



Department
of Health



Liverpool Primary Care Trust

2012-13 Annual Report and Accounts

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Liverpool Primary Care Trust

2012-13 Annual Report



Department
of Health

Annual Report and Accounts 2012-2013

Liverpool Primary Care Trust

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Welcome...

...to the final Annual Report of Liverpool Primary Care Trust (PCT), charting the PCT's last year as the organisation accountable for 'commissioning' or buying and planning health services for everyone who lives in the borough.

During 2012-2013 the PCT remained the body responsible for ensuring the continued high quality, safety and effectiveness of local healthcare. Alongside this, Liverpool PCT was playing an important role in helping to prepare for the changes set out in the government's Health and Social Care Act, effective from 1 April 2013.

To do this, Liverpool PCT worked closely with other PCTs in the area - known collectively as NHS Merseyside. By working together as a 'cluster', the PCTs were able to work more efficiently by reducing duplication of effort - including a single management team and board.

Working as NHS Merseyside has also meant PCTs could free up resources to better support the new, emerging organisations taking over from PCTs when they ceased to exist at the end of March 2013.

The majority of Liverpool PCT's duties and responsibilities pass to NHS Liverpool Clinical Commissioning Group from 1 April 2013. This new organisation has been operating in 'shadow form' since November 2011, carrying out much of the day to day work required of commissioning organisations – such as overseeing and monitoring health services provided by hospitals and clinics to ensure they are the best they can be for local people.


Liverpool PCT also worked to ensure the smooth handover of Public Health services to the local authority, who take on the responsibility of improving and protecting the health of the population it serves from 1 April 2013.

Nationally, two new organisations will work in partnership with local health organisations to ensure the health system achieves more year on year – Public Health England and NHS England, formerly the NHS National Commissioning Board.

Giving patients and members of the public more control over their own healthcare and in shaping their health services is also central to the NHS reforms. There will be a new local champion for patients called Health Watch, which replaces the former Local Involvement Network, LINK.

We will talk about some of these changes in more detail throughout this report and about the achievements of the local NHS in this year of unparalleled change and transformation.

Most importantly, we would like to pay tribute to the continued hard work, commitment and innovation of PCT staff amidst a monumentally challenging period and we thank them all.

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

Date: 6/6/2013.

A history of Liverpool PCT

- Liverpool PCT has overseen local health services since 2006 when it replaced Central, North and South Liverpool PCTs
- In 2011, Liverpool PCT 'clustered' with three other PCTs in the area - NHS Halton and St Helens, NHS Knowsley, and NHS Sefton - to form NHS Merseyside¹ as part of the government's reforms to the NHS set out in the Health and Social Care Act
- From November 2011 NHS Liverpool Clinical Commissioning Group (LCCG) has been operating in 'shadow form', accountable to Liverpool PCT through NHS Merseyside
- In early 2013, LCCG was 'authorised', or granted permission to take over the majority of Liverpool PCT's responsibilities following its abolition at the end of March 2013

Who's who

Below is a list of people who made up our Board and our Audit Committee over the past year:

Board members

Non Executive Directors

Gideon Ben Tovim - Chair
Maureen Williams
David Merrill
Jim Wilson
Cllr Graham Wright
Peter Hinton
Paul Acres
Keith Cawdron

Executive Directors

Chief Executive/Accountable Officer - Derek Campbell
Accountable Officer - Clare Duggan (1 Oct 2012 – 31st Mar 2013)
Director of Finance - Phil Wadeson
Executive Nurse - Trish Bennett
Medical Director - Dr Steve Cox (1st Apr 2012 – 31 Aug 2012)
Acting Medical Director - Dr Kieran Murphy (1 Sept to 30 Sept 2012)
Acting Medical Director - Dr John Hussey (1 Oct 2012 – 31 Mar 2013)
Director of Human Resources and Organisational Development - Jane Raven
Director of Strategic Change - Clare Duggan (1 Apr 2012 – 30 Sept 2012)

Audit Committee 1 Apr 2012 – 30 Nov 2012

David Merrill – Chair
Cllr Graham Wright
Peter Hinton
Maureen Williams

Audit Committee 30 Nov – 31 Mar 2013

Cllr Graham Wright– Chair
Jim Wilson
Paul Acres
Peter Hinton

About health in Liverpool

The city is home to around 465,660 people. It is one of the most deprived local authority areas in England. Estimates suggest that 27% of Liverpool households are 'families in low rise social housing with high levels of benefit need' – more than five times the national average (5%).

Typically, people in these households experience low income, high unemployment, long-term illness, and many are one parent families. Around 13% of the population claim incapacity benefit, reflecting the impact of poor health on people's ability to work.

The number of people dying prematurely in Liverpool has been reducing year on year and this is reflected in the gradual increase in life expectancy. However, the city continues to suffer significant health inequalities – unjust or unfair differences in the factors which determine good or bad health. Again, the situation has improved greatly, but life expectancy, one indicator of health equality, still lags behind the rest of England by just over three years in Liverpool. Across the city there are even bigger differences between best and worst life expectancy.

Over the past decade there has been a significant reduction in the number of deaths from cardiovascular disease (CVD), which was until recently the main cause of death in Liverpool. These reductions are partly due to better treatment of the disease, but there has also been a reduction in some of the risk factors, in particular smoking. Research shows that the percentage of people smoking in Liverpool has dropped from 35% in 2005 to just under 26% in 2011 – a reduction of more than 25% (source: 2011 Liverpool Tobacco Control Survey). But smoking continues to cast a shadow over the city's health and there is still much to do. Respiratory disease is the third major cause of death in Liverpool and the majority of these deaths are due to chronic obstructive pulmonary disease (COPD) – a disease caused almost entirely due to smoking.

What Liverpool PCT has achieved

Below are some examples of Liverpool PCT's work to improve health since its creation in 2006.

Smoking

The city has the highest rate of lung cancer death and heart disease from smoking-related illness in England. It costs the NHS in the city approximately £12.7 million and kills around 1,000 people each year. In recent years Liverpool has made major strides in confronting the issue using a number of innovative approaches, including comprehensive stop smoking services, efforts to tackle illicit tobacco and a youth advocacy programme. Research shows that the percentage of people smoking in Liverpool has dropped from 35% in 2005 to just under 26% in 2011 – a reduction of more than 25% (source: 2011 Liverpool Tobacco Control Survey). Whilst there is a great deal more to do, the city's Stop Smoking Service, the Alcohol and Tobacco Unit and initiatives like SmokeFree Liverpool, SmokeFree Sports and SmokeFree Families are helping to reduce tobacco related harm.

Obesity

Liverpool has taken a multi-agency approach to addressing the issue, led by the PCT and Liverpool City Council. In 2008 a healthy weight strategy for the city was published focusing on physical activity, health eating, and strengthening the delivery of weight management services. The initial results are encouraging, with Liverpool's childhood obesity rates plateauing. Meanwhile, the number of adults achieving at least three 30-minute sessions of moderate physical activity every week (or 60 minutes a day for children) grew from 18% in 2005 to 20.6% in 2010. Other examples of this partnership approach with the city council include a joint Transforming School Food Strategy, Liverpool Active City, the GP referral Exercise for Health programme and Eat Right – aiming to bring healthier menus to the city's takeaway restaurants.

Alcohol

Like many major UK cities, Liverpool suffers from some serious health and social problems as a result of alcohol misuse. Liverpool has one of the highest rates of alcohol-related hospital admissions in England and residents are twice as likely to die from an alcohol-specific condition, such as liver disease, as the national average. The Liverpool Alcohol Strategy Group, jointly chaired by the PCT and Liverpool City Council, brings together key agencies involved in tackling the challenge presented by alcohol. In March 2011 the group's third Liverpool Alcohol Strategy set out ambitious plans for dealing with a range of alcohol-related issues, including the Liverpool Community Alcohol Service.

Cancer

Cancer is Liverpool's biggest killer, claiming the lives of around 1,330 residents every year. Encouragingly, more people are surviving the disease than ever before. Approximately 64% of people diagnosed with cancer survive, compared with 57% ten years ago. Although the city's cancer mortality rates have been steadily declining, they remain 37.1% above than the English average. Liverpool PCT's approach to narrowing this gap has been to focus on lifestyles, screening programmes and increased public awareness about the symptoms of the most common cancers. Also, the 'Healthy Communities Cancer Collaborative' targets people living in those areas

of the city with the highest rates of cancer, and it has delivered some encouraging early results. The PCT was a partner in the Cheshire and Merseyside 2012 Year of Action on Cancer and also ran a successful awareness campaigns to spot the early signs of bowel, breast and lung cancer.

Protecting young people with vaccination

Good progress had been made in improving vaccination rates amongst the city's youngest citizens:

- **MMR (measles, mumps, rubella) vaccine** - In the past, uptake of the second dose of the MMR vaccination in Liverpool was amongst the lowest in the country. However, the latest figures suggest that nearly 90% of children in the city receive both required doses by the time they are five.
- **HPV (human papilloma virus) vaccine** - Girls aged 12 to 13 are now routinely offered the HPV vaccine in school year 8. It is a very popular vaccine and the vast majority of year 8 girls living in Merseyside complete the full course.

Gold standard stroke care

A 2011 report by the Care Quality Commission named Liverpool as one of the top PCT areas in the country for stroke care. In 2009/10 and 2010/11 Liverpool PCT invested more than £3 million in the delivery of stroke/TIA services (a TIA – transient ischemic attack – is a mini stroke). The PCT's investment has enabled the appointment of two additional Stroke Consultants and four additional Speech and Language Therapists, as well as physiotherapy, dietician and nurse posts. The city's stroke services are provided by Aintree University Hospital Trust and the Royal Liverpool and Broadgreen University Hospitals Trust.

Outside of Hospital programme

This saw a multi-million pound investment in health facilities across the city. It followed the results of the Big Health Debate, which asked over 11,000 Liverpool residents what they wanted from health services in the future. New developments included the South Liverpool NHS Treatment Centre, built on the site of the former Sir Alfred Jones Memorial Hospital in Garston. The programme brings care closer to home for thousands of people.

Offering more through GP surgeries

The Liverpool General Practice Specification was introduced in April 2011 and was adopted by all practices in the city. It sets out what every patient should expect from their Liverpool GP. The £6m extra investment to support this has resulted in a significant increase in the number of doctors, nurses and support staff working in general practice in Liverpool. As well as practices being able to offer more appointments, they are also working hard to identify patients who are at risk of illnesses, and make sure that they are offered the best treatment programmes.

Improving dental access

Liverpool PCT has invested heavily in dental services to enable more patients to access NHS dentists. Figures show that between 2009 and 2011 the number of patients using NHS dental services in Liverpool rose by more than 5%. During 2011 the PCT launched a campaign to make finding a dentist who can provide NHS

treatment easier than ever – people even had the option of sending a text to find the nearest NHS dentist taking on new patients. During the campaign around 70% of all Liverpool PCT NHS dental practices could see new patients within two months and a significant number of practices now offer evening and weekend appointments as well.

Building healthier communities

Liverpool's population is drawn from a wide range of cultural and religious backgrounds. The PCT has a strong track-record of engaging local people across all of the city's communities. The Community Health Grant scheme gave not-for-profit organisations, children's centres and schools the opportunity to improve the wellbeing of their community. Since 2003 more than 500 groups have received a total of nearly £1.4 million in grants, for diverse schemes including:

- Development of a health campaign for Somali Women's groups in the Granby and Lodge Lane area
- Creation of an after school club by Fazakerley Community Federation where people could enjoy sport and increase their fitness levels in a safe, secure environment
- Walton Youth Project's 'Healthy Fathers – Healthy Families' project, which made use of outdoor space to promote physical activity and healthier lifestyles

Equality and diversity

Liverpool PCT has shown local and national leadership in equality and diversity issues, reflecting a commitment to treating both staff and the public with dignity and respect. The PCT invested significantly in a multi-lingual social inclusion team to help ensure that the needs of all residents are considered, whilst a language support and translation service has ensured that patients get the help they need to access NHS services – more than 11,000 appointments were supported in 2011/12 alone. Community Development Workers (CDWs) are another example of how Liverpool PCT worked to ensure all its residents have access to healthcare by breaking down barriers to mental health services for black and ethnic minority (BME) residents.

2020 Decade of Health and Wellbeing

The vision... Liverpool in 2020 is a city where health and wellbeing is at the heart of our purpose, culture, planning and action. Where communities, public and private organisations are all working together in a Liverpool which is more Equal, Well and Green.

Launched in 2011, the key aim of 2020 Decade of Health and Wellbeing is to ensure a lasting legacy by developing working links and partnerships for the future to achieve the campaign's vision. The PCT and its partners have focused on specifically promoting awareness of the Five Ways to Wellbeing (Connect; Be Active; Take Notice; Keep Learning; and Give), with the general population. This has involved targeting communities as well as partner organisations and their staff. In addition to information and marketing initiatives, a key mechanism for raising awareness has been maintaining a high-profile Health and Wellbeing presence at many of the city's large-scale cultural events and festivals, conferences, staff events and other activities.

Your new and local NHS

During 2012-2013, NHS Liverpool Clinical Commissioning Group (LCCG) was granted authorisation to become a statutory body and take on the duties set out in the Health and Social Care Act from 1 April 2013, when it becomes the lead organisation for the majority of local healthcare.

It followed a rigorous assessment process during 2012 to determine if it was ready to take on these duties and powers. Confirmation that it had successfully achieved authorisation was announced in early 2013.

Made up mainly of local doctors and nurses, Clinical Commissioning Groups (CCGs) are best placed to know the health needs of the communities they serve. They will work with local people and a wide range of other partners to plan and buy services tailored to the health priorities experienced by people living in the area they cover.

CCGs are also members of the council's Health and Wellbeing Board (HWBB), which will be responsible for carrying out assessments to identify the borough's key health priorities – called a joint strategic needs assessment (JSNA) - and to develop a joint strategy to tackle them – the Health and Wellbeing Strategy (HWBS).

The CCG made good progress whilst operating in shadow form, and has now published its plans and priorities for 2012-2013. A wide range of people were involved in the development of its plans – including patients and local residents - which complement those in the HWBS. The CCG will regularly report on its progress.

You can find out more about LCCG – including its plans, priorities and achievements over the past year - by visiting its website www.liverpoolccg.nhs.uk.

Supporting our people

We have provided extra support to our staff over the past year to help them prepare for the new local NHS systems and structures and to keep them informed about what the transition meant for them.

This has included a specially designed development programme, where our staff could access group workshops or one to one tailored advice.

Briefing sessions, blogs, along with re-designed news bulletins and website information kept staff informed about the transition, as well as providing them with an opportunity to ask questions and receive feedback.

We are committed to being a fair and equal employer. Our workplace policies are in line with all relevant equality, diversity and human rights legislation to ensure none of our staff are disadvantaged by our working processes. NHS Merseyside has specific staff policies relating to the following:

- Employees with disabilities
- Equality and Diversity

Sickness absence rates

	2012-2013	2011-2012
Total days lost	2,878	3,008
Total staff years	405	555
Average working days lost	7.1	5.42
Number of persons retired early on ill health grounds	0	1
Total additional pensions liabilities accrued in the year (£000s)	0	57

Emergency preparedness

Liverpool Primary Care Trust (PCT) is a Category 1 Responder as defined within the Civil Contingencies Act 2004. This means that the PCT plays an important role when preparing for, responding to and recovery from any local or significant emergencies in partnership with the local authorities, emergency services and other health bodies.

During 2012-2013, the PCT's emergency preparedness duties were assumed by NHS Merseyside who has worked closely with partner organisations including the local Health Protection Unit of the Health Protection Agency (HPA), the local authority, NHS partners and the emergency services, to protect the health of the population from communicable disease and environmental hazards.

Whilst acting on behalf of the PCT, NHS Merseyside has continued to develop the preparedness of local NHS Trusts through the delivery of a programme of auditing, workshops and exercises including mass casualties, pandemic influenza, winter preparedness and business continuity supported by on-going training for staff.

During this period NHS Merseyside implemented a programme of transition in readiness of the reforms to the NHS on 1st April 2013. NHS Merseyside, acting on behalf of the PCT, has responded to a number of multi-agency incidents whilst managing urgent and emergency care pressures and maintaining the obligations of being a member of the Merseyside Resilience Forum and a Category 1 Responder.

Looking after you and your information

Managing and responding to risks

Our Governance Committee provides assurances to the NHS Merseyside Board that structures, systems and processes are in place which enable us to identify and manage significant risks that we may face. The committee is also responsible for monitoring quality against national and local standards on issues including patient safety and health and safety. For more details read our Annual Governance Statement later in this report.

It also ensures that any information we hold about your care is held securely and in line with data protection regulations. Where breaches happen, we work hard to strengthen our systems. In 2012-2013, Liverpool PCT declared the following serious untoward incidents involving personal data and confidentiality breaches to the Care Quality Commission or to the Information Commissioner's Office.

Organisation	Number of serious untoward incidents	Description
Liverpool PCT	1	Inclusion of patient identifiable data in a non secure email which was sent to a source external to the PCT

PALS – helping you

Our Patient Advice and Liaison Service (PALS) is there to help people with any queries or concerns they have about their health or their treatment.

The team also runs our formal complaints service. All complaints are investigated and every person making a complaint receives a response from the Chief Executive. This process is another way of ensuring the high standards of our services, reviewing them when concerns are highlighted and changing them when it is appropriate, for the benefit of all our patients.

Our complaints policy is based on national policies and processes. Anyone calling the PALS team can expect a high standard service, which also reflects the measures of quality set out in the guidance 'Principles for Remedy'. This guidance, issued by the Parliamentary and Health Ombudsman, focuses on six key areas of best practice:

- Getting it right
- Being customer focused
- Being open and accountable
- Acting fairly and proportionately
- Putting things right
- Seeking continuous improvement

Information Charges

The PCT has complied with HM Treasury's guidance on setting charges for information required. This guidance is available as Appendix 6.3 to Treasury's MPM.

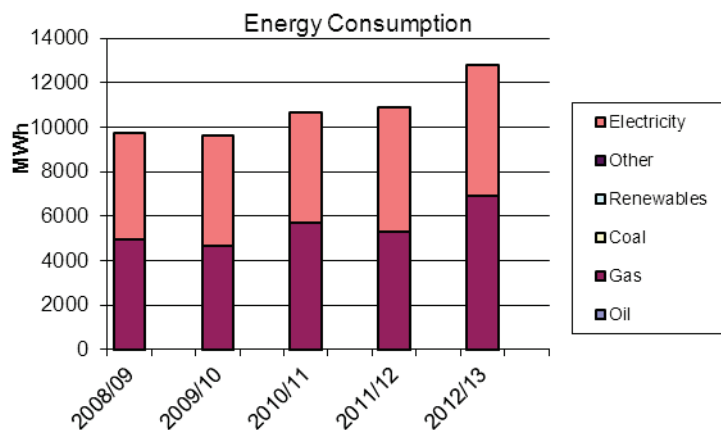
Working sustainably

The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015 reducing the amount of energy used in our organisation contributes to this goal. Below are some of the ways we are working towards a more sustainable health service in Liverpool.

Carbon Collective

Liverpool PCT is a member of the Carbon Collective, a group of 13 NHS Trusts on Merseyside dedicated to reducing their carbon imprint. On 28th March 2012, it launched Simple Actions, a campaign that aims to support and encourage 50,000 NHS staff on Merseyside to cut waste, conserve energy, and reduce carbon. As part of a wider carbon reduction strategy, it aims to save up to £4 million a year to reinvest in services. The Carbon Collective is currently reviewing the potential for renewable energy across the North Mersey NHS and has just completed a review of taxi and courier use aimed at delivering reduced emissions from travel costs. In 2012-2013, energy costs increased by 17%, which is the equivalent of 36 hip operations. Our total energy consumption has risen during the year, from 10,895 to 12,768 MWh. Our relative energy consumption has changed during the year, from 0.2 to 0.23 MWh/square metre.

Energy, water and waste

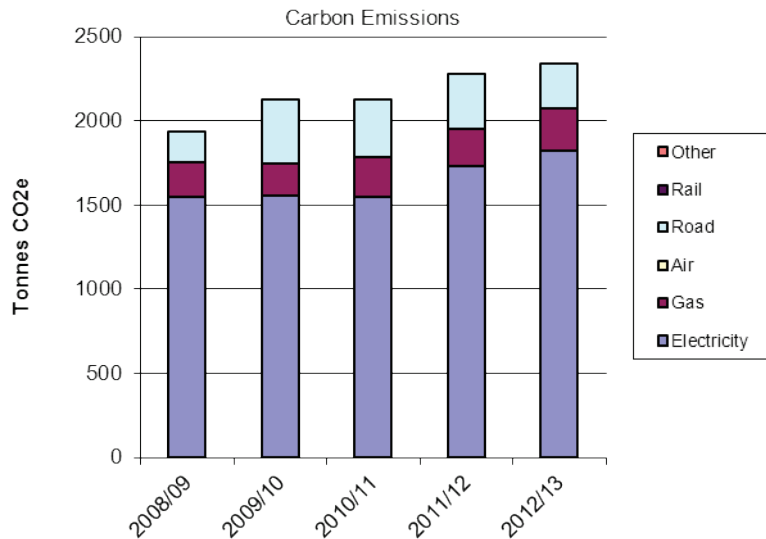


As part of the PCT's ongoing plans for improving community based healthcare in Liverpool, South Liverpool Treatment Centre was opened in November 2011 and was followed by the opening of Townsend Lane, Mere Lane and Kensington Neighbourhood Health Centres in 2012-2013. These developments gave rise to initial increases in energy consumption. However all of the developments have been

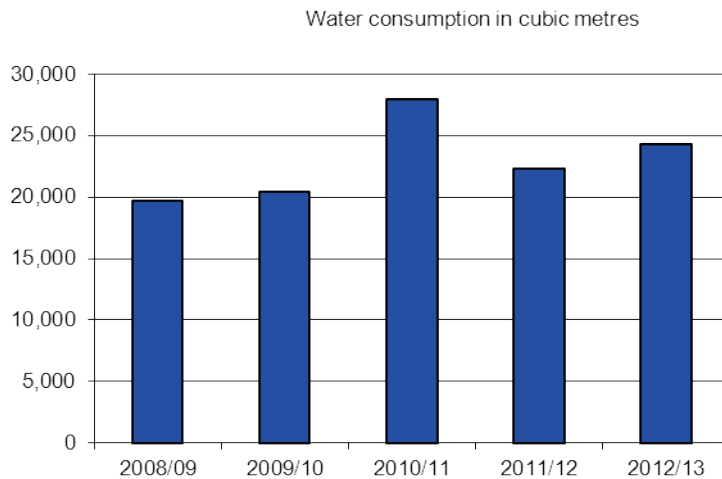
commissioned and built with energy efficiency and carbon reduction in mind. In future years it will be possible to quantify the impact these investments have had.

We have been investing in the development and refurbishment of Primary Care properties which will have the capacity to generate a significant proportion of their energy from renewable sources. The full impact of these changes is not yet known. We have not made arrangements to purchase electricity generated from renewable sources

Our measured greenhouse gas emissions have increased by 0,058 tonnes this year.



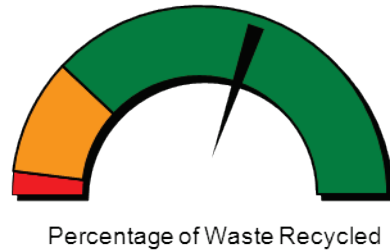
Our water consumption has increased by 2,003 cubic meters in the recent financial year. In 2012-2013 we spent £176,572 on water.



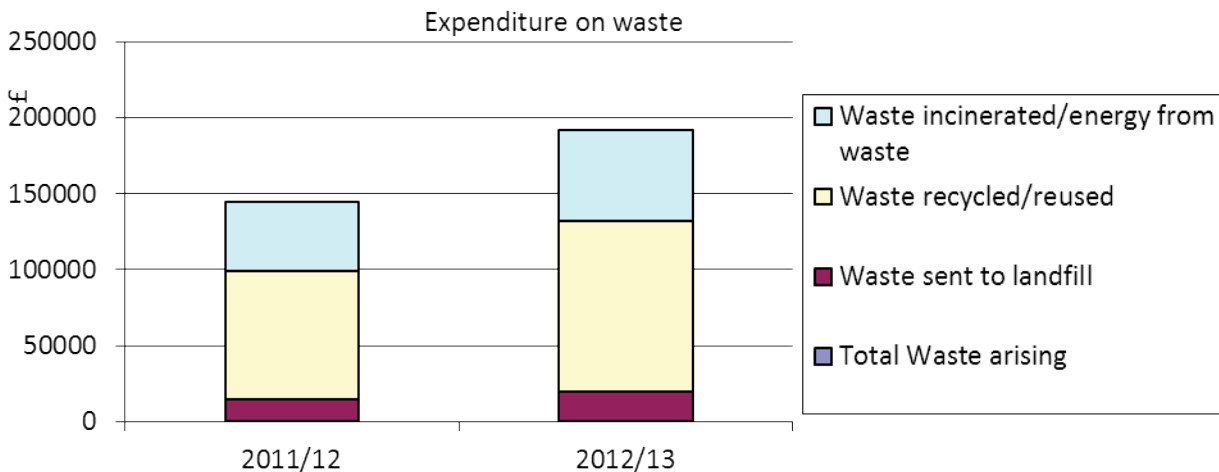
During 2012-2013 our gross expenditure on the CRC Energy Efficiency Scheme was £0. The CRC Energy Efficiency Scheme is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.

During 2012-2013 our total expenditure on business travel was £300,791.

We recover or recycle 352.63 tonnes of waste, which is 58% of the total waste we produce.



Our expenditure on waste in the last two years was incurred as follows:



Our Sustainable Development Management Plan

Our organisation has not updated its Sustainable Development Management plan within the current financial year, as the issues around sustainability will be considered within the PCT's successor organisation going forward. We consider therefore, neither the potential need to adapt the organisation's activities nor its buildings and estates as a result of climate change. Adaptation to climate change will pose a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that the successor organisation consider it when planning how best to serve patients in the future.

Sustainability issues are not included in our analysis of risks facing our demised organisation. NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations.

There is no Board level lead for Sustainability. Sustainability issues, such as carbon reduction, are not currently included in the job descriptions of all staff. However, our staff energy awareness campaign has been on-going. Staff awareness campaigns have been shown to deliver cost savings and associated reductions in carbon emissions.

Our organisation has a Sustainable Transport Plan

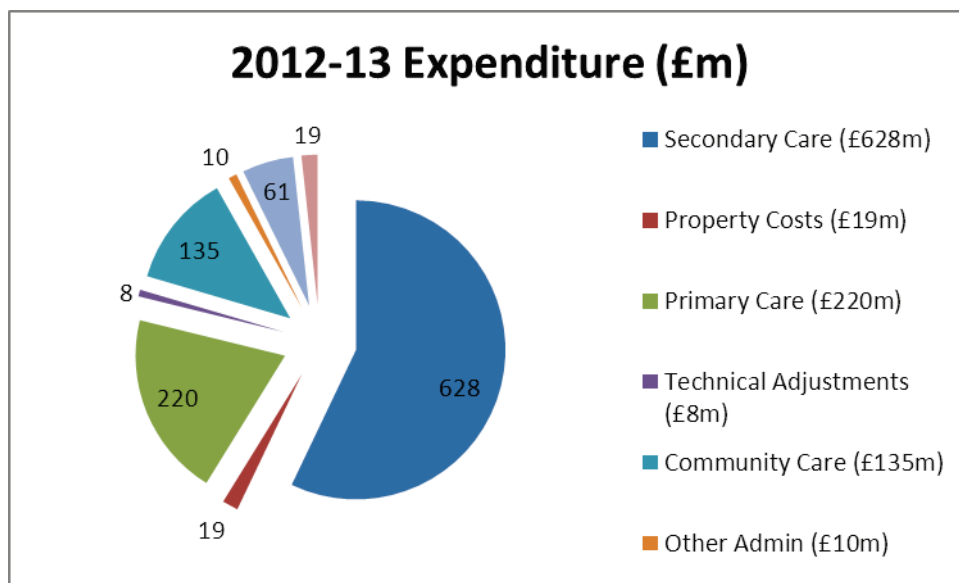
The NHS places a substantial burden on the transport infrastructure, whether through patient, clinician or other business activity. This generates an impact on air quality and greenhouse gas emissions. It is therefore important that we consider what steps are appropriate to reduce or change travel patterns through the Sustainable Transport Plan.

Providing value

We have achieved all of our statutory duties in relation to the management of our finances during the year. In 2012-13 the money we received from the government to provide and buy services, or our 'revenue resource limit', was £1,068m. This is an increase on 2011-12 of £14m or 1.36%. We also received additional income of £37m from a number of other sources.

How we spent our money in 2012-13

We spent £1,100m on achieving our objectives through the purchase and delivery of a variety of services.



The majority of our budget, £628m, was spent buying services from our main local hospitals, as well as many others around Cheshire, Merseyside and beyond. We also spent £220m on primary care, such as GPs and dentists, and the prescribing of drugs in the community. Significant investments were also made in community care (£135m) and public health (£61m) with the balance being made up of other items of spend such as corporate costs, buildings and technical adjustments.

In 2012/13, NHS Merseyside (a cluster comprising Halton & St Helens, Knowsley, Liverpool and Sefton PCTs) established a Cluster Strategic Reserve to promote system transformation and support efficiency improvement across the Merseyside Health economy.

The fund was made up of a 2% non-recurrent top-slice from PCT allocations slippage on the implementation of investment plans (£7.8m) and unused contingency provisions (£10.8m). Total resources amounted to £72.6m and the fund was fully utilised during the year. All NHS providers on Merseyside submitted bids and successfully accessed resources together with a number of voluntary organisations.

Liverpool PCT's contribution to the fund was £27m.

Like all PCT's within the Merseyside Cluster action was taken to deliver the commissioning plans developed across Merseyside which included a major expansion in rehabilitation services on the Aintree, Broadgreen and St Helens Hospital sites. The last year of the PCT also saw the completion of a £2.4m renovation project at Princes Park Neighbourhood Health Centre in May 2012 and the opening of a £5.7m LIFT building - Kensington Neighbourhood Health Centre in February 2013.

Secondary care and community care

A significant proportion of our overall net budget, £786.2m, was spent purchasing a wide range of hospital and community services from healthcare providers. £474.4m was spent on general and acute healthcare. Mental health and learning disabilities accounted for £111.2m spend and we continued to support investments in community services to a value of £134.8m. We spent £18.4m on Accident and Emergency and £23.8m on maternity services.

Primary Care

We spent £220m commissioning primary healthcare, of which £82m was spent prescribing drugs in the community. Throughout the year our Medicines Management Team has been actively supporting GPs and other prescribers to ensure that all prescribed medicines are effective, safe and provide best value.

The remaining £138m was spent on a range of other primary care services that are mainly provided by independent contractors including GPs, dentists, pharmacists and optometrists.

Staffing costs

We employed 353 (whole time equivalent) staff in 2012-13 costing £18.6m. This compares to 531 people we employed in 2011-12 at a cost of £26.4m.

Off payroll engagements

The PCT, like many public and private sector organisations has from time to time employed individual who are not on their payroll and are therefore "off payroll".

The PCT can confirm that there were no off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012.

Pension liabilities

Accounting treatment for pensions costs and liabilities is outlined in note 7.5 to of the Annual Accounts.

Areas of investment

Throughout 2012-13 we earmarked resources to improve health outcomes and reduce inequalities. This funding addressed a variety of public health schemes to support programmes to address long term health conditions, access to services and engagement with the public. In primary care, we continued to invest in clinical commissioning group initiatives and schemes to improve people's access to services.

Capital projects

Liverpool PCT spent £16.496m on capital projects. The majority of this (£12m) was for technical accounting adjustments made in accordance with International Financial Reporting Standard 12 (Disclosure of Interests in Other Entities), principally relating to NHS Local Improvement Finance Trust (LIFT) buildings completed in 2012/13. In addition to this the PCT spent £3m refurbishing other buildings; £0.8m on new equipment; £0.4m on IT equipment; £0.2m on building security.

Our financial duties

The PCT has a statutory duty to maintain spending within its 'resource limit', or total budget. For the financial year 2012-13, this is referred to as 'achieving operational financial balance'. There are three separate limits that we are measured against - revenue, cash and capital.

Revenue Resource Limits	To ensure spending on revenue is kept within the funded level.
Cash Limit	To ensure that we do not spend any more cash than we have been given.
Capital Resource Limit	To ensure spending on capital is kept within the funded level.
Better Payments Practice Code (BPPC)	To achieve 95% compliance with the BPPC

In 2012-13 we met all three financial limit requirements and we reported:

- underspend/surplus against our revenue budget (resource limit) of £4.941m
- The PCT spent £1,066m in cash against a cash limit of £1,066m
- The PCT spent £16.5m against its capital budget (resource limit) of £16.5m

Better Payments Practice Code

Details can be found in note 8.1 to the audited full financial statements on how the PCT performed against the Confederation of British Industry Better Payments Practice Code. This shows the PCT did not meet the 95% compliance target for the value of invoices paid with 73.41% for Non-NHS trade invoices (69.79% for number of invoices) and 98.19% achievement for value of NHS trade invoices (57.29% for number of invoices).

Prompt Payment Code

The PCT signed up to the Prompt Payment Code (PPC) in June 2009. The PPC is a payment initiative developed in 2009 by Government with the Institute of Credit Management “to tackle the crucial issue of late payment and help small businesses.” Details of the code can be found at www.promptpaymentcode.org.uk

Going Concern Basis

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, the PCT was dissolved on 1st April 2013. The PCT’s functions, assets and liabilities transferred to other public sector entities as of 1 April 2013. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a “going concern” basis. The Statement of Financial Position (SoFP) has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

External Auditors

Our external auditor is Grant Thornton. The cost of its external audit services in 2012-13 was £164,380 + VAT.

Directors’ disclosure of information to Auditors

So far as each person serving as a director of the PCT at the date this report is approved is aware, there is no relevant audit information of which our auditors are unaware. Each director hereby confirms that they have taken all the steps that they ought to have in order to make themselves aware of any relevant audit information and to establish that our auditors are aware of that information.

Register of declared interests

A register of declared interests has been maintained by the PCT and is available for inspection on application to Clare Duggan, Area Team Director (Merseyside). Details of senior manager interests and personal relationships with outside bodies that have conducted business directly with the PCT during the year are set out in note 37 of the annual accounts which are included in this report.

Looking forward

In 2012-2013 we continued to focus on ensuring the principles of quality and productivity applied to our financial transactions to ensure we procured the best value health services for our local population. In doing this, we also supported our successor organisations in adopting these values and practices for the future.

Our financial plans supported the delivery of existing strategic plan commitments to improve against health inequalities targets locally. This investment is grounded in sensible, deliverable levels of funding locally and is not over reliant on reducing funding elsewhere within the system.

In our final year we worked as part of NHS Merseyside with Clinical Commissioning Groups and key partners to develop future cash releasing strategies locally whilst sustaining and improving the quality of existing services. This may be characterised by care closer to home, fewer acute beds, reduced unit costs, reduced variation, standardisation of pathways and more upstream interventions.

Remuneration report

Senior Managers' salaries and allowances

Senior Manager	Notes	Title	2012-13					2011-12			
			Salary (bands of £5000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Compensation for loss of office (bands of £5,000)	Benefits in Kind (rounded to nearest £00)	Salary (£'000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Benefits in Kind (rounded to nearest £00)
Gideon Ben Tovim, OBE	1	Chair	15-20	-	-	-	-	35 to 40	-	-	-
Professor Maureen Williams	1	Non Executive Director	0-5	-	-	-	-	5 to 10	-	-	-
Paul Acres	1	Non Executive Director	10-15	-	-	-	-	0 to 5	-	-	-
Keith Cawdron	1	Non Executive Director	0-5	-	-	-	-	0 to 5	-	-	-
Graham Wright	1	Non Executive Director	10-15	-	-	-	-	0 to 5	-	-	-
David Merrill	1	Non Executive Director	5-10	-	-	-	-	0 to 5	-	-	-
Jim Wilson	1	Non Executive Director	10-15	-	-	-	-	0 to 5	-	-	-
Peter Hinton	1	Non Executive Director	0-5	-	-	-	-	0 to 5	-	-	-
Derek Campbell	1,2	Chief Executive	60-65	-	-	115-120	20	75 to 80	-	-	54
Phil Wadeson	1,3	Director of Finance	35-40	-	-	-	-	55 to 60	-	-	-

			2012-13					2011-12			
Senior Manager	Notes	Title	Salary (bands of £5000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Compensation for loss of office (bands of £5,000)	Benefits in Kind (rounded to nearest £00)	Salary (£'000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Benefits in Kind (rounded to nearest £00)
Trish Bennett	1,4	Director of Nursing	30-35	-	-	-	19	45 to 50	-	-	60
Clare Duggan	1,5	Accountable Officer	50-55	-	-	-	31	45 to 50	-	-	-
Dr Stephen Cox	1,6	Medical Director	15-20	-	-	-	-	30 to 35	-	-	-
Dr Kieran Murphy	1,7	Acting Medical Director	0-5	-	-	-	-	-	-	-	-
Dr John Hussey	1,8	Acting Medical Director	10-15	-	-	-	-	50 to 55	-	-	-
Jane Raven	1,2	Director of OD and HR	35-40	-	-	70-75	-	25 to 30	-	-	-
Dr Paula Grey	9	Director of Public Health	70-75	-	-	-	-	100 to 105	-	-	-
Carole Hill	10	Head of Executive Office	-	-	-	-	-	20 to 25	-	-	-
Jim Hughes	10	Director of Commissioning Development	-	-	-	-	-	30 to 35	-	-	-
Leonie Beavers	10	Managing Director Liverpool	-	-	-	-	-	95 to 100	-	-	40
Andy Hull	10	Director of Stakeholder Engagement	-	-	-	-	-	90 to 95	-	-	38
Margo Kane (until 04/01/11)	10	Director of Human Resources and OD	-	-	-	-	-	-	-	-	-

			2012-13					2011-12			
Senior Manager	Notes	Title	Salary (bands of £5000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Compensation for loss of office (bands of £5,000)	Benefits in Kind (rounded to nearest £00)	Salary (£'000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Benefits in Kind (rounded to nearest £00)
Samih Kalakeche	10	Director of Integrated Adult Health & Social Care	-	-	-	-	-	60 to 65	-	-	-
Karl Smith	10	Lay Adviser	-	-	-	-	-	5 to 10	-	-	-
Graham Bell	10	Lay Adviser	-	-	-	-	-	10 to 15	-	-	-
Dave Antrobus	10	Lay Adviser	-	-	-	-	-	5 to 10	-	-	-
Dr S Rihani	10	Lay Adviser	-	-	-	-	-	5 to 10	-	-	-
Dr Steve Connolly	10	Executive Committee Member	-	-	-	-	-	20 to 25	-	-	-
Dr N Fazlani	10	Executive Committee Member	-	-	-	-	-	45 to 50	-	-	-
Dr Johnathon Lock	10	Executive Committee Member	-	-	-	-	-	30 to 35	-	-	-
Dr Jude Mahadanaarachchi	10	Executive Committee Member	-	-	-	-	-	35 to 40	-	-	-
Dr Stephen Sutcliffe	10	Executive Committee Member	-	-	-	-	-	25 to 30	-	-	-
Ann Nolan	10	Executive Committee Member	-	-	-	-	-	-	-	-	-
Jacqueline Campbell	10	Executive Committee Member	-	-	-	-	-	-	-	-	-
Leslie Gough	10	Executive Committee Member	-	-	-	-	-	-	-	-	-

			2012-13					2011-12			
Senior Manager	Notes	Title	Salary (bands of £5000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Compensation for loss of office (bands of £5,000)	Benefits in Kind (rounded to nearest £00)	Salary (£'000)	Other Remuneration (bands of £5000)	Bonus payments (bands of £5000)	Benefits in Kind (rounded to nearest £00)
Ann Molton	10	Executive Committee Member	-	-	-	-	-	-	-	-	-
Bruce Prentice	10	Executive Committee Member	-	-	-	-	-	-	-	-	-

Notes:

Benefits in kind are in respect of lease vehicles and are shown in £ hundreds.

- 1 Liverpool PCT is party to the NHS Merseyside cluster arrangements with Knowsley PCT, Sefton PCT and Halton and St Helens PCT. Each of the PCTs contribute to a share of the costs of the clustering arrangements based on the size of each PCT's weighted population as follows:

PCT	Weighted Population	%
Liverpool	576,471	40.14
Halton and St Helens	360,186	25.08
Sefton	303,497	21.13
Knowsley	196,069	13.65

- The salary costs for the individuals in the above salaries and allowances table represents Liverpool PCT's share of their salary in respect of their work carried out for the NHS Merseyside Cluster.
- 2 Derek Campbell and Jane Raven were made redundant on 31 March 2013. The costs included above represent Liverpool PCT's share of their redundancy costs. The total amounts paid in respect of the redundancy entitlements were £295,714 to Derek Campbell and £179,588 to Jane Raven.
 - 3 Phil Wadeson was appointed as the joint Director of Finance for the Mersey Cluster and the Cheshire, Warrington and Wirral (CWW) Cluster for the period 1 September 2012 to 10 January 2013 and continued to support the CWW cluster to the end of January 2013. The Mersey Cluster have not recharged his salary costs for this period to the CWW Cluster. The salary figure in the above table represents the proportion of salary for his work at the NHS Merseyside Cluster alone and has been adjusted to reflect the remuneration cost had his salary been recharged. The proportion of his total salary which is attributable to the CWW Cluster is set out in the Remuneration Reports of the PCTs in the CWW Cluster.
 - 4 Trish Bennett was appointed as the Director of Nursing to the Greater Manchester (GM) Local Area Team on 1 October 2012. The Mersey Cluster have not recharged her salary costs for this period to the GM Cluster. The salary figure in the above table represents the proportion of salary for her work at the NHS Merseyside Cluster alone and has been adjusted to reflect the remuneration cost had her salary been recharged. The PCTs in the GM Cluster have not included any salary or benefits in kind relating to Trish Bennett in their Remuneration Reports.
 - 5 Clare Duggan was appointed as the Accountable Officer for the Cluster on 1 October 2012. Prior to this she was the Director of Strategic Change.
 - 6 Dr Steve Cox was the Medical Director 1 April to 31 August 2012. The payments above for Dr Cox have been made to the GP practice where he is a partner rather than to Dr Cox directly through the payroll.
 - 7 Dr Keiron Murphy was appointed the Acting Medical Director from 1 September to 30 September 2012. He was not a senior manager for Liverpool PCT in 2011/12 so no comparatives are shown.
 - 8 Dr John Hussey was appointed as the Medical Director to the Merseyside Local Area Team on 1 October 2012. Following his appointment to the Local Area Team, Dr Hussey became the Acting Medical Director for the Mersey Cluster. Paula Grey is a joint appointment with Liverpool City Council. Liverpool PCT is responsible for 50% of the cost of this officer.
 - 8 No details relating to 2012/13 have been included for these individuals as they no longer meet the definition of a senior manager from 1 April 2012.

For any shared posts, the total remuneration of those senior managers for 2012-2013 and the prior year is as follows:

		2012/13			2011/12		
Name	Title	Salary (bands of £5000)	Compensation for loss of office (bands of £5,000)	Benefits in Kind (rounded to nearest £00)	Salary (bands of £5000)	Other remuneration (bands of £5000)	Benefits in Kind (rounded to nearest £00)
Gideon Ben Tovim, OBE	Chair	40-45	-	-	35-40	-	-
Professor Maureen Williams	Non Executive Director	5-10	-	-	5-10	-	-
Paul Acres	Non Executive Director	35-40	-	-	35-40	-	-
Keith Cawdron	Non Executive Director	5-10	-	-	5-10	-	-
Graham Wright	Non Executive Director	30-35	-	-	20-25	-	-
David Merrill	Non Executive Director	10-15	-	-	10-15	-	-
Jim Wilson	Non Executive Director	35-40	-	-	35-40	-	-
Peter Hinton	Non Executive Director	5-10	-	-	5-10	-	-
Derek Campbell	Chief Executive	150-155	295-300	49	150-155	-	54
Phil Wadeson	Director of Finance	125-130	-	-	110-115	-	-
Trish Bennett	Director of Nursing	110-115	-	64	95-100	-	60
Clare Duggan	Accountable Officer	125-130	-	77	95-100	-	-
Dr Stephen Cox	Medical Director	40-45	-	-	95-100	5-10	-
Dr Kieran Murphy	Acting Medical Director	30-35	-	-	-	-	-

		2012/13			2011/12		
Name	Title	Salary (bands of £5000)	Compensation for loss of office (bands of £5,000)	Benefits in Kind (rounded to nearest £00)	Salary (bands of £5000)	Other remuneration (bands of £5000)	Benefits in Kind (rounded to nearest £00)
Dr John Hussey	Acting Medical Director	50-55	-	-	50-55	-	-
Jane Raven	Director of OD and HR	90-95	175-180	-	85-90	-	3
Paula Grey	Director of Public Health	140-145			175-180	-	-

Pension Entitlements of Senior Managers as at 31st March 2013

Senior Manager	Title	A	B	C	D	E	F	G	H
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Derek Campbell	Chief Executive	-	-	-	-	-	-	-	0
Phil Wadeson	Director of Finance	2.5-5	12.5-15	55-60	165-170	1,240	1,048	138	0
Trish Bennett	Director of Nursing	0-2.5	0-2.5	20-25	65-70	388	356	13	0
Clare Duggan	Accountable Officer	(0-2.5)	0	0-5	0	48	45	1	0
Dr John Hussey	Acting Medical Director	0-2.5	5-7.5	65-70	195-200	1,403	1,166	88	0
Jane Raven	Director of OD and HR	0-2.5	2.5-5	10-15	30-35	201	169	23	0
Paula Grey	Director of Public Health	(0-2.5)	(5-7.5)	50-55	160-165	1,211	1,157	(6)	0

A = Real increase/(decrease) in pension at age 60 (bands of £2,500)

B = Real increase/(decrease) lump sum at age 60 (bands of £2,500)

C = Total accrued pension age 60 at 31st March 2013 (bands of £5,000)

D = Lump sum at age 60 related to accrued pension at 31st March 2013(bands of £5,000)

E = Cash Equivalent Transfer Value (CETV) at 31st March 2013

F = CETV at 31st March 2012

G = Real increase / (decrease) in CETV

H = Employer contribution to stakeholder pension

Notes:

The pension information above is the total pension entitlement for each Director and the value has not been split across other organisations.

The movements in accrued pension and CETV have been adjusted where the Director has not been in post as a senior manager for the entire year.

Derek Campbell, Chief Executive, did not contribute into the NHS Pension Scheme in 2012/13.

Only senior managers who are members of the standard NHS Pension scheme are included (Dr Stephen Cox and Dr Kieran Murphy are therefore excluded).

As non-executives do not receive pensionable remuneration there are no entries in respect of pensions for non-executive members.

Notes to the Remuneration Report

Cash Equivalent Transfer Value (CETV):

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/Decrease 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.

Treatment of pension liabilities in the PCT accounts:

NHS Pension Scheme: Note 7.5 to the Accounts gives details of the current NHS Pension Scheme arrangements and the accounting policy adopted in respect of pension liabilities.

Director – Highest Paid Ratio

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 of Liverpool PCT in the financial year 2012-13 was £70,000 – £75,000 (2011-12; £100,000 – £105,000). This was 2.2 times (2011-12; 3.3 times) the median remuneration of the workforce, which was £32,573 (2011-12; £31,454).

This calculation is based on full time equivalent employees in post at 31 March 2013 and includes staff who are being paid through the payroll system only. The calculation excludes agency workers who are not on the payroll system. The median remuneration is the total remuneration of the staff member lying in the middle of the linear distribution of the total staff, excluding the highest paid director. A median will not be significantly affected by large or small salaries that may skew an average (mean) – hence it is more transparent in highlighting whether a director is being paid significantly more than the middle staff in the organisation.

Only the relevant cost to the PCT of the Cluster Directors has been included in the calculation of median pay.

In 2012-13: 14 (2011-12; none) employees received remuneration in excess of the highest-paid director. Remuneration for these individuals ranged from £70,000 to £100,000.

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

The ratio has fallen due to a change in the remuneration of the most highly paid director. The highest paid director received allowances in 2011-12 which were not paid in 2012-13 resulting in lower remuneration.

The highest paid director's services are shared between the PCT and the Liverpool City Council and the amount included in this ratio reflects the cost to Liverpool PCT for remunerating the director not the overall remuneration received by the director. As a result a number of staff who work exclusively for Liverpool PCT receive remuneration in excess of the most highly paid director because their costs are not shared with any other organisation.



Department
of Health



Liverpool Primary Care Trust

2012-13 Accounts

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Liverpool Primary Care Trust


2012-13 Accounts

Statement of the responsibilities of the signing officer of the Primary Care Trust

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

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

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

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

Name: CLARE DUGGAN

Date: 6/6/2013.

Statement of responsibilities in respect of the Accounts

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

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

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

By order of the Permanent Secretary.

6.6.13 .Date..... *e. Duggan* Signing Officer

6.6.13 .Date..... *P. Cowades* Finance Signing Officer

Annual Governance Statement 2012/13

Liverpool PCT

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum².

I am personally accountable to the Chief Executive the NHS Northwest Strategic Health Authority which is part of the North of England SHA Cluster and attend regular review meetings. I also attend regular meetings with counterparts in partner organisations.

Effectiveness of the Board

As Accountable Officer I am assured of the effectiveness of the Board in a number of ways. Performance against National Indicators, including those requirements set out in the Operating Framework 2012/13 is a key mechanism for providing assurance of effectiveness. The Board receives an update on progress in all areas at each and every public Board meeting and the reports demonstrate continued compliance in all areas. For any areas of slippage against targets the Executive Nurse and the Quality Team work with providers to establish and implement mitigation plans.

The Board was also effective in the management of its resource allocation and fully delivered the mandated control total targets as set out in the accounts.

The Board was also effective in its delivery of all requirements of the Transition and the Board was assured of this by receipt of a Transition Update Report at each meeting, submission of the Transition Assurance Reports to NHS Northwest and by the successful completion of the PCT Transfer Scheme Process.

The governance framework of Liverpool PCT

The governance arrangements for Liverpool PCT have been in place since April 2012. This framework is robust in its ability to provide assurance to the Board on the delivery of key objectives as confirmed by the reports of internal audit and the Head of Internal Audit Opinion.

The arrangements in place for the discharge of statutory functions have been checked by internal audit for any irregularities and the reports are submitted to Audit Committee. The Board is also assured of compliance with its functions through receipt of performance reports at each public meeting.

The NHS Merseyside Board is a sub-committee of Liverpool PCT, Halton and St Helens PCT, Knowsley PCT and Sefton PCT. The Cluster Board is established in accordance with Regulation 10 of the National Health Service (Functions of Strategic Health Authorities and Primary Care Trusts and Administrative Arrangements) (England) Regulations 2002, as amended (the "Regulations")

² Accountable Officer Memorandum for Chief Executives (2002)

The Board comprises a diverse range of skills from Executive and Non-Executive Directors and there is a clear division of responsibility between running the board and running the PCTs business. The Chair is responsible for the leadership of the Board and ensures that Executives have had access to relevant information to assist them in the delivery of their duties. The NEDs have actively provided scrutiny and challenge at Board and sub-committee level. Each committee comprises membership and representation from appropriate officers and NEDs with sufficient experience and knowledge to support the committees in discharging their duties.

The Board has been well attended by all Executives and NEDs throughout the year ensuring that the Board has been able to make fully informed decisions to support and deliver the strategic objectives.

The Board's objectives are aligned to the objectives set out in the Shared Operating Model for PCT Clusters³. These are managed through the Board Assurance Framework process. The Board has been assured of its effectiveness in respect of delivering its objectives through this process which is supported by the Joint Integrated Governance Committee.

The Board is assured of its effectiveness in terms of performance management through the regular corporate performance reports on finance, reform and quality key performance indicators as set out in national guidance. Throughout the year performance has continued to be maintained or improved which represents a significant achievement.

The Board is supported by a sub-committee structure comprising the statutory committees listed below.

Joint Integrated Governance Committee (JIGC):

This committee has delegated responsibility for identifying, reviewing and developing mitigation plans against any risks that arise as a consequence of the transition. The committee also reviews and scrutinises the Board Assurance Framework and Corporate Risk Register prior to any review by the Cluster Board. This committee reports to the NHS Merseyside Board on the development, implementation and monitoring of integrated governance by providing assurance on: "the systems and processes by which the PCT leads, directs and controls its functions in order to achieve organisational objectives, safety, and quality of services, and in which they relate to the wider community and partner organisations.

The committee has delegated responsibility for the approval of corporate policy and during the year has received updates and requests for approvals on the key following policies and processes

- Information Governance
- Serious Untoward Incidents
- Adult and Children Safeguarding
- Risk Management
- Board Assurance Framework for Liverpool PCT

The committee also reviewed and scrutinised the following:

- Transitional Risk Register
- Quality Handover Document
- PCT Transfer Scheme processes

³ Department of Health (2011) *Shared Operating Model for PCT Clusters* (London :TSO) at pg 4 paras 9, 10 and 11

This Committee was established in accordance with best practice and the recommendations of the Integrated Governance Handbook.⁴ The committee comprises Executive Directors, NEDs, Internal Audit and governance and risk officers to ensure that the committee is appropriately skilled and resourced to deliver its objectives.

The JIGC has been well attended by all Executives, NEDs and Officers throughout the year ensuring that there has been robust scrutiny and challenge at all times. This has enabled the JIGC to provide robust assurances to the Board and to inform the Board of key risk areas.

During the year the committee debated and agreed how risks would be escalated through services across the Cluster up to the Corporate Risk Register and BAF. The Committee debated and agreed this revised cluster wide methodology.

Key highlights: During the year the JIGC:

- Provided assurance to the Board on the objectives and controls with the Board Assurance Framework and Corporate Risk Register.
- Provided assurance on the Liverpool PCT Board Assurance Framework
- Provided assurance of compliance with the Information Governance Toolkit (68%).
- Received and reviewed progress on the Transition
- Reviewed the Quality Handover Document

The committee is supported by a Risk Management Sub Group, Information Governance Sub Group and Quality Improvement and Patient Safety sub group.

Audit Committee

The Audit Committee ensures compliance with statutory requirements and provides assurance to the NHS Merseyside Board on internal control and governance matters. The Audit Committee also provides an independent and objective review on the NHS Merseyside and local PCT financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS.

A key function of the Committee is to ensure that there are appropriate controls in place for the prevention of detection of Fraud and receives update reports at each meeting. The Committee also approved the Anti Bribery Policy.

The Committee has also received, reviewed and approved:

- Internal Audit reports and approved the internal audit plan
- External Audits reports
- Counter Fraud Update and approved the Counter Fraud work plan
- Register of Interests
- Waivers
- Debtors
- Losses and Special Payments

The Audit Committee received reports to ensure that actions arising from audit reviews of key processes had been implemented or carried forward to be scrutinised by the Audit Committee.

Key highlights: During the year the Audit Committee:

⁴ Department of Health (2006) *Integrated Governance Handbook – a handbook for executives and non-executives in healthcare organisations* (London: TSO)

- Provided significant assurance on incident reporting procedures
- Provided significant assurance on budgetary controls
- Provided assurances on the Transfer Scheme process
- Provided assurances on the Risk Management processes
- Provided assurances on independent contractor payment processes

The Audit Committee has been well attended by all NEDs, Internal Auditors, External Auditors and Officers throughout the year ensuring that there has been robust scrutiny at all times. This has enabled the Audit Committee to provide robust assurances to the Board and to inform the Board of any gaps in systems control.

Remuneration Committee:

The committee ensures compliance with statutory requirements and undertook reviews of Very Senior Managers remuneration and to comply with the requirements set out in the NHS Codes of Conduct and Accountability and the Higgs report.⁵ The Committee reviews and agrees appraisal and remuneration of executives: During the year the committee has reviewed a number of cases relating to redundancy.

The Remuneration Committee met in full quorum for all meetings during the year.

The Board also has committees with responsibility for Human Resources and Organisation Development and Equality and Diversity.

Clinical Commissioning Group Sub Committees

The Board established six clinical commissioning sub committees that have evolved to become the Governing Bodies of CCGs. During 2012/13 these committees operated under robust Terms of Reference and Scheme of Delegation. The PCT Chief Executive established an Accountability Meeting with each CCG designated Accountable Officer and these meetings ran throughout the year.

Handover and Closedown

The Cluster Board established a Closedown Steering Group that was responsible for overseeing the programme of work to ensure the safe and effective handover of assets, liabilities and responsibilities to the successor organisations. To ensure that there was sufficient resource and capacity in the system to deliver the programme additional support was procured from Mersey Internal Audit Agency and from Hill Dickinson Solicitors.

The Group delivered the Transfer Scheme programme for all the PCTs complying with all Department of Health deadlines and ensuring there was on-going engagement and dialogue with all successor bodies. The Group provided regular updates to Audit Committee, Joint Integrated Governance Committee and the Board on a regular basis.

The Audit Committee received assurances in respect of the Closedown of the annual accounts.

The Board nominated 3 Non-Executive Directors that will be retained to support the new Audit Committee arrangements that have been established as sub committees of the Department of Health's Audit and Risk Committee.

⁵ D, Higgs (January 2003) *Review of the Role and Effectiveness of non-executive directors* section 13.8 at page 61 – available at <http://www.berr.gov.uk/files/file23012.pdf>

Liverpool PCT agreed Retention and Exit Terms (RETS) packages for staff that would be retained with the Legacy Management Team hub to provide support to the close down programme.

Transition Assurance – Liverpool PCT provided monthly updates on progress with the Transition to the SHA and the Department of Health.

The Board received an update on progress with the Transition that covered all parts of the reforms at each public meeting.

The Joint Integrated Governance Committee received updates on progress with the Transition.

As part of the handover process the successor bodies were advised of any on-going risks that will require continued review through the following processes.

- **Quality Handover** – Liverpool PCT provided information that was included in the NHS Merseyside Quality Legacy Document was signed off by the Board in January 2013 and the programme of quality handover to the CCGs concluded on 31st March 2013. The Quality Legacy Document was scrutinised by the Joint Integrated Governance Committee prior to submission to the Board.
- **Corporate Handover** – Liverpool PCT provided information that was included in the NHS Merseyside Corporate Handover document. This document provides a summary of key factors relevant to all new bodies and provided sign posts to other key documents. This also included a summary of key risks.
- **Public Health Legacy Document** – Liverpool PCT produced a Public Health Legacy Document for the relevant Local Authority.

Risk Assessment

Liverpool PCT has a comprehensive Risk Management Strategy, which is updated at regular intervals. The following key elements are contained within the Strategy:

- Risk Management Strategy, Aims and Objectives
- Roles, Responsibilities and Accountability
- The Risk Management Process – Risk Identification, Risk Assessment, Risk Treatment, Monitoring and Review, Risk Prevention
- Risk Grading – Criteria
- Training & Support

Liverpool PCT has established a number of mechanisms for identifying and managing risks including risk profiling methodology, incident reporting, complaints and litigation data, and staff concerns/whistle-blowing.

Risk management and the ensuing development of risk registers is generally achieved using a dual 'top-down' and 'bottom-up' approach to identifying and managing risks. The 'top-down' element has been addressed through the development of a Board Assurance Framework and Corporate Risk Register identifying strategic high-level risks. These two documents are based on models which have previously been accepted as meeting audit requirements.

The 'bottom-up' element of the risk management system best fits with organisational structures and this has therefore been based on the directorate arrangements and subsequently on the NHS

Merseyside director portfolios and integrated teams. All functional leads have identified their arrangements for developing and reviewing risk registers and escalating risks.

In addition to risk registers being developed and reviewed at team and directorate level, there is an escalation process to the Corporate Risk Register. The Corporate Risk Register is centrally managed and maintained, and is reviewed at Joint Integrated Governance Committee and the Trust Board. Directorate risk registers are also collated centrally to ensure a comprehensive system is in place, and are periodically reviewed by the Risk Management Working group and/or the Joint Integrated Governance Committee. All risk registers use the same risk scoring matrices to ensure consistency in describing risks across the organisation; these matrices are based on the NPSA matrices but have been customised for local use to reflect the trust's tolerance to risk.

The Corporate Risk Register is structured to reflect key domains, e.g. Quality & Safety, Finance, Human Resources, Performance and Delivering Reform.

Key new risks identified during 2012/13 are those associated with the organisational changes necessary as part of the transition to the new commissioning arrangements. A programme approach was taken to managing these risks, with project plans and risk registers developed for the different workstreams, and an overarching transition programme board which reviewed progress using a risk-based exception reporting format. Throughout the year issues have been reported operationally to the executive team and governance oversight provided by the Joint Integrated Governance Committee and Board.

Liverpool PCT has put in place policies, procedures, guidance and support to ensure that personal and corporate information is handled legally, securely, efficiently and effectively, in order to deliver high quality services. Performance is monitored through the completion of the annual Information Governance (IG) Toolkit return and reports to the Information Governance Working Group and Joint Integrated Governance committee.

Controls include:

- Mandatory induction and refresher IG training for all staff
- Identifying the movement of personal data and assessing associated risks, and minimising where possible
- Ensuring the encryption of all confidential data stored on portable devices
- Reporting, investigation and escalation of all information governance incidents

However, there was 1 data breach during the year that was reported to the Information Commissioners Office. This incident was under review by the ICO as at 31st March 2013.

Risk & Control Framework

The PCTs Risk Management processes achieved a level of "Significant Assurance" by Internal Audit.

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

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,

- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- Minimise the risk of fraud

The Risk Management agenda is coordinated and managed by the Joint Integrated Governance Committee as previously described.

All fraud risks and controls are monitored by the Audit Committee that reports to the Board through its minutes.

The Board has developed the strategic objectives, and the evaluation of the risks to achieving these objectives are set out in the Board Assurance Framework which is regularly reviewed and scrutinised by the Joint Integrated Governance Committee and the Trust Board.

The Board Assurance Framework is a key document whose purpose is to provide the Board with 'reasonable' assurance that internal systems are functioning effectively. It is a high level document that is used to inform and give assurance to the Board that the risks to achieving key objectives are recognised and that controls are in place or being developed to manage these risks.

Risks are rated, and controls that will address these risks are identified, gaps in control or assurance are noted and action plans to close gaps summarised and updated. Potential and actual sources of assurance are identified and the latter are also rated for the level of assurance provided. A summary of the assurance levels for all assurance framework entries is updated each quarter and accompanies the full document.

The Corporate Risk Register provides the Board with a summary of the principal risks facing the organisation, with a summary of the actions needed and being taken to reduce these risks to an acceptable level. The information contained in the Corporate Risk Register should be sufficient to allow the Board to be involved in prioritising and managing major risks. The risks described in the Corporate Risk Register will be more wide-ranging than those in the Board Assurance Framework, covering a number of domains.

Where risks to achieving organisational objectives are identified in the Corporate Risk Register or other risk registers, these are added to the Board Assurance Framework; and where gaps in control are identified in the Board Assurance Framework, these risks are added to the Corporate Risk Register. The two documents thus work together to provide the Board with assurance and action plans on risk management in the organisation.

The Corporate Risk Register is updated and presented for review and scrutiny at the same time as the Board Assurance framework.

The PCT commissions a range of training programmes which include specific mandatory training for particular staff groups which aims to minimise the risks inherent in their daily work. Information Governance training is mandatory for all staff.

Targeted training is provided to designated risk leads to support development of risk registers, and one to one sessions are available for all managers responsible for updating the Board Assurance Framework.

The Head of Audit issues an annual opinion to the Board on the effectiveness of the Assurance Framework in providing the Board with the assurances regarding its systems of internal control.

The Head of Audit's opinion on the Assurance Framework determined that a Consolidated Cluster Assurance Framework has been established which is designed and operating to meet the

requirements of the Annual Governance Statement and provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of Internal Audit's work; The Head of Audit Opinion is that **Significant Assurance** can be given that there is a generally sound system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design or inconsistent application of controls put the achievement of particular objective at risk

In particular, the review of the processes in place for Safeguarding Adults & Children provided Limited Assurance and a further follow up was undertaken in the year and the one high level risk identified was confirmed as implemented, however others remain outstanding. Also limited assurance was provided with regard to Continuing Healthcare, an action plan has been developed.

Both of these areas of concern have been shared with CCG successor bodies so that they are able to ensure that improvements are made in these areas.

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 me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee and the Joint Integrated Governance Committee.

The Board receives the minutes of all committees including the Audit Committee and the Joint Integrated Governance Committee

The Joint Integrated Governance Committee approves relevant policies and the Audit Committee monitors action plans arising from Internal Audit reviews.

Internal Audit is a key component of internal control. The Audit Committee approves the annual internal audit plan, and progress against this plan is reported to each meeting of the Committee. The individual reviews carried out throughout the year assist the Director of Audit to form his opinion, which in turn feeds the assurance process.

My review confirms that Liverpool PCT has a generally sound system of internal control that supports the achievement of its policies, aims and objectives and the Board has complied with the Corporate Governance Code.

6.6.13 .Date.....*e Duggan*.....Signing Officer

6.6.13 .Date.....*P Cowden*.....Finance Signing Officer

Annual accounts 2012-13

The following pages (appendix) contain our full financial accounts for 2012-13. It highlights some key financial information for the year and offers comparisons with figures for 2011-12.

- Our performance against our statutory duty to break even is summarised on page 19.
- The external auditor's opinion as to whether the summary financial statements are consistent with the annual accounts and can be found on page 44.

On request this report can be provided in different formats, such as large print, audio or Braille versions and in other languages



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

We have audited the financial statements of Liverpool 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;
- the table of pension benefits of senior managers and related narrative notes; and
- the table of pay multiples and related narrative notes.

This report is made solely to the Department of Health's accounting officer in respect of Liverpool 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 Liverpool 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; and
- our locally determined risk-based work based on the four areas in the audit Commission's guidance.

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 Liverpool 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.



Robin Baker
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

Royal Liver Building
Liverpool
L3 1PS

7th June 2013

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

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	18,574	26,373
Other costs	5.1	1,076,201	1,053,825
Income	4	(36,645)	(38,878)
Net operating costs before interest		1,058,130	1,041,320
Investment income	9	0	(87)
Other (Gains)/Losses	10	0	0
Finance costs	11	3,940	3,431
Net operating costs for the financial year		1,062,070	1,044,664
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		1,171	
Net (gain)/loss on transfers by absorption	1.1	1,171	
Net Operating Costs for the Financial Year including absorption transfers		1,063,241	1,044,664
Of which:			
Administration Costs			
Gross employee benefits	7.1	17,783	22,542
Other costs	5.1	23,794	29,070
Income	4	(13,400)	(21,917)
Net administration costs before interest		28,177	29,695
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		28,177	29,695
Programme Expenditure			
Gross employee benefits	7.1	791	3,831
Other costs	5.1	1,052,407	1,024,755
Income	4	(23,245)	(16,961)
Net programme expenditure before interest		1,029,953	1,011,625
Investment income	9	0	(87)
Other (Gains)/Losses	10	0	0
Finance costs	11	3,940	3,431
Net programme expenditure for the financial year		1,033,893	1,014,969
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		0	0
Net (gain) on revaluation of property, plant & equipment		(1,476)	(1,847)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
Net actuarial (gain)/loss on pension schemes		0	0
Reclassification Adjustments			
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive net expenditure for the year*		1,061,765	1,042,817

*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 49 form part of this account.

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	101,631	90,770
Intangible assets	13	50	75
investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	2,331	2,416
Total non-current assets		104,012	93,261
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	14,900	12,491
Other financial assets	36	1,328	1,328
Other current assets	22	0	0
Cash and cash equivalents	23	76	23
Total current assets		16,304	13,842
Non-current assets held for sale	24	0	0
Total current assets		16,304	13,842
Total assets		120,316	107,103
Current liabilities			
Trade and other payables	25	(54,627)	(57,390)
Other liabilities	26,28	0	0
Provisions	32	(1,462)	(3,624)
Borrowings	27	(82)	0
Other financial liabilities	36.2	0	0
Total current liabilities		(56,171)	(61,014)
Non-current assets plus/less net current assets/liabilities		64,145	46,089
Non-current liabilities			
Trade and other payables	25	(372)	(386)
Other Liabilities	28	0	0
Provisions	32	(1,780)	0
Borrowings	27	(66,362)	(54,349)
Other financial liabilities	36.2	0	0
Total non-current liabilities		(68,514)	(54,735)
Total Assets Employed:		(4,369)	(8,646)
Financed by taxpayers' equity:			
General fund		(18,788)	(21,589)
Revaluation reserve		14,419	12,943
Other reserves		0	0
Total taxpayers' equity:		(4,369)	(8,646)

The notes on pages 5 to 49 form part of this account.

The financial statements on pages 1 to 4 were approved by the Board on 6th June 2013 and signed on its behalf by

Chief Executive:

Date:

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	101,631	90,770
Intangible assets	13	50	75
investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	2,331	2,416
Total non-current assets		104,012	93,261
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	14,900	12,491
Other financial assets	36	1,328	1,328
Other current assets	22	0	0
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Revaluation reserve		14,419	12,943
Other reserves		0	0
Total taxpayers' equity:		(4,369)	(8,646)

The notes on pages 5 to 49 form part of this account.

The financial statements on pages 1 to 4 were approved by the Audit Sub Committee of the Department of Health on 5th June 2013 and signed on its behalf by

Signing Officer *E. Duggan*

Date: *6.6.2013*

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(21,589)	12,943	0	(8,646)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(1,063,241)			(1,063,241)
Net gain on revaluation of property, plant, equipment		1,476		1,476
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		0		0
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	(1,063,241)	1,476	0	(1,061,765)
Net Parliamentary funding	1,066,042			1,066,042
Balance at 31 March 2013	(18,788)	14,419	0	(4,369)
Balance at 1 April 2011	-21984	11067	0	(10,917)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(1,044,664)			(1,044,664)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,876		1,876
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		0		0
Movements in other reserves			0	0
Transfers between reserves*	0	0		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(1,044,664)	1,876	0	(1,042,788)
Net Parliamentary funding	1,045,059			1,045,059
Balance at 31 March 2012	(21,589)	12,943	0	(8,646)

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

	2012-13	2011-12
NOTE	£000	£000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	(1,058,130)	(1,041,320)
Depreciation and Amortisation	4,077	3,748
Impairments and Reversals	3,059	960
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	(3,940)	(3,414)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	0
(Increase)/Decrease in Trade and Other Receivables	(2,324)	(892)
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(2,972)	3,226
(Increase)/Decrease in Other Current Liabilities	(1,171)	0
Provisions Utilised	(1,689)	(4,380)
Increase/(Decrease) in Provisions	1,307	1,448
Net Cash Inflow/(Outflow) from Operating Activities	(1,061,783)	(1,040,624)
Cash flows from investing activities		
Interest Received	195	88
(Payments) for Property, Plant and Equipment	(4,366)	(5,195)
(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)	0	627
Proceeds of disposal of assets held for sale (Intangible)	0	0
Proceeds from Disposal of Other Financial Assets	0	0
Proceeds from the disposal of Financial Assets (LIFT)	0	0
Loans Made in Respect of LIFT	0	0
Loans Repaid in Respect of LIFT	0	0
Rental Revenue	0	0
Net Cash Inflow/(Outflow) from Investing Activities	(4,171)	(4,480)
Net cash inflow/(outflow) before financing	(1,065,954)	(1,045,104)
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(35)	0
Net Parliamentary Funding	1,066,042	1,045,059
Capital Receipts Surrendered	0	0
Capital grants and other capital receipts	0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	0	0
Net Cash Inflow/(Outflow) from Financing Activities	1,066,007	1,045,059
Net increase/(decrease) in cash and cash equivalents	53	(45)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	23	68
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	76	23

1. Accounting policies

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

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

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

1.1 Accounting Conventions

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

Reorganisation transactions

Services historically hosted by Liverpool PCT have transferred to other providers - notably Mersey Internal Audit Agency to Royal Liverpool and Broadgreen University Hospital NHS Trusts on 1st October 2012. Such transfers fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE, and is disclosed separately from operating costs.

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

See individual notes for any critical judgements

Critical judgements in applying accounting policies

No critical judgements have been made which would materially impact upon the veracity of the PCT's financial statements as required by IAS1.122.

Key sources of estimation uncertainty

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

The most significant area of estimation uncertainty is in respect of the carrying value of property and associated plant. As this is an area of uncertainty and specialisation, the PCT relies upon the expert opinion of the District Valuer in order to determine the book value and useful life of its land and buildings. The last revaluation was at 31 March 2013 and the District Valuer carries out the same exercise at 31 March 2012.

Other sources of uncertainty are around the accrual in respect of prescribing reported under note 25 "Family Health Services (FHS) Payables. The payment to contractors for prescribing, pharmacy and oxygen are made directly by the NHS Business Services Authority Prescribing Division (NHSBSA) on the PCT's behalf. Each month the Department of Health reduces the PCT's cash allocation in respect of these costs. However there is a timing difference which at the 31st March 2013 meant the PCT was still expecting charges relating to January, February and March 2013. These outstanding charges equal £20.946m (£21.419m in 2012) based on NHSBSA estimates and published projections. Responsibility for settling this figure will fall to the Department in 2013/14.

Continuing Health Care (CHC) resititution claims have been subject to a closing deadline for claims prior to 31st March 2012. This has resulted in a large number of claims that have not been finalised or agreed for settlement on the 31st March 2013.

The amount contained in these accounts as a provision has been subject to the estimation of a specialist team working across the whole of the Merseyside region based on experience of prior claim settlements. £2.622 m was provided at 31st March 2013 for settlement of these claims.

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. This has been minimised with the ending of the PCT.

1.3 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.

1.4 Administration and Programme Costs

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

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

Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury rules.

1. Accounting policies (continued)

1.5 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)

1.6 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.7 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)

1.08 Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain. Liverpool PCT originally applied this change in its 2010-11 accounts

1.09 Government grants

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

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

1.10 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.

1.11 Inventories

The PCT does not value any stocks to be shown in these accounts.

1.12 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.

1.13 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).

1.14 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)

1.15 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 which, like leave earned but not yet taken is not accrued for at the year end, on the grounds of immateriality.

Retirement benefit costs

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

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

No employees are currently members of the Local Government Superannuation Scheme.

1.16 Research and Development

The PCT does not carry out any Research and Development activities.

1.17 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.

1.18 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.

1.19 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are not currently an accounting issue for the PCT, and no entries have been made in the accounts for this.

1. Accounting policies (continued)

1.20 Contingencies

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

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

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

1.21 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.22 Foreign exchange

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

1.23 Provisions

Provisions are recognised when the PCT has a present legal or constructive obligation as a result of a past event, it is probable that the PCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% (2.35% 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)

1.24 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset. The PCT does not consider that there are any embedded derivatives which require disclosure in the 2012-2013 accounts.

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

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

Fair value is determined by reference to quoted market prices where possible.

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

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

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

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

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss

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

Other financial liabilities

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

1.25 NHS LIFT transactions

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

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

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

a) Services received

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

b) LIFT assets, liabilities, and finance costs

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

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

1. Accounting policies (continued)

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

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

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

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

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

Other assets contributed by the PCT to the operator

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

1. Accounting policies (continued)

With the demise of the PCT on 31 March 2013, its functions will pass to the following organisations. Liverpool Clinical Commissioning Group, NHS Commissioning Board (known as NHS England), Liverpool City Council, NHS Property Services Ltd, Community Health Partnerships Ltd

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

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

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

2 Operating segments

Since the establishment of Liverpool Community Health NHS Trust, on 1st November 2010, from the PCT's provider arm, the need to report activities by operating segment has been removed. There are no other separate segments.

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	1,063,241	1,044,664
Net operating cost plus (gain)/loss on transfers by absorption	0	0
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>1,068,182</u>	<u>1,053,868</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>4,941</u>	<u>9,204</u>

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	16,496	14,547
Charge to Capital Resource Limit	16,496	14,484
(Over)/Underspend Against CRL	<u>0</u>	<u>63</u>

3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	1,066,042	1,045,059
Cash Limit	1,066,042	1,045,059
Under/(Over)spend Against Cash Limit	<u>0</u>	<u>0</u>

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

	2012-13 £000
Total cash received from DH (Gross)	943,525
Less: Trade Income from DH	(340)
Less/(Plus): movement in DH working balances	0
Sub total: net advances	<u>943,185</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)	21,080
Plus: drugs reimbursement (central charge to cash limits)	101,777
Parliamentary funding credited to General Fund	<u>1,066,042</u>

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	1,067	0	1,067	0
Dental Charge income from Contractor-Led GDS & PDS	4,040		4,040	3,938
Dental Charge income from Trust-Led GDS & PDS	0		0	0
Prescription Charge income	4,007		4,007	4,876
Strategic Health Authorities	937	0	937	1,539
NHS Trusts	9,579	3,902	5,677	10,269
NHS Foundation Trusts	1,664	1,577	87	2,975
Primary Care Trusts Contributions to DATs	0		0	0
Primary Care Trusts - Other	8,712	5,813	2,899	10,733
Primary Care Trusts - Lead Commissioning	7	0	7	0
English RAB Special Health Authorities	12	12	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	276	0	276	641
Recoveries in respect of employee benefits	0	0	0	160
Local Authorities	1,846	234	1,612	1,132
Patient Transport Services	0		0	0
Education, Training and Research	840	0	840	685
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	113	0	113	18
Charitable and Other Contributions to Expenditure	38		38	1
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	0	0	0	0
Other revenue	3,507	1,862	1,645	1,911
Total miscellaneous revenue	36,645	13,400	23,245	38,878

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13	2012-13	2012-13	2011-12
	Total	Admin	Programme	Total
	£000	£000	£000	£000
Goods and Services from Other PCTs				
Healthcare	120,298		120,298	112,016
Non-Healthcare	1,144	813	331	1,360
Total	121,442	813	120,629	113,376
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	414,282	8,042	406,240	398,533
Goods and services (other, excl Trusts, FT and PCT))	270	194	76	1,839
Total	414,552	8,236	406,316	400,372
Goods and Services from Foundation Trusts	198,928	2,437	196,491	199,922
Purchase of Healthcare from Non-NHS bodies	62,319		62,319	60,809
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	6,161		6,161	6,285
Non-GMS Services from GPs	1,480	1,250	230	803
Contractor Led GDS & PDS (excluding employee benefits)	26,748		26,748	24,463
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0		0	0
Chair, Non-executive Directors & PEC remuneration	125	125	0	90
Executive committee members costs	75	75	0	78
Consultancy Services	1,204	1,138	66	837
Prescribing Costs	81,852		81,852	90,240
G/PMS, APMS and PCTMS (excluding employee benefits)	79,995	0	79,995	78,540
Pharmaceutical Services	820		820	1,191
Local Pharmaceutical Services Pilots	0		0	181
New Pharmacy Contract	23,815		23,815	23,572
General Ophthalmic Services	5,771		5,771	5,355
Supplies and Services - Clinical	2,921	657	2,264	1,734
Supplies and Services - General	1,767	689	1,078	4,172
Establishment	7,203	3,937	3,266	5,053
Transport	18	18	0	16
Premises	14,444	2,841	11,603	12,620
Impairments & Reversals of Property, plant and equipment	3,059	0	3,059	960
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	4,052	0	4,052	3,723
Amortisation	25	0	25	25
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	23
Inventory write offs	0	0	0	0
Research and Development Expenditure	446	24	422	1,098
Audit Fees	151	151	0	251
Other Auditors Remuneration	39	39	0	36
Clinical Negligence Costs	72	72	0	62
Education and Training	1,818	1,102	716	1,375
Grants for capital purposes	0	0	0	0
Grants for revenue purposes	7,766	0	7,766	7,897
Impairments and reversals for investment properties	0	0	0	0
Other	7,133	190	6,943	8,666
Total Operating costs charged to Statement of Comprehensive Net Expenditure	1,076,201	23,794	1,052,407	1,053,825
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	850	850	0	880
Other Employee Benefits	17,724	16,933	791	25,493
Total Employee Benefits charged to SOCNE	18,574	17,783	791	26,373
Total Operating Costs	1,094,775	41,577	1,053,198	1,080,198

Analysis of grants reported in total operating costs

For capital purposes				
Grants to fund Capital Projects - GMS	0	0	0	0
Grants to Local Authorities to Fund Capital Projects	0	0	0	0
Grants to Private Sector to Fund Capital Projects	0	0	0	0
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	0	0	0	0
Grants to fund revenue expenditure				
To Local Authorities	3,288	0	3,288	2,857
To Private Sector	4,478	0	4,478	5,040
To Other	0	0	0	0
Total Revenue Grants	7,766	0	7,766	7,897
Total Grants	7,766	0	7,766	7,897

	Total	Commissioning Public Health Services	
PCT Running Costs 2012-13			
Running costs (£000s)	28,177	24,324	3,853
Weighted population (number in units)*	576,471	576,471	576,471
Running costs per head of population (£ per head)	49	42	7
PCT Running Costs 2011-12			
Running costs (£000s)	29,862	24,743	5,119
Weighted population (number in units)	576,471	576,471	576,471
Running costs per head of population (£ per head)	52	43	9

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

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

5.2 Analysis of operating expenditure by expenditure classification

	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	79,995	78,540
Prescribing costs	81,852	90,240
Contractor led GDS & PDS	26,748	24,463
Trust led GDS & PDS	0	0
General Ophthalmic Services	5,771	5,355
Department of Health Initiative Funding	0	0
Pharmaceutical services	820	1,191
Local Pharmaceutical Services Pilots	0	181
New Pharmacy Contract	23,815	23,572
Non-GMS Services from GPs	1,480	191
Other	0	0
Total Primary Healthcare purchased	<u>220,481</u>	<u>223,733</u>
Purchase of Secondary Healthcare		
Learning Difficulties	9,178	8,997
Mental Illness	102,046	98,223
Maternity	23,774	24,515
General and Acute	474,391	459,572
Accident and emergency	18,419	16,667
Community Health Services	134,780	132,436
Other Contractual	23,586	29,691
Total Secondary Healthcare Purchased	<u>786,175</u>	<u>770,101</u>
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	7,766	7,897
Total Healthcare Purchased by PCT	<u>1,014,422</u>	<u>1,001,731</u>
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	195,327	197,078

6. Operating Leases

6.1 PCT as lessee	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				2,170	2,584
Contingent rents				0	0
Sub-lease payments				0	0
Total				2,170	2,584
Payable:					
No later than one year	0	1,928	0	1,928	2,427
Between one and five years	0	5,254	0	5,254	4,938
After five years	0	384	0	384	0
Total	0	7,566	0	7,566	7,365
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

None

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	14,523	13,866	657	13,884	13,268	616	639	598	41
Social security costs	1,297	1,243	54	1,297	1,243	54	0	0	0
Employer Contributions to NHS BSA - Pensions Division	1,812	1,732	80	1,812	1,732	80	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	942	942	0	942	942	0	0	0	0
Total employee benefits	18,574	17,783	791	17,935	17,185	750	639	598	41
Less recoveries in respect of employee benefits (table below)	0	0	0	0	0	0	0	0	0
Total - Net Employee Benefits including capitalised costs	18,574	17,783	791	17,935	17,185	750	639	598	41
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	18,574	17,783	791	17,935	17,185	750	639	598	41
Recognised as:									
Commissioning employee benefits	18,574			17,935			639		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	18,574			17,935			639		

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

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	18,489	17,434	1,055
Social security costs	1,561	1,561	0
Employer Contributions to NHS BSA - Pensions Division	2,371	2,371	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	3,952	3,952	0
Total gross employee benefits	26,373	25,318	1,055
Less recoveries in respect of employee benefits	(160)	(160)	0
Total - Net Employee Benefits including capitalised costs	26,213	25,158	1,055
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	26,373	25,318	1,055
Recognised as:			
Commissioning employee benefits	26,373		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	26,373		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	5	5	0	6	6	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	308	285	23	486	463	23
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	12	12	0	13	13	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	29	29	0	26	26	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	353	331	23	531	508	23
Of the above - staff engaged on capital projects	0	0	0	0	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	2,878	3,008
Total Staff Years	406	555
Average working Days Lost	7.09	5.42

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	1
Total additional pensions liabilities accrued in the year	£000s 0	£000s 57

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			Total number of exit packages by cost band
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed		
	Number	Number	Number	Number	Number	Number	
Lees than £10,000	2	0	2	0	5	5	
£10,001-£25,000	3	1	4	0	11	11	
£25,001-£50,000	4	0	4	0	24	24	
£50,001-£100,000	1	0	1	0	26	26	
£100,001 - £150,000	1	0	1	0	6	6	
£150,001 - £200,000	1	0	1	0	2	2	
>£200,000	1	0	1	0	0	0	
Total number of exit packages by type (total cost)	13	1	14	0	74	74	
	£s	£s	£s	£s	£s	£s	
Total resource cost	929,677	12,515	942,192	0	3,952,000	3,952,000	

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.

The total cost of the exit package for the Chief Executive is included within the above table. The Chief Executive is a joint appointment with Knowsley PCT, Sefton PCT and Halton and St Helens PCT. Liverpool PCT has recharged a percentage of the Chief Executives exit package costs to these PCT's based on unified weighted population, details are 13.65% Knowsley PCT; 21.13% Sefton PCT and 25.08% Halton and St Helens PCT.

The Cluster Director of HR and OD is also a joint appointment across the four Mersey PCT's. The exit package for the Cluster Director of HR and OD is detailed in the accounts of Knowsley PCT and has been excluded from the exit package note in these accounts. The exit package costs for the Cluster Director of HR and OD have been recharges across the PCT's on the same basis as outlines above.

Further details about the Chief Executive and Director of HR and OD are included in the remuneration report.

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

The next formal valuation to be used for funding purposes will be carried out 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.

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	25,412	132,241	24,929	123,385
Total Non-NHS Trade Invoices Paid Within Target	17,736	97,073	17,210	89,732
Percentage of NHS Trade Invoices Paid Within Target	69.79%	73.41%	69.04%	72.73%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,751	689,458	3,706	717,816
Total NHS Trade Invoices Paid Within Target	2,149	676,949	2,725	704,215
Percentage of NHS Trade Invoices Paid Within Target	57.29%	98.19%	73.53%	98.11%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	0	0	0	87
LIFT: loan interest receivable	0	0	0	0
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	0	0	0	87
Total investment income	0	0	0	87

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	3,940	0	3,940	3,414
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	3,940	0	3,940	3,414
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	17
Total	3,940	0	3,940	3,431

12.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2012-13									
Cost or valuation:									
At 1 April 2012	9,229	77,459	0	2,559	4,145	0	9,599	3,398	106,389
Additions of Assets Under Construction				(225)					(225)
Additions Purchased	1,700	13,553	0		438	0	599	431	16,721
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	1,476	0	0	0	0	0	0	1,476
Impairments/negative indexation	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	10,929	92,488	0	2,334	4,583	0	10,198	3,829	124,361
Depreciation									
At 1 April 2012	0	3,925	0	1,841	2,197	0	5,655	2,001	15,619
Reclassifications		0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	2,566	0	493	0	0	0	0	3,059
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	1,940	0		394	0	1,278	440	4,052
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	8,431	0	2,334	2,591	0	6,933	2,441	22,730
Net Book Value at 31 March 2013	10,929	84,057	0	0	1,992	0	3,265	1,388	101,631
Purchased	10,929	84,057	0	0	1,992	0	3,265	1,388	101,631
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	10,929	84,057	0	0	1,992	0	3,265	1,388	101,631
Asset financing:									
Owned	4,499	26,248	0	0	1,992	0	3,265	1,388	37,392
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	6,430	57,809	0	0	0	0	0	0	64,239
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	10,929	84,057	0	0	1,992	0	3,265	1,388	101,631

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	4,446	8,247	0	0	247	0	0	3	12,943
Movements	0	1,476	0	0	0	0	0	0	1,476
At 31 March 2013	4,446	9,723	0	0	247	0	0	3	14,419

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	(225)
Dwellings	0
Plant & Machinery	0
Balance as at YTD	(225)

12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account £000	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
2011-12	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	7,758	65,110	0	867	3,817	0	8,473	2,997	89,022
Additions - purchased	2,127	10,444	0	560	328	0	1,126	401	14,986
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(627)	0	0	0	0	0	0	0	(627)
Revaluation & indexation gains	0	1,905	0	0	0	0	0	0	1,905
Impairments	(29)	0	0	0	0	0	0	0	(29)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	0
At 31 March 2012	9,229	77,459	0	1,427	4,145	0	9,599	3,398	105,257
Depreciation									
At 1 April 2011	0	1,889	0		1,818	0	4,443	1,654	9,804
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	251	0	709	0	0	0	0	960
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	1,785	0		379	0	1,212	347	3,723
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	0
At 31 March 2012	0	3,925	0	709	2,197	0	5,655	2,001	14,487
Net Book Value at 31 March 2012	9,229	73,534	0	718	1,948	0	3,944	1,397	90,770
Purchased	9,229	73,534	0	718	1,948	0	3,944	1,397	90,770
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	9,229	73,534	0	718	1,948	0	3,944	1,397	90,770
Asset financing:									
Owned	4,499	27,432	0	718	1,948	0	3,944	1,397	39,938
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	4,730	46,102	0	0	0	0	0	0	50,832
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	9,229	73,534	0	718	1,948	0	3,944	1,397	90,770

12.3 Property, plant and equipment

Land and buildings have been revalued at 31st March 2013. The valuations were carried out by the District Valuer J. S. Southern DipSurv, DipCon, MRICS, RICS Registered Valuer, in accordance with current guidance available from the Department of Health and the Treasury.

13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2012-13						
At 1 April 2012	0	360	0	0	0	360
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	360	0	0	0	360
Amortisation						
At 1 April 2012	0	285	0	0	0	285
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	25	0	0	0	25
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	310	0	0	0	310
Net Book Value at 31 March 2013	0	50	0	0	0	50
Net Book Value at 31 March 2013 comprises						
Purchased	0	50	0	0	0	50
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	50	0	0	0	50
Revaluation reserve balance for intangible non-current assets						
	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
At 1 April 2012	0	0	0	0	0	0
Movements (specify)	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	0	0

13.2 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2011-12						
At 1 April 2011	0	360	0	0	0	360
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	360	0	0	0	360
Amortisation						
At 1 April 2011	0	260	0	0	0	260
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	25	0	0	0	25
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	285	0	0	0	285
Net Book Value at 31 March 2012	0	75	0	0	0	75
Net Book Value at 31 March 2012 comprises						
Purchased	0	75	0	0	0	75
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	75	0	0	0	75

13.3 Intangible non-current assets

Intangible assets are not subject to revaluation

Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	3	3
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	2	135
Dwellings	0	0
Plant & Machinery	0	11
Transport Equipment	0	0
Information Technology	1	5
Furniture and Fittings	0	10

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	3,059		3,059
Total charged to Annually Managed Expenditure	3,059		3,059
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for PPE charged to reserves	0		
Total Impairments of Property, Plant and Equipment	3,059	0	3,059
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	0		
Total Impairments of Intangibles	0	0	0
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	0		
Total Impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of non-current assets held for sale	0	0	0
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	0		
Total Investment Property Impairments	0	0	0
Total Impairments charged to Revaluation Reserve	0		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	3,059		3,059
Overall Total Impairments	3,059	0	3,059
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

15 Investment property

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

16 Commitments**16.1 Capital commitments**

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

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

16.2 Other financial commitments

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

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

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	2,748	0	3,121	0
Balances with Local Authorities	212	0	4,137	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	6,602	0	4,123	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	5,339	2,331	43,761	372
At 31 March 2013	<u>14,901</u>	<u>2,331</u>	<u>55,142</u>	<u>372</u>
prior period:				
Balances with other Central Government Bodies	2,530	0	3,092	0
Balances with Local Authorities	449	0	6,222	0
Balances with NHS Trusts and Foundation Trusts	5,633	0	2,964	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	3,879	2,416	45,112	386
At 31 March 2012	<u>12,491</u>	<u>2,416</u>	<u>57,390</u>	<u>386</u>

18 Inventories

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

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	9,350	7,877	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	1,568	1,483	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	799	2,080	2,331	2,416
Provision for the impairment of receivables	(327)	(376)	0	0
VAT	0	286	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	3,510	1,141	0	0
Total	14,900	12,491	2,331	2,416
Total current and non current	17,231	14,907		
Included above:				
Prepaid pensions contributions	0	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	3,976	1,305
By three to six months	338	309
By more than six months	129	85
Total	4,443	1,699

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(376)	(426)
Amount written off during the year	49	73
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	0	(23)
Balance at 31 March 2013	(327)	(376)

Based upon an Audit Committee resolution of 23rd March 2010, the provision for impairment of receivables is based upon the value of invoices over one year old. This value is supplemented by an assessment of the underperformance on dental contracts during 2012/13 where the sums are planned to be recovered during 2013/14, and specific debts under one year old. There are no NHS debts included in the calculation.

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	125	1,204	1,329
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	125	1,204	1,329
Balance at 1 April 2011	0	1,204	1,204
Additions	125	0	125
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	125	1,204	1,329

21 Other financial assets - Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	1,328	1,328
Transfers (to)/from Other Public Sector Bodies in year	0	0
Other Movements	0	0
Closing balance 31 March	1,328	1,328

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	23	68
Net change in year	53	(45)
Closing balance	76	23
Made up of		
Cash with Government Banking Service	76	19
Commercial banks	0	4
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	76	23
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	76	23
Patients' money held by the PCT, not included above	0	0

24 Non-current assets held for sale

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

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0		
NHS payables - revenue	4,516	4,004	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	1,788	0	0	0
Family Health Services (FHS) payables	20,946	21,419		
Non-NHS payables - revenue	9,248	13,059	0	0
Non-NHS payables - capital	463	268	0	0
Non_NHS accruals and deferred income	16,774	18,549	372	386
Social security costs	129	8		
VAT	515	0	0	0
Tax	98	0		
Payments received on account	0	0	0	0
Other	150	83	0	0
Total	54,627	57,390	372	386
Total payables (current and non-current)	54,999	57,776		

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	82	0	66,362	54,349
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
Total	82	0	66,362	54,349
Total other liabilities (current and non-current)	66,444	54,349		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	55	55
1 - 2 Years	0	85	85
2 - 5 Years	0	260	260
Over 5 Years	0	66,044	66,044
TOTAL	0	66,444	66,444

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	294	294	0	0
Deferred income addition	0	0	0	0
Transfer of deferred income	(281)	0	268	0
Current deferred income at 31 March 2013	13	294	268	0
Total other liabilities (current and non-current)	281	294		

30 Finance lease obligations

Amounts payable under finance leases (Buildings)

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

Amounts payable under finance leases (Land)

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

Amounts payable under finance leases (Other)

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

Finance leases as lessee

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

31 Finance lease receivables as lessor

Amounts receivable under finance leases (buildings)

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

Finance Leases (as a Lessor)

	31 March 2013 £000	31 March 2012 £000
The unguaranteed residual value accruing to the PCT is	0	0
Accumulated allowance for uncollectible minimum lease payments receivable	0	0

Rental Income

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

Finance Lease Commitments

	31 March 2013 £000s	31 March 2012 £000s
Lease	0	0

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s
Balance at 1 April 2012	3,624	0	0	373
Arising During the Year	1,310	0	0	100
Utilised During the Year	(1,689)	0	0	(133)
Reversed Unused	(3)	0	0	0
Unwinding of Discount	0	0	0	0
Change in Discount Rate	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0
Balance at 31 March 2013	3,242	0	0	340
Expected Timing of Cash Flows:				
No Later than One Year	1,462	0	0	340
Later than One Year and not later than Five Years	1,500	0	0	0
Later than Five Years	280	0	0	0

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

As at 31 March 2013	14
As at 31 March 2012	45

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other <i>[give details]</i>	0	(45)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	0	(45)
Contingent Assets		
Contingent Assets <i>[give details]</i>	7,177	7,177
Net Value of Contingent Assets	7,177	7,177

Contingent assets are based on Legal Charges held by the PCT

34 PFI and LIFT - additional information

	31 March 2013 £000	31 March 2012 £000
Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT		
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	1,725	1,423
Total	1,725	1,423

	31 March 2013 £000	31 March 2012 £000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
No Later than One Year	1,766	1,759
Later than One Year, No Later than Five Years	7,737	7,977
Later than Five Years	58,736	67,275
Total	68,239	77,011

	31 March 2013 £000	31 March 2012 £000
Imputed "finance lease" obligations for on SOFP LIFT Contracts due		
No Later than One Year	4,384	5,004
Later than One Year, No Later than Five Years	18,459	20,775
Later than Five Years	196,161	214,966
Subtotal	219,004	240,745
Less: Interest Element	(152,557)	(186,396)
Total	66,447	54,349

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	223	0	223
Interest Expense	1,140	0	1,140
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	552	0	552
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	1,915	0	1,915
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(1,542)	0	(1,542)
Net IFRS change (IFRIC12)	373	0	373

Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12

Capital expenditure 2012-13	12,130
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

36.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		9,350		9,350
Receivables - non-NHS		4,751		4,751
Cash at bank and in hand		76		76
Other financial assets	0	125	1,204	1,329
Total at 31 March 2013	0	14,302	1,204	15,506
Embedded derivatives	0			0
Receivables - NHS		7,877		7,877
Receivables - non-NHS		2,247		2,247
Cash at bank and in hand		23		23
Other financial assets	0	125	1,204	1,329
Total at 31 March 2012	0	10,272	1,204	11,476

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		6,304	6,304
Non-NHS payables		48,695	48,695
Other borrowings		0	0
PFI & finance lease obligations		66,444	66,444
Other financial liabilities	0	0	0
Total at 31 March 2013	0	121,443	121,443
Embedded derivatives	0		0
NHS payables		4,004	4,004
Non-NHS payables		53,772	53,772
Other borrowings		0	0
PFI & finance lease obligations		53,539	53,539
Other financial liabilities	0	0	0
Total at 31 March 2012	0	111,315	111,315

37 Related party transactions

Details of related party transactions with individuals are as follows:

Liverpool Primary Care Trust is a body corporate established by the Secretary of State for Health. In accordance with the national policy of the 'clustering' of Primary Care Trusts with effect from 1st June 2011. NHS Merseyside (Primary Care Cluster) assumed responsibility as the corporate body with the PCT's in the cluster operating under a single board. During financial year 2012/13 the following transactions took place between Liverpool PCT and organisations

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Gideon Ben Tovim OBE, Chair				
Senior Fellow, University of Liverpool	2,019,777	525	45,324	0
Trustee FACT	0	0	9,216	0
Keith Cawdron, Non Executive Director				
Chief Executive, St Joseph's Hospice Association	327,398	0	30,624	0
Member of the Governing Body of Nugent Care	524,076	0	42,018	0
Graham Wright, Non Executive Director				
Elected member, Knowlsey MBC	158,519	10,380	0	0
David Merrill, Non Executive Director				
Lay member of the research review panel and of the internal patient information ratification group, St Helens & Knowsley Hospitals NHST	16,289,965	96,189	0	49,791
Maureen Williams, Non Executive Director				
Professor, Liverpool John Moores University	794,949	0	0	3,375
Peter Hinton, Non Executive Director				
Senior Manager, Liverpool John Moore's University	794,949	0	0	3,375
Trustee of Irish Community Care Merseyside	29,719	0	3,302	0
Vice President, City of Liverpool YMCA & Chair, NW Region YMCA	11,870	0	0	0
Dr Paula Grey, Director of Public Health				
Director of Public Health, Liverpool City Council	32,472,000	1,625,695	1,774,011	177,268
Member, Brook Advisory	955,593	0	0	0
Husband is a GP at The Village Medical Practice	468,930	0	0	0
Clare Duggan, Accountable Officer, Member MerseyCare NHS Trust	71,885,954	130,864	2,971	0

Phil Wadeson (Director of Finance) was appointed as the joint Director of Finance for the NHS Merseyside Cluster and the NHS Cheshire, Warrington and Wirral (CWW) Cluster for the period 1 September 2012 to 10 January 2013 and continued to support the NHS CWW Cluster to the end of January 2013. He is deemed to have a related party interest in all four of the NHS CWW Cluster PCT's, however only Western Cheshire PCT transactions are deemed to be material to both parties, disclosed below. Trish Bennett (Director of Nursing Mersey Cluster) was appointed as the Director of Nursing to the Greater Manchester (GM) Local Area Team on 1 October 2012 and retained her role on the Mersey Cluster board alongside this to 31 March 2013. There were no material transactions between Halton PCT and the GM LAT requiring Disclosure.

Mark Lloyd, LIFT Development Manager. Alternate Director Liverpool & Sefton Health Partnership	4,786,083	350	209,776	0
Katherine Sheerin, Chief Officer (Delegate) Liverpool CCG Governor Aintree Universities Hospitals FT Trust	84,069,464	95,821	508,320	908
Ian Davies, Head of Operations and Performance Liverpool CCG Director, Renova Developments Ltd (LIFT Co)	0	0	90,000	362

In addition to the above, senior managers were asked to disclose any interests that they or close family members had, (or any business that they own or control) with any NHS body during 2012-13. The following have made disclosures;

Scott Aldridge, Primary Care Commissioning. Mother is a Business Manager at Aintree University Hospitals FT	84,069,464	95,821	508,320	908
Dr Nadim Fazlani, GP Chair Liverpool CCG. Wife is a consultant psychiatrist at MerseyCare NHS Trust	71,885,954	130,864	2,971	0
Dr Janet Bliss GP Member, Liverpool CCG. Brother employed by Aintree University Hospital FT	84,069,464	95,821	508,320	908

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The Department of Health is regarded as a related party. During the year Liverpool 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 listed below.

NHS North West
Western Cheshire PCT
Sefton PCT
Halton & St Helens PCT
Knowsley PCT
Wirral PCT
Blackpool PCT (North West Ambulance Service NHST)
Mersey Care NHST
Royal Liverpool & Broadgreen NHST
St Helens & Knowsley NHST
Liverpool Community Health NHST
Southport & Ormskirk Hospital NHST
Aintree University Hospitals NHSFT
Clatterbridge Centre for Oncology NHSFT
Alder Hey NHSFT
Liverpool Heart & Chest NHSFT
Liverpool Womens NHSFT
5 Boroughs Partnership NHSFT
South Staffordshire Healthcare NHSFT

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 Liverpool City Council, Sefton MBC and Knowsley MBC.

37 Related party transactions 2011 - 12

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

During the year, trust board members or members of the key management staff, or parties related to any of them, have undertaken the following material transactions with the Trust:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Gideon Ben Tovim OBE, Chair Senior Fellow, University of Liverpool	1,756,926	64,856	318,975	0
Graham Bell, Chair of Audit Committee (to Dec 2011) Non Executive Director (Jan to Mar 2012) Chief Executive, Park Options Wife employed by Liverpool Heart & Chest NHSFT	104,024 2,781,000	0 168,000	0 125,000	0 6,000
Maureen Williams, Non Executive Director Professor, Liverpool John Moores University	759,584	2,095	10,000	0
Samir Rihani, Non Executive Director Senior Research Fellow, University of Liverpool	1,756,926	64,856	318,975	0
Dave Antrobus, Non Executive Director Member of Merseytravel Adisory Panel	43,054	0	0	0
Keith Cawdron, Non Executive Director Chief Executive, St Joseph's Hospice Association Member of the Governing Body of Nugent Care	331,387 597,139	0 0	0 0	0 0
Graham Wright, Non Executive Director Elected member, Knowlsey MBC	8,000	12,000	4,000	3,000
David Merrill, Non Executive Director Lay member of the research review panel and of the internal patient information ratification group, St Helens & Knowsley Hospitals NHST	15,876,000	174,000	0	35,000
Peter Hinton, Non Executive Director Senior Manager, Liverpool John Moore's University Trustee of Irish Community Care Merseyside Vice President, City of Liverpool YMCA & Chair, NW Region YMCA	759,584 49,572 15,585	2,095 0 0	0 0 0	0 0 0
Dr Paula Grey, Director of Public Health Director of Public Health, Liverpool City Council Member, Brook Advisory Husband is a GP at The Village Medical Practice	32,472,000 890,307 468,930	1,118,000 0 0	6,158,000 35,286 0	445,000 0 0
John Hussey, PEC Chair GP at The Elms Medical Centre Wife is Director of Public Health, NHS North West GP Partner is a Medical Director at Urgent Care 24	1,549,556 7,000 3,805,321	0 2,275,000 0	0 0 30,000	0 143,000 0
Jacqui Campbell, Head of Integrated Commissioning Honary contract with Merseycare NHST Sister employed by Ashton, Wigan & Leigh PCT	65,419,000 10,000	476,000 101,000	104,000 11,000	0 0
Mike Hogan, Employee (left Jun-2011) Associate/Visiting Lecturer for Merseycare NHST staff support team	65,419,000	476,000	104,000	0
Sean Bradbury, Project Manager Partner is a pharmacist working for Knowlsey PCT	532,000	1,361,000	268,000	578,000
Joan Brookman, Stakeholder Engagement Sister is Chair of Liverpool Community Health NHST Sister is Executive Director of Health@Work	97,815,000 554,080	8,104,000 0	643,000 0	4,098,000 0
Annette James, Employee Member of Council of Governors at Liverpool Womens NHSFT	39,787,000	109,000	0	197,000
Cheryl Mold, Employee - Clinical Commissioning Brother works for Liverpool Community Health NHS Trust	97,815,000	8,104,000	643,000	4,098,000
Tony Woods, Employee - Clinical Commissioning Wife works at Liverpool John Moores University	759,584	2,095	0	0

37 Continued. Related party transactions 2011 - 12

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Mark Boardman, Public Health Trustee, Health@Work Trustee, Heart of Mersey	554,080 7,980	0 0	0 0	0 0
Scott Aldridge, Primary Care Commissioning Mother is Deputy Business Manager, Aintree University Hospitals NHSFT	83,423,000	179,000	549,000	8,000
Sharon Howard, Primary Care Commissioning Sister is Assistant Practice Manager, Liverpool Community Health NHS Trust	97,815,000	8,104,000	643,000	4,098,000
Sandra Davies, Public Health Trustee, Heart of Mersey	7,980	0	0	0
Emer Coffey, Public Health Husband is GP Partner at Ellergreen Medical Centre	1,904,094	0	0	0
Leigh Thompson-Greatrex, Head of Quality Husband is Deputy Director of Finance, The Walton Centre NHST	1,453,000	90,000	0	1,000
Tom Jackson, Locality Director of Finance, Liverpool & Sefton Wife employed by The Walton Centre NHST	1,453,000	90,000	0	1,000
Dr Robert Barnett, PEC member and GP at Greenbank Medical Centre	744,037	0	0	0
Dr Steve Connolly - PEC member and GP at Priory Road Medical Centre	1,993,691	0	0	0
Dr Nadim Fazlani - PEC member and GP at Edge Hill Health Centre Wife works for Mersey Care NHST	1,297,062 65,419,000	0 476,000	0 104,000	4,000 0
Dr Jude Mahadanaarachchi - PEC member and GP at Picton Neighbourhood Centre	1,374,361	0	0	2,833
Dr Jonathan Lock - PEC member and GP at Jubilee Medical Centre	1,057,064	0	0	0
Dr Stephen Sutcliffe - PEC member and GP at Riverside Centre for Health Wife employed by Mersey Care NHST	707,144 65,419,000	0 476,000	0 104,000	9,328 0
Dr Tristan Elkin - PEC member and GP at Breckfield Road North Surgery Works & partner works for Aintree University Hospitals NHSFT	774,960 83,423,000	0 179,000	0 549,000	0 8,000
Dr Rajan Karthikeyan - PEC member and GP at Old Swan Health Centre Wife employed by Southport & Ormskirk NHST	1,282,511 1,790,000	0 202,000	0 0	8,343 144,000
Dr Janet Bliss - PEC member and GP at Breeze Hill Neighbourhood Centre Brother works for Aintree University Hospitals NHSFT	795,249 83,423,000	0 179,000	0 549,000	8,596 8,000
Dr James Cuthbert - PEC member and GP at Rutherford Medical Centre	821,195	0	0	0
Dr Chris Peterson - PEC member and GP an The Elms Medical Centre GP Partner is a Medical Director at Urgent Care 24	1,549,556 3,805,321	0 0	0 30,000	0 0
Dr Simon Bowers - PEC member and GP at Fulwood Green Medical Centre	955,303	0	0	0
Ray Guy - PEC member and works at Ellergreen Medical Centre	1,904,094	0	0	0

37 Continued. Related party transactions 2011 - 12

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
David O'Hagan - CCG member and works at PCTMS practice with Liverpool Community Health NHS Trust	97,815,000	8,104,000	643,000	4,098,000
Wife works at Clatterbridge Centre for Oncology NHS FT	12,347,000	148,000	1,000	1,000
Shamim Rose - CCG member and works at PCTMS practice with Liverpool Community Health NHS Trust	97,815,000	8,104,000	643,000	4,098,000

The Department of Health is regarded as a related party. During the year Liverpool PCT has had a significant number of material transactions with
 NHS North West
 Western Cheshire PCT
 Sefton PCT
 Halton & St Helens PCT
 Knowsley PCT
 Wirral PCT
 Blackpool PCT (North West Ambulance Service NHST)
 Mersey Care NHST
 Royal Liverpool & Broadgreen NHST
 St Helens & Knowsley NHST
 Liverpool Community Health NHST
 Southport & Ormskirk Hospital NHST
 Aintree University Hospitals NHSFT
 Clatterbridge Centre for Oncology NHSFT
 Alder Hey NHSFT
 Liverpool Heart & Chest NHSFT
 Liverpool Womens NHSFT
 5 Boroughs Partnership NHSFT
 South Staffordshire Healthcare NHSFT

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 Liverpool City Council, Sefton MBC and Knowsley MBC.

38 Losses and special payments

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	9,070	19
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	359,861	3
Total losses	9,070	19
Total special payments	359,861	3
Total losses and special payments	368,931	22

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	9,795	12
Special payments - PCT management costs	33,677	11
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	9,795	12
Total special payments	33,677	11
Total losses and special payments	43,472	23

Details of cases individually over £250,000

The above case in 2012/13 involved a contractual dispute with a dental contractor

39 Third party assets

The Staff Lottery Fund was wound up in March 2013 so no third party assets are held by the PCT.

40 Cashflows relating to exceptional items

There were no exceptional items to report

41 Events after the end of the reporting period

Proposed changes to the structure of the NHS outlined in "Liberating the NHS" are in effect from 1st April 2013. The note below identifies the successor bodies that will take over the role previously filled by the PCT.

42.2 Successor Bodies

The role of the PCT will pass to;

NHS Commissioning Board (known as the NHS England).

Liverpool Clinical Commissioning Group.

Liverpool City Council.

NHS Property Services Ltd.

Community Health Partnership Ltd

Public Health England

Assets and Liabilities will pass to the above bodies and Liverpool Community Health NHS Trust.

42.2 Charitable Fund