Manchester Primary Care Trust

2012-13 Annual Report and Accounts

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Manchester Primary Care Trust

2012-13 Annual Report

Manchester Primary Care Trust

Annual Report and Accounts

2012/2013

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Chapter 1 ~ Message from Chairman and Chief Executive

Welcome to our Annual Report for 2012/13

This will be the final annual report for Primary Care Trusts, as the Health and Social Care Bill was implemented on 1 April 2013. For the ten Primary Care Trusts this was the concluding year for organisations that were established in 2001 and which have worked individually and collaboratively to improve the health of the population of Greater Manchester.

Over the last year NHS Greater Manchester has supported the individual Primary Care Trusts to close, as well as the successor organisations to prepare to assume their new responsibilities. This has been in addition to maintaining and improving healthcare in a year that saw the publication of the Francis Report with a fundamental challenge to the NHS on service quality and safety.

NHS Greater Manchester was formed in May 2011 when the ten Primary Care Trusts (PCTs) were 'clustered'. This enabled the establishment of a single Board of Directors for all ten PCTs.

This final transitional year has inevitably been challenging, in maintaining services, whilst preparing the new system to establish. However, we can confirm that PCT statutory duties have been fulfilled over the final year of 2012/13.

Our PCTs have been focused on maintaining commissioning activities and ensuring readiness for the shadow Clinical Commissioning Groups to achieve authorisation. All such new organisations have been focused on reaching full staffing complements and general preparedness for going live on 1 April 2013. This has meant that all staff affected by the changes have had to endure the uncertainty of where and if they will have a post in the new configuration of services. In this context we particularly want to acknowledge everything that PCT staff have achieved over the life of the PCT and most especially over the last year.

Further into this report you will read about the local achievements made by our locality PCTs in 2012/13, which have individually and collectively ensured that safe, efficient and effective systems have been maintained.

The new system of commissioning healthcare services will build on the work of Primary Care Trusts and will focus on ensuring safe and effective services are provided to our population. The legacy of the old system has provided a good foundation on which to build.

Chapter 2 ~ Details of the Directors

The NHS Greater Manchester Board

The 10 PCTs in Greater Manchester formed the Greater Manchester Cluster on 3 May 2011, with a single Board of Directors becoming the embodiment of the Board of each of the 10 PCTs. For 2012/13 the members of the Board of Directors of Manchester PCT were:

Prof Eileen Fairhurst	Chairman
Dr. Mike Burrows	Chief Executive
Dr Raj Patel	Medical Director
Mr Terry Atherton	Non-Executive Director (Vice-Chairman)
Mr Michael Greenwood	Non-Executive Director (Vice-Chairman)
Mr Riaz Ahmad*	Non-Executive Director (Audit Committee Chairman)
Ms Evelyn Asante-Mensah*	Non-Executive Director
Dr Kailash Chand+	Associate Non-Executive Director
Mr David Edwards	Non-Executive Director
Mr Paul Horrocks*	Non-Executive Director
Mr Alan Stephenson*	Non-Executive Director
Dr Julie Higgins	Director of Commissioning & Development (from 1.4.12 to 31.8.12)
Ms Andrea Anderson+	Director of HR & OD (on maternity leave during 2012/13)
Mr Kevin Moynes+	Director of HR & OD
Mr Rob Bellingham+	Board Secretary
Mrs Hilary Garratt	Director of Nursing, Quality & Performance (from 1.4.12 to 30.6.12)
Mrs Anita Rolfe	Director of Nursing, Quality & Performance (from 1.7.12 to 31.10.12)
Mrs Trish Bennett	Director of Nursing, Quality & Performance (from 1.10.12 onwards)
Mr Warren Heppolette+	Director of Policy & External Relations
Ms Mel Sirotkin	Director of Public Health

Ms Leila Williams+	Director of Service Transformation
Mrs Claire Yarwood	Director of Finance

'*' Denotes member of the Audit Committee
'+' non voting member

Chapter 3 ~ Our Readiness for Organisational Change

Manchester Teaching PCT (also known as Manchester PCT) was established in 2006 following the merger of North Manchester, Central Manchester and South Manchester Primary Care Trusts (PCT). It is the responsibility of Primary Care Trusts to purchase a range of health services to meet the needs of local people. During 2012/13, Manchester PCT has been operating as sub-committee of NHS Greater Manchester – a body established by the 10 PCTs in Greater Manchester to ensure resilience in commissioning matters during the organisational change initiated by the current NHS reforms.

On the 31 March 2013, as a result of the Health and Social Care Act 2012, Manchester PCT was abolished. From April 1 2013 onwards, their commissioning responsibilities have been transferred to a range of organizations as follows:

Clinical Commissioning Groups (CCGs) – These are new organisations led by local GPs. There are 3 in Manchester: North Manchester CCG, Central Manchester CCG and South Manchester CCG. All GP practices in the city are members of one of these. Their role is to commission:

- Hospital Services
- Community services such as district nursing or physiotherapist
- Mental Health services
- Learning Disability Services

NHS Commissioning Board (NCB) – This is a new, national organisation which has an 'area team' covering Greater Manchester. Their role is to deliver the Department of Health's ambitions for the NHS by working with commissioners and providers of services across the country. They will also directly commission:

- GP practices
- Dentists
- Pharmacists
- Optometrists
- Specialised services such as HIV care or heart transplants

Local Authorities – Under the changes, Manchester City Council will become responsible for commissioning public health services. These are services which help you live healthier lives and help prevent ill health. There are a wide range of these but examples include:

- Heath improvement work such as the Stop Smoking Service or weight management services
- School nursing
- Sexual health services
- Drug and Alcohol Support services

Public Health England – This is a national body which will work closely with local authorities' public health teams, carrying out a range of activities to protect and improve the nation's health. Their work will include:
Co-ordinating work to combat infectious diseases such as flu
Co-ordinating work to combat infections acquired in hospitals such as MRSA
Deliver national publicity campaigns to prevent ill health

From 1 April 2013 onwards, the majority of local commissioning will be undertaken by the three Clinical Commissioning Groups in Manchester: North, Central and South. During 2012/13 all three were fully authorised by the NHS Commissioning Board (now NHS England) following an in depth assessment process. Below is a brief summary of each. Further information can be found on their shared website www.manchester.nhs.uk.

North Manchester Clinical Commissioning Group covers the geographical wards of

- Ancoats & Clayton
- Bradford
- Charlestown
- Cheetham
- City Centre
- Crumpsall
- Harpurhey
- Higher Blackley
- Miles Platting & Newton Heath
- Moston

The CCG's 'registered' population is 189,447 (30th September 2012) and this continues to grow. Just under 12% of the population are aged over 65 years old indicating higher needs for health and social care locally. The number of people living in the above wards is set to increase in size by approximately 15%.

Based on the most recent data:

- There are high levels of deprivation across North Manchester;
- Nearly all wards in North East Manchester have higher-than-average rates of cancer mortality;
- Households in North Manchester wards have lower incomes and higher unemployment rates than the average for Manchester.

There are 36 practices in the area. In order to engage with them effectively the CCG has split them into three localities – known locally as 'patches'. The practices in each patch are as follows:

Each of the patches has a Chair that currently sits on the CCG Board to inform decision making and provide a two way communication link with constituent / member practices.

Central Manchester Clinical Commissioning Group works on behalf of patients registered at any of their 35 practices, and residents of the following council wards:

- Ardwick
- Chorlton
- Fallowfield
- Gorton North
- Gorton South
- Hulme
- Levenshulme
- Longsight
- Moss Side
- Rusholme
- Whalley Range

This covers a population of 211,000 and growing, 56% of whom are under 30 and 30% of whom come from Black and Minority Ethnic (BME) groups. There are significant levels of deprivation across central Manchester and high numbers of people living with long term conditions.

the CCG have split Central Manchester into 4 'localities' to work closer with GP practices and to make sure that their work is fully informed by the needs of the diverse communities in this part of the city. This locality model will be developed over the next 12 months and beyond.

South Manchester Clinical Commissioning Group works on behalf of patients registered at any of our 25 practices and are residents of the following council wards:

- Baguley
- Brooklands
- Burnage
- Chorlton Park
- East Didsbury
- Northenden
- Old Moat
- Sharston
- West Didsbury
- Withington
- Woodhouse Park

This covers a growing population of approximately 166,000 people with an above average proportion of older people. 44% of children in the area live in poverty and 4 of the area's wards have lower life expectancy than the Manchester average.

The CCG has 4 'patch' working groups which meet regularly to look at how improvements can be made to patient services in their local area. The geographic diversity of south Manchester allows each patch to focus on local issues.

The patches:

- Provide a more local clinical focus;
- Identify current services which require an improved patient pathway and reduce waste / duplication;
- Develop new pathways to drive up quality of primary and secondary care; and
- Share learning with other local GP practices leading to equity of care across south Manchester.

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Chapter 4 ~ Our Performance

The following section explains how we are doing in meeting our vision of improving health in Manchester. The data is taken from the most recent published figures although it should be noted that updated figures are due to be release in summer of 2013 following a release of new data from the Office of National Statistics.

Male and female life expectancy gap (between Manchester and England)

Life expectancy at birth for men in Manchester has increased from 70.1 years in 1995-97 to 74.1 years as at 2008-10 – an increase of 4.0 years or 5.7%. However, over the same period, life expectancy at birth for men in England as a whole has increased at a similar rate (5.3%) with the result that the life expectancy gap (4.5 years) in 2008-10 remains the same as it was at the beginning of the target period in 1995-07. This still means that the city is just about on track to achieve the former LPSA target.

For women, the latest figures show that life expectancy at birth in Manchester has increased from 76.9 years in 1995-97 to 79.1 years as at 2008-10 – an increase of 2.2 years or 2.9%. The figures show no change between 2007-09 and 2008-10. However, over the same period, life expectancy at birth for women in England as a whole has increased by 2.9%, with the result that the life expectancy gap has widened from 2.8 years in 1995-07 to 3.5 years in 2008-10. This means that the city is just outside the former LPSA target of 3.2 years.

All age, All cause mortality (AAACM) rates male and female

The previous national target was to increase the average life expectancy at birth in England to 78.6 years for men and to 82.5 years for women by 2010. It was estimated that this is equivalent to an AAACM in Manchester of 858 deaths per 100,000 population for men and 575 deaths per 100,000 population for women in the period 2009-11.

The latest data shows that the three-year average AAACM rate for men in Manchester has fallen from 1,241 deaths per 100,000 population in 1995-97 to 918.3 deaths per 100,000 populations in 2008-10 – a fall of 26.0%. For women, AAACM rates have fallen by 16.7%, from 760.0 deaths per 100,000 population in 1995-97 to 632.7 deaths per 100,000 population in 2008-10.

Based on a three-year trend, Manchester is on course to deliver the AAACM target for men but the recent increase in the AAACM rate for women means that Manchester is falling behind the required trajectory for this element of the national target. However, based on more recent data for the 12 month period up to February 2012 it is estimated that the AAACM rate in men is now 2.0% ahead of target. The data also suggests that the AAACM rate in women is now on target.

Cancer mortality

Three-year average mortality rates for all malignant neoplasms (cancers) among people aged under 75 years in Manchester have fallen from 189.2 deaths per 100,000 population in 1995-97 to 154.9 deaths per 100,000 population in 2008-10 (a slight increase compared with 2007-09) and are now 18.2% below the baseline rate. If this trend were to continue, it is forecast that the target of a 20% reduction in mortality rates by 2010 would just be missed. However, there is still a degree of uncertainty around this expectation and further reductions in mortality will be needed in order to ensure that this outcome is achieved.

Circulatory disease mortality

Three-year average mortality rates for circulatory diseases among people aged under 75 years in Manchester have fallen from 211.7 deaths per 100,000 population in 1995-97 to 123.2 deaths per 100,000 population in 2008-10 – a reduction of 41.9% since the baseline year. The current rate of reduction in premature mortality from circulatory diseases is still sufficient to ensure that the target of a 40% reduction in the mortality rate from these causes by 2010 will be achieved.

Mortality from suicide

The three-year average mortality rate from intentional self-harm and undetermined injury (i.e. suicide) for Manchester has fallen from 16.0 deaths per 100,000 population in 1995-97 to 13.4 deaths per 100,000 population in 2008-10. This represents a reduction of 16.2% since the 1995-97 baseline. If this trend were to continue, the target of a 20% reduction in suicide rates by 2010 (12.8 per 100,000 population) is likely to be met.

The figures for 2008-10 represent the second successive increase in the suicide rate in Manchester, following on from a long period of decline going back to 2003-05. In terms of actual numbers, deaths from suicide/self-harm have gone up from 40 in 2007 to 54 in 2008, 59 in 2009 and 66 in 2010. In part, this may be caused by an artefactual undercount of all 'coroners' deaths in 2007, leading to an over-count of all causes of death where an inquest would be expected, including suspected suicides, in 2008 and 2009. However, there is also some evidence of an underlying increase in deaths from self-harm - especially in middle-aged males. In Manchester, suicides among men aged 25-49 have increased from 24 in 2008 to 32 in 2010. This may be recession-linked, or may be more related to some other findings (e.g. from the NW Wellbeing Survey) of poorer reported mental wellbeing in males in employment in middle age.

Mortality from accidents

The three-year average mortality rate from accidental injury for Manchester has increased from 24.7 deaths per 100,000 population in 1995-97 to 26.8 deaths per 100,000 population in 2008-10 – an increase of 8.6% since the baseline. The fall in the mortality rate from accidents between 2008 and 2009 has continued and there have been further falls in both the annual rate and number of deaths between 2009 and 2010. This provides some hope that next year's figure for 2009-11 will be lower. Nevertheless, forecast trends still suggest that the target of a 20% reduction in mortality from accidents by 2010 is unlikely to be met.

Rate of alcohol related admissions

In 2011/12, there were just over 13,000 hospital admissions for alcohol related conditions among people living in Manchester. This is equivalent to a rate of alcohol-related admissions of 3,084 per 100,000 compared with the England average of 1,974 per 100,000.

For the first time in a decade, the number and rate of alcohol-related admissions have fallen – by 5.0% and 5.9% respectively. The size of the reduction in the rate of alcohol-related admissions in Manchester is the highest of any of the Core Cities and, with the exception of Rochdale (where the number and rate of alcohol-related admissions is significantly lower), is in excess of anything seen in other parts of Greater Manchester.

Drug misuse

Successful completion (of drug treatment) as a percentage of the total number in treatment (for opiates) is a newly defined indicator from April 2012. In Q1 2011/12, the figure is 5%. In Q2 and Q3 2011/12, the figure is 6%. This is a move in the right direction although it is unlikely that the target of 9% will be met in Q4 2011/12. From July 2012, a new recovery focused drug treatment system will be commissioned and an upward trend is expected.

Infant mortality rate

The infant mortality rate (defined as the number of deaths under the age of 1 per 1,000 live births) in Manchester has fallen steadily over the last decade – from a peak of 9.2 per 1,000 in the three year period 2000-02 to the current provisional estimate of 5.9 per 1,000. Over this period, the absolute gap between the infant mortality rate in Manchester and that of England as a whole has more than halved, from 3.9 in 2000-02 to just 1.5 in 2009-11. Much of this reduction in infant mortality (particularly in very young or prematurely born children) can be attributed to improvements in specialist paediatric healthcare but improvements in maternal lifestyle, such as smoking during pregnancy, will also have played its part.

Despite the importance of these measures, which are often used as measures of the health of a community, infant mortality and stillbirth rates are based on small numbers which means that the rates are subject to random year on year variations and the results need to be interpreted with caution. For this reason, the above data is presented as a 3 year average.

Under 18 conception rate

The under-18 conception rate for Manchester has fallen from 71.3 per 1,000 in 2007 to 52.5 per 1,000 in 2011 – a decrease of 27%. In 2011, the under-18 conception rate for Manchester (52.5 per 1,000) was lower than the 1998 baseline (61.3 per 1,000) –fall of 14.4%. The number of under-18 conceptions has also fallen – from 559 in 2007 to 411 in 2011 (a reduction of 26%). There were 411 under-18 conceptions in Manchester in 2011 compared to 540 in 1998 (-23.9%).

In 2009, Manchester had the second highest under-18 conception rate in England. In 2010, Manchester fell out of the top five, recording (of top tier authorities) the 9th highest under-18 conception rate. The city continues to have one of the highest under-18 conception rates in England, though our rate remains lower than several other areas including Blackpool (58.1 per 1,000).

The proportion of conceptions resulting in abortion has increased from 28% in 1998 to 51% in 2011 (up from 48% in 2010) – an increase of around 82%. In 2011, 201 (49%) under-18 conceptions resulted in live birth; 210 (51%) ended in abortion. In 2011, the rate of under-18 conceptions ending in abortion (26.8 per 1,000) exceeded the rate of under-18 conceptions resulting in live birth (25.7 per 1,000) for the first time since monitoring commenced in 1998.

The rate of under-18 conceptions leading to live birth has been falling since 1998, with a sustained reduction observed between 2005 (43 per 1,000) and 2011 (25.7 per 1,000). The rate of under-

18 conceptions ending in abortion has increased since 1998 and peaked at 34.1 per 1,000 in 2008.

Prevalence of childhood obesity

The National Child Measurement Programme (NCMP) weighs and measures children at school in Reception Year and Year 6. In 2011/12, 11.2% of Reception year children in Manchester were classified as obese compared with 9.5% of Reception year children in England as a whole. The prevalence of childhood obesity more than doubles between Reception Year and Year 6. In 2011/12, over a fifth (23.6%) of Year 6 children measured in Manchester schools were classified as being obese compared with 19.2 of children across England as a whole.

Data from the National Child Measurement Programme for the 2012/13 school year is scheduled to be published by the Health and Social Care Information Centre (HSCIC) in December 2013.

Mental health

The Manchester Mental Wellbeing Survey was carried out in 2009 as part of the North West
Mental Wellbeing Survey in response to a growing need to understand more about the positive mental wellbeing of people in the city. The Survey attempted to measure mental wellbeing using the Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS) - a validated measurement scale that measures both positive functioning and positive feeling using a 7 item scale.

The results of the Survey show that adults in Manchester were significantly more likely to have low mental wellbeing compared with the North West average (North West: 16.8%, Manchester: 23.7%) and significantly fewer had an above average level of mental wellbeing (15.5% compared with the regional average of 20.4%).

The proportion of people in Manchester who said they were moderately anxious or depressed (18.8%) was also significantly higher than the North West average (14.8%).

A repeat of the Manchester Mental Wellbeing Survey has been re-commissioned and the results from this are expected in May 2013.

Further details of Manchester health statistics are available via the following link.
http://www.manchester.gov.uk/downloads/download/4433/picture_of_progress_2011

In addition to these overarching performance measures, NHS commissioners are also held to account for the performance of their local health system. The following highlights performance against these measures for 2012/13.

- **Reduction in infections due to MRSA:**
  9 cases of MRSA in 2012/13 (below plan of 11)
- **Reduction in infections due to C Difficile:**
  161 cases of CDiff, (below plan of 163)
- **Waiting Times for Treatment:**
  Standard achieved for Admitted, (92.1%) non-admitted (97.2%) & incomplete (94.3%) throughout 2012/13.
- **Waiting times for cancer screening and treatment:**
  To date cumulative performance is above the operating standards for all cancer waiting times targets.

- **Waiting Times in Accident and Emergency:**
  95% target was achieved in 2012/13 (using %s from DH mapping exercise for 6 trusts with largest %)
- **More people receiving psychological therapies:**
  5.4% of people with anxiety or depression entered IAPT

- **Harm Free Care:** Reduction of Venous Thromboembelism (VTE)
  During 2012/13 we exceeded the target by 3% each quarter

- **Eliminating Mixed Sex Accommodation:**13 breaches of standard.
  The breaches were primarily in one provider and linked to the unavailability of beds when stepping patients down from ICU. A comprehensive action plan in place to address these issues, this includes a new pattern of working for medical staff aiming to improve bed availability.
- **Stroke:** 73.5% in 2012/13. To improve the amount of time patients spend on a stroke ward following admission, providers are working to ensure patients have quick access to this specialist facility. Work is also underway to fully implement early supported discharge. This means patients fit enough to go home with the support of a comprehensive package of care are able to do so, freeing up beds for new admissions.
- **Maternity Assessment:**
  80.9% in 2012/13. Work is underway to review booking systems with providers however, there remains a co-hort of women each year that do not present until after week 13, making it difficult for this target to be achieved.
- **Percentage of women who receive their cervical screening test results within 14 days of the test being taken:**
  97.8% in 2012/13

Chapter 5 ~ Sustainability Report

NHS Manchester Sustainability Report For the Year ended 31 March 2013						
GREENHOUSE GAS OMISSIONS		2009-10	2010-11	2011-12	2012-13	Graphical Analysis
Non Financial Indicators (1,000 tCO2e)	**Total Gross Emissions**	4	5	5	5	
	Total Net Emissions	**0**	**0**	**0**	**0**	
	Gross emissions Scope 1 (direct)	4	5	5	5	
	Gross emissions Scope 2 & 3 (in-direct)	0	0	0	0	
Related Energy Consumption (million KWh)	Electricity: Non-Renewable	5	6	6	6	
	Electricity: Renewable	0	0	0	0	
	Gas	10	9	8	8	
	LPG	0	0	0	0	
	Other	0	0	0	0	
Financial Indicators (£ million)	Expenditure on Energy	1	1	1	1	
	CRC License Expenditure (2010 onwards)	0	0	0	0	
	Expenditure on Accredited Offsets (e.g. GCOF)	0	0	0	0	
	Expenditure on Official Business Travel	£140K	£130K	£110K	£159K	
PERFORMANCE COMMENTARY (INCL MEASURES)						
CONTROLLABLE IMPACTS COMMENTARY						
OVERVIEW OF INFLUENCED IMPACTS						

Greenhouse Gas Omissions

tonnes/Co2

Financial Year

■ Total Gross Emmissions

Financial Year	2009-10	2010-11	2011-12	2012-13
Total Gross Emmissions	4	5	5	5

WASTE			2009-10	2010-11	2011-12	2012-13
Non Financial Indicators (tonnes)	**Total waste**		**330**	**365**	**373**	**335**
	Hazardous waste	Total	70	114	118	66
	Non hazardous waste	Landfill	21	94	27	40
		Re-used/Recycled	239	157	228	229
		Composted	0	0	0	0
		Incinerated with energy recovery	0	0	0	0
		Incinerated without energy recovery	0	0	0	0
Financial Indicators (£k)	**Total disposal cost**		**128**	**209**	**205**	**129**
	Hazardous waste		66	136	144	57
	Non hazardous waste	Landfill	37	53	36	42
		Re-used/Recycled	25	20	25	30
		Composted	0	0	0	0
		Incinerated with energy recovery	0	0	0	0
		Incinerated without energy recovery	0	0	0	0

PERFORMANCE COMMENTARY (INCL MEASURES)

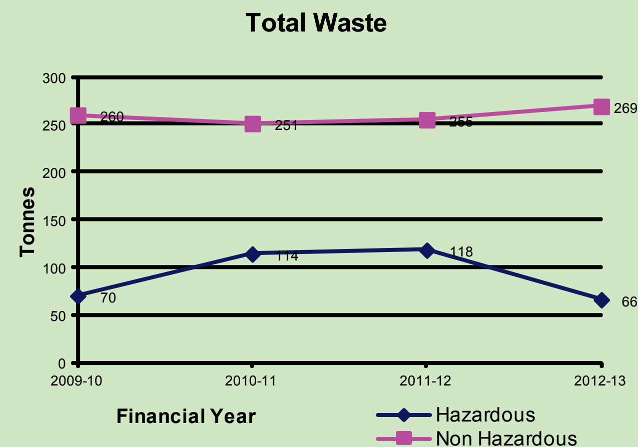
By the competitive tendering process NHS Manchester intends to significantly reduce its hazardous waste costs by 2013.

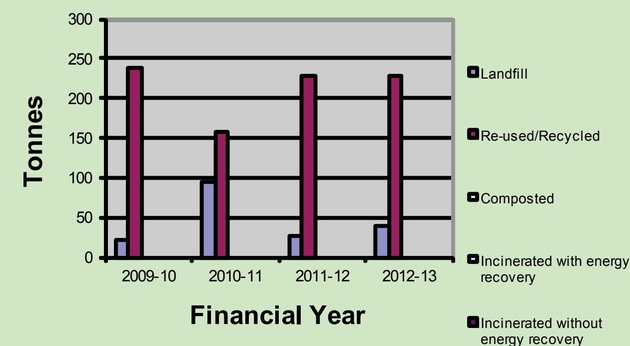
CONTROLLABLE IMPACTS COMMENTARY

In 2010-11 the Aukid Recycling Plant closed, which had a negative impacted upon NHS Manchester's recycling figures. Manchester started using the current waste contractor in October 2008.

OVERVIEW OF INFLUENCED IMPACTS

Graphical Analysis





FINITE RESOURCE CONSUMPTION			2009-10	2010-11	2011-12	2012-13	Graphical Analysis
Non Financial Indicators (000 m3)	Water consumption (Office Estate)	Supplied	43	33	43	42	Water Usage
		Abstracted	0	0	0	0	
		Per FTE	0	0	0	0	
	Water consumption (Non-Office Estate)	Supplied	0	0	0	0	
		Abstracted	0	0	0	0	
Financial Indicators (£k)	Water supply costs (Office Estate)		197	167	176	176	
	Water supply costs (Non Office Estate)		0	0	0	0	

Chapter 6 ~ Financial Review

Financial Performance

The financial statements incorporated within this report reflect the 2012/13 financial year. Primary Care Trust's have both statutory and administrative duties, and these are noted in the table below

Statutory Duties

Statutory Duty	Target (£k)	Actual (£k)	Variance (£k)	Duty Met?
Expenditure not to exceed Revenue Resource Limit	1,111,495	1,108,239	3,256	☑
Expenditure not to exceed Capital Resource Limit	3,022	3,022	0	☑
To remain within Cash Limit	1,102,431	1,099,409	(3,256)	☑

Administrative Duties

Statutory Duty	Target	Actual	Duty Met?
To Achieve Better Payment Practice Code	Pay 95% invoices within 30 days	98.15% by value and 90.32% by number	

Statutory Duties

Expenditure not to exceed Resource Limit
Limits are set by the Department of Health for primary care trusts, within which they must contain net expenditure for the year. These are termed ‘resource limits’, and there are separate limits issued for revenue and capital.

Manchester PCT’s Revenue Resource Limit for the year was £1,111,495k. Against these costs amounted to £1,108,239k and therefore the organisation was under spent by £3,256k.

The Capital Resource Limit for the year was £3,022k; against this costs incurred were £3,022k, which meant that Manchester PCT delivered its capital resource limit.

To Remain within Cash Limit
All primary care trusts are set a limit on the amount of cash that can be spent in the year. The Cash Limit for 2012/13 was £1,099,409k and the organisation drew down from the Department of Health cash amounting to £1,102,431k. As at 31st March 2013 the cash held by Manchester PCT was (£3,256k), which matched to the forecast surplus position

Administrative Duties

Compliance with Better Payment Practice Code (BPPC)
All NHS organisations are required to make payments to their creditors within their contracted terms or within 30 days where no terms have been agreed. The target is to pay 95% of invoices within this timescale, and performance is monitored during the year.

Manchester PCT’s performance for the year ended 31st March 2013 was 90.74% (92.73% by value) of non NHS invoices and 85.31% (98.96% by value) of NHS invoices were paid within the target period

Better Payment Practice Code

	2012-13 Number	**2012-13 £000**	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**30,379**	**113,882**	29,192	129,462
Total Non-NHS Trade Invoices Paid Within Target	**27,561**	**105,600**	22,973	112,137
Percentage of Non-NHS Trade Invoices Paid Within Target	91%	93%	79%	87%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**6,476**	**763,526**	6,599	750,829
Total NHS Trade Invoices Paid Within Target	**5,725**	**755,582**	4,179	719,694
Percentage of NHS Trade Invoices Paid Within Target	88%	99%	63%	96%

Chapter 7 ~ Remuneration Report

The remuneration report contains details of the previous Manchester PCT Board, the NHS Greater Manchester Board and those senior managers within the organisation.

Salaries and Allowances of Directors and Senior Managers 2012-13
Manchester PCT Senior Managers 2012-13

Name	Title	Employing PCT	Period in post	Total GM remuneration 2012-13 Salary bands of £5,000	Total GM remuneration 2012-13 Other Payments bands of £5,000	Total GM remuneration 2012-13 Bonus Payments bands of £5,000	Total GM remuneration 2012-13 Benefits in kind bands of £100	% entity share	PCT Share of GM remuneration 2012-13 Salary bands of £5,000	PCT Share of GM remuneration 2012-13 Other Payments bands of £5,000	PCT Share of GM remuneration 2012-13 Bonus Payments bands of £5,000	PCT Share of GM remuneration 2012-13 Benefits in kind bands of £100	2011-12 Salary bands of £5,000	2011-12 Other Payments bands of £5,000	2011-12 Bonus Payments bands of £5,000	2011-12 Benefits in kind bands of £100
Prof Eileen Fairhurst	Chairman	Salford	01/04/12-31/03/13	40-45	0	0	0	20.69%	5-10	-	-	-	35-40	-	-	-
Dr Mike Burrows	Chief Executive	Salford	01/04/12-31/03/13	150-155	0	0	0	20.69%	30-35	-	-	-	135-140	-	-	-
Mrs Claire Yarwood	Director of Finance	Salford	01/04/12-31/03/13	115-120	0	0	0	20.69%	20-25	-	-	-	100-105	-	-	-
Dr Julie Higgins	Director of Commissioning Development	HMR	01/04/12-31/08/12	65-70	0	0	0	20.69%	10-15	-	-	-	115 - 120	-	-	-
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	Tameside	01/04/12-30/06/12	20-25	0	0	0	20.69%	0-5	-	-	-	105 - 110	-	-	-
Mrs Anita Rolfe^	Director of Nursing, Quality and Performance	Oldham	01/07/12-31/10/12	25-30	0	0	0	20.69%	5-10	-	-	-	N/A	N/A	N/A	N/A
Mrs Patricia Bennett^	Director of Nursing, Quality and Performance	Liverpool	01/10/12-31/03/13	0-5	0	0	0	20.69%	0-5	-	-	-	N/A	N/A	N/A	N/A
Dr Raj Patel	Medical Director	Tameside	01/04/12-31/03/13	20-25	0	0	0	20.69%	0-5	-	-	-	20 - 25	50 - 55	-	-
Ms Melanie Sirotkin^	Lead Director of Public Health	Salford	01/11/12-31/03/13	115-120	0	0	0	20.69%	20-25	-	-	-	N/A	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	Bury	01/04/12-31/03/13	80-85	0	0	0	20.69%	15-20	-	-	-	45 - 50	-	-	-
Mr Warren Heppolette	Director of Policy and External Relations	Salford	01/04/12-31/03/13	90-95	0	0	0	20.69%	15-20	-	-	-	70-75	-	-	-
Ms Leila Williams	Director of Service Transformation	ALW	01/04/12-31/03/13	90 - 95	0	0	0	20.69%	15-20	-	-	-	75 - 80	-	-	0 - 1
Mr Kevin Moynes^	Director of HR and OD	SHA	01/04/12-31/03/13	65-70	0	0	0	20.69%	10-15	-	-	-	N/A	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	Bury	on maternity leave during period	25 - 30	0	0	0	20.69%	5-10	-	-	-	65 - 70	-	-	-
Mr Terry Atherton+	Non-Executive Director	Trafford	01/04/12-31/03/13	30-35	-	-	-	20.69%	5-10	-	-	-	30 - 35	-	-	-
Mr Riaz Ahmad*+	Non-Executive Director	Oldham	01/04/12-31/03/13	35-40	-	-	-	20.69%	5-10	-	-	-	30 - 35	-	-	-
Dr Kailash Chand+	Associate Non-Executive Director	Tameside	01/04/12-31/03/13	30-35	0	0	0	20.69%	5-10	-	-	-	30 - 35	-	-	-
Mr David Edwards+	Non-Executive Director	HMR	01/04/12-31/03/13	35-40	0	0	0	20.69%	5-10	-	-	-	30 - 35	-	-	-
Mr Alan Stephenson*+	Non-Executive Director	ALW	01/04/12-31/03/13	35 - 40	0	0	0	20.69%	5-10	-	-	-	30 - 35	-	-	-
Ms Evelyn Asante-Mensah*+	Non-Executive Director	Manchester	01/04/12-31/03/13	35 - 40	-	-	-	20.69%	5-10	-	-	-	40 - 45	-	-	-
Mr Michael Greenwood+	Non-Executive Director	Stockport	01/04/12-31/03/13	30-35	0	0	0	20.69%	5-10	-	-	-	30 - 35	-	-	-
Mr Paul Horrocks+	Non-Executive Director	Bury	01/04/12-31/03/13	35 - 40	0	0	0	20.69%	5-10	-	-	-	30 - 35	-	-	-
Mrs Pam Senior+	Non-Executive Director (to Jan 12)	Bolton	Left in 2011	N/A	N/A	N/A	N/A	20.69%	N/A	N/A	N/A	N/A	25 - 30	-	-	-

* Audit Committee Members   + Remuneration of Terms of Service Committee members   ^ Not in post 2011/2-12

Manchester PCT Senior Managers 2012-13

			Total GM remuneration	Total GM remuneration									
			2012-13	2012-13		2012-13	2012-13	2012-13	2012-13	2011-12	2011-12	2011-12	2011-12
		Period in post	Salary (bands of £5,000)	Benefits in kind (bands of £100)	% entity share	Salary (bands of £5,000)	Other Payments (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in kind (bands of £100)	Salary (bands of £5,000)	Other Payments (bands of £5,000)	Bonus Payments (bands of £5,000)	Benefits in Kind (bands of £1000)
Ian Williamson	Interim Chief Operating Officer Central	01/04/12-31/03/13	130-135	0	100.00%	130-135	0	0	0	95-100	0	0	0
	Agency Role		70-75	0	100.00%	70-75							
	Substantive post		60-65	0	100.00%	60-65							
Simon Wootton	Interim Chief Operating Officer North	01/04/12-31/03/13	80-85	0	100.00%	80-85	0	0	0	100-105	0	0	0
Caroline Kurzeja	Interim Chief Operating Officer South	01/04/12-31/03/13	70-75	0	100.00%	70-75	0	0	0	95-100	0	0	0
Joanne Newton	Locality Director of Finance	01/04/12-31/03/13	105-110	0	100.00%	105-110	0	0	0	95-100	0	0	0
Chris O'Gorman	QUIPP Director	01/04/12-30/04/12	0-5	0	100.00%	0-5	0	0	0	100-105	0	0	0
Iain Bell	Director of Improvement &	01/04/12-31/03/13	90-95	0	50.00%	45-50	0	0	0	50-55	0	0	0
David Regan	Director of Public Health	01/04/12-31/03/13	95-100	0	100.00%	95-100	0	0	0	110-115	0	0	0
T Chauhan	Medical Director	01/04/12-31/03/13	35-40	0	100.00%	35-40	0	0	0	50-55	0	0	0

Remuneration Pensions Report
Manchester PCT Board

Name	Title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500 £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2013 £000	Cash Equivalent Transfer Value at 31 March 2012 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Dr Mike Burrows	Chief Executive	0-2.5	0-2.5	45-50	145-150	900	842	14	N/A
Mrs Claire Yarwood	Director of Finance	0-2.5	0-2.5	35-40	105-110	623	578	15	N/A
Dr Julie Higgins	Director of Commissioning Development	0-2.5	0-2.5	25-30	85-90	502	455	23	N/A
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	0-2.5	0-2.5	15-20	50-55	301	271	16	N/A
Mrs Anita Rolfe	Director of Nursing, Quality and Performance	N/A	N/A	20-25	70-75	383	N/A	N/A	N/A
Mrs Patricia Bennett	Director of Nursing, Quality and Performance	N/A	N/A	20-25	65-70	388	N/A	N/A	N/A
Dr Raj Patel*	Medical Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms Melanie Sirotkin	Lead Director of Public Health	N/A	N/A	35-40	105-110	706	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	0-2.5	0-2.5	20-25	65-70	359	334	8	N/A
Mr Warren Heppolette	Director of Policy and External Relations	0-2.5	0-2.5	20-25	0-5	223	193	20	N/A
Ms Leila Williams	Director of Service Transformation	0-2.5	0-2.5	25-30	80-85	491	452	15	N/A
Mr Kevin Moynes	Director of HR and OD	N/A	N/A	20-25	60-65	410	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	12.5-15	0-2.5	15-20	0-5	150	32	116	N/A

*Dr Raj Patel is not a member of the NHS Pension scheme and his employer makes no contributions to any other scheme

Pension Benefits NHS Manchester 2012/13

Name	Pension @ 31/3/13	Pension @ 31/3/12	Real increase in pension at age 60 (bands of £2,500)	Real increase pension Lump sum @ 31/3/13	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013(bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Iain Bell	21	20	0-2.5	2	20-25	60-65	373	334	22	0
Chris O'Gorman	N/A	12	N/A	N/A	N/A	N/A	N/A	184	N/A	0
David Regan	3	2	0-2.5	0	0-5	0-5	42	21	21	14
Caroline Kurzeja	16	14	0-2.5	3	15-20	45-50	227	197	20	10
Ian Williamson	24	N/A	N/A	N/A	20-25	70-75	444	N/A	N/A	8
Tariq Chauhan	31	28	0-2.5	7	30-35	90-95	493	420	52	2
Simon Wooton	10	9	0-2.5	0	Oct-15	0-5	112	92	15	11
Joanne Newton	38	35	0-2.5	4	35-40	110-115	679	605	43	15

Cash Equivalent Transfer Values

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

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement). An uplift value of 5.2% has been used for these purposes and is consistent with the 2011-12 uplift value.

Pay Multiples

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

The banded remuneration of the highest paid director in Manchester PCT in the financial year 2012/13 was £150k - £155k covering for a post funded on a shared basis across Greater Manchester. The highest paid director post resulted in a 20.69% cost to Manchester which equated to £31,526. This shared out cost is higher than the PCT's median remuneration of the workforce, which was £19,862.

The ratio of the cost to the PCT of the highest paid director to the median salary is £31,526/ £19,862, which equates to 1.59 (2011/12 £38,460 / £20,335, which equates to 1.89).
If the highest paid director was not shared across 10 PCTs (that is the full time equivalent cost) then an indicative determination would be £152,374 / £19,862, giving a multiple of 7.67 median earnings. (2011/12 £185,889 / £20,335, giving a multiple of 9.14 median earnings).

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

Due to changes in the governance structure as a result of NHS reform, the highest paid director is employed by NHS Greater Manchester.

Off Payroll Engagements
The Treasury Paper PES2012/17 requires the PCT to disclose all off payroll engagements. Manchester PCT had no off payroll engagements during 2012/13.

Sickness Absence Data
The following sickness absence data was reported in 2012/13.

	2012-13	2011-12
	Number	Number
Total Days Lost	4,111	8,845
Total Staff Years	466	1,080
Average working Days Lost	8.8	8.2

	2012-13	2011-12
	Number	Number
Number of persons retired early on ill health grounds	1	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	60	177

Department
of Health

Manchester Primary Care Trust

2012-13 Accounts

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Manchester Primary Care Trust

2012-13 Accounts

2012-13 Annual Accounts of Manchester Primary Care Trust

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: Mike Burrows

Date: 6 June 2013

2012-13 Annual Accounts of Manchester Primary Care Trust

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 June 2013..Signing Officer (Mike Burrows)

6 June 2013..Finance Signing Officer (Claire Yarwood)

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF MANCHESTER PCT

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

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

- the table of salaries and allowances of senior managers and related narrative notes on page 22;
- the table of pension benefits of senior managers and related narrative notes on page 24; and
- the table of pay multiples and related narrative notes on page 26.

This report is made solely to the Department of Health's accounting officer in respect of Manchester PCT in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Department of Health's accounting officer and the PCT 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 PCT's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the PCT; 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 Manchester PCT as at 31 March 2013 and of its net operating costs for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

- in our opinion the governance statement does not reflect compliance with the Department of Health's Guidance;
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have a reason to believe that the PCT, or an officer of the PCT, 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 PCT 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:

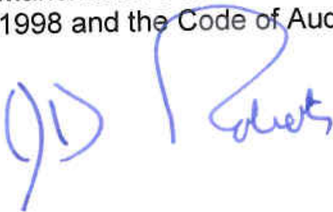
· our review of the annual governance statement; and

· our locally determined risk-based work.

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 Manchester PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Jon Roberts
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
LS1 4BN

6 June 2013

Manchester Primary Care Trust

NHS Manchester is a sub locality of NHS Greater Manchester (Officially known as Manchester Teaching Primary Care Trust)

Organisation Code: 5NT

Governance Statement

Scope of Responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, 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 Memorandum.

The ten PCTs within Greater Manchester formed the NHS Greater Manchester cluster on 3 May 2011, with a single Board of Directors becoming the embodiment of the Board of each of the ten individual PCTs i.e. each Director carries statutory accountability as a Director of each of the ten constituent PCTs.

Operational management of the PCT continued at a local level, with a Locality Group (Containing representatives from the three Manchester Clinical Commissioning Groups (CCGs), NHS North Manchester Clinical Commissioning Group, NHS Central Manchester Clinical Commissioning Group and NHS South Manchester Clinical Commissioning Group). Following sign off of an Accountability Agreement by the shadow Clinical Commissioning Groups, Locality Boards were abolished and CCGs were accountable to the NHS Greater Manchester Board. The annual report and accounts of the PCT were approved by the NHS Greater Manchester sub-committee of the Department of Health Audit and Risk Committee and certified by the Cluster Chief Executive and Director of Finance on 6 June 2013. This was done following the provision of appropriate assurance from the External Auditor and Locality Director of Finance to the Audit Committee on 6 June 2013.

As Accountable Officer, I work closely with internal and external stakeholders, including local people in order to deliver healthcare services that make a difference to local peoples' lives. In this role as Accountable Officer, I have overall responsibility for the management of the PCT, including corporate, financial and human resource management, health and safety, service commissioning, provision and communication.

Key working relationships are with:

- Local Residents;
- Staff within the PCT;
- Executive Directors;
- Non Executive Directors;
- Members of the Clinical Commissioning Groups;
- Local Authorities and the Association of Greater Manchester Authorities (AGMA);
- North of England Specialist Commissioning team;
- The media;
- Local members of Parliament;
- Local Foundation Trusts;
- Local NHS Trusts;

- Local Independent Contractors;
- Voluntary/not for profit sector;
- NHS North;
- Department of Health;
- Care Quality Commission;
- Monitor.

There are structures in place to ensure appropriate accountability and partnership working. These include:

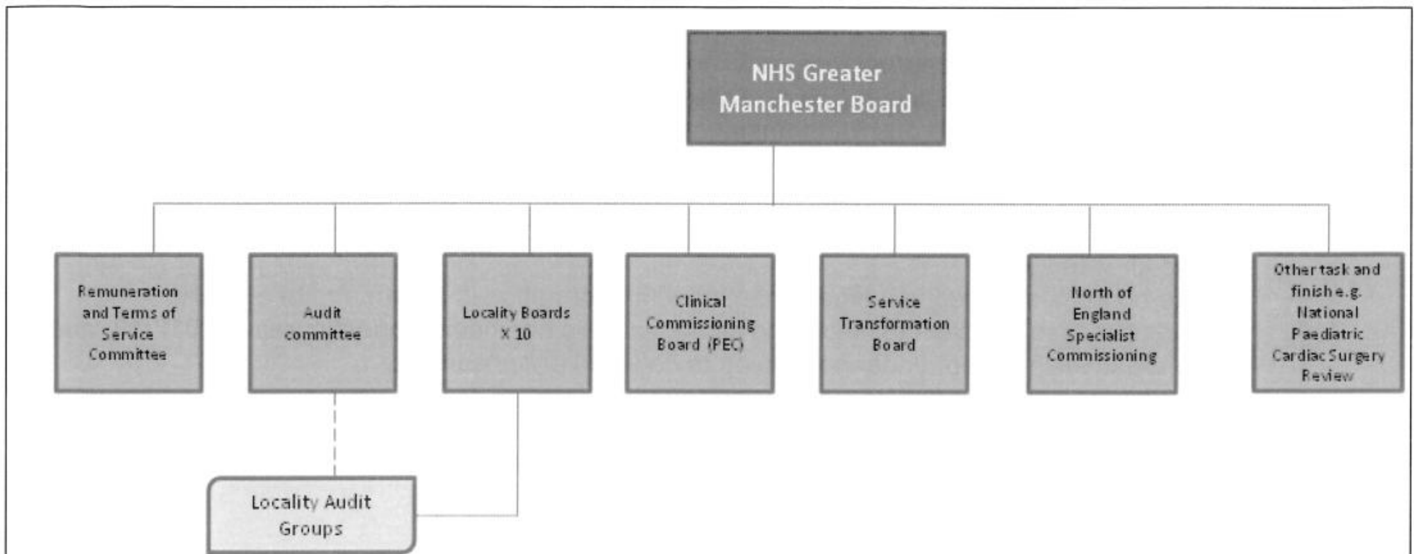
- Standing Orders, Standing Financial Instructions and delegation arrangements which specifically address governance; the role of the board and its subcommittees; the role of the chairman, chief executive and senior staff; accountability arrangements; and partnership working arrangements;
- Open meetings of the board and the publication of board meetings and related board reports;
- The publication and dissemination of performance reports, our annual report and accounts, annual audit letters, equality and diversity policies, public health reports, joint strategic needs assessments, service strategies, Care Quality Commission Standards declarations and other key documents, many of which are produced jointly with partners;
- The monitoring and accountability arrangements between NHS North and the PCT (via the accountable officer) are exercised by the monitoring of the annual operating plan;
- Regular meetings between NHS North and the accountable officer that include regular review of performance;
- Formal mid-year and year-end reviews between the NHS North and NHS Greater Manchester take place to review performance and development issues;
- The PCT accounts for its contribution to the health economy through strategic partnerships, public meetings and the publication of documents such as Trust Board papers and the Annual Report;
- The PCT can demonstrate compliance with the Code of Practice and openness in the NHS;

The Governance Framework of the Organisation

NHS Greater Manchester Board was established on the 3rd May 2011, becoming the embodiment of the Board of the 10 Greater Manchester PCTs. The NHS GM Board met throughout 2012-13, as summarised below:

- Monthly public Board meetings
- Bi-monthly Board Strategy sessions
- A supporting committee structure (described in more detail below)

The high level committee structure depicted below was in place during the year.



The Board has received regular themed governance reports throughout the year, under the heading "Managing the Transition". These have incorporated ongoing review of the effectiveness of the committee and supporting arrangements and have resulted in the development and approval of an updated committee structure for 2012/13 with the following key changes:

- The Clinical Commissioning Board and Service Transformation Board to merge into a Clinical Strategy Board
- The establishment of an arms-length Commissioning Support Service Development Board
- The establishment of a Direct Commissioning Board to take responsibility for those functions that will ultimately become part of NHS England
- Other amendments to reflect changing governance structures for 2012-13, i.e. cessation of Locality Boards, with shadow CCG Board's reporting directly to the NHS Greater Manchester Board.

Each of the Committees has provided reports to the Board after each of their meetings. Clinical Commissioning Group Board meetings were held in public and following the meetings, a Clinical Commissioning Group Board Summary Document presented to the NHS Greater Manchester Board.

NHS Greater Manchester believes it has complied with the five domains set out in the Governance Code as follows:

Leadership

- A Board is in place which is collectively responsible for the success of the Greater Manchester PCTs and for overseeing the transition to the new organisational arrangements.
- There is a clear division of responsibilities between the running of the board and the executive responsibility for the running of the organisation. No one individual has unfettered powers of decision.
- The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role.
- Non-executive directors constructively challenge and help develop proposals on strategy.

Effectiveness

- The board and its committees draw their membership from a broad pool of NHS staff,

independent contractors and non-executive directors, providing the appropriate balance of skills, experience, independence and knowledge of the organisations to enable them to discharge their respective duties and responsibilities effectively.

- There is a formal, rigorous and transparent procedure for the appointment of new directors to the board.
- All directors are able to allocate sufficient time to discharge their responsibilities effectively.
- All directors receive induction on joining the board and regularly update and refresh their skills and knowledge.
- The board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. This has been a priority area in 2012-13, and is an area which is kept under continuing review and enhancement.
- The board has reviewed its own performance and that of its committees via the regular Board Strategy sessions and via the formal governance, finance, performance and quality reports presented to Board meetings. Individual Directors are subject to formal assessment and appraisal processes.

Accountability

- The board presents a balanced and understandable assessment of the organisations position and prospects via a number of routes including,
  - Papers presented to each Board meeting, e.g. Finance, Performance
  - The development and publication of an Annual Plan
  - The development and publication of an Annual Report for each constituent PCT
- The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board has maintained sound risk management and internal control systems as described in the "Risk and Control framework" section below.
- The Board has established formal and transparent arrangements for considering how it should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the PCT's auditor. The Audit Committee leads on this area of work, with regular feedback and reporting to the main Board and a regular ongoing dialogue in place between the PCTs and their internal and external auditors.

Remuneration

- Levels of remuneration are sufficient to attract, retain and motivate directors of the quality required to run the organisation successfully. This process is overseen by the Greater Manchester Remuneration and Terms of Service Committee.
- There is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director is involved in deciding his or her own remuneration. Again this is managed by the Remuneration and Terms of Service Committee.

Relations with Stakeholders *(described as shareholders in the Governance Code)*

- There is a dialogue with stakeholders, (e.g. patients, public, partner organisations), based on the mutual respect and a commitment to effective communication and engagement. The board as a whole has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place.
- The AGMs of the ten Greater Manchester PCTs, together with a wide range of other initiatives, are used to communicate with stakeholders and to encourage their participation. AGMs were held in 2012-13 in respect of the 2011-12 accounts and achievements, however due to the demise of PCTs on 31.3.13, no further AGMs will be held.

Arrangements for Managing The Transition

The Transition Programme Board was set up in April 2012 as a task and finish operational group to make collective decisions on planning and transition of staff and services to the future commissioning architecture. The Transition Programme Board is responsible for transitioning people and services to the receiving organisations by April 2013 and is responsible for ensuring that national guidance is met through achieving Clinical Commissioning Group (CCG) authorisation and accreditation of the Commissioning Support Service (CSS) by 1 April 2013. The Transition Programme Board supports the forming and discharge of the wider governance boards.

The Transition Programme Board undertakes the following functions:

- Provides assurance, monitors progress and authorises / assures programme activities through monitoring progress reporting from the sub-programmes and Professional Leads on delivery of:
  - The NHS Greater Manchester transition programme
  - The Sub-Programmes to create the four main receiving organisations in NHS Greater Manchester (NHS England, CCGs, CSS and Local Authority Public Health)
  - Transfer of Estates and Facilities Management functions to NHS Prop Co
  - Enabling work streams in support of the Transition Programme
- Provides assurance of the Transition Programme through review of the following for each receiving organisation and enabler programme:
  - Delivery plans, key milestones and inter-dependencies
  - Resources and budget controls
  - Reviewing and resolving key risks & issues, escalating as required
  - Stakeholder engagement and communications activities for the programme

The PCT Closedown Programme has been established as a sub-programme of the Transition Programme Board. The Closedown Accountable Officers (the Locality Directors of Finance) and Closedown Leads at the individual PCTs will ensure that there is effective identification of the functions and associated assets, liabilities and contracts to be transferred and that there has been clear and meaningful communication of this with the 'Receiving Organisations'.

Primary Care Trust closedown is a standing agenda item for the NHS Greater Manchester Audit and Integrated Governance Committee and the central closedown team provide regular update reports to this committee.

Accountability for PCT closedown programme activities resides with the PCT Cluster Chief Executive with local closedown activity currently being discharged through PCT Locality Directors of Finance up to 31 March 2013 and discharged through CCG Directors of Finance from 1st April 2013.

At 1st April the following risk management arrangements for individual stakeholders' risks currently on the Greater Manchester Board Assurance Framework will transfer as follows:

- All shadow CCGs to respective formal CCGs (subject to authorisation)
- NHS Greater Manchester to NHS England (Greater Manchester Area Team)/Commissioning Support Unit (hosted by NHS England)/NHS Property Services Ltd (as appropriate)
- Commissioning Support Unit to Commissioning Support Unit (hosted by NHS England)

- Direct Commissioning to Greater Manchester Area Team (of NHS England)
- Specific transition risks will close at the end of March 2013

It will therefore be the responsibility of receiving organisations as above (where explicitly not stated in PCT closedown transfer schemes) for the management of these risks post 1st April 2013.

Arrangements for Accounts Scrutiny and Sign Off

The NHS Greater Manchester Audit and Integrated Governance Committee demised on 31 March 2013. Accordingly, in accordance with Department of Health guidance issued in Gateway reference 18561, NHS Greater Manchester has nominated five former non executives for membership of a sub-committee of the Department of Health Audit and Risk Committee. This sub-committee reviewed the draft accounts and analytical reviews in detail with the PCT Locality Director of Finance at a meeting on 16 May 2013, and a further meeting to approve the final audited accounts was held on 6 June 2013. The accounts are signed by the Local Area Team Director as Accountable Officer, and the Area Team Director of Finance.

Risk Assessment

The Risk and Control Framework

During 2012-13, NHS Greater Manchester has continued with a risk management approach to complement the work being done in localities. A key element of this approach has been the development of a NHS Greater Manchester Assurance Framework.

Each NHS Greater Manchester Board meeting receives a single page summary of the top risks from the Assurance Framework, with a locality based depiction of the position (or a single GM indicator where the risk is held at GM level). The Audit Committee receives the full Assurance Framework at each meeting.

Throughout the year, locally led risk management arrangements have been in place in each of the 10 PCT locality areas. As part of the Greater Manchester arrangements, the cluster has assessed the risk systems in place in each of the localities, particularly the operation of the locality risk registers. This has been reported to the NHS Greater Manchester Board on a regular basis.

Manchester PCT's Review of the Effectiveness of Risk Management and Internal Control

The Assurance Framework format is based on a model using the following elements: priority & links, goal, lead, principal risks, current controls, current assurances, potential gaps, current risk status, action plans and status, completion date for action and residual risk status. The Assurance Framework is presented quarterly to the Board, to the Governance Committee and annually to the Audit Committee. It highlights how Manchester PCT is dealing with the risks to the achievement of its objectives and therefore supports the preparation of the Statement of Internal Control.

The Shadow CCG Board is provided assurance through the Board Risk Assurance Framework that the risks which may threaten the achievement of strategic objectives are identified, recorded and minimised. The framework records the linkages between principal objectives, key risks and key controls. It also indicates the sources of internal and external evidence to support controls and assurances, both internal and external to Manchester PCT, and identifies any 'gaps'.

The key elements of the risk and control framework were:

- A Strategic plan with risks identified against each target and plans
- Board performance reports with key performance risks and issues monitored and reviewed.
- A Board Risk Assurance Framework, which is reviewed by the Governance Committee and presented to the Board during the year and regularly reported to the Audit Committee.
- An Integrated governance group, which met bi-monthly and worked to develop integrated governance and risk processes.
- Directorate risk registers which evaluate, deal with, and monitor risk issues in a consistent manner and Directorate management teams which have taken ownership of the registers in order to embed risk processes within their services. This process is monitored by the Governance Committee and provides assurance to the Board.
- The major incident plan has been tested and the exercises were undertaken in conjunction with partner organisations and evaluated as sound and adequate.
- Major Manchester PCT projects are conducted using risk and issue logs
- Departments have business continuity plans to ensure the continuation of services and are monitored by the Emergency Planning Committee.
- Treatment of identified risks by avoidance, reduction, transfer and acceptance.
- Provision of support and training for managers and staff from specialist staff with access to external assistance.

Manchester PCT recognises that risk management is an integral part of good management practice and that to be most effective should be part of its culture and ways of working. Risk Management is a fundamental part of a total approach to quality, corporate and clinical governance – as set out in the Integrated Governance Handbook.

The processes Manchester PCT uses for the identification, assessment and management of risk are described in the Risk Management Policy.

Throughout the year each CCG has created its own Risk Log and Board Risk Assurance Framework. Each of the three CCGs has established appropriate governance committees to ensure oversight of clinical risk and provide forums to discuss effectiveness of commissioning arrangements.

Using the strategic objectives of both NHS Greater Manchester and NHS Manchester as the basis most of the strategic objectives were deemed still relevant and three new entries were identified which are as follows:-

- To ensure that through all the organisational changes there continues to be robust emergency planning and co-ordination
- Ensure that through transition Manchester PCT continues to meet patient's health needs and expectations
- To ensure that Manchester PCT has the capability and capacity to meet its current objectives

In addition to the Board Risk Assurance Framework, Manchester PCT employs a risk management framework which supports the Trust's strategy by:-

- Providing risk management support and assistance to staff delivering clinical and non-clinical services
- Encouraging staff to identify risks within all working practices, analyse and document the risks and incorporate controls to eliminate or reduce the risk
- Encouraging the reporting of all incidents using Manchester PCT's online incident reporting system – Datix.
- Encouraging good communication and sharing of best practice
- Reviewing Manchester PCT's policies and procedures in accordance with the risk management framework
- Identifying areas of expertise and best practice within and outside Manchester PCT, translating this knowledge and experience into positive action to reduce risk
- Integrating and analysing statistical information from incident reports, claims (clinical and non-clinical), complaints, PALS and patient experience reports, in order to learn from errors, reduce risks and focus resources for the future
- Allocating risk to the appropriate level of responsibility through its escalation process
- Assessing strategic, operational, clinical and health and safety risks ensuring Manchester PCT has a risk register, comprising registers developed and maintained by each directorate, which identifies the breadth of key risks within Manchester PCT.
- Ensuring audit and monitoring performance procedures are in place
- Complying with changing health and safety legislation.

Each CCG has a risk framework that captures levels of risk. The result from the consequence table turns qualitative information into numerical values, which, if compared on the risk matrix shows the level of risk and the expected treatment of the risk. The level of risk is either: 'Acceptable', 'Manageable' or 'Extremely High' this evaluation determines the treatment of risk and the timescales involved in minimising the risk to acceptable levels.

Manchester PCT has applied the following arrangements to combat fraud and corruption in order to ensure that the public's money is not diverted away from funding essential public services:

- Manchester PCT employs a Local Counter Fraud Specialist (LCFS) (as per the Secretary of State's Directions 2004) who reports regularly to the Audit Committee.
- The LCFS has developed a work plan approved by the locality Audit Group.
- A counter fraud policy is in existence which is widely available, appropriately publicised and is regularly reviewed and approved by the Audit Committee.
- Comprehensive programmes of fraud deterrence, prevention and detection are in place across Manchester PCT, which are underpinned by ongoing work to strengthen Manchester PCT's anti-fraud culture via the use of Monday Messenger, posters at each PCT site, payslip messages and counter fraud newsletters.
- A new NHS Greater Manchester code of conduct policy is available on the intranet site and has been distributed. Employees are made aware of their duties under the policy through training at induction and Monday Messenger.
- Board members and staff are reminded of their responsibility to declare interests and registers are kept.

The programme of Counter Fraud Activity undertaken by the Trust's Local Counter Fraud Specialist during 2012/13 included the strengthening of the fraud prevention and detection controls within existing policies and procedures, provision of fraud awareness training to staff and the investigation of fraud referrals received.

The PCT achieved a level 3 Qualitative Assessment score from NHS Protect relating to the quality of the counter fraud service provided in 11/12, though the NHS Protect Quality Assessment Programme has been nationally suspended for 12/13 so no score could be given for this year. This rating indicates that the organisation is performing well in relation to the assurances provided and that qualitative outputs have clearly been demonstrated.

Lapses of Data Security

Manchester PCT has established Information Governance systems supported by updated policies and procedures to ensure data security.

Key data security highlights of 2012/13 were;

- The maintenance of the IG service as the PCT ceases to be and the establishment of effective IG systems in the local CCGs. A project manager continues to support the 3 CCGs in this area.

During the period 20 Information Governance incidents were recorded. For the period April 2012 to March 2013 Manchester PCT was notified of one complaint lodged with the ICO dated July 2012.
Manchester PCT investigated the issue and replied to the ICO that it had fully complied with the requirements of the Data Protection Act in its handling of the original request.
The ICO investigated the complaint and upheld Manchester PCT's position. No action of Manchester PCT was required and the case was closed

As a context Manchester PCT has faced significant challenges during the 2012/13 finance period namely:-

- Supporting the development of three Clinical Commissioning Groups;
- The transfer of autonomy to a newly formed NHS Greater Manchester Cluster;
- A commitment to making significant management cost savings; and
- A re-organisation of the Trust to face these challenges.

It is on this challenging basis that Manchester PCT's effectiveness of risk management and internal control has been reviewed.

The Head of Internal Audit has provided an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control have provided assurance.

The CCG Shadow Board and Locality Audit Group have played an active role in maintaining and reviewing the effectiveness of the system of internal control. The views of internal and external audit have been presented to the Locality Audit Group. The Governance Committee has assured itself on the development of Risk Management processes. The Integrated Governance Group has addressed risk issues surrounding clinical care.

The Assurance Framework employed by Manchester PCT provides evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives has been reviewed and informed by the overall work of internal and external audit, performance management by the NHS Greater Manchester cluster.

It is the Head of Internal Audit's opinion that:-

'Substantial assurance can be given that there is a generally sound system of internal control, designed to meet NHS Manchester's objectives, and that controls are generally being applied consistently; except for

those areas given a limited assurance, particularly Continuing Healthcare, IT General Controls and Risk Management. The PCT has action plans in place to address these weaknesses which are being monitored by the Audit Committee'

NHS Manchester acknowledges the Head of Internal Audit's opinion and is already implementing an action plan to address weaknesses which will be regularly reviewed by the Locality Audit Group.

Significant Issues

Manchester PCT has evaluated its strategic and operational systems and has taken independent advice from the Non-Executive Director Chairman of the Locality Audit Group and the opinion of both Internal and External Audit. It is on this basis that Manchester PCT is able to state there are no significant strategic, reputational or operational issues to report in this Annual Governance Statement.

Accountable Officer : Mike Burrows

Organisation:

Signature

Date

6/6/13

FOREWORD TO THE ACCOUNTS

Manchester PCT

These accounts for the year ended 31 March 2013 have been prepared by Manchester PCT under section 98 (2) of the National Health Service Act 2006 in the form which the Secretary of State has, with the approval of the Treasury, directed.

Ten PCTs within Greater Manchester formed a cluster on 3 May 2011, with a single Board of Directors becoming the embodiment of the Board of each of the ten individual PCTs. The cluster is known as NHS Greater Manchester. Each Director of NHS Greater Manchester carries statutory accountability as a Director of each of the ten constituent PCTs. Manchester PCT remains a statutory body until it is abolished on 1st April 2013.

As Manchester PCT is to be abolished, there are huge changes for all partner organisations as the services which it currently provides are moved to a number of receiving organisations, including but not limited to Clinical Commissioning Groups, NHS Property Services Ltd, Manchester City Council, Community Partnerships and the National Commissioning Board. The Primary Care Trust has had to manage the risks associated with transition, ensuring that all statutory requirements are met, due diligence requirements delivered and managing key risks around the loss of key staff within all functions.

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	**29,328**	26,845
Other costs	5.1	**1,123,553**	1,072,960
Income	4	**(47,143)**	(49,150)
Net operating costs before interest		**1,105,738**	1,050,655
Investment income	9	**(135)**	0
Other (Gains)/Losses	10	**112**	1,048
Finance costs	11	**2,524**	2,546
Net operating costs for the financial year		**1,108,239**	1,054,249
Transfers by absorption -(gains)		**0**	
Transfers by absorption - losses		**0**	
Net (gain)/loss on transfers by absorption		**0**	
Net Operating Costs for the Financial Year including absorption transfers		**1,108,239**	**1,054,249**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**18,440**	19,115
Other costs	5.1	**10,556**	14,597
Income	4	**(2,255)**	(3,019)
Net administration costs before interest		**26,741**	**30,693**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**42**	1,048
Finance costs	11	**0**	0
Net administration costs for the financial year		**26,783**	**31,741**
Programme Expenditure			
Gross employee benefits	7.1	**10,888**	7,730
Other costs	5.1	**1,112,997**	1,058,363
Income	4	**(44,888)**	(46,131)
Net programme expenditure before interest		**1,078,997**	**1,019,962**
Investment income	9	**(135)**	0
Other (Gains)/Losses	10	**70**	0
Finance costs	11	**2,524**	2,546
Net programme expenditure for the financial year		**1,081,456**	**1,022,508**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**2,411**	(1,992)
Net (gain) on revaluation of property, plant & equipment	**0**	0
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	**27**	
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	**1,110,677**	**1,052,257**

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**71,581**	78,436
Intangible assets	13	**219**	112
investment property	15	**0**	0
Other financial assets	20	**1,148**	1,096
Trade and other receivables	19	**852**	879
Total non-current assets		**73,800**	80,523
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**12,445**	22,842
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**14**	1
Total current assets		**12,459**	22,843
Non-current assets held for sale	24	**0**	0
Total current assets		**12,459**	22,843
Total assets		**86,259**	103,366
Current liabilities			
Trade and other payables	25	**(60,378)**	(69,550)
Other liabilities	26,28	**(281)**	(337)
Provisions	32	**(6,866)**	(2,725)
Borrowings	27	**(289)**	(342)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(67,814)**	(72,954)
Non-current assets plus/less net current assets/liabilities		**18,445**	30,412
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	(281)
Provisions	32	(949)	(897)
Borrowings	27	(32,901)	(33,137)
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(33,850)**	(34,315)
Total Assets Employed:		**(15,405)**	(3,903)
Financed by taxpayers' equity:			
General fund		(23,027)	(13,963)
Revaluation reserve		7,622	10,060
Other reserves		0	0
Total taxpayers' equity:		**(15,405)**	(3,903)

The financial statements were approved by the Board on *6th June 2013* and signed on its behalf by

Chief Executive: Date: 6/6/13

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	**(13,963)**	**10,060**	**0**	**(3,903)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(1,108,239)			**(1,108,239)**
Net gain on revaluation of property, plant, equipment		0		**0**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(2,411)		**(2,411)**
Movements in other reserves			0	**0**
Transfers between reserves*	0	0		**0**
Release of Reserves to SOCNE		(27)		**(27)**
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	**(1,108,239)**	**(2,438)**	**0**	**(1,110,677)**
Net Parliamentary funding	1,099,175			**1,099,175**
Balance at 31 March 2013	**(23,027)**	**7,622**	**0**	**(15,405)**

	General fund	Revaluation reserve	Other reserves	Total reserves
Balance at 1 April 2011	**(10,594)**	**8,068**	**0**	**(2,526)**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(1,054,249)			(1,054,249)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		0		0
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		1,992		1,992
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	(1,054,249)	1,992	0	(1,052,257)
Net Parliamentary funding	1,050,880			1,050,880
Balance at 31 March 2012	**(13,963)**	**10,060**	**0**	**(3,903)**

Statement of cash flows for the year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		**(1,105,738)**	(1,050,655)
Depreciation and Amortisation		**4,100**	4,515
Impairments and Reversals		**3,147**	(273)
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		**(2,468)**	(2,445)
Release of PFI/deferred credit		**0**	0
(Increase)/Decrease in Inventories		**0**	0
(Increase)/Decrease in Trade and Other Receivables		**10,424**	3,270
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**(8,957)**	(3,495)
(Increase)/Decrease in Other Current Liabilities		**(337)**	(12)
Provisions Utilised		**(799)**	(93)
Increase/(Decrease) in Provisions		**4,992**	2,201
Net Cash Inflow/(Outflow) from Operating Activities		**(1,095,636)**	**(1,046,987)**
Cash flows from investing activities			
Interest Received		**0**	0
(Payments) for Property, Plant and Equipment		**(3,050)**	(3,555)
(Payments) for Intangible Assets		**(187)**	(49)
(Payments) for Other Financial Assets		**0**	0
(Payments) for Financial Assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**0**	0
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Proceeds from the disposal of Financial Assets (LIFT)		**0**	0
Loans Made in Respect of LIFT		**0**	0
Loans Repaid in Respect of LIFT		**0**	(301)
Rental Revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(3,237)**	**(3,905)**
Net cash inflow/(outflow) before financing		**(1,098,873)**	**(1,050,892)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(289)**	0
Net Parliamentary Funding		**1,099,175**	1,050,880
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		**1,098,886**	**1,050,880**
Net increase/(decrease) in cash and cash equivalents		**13**	**(12)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**1**	**13**
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		**14**	**1**

1. Accounting policies

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

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

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

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

Under the TCS initiative, services historically provided by PCTs have transferred to other providers - notably NHS Trusts and NHS Foundation Trusts.

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

a) Judgement in relation to the treatment of LIFT and PFI assets as on balance sheet under IFRIC 12
b) Judgement that the PCT remains a going concern
c) Judgement in relation to the classification of leases as operating or finance
d) Estimate of collectability of debtors
e) Judgement in relation to the Continuing Healthcare claims

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

<u>a) Estimates for acute activity undertaken in March 2013</u>

The PCT has estimated activity for the final month of the year to assess its liabilities under the Payment by Results regime. Actual activity data is not available until after the completion of the accounts. These estimates have been agreed with the Providers of these services and are based on historic activity trends plus the Provider's local knowledge of activity undertaken in the month in question. For NHS Providers these estimates are agreed as part of the annual Agreement of Balances exercise.

<u>b) Estimates of prescribing costs not yet presented to the PCT</u>

The PCT has estimated the cost of Primary Care Prescribing activity not yet presented to the Prescription Pricing Authority (PPA) and incorporated into the charge to the PCT's cash limit. The estimate is based on the PPA's forecast which it provides on a monthly basis and is validated by the PCT's medicines management team.

<u>c) Other Accruals</u>

There are a number of other areas where the PCT does not have up to date activity or cost information. These are individually not material but in each case the PCT seeks to make and appropriate estimate through it's understanding of historic trends, local intelligence and third party evidence where possible.

<u>d) Estimate of collectability of debtors</u>

Estimation in relation to the collectability of debtors at the year end, and therefore the value of the provision for impairment of receivables.

<u>e) Continuing Healthcare Claims</u>

The accounts include a provision for the estimated liability of the PCT in relation to outstanding Continuing Healthcare claims. There is a degree of estimation uncertainty as the PCT does not have historical information available on which to base the estimates of lkely success of current claims. The estimate has been calculated by applying either the residential or nursing care rates to the number of weeks claimed, with an estimated 15% success rate applied to calculate the required provision.

The provision brought into the accounts for 2012/13 equates to £3.5m as shown in note 32. The review and resolution of restitution cases is anticipated to take up to two years. The following note gives an indication of the sensitivity of the estimated provision to changes in the key assumption adopted :

- A success rate of 22% would increase the provision from £3.5 m to £5.1m

Such impact would need to be absorbed into the accounts at the point when either the whole of the provision has been exhausted or all of the cases have been reviewed and resolved.

1.2 Going Concern

Under the provisions of The Health & Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Manchester PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector organisations as outlined in Note 42.1 Events After the Reporting Period.

Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis..

The SOFP has therefore been drawn up as at 31st March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In Manchester PCT there has been a desk top valuation of fixed assets in line with the PCT Capital policy, but there has been no general revaluation of assets or liabilities, and no disclosure have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

1. Accounting policies (continued)

1.3 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.

1.4 Pooled budgets

The PCT has entered into a pooled budget with Manchester City Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for mental health activities and a memorandum note to the accounts provides details of the joint income and expenditure.

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

The pool has been dissolved with effect from the 31st March 2013.

1.5 Taxation

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

1.6 Administration and Programme Costs

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

The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.
Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrangements and so is recorded as such in the financial statements.

1. Accounting policies (continued)

1.7 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.

Estimation

The PCT has considered plant and equipment assets costing more than £50,000, current valuations are not readily available nor considered to be materially different from depreciated historic cost. Therefore depreciated historical cost has been used as a proxy for current value.

1. Accounting policies (continued)

1.8 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.9 Depreciation, amortisation and impairments

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

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

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

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

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

1. Accounting policies (continued)

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

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

1.12 Non-current assets held for sale

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

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

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

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

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

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

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

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

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

1. Accounting policies (continued)

1.16 Employee benefits

Short-term employee benefits

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

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

Retirement benefit costs

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

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

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1.20 EU Emissions Trading Scheme

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

Manchester PCT is not part of the above trading scheme due to its low level of emissions.

1. Accounting policies (continued)

1.21 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.

1.22 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 has entered into certain financial arrangements involving the use of GP premises. Under:-
IAS 17 - Leases,
SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease, and
IFRIC 4 - Determining Whether an Arrangement Contains a Lease
- the PCT has determined that those operating leases must be recognised, and accordingly they are included within the disclosures at Note 6.1.

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.

1.23 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.

1.24 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 arsing 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)

1.25 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 fair value of LIFT investments is based upon actual costs as there is no active market for these financial assets.

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

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

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

1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

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

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:
a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract ‘lifecycle replacement’.

a) Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within ‘operating expenses’.

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

LIFT assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at 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 PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

A LIFT liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI 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.

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

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

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

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

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

1. Accounting policies (continued)

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

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

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

2 Operating segments

Following the transfer of Provider Services to other NHS organisations under the Transforming Community Services Programme on 31st March 2011, the PCT has only one principal segment of operation - Commissioning/Other Services.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Net Operating Cost plus (gain)/loss on transfers by absorption	**1,108,239**	1,054,249
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**1,111,495**	1,055,542
Under/(Over)spend Against Revenue Resource Limit (RRL)	3,256	1,293

3.2 Capital Resource Limit

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

	2012-13 £000	2011-12 £000
Capital Resource Limit	**3,022**	3,516
Charge to Capital Resource Limit	**3,022**	3,515
(Over)/Underspend Against CRL	**0**	**1**

3.3 Provider full cost recovery duty

Following the transfer of Provider Services to other NHS organisations under the Transforming Community Services Programme on 31st March 2011 the PCT has no provider activity. Instead the PCT now commissions this activity from the NHS bodies services where the activity transferred.

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**1,099,175**	1,050,880
Cash Limit	**1,102,431**	1,052,380
Under/(Over)spend Against Cash Limit	**3,256**	**1,500**

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

	2012-13 £000
Total cash received from DH (Gross)	969,183
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**969,183**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	25,656
Plus: drugs reimbursement (central charge to cash limits)	104,336
Parliamentary funding credited to General Fund	**1,099,175**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	**4,599**		4,599	4,538
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**5,144**		5,144	4,935
Strategic Health Authorities	**0**	0	0	0
NHS Trusts	**3,565**	294	3,271	3,300
NHS Foundation Trusts	**7,596**	757	6,839	6,343
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**11,707**	490	11,217	12,185
Primary Care Trusts - Lead Commissioning	**0**	0	0	0
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**35**	0	35	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**250**	2	248	1,014
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**7,121**	0	7,121	9,819
Patient Transport Services	**0**		0	0
Education, Training and Research	**1,299**	299	1,000	1,624
Non-NHS: Private Patients	**0**		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**		0	0
NHS Injury Costs Recovery	**0**		0	0
Other Non-NHS Patient Care Services	**0**	0	0	135
Charitable and Other Contributions to Expenditure	**0**		0	285
Receipt of donated assets	**0**		0	0
Receipt of Government granted assets	**0**		0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**5,104**	279	4,825	4,923
Other revenue	**723**	134	589	49
Total miscellaneous revenue	**47,143**	**2,255**	**44,888**	**49,150**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	**117,393**		117,393	111,431
Non-Healthcare	**5,214**	1,742	3,472	6,759
Total	**122,607**	**1,742**	**120,865**	**118,190**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**206,303**	106	206,197	204,439
Goods and services (other, excl Trusts, FT and PCT))	**402**	232	170	5,433
Total	**206,705**	**338**	**206,367**	**209,872**
Goods and Services from Foundation Trusts	**461,677**	414	461,263	415,199
Purchase of Healthcare from Non-NHS bodies	**63,536**		63,536	59,521
Social Care from Independent Providers	**0**		0	0
Expenditure on Drugs Action Teams	**11,353**		11,353	11,985
Non-GMS Services from GPs	**0**	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	**30,217**		30,217	29,373
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**0**		0	0
Chair, Non-executive Directors & PEC remuneration	**85**	85	0	98
Executive committee members costs	**15**	15	0	64
Consultancy Services	**2,384**	708	1,676	701
Prescribing Costs	**85,775**		85,775	89,613
G/PMS, APMS and PCTMS (excluding employee benefits)	**74,168**	1,333	72,835	73,438
Pharmaceutical Services	**0**		0	0
Local Pharmaceutical Services Pilots	**0**		0	0
New Pharmacy Contract	**24,707**		24,707	24,736
General Ophthalmic Services	**6,297**		6,297	6,126
Supplies and Services - Clinical	**2,122**	17	2,105	1,925
Supplies and Services - General	**506**	64	442	1,014
Establishment	**3,366**	1,392	1,974	4,041
Transport	**229**	124	105	293
Premises	**10,966**	3,522	7,444	9,064
Impairments & Reversals of Property, plant and equipment	**3,147**	0	3,147	(273)
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**4,026**	847	3,179	4,431
Amortisation	**74**	74	0	84
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**(719)**	(719)	0	1,439
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**18**	18	0	429
Audit Fees	**169**	169	0	280
Other Auditors Remuneration	**165**	165	0	245
Clinical Negligence Costs	**122**	0	122	187
Education and Training	**874**	248	626	1,224
Grants for capital purposes	**0**	0	0	0
Grants for revenue purposes	**8,766**	0	8,766	9,076
Impairments and reversals for investment properties	**0**	0	0	0
Other	**196**	0	196	585
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**1,123,553**	**10,556**	**1,112,997**	**1,072,960**
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**0**	0	0	61
Trust led PDS and PCT DS	**0**	0	0	0
PCT Officer Board Members	**346**	346	0	979
Other Employee Benefits	**28,982**	18,094	10,888	25,805
Total Employee Benefits charged to SOCNE	**29,328**	**18,440**	**10,888**	**26,845**
Total Operating Costs	**1,152,881**	**28,996**	**1,123,885**	**1,099,805**
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	**7,064**	0	7,064	9,076
To Private Sector	**0**	0	0	0
To Other	**1,702**	0	1,702	0
Total Revenue Grants	**8,766**	**0**	**8,766**	**9,076**
Total Grants	**8,766**	**0**	**8,766**	**9,076**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**26,755**	23,804	2,951
Weighted population (number in units)*	**613,405**	613,405	613,405
Running costs per head of population (£ per head)	**44**	**39**	**5**
PCT Running Costs 2011-12			
Running costs (£000s)	**32,104**	28,959	3,145
Weighted population (number in units)	**613,405**	613,405	613,405
Running costs per head of population (£ per head)	**52**	**47**	**5**

* 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	74,168	72,581
Prescribing costs	85,775	89,613
Contractor led GDS & PDS	30,217	29,373
Trust led GDS & PDS	0	0
General Ophthalmic Services	6,297	5,346
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	24,707	24,736
Non-GMS Services from GPs	0	(53)
Other	0	870
Total Primary Healthcare purchased	**221,164**	222,466
Purchase of Secondary Healthcare		
Learning Difficulties	7,582	6,903
Mental Illness	131,571	124,303
Maternity	25,263	26,811
General and Acute	456,268	444,343
Accident and emergency	30,095	30,438
Community Health Services	84,359	83,232
Other Contractual	62,463	63,117
Total Secondary Healthcare Purchased	**797,601**	779,147
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	8,766	9,076
Total Healthcare Purchased by PCT	**1,027,531**	**1,010,689**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	0	0

6. Operating Leases

The PCT holds a number of operating leases, including the HQ buildings at Parkway Business Centre, as well as other office accommodation, GP's premises (mostly embedded leases) and vehicles. Due to the abolition of the PCT on 1st April 2013, these responsibilities transfer to a local NHS Foundation Trust, NHS Property Services Ltd, and the National Commissiong Board.

6.1 PCT as lessee

	Land	Buildings	Other	2012-13 Total	2011-12
	£000	£000	£000	£000	£000
Payments recognised as an expense					
Minimum lease payments				**4,243**	4,124
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**4,243**	**4,124**
Payable:					
No later than one year	**185**	**3,767**	**4**	**3,956**	3,973
Between one and five years	**742**	**12,944**	**3**	**13,689**	13,639
After five years	**14,758**	**32,331**	**0**	**47,089**	46,012
Total	**15,685**	**49,042**	**7**	**64,734**	**63,624**
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

The PCT rents out various properties to local NHS Foundation Trusts and a number of local GP practices. Due to the abolition of the PCT the properties and responsibilities have transferred to a local NHS Foundation Trust, NHS Property Services Ltd, and the National Commissionig Board.

	2012-13	2011-12
	£000	£000
Recognised as income		
Rental Revenue	**5,104**	4,923
Contingent rents	**0**	0
Total	**5104**	4,923
Receivable:		
No later than one year	**5,095**	4,923
Between one and five years	**3,911**	3,836
After five years	**9,776**	9,589
Total	**18,782**	18,348

The GP embedded leases are assumed to be for a 15 year term.

Due to the transfer of the provider arm to NHS bodies under the Transforming Community Services programme, the PCT receives income for the use of assets totalling £9.3m.

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	**23,408**	16,207	7,201	**16,359**	12,603	3,756	**7,049**	3,604	3,445
Social security costs	**1,142**	874	268	**1,142**	874	268	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**1,806**	1,359	447	**1,806**	1,359	447	**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	**2,972**	0	2,972	**2,972**	0	2,972	**0**	0	0
Total employee benefits	**29,328**	**18,440**	**10,888**	**22,279**	**14,836**	**7,443**	**7,049**	**3,604**	**3,445**
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	**29,328**	**18,440**	**10,888**	**22,279**	**14,836**	**7,443**	**7,049**	**3,604**	**3,445**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**29,328**	**18,440**	**10,888**	**22,279**	**14,836**	**7,443**	**7,049**	**3,604**	**3,445**
Recognised as:									
Commissioning employee benefits	**29,328**			**22,279**			**7,049**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**29,328**			**22,279**			**7,049**		

	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	**23,624**	17,313	6,311
Social security costs	**1,242**	1,242	0
Employer Contributions to NHS BSA - Pensions Division	**1,979**	1,979	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**0**	0	0
Total gross employee benefits	**26,845**	**20,534**	**6,311**
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	**26,845**	**20,534**	**6,311**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**26,845**	**20,534**	**6,311**
Recognised as:			
Commissioning employee benefits	**26,845**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**26,845**		

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	**8**	8	0	**5**	5	0
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**493**	414	78	**476**	429	47
Healthcare assistants and other support staff	**0**	0	0	**10**	10	0
Nursing, midwifery and health visiting staff	**14**	14	0	**14**	14	0
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**29**	18	12	**23**	16	7
Social Care Staff	**0**	0	0	**34**	34	0
Other	**0**	0	0	**6**	0	6
TOTAL	**544**	**453**	**90**	**568**	**507**	**61**
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	**4,111**	**8,845**
Total Staff Years	**466**	**1,080**
Average working Days Lost	8.82	8.19

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**1**	0
	£000	£000
Total additional pensions liabilities accrued in the year	**60**	0

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Lees than £10,000	**10**	**5**	**15**	8	9	**17**
£10,001-£25,000	**6**	**8**	**14**	4	1	**5**
£25,001-£50,000	**2**	**14**	**16**	0	1	**1**
£50,001-£100,000	**6**	**13**	**19**	0	3	**3**
£100,001 - £150,000	**0**	**5**	**5**	0	0	**0**
£150,001 - £200,000	**1**	**0**	**1**	0	0	**0**
>£200,000	**0**	**1**	**1**	0	2	**2**
Total number of exit packages by type (total cost	**25**	**46**	**71**	**12**	**16**	**28**
	£	**£**	**£**	**£**	**£**	**£**
Total resource cost	767,653	2,314,872	**3,082,526**	116,000	788,000	**904,000**

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 Redundancy Scheme. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

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

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

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.
Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**30,379**	**113,882**	29,192	129,462
Total Non-NHS Trade Invoices Paid Within Target	**27,561**	**105,600**	22,973	112,137
Percentage of NHS Trade Invoices Paid Within Target	90.72%	92.73%	78.70%	86.62%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**6,476**	**763,526**	6,599	750,829
Total NHS Trade Invoices Paid Within Target	**5,725**	**755,582**	4,179	719,694
Percentage of NHS Trade Invoices Paid Within Target	88.40%	98.96%	63.33%	95.85%

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**	0
LIFT: loan interest receivable	**135**	**0**	**135**	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	**135**	**0**	**135**	0
Total investment income	**135**	**0**	**135**	0

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)	**(106)**	**(36)**	**(70)**	(953)
Gain/(Loss) on disposal of assets other than by sale (intangibles)	**(6)**	**(6)**	**0**	(95)
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	**(112)**	**(42)**	**(70)**	(1,048)

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	**254**	**0**	**254**	249
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**2,270**	**0**	**2,270**	2,297
- contingent finance cost	**0**	**0**	**0**	0
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**2,524**	**0**	**2,524**	**2,546**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**0**		**0**	
Total	**2,524**	**0**	**2,524**	**2,546**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	**7,695**	**64,922**	**0**	**0**	**7,383**	**0**	**4,904**	**1,191**	**86,095**
Additions of Assets Under Construction				0					**0**
Additions Purchased	0	2,244	0		432	0	134	25	**2,835**
Additions Donated	0	0	0	0	0	0	0	0	**0**
Additions Government Granted	0	0	0	0	0	0	0	0	**0**
Additions Leased	0	0	0		0	0	0	0	**0**
Reclassifications	0	1,300	0	0	(1,042)	0	6	(264)	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	(35)	0	0	(349)	0	(779)	(9)	**(1,172)**
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	**0**
Impairments/negative indexation	(192)	(2,219)	0	0	0	0	0	0	**(2,411)**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**7,503**	**66,212**	**0**	**0**	**6,424**	**0**	**4,265**	**943**	**85,347**
Depreciation									
At 1 April 2012	**0**	**643**	**0**	**0**	**4,040**	**0**	**2,647**	**329**	**7,659**
Reclassifications		389	0		(385)	0	0	(4)	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	(27)	0		(265)	0	(770)	(4)	**(1,066)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	37	3,110	0	0	0	0	0	0	**3,147**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	2,124	0		681	0	1,121	100	**4,026**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**37**	**6,239**	**0**	**0**	**4,071**	**0**	**2,998**	**421**	**13,766**
Net Book Value at 31 March 2013	**7,466**	**59,973**	**0**	**0**	**2,353**	**0**	**1,267**	**522**	**71,581**
Purchased	7,466	59,850	0	0	2,353	0	1,267	522	**71,458**
Donated	0	123	0	0	0	0	0	0	**123**
Government Granted	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**7,466**	**59,973**	**0**	**0**	**2,353**	**0**	**1,267**	**522**	**71,581**
Asset financing:									
Owned	6,470	37,162	0	0	1,797	0	1,252	503	**47,184**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	996	22,811	0	0	556	0	15	19	**24,397**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**7,466**	**59,973**	**0**	**0**	**2,353**	**0**	**1,267**	**522**	**71,581**

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	**2,250**	**7,810**	**0**	**0**	**0**	**0**	**0**	**0**	**10,060**
Movements (specify)	(192)	(2,246)	0	0	0	0	0	0	**(2,438)**
At 31 March 2013	**2,058**	**5,564**	**0**	**0**	**0**	**0**	**0**	**0**	**7,622**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:									
At 1 April 2011	**6,811**	**68,157**	**0**	**0**	**7,996**	**0**	**5,409**	**918**	**89,291**
Additions - purchased	0	1,886	0	0	240	0	1,057	283	**3,466**
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	0	(408)	0	0	(853)	0	(1,562)	(10)	**(2,833)**
Revaluation & indexation gains	0	0	0	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	973	1,019	0	0	0	0	0	0	**1,992**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatic	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**7,784**	**70,654**	**0**	**0**	**7,383**	**0**	**4,904**	**1,191**	**91,916**
Depreciation									
At 1 April 2011	**0**	**4,337**	**0**		**3,675**	**0**	**2,953**	**237**	**11,202**
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	(78)	0		(516)	0	(1,282)	(4)	**(1,880)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	89	(362)	0	0	0	0	0	0	**(273)**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	2,478	0		881	0	976	96	**4,431**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatic	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**89**	**6,375**	**0**	**0**	**4,040**	**0**	**2,647**	**329**	**13,480**
Net Book Value at 31 March 2012	**7,695**	**64,279**	**0**	**0**	**3,343**	**0**	**2,257**	**862**	**78,436**
Purchased	7,695	64,138	0	0	3,343	0	2,257	862	**78,295**
Donated	0	141	0	0	0	0	0	0	**141**
Government Granted	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**7,695**	**64,279**	**0**	**0**	**3,343**	**0**	**2,257**	**862**	**78,436**
Asset financing:									
Owned	6,680	40,789	0	0	2,626	0	2,254	841	**53,190**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	1,015	23,490	0	0	717	0	3	21	**25,246**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**7,695**	**64,279**	**0**	**0**	**3,343**	**0**	**2,257**	**862**	**78,436**

12.3 Property, plant and equipment

During the financial year the PCT's property portfolio was revalued by the Valuation Office Agency, with a valuation date of 31 March 2013.

The valuation was undertaken with regard to International Financial Reporting Standards as applied to the United Kingdom public sector, and the requirements of the Royal Institute of Chartered Surveyors (RICS) Valuation Standards.

Operational property assets were revalued to fair value, being the Market Value of the property based on it's continued use as a health service asset. Under-pinning this Existing Use Value are assumptions that properties will be sold in an arm's-length transaction between a willing seller and a willing buyer with both parties acting knowledgeably, prudently, and without compulsion.

Where property assets are currently unused (non operational) they have been valued at Market Value assuming the property is no longer required for existing operations.

Asset lives for each class of tangible asset are as follows:
Buildings - between 5 and 100 years
Plant & Machinery - between 5 and 15 years
Information Technology - between 5 and 8 years
Furniture & Fittings - between 5 and 15 years

The gross carrying value of fully depreciated assets still in use is £1,465k (31 March 2012 £485k).

There have been no donations of assets to the PCT in the year.

13.1 Intangible non-current assets

2012-13	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2012	**0**	**177**	**0**	**0**	**0**	**177**
Additions - purchased	0	187	0	0	0	**187**
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	(85)	0	0	0	**(85)**
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**	**279**	**0**	**0**	**0**	**279**
Amortisation						
At 1 April 2012	**0**	**65**	**0**	**0**	**0**	**65**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	(79)	0	0	0	**(79)**
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	74	0	0	0	**74**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**60**	**0**	**0**	**0**	**60**
Net Book Value at 31 March 2013	**0**	**219**	**0**	**0**	**0**	**219**
Net Book Value at 31 March 2013 comprises						
Purchased	0	219	0	0	0	**219**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**219**	**0**	**0**	**0**	**219**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2011	**0**	**406**	**0**	**0**	**0**	**406**
Additions - purchased	0	49	0	0	0	**49**
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	(278)	0	0	0	**(278)**
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**	**177**	**0**	**0**	**0**	**177**
Amortisation						
At 1 April 2011	**0**	**164**	**0**	**0**	**0**	**164**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	(183)	0	0	0	**(183)**
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	84	0	0	0	**84**
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**	**65**	**0**	**0**	**0**	**65**
Net Book Value at 31 March 2012	**0**	**112**	**0**	**0**	**0**	**112**
Net Book Value at 31 March 2012 comprises						
Purchased	0	112	0	0	0	**112**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**112**	**0**	**0**	**0**	**112**

13.3 Intangible non-current assets

Intangible assets are held in respect of purchased software licences

Intangible assets have not been subject to revaluation during the 2012-13 financial year

Asset lives for each class of intangible asset are as follows:-
Software Licences - 5 years

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	3,147		3,147
Total charged to Annually Managed Expenditure	**3,147**		**3,147**
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	2,411		
Total impairments for PPE charged to reserves	**2,411**		
Total Impairments of Property, Plant and Equipment	**5,558**	**0**	**3,147**
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	2,411		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	3,147		3,147
Overall Total Impairments	**5,558**	**0**	**3,147**
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

Manchester PCT has no investment property.

16 Commitments

16.1 Capital commitments

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

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

16.2 Other financial commitments

Manchester PCT has a number of non cancellable contracts as listed below

	31 March 2013	31 March 2012
	£000	£000
Clinical Assessment & Treatment (CATS)	**3,905**	5,311
Out of Hours	**4,407**	4,416
WCH Old Site Asbestos Removal & Demolition	**1,008**	0
Equitable Access	**2,302**	2,055
	11,622	11,782

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	1,208	0	1,231	0
Balances with Local Authorities	6,352	0	733	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	3,903	0	10,695	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,353	852	47,901	0
At 31 March 2013	**12,816**	**852**	**60,560**	**0**
prior period:				
Balances with other Central Government Bodies	2,336	0	1,545	0
Balances with Local Authorities	6,786	0	0	0
Balances with NHS Trusts and Foundation Trusts	11,999	0	11,346	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,721	879	56,659	0
At 31 March 2012	**22,842**	**879**	**69,550**	**0**

18 Inventories

Manchester PCT does not hold any inventories.

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
NHS receivables - revenue	**4,303**	14,335	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**437**	0	**0**	0
Non-NHS receivables - revenue	**7,300**	8,457	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**848**	2,116	**0**	0
Provision for the impairment of receivables	**(821)**	(2,604)	**0**	0
VAT	**371**	533	**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	**852**	879
Other receivables	**7**	5	**0**	0
Total	**12,445**	22,842	**852**	879
Total current and non current	**13,297**	23,721		
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	**3,132**	2,254
By three to six months	**0**	0
By more than six months	**0**	0
Total	**3,132**	2,254

19.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(2,604)**	(2,989)
Amount written off during the year	**1,064**	1,824
Amount recovered during the year	**1,143**	0
(Increase)/decrease in receivables impaired	**(424)**	(1,439)
Balance at 31 March 2013	**(821)**	(2,604)

A provision for impairment is established when there is objective evidence that the PCT will not be able to recover all the amounts due. The type of organisation, length of time the debt has been outstanding and the delinquency of payments will be used as an indicator in considering the need for an impairment provision. When a receivable is deemed uncollectable, losses will be written off against the impairment provision

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**1,095**	**1**	**1,096**
Additions	**135**	**0**	**135**
Disposals	**0**	**0**	**0**
Loan repayments	**(83)**	**0**	**(83)**
Revaluations	**0**	**0**	**0**
Loans repayable within 12 months	**0**	**0**	**0**
Balance at 31 March 2013	**1,147**	**1**	**1,148**
Balance at 1 April 2011	1,187	1	1,188
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(92)	0	(92)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	**1,095**	**1**	**1,096**

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	**135**	0
Capital Income	**(83)**	(92)

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	**1**	13
Net change in year	**13**	(12)
Closing balance	**14**	1
Made up of		
Cash with Government Banking Service	**13**	(1)
Commercial banks	**0**	2
Cash in hand	**1**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**14**	1
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**14**	1
	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**
										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

Manchester PCT has no non current assets held for sale

25 Trade and other payables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Interest payable	**0**	0		
NHS payables - revenue	**9,184**	12,891	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**2,560**	0	**0**	0
Family Health Services (FHS) payables	**14,984**	15,286		
Non-NHS payables - revenue	**8,432**	40,213	**0**	0
Non-NHS payables - capital	**204**	419	**0**	0
Non_NHS accruals and deferred income	**24,652**	0	**0**	0
Social security costs	**175**	624		
VAT	**0**	0	**0**	0
Tax	**182**	0		
Payments received on account	**0**	0	**0**	0
Other	**5**	117	**0**	0
Total	**60,378**	69,550	**0**	0
Total payables (current and non-current)	**60,378**	**69,550**		

26 Other liabilities

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
PFI/LIFT deferred credit	**0**	0	**0**	**0**
Lease incentives	**281**	337	**0**	**281**
Other *[specify]*	**0**	0	**0**	**0**
Total	**281**	337	**0**	281
Total other liabilities (current and non-current)	**281**	**618**		

27 Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Bank overdraft - Government Banking Service	**0**	0		
Bank overdraft - commercial banks	**0**	0		
PFI liabilities:				
Main liability	**0**	0	**2,971**	2,918
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**289**	342	**29,930**	30,219
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**289**	**342**	**32,901**	**33,137**
Total other liabilities (current and non-current)	**33,190**	**33,479**		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH	**Other**	**Total**
	£000s	**£000s**	**£000s**
0 - 1 Years	0	289	**289**
1 - 2 Years	0	291	**291**
2 - 5 Years	0	507	**507**
Over 5 Years	0	32,103	**32,103**
TOTAL	**0**	**33,190**	**33,190**

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Opening balance at1 April 2012	**0**	246	**0**	0
Deferred income addition	**0**	0	**0**	0
Transfer of deferred income	**0**	(246)	**0**	0
Current deferred Income at 31 March 2013	**0**	0	**0**	0
Total other liabilities (current and non-current)	**0**	**0**		

30 Finance lease obligations

Amounts owed under PFI and LIFT are disclosed in note 34.

31 Finance lease receivables as lessor

The PCT has no finance lease receivables.

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**3,622**	397	566	859	0	0	0	21	1,502	277
Arising During the Year	**6,150**	48	78	930	0	3,513	0	0	1,350	231
Utilised During the Year	**(799)**	(29)	(42)	(107)	0	0	0	(15)	(606)	0
Reversed Unused	**(1,158)**	0	0	(619)	0	0	0	0	(262)	(277)
Unwinding of Discount	**0**	0	0	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**7,815**	**416**	**602**	**1,063**	**0**	**3,513**	**0**	**6**	**1,984**	**231**
Expected Timing of Cash Flows:										
No Later than One Year	**6,866**	**28**	**41**	**1,063**	**0**	**3,513**	**0**	**6**	**1,984**	**231**
Later than One Year and not later than Five Years	**263**	**107**	**156**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Later than Five Years	**686**	**281**	**405**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	359
As at 31 March 2012	2,367

The Provisions for Pensions – Former Directors relate to three people who took early retirement, due to NHS reorganisations, in 2002 and 2006.
The Provisions for Pensions – Other Staff relate to six people, three of whom retired early due to the NHS reorganisation in 2002, and the other three of whom had to stop work at different dates due to injuries sustained at work.

In all other respects all of the Provisions for Pensions are simple calculations, based on the most recent payments made to NHS Pensions in respect of them; the expected future lives of the nine people involved (estimated using Life Expectancy Tables produced by the Office for National Statistics); and then discounted using the rate as prescribed by the Treasury.

Provisions for Legal Claims consist of 16 claims in respect of Personal Injury, either Employer's or Occupier's Liability. The Provisions made are based on legal advice.

Agenda for Change Provisions at the Balance Sheet date relate to regrading claims outsanding for a small number of Trainee Assistant Practitioners.

Continuing Care Provisions relate to potential CHC restitution claims. Restitution cases comprise claims by patients for NHS support towards the costs of their long term care currently being funded by themselves.

Other Provisions relate to:
:- Potential dilapidation costs payable with respect to office accomodation formerly occupied by NHS Manchester, the value of which is £923,000
:- Potential costs associated with the removal of asbestos from PCT buildings, the value of which is £982,000

£359,000 is included in the Provisions of the NHS Litigation Authority at 31/03/2013 in respect of Clinical Negligence liabilities of the PCT (31/03/12 £2,367,000).

Discount Rate Used in Respect of Pension Provisions
As instructed by the Treasury and the Department of Health, the discount rate has been revised to 2.35% (2011/12 2.8%).

33 Contingencies

The PCT has no contingent liabilities or assets as at 31 March 2013 (£Nil 31 March 2012)

34 PFI and LIFT - additional information

	31 March 2013 £000	31 March 2012 £000
34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI		
Total charge to operating expenses in year - OFF SOFP PFI	**0**	0
Service element of on SOFP PFI charged to operating expenses in year	**120**	126
Total	**120**	**126**
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	**142**	125
Later than One Year, No Later than Five Years	**537**	593
Later than Five Years	**1,731**	1,817
Total	**2,410**	2,535

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is:

	31 March 2013 £000	31 March 2012 £000
Estimated Capital Value of Project - off SOFP PFI	**0**	0
Value of Deferred Assets - off SOFP PFI	**0**	0
Value of Reversionary Interest - off SOFP PFI	**0**	0

	31 March 2013 £000	31 March 2012 £000
34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due		
Analysed by when PFI payments are due		
No Later than One Year	**191**	201
Later than One Year, No Later than Five Years	**881**	791
Later than Five Years	**8,012**	8,293
Subtotal	**9,084**	9,285
Less: Interest Element	**(6,113)**	(6,367)
Total	**2,971**	2,918

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	31 March 2013 £000	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	**0**	0
Service element of on SOFP LIFT charged to operating expenses in year	**1,406**	1,221
Total	**1,406**	1,221

	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.		
LIFT Scheme Expiry Date:		
No Later than One Year	**1,484**	1,262
Later than One Year, No Later than Five Years	**6,476**	5,712
Later than Five Years	**24,382**	23,947
Total	**32,342**	30,921

The estimated annual payments in future years are expected to be materially different from those which the NHS Trust is committed to make during the next year. The likely financial effect of this is:

	31 March 2013 £000	31 March 2012 £000
Estimated capital value of project - off SOFP LIFT	0	0
Value of Deferred Assets - off SOFP LIFT	0	0
Value of Residual Interest - off SOFP LIFT	0	0

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	31 March 2013 £000	31 March 2012 £000
No Later than One Year	**2,534**	2,612
Later than One Year, No Later than Five Years	**9,596**	9,784
Later than Five Years	**58,295**	60,641
Subtotal	**70,425**	73,037
Less: Interest Element	**(40,206)**	(42,476)
Total	**30,219**	30,561

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	**654**	0	654
Interest Expense	**2,524**	0	2,524
Impairment charge - AME	**226**		226
Impairment charge - DEL	**0**	0	0
Other Expenditure	**1,526**	0	1,526
Revenue Receivable from subleasing	**0**	0	0
Total IFRS Expenditure (IFRIC12)	**4,930**	**0**	**4,930**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**(4,050)**	0	(4,050)
Net IFRS change (IFRIC12)	**880**	**0**	**880**
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12			
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 Financial Instruments

Financial risk management
Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of the PCT are met through Parliamentary Funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the PCT's expected purchase and usage requirements and the PCT is therefore exposed to little credit, liquidity or market 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'**	**Loans and receivables**	**Available for sale**	**Total**
	£000	**£000**	**£000**	**£000**
Embedded derivatives	0			**0**
Receivables - NHS		4,303		**4,303**
Receivables - non-NHS		6,857		**6,857**
Cash at bank and in hand		14		**14**
Other financial assets	0	1,147	1	**1,148**
Total at 31 March 2013	**0**	**12,321**	**1**	**12,322**
Embedded derivatives	0			0
Receivables - NHS		14,335		14,335
Receivables - non-NHS		6,391		6,391
Cash at bank and in hand		1		1
Other financial assets	0	1,095	1	1,096
Total at 31 March 2012	0	21,822	1	21,823

36.2 Financial Liabilities	**At 'fair value through profit and loss'**	**Other**	**Total**
	£000	**£000**	**£000**
Embedded derivatives	0		**0**
NHS payables		9,184	**9,184**
Non-NHS payables		23,982	**23,982**
Other borrowings		0	**0**
PFI & finance lease obligations		33,190	**33,190**
Other financial liabilities	0	281	**281**
Total at 31 March 2013	**0**	**66,637**	**66,637**
Embedded derivatives	0		0
NHS payables		12,891	12,891
Non-NHS payables		56,659	56,659
Other borrowings		0	0
PFI & finance lease obligations		33,479	33,479
Other financial liabilities	0	618	618
Total at 31 March 2012	**0**	103,647	103,647

There are no differences between the fair values of the financial assets and liabilities from the book value of these assets and liabilities.

37 Related party transactions

Manchester PCT has operated as one of the 10 PCT's within the Greater Manchester Cluster, managed by a Cluster Board of Directors, known as NHS Greater Manchester. Each Director of NHS Greater Manchester carries statutory accountability as a Director of each of the constituent PCTs.

During the year board members and key management staff have undertaken material transactions with Manchester PCT and NHS Greater Manchester. The amounts disclosed below are the total contract values with the respective bodies.

Details of related party transactions with individuals who were part of the NHS Greater Manchester Board of Manchester PCT: -

	Payments to Related Party £000's	Receipts from Related Party £000's
Dr M Burrows (Central Manchester FT & Pennine Acute)	258,576	7,882
Mr D Edwards (Manchester Mental Health, Pennine Care & Hope Citadel Healthcare)	85,355	1,809

Details of related party transactions with individuals who were part of the NHS Greater Manchester Clinical Strategy Board as the PEC of Manchester PCT: -

	Payments to Related Party £000's	Receipts from Related Party £000's
Ms A Talbot (Salford Royal FT & Stockport FT)	11,800	1,679
Dr B Tamkin (GP Practice Transactions)	1,155	0
C Duffy (Pennine Acute)	84,027	1,748
Dr H Steadman (Salford Royal FT)	8,517	1,679
Mr I Williamson (CMFT)	174,549	6,135
Dr K Patel (ABL Healthcare)	330	0
Dr M Whiting (GP Practice Transactions)	1,537	0
Dr M Eeckelaers (GP Practice Transactions)	849	0

Details of related party transactions with individuals who were part of the management structures of the three Clinical Commissioning Groups in Manchester PCT

	Payments to Related Party £000's	Receipts from Related Party £000's
Mast Liftco	5,626	135
Mr I Williamson (CMFT)	174,549	6,135
Dr B Tamkin (GP Practice Transactions)	1,155	0
Dr M Whiting (GP Practice Transactions)	1,537	0
Dr M Eeckelaers (GP Practice Transactions)	849	0
Dr T Chauhan (GP Practice Transations, Beacon Medical & Chauhan, Brook & Hyde)	1,650	0
Mr C Harris (Charitable Organisation)	50	0

The Department of Health is regarded as a related party. During the year Manchester 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:

Strategic health Authorities
NHS Foundation Trusts
NHS Trusts
NHS Litigation Authority
NHS Business Services Authority

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 Manchester City Council

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	1,136,273	172
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	1,136,273	172
Total special payments	0	0
Total losses and special payments	1,136,273	172

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	845,471	155
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	845,471	155
Total special payments	0	0
Total losses and special payments	845,471	155

Details of cases individually over £250,000
There are no individual cases within the reporting period over the £250,000 value.

39 Third party assets

Manchester PCT held nil cash and cash equivalents at 31st March 2013 on behalf of patients (nil at 31st March 2012 also.)

40 Manchester PCT Mental Health pooled budget

Manchester PCT has a pooled budget arrangement with Manchester City Council. Manchester PCT is the host for the mental health pool, but this pool arrangement is being dissolved for 2013/14 financial year. The memorandum account for the pooled budget is:

The PCT's shares of the income and expenditure handled by the pooled budget in the financial year were:	**2012-13**	2011-12
	£000	£000
Gross Expenditure	**131,422**	130,449
Contribution to the Pool	**124,624**	123,718
Gross Pool (surplus) / deficit	**0**	329
PCT Share of Pool (Surplus)/deficit	**0**	329

41 Cashflows relating to exceptional items

There are no exceptional items within the 2012/13 financial year.

42.1 Events after the end of the reporting period

As a consequence of the Health and Social Care Act 2012, Manchester PCT will be dissolved on 1st April 2013. Its functions will be transferred to various new or existing public sector entities including but not limited to:

- North Manchester Clinical Commissioning Group
- Central Manchester Clinical Commissioning Group
- South Manchester Clinical Commissioning Group
- Department of Health
- NHS England
- University Hospitals of South Manchester Foundation Trust
- Manchester Mental Health & Social Care Trust
- Manchester City Council
- NHS Property Services

Accountability for PCT closedown resided with NHS Greater Manchester Chief Executive with local closedown activity discharged through PCT Locality Directors of Finance up to 31st March 2013 and then discharged through CCG Chief Finance Officers from 1st April 2013. The PCT followed the closedown process and requirements set out by NHS Greater Manchester for all PCTs within Greater Manchester.

The closedown process required that all assets and liabilities, including staff and estates, which were the responsibility of the PCT (the Sending Organisation) to be formally transferred to other organisations ('the Receiving Organisation) on 1st April 2013. The PCT has carried out a full review in line with national and local guidance and all assets and liabilities have been identified and recorded in a format, agreed with legal advisors by NHS Greater Manchester, which facilitates production of a formal transfer scheme document by the Department of Health. This transfer scheme records the formal transfer of all assets and liabilities from the PCT to the new successor bodies to whom responsibility transfers to on 1st April 2013. The PCT produced a draft transfer scheme document submitted in line with Department of Health timescales.