**Note – If the regularity opinion has been qualified because of a breach of a resource limit, insert at this point.**

\* except for capital/revenue expenditure in excess of resource limits which was not intended by Parliament and did not conform to the authorities which govern them.

**nb: sign and date in any colour ink except black**

Signed.....*J Howell*.....Designated Signing Officer

Name: *J Howell*

Date.....*6<sup>th</sup> June 2013*.....

**2012-13 Annual Accounts of Swindon Primary Care Trust (non-London)**

**STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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

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

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

By order of the Permanent Secretary.

**nb: sign and date in any colour ink except black**

6<sup>th</sup> June 2013 Date ..... *J. Howells* ..... Signing Officer

6<sup>th</sup> June 2013 Date ..... *J. Howells* ..... Finance Signing Officer

## **NHS Swindon**

**Organisation Code: 5K3**

### **Annual Governance Statement**

#### **Scope of Responsibility**

As the Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of NHS Swindon's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the Primary Care Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Accountable Officer memorandum and published in the PCT's Standing Orders, Standing Financial Instructions, Reservations of Power and Scheme of Delegation.

I am accountable to the Chair of the PCT Board with whom I set my objectives. I am also accountable to the NHS South of England Health Authority for the performance of the PCT and agree objectives annually. Together with Executive Directors I meet with NHS South of England on a regular basis to assess performance and ensure that NHS targets have clear risk assessed action plans for achievement. The Board ensures that quality improvement, patient and public safety and risk management receive priority and which are supported by the necessary resources in order to achieve the PCT's strategic objectives. This is supported by adherence to the PCT's ethical framework.

I have been advised through the draft Head of Internal Audit opinion for 2012/13 that significant assurance can be given that there is a sound system of internal control which is designed to meet the organisation's objectives, and that controls are generally being applied consistently.

However, some weaknesses were identified that put the achievement of particular objectives at risk and this has been noted in further detail under the section Review of the effectiveness of risk management and internal control.

## The Governance Framework of the Organisation

NHS Swindon clustered with NHS Gloucestershire under a single Executive Team in June 2011 and from December 2011, the two PCTs have been operating under a single PCT Cluster Board and supporting sub-committee structure.

There is a single PCT Cluster Board that meets bi-monthly, but has the ability to convene additional extraordinary meetings if required. Two such meetings were convened during 2012-13 and related to the separation of the NHS Gloucestershire provider arm.

The Board is supported by the following sub-committees that include;

- Integrated Governance Committee
- Remuneration and Terms of Service Committee
- Gloucestershire Clinical Commissioning Group Shadow Board
- Swindon Clinical Commissioning Group Shadow Board
- NHS Gloucestershire Audit Committee
- NHS Swindon Audit Committees
- Joint Estates and Sustainability Committee (JESC)
- NHS Gloucestershire Care Services Sub-Committee
- NHS Gloucestershire Charitable funds.

Charitable funds for Swindon are administered by Great Western Hospitals NHS Foundation Trust with Non-Executive representation.

Other Board sub-committees are the NHS South of England Specialised Commissioning Group and the Joint Commissioning Boards (JCB) with Gloucestershire County Council and Swindon Borough Council respectively.

The Board of NHS Swindon (as a standalone and cluster Board) receive regular reports on finance, performance and quality issues and ensure follow up on actions and lessons learned from these, as well Serious Incidents, through the sub-Committee structure.

The Board adheres to the Corporate Governance Code and Good Governance standards and practice that is consistent with the Nolan Principles. This is demonstrated through annual assessments of sub-committee performance.

As part of the supporting transfer of commissioning responsibilities to CCGs,

the Board reviewed its effectiveness and governance arrangements in June 2012 and approved the latest version of Standing Orders, SFIs, Reservation of Powers and Scheme of Delegation. These documents are published on the internet. This work followed a governance review in December 2011 when the Cluster Board structure was implemented.

### **Risk Assessment**

Identified risks are assessed by the responsible managers in terms of likelihood and significance using the '5x5' matrix recommended by the National Patient Safety Agency. The organisation's Risk Register is presented to each meeting of the Integrated Governance Committee which has delegated responsibility for the review of this document on behalf of the Board.

For 2011-12 the major risk themes for the PCT have been associated with:

- Organisational and structural changes
- Achievement of Financial Targets
- Quality of Service

### **The Risk and Control Framework**

The risk management control framework is outlined in the Risk Management Policy approved and monitored on behalf of the Board by the Integrated Governance Committee.

This document outlines the processes for the:

- Identification of risks
- Risk analysis and assessment
- Risk Treatment and control
- Reporting
- Communication and training; and
- Monitoring and review

As per the Policy, the organisation has had a structure of directorate risk registers which populated the Corporate Risk Register. The Corporate Risk Register has been presented to each meeting of the Integrated Governance Committee for review.

The principal risks relating to the achievement of the operating plan have also been included within the Assurance Framework. The Assurance Framework

has been presented to each meeting of the Integrated Governance Committee.

### **Review of the Effectiveness of Risk Management and Internal Control**

The risk processes have been subject to an annual review by the internal auditors, RSM Tenon. Internal Audit is involved with the work of the Audit Committee and works alongside the PCT in the development of risk management processes and arrangements for mitigating risk.

The Head of Internal Audit's overall opinion is that significant assurance can be given that there is a generally sound system of control, designed to meet the organisation's objectives and that controls are generally being applied consistently. However, some weaknesses were identified that put the achievement of particular objectives at risk. The key risks and issues are:

Information Governance – To achieve the required level 2/3 scores the Trust needs to ensure that the evidence requirements noted in the Findings and Recommendations section of the Internal Audit report are uploaded to the Connecting for Health IG Toolkit servers prior to the March 2013 deadline. We note management comments that all evidence will be uploaded by 28<sup>th</sup> March 2013.

Primary Care Commissioning – a number of weaknesses in the monitoring of such contracts were identified. We note this monitoring will move to the Local Area Team from April 2013.

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

Based on the work of Internal Audit supported by managers and the Assurance Framework, I believe that the processes of internal control including risk management are effective.

### **Significant Issues**

During the year there have been two Serious Incidents (SIs) reported in relation to the functions of NHS Swindon. The first, in reference to a disruption to the Diabetic Retinopathy Screening Service that occurred during the re-tender of service provision. The disruption to service was further



compounded by the PCT receiving a challenge from one of the tenders to re-evaluate their submission. The PCT observed a voluntary standstill period of 10 days to consider its evaluation process and considered all the scores awarded to be objectively justified.

Throughout the period of disruption, the PCT liaised closely with the Quality Assurance Reference Centre who monitored progress of the action plan to restore the Screening service. This was accomplished on the 7<sup>th</sup> February 2103. The QA team were satisfied with the plan and actions taken and agreed that the Serious Incident should now be closed.

The second reported SUI was in relation to a MRSA bacteraemia case within Primary Care and the PCT awaiting a report into the incident.

In addition, NHS Swindon has reported one SUI via the STEIS account that relates to the acute trust.

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A Shadow Board has been operating as a sub-committee of the PCT Cluster Board and work has been taking place to develop and strengthen the governance structure for the CCG to take over its commissioning responsibilities on 1<sup>st</sup> April 2013.

The PCTs in the Cluster have been also working with others to develop the Central Southern Commissioning Support Unit (CSCSU) to provide commissioning support to 14 CCGs across the South of England.



**Accountable Officer: Jennifer Howells, Designated Signing Officer**

**Organisation: Swindon Primary Care Trust**

**Signature:**

*Howells*

**Date:**

*6<sup>th</sup> June 2013*

## **INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF SWINDON PRIMARY CARE TRUST**

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

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

- the table of salaries and allowances of senior managers [and related narrative notes on page 8 of the Annual Report;
- the table of pension benefits of senior managers [and related narrative notes] on page 9 of the Annual Report; and
- the pay multiples narrative on page 9 of the Annual Report.

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

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

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

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

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

apparent material misstatements or inconsistencies we consider the implications for our report.

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

### **Opinion on regularity**

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

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matters**

In our opinion:

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

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

We report to you if:

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

We have nothing to report in these respects.

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

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

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

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

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

### **Certificate**

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



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

Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6FT

7 June 2013

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

	NOTE	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>			
Gross employee benefits	7.1	5,814	13,789
Other costs	5.1	325,207	307,695
Income	4	(8,750)	(8,744)
<b>Net operating costs before interest</b>		<b>322,271</b>	<b>312,740</b>
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	44	46
<b>Net operating costs for the financial year</b>		<b>322,315</b>	<b>312,786</b>
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
<b>Net (gain)/loss on transfers by absorption</b>		<b>0</b>	
<b>Net Operating Costs for the Financial Year including absorption transfers</b>		<b>322,315</b>	<b>312,786</b>
<b>Of which:</b>			
<b>Administration Costs</b>			
Gross employee benefits	7.1	3,792	4,571
Other costs	5.1	2,599	2,768
Income	4	(96)	(513)
<b>Net administration costs before interest</b>		<b>6,295</b>	<b>6,826</b>
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
<b>Net administration costs for the financial year</b>		<b>6,295</b>	<b>6,826</b>
<b>Programme Expenditure</b>			
Gross employee benefits	7.1	2,022	9,218
Other costs	5.1	322,608	304,927
Income	4	(8,654)	(8,231)
<b>Net programme expenditure before interest</b>		<b>315,976</b>	<b>305,914</b>
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	44	46
<b>Net programme expenditure for the financial year</b>		<b>316,020</b>	<b>305,960</b>
<b>Other Comprehensive Net Expenditure</b>			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		1,293	150
Net (gain) on revaluation of property, plant & equipment		0	(364)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		30	
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
Net actuarial (gain)/loss on pension schemes		0	0
<b>Reclassification Adjustments</b>			
Reclassification adjustment on disposal of available for sale financial assets		0	0
<b>Total comprehensive net expenditure for the year*</b>		<b>323,638</b>	<b>312,572</b>

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

The notes on pages 5 to 44 form part of these Accounts.

**Statement of Financial Position at  
31 March 2013**

		31 March 2013	31 March 2012
	NOTE	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	12	9,262	12,458
Intangible assets	13	37	63
investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	0	0
<b>Total non-current assets</b>		<b>9,299</b>	<b>12,521</b>
<b>Current assets:</b>			
Inventories	18	0	0
Trade and other receivables	19	940	2,972
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	0	1
<b>Total current assets</b>		<b>940</b>	<b>2,973</b>
Non-current assets held for sale	24	0	250
<b>Total current assets</b>		<b>940</b>	<b>3,223</b>
<b>Total assets</b>		<b>10,239</b>	<b>15,744</b>
<b>Current liabilities</b>			
Trade and other payables	25	(20,854)	(16,473)
Other liabilities	26,28	0	0
Provisions	32	(2,935)	(2,297)
Borrowings	27	0	(49)
Other financial liabilities	36.2	0	0
<b>Total current liabilities</b>		<b>(23,789)</b>	<b>(18,819)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>(13,550)</b>	<b>(3,075)</b>
<b>Non-current liabilities</b>			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	0	0
Borrowings	27	0	(1,251)
Other financial liabilities	36.2	0	0
<b>Total non-current liabilities</b>		<b>0</b>	<b>(1,251)</b>
<b>Total Assets Employed:</b>		<b>(13,550)</b>	<b>(4,326)</b>
<b>Financed by taxpayers' equity:</b>			
General fund		(15,802)	(8,269)
Revaluation reserve		2,252	3,943
Other reserves		0	0
<b>Total taxpayers' equity:</b>		<b>(13,550)</b>	<b>(4,326)</b>

The notes on pages 5 to 44 form part of these Accounts.

The financial statements on pages 1 to 44 were approved by the Board on 6th June 2013 and signed on its behalf by

**Chief Executive:**

Date:

**6th June 2013**



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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	<b>(8,269)</b>	<b>3,943</b>	<b>0</b>	<b>(4,326)</b>
<b>Changes in taxpayers' equity for 2012-13</b>				
Net operating cost for the year	(322,315)			(322,315)
Net gain on revaluation of property, plant, equipment		0		0
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		(30)		(30)
Impairments and reversals		(1,293)		(1,293)
Movements in other reserves			0	0
Transfers between reserves*	368	(368)		0
Release of Reserves to SOCNE		0		0
<b>Reclassification Adjustments</b>				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
<b>Total recognised income and expense for 2012-13</b>	<b>(321,947)</b>	<b>(1,691)</b>	<b>0</b>	<b>(323,638)</b>
Net Parliamentary funding	314,414			314,414
<b>Balance at 31 March 2013</b>	<b>(15,802)</b>	<b>2,252</b>	<b>0</b>	<b>(13,550)</b>
<b>Balance at 1 April 2011</b>	<b>(6,544)</b>	<b>3785</b>	<b>0</b>	<b>(2,759)</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Net operating cost for the year	(312,786)			(312,786)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		364		364
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(149)		(149)
Movements in other reserves			0	0
Transfers between reserves*	57	(57)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
<b>Reclassification Adjustments</b>				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
<b>Total recognised income and expense for 2011-12</b>	<b>(312,729)</b>	<b>158</b>	<b>0</b>	<b>(312,571)</b>
Net Parliamentary funding	311,004			311,004
<b>Balance at 31 March 2012</b>	<b>(8,269)</b>	<b>3,943</b>	<b>0</b>	<b>(4,326)</b>

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

	NOTE	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>			
Net Operating Cost Before Interest		(322,271)	(312,740)
Depreciation and Amortisation		1,092	935
Impairments and Reversals		46	65
Other Gains / (Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		0	0
Government Granted Assets received credited to revenue but non-cash		0	0
Interest Paid		(44)	(46)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	0
(Increase)/Decrease in Trade and Other Receivables		2,032	15
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		4,346	2,314
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(3,614)	(3,880)
Increase/(Decrease) in Provisions		4,252	2,479
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>(314,161)</b>	<b>(310,858)</b>
<b>Cash flows from investing activities</b>			
Interest Received		0	0
(Payments) for Property, Plant and Equipment		(421)	(101)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		220	0
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Proceeds from the disposal of Financial Assets (LIFT)		0	0
Loans Made in Respect of LIFT		0	0
Loans Repaid in Respect of LIFT		0	0
Rental Revenue		0	0
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>(201)</b>	<b>(101)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>(314,362)</b>	<b>(310,959)</b>
<b>Cash flows from financing activities</b>			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(53)	(48)
Net Parliamentary Funding		314,414	311,004
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<b>314,361</b>	<b>310,956</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1)</b>	<b>(3)</b>
<b>Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>		<b>1</b>	<b>4</b>
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>		<b>0</b>	<b>1</b>



## 1. Accounting policies

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

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

The PCT is not a corporate trustee for charitable funds.

### 1.1 Accounting Conventions

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

#### Transforming Community Services (TCS) transactions

Under the TCS initiative, services historically provided by PCTs have transferred to other providers - notably NHS Trusts and NHS Foundation Trusts. There are no such transfers in 2012-13.

#### Going Concern

As a consequence of the Health and Social Care Act 2012, Swindon PCT was dissolved on 31 March 2013. Its functions have been transferred to various new or existing public sector bodies.

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

As a result these financial statements have been prepared on a going concern basis.

#### Acquisitions and Discontinued Operations

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

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

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

#### Critical judgements in applying accounting policies

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

## 1. Accounting policies (continued)

### Key sources of estimation uncertainty

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

### Clinical Negligence Costs

The PCT's accounting policy for provisions is described in section 1.25 of the accounting policies and in note 32 of the accounts.

### Continuing Health Care Provision

This provision is for claims received by the PCT for continuing health care which have yet to be assessed. The provision has been calculated by taking the claims outstanding as at 31st March 2013, making an assessment of the likely financial value and then applying a conversion rate based on previous experience of conversions from referrals to those found to be eligible. Further information is shown in note 32.

### Assessment of Leases

Leases are assessed under IFRS as being operating or finance leases, which determines their accounting treatment. The criteria for assessment are to a certain extent subjective, but a consistent approach has been taken through use of a standard template which sets out the relevant criteria. Further information is in section 1.23 of the accounting policies.

### Secondary Health Care

Secondary Health Care activity information is collected on a national system "Secondary Users System" (SUS). This data is subsequently imported into a local contract monitoring system. Secondary Health Care providers are paid in year for activity which has been carried out and which is due under the contract terms. However, the final year end activity for which the PCT will be charged will not be available until June, therefore estimates of the activity by secondary health care providers for Swindon patients has been estimated based on the information from the contract monitoring system and estimated information from the providers themselves. The estimated creditor for the final month of the year is included within Trade and Other Payables. Historically, when these estimates have been compared to the subsequent actual data, they have not been materially different.

### Quality & Outcome Framework (QOF)

The QOF is an annual payment for GP surgeries which rewards performance against quality indicators. The scheme is voluntary. GP practices are paid an aspiration payment in year which amounts to 70% of the previous year's achievement. The final achievement payment is calculated by taking the amount that practices should be paid less amounts already paid. This payment is calculated in June once all information has been received and an accrual estimating the final amounts due has been included in Trade and Other Payables.

### Primary Care Prescribing Information

Primary care prescribing information is received from the Business Services Authority who process prescription items to reimburse and remunerate pharmacy contractors and provide information on the cost of drugs prescribed by primary care prescribers. Actual prescribing information is issued in arrears, therefore March information has been estimated. The estimated figure is based on the forecast information issued by the NHS Business Services Authority.

## 1. Accounting policies (continued)

### 1.2 Revenue and Funding

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

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

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

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

### 1.3 Care Trust Designation

This policy relates to Care Trusts and is not applicable to the PCT.

### 1.4 Pooled budgets

The PCT has entered into a S75 agreement with Swindon Borough Council. Under the arrangement funds are brought together in aligned or pooled budgets under s75 of the Health Act 2006 for the commissioning of Adult Community, Learning Disability and Mental Health Services and the commissioning and provision of Children's Community Services and a memorandum note to the accounts provides details of the joint income and expenditure. The agreements are aligned, not pooled budgets with the exception of parts of the commissioning s75 for children's services, which means that the PCT accounts for any health related under or over spends within the agreement and the Borough Council accounts for under or over spends on social care.

The funds are hosted by Swindon Borough Council. As a commissioner of healthcare services, the PCT makes contributions to the fund, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the fund as determined by the s75 agreement.

The s75 agreement for the provision of children's services is also hosted by Swindon Borough Council. This agreement provides for the integration of children's community teams providing health and local authority care. The joint teams are managed by Directors within the Swindon Borough Council Children's Directorate. Services from the s75 for the provision of care to children are commissioned through the Children's Commissioning s75 agreement.

### 1.5 Taxation

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

### 1.6 Administration and Programme Costs

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure). PCTs therefore analyse and report revenue income and expenditure between Administration and Programme. For PCTs, the Department of Health has defined Administration in terms of running costs.

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

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

## 1. Accounting policies (continued)

### 1.7 Property, Plant & Equipment

#### Recognition

Property, plant and equipment is capitalised if:

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

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

#### Valuation

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

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

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

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

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

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

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

#### Subsequent expenditure

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

## 1. Accounting policies (continued)

### 1.8 Intangible Assets

#### Recognition

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

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

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

#### Measurement

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

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

### 1.9 Depreciation, amortisation and impairments

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

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

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

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

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

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

## 1. Accounting policies (continued)

### 1.10 Donated assets

The PCT does not have any donated assets.

### 1.11 Government grants

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

### 1.12 Non-current assets held for sale

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

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

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

### 1.13 Inventories

The PCT does not have any inventories.

### 1.14 Cash and cash equivalents

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

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

### 1.15 Losses and Special Payments

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

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

### 1.16 Clinical Negligence Costs

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

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

## 1. Accounting policies (continued)

### 1.17 Employee benefits

#### Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. Employees are not permitted to carry forward leave into the following period.

#### Retirement benefit costs

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

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

### 1.18 Research and Development

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

### 1.19 Other expenses

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

### 1.20 Grant making

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

### 1.21 EU Emissions Trading Scheme

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

### 1.22 Contingencies

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

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

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

## Swindon PCT - Annual Accounts 2012-13

### 1. Accounting policies (continued)

#### 1.23 Leases

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

##### The PCT as lessee

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

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

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

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

##### The PCT as lessor

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

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

#### 1.24 Foreign exchange

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

#### 1.25 Provisions

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

0-5 years	-1.8%
6-10 years	-1.0%
Over 11 years	+2.2%

and 2.35% in respect of early staff departures in real terms.

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

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

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



## 1. Accounting policies (continued)

### 1.26 Financial Instruments

#### Financial assets

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

Financial assets are initially recognised at fair value.

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

#### Financial assets at fair value through profit and loss

The PCT does not have any embedded derivatives.

#### Held to maturity investments

The PCT does not have any investments.

#### Available for sale financial assets

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

#### Loans and receivables

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

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

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

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

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

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

## Swindon PCT - Annual Accounts 2012-13

### 1. Accounting policies (continued)

#### Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

#### Financial liabilities at fair value through profit and loss

The PCT does not have any embedded derivatives.

#### Other financial liabilities

The PCT does not have any other financial liabilities.

### 1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

The PCT does not have any PFI or LIFT transactions.

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

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

IAS 27 Separate Financial Statements - subject to consultation

IAS 28 Investments in Associates and Joint Ventures - subject to consultation

IFRS 9 Financial Instruments - subject to consultation - subject to consultation

IFRS 10 Consolidated Financial Statements - subject to consultation

IFRS 11 Joint Arrangements - subject to consultation

IFRS 12 Disclosure of Interests in Other Entities - subject to consultation

IFRS 13 Fair Value Measurement - subject to consultation

IPSAS 32 - Service Concession Arrangement - subject to consultation

## Swindon PCT - Annual Accounts 2012-13

### 2 Operating segments

Swindon PCT was previously split into two operating segments, its provider arm and its commissioning arm; the provider services, at that point in time, transferred to a social enterprise on the 1st October 2011. The accounts for 2011/12 therefore include six months of expenditure relating to these provider services. The accounts for 2012/13 do not include any provider services expenditure, with the exception of primary medical services for a practice following the cessation of a contract early in 2012/13 with a primary care practitioner. Revenue results for 2011/12 including surplus or deficit, for each of these segments were reported and monitored separately each month by the Swindon PCT Board and in 2012/13 the provider primary medical services were reported as part of the primary contracts expenditure. Statement of Financial Position reports to the Board were not split between the commissioning and provider segments.

The commissioning segment commissions healthcare services from a variety of providers, primarily in the South of England, for people registered with Swindon and Shrivenham GPs. In terms of value the Great Western Hospitals NHS Foundation Trust is the main provider of healthcare with a total contract value of £109.2m for 2012/13; this figure includes healthcare commissioned through Specialist Commissioning and the s75 agreement with Swindon Borough Council for childrens' s services. The commissioning segment is mainly funded by a resource limit from the Department of Health with further income for the commissioning segment from dental and prescription patient charge revenue.

Corporate services, such as finance, human resources, IM&T, clinical governance were apportioned between the commissioner and provider segments on an agreed basis.

	Commissioner		Provider		Total	
	2012/13 £000	2011/12 £000	2012/13 £000	2011/12 £000	2012/13 £000	2011/12 £000
<b>Income</b>						
Income from SPCT Commissioner		0	134	9,251		
Income from Foundation Trusts	277	285		429	277	714
Prescription charge income	2,002	1,897		0	2,002	1,897
Dental patient charges	2,696	2,458		0	2,696	2,458
Other Income	3,497	2,178	278	1,497	3,775	3,675
<b>Total Income</b>	<b>8,472</b>	<b>6,818</b>	<b>412</b>	<b>11,177</b>	<b>8,750</b>	<b>8,744</b>
<b>Expenditure</b>						
Employee Benefits	5,583	6,362	304	7,427	5,887	13,789
Other Costs	325,026	303,945	108	3,750	325,134	307,695
Commissioning Contract with SPCT Provider services	134	9,251	0	0		
<b>Total Expenditure</b>	<b>330,743</b>	<b>319,558</b>	<b>412</b>	<b>11,177</b>	<b>331,021</b>	<b>321,484</b>
<b>Parliamentary Funding</b>						
Non-discretionary resource	0	0	0	0	0	0
Resource Limit	325,407	315,753	0	0	325,407	315,753
<b>Total funding</b>	<b>325,407</b>	<b>315,753</b>	<b>0</b>	<b>0</b>	<b>325,407</b>	<b>315,753</b>
Segment surplus before interest	3,136	3,013	0	0	3,136	3,013
Finance Costs					44	46
<b>Total Surplus</b>					<b>3,092</b>	<b>2,967</b>

### 3. Financial Performance Targets

#### 3.1 Revenue Resource Limit

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

	2012-13 £000	2011-12 £000
Total Net Operating Cost for the Financial Year	322,315	312,786
Net operating cost plus (gain)/loss on transfers by absorption	0	0
Adjusted for prior period adjustments in respect of errors	325,407	315,753
Revenue Resource Limit	<u>3,092</u>	<u>2,967</u>
<b>Underspend Against Revenue Resource Limit (RRL)</b>		

#### 3.2 Capital Resource Limit

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

	2012-13 £000	2011-12 £000
Capital Resource Limit	438	229
Charge to Capital Resource Limit	236	151
<b>Underspend Against Capital Resource Limit (CRL)</b>	<u>202</u>	<u>78</u>

#### 3.3 Provider full cost recovery duty

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

	2012-13 £000	2011-12 £000
Provider gross operating costs	412	11,177
Provider Operating Revenue	(278)	(1,926)
<b>Net Provider Operating Costs</b>	<u>134</u>	<u>9,251</u>
Costs Met Within PCTs Own Allocation	(134)	(9,251)
<b>Full Recovery of Costs</b>	<u>0</u>	<u>0</u>

#### 3.4 Cash Limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	314,414	311,004
Cash Limit	321,708	311,727
<b>Underspend Against Cash Limit</b>	<u>7,294</u>	<u>723</u>

The underspend against the cash limit was returned to the Department of Health at the year end.

#### 3.5 Reconciliation of Cash Drawings to Parliamentary Funding

	2012-13 £000
Total cash received from DH (Gross)	272,842
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
<b>Sub total: net advances</b>	<u>272,842</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	5,906
Plus: drugs reimbursement (central charge to cash limits)	35,666
<b>Parliamentary funding credited to General Fund</b>	<u>314,414</u>

## Swindon PCT - Annual Accounts 2012-13

### 4 Miscellaneous Revenue

	2012-13			2011-12
	Total £000	Admin £000	Programme £000	£000
Fees and Charges	3	0	3	25
Dental Charge income from Contractor-Led GDS & PDS	2,696		2,696	2,458
Dental Charge income from Trust-Led GDS & PDS	0		0	0
Prescription Charge income	2,002		2,002	1,897
Strategic Health Authorities	0	0	0	36
NHS Trusts	0	0	0	92
NHS Foundation Trusts	41	0	41	714
Primary Care Trusts Contributions to DATs	0		0	0
Primary Care Trusts - Other	1,686	0	1,686	712
Primary Care Trusts - Lead Commissioning	0	0	0	0
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	0	0	0	0
Recoveries in respect of employee benefits	0	0	0	0
Local Authorities	0	0	0	504
Patient Transport Services	0		0	0
Education, Training and Research	970	0	970	1,143
Non-NHS: Private Patients	0		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0		0	0
NHS Injury Costs Recovery	0		0	0
Other Non-NHS Patient Care Services	0	0	0	0
Charitable and Other Contributions to Expenditure	0		0	0
Receipt of donated assets	0		0	0
Receipt of Government granted assets	0		0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	1,351	96	1,255	504
Other revenue	1	0	1	659
<b>Total miscellaneous revenue</b>	<b>8,750</b>	<b>96</b>	<b>8,654</b>	<b>8,744</b>

The revenue from NHS Foundation Trusts, Local Authorities and Other revenue was principally earned by the Provider function which transferred to a social enterprise with effect from 1 October 2011. Hence there is only a minor revenue from these sources in 2012/13.

The increase in Rental revenue from operating leases reflects the decision to gross up charges to GP occupants of the health centres owned by the PCT from what had been previously treated as a pass through arrangement.

## 5. Operating Costs

## 5.1 Analysis of operating costs:

	2012-13			2011-12
	Total £000	Admin £000	Programme £000	Total £000
<b>Goods and Services from Other PCTs</b>				
Healthcare	27,867		27,867	24,012
Non-Healthcare	503	495	8	743
<b>Total</b>	<b>28,370</b>	<b>495</b>	<b>27,875</b>	<b>24,755</b>
<b>Goods and Services from Other NHS Bodies other than FTs</b>				
Goods and services from NHS Trusts	14,952	0	14,952	15,997
Goods and services (other, excl Trusts, FT and PCT))	2,809	0	2,809	3,301
<b>Total</b>	<b>17,761</b>	<b>0</b>	<b>17,761</b>	<b>19,298</b>
Goods and Services from Foundation Trusts	123,269	61	123,208	117,621
Purchase of Healthcare from Non-NHS bodies	66,840		66,840	58,500
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	1,798		1,798	1,931
Non-GMS Services from GPs	0	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	9,130		9,130	8,601
Salaried Trust-Led PDS & PCT DS (excluding employee benefi	598		598	512
Chair, Non-executive Directors & PEC remuneration	55	54	1	80
Executive committee members costs	399	399	0	444
Consultancy Services	1	0	1	1
Prescribing Costs	29,989		29,989	31,051
G/PMS, APMS and PCTMS (excluding employee benefits)	28,429	0	28,429	26,681
Pharmaceutical Services	901		901	803
Local Pharmaceutical Services Pilots	0		0	0
New Pharmacy Contract	8,651		8,651	8,557
General Ophthalmic Services	1,984		1,984	1,972
Supplies and Services - Clinical	30	1	29	492
Supplies and Services - General	473	234	239	203
Establishment	390	280	110	707
Transport	3	3	0	26
Premises	778	274	504	2,170
Impairments & Reversals of Property, plant and equipment	46	0	46	65
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	1,066	572	494	863
Amortisation	26	0	26	72
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	54	(2)	56	34
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	76	76	0	117
Other Auditors Remuneration	83	69	14	30
Clinical Negligence Costs	0	0	0	0
Education and Training	901	35	866	1,114
Grants for capital purposes	2,911	0	2,911	755
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	195	48	147	240
<b>Total Operating costs charged to SoCNE</b>	<b>325,207</b>	<b>2,599</b>	<b>322,608</b>	<b>307,695</b>

The increase in health services purchased from non NHS bodies reflects the contract with the Social Enterprise who now provide the functions previously carried out by the PCT's own provider services. This transfer occurred on the 1st October 2011, expenditure in 2011/12 therefore reflects six months of in house provision and six months of an external contract.

The increase in depreciation charge in 2012/13 is the result of accelerated depreciation being applied to those IT assets which will not be used by the successor organisations.

5. Operating Costs

5.1 Analysis of operating costs (continued):

	2012-13			2011-12
	Total £000	Admin £000	Programme £000	Total £000
<b>Employee Benefits (excluding capitalised costs)</b>				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	218	218	0	816
Other Employee Benefits	5,596	3,574	2,022	12,973
<b>Total Employee Benefits charged to SOCNE</b>	<b>5,814</b>	<b>3,792</b>	<b>2,022</b>	<b>13,789</b>
<b>Total Operating Costs</b>	<b>331,021</b>	<b>6,391</b>	<b>324,630</b>	<b>321,484</b>

The decrease in Other Employee Benefits reflects the transfer of employees of the Provider function which transferred to a social enterprise with effect from 1 October 2011. Hence there is a significant decrease in 2012/13.

Analysis of grants reported in total operating costs

For capital purposes

Grants to fund Capital Projects - GMS	194	0	194	0
Grants to Local Authorities to Fund Capital Projects	2,717	0	2,717	755
Grants to Private Sector to Fund Capital Projects	0	0	0	0
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
<b>Total Capital Grants</b>	<b>2,911</b>	<b>0</b>	<b>2,911</b>	<b>755</b>

Grants to fund revenue expenditure

To Local Authorities	0	0	0	0
To Private Sector	0	0	0	0
To Other	0	0	0	0
<b>Total Revenue Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Grants</b>	<b>2,911</b>	<b>0</b>	<b>2,911</b>	<b>755</b>

	Total	Commissioning Services	Public Health Services
<b>PCT Running Costs 2012-13</b>			
Running costs (£000s)	6,295	5,570	725
Weighted population (number in units)*	190,600	190,600	190,600
Running costs per head of population (£ per head)	33	29	4
<b>PCT Running Costs 2011-12</b>			
Running costs (£000s)	6,826	6,027	799
Weighted population (number in units)	190,600	190,600	190,600
Running costs per head of population (£ per head)	36	32	4

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

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

**2012-13**                      **2011-12**  
**£000**                              **£000**

**Purchase of Primary Health Care**

GMS / PMS/ APMS / PCTMS	28,503	27,537
Prescribing costs	29,989	31,051
Contractor led GDS & PDS	9,130	8,603
Trust led GDS & PDS	598	512
General Ophthalmic Services	1,984	1,972
Department of Health Initiative Funding	0	0
Pharmaceutical services	901	803
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	8,651	8,557
Non-GMS Services from GPs	0	0
Other	7	0
<b>Total Primary Healthcare purchased</b>	<b>79,763</b>	<b>79,035</b>

**Purchase of Secondary Healthcare**

Learning Difficulties	4,837	5,884
Mental Illness	27,713	31,408
Maternity	8,194	9,387
General and Acute	145,003	136,115
Accident and emergency	14,517	13,610
Community Health Services	34,660	33,260
Other Contractual	1,797	89
<b>Total Secondary Healthcare Purchased</b>	<b>236,721</b>	<b>229,753</b>

**Grant Funding**

Grants for capital purposes	2,911	755
Grants for revenue purposes	0	0
<b>Total Healthcare Purchased by PCT</b>	<b>319,395</b>	<b>309,543</b>

PCT self-provided secondary healthcare included above	134	9,251
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	121,237	117,098



## 6. Operating Leases

The PCT has leases for three properties, which expire in 2018, 2025 and 2026 and these will be transferred to NHS Property Services Limited. These leases are potentially renewable and do not have purchase options.

6.1 PCT as lessee	2012-13				2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
<b>Payments recognised as an expense</b>					
Minimum lease payments				278	445
Contingent rents				0	0
Sub-lease payments				0	0
<b>Total</b>				<b>278</b>	<b>445</b>
<b>Payable:</b>					
No later than one year	15	192	0	207	275
Between one and five years	60	759	0	819	827
After five years	206	1,171	0	1,377	1,575
<b>Total</b>	<b>281</b>	<b>2,122</b>	<b>0</b>	<b>2,403</b>	<b>2,677</b>
Total future sublease payments expected to be received				82	109

### GP Premises

Swindon PCT has entered into certain financial arrangements involving the use of GP premises. These arrangements have been reviewed under IAS17, SIC27 and IFRIC 4.

The PCT has determined that these arrangements contain operating leases and must therefore be recognised, but, as there is no defined term in arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the Operating Cost Statement for 2012/13 is £2.012m (2011/12 £1.946m). These costs are included in Note 5.1-Analysis of Operating Costs in the line "G/PMS, APMS and PCTMS" and also in Note 5.2-Purchase of Primary Health Care in the line "GMS/PMS/APMS/PCTMS."

### ISTC

An Independent Treatment Centre contract commenced in November 2009. The contract is between UKSH, the service provider, and the Department of Health to provide an agreed range of treatments for the term of the contract and activity is priced at the NHS tariff for secondary health care. This activity is provided to and purchased by PCTs in the surrounding area including Swindon PCT. In 2012/13 the activity was provided from three sites; Emerson's Green, Cirencester and Devizes. An assessment of the contract against IFRIC 12, IFRIC4 and IAS17 has determined that an operating lease exists for the Emerson's Green site. The payment by Swindon PCT to UKSH for activity at all sites was £2.802m in 2012/13 (2011/12 £3.153m). In estimating the annual value of the operating lease the PCT has taken the actual usage of each site by the PCT and apportioned the service payment accordingly, then estimated the percentage of the tariff which relates to the estate costs based on similar premises and determined this to be approximately 12% (the tariff includes a contribution to the cost of the asset).

The estimated value of the operating lease in 2012/13 is £0.086m (2011/12 £0.103m).

The contract cost is shown in Note 5.1 - Purchase of Goods and services (other, excl Trusts, FT and PCT).

## 6.2 PCT as lessor

The PCT leases space in Priory Road Medical Centre. A proportion of that space is then leased to a dental practice for which the PCT receives rental income.

	2012-13 £000	2011-12 £000
<b>Recognised as income</b>		
Rental Revenue	1,351	27
Contingent rents	0	0
<b>Total</b>	<b>1,351</b>	<b>27</b>
<b>Receivable:</b>		
No later than one year	27	27
Between one and five years	55	82
After five years	0	0
<b>Total</b>	<b>82</b>	<b>109</b>

7. Employee benefits and staff numbers

7.1 Employee benefits

	Total all employees			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
<b>Employee Benefits - Gross Expenditure - 2012-13</b>									
Salaries and wages	4,393	3,272	1,121	2,806	1,992	814	1,587	1,280	307
Social security costs	304	216	88	304	216	88	0	0	0
Employer Contributions to NHS BSA - Pensions Division	429	304	125	429	304	125	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	688	0	688	688	0	688	0	0	0
<b>Total employee benefits</b>	<b>5,814</b>	<b>3,792</b>	<b>2,022</b>	<b>4,227</b>	<b>2,512</b>	<b>1,715</b>	<b>1,587</b>	<b>1,280</b>	<b>307</b>
<b>Less recoveries in respect of employee benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>5,814</b>	<b>3,792</b>	<b>2,022</b>	<b>4,227</b>	<b>2,512</b>	<b>1,715</b>	<b>1,587</b>	<b>1,280</b>	<b>307</b>
<b>Employee costs capitalised</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>5,814</b>	<b>3,792</b>	<b>2,022</b>	<b>4,227</b>	<b>2,512</b>	<b>1,715</b>	<b>1,587</b>	<b>1,280</b>	<b>307</b>
<b>Recognised as:</b>									
Commissioning employee benefits	5,510			4,100			1,410		
Provider employee benefits	304			127			177		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>5,814</b>			<b>4,227</b>			<b>1,587</b>		

Employee Benefits - Revenue - 2012-13

There are no Employee Benefits - Revenue - 2012-13

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
<b>Employee Benefits Gross Expenditure 2011-12</b>			
Salaries and wages	10,636	9,081	1,555
Social security costs	745	730	15
Employer Contributions to NHS BSA - Pensions Division	1,174	1,151	23
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	1,234	1,234	0
<b>Total gross employee benefits</b>	<b>13,789</b>	<b>12,196</b>	<b>1,593</b>
<b>Less recoveries in respect of employee benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>13,789</b>	<b>12,196</b>	<b>1,593</b>
<b>Employee costs capitalised</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>13,789</b>	<b>12,196</b>	<b>1,593</b>
<b>Recognised as:</b>			
Commissioning employee benefits	6,391		
Provider employee benefits	7,398		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>13,789</b>		

Provider service transferred to a social enterprise on 1st October 2011, therefore staff expenditure in 2011/12 includes six months of these provider staff.

## 7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
<b>Average Staff Numbers</b>						
Medical and dental	4	4	0	5	5	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	86	84	2	97	88	9
Healthcare assistants and other support staff	0	0	0	69	67	2
Nursing, midwifery and health visiting staff	8	8	0	62	61	1
Nursing, midwifery and health visiting learners	1	1	0	0	0	0
Scientific, therapeutic and technical staff	5	5	0	35	35	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>TOTAL</b>	<b>103</b>	<b>101</b>	<b>2</b>	<b>268</b>	<b>256</b>	<b>12</b>
Of the above - staff engaged on capital projects	0	0	0	0	0	0

Provider service transferred to a social enterprise on 1st October 2011, therefore these average staff numbers in 2011/12 include Provider service staff for the first half of the year.

## 7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,114	3,215
Total Staff Years	200	455
Average working Days Lost	5.57	7.07

These figures are provided by the Department of Health and cover the calendar years rather than the financial years ending on 31st March. As a consequence these statistics include staff that were transferred to a social enterprise from 1st October 2011.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	1	1
Total additional pensions liabilities accrued in the year	£000s 260	£000s 215

## 7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12		
	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages Number	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages Number
Less than £10,000	1	0	1	6	2	8
£10,001-£25,000	2	0	2	4	5	9
£25,001-£50,000	1	0	1	4	1	5
£50,001-£100,000	2	0	2	4	3	7
£100,001 - £150,000	2	0	2	0	2	2
£150,001 - £200,000	1	0	1	0	0	0
>£200,000	0	0	0	0	0	0
<b>Total number of exit packages by type (total cost)</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>18</b>	<b>13</b>	<b>31</b>
<b>Total resource cost</b>	<b>£s</b> 690,010	<b>£s</b> 0	<b>£s</b> 690,010	<b>£s</b> 571,000	<b>£s</b> 663,000	<b>£s</b> 1,234,000

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

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

## 7.5 Pension costs

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

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

### a) Accounting valuation

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

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

### b) Full actuarial (funding) valuation

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

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

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

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

### c) Scheme provisions

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

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

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

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

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

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

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

## 8. Better Payment Practice Code

### 8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	6,070	74,676	9,631	40,555
Total Non-NHS Trade Invoices Paid Within Target	5,623	74,221	8,586	37,516
Percentage of NHS Trade Invoices Paid Within Target	92.64%	99.39%	89.15%	92.51%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	2,624	196,713	2,558	189,308
Total NHS Trade Invoices Paid Within Target	2,172	192,105	2,127	181,636
Percentage of NHS Trade Invoices Paid Within Target	82.77%	97.66%	83.15%	95.95%

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

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

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

## 9. Investment Income

The PCT has no Investment Income

## 10. Other Gains and Losses

The PCT has no Other Gains and Losses

## 11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
<b>Interest</b>				
Interest on obligations under finance leases	44	0	44	46
<b>Interest on obligations under PFI contracts:</b>				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
<b>Interest on obligations under LIFT contracts:</b>				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
<b>Total interest expense</b>	<b>44</b>	<b>0</b>	<b>44</b>	<b>46</b>
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
<b>Total</b>	<b>44</b>	<b>0</b>	<b>44</b>	<b>46</b>

## 12.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
<b>2012-13</b>							
<b>Cost or valuation:</b>							
<b>At 1 April 2012</b>	<b>1,170</b>	<b>10,371</b>	<b>532</b>	<b>33</b>	<b>2,036</b>	<b>75</b>	<b>14,217</b>
Additions of Assets Under Construction							0
Additions Purchased	0	252	0	0	204	0	456
Additions Donated	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0
Disposals other than for sale	0	(2,245)	(509)	(33)	(1,028)	(75)	(3,890)
Upward revaluation/positive indexation	0	0	0	0	0	0	0
Impairments/negative indexation	(25)	(1,316)	0	0	0	0	(1,341)
Reversal of Impairments	25	23	0	0	0	0	48
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>1,170</b>	<b>7,085</b>	<b>23</b>	<b>0</b>	<b>1,212</b>	<b>0</b>	<b>9,490</b>
<b>Depreciation</b>							
<b>At 1 April 2012</b>	<b>0</b>	<b>(202)</b>	<b>518</b>	<b>33</b>	<b>1,360</b>	<b>50</b>	<b>1,759</b>
Reclassifications	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0
Disposals other than for sale	0	(998)	(509)	(33)	(1,028)	(75)	(2,643)
Upward revaluation/positive indexation	0	0	0	0	0	0	0
Impairments	0	150	0	0	0	0	150
Reversal of Impairments	0	(104)	0	0	0	0	(104)
Charged During the Year	0	393	14	0	634	25	1,066
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>(761)</b>	<b>23</b>	<b>0</b>	<b>966</b>	<b>0</b>	<b>228</b>
<b>Net Book Value at 31 March 2013</b>	<b>1,170</b>	<b>7,846</b>	<b>0</b>	<b>0</b>	<b>246</b>	<b>0</b>	<b>9,262</b>
Purchased	1,170	7,846	0	0	246	0	9,262
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>1,170</b>	<b>7,846</b>	<b>0</b>	<b>0</b>	<b>246</b>	<b>0</b>	<b>9,262</b>
<b>Asset financing:</b>							
Owned	1,170	7,846	0	0	246	0	9,262
Held on finance lease	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>1,170</b>	<b>7,846</b>	<b>0</b>	<b>0</b>	<b>246</b>	<b>0</b>	<b>9,262</b>
<b>Revaluation Reserve Balance for Property, Plant &amp; Equipment</b>							
	Land	Buildings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>At 1 April 2012</b>	<b>294</b>	<b>3,511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,805</b>
Movements (specify)	0	(1,553)	0	0	0	0	(1,553)
<b>At 31 March 2013</b>	<b>294</b>	<b>1,958</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,252</b>

## 12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
<b>2011-12</b>							
<b>Cost or valuation:</b>							
<b>At 1 April 2011</b>	<b>1,380</b>	<b>11,007</b>	<b>532</b>	<b>33</b>	<b>2,033</b>	<b>75</b>	<b>15,060</b>
Additions - purchased	0	155	0	0	22	0	177
Additions - donated	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	(200)	(309)	0	0	0	0	(509)
Disposals other than by sale	0	(706)	0	0	(19)	0	(725)
Revaluation & indexation gains	0	364	0	0	0	0	364
Impairments	(10)	(140)	0	0	0	0	(150)
Reversals of impairments	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>1,170</b>	<b>10,371</b>	<b>532</b>	<b>33</b>	<b>2,036</b>	<b>75</b>	<b>14,217</b>
<b>Depreciation</b>							
<b>At 1 April 2011</b>	<b>0</b>	<b>213</b>	<b>487</b>	<b>32</b>	<b>1,042</b>	<b>41</b>	<b>1,815</b>
Reclassifications	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	(259)	0	0	0	0	(259)
Disposals other than for sale	0	(706)	0	0	(19)	0	(725)
Upward revaluation/positive indexation	0	0	0	0	0	0	0
Impairments	0	164	0	0	0	0	164
Reversal of Impairments	0	(99)	0	0	0	0	(99)
Charged During the Year	0	485	31	1	337	9	863
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>0</b>	<b>(202)</b>	<b>518</b>	<b>33</b>	<b>1,360</b>	<b>50</b>	<b>1,759</b>
<b>Net Book Value at 31 March 2012</b>	<b>1,170</b>	<b>10,573</b>	<b>14</b>	<b>0</b>	<b>676</b>	<b>25</b>	<b>12,458</b>
Purchased	1,170	10,573	14	0	676	25	12,458
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>1,170</b>	<b>10,573</b>	<b>14</b>	<b>0</b>	<b>676</b>	<b>25</b>	<b>12,458</b>
<b>Asset financing:</b>							
Owned	1,170	8,161	14	0	669	25	10,039
Held on finance lease	0	2,412	0	0	7	0	2,419
On-SOFP PFI contracts	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>1,170</b>	<b>10,573</b>	<b>14</b>	<b>0</b>	<b>676</b>	<b>25</b>	<b>12,458</b>

## 12.3 Property, plant and equipment

### 12.3 Property, plant and equipment

For valuation purposes the PCT is required to apply the revaluation model as set out in IAS16 which requires assets to be held at Fair Value (FV). The FV of land and buildings is usually determined from market based evidence by appraisal undertaken by professionally qualified valuers. For Swindon PCT the market value used in arriving at FV is subject to the assumption that a property could be sold as part of the continuing enterprise in occupation.

Swindon PCT's properties include one non specialised operational asset with the remainder being specialised operational assets. For the non specialist operational asset market value equates in practice to an Existing use Value. For the Specialist Operational Assets the FV is estimated using a Depreciated Replacement Cost approach on a Modern Equivalent Asset (MEA) basis.

The valuation of all Swindon PCT's property assets has been reassessed in 2012/13 by the District Valuer, an independent valuer, with an effective date of 31st March 2013.

The assesment of property values on an individual basis resulted in an impairment of £0.806m and an increased values of £0.153m. Of the increased values £0.104m has been charged to the Statement of Comprehensive Net Expenditure as they were reversals of impairments which had been charged there previously.

The minimum and maximum lives for each class of asset are set out below:-

	Minimum life in years	Maximum life in years
Buildings exc Dwellings	10	50
Information Technology	2	5

With the adoption of IFRS accounting standards, it was determined that the property known as Swindon Health Centre, fell within the definition of a finance lease as required by IAS17. A revised lease has now been signed with the lessor, which falls within the definition of an operating lease. This requires that the finance lease liability of £1.247m and the associated property asset of £1.931m are removed from the SOFP, with the difference of £0.684m being charged to reserves.



## 13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
<b>2012-13</b>						
<b>At 1 April 2012</b>	<b>0</b>	<b>311</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>311</b>
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(160)	0	0	0	(160)
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>151</b>
<b>Amortisation</b>						
<b>At 1 April 2012</b>	<b>0</b>	<b>248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>248</b>
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(160)	0	0	0	(160)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	26	0	0	0	26
In-year transfers to NHS bodies	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>114</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>114</b>
<b>Net Book Value at 31 March 2013</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>
<b>Net Book Value at 31 March 2013 comprises</b>						
Purchased	0	37	0	0	0	37
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>
<b>Revaluation reserve balance for intangible non-current assets</b>						
	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
<b>At 1 April 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Movements (specify)	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 13.2 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
<b>At 1 April 2011</b>	<b>0</b>	<b>311</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>311</b>
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>0</b>	<b>311</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>311</b>
<b>Amortisation</b>						
<b>At 1 April 2011</b>	<b>0</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>176</b>
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	72	0	0	0	72
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>0</b>	<b>248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>248</b>
<b>Net Book Value at 31 March 2012</b>	<b>0</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>
<b>Net Book Value at 31 March 2012 comprises</b>						
Purchased	0	63	0	0	0	63
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>

## 13.3 Intangible non-current assets

The intangible assets of the PCT consist of purchased software licences and one purchased website development asset. All the assets are capitalised at cost and held at depreciated historic cost as this is considered to be not materially different from fair value.

## Economic Lives of Non-Current Assets

Intangible Assets	Min Life Years	Max Life Years
Software purchased	1	3

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
<b>Property, Plant and Equipment impairments and reversals taken to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	46		46
<b>Total charged to Annually Managed Expenditure</b>	<b>46</b>		<b>46</b>
<b>Property, Plant and Equipment impairments and reversals charged to the revaluation reserve</b>			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	1,293		
<b>Total impairments for PPE charged to reserves</b>	<b>1,293</b>		
<b>Total Impairments of Property, Plant and Equipment</b>	<b>1,339</b>	<b>0</b>	<b>46</b>
<b>Intangible assets impairments and reversals charged to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
<b>Total charged to Annually Managed Expenditure</b>	<b>0</b>		<b>0</b>
<b>Intangible Assets impairments and reversals charged to the Revaluation Reserve</b>			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
<b>Total impairments for Intangible Assets charged to Reserves</b>	<b>0</b>		
<b>Total Impairments of Intangibles</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Assets charged to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Loss as a result of catastrophe	0		0
Other	0		0
<b>Total charged to Annually Managed Expenditure</b>	<b>0</b>		<b>0</b>
<b>Financial Assets impairments and reversals charged to the Revaluation Reserve</b>			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
<b>TOTAL impairments for Financial Assets charged to reserves</b>	<b>0</b>		
<b>Total Impairments of Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
<b>Non-current assets held for sale - impairments and reversals charged to SoCNE.</b>			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
<b>Total charged to Annually Managed Expenditure</b>	<b>0</b>		<b>0</b>
<b>Total impairments of non-current assets held for sale</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Inventories - impairments and reversals charged to SoCNE</b>			
Loss or Damage Resulting from Normal Operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
<b>Total charged to Annually Managed Expenditure</b>	<b>0</b>		<b>0</b>
<b>Total impairments of Inventories</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment Property impairments charged to SoCNE</b>			
Loss or Damage Resulting from Normal Operations	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
<b>Total charged to Annually Managed Expenditure</b>	<b>0</b>		<b>0</b>
<b>Total Investment Property impairments charged to SoCNE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment Property impairments and reversals charged to the Revaluation Reserve</b>			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
<b>TOTAL impairments for Investment Property charged to Reserves</b>	<b>0</b>		
<b>Total Investment Property Impairments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Impairments charged to Revaluation Reserve</b>	<b>1,293</b>		
<b>Total Impairments charged to SoCNE - DEL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Impairments charged to SoCNE - AME</b>	<b>46</b>		<b>46</b>
<b>Overall Total Impairments</b>	<b>1,339</b>	<b>0</b>	<b>46</b>
<b>Of which:</b>			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
<b>Donated and Gov Granted Assets, included above -</b>			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

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**15 Investment property**

The PCT does not have investment property.

**16 Commitments**

**16.1 Capital commitments**

The PCT has no contracted capital commitments at 31 March 2013 other than those included in these financial statements.

**16.2 Other financial commitments**

The PCT has no other financial commitments other than those included in these financial statements.

**17 Intra-Government and other balances**

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	277	0	484	0
Balances with Local Authorities	59	0	175	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	543	0	3,565	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	61	0	16,630	0
<b>At 31 March 2013</b>	<b>940</b>	<b>0</b>	<b>20,854</b>	<b>0</b>
<b>prior period:</b>				
Balances with other Central Government Bodies	817	0	162	0
Balances with Local Authorities	762	0	36	0
Balances with NHS Trusts and Foundation Trusts	309	0	1,675	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,084	0	14,600	0
<b>At 31 March 2012</b>	<b>2,972</b>	<b>0</b>	<b>16,473</b>	<b>0</b>

**18 Inventories**

The PCT has no Inventories

**19.1 Trade and other receivables**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	648	1,080	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	216	667	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	0	858	0	0
Provision for the impairment of receivables	(96)	(52)	0	0
VAT	172	46	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	373	0	0
<b>Total</b>	<b>940</b>	<b>2,972</b>	<b>0</b>	<b>0</b>
<b>Total current and non current</b>	<b>940</b>	<b>2,972</b>		
<b>Included above:</b>				
<b>Prepaid pensions contributions</b>	<b>0</b>	<b>0</b>		

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

**19.2 Receivables past their due date but not impaired**

	31 March 2013 £000	31 March 2012 £000
By up to three months	214	86
By three to six months	174	199
By more than six months	232	6
<b>Total</b>	<b>620</b>	<b>291</b>

**19.3 Provision for impairment of receivables**

	2012-13 £000	2011-12 £000
<b>Balance at 1 April 2012</b>	<b>(52)</b>	<b>(29)</b>
Amount written off during the year	10	11
Amount recovered during the year	10	16
(Increase)/decrease in receivables impaired	(64)	(50)
<b>Balance at 31 March 2013</b>	<b>(96)</b>	<b>(52)</b>

## 20 NHS LIFT Investments

The PCT has no NHS LIFT Investments

### 21.1 Other financial assets - Current

The PCT has no Other financial assets - Current

### 21.2 Other Financial Assets - Non Current

The PCT has no Other financial assets - Non Current

### 21.3 Other Financial Assets - Capital Analysis

The PCT has no Other financial assets - Capital Analysis

## 22 Other current assets

The PCT has no Other current assets

## 23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
<b>Opening balance</b>	1	4
Net change in year	(1)	(3)
<b>Closing balance</b>	<u>0</u>	<u>1</u>
<b>Made up of</b>		
Cash with Government Banking Service	0	0
Commercial banks	0	1
Cash in hand	0	0
Current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	0	1
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<u>0</u>	<u>1</u>
Patients' money held by the PCT, not included above	<u>0</u>	<u>0</u>

**24 Non-current assets held for sale**

	Land	Buildings, excl. dwellings	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	200	50	0	0	0	0	<b>250</b>
Plus assets classified as held for sale in the year	0	0	0	0	0	0	<b>0</b>
Less assets sold in the year	(200)	(20)	0	0	0	0	<b>(220)</b>
Less impairment of assets held for sale	0	0	0	0	0	0	<b>0</b>
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	<b>0</b>
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	<b>0</b>
Revaluation	0	(30)	0	0	0	0	<b>(30)</b>
<b>Balance at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities associated with assets held for sale at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 1 April 2011</b>	0	0	0	0	0	0	<b>0</b>
Plus assets classified as held for sale in the year	200	50	0	0	0	0	<b>250</b>
Less assets sold in the year	0	0	0	0	0	0	<b>0</b>
Less impairment of assets held for sale	0	0	0	0	0	0	<b>0</b>
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	<b>0</b>
<b>Balance at 31 March 2012</b>	<b>200</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>
<b>Liabilities associated with assets held for sale at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revaluation reserve balances in respect of non-current assets held for sale were:</b>							
At 31 March 2012	138						
At 31 March 2013	0						

The PCT had one non current asset held for sale; this is Oak House which was previously used to provide short breaks to adults with a learning difficulty. This service has now moved to a new build within the town. Oak House was sold during the year for £220k, with the downward revaluation of £30k being taken to the revaluation reserve.



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**25 Trade and other payables**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0		
NHS payables - revenue	3,081	1,020	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	886	817	0	0
Family Health Services (FHS) payables	8,665	7,153		
Non-NHS payables - revenue	4,195	2,459	0	0
Non-NHS payables - capital	189	154	0	0
Non_NHS accruals and deferred income	3,756	4,455	0	0
Social security costs	82	0		
VAT	0	0	0	0
Tax	0	0		
Payments received on account	0	0	0	0
Other	0	415	0	0
<b>Total</b>	<b>20,854</b>	<b>16,473</b>	<b>0</b>	<b>0</b>
<b>Total payables (current and non-current)</b>	<b>20,854</b>	<b>16,473</b>		

**Included above:**

To buy out the liability for early retirements over 5 Years	0	0
Number of cases Involved	0	0
Outstanding pension contributions at year end	0	0

**26 Other liabilities**

The PCT has no other liabilities.

**27 Borrowings**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	49	0	1,251
Other (describe)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>49</b>	<b>0</b>	<b>1,251</b>
<b>Total other liabilities (current and non-current)</b>	<b>0</b>	<b>1,300</b>		

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

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	0	0
1 - 2 Years	0	0	0
2 - 5 Years	0	0	0
Over 5 Years	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**28 Other financial liabilities**

The PCT has no other financial liabilities.

## 29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	52	376	0	0
Deferred income addition	0	45	0	0
Transfer of deferred income	(52)	(369)	0	0
<b>Current deferred Income at 31 March 2013</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>0</b>	<b>52</b>		

## 30 Finance lease obligations

With the adoption of IFRS accounting standards, it was determined that the property known as Swindon Health Centre fell within the definition of a finance lease as required by IAS17. A revised lease has now been signed with the lessor which falls within the definition of an operating lease. This requires that the finance lease liability of £1.247m and the associated property asset of £1.931m are removed from the SOFP, with the difference of £0.684m being charged to reserves.

Amounts payable under finance leases (Buildings)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	90	0	47
Between one and five years	0	360	0	204
After five years	0	1,327	0	1,042
Less future finance charges	0	(484)		
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>1,293</b>	<b>0</b>	<b>1,293</b>
Included in:				
Current borrowings			0	47
Non-current borrowings			0	1,246
			<b>0</b>	<b>1,293</b>

### Amounts payable under finance leases (Land)

The PCT has no amounts payable under finance leases for Land

Amounts payable under finance leases (Other)	Minimum lease payments		Present value of minimum lease	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	0	3	0	2
Between one and five years	0	5	0	5
After five years	0	0	0	0
Less future finance charges	0	(1)		
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>
Included in:				
Current borrowings			0	2
Non-current borrowings			0	5
			<b>0</b>	<b>7</b>

### Finance leases as lessee

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

## 31 Finance lease receivables as lessor

The PCT has no finance lease receivables as lessor.

**32 Provisions**

	Total £000s	Legal Claims £000s	Continuing Care £000s	Other £000s	Redundancy £000s
<b>Balance at 1 April 2012</b>	<b>2,297</b>	2	1,681	505	109
Arising During the Year	5,497	0	4,559	754	184
Utilised During the Year	(3,614)	(1)	(2,921)	(400)	(292)
Reversed Unused	(1,245)	(1)	(862)	(381)	(1)
Unwinding of Discount	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0
<b>Balance at 31 March 2013</b>	<b>2,935</b>	<b>0</b>	<b>2,457</b>	<b>478</b>	<b>0</b>

**Expected Timing of Cash Flows:**

No Later than One Year	2,935	0	2,457	478	0
Later than One Year and not later than Five Years	0	0	0	0	0
Later than Five Years	0	0	0	0	0

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

<b>As at 31 March 2013</b>	260
<b>As at 31 March 2012</b>	2,167

Continuing Healthcare Provisions - this provision is for claims received by the PCT for continuing health care which have yet to be assessed. Claims are assessed for eligibility using the national guidance and toolkits. During the financial year the Department of Health issued a deadline of 30th September 2012 for individuals to make a claim for retrospective continuing health care (for the period up to 31st March 2011). This resulted in a high number of claims being received by the deadline of 30th September.

The provision for 2012/13 has therefore been calculated in two parts; the first relating to the routine claims received prior to the deadline being announced and the second for the remaining claims.

The provision for routine claims has been calculated by taking the claims outstanding as at 31 March, making an assessment of the likely financial value based on the average cost of eligible cases in 2011/12 and applying a conversion factor based on the historic eligibility rate.

The second part of the provision has been calculated by taking the claims outstanding as at 31 March, making an assessment of the likely financial value based on the average cost of eligible cases in 2012/13 and applying a conversion factor of 20% based on initial guidance from the DH and reviews of those cases that have been assessed.

The estimation of the rate of conversion of backdated claims submitted due to the cut off deadline is extremely difficult and it is recognised that there is significant uncertainty associated with the estimate and it could prove to be inaccurate. Although the PCT are confident that the actual liability will not be significantly in excess of the provision made, in recognition of the volatility of the potential liability the PCT has disclosed a contingent liability of £8.664m which is 80% of the value of claims which are currently not expected to be successful"

**Other Provisions**

Fertility treatment provision - this provision is for the potential cost of fertility treatments for those who met the eligibility criteria. Those eligible are entitled to a number of cycles, the provision takes account of the likelihood of success for each cycle.

**33 Contingencies**

	31 March 2013 £000	31 March 2012 £000
<b>Contingent liabilities</b>		
Equal Pay	0	0
Continuing Healthcare	(8,664)	(2,281)
Amounts Recoverable Against Contingent Liabilities	0	0
<b>Net Value of Contingent Liabilities</b>	<b>(8,664)</b>	<b>(2,281)</b>
<b>Contingent Assets</b>		
Contingent Assets	0	0
<b>Net Value of Contingent Assets</b>	<b>0</b>	<b>0</b>

The contingent liability for Continuing Healthcare represents the assessed financial value of the claims outstanding which we consider will not be found

**34 PFI and LIFT - additional information**

The PCT does not have any PFI or LIFT investments.

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

The PCT has not been affected by any IFRS treatment.

### 36 Financial Instruments

#### Financial risk management

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

#### Currency risk

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

#### Interest rate risk

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

#### Credit Risk

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

#### Liquidity Risk

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

#### 36.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		648		648
Receivables - non-NHS		120		120
Cash at bank and in hand		0		0
Other financial assets	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>768</b>	<b>0</b>	<b>768</b>

Embedded derivatives	0			0
Receivables - NHS		1,080		1,080
Receivables - non-NHS		988		988
Cash at bank and in hand		1		1
Other financial assets	0	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>2,069</b>	<b>0</b>	<b>2,069</b>

#### 36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		3,967	3,967
Non-NHS payables		16,786	16,786
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>20,753</b>	<b>20,753</b>

Embedded derivatives	0		0
NHS payables		1,837	1,837
Non-NHS payables		14,584	14,584
Other borrowings		0	0
PFI & finance lease obligations		1,300	1,300
Other financial liabilities	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>17,721</b>	<b>17,721</b>

## Swindon PCT - Annual Accounts 2012-13

### 37 Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Swindon Primary Care Trust with the following exceptions:

	Payments to Related Party		Amounts owed to Related Party	
	2013 £	2012 £	2013 £	2012 £
Ms A Brunning Member of Clinical Commissioning Group Dr Janson & Partners, Hawthorn Medical Practice	1,514,434	1,424,164	114,118	46,227
Dr P Mayes Member of Clinical Commissioning Group Dr Elliman & Partners, Kingswood Surgery	1,264,512	1,290,889	109,849	22,185
Dr P Crouch Chairman Clinical Commissioning Group Drs Morris & Crouch, Taw Hill Medical Practice	1,450,393	1,246,177	30,475	17,634
Ms T Speed Member of Clinical Commissioning Group Dr Nixon & Partners, Ashington House Surgery	996,684	985,789	89,464	45,488
Dr P Mack Member of Clinical Commissioning Group Dr P Mack & Partners, Moredon Medical Practice	1,418,126	1,437,145	80,285	20,011
Dr G Jamie Member of Clinical Commissioning Group in 2011/12 only Dr MacIntyre & Partners, Whalebridge Practice	0	1,040,279	0	36,756
Dr A Measroch / Dr E Holliday Members of Clinical Commissioning Group Dr Kowalczyk & Partners, Eldene Surgery	844,675	900,724	53,567	19,949
Mr W Fishlock Board Member - Chair of Audit Member of Prospect Hospice, Wiltshire Police Authority	957,246	992,815	67,842	44,061

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

South West Strategic Health Authority  
 NHS Business Services Authority  
 Wiltshire Primary Care Trust  
 Bristol Primary Care Trust (in relation to Specialist Commissioning)  
 NHS Litigation Authority  
 NHS Purchasing and Supply Agency  
 Oxford Radcliffe NHS Trust  
 Great Western Hospitals Foundation Trust  
*Mr W Fishlock is a PCT appointed Governor for The Great Western Hospitals Foundation Trust.*

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Swindon Borough Council, Wiltshire Police Authority and Wiltshire & Swindon Fire Authority, these transactions relate to the joint working arrangements.

The PCT has not received any revenue or capital payments from charitable funds over which it has control.

### 38 Losses and special payments

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

	<b>Total Value of Cases £s</b>	<b>Total Number of Cases</b>
Losses - PCT management costs	10,931	10
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
<b>Total losses</b>	<u>10,931</u>	<u>10</u>
<b>Total special payments</b>	<u>1,650</u>	<u>2</u>
<b>Total losses and special payments</b>	<u><u>12,581</u></u>	<u><u>12</u></u>

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

	<b>Total Value of Cases £s</b>	<b>Total Number of Cases</b>
Losses - PCT management costs	14,265	11
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
<b>Total losses</b>	<u>14,265</u>	<u>11</u>
<b>Total special payments</b>	<u>0</u>	<u>0</u>
<b>Total losses and special payments</b>	<u><u>14,265</u></u>	<u><u>11</u></u>

### 39 Third party assets

The PCT does not hold any assets on behalf of other bodies.

## 40 Pooled budgets

### 40.1 S75 Agreement - Commissioning of Adult Services

Swindon PCT has a s75 agreement with Swindon Borough Council for the commissioning of Adult Mental Health, Learning Disability Integrated Community Equipment and Community Services; this is hosted by Swindon Borough Council.

The PCT and Borough Council budgets within the s75 agreement are aligned, not pooled, therefore the PCT is responsible for any over or underspends relating to the health part of the agreement.

The PCT's shares of the income and expenditure handled by the pooled budget in the financial year were:

	2012-13 £000	2011-12 £000
Swindon PCT contribution	34,067	34,863
Interest	27	69
<b>Total Funding (SPCT share)</b>	<b>34,094</b>	<b>34,932</b>
Expenditure:		
Mental Health	16,725	17,968
Community Health Services (including Learning Disability)	17,369	16,509
Commissioning Costs		455
<b>Total Expenditure (SPCT share)</b>	<b>34,094</b>	<b>34,932</b>
<b>Net Position</b>	<b>0</b>	<b>0</b>

Balances Included within Swindon PCT's accounts which relate to the pooled budget are as follows:

Debtors	0	0
Payments in advance	0	0
Cash	0	0
<b>Total assets</b>	<b>0</b>	<b>0</b>
Creditors	319	507
Surplus	-319	-507
<b>Total liabilities</b>	<b>0</b>	<b>0</b>

### 40.2 S75 Agreement - Commissioning of Childrens Services

Swindon PCT has a s75 agreement with Swindon Borough Council for the commissioning of childrens's community services; this is hosted by Swindon Borough Council.

The PCT and Borough Council budgets within the s75 agreement are mainly aligned, not pooled, therefore the PCT is responsible for any over or underspends relating to the health part of the agreement. A small part of the budget is pooled and under and overspends are apportioned on the basis of contributions that part of the pool.

The PCT's shares of the income and expenditure handled by the pooled budget in the financial year were:

	2012/13 £000	2011/12 £000
Swindon PCT contribution	9,226	9,485
<b>Total Funding (SPCT share)</b>	<b>9,226</b>	<b>9,485</b>
Expenditure:		
Community Health Services (Integrated Teams)	4,381	4,290
CAMHs services	2,182	2,253
NHS Placements and Short Breaks	1,004	1,399
Community Midwifery Services	1,316	1,327
Young People's Drugs Misuse	79	74
Voluntary Organisations & Other Grants	198	60
Healthy Schools	66	82
<b>Total Expenditure (SPCT share)</b>	<b>9,226</b>	<b>9,485</b>
<b>Net Position</b>	<b>0</b>	<b>0</b>

Balances Included within Swindon PCT's accounts which relate to the pooled budget are as follows:

Debtors	0	0
Payments in advance	0	0
Cash	0	0
<b>Total assets</b>	<b>0</b>	<b>0</b>
Creditors	245	663
Deferred income		0
Surplus against contributions	-245	-663
<b>Total liabilities</b>	<b>0</b>	<b>0</b>

#### 41 Cashflows relating to exceptional items

There are no Cashflows relating to exceptional items

#### 42 Events after the end of the reporting period

The PCT takes account of recent guidance from the Department of Health and decisions taken at Board and Commissioning Committee meetings and decides whether any of these need to be disclosed as post balance sheet events.

As a result of the Health and Social Care Act, the PCT will cease to exist as at 31<sup>st</sup> March 2013 and the commissioning functions of the PCT will pass to various organisations:

Receiving Body	Functions Transferring	Approximate Value of Services Transferring *
Swindon Clinical Commissioning Group (SCCG)	Non specialist health care commissioning contracts. This amounts to the majority of the PCT's budget	£231m
National Commissioning Board (NCB)	Primary care contracts, secondary care dental, military health, some public health functions & specialist commissioning contracts	£76m
Public Health England (PHE)	Specified public health functions	£0.7m
Local Authority - Swindon Borough Council (SBC)	Specified public health functions	£7.8m
NHS Property Services (NHSPS)	Estates & landlord functions	£1m

\* these figures have been taken from a baseline return completed by the PCT using their initial 2012/13 budgets

Swindon Clinical Commissioning Group (SCCG) has been authorised by NHS England and is coterminous with Swindon PCT. This group was a sub Committee of the Swindon PCT Board in 2012/13.

Accountability for Swindon PCT remained with the Swindon PCT Chief Executive until 31st March 2013. As of 1st April 2013, responsibility for the discharge of closedown functions, including closure of accounts, for PCTs transferred to NHS England. The NHS England Area Team Director supported by the Area Team Director of Finance are responsible for signing the accounts and supporting statements. A Department of Health Audit Committee has been constituted to review the accounts, this Audit Committee comprises former Swindon PCT Non Executive members.

Unlike most previous NHS reorganisations, there is no direct successor to take responsibility for the closing balances of PCTs. Balances will transfer to a variety of receiving organisations, the principle being that the balance will transfer to where the associated function has transferred. Details of the more significant assets and liabilities and the organisation receiving the balance are given below:

	SCCG	NCB	PHE	SBC	NHSPS	Total £m
Property Plant & Equipment	0.1	0.2			9.0	9.3
Receivables	0.8				0.1	0.9
Payables	10.9	1.1			0.1	12.1
Prescribing creditor	5.4					5.4
GP, Ophthalmic, Pharmacy & Dental creditors	0.3	3.0				3.3
<b>Payables Total</b>	<b>16.6</b>	<b>4.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>20.8</b>
Provisions	2.9					2.9

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