Department of Health

NHS

Halton and St Helens Primary Care Trust

2012-13 Annual Report and Accounts

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Halton and St Helens Primary Care Trust

2012-13 Annual Report

Department of Health

Annual Report and Accounts 2012-2013

Halton and St Helens Primary Care Trust

Contents

Welcome…

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

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

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

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

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

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

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

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

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

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

Signed.....Designated Signing Officer

Date: 6/6/2013.

A history of NHS Halton and St Helens

- NHS Halton and St Helens was formed on 1 October 2006 as a result of the reforms contained within 'Commissioning a Patient led NHS.'
- In 2011, NHS Halton and St Helens 'clustered' with three other PCTs – Liverpool PCT, NHS Knowsley, and NHS Sefton - in the area to form NHS Merseyside[1] as part of the government's reforms to the NHS set out in the Health and Social Care Act
- From November 2011 NHS Halton Clinical Commissioning Group (HCCG) and NHS St Helens Clinical Commissioning Group (SHCCG) have been operating in 'shadow form', accountable to NHS Sefton through NHS Merseyside
- In January 2013, HCCG and SHCCG were 'authorised', or granted permission to take over the majority of NHS Halton and St Helens responsibilities following its abolition at the end of March 2013

Who's who

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

Board members

Non Executive Directors
Gideon Ben Tovim - Chair
Maureen Williams
David Merrill
Jim Wilson
Clllr Graham Wright
Peter Hinton
Paul Acres
Keith Cawdron

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

Audit Committee 1 Apr 2012 – 30 Nov 2012
David Merrill – Chair
Cllr Graham Wright
Peter Hinton
Maureen Williams

Audit Committee 30 Nov – 31 Mar 2013
Cllr Graham Wright– Chair
Jim Wilson
Paul Acres
Peter Hinton

About health in Halton and St Helens

Halton and St Helens is one of the biggest Primary Care Trusts (PCT) in the North West, serving a population of 301,130 residents.

There is no doubt there have been significant improvements in the health of people living in the boroughs of Halton and St Helens.

Overall death rates have fallen due in large part to reductions in the two main causes of premature (under 75 years) death: heart disease has fallen by 40% since 1995-97 and cancers between a fifth (21% for men) and a quarter (25% for women). The fall in death rates due to heart disease now means than cancers are the commonest cause of death in both boroughs.

Yet despite this, both boroughs face a range of tough health challenges. Whilst life expectancy has improved, the gap between the boroughs and England remain. For Halton, the gap has widened compared to both the North West and England. This is in large part due to limited progress in reducing cancer mortality in women, with the highest female under-75 cancer death rate in England for 2008-10.

Not only is life expectancy lower than the England average, there are significant internal differences (health inequalities). Some parts of Halton experience 9-11 years lower average life expectancy than other parts of the borough with the difference being 8-12years across St Helens.

In the future the NHS in Halton and St Helens will work even closer with partners from the council, patient groups and the voluntary and community sector to tackle the health issues that affect local people the most.

A new Health and Wellbeing Board is bringing these key partners together to set out joint priorities to improve the health and wellbeing of local people. The aim is to achieve more by combining their efforts to tackle the wider factors that affect health, such as education and housing.

What NHS Halton and St Helens has achieved

Below are some recent examples of NHS Halton and St Helens' work to improve health.

Dental health

- NHS Halton and St Helens invested £150,000 in dental prevention since 2008
- All 32,000 Halton and St Helens children aged 3-11 years receive a free toothbrush and tube of toothpaste twice yearly
- £1.8 million has been invested over 3 years to ensure residents have access to NHS dental care
- All residents of Halton and St Helens have a choice of which NHS dentist to go to – with around 60% of practices taking on new NHS patients

Cancer

- Merseyside and Cheshire has some of the best outcomes in England for lung cancer treatment
- Cancer screening programmes that work are being extended - bowel cancer screening is now offered to men and women between 60 and 74 years old and around 5 extra lives are saved each year in Halton and St Helens
- Cancer is being diagnosed earlier, when treatment should be more effective – the local 'Get Checked' campaign team and the iVan cancer awareness vehicle work with local people to raise cancer awareness: Ivan has led directly to more than 30 cancer diagnoses and many more checks during the past year.
- Our services to local people are improving - women now get their smear test results within a fortnight in 98% of cases; women who need a specialist assessment following their smear test are referred directly to the hospital clinic, without having to ask for an appointment.

Obesity

- Reception age obesity in St Helens is now only 0.4% above the national average – it stands at 10.2% and the national average is 9.8%. This is a reduction of 5% from 2007/8 when it stood at 15.1%.
- Outcomes for the Adult Specialist Weight Management Service from April 1st 2010 to September 28th 2011 show that out of 1,289 clients that have completed the 12 week active part of the programme 1,152 (89%) have lost weight

Alcohol / Smoking

- More people are being screened for drinking at levels of increasing and higher risk and receive an intervention or onward referral to specialist services where necessary
- In-depth local research to inform social marketing initiatives
- Along with our partners from the Police and Trading Standards we developed an innovative, award winning Responsible Retailing Scheme
- Stop Smoking service met 4 week quit rate target for 2010-11

Chlamydia Screening

- In 2011/12 the local programme co-ordinated by Terrence Higgins Trust and delivered by many partners had screened nearly 11,000 young people (April 11 to Dec 11), 28.1% of the 15 – 24 year old population

Your new and local NHS

During 2012-2013, NHS Halton Clinical Commissioning Group and NHS St Helens Clinical Commissioning Group were granted authorisation to become statutory bodies and take on the duties set out in the Health and Social Care Act from 1 April 2013, when they become the lead organisations for the majority of local healthcare.

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

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

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

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

You can find out more about SHCCG and HCCG – including their plans, priorities and achievements over the past year - by visiting their websites[2].

[2] www.haltonccg.nhs.uk and www.sthelensccg.nhs.uk

Supporting our people

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

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

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

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

- Employees with disabilities
- Equality and Diversity

Sickness absence rates

	2012-2013	2011-2012
Total days lost	**1,080**	**13,127**
Total staff years	**140**	**1,175**
Average working days lost	**7.7**	**11.17**
Number of persons retired early on ill health grounds	**0**	**3**
Total additional pensions liabilities accrued in the year (£000s)	**0**	**87**

Emergency preparedness

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

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

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

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

Looking after you and your information

Managing and responding to risks

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

It also ensures that any information we hold about your care is held securely and in line with data protection regulations. Where breaches happen, we work hard to strengthen our systems. In 2012-2013, NHS Halton and St Helens had no serious untoward incidents involving the loss of personal data or confidentiality breaches to declare to the Care Quality Commission or to the Information Commissioner's Office.

PALS – helping you

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

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

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

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

Information Charges

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

Working sustainability

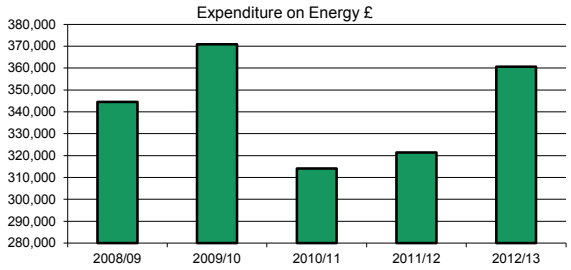
The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015 reducing the amount of energy used in our organisation contributes to this goal. Below are some of the ways we are working towards a more sustainable health service in Halton and St Helens.

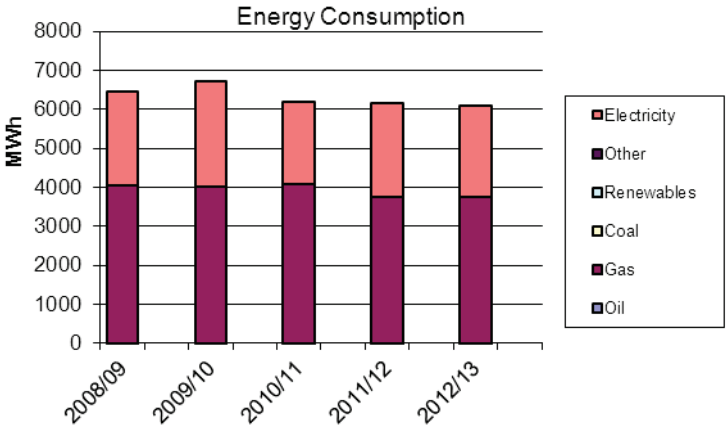
Carbon Collective

As part of the Mersey Cluster, Halton and St Helens PCT is a member of the Carbon Collective, a group of 13 NHS Trusts on Merseyside dedicated to reducing their carbon imprint. On 28th March 2012, it launched Simple Actions, a campaign that aims to support and encourage 50,000 NHS staff on Merseyside to cut waste, conserve energy, and reduce carbon. As part of a wider carbon reduction strategy, it aims to save up to £4 million a year to reinvest in services. The Carbon Collective is currently reviewing the potential for renewable energy across the North Mersey NHS and has just completed a review of taxi and courier use aimed at delivering reduced emissions from travel costs.

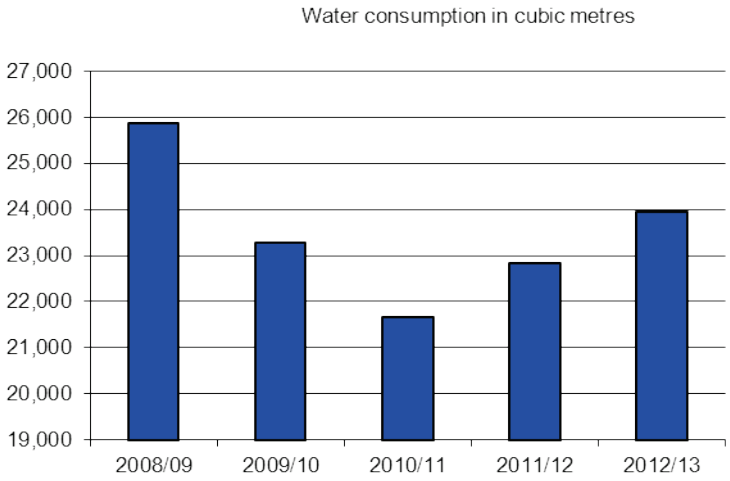
Our energy, water and waste use last year

Our energy costs have increased by 12% in 2012-13. Due to the opening of a new Health centre in early 2012. This is the equivalent of 7 hip operations.

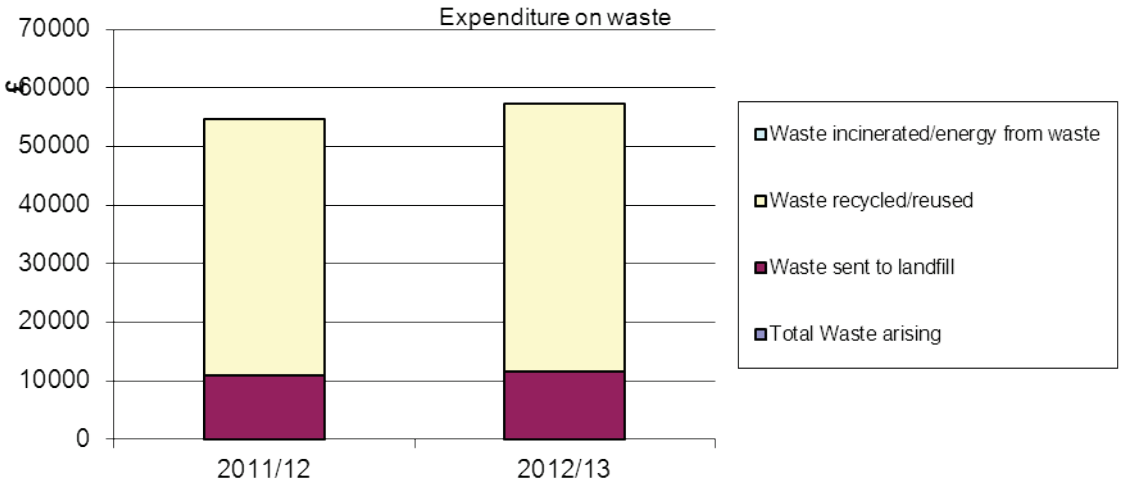




- We have not yet quantified plans to reduce our carbon emissions and improve our environmental sustainability
- Our total energy consumption has fallen during the year, from 6,150 to 6,096 MWh
- Our relative energy consumption has changed during the year, from 0.21 to 0.2 MWh/square metre
- We do not generate any energy. We have not made arrangements to purchase electricity generated from renewable sources
- We do not currently collect data on our annual Scope 3 emissions
- During 2012-2013 our total expenditure on business travel was £164,143
- Our water consumption has increased by 1,109 cubic meters in the recent financial year
- In 2012-2013 we spent £57,462 on water



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



Our Sustainable Development Management Plan

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

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

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

Our organisation has a Sustainable Transport Plan

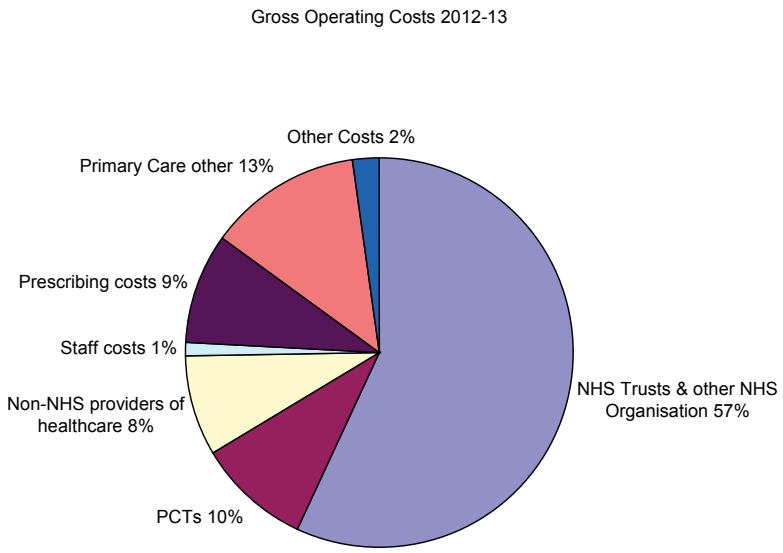
The NHS places a substantial burden on the transport infrastructure, whether through patient, clinician or other business activity. This generates an impact on air quality and greenhouse gas emissions. It is therefore important that we consider what steps are appropriate to reduce or change travel patterns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

Providing value

We have achieved all of our statutory duties in relation to the management of our finances during the year. In 2012-13 the money we received from the government to provide and buy services, or our 'revenue resource limit', was £632.5m. This is an increase on 2011-12 of 10.9m or 1.76%. We also received additional income of £20.2m from a number of other sources.

How we spent our money in 2012-13

We spent £650m on achieving our objectives through the purchase and delivery of a variety of services.



The majority of our budget, £369.5m, was spent buying services from our main local hospitals, as well as many others around Cheshire, Merseyside and beyond. We also spent £143.4m on primary care, such as GPs and dentists, and the prescribing of drugs in the community. Significant investments were also made in community care (£54.7m, the majority of which is included under NHS Trusts and other NHS Organisations and PCTs above) and public health (£17.7m, of which £15m is included under NHS Trusts and other NHS Organisations and PCTs above) with the balance being made up of other items of spend such as corporate costs and buildings.

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

The fund was made up of a 2% non-recurrent top-slice from PCT allocations (£48.6m), the residue of prior years' transformation funds brought forwad (£5.4m), slippage on the implementation of investment plans (£7.8m) and unused contingency provisions (£10.8m). Total resources amounted to £72.6m and the fund was fully

utilised during the year. All NHS providers on Merseyside submitted bids and successfully accessed resources together with a number of voluntary organisations.

Halton and St Helens PCT's contribution to the fund was £21.4m

Like all PCT's within the Merseyside Cluster action was taken to deliver the commissioning plans developed across Merseyside which included a major expansion in rehabilitation services on the Aintree, Broadgreen and St Helens Hospital sites. Locally the delegation of budget responsibility to Halton CCG and St Helens CCG allowed them to take forward their commissioning plans which included significant work with both Local Authorities on emergency admissions avoidance. The last year of the PCT also saw the opening of the Castlefield Primary Care Centre in April 2012 in Runcorn.

Secondary care and community care

A significant proportion of our overall budget, £483.5m, was spent purchasing a wide range of hospital and community services from healthcare providers. £273.8m was spent on general and acute healthcare. Mental health and learning disabilities accounted for £46.6m spend and we continued to support investments in community services to a value of £54.7m. We spent £21.1m on Accident and Emergency, £12.4m on maternity services and £74.9m on other contracted services.

Primary Care

We spent £142.8m commissioning primary healthcare, of which £60.4m was spent prescribing drugs in the community. Throughout the year our Medicines Management Team has been actively supporting GPs and other prescribers to ensure that all prescribed medicines are effective, safe and provide best value.

The remaining £82.4m was spent on a range of other primary care services that are mainly provided by independent contractors including GPs, dentists, pharmacists and optometrists.

Staffing costs

We employed 138 (whole time equivalent) staff in 2012-13 costing £7.868m. This compares to 180 people we employed in 2011-12 at a cost of £10.6m.

Pension liabilities

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

Off Payroll Engagements

The PCT, like many public and private sector organisations has from time to time employed individuals who are not on their payroll and are therefore "off payroll". Details of the PCT off payroll engagements are shown in the following tables:

Table 1: For off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

No. In place on 31 January 2012	1
Of which:	
No. that have since come onto the Organisation's payroll	0
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the PCT to seek assurance as to their tax obligations	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the PCT to seek assurance as to their tax obligations	1
No that have come to an end	0
Total	1

For the one case that is reported as not having been re-negotiated the PCT would have re-negotiated this contract to include contractual clauses, so that it could have sought assurances about the individuals tax arrangements, had the PCT been continuing as an organisation post 31 March 2013. The individual concerned now has a role in St Helens CCG and has been included on the payroll from 1 April 2013.

Table 2: For all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

No. of new engagements	0
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0
Of which:	
No. for whom assurance has been accepted and received	0
No. for whom assurance has been accepted and not received	0
No. that have been terminated as a result of assurance not being received	0
Total	0

Areas of investment

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

Capital projects

£6.4m of capital resource was invested in the new Castlefield LIFT facility in Runcorn. Capital income of £13.2m was generated through the sale of ISTC premises and Ecclestone Court legal charge.

Our financial duties

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

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

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

- £2.689m surplus against our revenue budget (resource limit) of £632.5m
- The PCT spent £627.9mm in cash against a cash limit of £627.9mm
- The PCT spent £6.1m against its capital budget (resource limit) of £6.1m

Better Payments Practice Code

The PCT complies with the Confederation of British Industry Better Payments Practice Code. Details can be found in note 8.1 to the audited full financial statements.

Prompt Payment Code

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

Going Concern Basis

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

External Auditors

Our external auditor is Grant Thornton LLP. The cost of its external audit services in 2012-13 was £135,013 including VAT.

Directors' disclosure of information to Auditors

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

Register of declared interests

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

Looking forward

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

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

In our final year we worked as part of NHS Merseyside with Clinical Commissioning Groups and key partners to develop future cash releasing strategies locally whilst sustaining and improving the quality of existing services. This may be characterised

by care closer to home, fewer acute beds, reduced unit costs, reduced variation, standardisation of pathways and more upstream interventions.

Remuneration report

Senior Managers' salaries and allowances

			2012-13					2011-12			
Senior Manager	**Notes**	**Title**	**Salary (bands of £5000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (£'000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Benefits in Kind (rounded to nearest £00)**
Gideon Ben Tovim, OBE	1	Chair	10-15	0	0	0	0	0-5	0	0	**0**
Professor Maureen Williams	1	Non Executive Director	0-5	0	0	0	0	0-5	0	0	**0**
Paul Acres	1	Non Executive Director	5-10	0	0	0	0	0-5	0	0	**0**
Keith Cawdron	1	Non Executive Director	0-5	0	0	0	0	0-5	0	0	**0**
Graham Wright	1	Non Executive Director	5-10	0	0	0	0	0-5	0	0	**0**
David Merrill	1	Non Executive Director	0-5	0	0	0	0	10-15	0	0	**0**
Jim Wilson	1	Non Executive Director	5-10	0	0	0	0	30-35	0	0	**0**
Peter Hinton	1	Non Executive Director	0-5	0	0	0	0	0-5	0	0	**0**
Derek Campbell	1,2	Chief Executive	35-40	0	0	70-75	12	30-35	0	0	**11**

			2012-13					2011-12			
Senior Manager	**Notes**	**Title**	**Salary (bands of £5000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (£'000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Benefits in Kind (rounded to nearest £00)**
Phil Wadeson	1,3	Director of Finance	20-25	0	0	0	0	20-25	0	0	**0**
Trish Bennett	1,4	Director of Nursing	20-25	0	0	0	12	20-25	0	0	**13**
Clare Duggan	1,5	Accountable Officer	30-35	0	0	0	19	20-25	0	0	0
Dr Stephen Cox	1,6	Medical Director	10-15	0	0	0	0	35-40	0-5	0	0
Dr Kieran Murphy	1,7	Acting Medical Director	0-5	0	0	0	0	-	-	-	**-**
Dr John Hussey	1,8	Acting Medical Director	5-10	0	0	0	0	-	-	-	**-**
Jane Raven	1,2	Director of OD and HR	20-25	0	0	45-50	0	15-20	0	0	**1**
Dympna Edwards	9	Director of Public Health	5-10	0	0	0	0	115-120	0	0	**0**
Eileen O'Meara	10	Director of Public Health	75-80	0	0	0	0	-	-	-	**-**
Liz Gaulton	10	Director of Public Health	80-85	0	0	0	0	-	-	-	**-**
Mr A Burgess	11	Chief Executive (until May 2011)	-	-	-	-	-	70-75	0	0	**0**
Mr S Spoerry	11	Managing Director (from July - March 2012 seconded from	-	-	-	-	-	85-90	0	0	**0**

			2012-13					2011-12			
Senior Manager	**Notes**	**Title**	**Salary (bands of £5000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (£'000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Benefits in Kind (rounded to nearest £00)**
		East Lancs pct)									
Ms C Samosa	11	Director of Workforce & Organisational Development (until October 2011)	-	-	-	-	-	50-55	0	0	**26**
Carole Hill	11	Head of Executive Office	-	-	-	-	-	10-15	0	0	**0**
Jim Hughes	11	Director of Commissioning Development	-	-	-	-	-	20-25	0	0	**0**
Debbie Fairclough	11	Assistant Chief Executive	-	-	-	-	-	60-65	0	0	**0**
Paul Brickwood	11,12	Locality Director of Finance (from April 2011)	-	-	-	-	-	45-50	0	0	**22**
Mrs M Austin	11	Assistant Director of Patient Experience, Communications and Marketing	-	-	-	-	-	55-60	0	0	**0**
Mrs L Ward	11	Deputy Director of Nursing	-	-	-	-	**-**	65-70	0	0	**0**
Mr R Foster	11	Director of Performance	-	-	-	-	**-**	90-95	0	0	**45**
Mr E Lavan	11	Director of Strategic Planning & Development	-	-	-	-	**-**	85-90	0	0	**0**
Mr P Lloyd Jones	11	Non Executive Director	**-**	**-**	**-**	**-**	**-**	5-10	0	0	**0**

			2012-13					2011-12			
Senior Manager	**Notes**	**Title**	**Salary (bands of £5000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (£'000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Benefits in Kind (rounded to nearest £00)**
Ms F Smith	11	Non Executive Director	-	-	-	-	-	5-10	0	0	**0**
Ms H Greaves	11	Non executive Director	-	-	-	-	-	5-10	0	0	**0**
Mr P Donaldson	11	Non executive Director	-	-	-	-	-	0	0	0	**0**
Mr M Arnold	11	Non Executive Director	-	-	-	-	-	5-10	0	0	**0**
Mr T Hughes	11	Non Executive Director	-	-	-	-	-	5-10	0	0	**0**
Ms M Geoghegan	11	CEC Member	-	-	-	-	-	70-75	5-10	0	**0**
Mr M Wyatt	11	CEC Member	-	-	-	-	-	**Employee of St Helens Council – receives no remuneration from the PCT**			
Ms S Richardson	11	CEC Member	-	-	-	-	-	**Employee of St Helens Council – receives no remuneration from the PCT**			
S Wallace-Bonner	11	CEC Member	-	-	-	-	-	**Employee of Halton Borough Council – receives no remuneration from the PCT**			
A McIntyre	11	CEC Member	-	-	-	-	-	**Employee of Halton Borough Council – receives no remuneration from the PCT**			
Dr C Woodforde	11	CEC Member	-	-	-	-	-	5-10	0	0	**0**
Dr A Frith	11	CEC Member	-	-	-	-	-	0	0	0	**0**
Mr P Flaherty	11	CEC Member	-	-	-	-	-	5-10	0	0	**0**
Ms C Casey-Hardman	11	CEC Member (until October 2011)	-	-	-	-	-	10-15	0-5	0	**0**
Dr S Pitalia	11	CEC Member	-	-	-	-	-	0	0	0	**0**

			2012-13					2011-12			
Senior Manager	**Notes**	**Title**	**Salary (bands of £5000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (£'000)**	**Other Remuneration (bands of £5000)**	**Bonus payments (bands of £5000)**	**Benefits in Kind (rounded to nearest £00)**
Dr C Richards	11	CEC Member	-	-	-	-	-	0	0	0	**0**
Dr K Beeby	11	CEC Member	-	-	-	-	-	0	0	0	**0**
Mr D Stearne	11	CEC Member	-	-	-	-	-	5-10	0	0	**0**
Dr I Schofield	**11**	**CEC Member**	**-**	**-**	**-**	**-**	**-**	**0**	**0**	**0**	**0**

Notes:

Benefits in kind are in respect of lease vehicles.

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

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

The salary costs for the individuals in the above salaries and allowances table represents Halton and St Helens PCT's share of their salary in respect of their work carried out for the NHS Merseyside Cluster.

2 Derek Campbell and Jane Raven were made redundant on 31 March 2013. The costs included above represent Halton and St Helens PCT's share of their redundancy costs. The total amounts paid in respect of the redundancy entitlements were £295,714 to Derek Campbell and £179,588 to Jane Raven.

3 Phil Wadeson was appointed as the joint Director of Finance for the Mersey Cluster and the Cheshire, Warrington and Wirral (CWW) Cluster for the period 1 September 2012 to 10 January 2013 and continued to support the CWW cluster to the end of January 2013. The Mersey Cluster have not recharged his salary costs for this period to the CWW Cluster. The salary figure in the above table represents the proportion of salary for his work at the NHS Merseyside Cluster alone and has been adjusted to reflect the remuneration cost had his salary been recharged. The proportion of his total salary which is attributable to the CWW Cluster is set out in the Remuneration Reports of the PCTs in the CWW Cluster.

4 Trish Bennett was appointed as the Director of Nursing to the Greater Manchester (GM) Local Area Team on 1 October 2012. The Mersey Cluster have not recharged her salary costs for this period to the GM Cluster. The salary figure in the above table represents the proportion of salary for her work at the NHS Merseyside Cluster alone and has been adjusted to reflect the remuneration cost had her salary been recharged. The PCTs in the GM Cluster have not included any salary or benefits in kind relating to Trish Bennett in their Remuneration Reports.

5 Clare Duggan was appointed as the Accountable Officer for the Cluster on 1 October 2012. Prior to this she was the Director of Strategic Change.

6 Dr Steve Cox was the Medical Director 1 April to 31 August 2012. The payments above for Dr Cox have been made to the GP practice where he is a partner rather than to Dr Cox directly through the payroll.

7 Dr Keiron Murphy was the Acting Medical Director from 1September to 30 September 2012. He was not a senior manager for Halton and St Helens PCT in 2011/12 so no comparatives are shown

8 Dr John Hussey was appointed as the Medical Director to the Merseyside Local Area Team on 1 October 2012. Following his appointment to the Local Area Team, Dr Hussey became the Acting Medical Director for the Mersey Cluster. He was not a senior manager for Halton and St Helens PCT in 2011/12 so no comparatives are shown

9 Dympna Edwards was the Director of Public Health 1-30 April 2012.

10 Eileen O'Meara was the Director of Public Health 1-20 May 2012. Eileen O'Meara and Liz Gaulton were the joint Directors of Public Health 21 May 2012 to 31 March 2013. They were not senior managers for Halton and St Helens PCT in 2011-12 so no comparatives are shown

11 No details relating to 2012-13 have been included for these individuals as they no longer meet the definition of a senior manager from 1 April 2012.

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

		2012-2013			20112012		
Name	**Title**	**Salary (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (bands of £5000)**	**Other remuneration (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**
Gideon Ben Tovim, OBE	Chair	40-45	-	-	35-40	-	-
Professor Maureen Williams	Non Executive Director	5-10	-	-	5-10	-	-
Paul Acres	Non Executive Director	35-40	-	-	35-40	-	-
Keith Cawdron	Non Executive Director	5-10	-	-	5-10	-	-
Graham Wright	Non Executive Director	30-35	-	-	20-25	-	-
David Merrill	Non Executive Director	10-15	-	-	10-15	-	-
Jim Wilson	Non Executive Director	35-40	-	-	35-40	-	-
Peter Hinton	Non Executive Director	5-10	-	-	5-10	-	-
Derek Campbell	Chief Executive	150-155	295-300	49	150-155	-	**54**
Phil Wadeson	Director of Finance	125-130	-	-	110-115	-	-
Trish Bennett	Director of Nursing	110-115	-	64	95-100	-	**60**
Clare Duggan	Accountable Officer	125-130	-	77	95-100	-	-
Dr Stephen Cox	Medical Director	40-45	-	-	95-100	5-10	-
Dr Kieran Murphy	Acting Medical Director	30-35	-	-	-	-	-

		2012-2013			20112012		
Name	**Title**	**Salary (bands of £5000)**	**Compensation for loss of office (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**	**Salary (bands of £5000)**	**Other remuneration (bands of £5,000)**	**Benefits in Kind (rounded to nearest £00)**
Dr John Hussey	Acting Medical Director	50-55	-	-	-	-	-
Jane Raven	Director of OD and HR	90-95	175-180	-	85-90	-	3

Pension Entitlements of Senior Managers as at 31st March 2013

Senior Manager	Title	A	B	C	D	E	F	G	H
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Derek Campbell	Chief Executive	-	-	-	-	-	-	-	**0**
Phil Wadeson	Director of Finance	2.5-5	12.5-15	55-60	165-170	1,240	1,048	138	**0**
Trish Bennett	Director of Nursing	0-2.5	0-2.5	20-25	65-70	388	356	13	**0**
Clare Duggan	Accountable Officer	(0-2.5)	0	0-5	0	48	45	1	**0**
Dr John Hussey	Acting Medical Director	0-2.5	5-7.5	65-70	195-200	1403	1166	88	**0**
Jane Raven	Director of OD and HR	0-2.5	2.5-5	10-15	30-35	201	169	23	**0**
Dympna Edwards	Director of Public Health	(0-2.5)	(0-2.5)	35-40	110-115	664	644	(1)	**0**
Eileen O'Meara	Director of Public Health	0-2.5	2.5-5	10-15	35-40	250	202	34	0
Liz Gaulton	Director of Public Health	0-2.5	2.5-5	25-30	80-85	454	400	29	0

A = Real increase/(decrease) in pension at age 60 (bands of £2,500)
B = Real increase/(decrease) lump sum at age 60 (bands of £2,500)
C = Total accrued pension age 60 at 31st March 2013 (bands of £5,000)
D = Lump sum at age 60 related to accrued pension at 31st March 2013(bands of £5,000)
E = Cash Equivalent Transfer Value (CETV) at 31st March 2013
F = CETV at 31st March 2012
G = Real increase / (decrease) in CETV
H = Employer contribution to stakeholder pension

Notes:

The pension information above is the total pension entitlement for each Director and the value has not been split across other organisation.
The movements in accrued pension and CETV have been adjusted where the Director has not been in post as a senior manager for the entire year.
Derek Campbell, Chief Executive, did not contribute into the NHS Pension Scheme in 2012-13
Only senior managers who are members of the standard NHS Pension scheme are included (Dr Stephen Cox and Dr Kieran Murphy are therefore excluded).
As non-executives do not receive pensionable remuneration there are no entries in respect of pensions for non-executive members.

Notes to the Remuneration Report

Cash Equivalent Transfer Value (CETV):

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

Real Increase/Decrease in CETV:

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Treatment of pension liabilities:

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

Director – Highest Paid Ratio

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

The banded remuneration of the highest paid director of Halton and St Helen's PCT in the financial year 2012-2013 was £80,000 - £85,000 (2011-2012; £115,000 – £120,000). This was 2.53 times (2011-2012; 3.9 times) the median remuneration of the workforce, which was £32,573 (2011-2012; £30,460).

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

In 2012-2013:9 (2011-2012; 1) employees received remuneration in excess of the highest-paid director. Remuneration for these individuals ranged from £80,000 -£145,000 (2011-2012; £140,000 to £145,000)

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

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

The ratio has fallen due to a change of the most highly paid director. The previously highest paid director was in post for the full year but the current most highly paid director and the previously most highly paid director have only been in post for part of the year in 2012-2013 resulting in a lower remuneration.

Due to the impending demise of the PCT at 31 March 2013, the size and structure of the workforce has changed between years. This has caused the median remuneration to increase between the years.

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

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

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

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

Signed.....Designated Signing Officer

Name: CLARE DUGGAN

Date: 6/6/2013.

Statement of responsibilities in respect of the Accounts

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

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

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

By order of the Permanent Secretary.

6.6.13 Date ..... Signing Officer

6.6.13 Date ..... Finance Signing Officer

Annual Governance Statement 2012-2013

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum[3].

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

The governance framework of NHS Halton and St Helens

The governance arrangements for NHS Halton and St Helens have been in place since April 2012. The NHS Merseyside Board is a sub-committee of Liverpool PCT, Halton and St Helens PCT, Knowsley PCT and Sefton PCT. The Cluster Board is established in accordance with Regulation 10 of the National Health Service (Functions of Strategic Health Authorities and Primary Care Trusts and Administrative Arrangements) (England) Regulations 2002, as amended (the "Regulations").

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

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

The Board's objectives are aligned to the objectives set out in the Shared Operating Model for PCT Clusters[4]. These are managed through the Board Assurance Framework process. The Board has been assured of its effectiveness in respect of delivering is objectives through this process which is supported by the Joint Integrated Governance Committee.

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

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

[3] Accountable Officer Memorandum for Chief Executives (2002)
[4] Department of Health (2011) *Shared Operating Model for PCT Clusters* (London :TSO) at pg 4 paras 9, 10 and 11

Joint Integrated Governance Committee (JIGC):

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

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

- Information Governance
- Serious Untoward Incidents
- Adult and Children Safeguarding
- Risk Management
- Board Assurance Framework for NHS Halton and St Helens

The committee also reviewed and scrutinised the following:

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

This Committee was established in accordance with best practice and the recommendations of the Integrated Governance Handbook.[5] The committee comprises Executive Directors, NEDs, Internal Audit and governance and risk officers to ensure that the committee is appropriately skilled and resourced to deliver its objectives.

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

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

Key highlights:

During the year the JIGC:

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

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

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

Audit Committee

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

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

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

Key highlights: During the year the Audit Committee:

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

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

Remuneration Committee:

The committee ensures compliance with statutory requirements and undertook reviews of Very Senior Managers remuneration to comply with the requirements set out in the NHS Codes of Conduct and Accountability and the Higgs report.[6] The Committee reviewed and agreed appraisal and remuneration of executives: During the year the committee has reviewed a number of cases relating to redundancy.

The Remuneration Committee met in full quorum for all meetings during the year. The Board also had committees with responsibility for Human Resources and Organisation Development and Equality and Diversity.

Clinical Commissioning Group Sub Committees

The Board established six clinical commissioning sub committees that have evolved to become the Governing Bodies of CCGs. During 2012/13 these committees operated under robust Terms of

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

Reference and Scheme of Delegation. The PCT Chief Executive established an Accountability Meeting with each CCG designated Accountable Officer and these meetings ran throughout the year.

Handover and Closedown

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

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

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

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

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

Transition Assurance – NHS Halton and St Helens provided monthly updates on progress with the Transition to the SHA and the Department of Health.

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

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

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

- **Quality Handover** – NHS Halton and St Helens provided information that was included in the NHS Merseyside Quality Legacy Document was signed off by the Board in January 2013 and the programme of quality handover to the CCGs concluded on 31st March 2013. The Quality Legacy Document was scrutinised by the Joint Integrated Governance Committee prior to submission to the Board.

- **Corporate Handover** – NHS Halton and St Helens provided information that was included in the NHS Merseyside Corporate Handover document. This document provides a summary of key factors relevant to all new bodies and provided sign posts to other key documents. This also included a summary of key risks.

- **Public Health Legacy Document** – NHS Halton and St Helens produced a Public Health Legacy Document for the relevant Local Authorities.

Risk Assessment

NHS Halton and St Helens had a comprehensive Risk Management Strategy, which was updated at regular intervals. The following key elements are contained within the Strategy:

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

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

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

The 'bottom-up' element of the risk management system best fits with organisational structures and this has therefore been based on the directorate arrangements and subsequently on the NHS Merseyside director portfolios and integrated teams. All functional leads have identified their arrangements for developing and reviewing risk registers and escalating risks.

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

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

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

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

Controls include:

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

Risk & Control Framework

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

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

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

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

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

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

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

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

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

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

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

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

The Head of Audit's opinion on the Assurance Framework determined that. A Consolidated Cluster Assurance Framework has been established which is designed and operating to meet the requirements of the Annual Governance Statement and provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation.

Review of effectiveness

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

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

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

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

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

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

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

6.6.13 Date ..... Signing Officer

6.6.13 Date ..... Finance Signing Officer

Annual accounts 2012-13

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

- Our performance against our statutory duty to break even is summarised on page 18.
- The external auditor's opinion as to whether the summary financial statements are consistent with the annual accounts and can be found on page 42.

Independent auditor's statement

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF HALTON AND ST HELENS PRIMARY CARE TRUST

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

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

- the table of salaries and allowances of senior managers and related narrative notes;
- the table of pension benefits of senior managers and related narrative notes; and
- the table of pay multiples and related narrative notes.

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

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

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

Scope of the audit of the financial statements

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

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes

intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

· our review of the annual governance statement; and

· our locally determined risk-based work based on the four areas in the audit Commission's guidance.

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

Certificate

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

Michael Thomas
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

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

Department of Health

NHS

Halton and St Helens Primary Care Trust

2012-13 Accounts

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Halton and St Helens Primary Care Trust

2012-13 Accounts

Department of Health

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.....C Duggan.....Designated Signing Officer

Name: CLARE DUGGAN

Date: 6/6/2013

Department of Health

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

- make judgements and estimates which are reasonable and prudent;

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

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

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

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

By order of the Permanent Secretary.

6.6.13 Date ..... Signing Officer

6.6.13 Date ..... Finance Signing Officer

Department of Health

Annual Governance Statement 2012/13

NHS Halton and St Helens

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum[1].

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

Effectiveness of the Board

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

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

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

The governance framework of NHS Halton and St Helens

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

The arrangements in place for the discharge of statutory functions have been checked by internal audit for any irregularities and the reports are submitted to Audit Committee. The Board is also

[1] Accountable Officer Memorandum for Chief Executives (2002)

assured of compliance with its functions through receipt of performance reports at each public meeting.

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

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

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

The Board's objectives are aligned to the objectives set out in the Shared Operating Model for PCT Clusters[2]. These are managed through the Board Assurance Framework process. The Board has been assured of its effectiveness in respect of delivering is objectives through this process which is supported by the Joint Integrated Governance Committee.

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

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

Joint Integrated Governance Committee (JIGC):

This committee has delegated responsibility for identifying, reviewing and developing mitigation plans against any risks that arise as a consequence of the transition. The committee also reviews and scrutinises the Board Assurance Framework and Corporate Risk Register prior to any review by the Cluster Board. This committee reports to the NHS Merseyside Board on the development,

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

implementation and monitoring of integrated governance by providing assurance on: "the systems and processes by which the PCT leads, directs and controls its functions in order to achieve organisational objectives, safety, and quality of services, and in which they relate to the wider community and partner organisations.

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

- Information Governance
- Serious Untoward Incidents
- Adult and Children Safeguarding
- Risk Management
- Board Assurance Framework for NHS Halton and St Helens

The committee also reviewed and scrutinised the following:

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

This Committee was established in accordance with best practice and the recommendations of the Integrated Governance Handbook.[3] The committee comprises Executive Directors, NEDs, Internal Audit and governance and risk officers to ensure that the committee is appropriately skilled and resourced to deliver its objectives.

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

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

Key highlights: During the year the JIGC:

-
- Provided assurance to the Board on the objectives and controls with the Board Assurance Framework and Corporate Risk Register.
- Provided assurance on the NHS Halton and St Helens Board Assurance Framework
- Provided assurance of compliance with the Information Governance Toolkit (68%).

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

- Received and reviewed progress on the Transition
- Reviewed the Quality Handover Document

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

Audit Committee

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

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

The Committee has also received, reviewed and approved:

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

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

Key highlights: During the year the Audit Committee:

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

The Audit Committee has been well attended by all NEDs, Internal Auditors, External Auditors and Officers throughout the year ensuring that there has been robust scrutiny at all times. This has

enabled the Audit Committee to provide robust assurances to the Board and to inform the Board of any gaps in systems control.

Remuneration Committee:

The committee ensures compliance with statutory requirements and undertook reviews of Very Senior Managers remuneration and to comply with the requirements set out in the NHS Codes of Conduct and Accountability and the Higgs report.[4] The Committee reviews and agrees appraisal and remuneration of executives: During the year the committee has reviewed a number of cases relating to redundancy.

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

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

Clinical Commissioning Group Sub Committees

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

Handover and Closedown

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

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

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

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

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

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

Transition Assurance – NHS Halton and St Helens provided monthly updates on progress with the Transition to the SHA and the Department of Health.

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

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

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

- **Quality Handover** – NHS Halton and St Helens provided information that was included in the NHS Merseyside Quality Legacy Document was signed off by the Board in January 2013 and the programme of quality handover to the CCGs concluded on 31st March 2013. The Quality Legacy Document was scrutinised by the Joint Integrated Governance Committee prior to submission to the Board.

- **Corporate Handover** – NHS Halton and St Helens provided information that was included in the NHS Merseyside Corporate Handover document.

- **Public Health Legacy Document** – NHS Halton and St Helens produced a Public Health Legacy Document for the relevant Local Authority.

Risk Assessment

NHS Halton and St Helens has a comprehensive Risk Management Strategy, which is updated at regular intervals. The following key elements are contained within the Strategy:

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

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

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

The 'bottom-up' element of the risk management system best fits with organisational structures and this has therefore been based on the directorate arrangements and subsequently on the NHS Merseyside director portfolios and integrated teams. All functional leads have identified their arrangements for developing and reviewing risk registers and escalating risks.

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

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

Controls include:

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

However, there were 2 data breaches during the year that were reported to the Information Commissioners. The ICO determined that no further action was required for 1 incident and the remaining incident was under review by the ICO as at 31st March 2013.

Risk & Control Framework

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

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

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

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

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

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

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

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

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

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

The Head of Audit's opinion on the Assurance Framework determined that a Consolidated Cluster Assurance Framework has been established which is designed and operating to meet the requirements of the Annual Governance Statement and provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation.

Review of effectiveness

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

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

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

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

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

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

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

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

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

Signed **Date**

C Duggan 6.6.2013

Clare Duggan

Designated Signing Officer

Signed **Date**

P G Wadeson 6.6.13

Phil Wadeson

Finance Signing Officer

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF HALTON AND ST HELENS PRIMARY CARE TRUST

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

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

- the table of salaries and allowances of senior managers and related narrative notes;
- the table of pension benefits of senior managers and related narrative notes; and
- the table of pay multiples and related narrative notes.

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

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements.

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

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

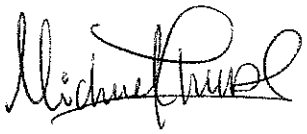
We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission, we have considered the results of the following:

· our review of the annual governance statement; and
· our locally determined risk-based work based on the four areas in the Audit Commission's guidance.

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

Certificate

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



Michael Thomas
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

Royal Liver Building
Liverpool
L3 1PS

7 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**7,868**	10,618
Other costs	5.1	**637,735**	631,941
Income	4	**(19,944)**	(25,598)
Net operating costs before interest		**625,659**	616,961
Investment income	9	**(109)**	(157)
Other (Gains) / Losses	10	**(214)**	(78)
Finance costs	11	**4,438**	4,319
Net operating costs for the financial year		**629,774**	621,045
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		**629,774**	**621,045**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**7,868**	8,933
Other costs	5.1	**6,221**	9,577
Income	4	**(16)**	0
Net administration costs before interest		**14,073**	**18,510**
Investment income	9	**0**	0
Other (Gains) / Losses	10	**0**	0
Finance costs	11	**242**	241
Net administration costs for the financial year		**14,315**	**18,751**
Programme Expenditure			
Gross employee benefits	7.1	**0**	1,685
Other costs	5.1	**631,514**	622,364
Income	4	**(19,928)**	(25,598)
Net programme expenditure before interest		**611,586**	**598,451**
Investment income	9	**(109)**	(157)
Other (Gains) / Losses	10	**(214)**	(78)
Finance costs	11	**4,196**	4,078
Net programme expenditure for the financial year		**615,459**	**602,294**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**148**	0
Net (gain) on revaluation of property, plant & equipment	**(2,838)**	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	**0**	
Net actuarial (gain) / loss on pension schemes	**0**	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**627,084**	**621,045**

The notes on pages 6 to 46 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**46,700**	42,849
Intangible assets	13	**127**	203
investment property	15	**0**	0
Other financial assets	21	**986**	996
Trade and other receivables	19	**0**	0
Total non-current assets		**47,813**	44,048
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**3,752**	8,717
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**27**	35
Total current assets		**3,779**	8,752
Non-current assets held for sale	24	**0**	0
Total current assets		**3,779**	8,752
Total assets		**51,592**	52,800
Current liabilities			
Trade and other payables	25	**(28,785)**	(38,225)
Other liabilities	26,28	**0**	0
Provisions	32	**(1,396)**	(201)
Borrowings	27	**(300)**	(3,270)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(30,481)**	(41,696)
Non-current assets plus/less net current assets/liabilities		**21,111**	11,104
Non-current liabilities			
Trade and other payables	25	**0**	0
Other Liabilities	28	**0**	0
Provisions	32	**(1,611)**	(1,627)
Borrowings	27	**(36,247)**	(27,060)
Other financial liabilities	36.2	**0**	0
Total non-current liabilities		**(37,858)**	(28,687)
Total Assets Employed:		**(16,747)**	(17,583)
Financed by taxpayers' equity:			
General fund		**(22,829)**	(21,066)
Revaluation reserve		**6,082**	3,483
Other reserves		**0**	0
Total taxpayers' equity:		**(16,747)**	(17,583)

The notes on pages 5 to 46 form part of this account.

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

Signing Officer Date: 6.6.2013.

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	**46,700**	42,849
Intangible assets	13	**127**	203
investment property	15	**0**	0
Other financial assets	21	**986**	996
Trade and other receivables	19	**0**	0
Total non-current assets		**47,813**	44,048
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**3,752**	8,717
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**27**	35
Total current assets		**3,779**	8,752
Non-current assets held for sale	24	**0**	0
Total current assets		**3,779**	8,752
Total assets		**51,592**	52,800
Current liabilities			
Trade and other payables	25	**(28,785)**	(38,225)
Other liabilities	26,28	**0**	0
Provisions	32	**(1,396)**	(201)
Borrowings	27	**(300)**	(3,270)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(30,481)**	(41,696)
Non-current assets plus/less net current assets/liabilities		**21,111**	11,104
Non-current liabilities			
Trade and other payables	25	**0**	0
Other Liabilities	28	**0**	0
Provisions	32	**(1,611)**	(1,627)
Borrowings	27	**(36,247)**	(27,060)
Other financial liabilities	36.2	**0**	0
Total non-current liabilities		**(37,858)**	(28,687)
Total Assets Employed:		**(16,747)**	(17,583)
Financed by taxpayers' equity:			
General fund		**(22,829)**	(21,066)
Revaluation reserve		**6,082**	3,483
Other reserves		**0**	0
Total taxpayers' equity:		**(16,747)**	(17,583)

The notes on pages 6 to 46 form part of this account.

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

Signing Officer Date:

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**(21,066)**	**3,483**	**0**	**(17,583)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(629,774)	0	0	**(629,774)**
Net gain on revaluation of property, plant, equipment	0	2,838	0	**2,838**
Net gain on revaluation of intangible assets	0	0	0	**0**
Net gain on revaluation of financial assets	0	0	0	**0**
Net gain on revaluation of assets held for sale	0	0	0	**0**
Impairments and reversals	0	(148)	0	**(148)**
Movements in other reserves	0	0	0	**0**
Transfers between reserves*	91	(91)	0	**0**
Release of Reserves to SOCNE	0	0	0	**0**
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	**0**
Net actuarial gain/(loss) on pensions	0	0	0	**0**
Total recognised income and expense for 2012-13	**(629,683)**	**2,599**	**0**	**(627,084)**
Net Parliamentary funding	627,920	0	0	**627,920**
Balance at 31 March 2013	**(22,829)**	**6,082**	**0**	**(16,747)**
Balance at 1 April 2011	**(46,985)**	**3,528**	**0**	**(43,457)**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(621,045)	0	0	(621,045)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	0	0	0
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0	0
Net Gain / (loss) on Revaluation of Financial Assets	0	0	0	0
Net Gain / (loss) on Assets Held for Sale	0	0	0	0
Impairments and Reversals	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves*	44	(44)	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	(4)	(1)	0	(5)
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
Total recognised income and expense for 2011-12	(621,005)	(45)	0	(621,050)
Net Parliamentary funding	646,924	0	0	646,924
Balance at 31 March 2012	**(21,066)**	**3,483**	**0**	**(17,583)**

* including transfers from the revaluation reserve to the general fund in respect of impairments

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	**(625,659)**	(616,961)
Depreciation and Amortisation	**1,545**	2,057
Impairments and (Reversals)	**(8,719)**	5,144
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	**(4,438)**	(3,683)
Release of PFI / deferred credit	**0**	0
(Increase) / Decrease in Inventories	**0**	0
Decrease in Trade and Other Receivables	**4,965**	290
(Increase) / Decrease in Other Current Assets	**0**	0
(Decrease) / Increase in Trade and Other Payables	**(9,495)**	840
(Increase) / Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(184)**	(535)
Increase in Provisions	**1,363**	186
Net Cash (Outflow) from Operating Activities	**(640,622)**	**(612,662)**
Cash flows from investing activities		
Interest Received	**109**	157
(Payments) for Property, Plant and Equipment	**(845)**	(716)
(Payments) for Intangible Assets	**0**	0
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	(98)
Proceeds of disposal of assets held for sale (PPE)	**13,375**	195
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	**282**	177
Rental Revenue	**0**	0
Net Cash Inflow / (Outflow) from Investing Activities	**12,921**	**(285)**
Net Cash (Outflow) before Financing	**(627,701)**	**(612,947)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(227)**	(33,989)
Net Parliamentary Funding	**627,920**	646,924
Capital Receipts Surrendered	**0**	0
Capital grants and other capital receipts	**0**	0
Cash Transferred (to) / from Other NHS Bodies	**0**	0
Net Cash Inflow from Financing Activities	**627,693**	**612,935**
Net (decrease) in Cash and Cash Equivalents	**(8)**	**(12)**
Cash and Cash Equivalents at Beginning of the Period	**35**	**47**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	**0**	0
Cash and Cash Equivalents at year end	**27**	**35**

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.

Under the provisions of The Health and Social Care Act 2012 (Commencement No. 4. Transitional , Savings and Transitory Provisions) Order 2013 Halton & St Helens PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 41 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

A revaluation of the PCT's property portfolio has taken place during the year ended 31 March 2013 but this revaluation was carried out as part of the normal PCT cycle of revaluations and was not related to the closedown of the PCT.

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

Under the TCS initiative, services historically provided by PCTs have transferred to other providers - notably NHS Trusts and NHS Foundation Trusts. Such transfers fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE, and is disclosed separately from operating costs.

The 2012-13 Accounts exclude TCS services transferred and so does the 2011-12 comparators.
The PCT holds the contract with Bridgewater Community NHS Trust, therefore the expenditure in respect of Community Services for both years is recorded as expenditure with NHS Trusts (see Note 5.1).

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.

Based on previous experience and trends, the PCT has reviewed all estimates and believes them to be accurate, with the potential impact of under / over estimates being not material in terms of affecting the underlying financial report of this PCT.

The most significant area of estimation uncertainty is in respect of the carrying value of property and associated plant. As this is an area of uncertainty and specialisation, the PCT relies upon an external valuer to determine the book value of its land and buildings, including LIFT properties. The external valuer has used depreciated replacement cost as the valuation method. This is a change from the market valuation method used in the previous revaluation at March 31st 2010. The external valuer deemed that there was limited market evidence currently available for the class of property and a depreciated replacement cost approach would provide a more reliable valuation. This change of valuation method has resulted in a significant increase in land and buildings valuation.

The PCT, under IFRIC 12 Service Concession arrangements, has reported the assets associated with the leased NHS LIFT buildings in Note 12 Property, plant and equipment, with the relevant liabilities reported in Note 36.2 Financial Liabilities. In doing this, a number of assumptions have been made, including the decision that the exercise of the option to purchase the NHS LIFT estate is reasonably certain at the end of the lease term, which impacts on the value of the accounting entries for the LIFT buildings. During the term of the lease, lifecycle costs each year will be expended direct to the SOCNE.

Another source of estimation uncertainty is the accrual in respect of prescribing reported in note 25 under "Family Health Services (FHS) Payables". The payments to contractors for prescribing, pharmacy and oxygen are made directly by the NHS Business Services Authority Prescribing Division (NHSBSA), on the PCT's behalf. Each month the Department of Health, as part of the PCT's cash limit, charges the PCT in respect of these costs. However there is a timing difference which at the 31st March 2013 meant that the PCT was still expecting charges relating to February and March 2013. These outstanding charges equal £12.270 million, based on NHSBSA estimates and published projections.

Continuing Health Care (CHC) restitution claims have been subject to a closing deadline for claims prior to 31st March 2012. This has resulted in a number of claims that have not been finalised or agreed for settlement at the year end. The CHC provision as at 31st March 2013 is £1.188 million and this estimate has been based on previous claim settlements by a specialist team working across the whole of the Merseyside region. The calculation of the provision is based on key assumptions in expected "fall out" rates at each stage in claims handling process, an average number of weeks per claim and an average bed price per week.

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

1.3 Pooled budgets

The PCT has a pooled budget with Halton Borough Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Integrated Community Equipment Services and Intermediate Care activities.

The pool is hosted by Halton Borough Council and 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.

1.4 Taxation

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

1. Accounting policies (continued)

1.7 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.8 Intangible Assets

Recognition

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

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

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

Measurement

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

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at 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.

The PCT does not hold any donated assets as at 31 March 2013 or 31 March 2012.

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.

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

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 PCT.

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. However, due to the demise of the PCT at 31 March 2013 all employees are required to use all leave entitlement in the year and there will be no accrual for leave earned not taken.

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

1.18 Other expenses

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

1.19 Grant making

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

1. Accounting policies (continued)

1.20 Contingencies

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

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

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

1.21 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.22 Foreign exchange

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

1.23 Provisions

Provisions are recognised when the PCT has a present legal or constructive obligation as a result of a past event, it is probable that the PCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of minus 1.8% for short term (0-5 years), minus 1% for medium term (6-10 years) and 2.2% for long term provisions (over 10 years). The rate applicable for post employment benefits is 2.35%.

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)

1.24 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

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

Available for sale financial assets

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

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.

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.

1.25 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 / 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 / LIFT assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

1. Accounting policies (continued)

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

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

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

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)

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

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

IAS 19 Employee Benefits - subject to consultation
IAS 27 Separate Financial Statements - subject to consultation
IAS 28 Investments in Associates and Joint Ventures - subject to consultation
IAS 32 Financial Instruments - subject to consultation
IFRS 7 Financial Instruments - subject to consultation
IFRS 9 Financial Instruments - subject to consultation
IFRS 10 Consolidated Financial Statements - subject to consultation
IFRS 11 Joint Arrangements - subject to consultation
IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
IFRS 13 Fair Value Measurement - subject to consultation
IPSAS 32 - Service Concession Arrangement - subject to consultation

2 Operating segments

Following the transfer of the Provider function to Bridgewater Community NHS Trust on April 1st 2011, the financial position of the PCT has been shown as a single healthcare commissioning function. Therefore, since this date the disclosure by operating segments is no longer applicable.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCT performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		621,045
Net operating cost plus (gain)/loss on transfers by absorption	**629,774**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**632,463**	621,545
Underspend Against Revenue Resource Limit (RRL)	2,689	500

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**(6,089)**	386
Charge to Capital Resource Limit	**(6,089)**	366
Underspend Against Capital Resorce Limit (CRL)	**0**	**20**

3.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	**0**	0
Provider Operating Revenue	**0**	0
Net Provider Operating Costs	**0**	0
Costs Met Within PCTs Own Allocation	**0**	0
Under / (Over) Recovery of Costs	**0**	0

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**627,919**	646,926
Cash Limit	**627,919**	646,926
Under / (Over)spend Against Cash Limit	**0**	**0**

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

	2012-13 £000
Total cash received from DH (Gross)	542,599
Less: Trade Income from DH	0
Less / (Plus): movement in DH working balances	0
Sub total: net advances	**542,599**
(Less) / plus: transfers (to) / from other resource account bodies	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	14,406
Plus: drugs reimbursement (central charge to cash limits)	70,915
Parliamentary funding credited to General Fund	**627,920**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**39**	0	39	283
Dental Charge income from Contractor-Led GDS & PDS	**4,394**	0	4,394	4,445
Dental Charge income from Trust-Led GDS & PDS	**0**	0	0	0
Prescription Charge income	**3,417**	0	3,417	3,405
Strategic Health Authorities	**737**	0	737	49
NHS Trusts	**4,397**	0	4,397	5,569
NHS Foundation Trusts	**267**	16	251	57
Primary Care Trusts Contributions to DATs	**0**	0	0	0
Primary Care Trusts - Other	**1,029**	0	1,029	3,757
Primary Care Trusts - Lead Commissioning	**381**	0	381	2,844
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**444**	0	444	471
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**1,535**	0	1,535	1,766
Patient Transport Services	**0**	0	0	0
Education, Training and Research	**44**	0	44	694
Non-NHS: Private Patients	**0**	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**	0	0	0
NHS Injury Costs Recovery	**0**	0	0	0
Other Non-NHS Patient Care Services	**0**	0	0	0
Charitable and Other Contributions to Expenditure	**0**	0	0	0
Receipt of donated assets	**0**	0	0	0
Receipt of Government granted assets	**0**	0	0	0
Rental revemue from finance leases	**0**	0	0	0
Rental reenue from operating leases	**0**	0	0	0
Other revenue	**3,260**	0	3,260	2,258
Total Miscellaneous Revenue	**19,944**	**16**	**19,928**	**25,598**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12 Total
Goods and Services from Other PCTs	**£000**	**£000**	**£000**	**£000**
Healthcare	**62,360**		62,360	55,904
Non-Healthcare	**343**	343	0	1,411
Total	**62,703**	**343**	**62,360**	**57,315**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**228,350**	2,928	225,422	212,687
Goods and services (other, excl Trusts, FT and PCT))	**409**	0	409	655
Total	**228,759**	**2,928**	**225,831**	**213,342**
Goods and Services from Foundation Trusts	**140,722**	0	140,722	132,931
Purchase of Healthcare from Non-NHS bodies	**53,529**	0	53,529	57,094
Social Care from Independent Providers	**0**	0	0	0
Expenditure on Drugs Action Teams	**3,907**	0	3,907	2,969
Non-GMS Services from GPs	**15**	0	15	15
Contractor Led GDS & PDS (excluding employee benefits)	**20,815**	0	20,815	18,634
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**0**	0	0	0
Chair, Non-executive Directors & PEC remuneration	**104**	104	0	119
Executive committee members costs	**1**	1	0	51
Consultancy Services	**704**	704	0	428
Prescribing Costs	**60,351**	0	60,351	66,439
G/PMS, APMS and PCTMS (excluding employee benefits)	**43,498**	0	43,498	46,068
Pharmaceutical Services	**0**	0	0	0
Local Pharmaceutical Services Pilots	**0**	0	0	0
New Pharmacy Contract	**15,549**	0	15,549	12,167
General Ophthalmic Services	**3,076**	0	3,076	3,192
Supplies and Services - Clinical	**642**	0	642	590
Supplies and Services - General	**6**	6	0	190
Establishment	**3,684**	413	3,271	2,797
Transport	**42**	42	0	55
Premises	**5,203**	675	4,528	4,094
Impairments & Reversals of Property, plant and equipment	**(8,719)**	0	(8,719)	5,144
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**1,469**	0	1,469	1,971
Amortisation	**76**	0	76	86
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**0**	0	0	396
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**40**	0	40	403
Audit Fees	**135**	135	0	227
Other Auditors Remuneration	**0**	0	0	35
Clinical Negligence Costs	**73**	0	73	36
Education and Training	**183**	2	181	409
Grants for capital purposes	**300**	0	300	0
Grants for revenue purposes	**0**	0	0	3,992
Impairments and reversals for investment properties	**0**	0	0	0
Other	**868**	868	0	752
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**637,735**	**6,221**	**631,514**	**631,941**
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**0**	0	0	0
Trust led PDS and PCT DS	**0**	0	0	0
PCT Officer Board Members	**108**	108	0	390
Other Employee Benefits	**7,760**	7,760	0	10,228
Total Employee Benefits charged to SOCNE	**7,868**	**7,868**	**0**	**10,618**
Total Operating Costs	**645,603**	**14,089**	**631,514**	**642,559**
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	**300**	0	300	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	**300**	**0**	**300**	**0**
Grants to fund revenue expenditure				
To Local Authorities	**0**	0	0	0
To Private Sector	**0**	0	0	2,462
To Other	**0**	0	0	1,530
Total Revenue Grants	**0**	**0**	**0**	**3,992**
Total Grants	**300**	**0**	**300**	**3,992**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**14,455**	13,412	1,043
Weighted population (number in units)*	**360,186**	360,186	360,186
Running costs per head of population (£ per head)	**40.13**	**37.24**	**2.90**
PCT Running Costs 2011-12			
Running costs (£000s)	**18,776**	17,047	1,729
Weighted population (number in units)	**360,186**	360,186	360,186
Running costs per head of population (£ per head)	**52.13**	**47.33**	**4.80**

* 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
Purchase of Primary Health Care	**£000**	**£000**
GMS / PMS/ APMS / PCTMS	**43,635**	46,068
Prescribing costs	**60,351**	66,439
Contractor led GDS & PDS	**20,195**	18,634
Trust led GDS & PDS	**0**	0
General Ophthalmic Services	**3,076**	3,192
Department of Health Initiative Funding	**0**	0
Pharmaceutical services	**0**	0
Local Pharmaceutical Services Pilots	**0**	0
New Pharmacy Contract	**15,549**	12,167
Non-GMS Services from GPs	**15**	15
Other	**0**	0
Total Primary Healthcare purchased	**142,821**	146,515
Purchase of Secondary Healthcare		
Learning Difficulties	**3,475**	7,465
Mental Illness	**43,123**	38,092
Maternity	**12,415**	11,771
General and Acute	**273,834**	254,467
Accident and emergency	**21,106**	19,356
Community Health Services	**54,653**	53,508
Other Contractual	**74,862**	57,904
Total Secondary Healthcare Purchased	**483,468**	442,563
Grant Funding		
Grants for capital purposes	**300**	0
Grants for revenue purposes	**0**	3,992
Total Healthcare Purchased by PCT	**626,589**	**593,070**
PCT self-provided secondary healthcare included above	**0**	0
Social Care from Independent Providers	**0**	0
Healthcare from NHS FTs included above	**139,454**	132,931

6. Operating Leases

The PCT is a contractual party for the General Medical Services (GMS). The contract is for an indefinate period of time and includes an amount payable as a contribution to the cost of the GP's premises, whether this is privately owned or leased. The PCT has not classified this as an operating lease, and the charge included within the Statement of Net Comprehensive Expenditure for 2012-13 is £1,497,000 (2011-12 £1,296,000).

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				**141**	157
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**141**	**157**
Payable:					
No later than one year	**0**	**137**	**0**	**137**	157
Between one and five years	**0**	**390**	**0**	**390**	686
After five years	**0**	**464**	**0**	**464**	430
Total	**0**	**991**	**0**	**991**	**1,273**
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

There are no leases to disclose in this section.

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13								
				Permanently employed			Other		
	Total	Admin	Programme	Total	Admin	Programme	Total	Admin	Programme
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee Benefits 2012-13 - Gross Expenditure									
Salaries and wages	**5,743**	5,743	0	**5,586**	5,586	0	**157**	157	0
Social security costs	**492**	492	0	**492**	492	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**690**	690	0	**690**	690	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	**943**	943	0	**943**	943	0	**0**	0	0
Total employee benefits	**7,868**	**7,868**	**0**	**7,711**	**7,711**	**0**	**157**	**157**	**0**
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	**7,868**	**7,868**	**0**	**7,711**	**7,711**	**0**	**157**	**157**	**0**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**7,868**	**7,868**	**0**	**7,711**	**7,711**	**0**	**157**	**157**	**0**
Recognised as:									
Commissioning employee benefits	**7,868**			**7,711**			**157**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**7,868**			**7,711**			**157**		

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

Employee Benefits - Prior- year

	Total	Permanently employed	Other
	£000	£000	£000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**7,507**	6,729	778
Social security costs	**584**	584	0
Employer Contributions to NHS BSA - Pensions Division	**842**	842	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**1,685**	1,685	0
Total gross employee benefits	**10,618**	**9,840**	**778**
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	**10,618**	**9,840**	**778**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**10,618**	**9,840**	**778**
Recognised as:			
Commissioning employee benefits	**10,618**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**10,618**		

7.2 Staff Numbers

	2012-13			2011-12		
	Total	Permanently employed	Other	Total	Permanently employed	Other
Average Staff Numbers	Number	Number	Number	Number	Number	Number
Medical and dental	**4**	3	1	**4**	4	0
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**115**	112	3	**150**	141	9
Healthcare assistants and other support staff	**0**	0	0	**0**	0	0
Nursing, midwifery and health visiting staff	**4**	4	0	**8**	8	0
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**15**	15	0	**16**	16	0
Social Care Staff	**0**	0	0	**0**	0	0
Other	**0**	0	0	**3**	3	0
TOTAL	**138**	**134**	**4**	**180**	**171**	**9**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

7.3 Ill Health Retirements

	2012-13	2011-12
	Number	Number
Number of persons retired early on ill health grounds	**0**	3
	£000	£000
Total additional pensions liabilities accrued in the year	**0**	87

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	**4**	**0**	**4**	0	3	3
£10,001-£25,000	**0**	**0**	**0**	0	12	12
£25,001-£50,000	**4**	**0**	**4**	1	8	9
£50,001-£100,000	**4**	**0**	**4**	0	8	8
£100,001 - £150,000	**3**	**0**	**3**	0	5	5
£150,001 - £200,000	**0**	**0**	**0**	0	0	0
>£200,000	**0**	**0**	**0**	0	0	0
Total number of exit packages by type (total cost	**15**	**0**	**15**	1	36	37
	£000	**£000**	**£000**	£000	£000	£000
Total resource cost	823	0	**823**	49	1,636	**1,685**

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

The exit package for the Cluster Chief Executive is detailed in the accounts of Liverpool PCT and has been excluded from the exit package note in these accounts. The exit package for the Cluster Director of HR and Organisational Development is detailed in the accounts of Knowsley PCT and has been excluded from the exit package note in these accounts.

Both the Cluster Director of HR and Organisational Development and Cluster Chief Executive are joint appointments with across the four PCTs in the Mersey Cluster. Liverpool PCT and Sefton PCT have recharged a percentage of the exit package costs for these two Directors to the other Cluster PCTs based on unified weighted population, details are 13.65% Knowsley PCT; 21.13% Sefton PCT and 25.08% Halton and St Helen's PCT; Liverpool 40.14%. This equates to £119,199.

Further details about the Director of HR and Organisational Development and the Chief Executive are included in the Remuneration Report.

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

The next formal valuation to be used for funding purposes will be carried out 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	**13,951**	**81,680**	21,665	149,400
Total Non-NHS Trade Invoices Paid Within Target	**12,177**	**73,273**	19,824	140,594
Percentage of NHS Trade Invoices Paid Within Target	87.28%	89.71%	91.50%	94.11%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,312**	**436,100**	3,303	411,855
Total NHS Trade Invoices Paid Within Target	**2,763**	**411,872**	2,584	396,253
Percentage of NHS Trade Invoices Paid Within Target	83.42%	94.44%	78.23%	96.21%

The Better Payment Practice Code requires the PCT to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. The target rate for payment is at least 95% within the specified time period.

The PCT has signed up to the Prompt Payment Code (PPC) in June 2009. The PPC is a payment initiative developed in 2009 by Government with the Institute of Credit Managemen5 to tackle the crucial issue of late payment and help small busineses. Details of the code can be found at www.promptpaymentcode.org.uk.

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	2012-13 Admin	2012-13 Programme	2011-12
Rental Income	**£000**	**£000**	**£000**	£000
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	**109**	**0**	**109**	157
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	**109**	**0**	**109**	157
Total investment income	**109**	**0**	**109**	157

10. Other Gains and Losses

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	**£000**	**£000**	£000
Gain / (Loss) on disposal of assets other than by sale (PPE)	**214**	**0**	**214**	78
Gain / (Loss) on disposal of assets other than by sale (Intangibles)	**0**	**0**	**0**	0
Gain / (Loss) on disposal of Financial Assets - other than held for sale	**0**	**0**	**0**	0
Gain / (Loss) on disposal of assets held for sale	**0**	**0**	**0**	0
Gain / (Loss) on foreign exchange	**0**	**0**	**0**	0
Change in fair value of financial assets carried at fair value through the SoCNE	**0**	**0**	**0**	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	**0**	**0**	**0**	0
Change in fair value of investment property	**0**	**0**	**0**	0
Recycling of gain / (loss) from equity on disposal of financial assets held for sale	**0**	**0**	**0**	0
Total	**214**	**0**	**214**	78

11. Finance Costs

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
Interest	**£000**	**£000**	**£000**	£000
Interest on obligations under finance leases	**0**	**0**	**0**	544
Interest on obligations under PFI contracts:				
- main finance cost	**0**	**0**	**0**	0
- contingent finance cost	**0**	**0**	**0**	0
Interest on obligations under LIFT contracts:				
- main finance cost	**3,487**	**242**	**3,245**	3,139
- contingent finance cost	**951**	**0**	**951**	636
Interest on late payment of commercial debt	**0**	**0**	**0**	0
Other interest expense	**0**	**0**	**0**	**0**
Total interest expense	**4,438**	**242**	**4,196**	**4,319**
Other finance costs	**0**	**0**	**0**	0
Provisions - unwinding of discount	**0**	**0**	**0**	0
Total	**4,438**	**242**	**4,196**	**4,319**

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	**5,323**	**44,839**	**0**	**0**	**7,730**	**0**	**3,111**	**970**	**61,973**
Additions of Assets Under Construction				0					**0**
Additions Purchased	0	756	0		0	0	0	144	**900**
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	728	5,443	0		0	0	0	0	**6,171**
Reclassifications	0	555	0	0	0	0	0	(555)	**0**
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	(10,928)	0	0	(2,916)	0	0	0	**(13,844)**
Accumulated depreciation netted off cost following revaluation	899	(4,963)	0	0	0	0	0	0	**(4,064)**
Upward revaluation/positive indexation	1,813	1,025	0	0	0	0	0	0	**2,838**
Impairments/negative indexation	(118)	(30)	0	0	0	0	0	0	**(148)**
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	**8,645**	**36,697**	**0**	**0**	**4,814**	**0**	**3,111**	**559**	**53,826**
Depreciation									
At 1 April 2012	**0**	**12,387**	**0**	**0**	**4,312**	**0**	**2,236**	**189**	**19,124**
Reclassifications		180	0		0	0	0	(180)	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	(467)	0		(217)	0	0	0	**(684)**
Accumulated depreciation netted off cost following revaluation	899	(4,963)	0		0	0	0	0	**(4,064)**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	28	2,752	0	0	0	0	0	0	**2,780**
Reversal of Impairments	(927)	(10,572)	0	0	0	0	0	0	**(11,499)**
Charged During the Year	0	683	0		304	0	346	136	**1,469**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	**0**
At 31 March 2013	**0**	**0**	**0**	**0**	**4,399**	**0**	**2,582**	**145**	**7,126**
Net Book Value at 31 March 2013	**8,645**	**36,697**	**0**	**0**	**415**	**0**	**529**	**414**	**46,700**
Purchased	8,645	36,065	0	0	415	0	529	414	**46,068**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	632	0	0	0	0	0	0	**632**
Total at 31 March 2013	**8,645**	**36,697**	**0**	**0**	**415**	**0**	**529**	**414**	**46,700**
Asset financing:									
Owned	5,575	10,567	0	0	415	0	529	414	**17,500**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	3,070	26,130	0	0	0	0	0	0	**29,200**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2013	**8,645**	**36,697**	**0**	**0**	**415**	**0**	**529**	**414**	**46,700**

Revaluation Reserve Balance for Property, Plant & Equipment	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2012	**2,062**	**1,397**	**0**	**0**	**24**	**0**	**0**	**0**	**3,483**
Movements	1,695	928	0	0	(24)	0	0	0	**2,599**
At 31 March 2013	**3,757**	**2,325**	**0**	**0**	**0**	**0**	**0**	**0**	**6,082**

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	**5,323**	**44,839**	**0**	**0**	**7,685**	**0**	**2,850**	**891**	**61,588**
Additions - purchased	0	0	0	0	45	0	261	79	**385**
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	0	0	0	0	0	0	0	**0**
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	0	0	0	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**5,323**	**44,839**	**0**	**0**	**7,730**	**0**	**3,111**	**970**	**61,973**
Depreciation									
At 1 April 2011	**0**	**7,426**	**0**		**2,574**	**0**	**1,930**	**79**	**12,009**
Reclassifications		0	0		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0		0	0	0	0	**0**
Impairments	0	3,987	0	0	1,157	0	0	0	**5,144**
Reversal of Impairments	0	0	0	0	0	0	0	0	**0**
Charged During the Year	0	974	0		581	0	306	110	**1,971**
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**0**	**12,387**	**0**	**0**	**4,312**	**0**	**2,236**	**189**	**19,124**
Net Book Value at 31 March 2012	**5,323**	**32,452**	**0**	**0**	**3,418**	**0**	**875**	**781**	**42,849**
Purchased	5,323	32,012	0	0	3,418	0	875	781	**42,409**
Donated	0	0	0	0	0	0	0	0	**0**
Government Granted	0	440	0	0	0	0	0	0	**440**
At 31 March 2012	**5,323**	**32,452**	**0**	**0**	**3,418**	**0**	**875**	**781**	**42,849**
Asset financing:									
Owned	3,103	17,850	0	0	3,418	0	875	781	**26,027**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	2,220	14,602	0	0	0	0	0	0	**16,822**
PFI residual: interests	0	0	0	0	0	0	0	0	**0**
At 31 March 2012	**5,323**	**32,452**	**0**	**0**	**3,418**	**0**	**875**	**781**	**42,849**

12.3 Property, plant and equipment

The Castlefields LIFT scheme became operational in May 2012 and, in accordance with IFRIC12, the asset value of £6.171m was included as capital expenditure in the year. This asset was subsequently revalued as at August 1st 2013 by an independent valuer and this resulted in an impairment of £1.7m that was recognised within the PCT operating costs.

At the beginning of the year, the PCT held the Cheshire & Merseyside Treatment Centre within its asset base. In the previous year, the NHS Merseyside Cluster Board had confirmed that existing and successor commissioning organisations have no existing or foreseeable operational requirements for the building and had delegated the authority to executive members to progress with resolving the issue. The PCT commissioned an Open Market Valuation and the asset was stated in the 2011-12 accounts at this value. In September 2012, the asset was transferred at the net book value of £12.0m to Warrington and Halton Hospitals NHS Foundation Trust.

In February 2013, the legal charge relating to Eccleston Court was sold to a Healthcare provider.

An independent valuer, the District Valuer, was commissioned to complete a revaluation of the PCT's land and buildings at fair value. The valuation report has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th Edition, insofar as these terms are consistent with the requirements of HM Treasury, the National Health Service and the Department of Health. The effective date of the revaluation is March 31st 2013 and this is reflected in these accounts. The increase in asset values has resulted in a £10.4m reduction in the PCT operating costs.

Tangible assets are carried at depreciated cost as an approximation of fair value, based on economic useful lives. The table below gives the details of the assets remaining economic lives.

Economic Lives of Non-Current Assets	**Min. Life Years**	**Max. Life Years**
Property, plant and equipment		
Buildings (excluding Dwellings)	10	91
Dwellings	0	0
Plant & Machinery	1	11
Transport Equipment	0	0
Information Technology	0	3
Furniture and Fittings	3	10

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**	**669**	**0**	**0**	**0**	**669**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**669**	**0**	**0**	**0**	**669**
Amortisation						
At 1 April 2012	**0**	**466**	**0**	**0**	**0**	**466**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation or indexation gains	0	0	0	0	0	**0**
Impairments charged to operating expenses	0	0	0	0	0	**0**
Reversal of impairments charged to operating expenses	0	0	0	0	0	**0**
Charged during the year	0	76	0	0	0	**76**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**542**	**0**	**0**	**0**	**542**
Net Book Value at 31 March 2013	**0**	**127**	**0**	**0**	**0**	**127**
Net Book Value at 31 March 2013 comprises						
Purchased	0	127	0	0	0	**127**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**127**	**0**	**0**	**0**	**127**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated	Software purchased	Licences & trademarks	Patents	Development expenditure	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2011	**0**	**669**	**0**	**0**	**0**	**669**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluation	0	0	0	0	0	**0**
At 31 March 2012	**0**	**669**	**0**	**0**	**0**	**669**
Amortisation						
At 1 April 2011	**0**	**380**	**0**	**0**	**0**	**380**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation or indexation gains	0	0	0	0	0	**0**
Impairments charged to operating expenses	0	0	0	0	0	**0**
Reversal of impairments charged to operating expenses	0	0	0	0	0	**0**
Charged during the year	0	86	0	0	0	**86**
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**	**466**	**0**	**0**	**0**	**466**
Net Book Value at 31 March 2012	**0**	**203**	**0**	**0**	**0**	**203**
Net Book Value at 31 March 2012 comprises						
Purchased	0	203	0	0	0	**203**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2012	**0**	**203**	**0**	**0**	**0**	**203**

13.3 Intangible non-current assets

Intangible assets are carried at depreciated cost as an approximation of fair value. These assets have a maximum useful economic life of 5 years and it is not considered necessary or economically viable to undertake a revaluation exercise of them.

Economic Lives of Non-Current Assets

	Min. Life Years	Max. Life Years
Intangible assets		
Software Licences	0	2
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	(8,719)		(8,719)
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**(8,719)**		**(8,719)**
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	148		
Changes in market price	0		
Total impairments for PPE charged to reserves	**148**		
Total Impairments of Property, Plant and Equipment	**(8,571)**	**0**	**(8,719)**
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	**0**		
Total Impairments of Intangibles	**0**	**0**	**0**

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	**0**		
Total Impairments of Financial Assets	**0**	**0**	**0**
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of non-current assets held for sale	**0**	**0**	**0**
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	**0**	**0**	**0**
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (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	148		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	(8,719)		(8,719)
Overall Total Impairments	**(8,571)**	**0**	**(8,719)**
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	**0**	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE - DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

	31 March 2013	31 March 2012
	£000	£000
Property, plant and equipment	**0**	6,367
Intangible assets	**0**	0
Total	**0**	6,367

The prior year capital commitments related to the Castlefields Lift Scheme and this became operational in May 2012. This scheme is part of a wider development of the Castlefields area in Runcorn. The new building replaced a Health Centre and also re-housed pharmacy facilities from a nearby building.

16.2 Other financial commitments

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

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

17 Intra-Government and other balances

	Current receivables	**Non-current receivables**	**Current payables**	**Non-current payables**
	£000	**£000**	**£000**	**£000**
Balances with other Central Government Bodies	186	0	768	0
Balances with Local Authorities	820	0	50	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,253	0	2,826	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,493	0	25,141	0
At 31 March 2013	**3,752**	**0**	**28,785**	**0**
Prior period:				
Balances with other Central Government Bodies	1,936	0	668	0
Balances with Local Authorities	3,353	0	1,867	0
Balances with NHS Trusts and Foundation Trusts	3,238	0	3,923	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government*	190	0	31,767	0
At 31 March 2012	**8,717**	**0**	**38,225**	**0**

* Note in prior year the figure for Balances with bodies external to government, current receivables was £2,002k. This was then amended by th

18 Inventories

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

The PCT does not hold any stocks.

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
NHS receivables - revenue	**169**	2,778	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**1,270**	2,010	**0**	0
Non-NHS receivables - revenue	**371**	3,928	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**1,679**	1,427	**0**	0
Provision for the impairment of receivables	**(120)**	(1,812)	**0**	0
VAT	**383**	386	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**0**	0	**0**	0
Total	**3,752**	8,717	**0**	0
Total current and non current	**3,752**	8,717		
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	31 March 2012
	£000	£000
By up to three months	**198**	494
By three to six months	**78**	204
By more than six months	**47**	906
Total	**323**	1,604

19.3 Provision for impairment of receivables

	2012-13	**2011-12**
	£000	**£000**
Balance at 1 April 2012	**(1,812)**	(1,416)
Amount written off during the year	**1,692**	0
Amount recovered during the year	**0**	0
(Increase)/decrease in receivables impaired	**0**	(396)
Balance at 31 March 2013	**(120)**	(1,812)

20 NHS LIFT investments

	Loan	Share capital	Total
	£000	£000	£000
Balance at 1 April 2012	**982**	**15**	**997**
Additions	**0**	**0**	**0**
Disposals	**0**	**0**	**0**
Loan repayments	**(11)**	**0**	**(11)**
Revaluations	**0**	**0**	**0**
Loans repayable within 12 months	**0**	**0**	**0**
Balance at 31 March 2013	**971**	**15**	**986**
Balance at 1 April 2011	1,061	15	1,076
Additions	98	0	98
Disposals	0	0	0
Loan repayments	(177)	0	(177)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	**982**	**15**	**997**

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

	31 March 2013	31 March 2012
	£000	£000
Opening balance 1 April	**996**	1,076
Additions	0	98
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	(10)	(178)
Transfers (to) / from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	**986**	996

21.3 Other Financial Assets - Capital Analysis

	31 March 2013	31 March 2012
	£000	£000
Capital Expenditure	**0**	0
Capital Income	**(10)**	(178)

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013	31 March 2012
	£000	£000
Opening balance	**35**	47
Net change in year	**(8)**	(12)
Closing balance	**27**	35
Made up of;		
Cash with Government Banking Service	**27**	33
Commercial banks	**0**	2
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**27**	35
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**27**	35
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

	Land	Buildings, excluding 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	40	77	0	0	0	0	0	0	0	**117**
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	(40)	(77)	0	0	0	0	0	0	0	**(117)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	**0**

Revaluation reserve balances in respect of non-current assets held for sale were:

At 31 March 2012	0
At 31 March 2013	0

25 Trade and other payables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Interest payable	**0**	0		
NHS payables - revenue	**1,238**	3,264	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**2,356**	1,327	**0**	0
Family Health Services (FHS) payables	**18,802**	21,053		
Non-NHS payables - revenue	**2,305**	4,985	**0**	0
Non-NHS payables - capital	**132**	77	**0**	0
Non_NHS accruals and deferred income	**3,952**	7,519	**0**	0
Social security costs	**0**	0		
VAT	**0**	0	**0**	0
Tax	**0**	0		
Payments received on account	**0**	0	**0**	0
Other	0	0	0	0
Total	**28,785**	38,225	**0**	0
Total payables (current and non-current)	**28,785**	**38,225**		

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Bank overdraft - Government Banking Service	**0**	0		
Bank overdraft - commercial banks	**0**	0		
PFI liabilities:				
Main liability	**0**	0	**0**	0
Lifecycle replacement received in advance	**0**	0	**0**	0
LIFT liabilities:				
Main liability	**300**	3,270	**36,247**	27,060
Lifecycle replacement received in advance	**0**	0	**0**	0
Finance lease liabilities	**0**	0	**0**	0
Other (describe)	**0**	0	**0**	0
Total	**300**	**3,270**	**36,247**	**27,060**
Total other liabilities (current and non-current)	**36,547**	**30,330**		

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

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

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

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

31 Finance lease receivables as lessor

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

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

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

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

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

32 Provisions

	Total	Pensions to Former Directors	Pensions Relating to Other Staff	Legal Claims	Restructuring	Continuing Care	Equal Pay	Agenda for Change	Other	Redundancy
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	**1,828**	0	1,804	18	0	0	0	0	6	0
Arising During the Year	**1,363**	0	175	0	0	1,188	0	0	0	0
Utilised During the Year	**(184)**	0	(184)	0	0	0	0	0	0	0
Reversed Unused	**0**	0	0	0	0	0	0	0	0	0
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 other Public Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**3,007**	**0**	**1,795**	**18**	**0**	**1,188**	**0**	**0**	**6**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**1,396**	**0**	**184**	**18**	**0**	**1,188**	**0**	**0**	**6**	**0**
Later than One Year and not later than Five Years	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Later than Five Years	**1,611**	**0**	**1,611**	**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	**0**
As at 31 March 2012	0

33 Contingencies

	31 March 2013	31 March 2012
	£000	£000
Contingent liabilities		
Equal Pay	**0**	0
Other	**0**	(195)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**0**	(195)
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

34 PFI and LIFT - additional information

	31 March 2013	31 March 2012
	£000	£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	**0**	0
Total	**0**	**0**
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	**0**	0
Later than One Year, No Later than Five Years	**0**	0
Later than Five Years	**0**	0
Total	**0**	0

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	31 March 2012
	£000	£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
34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due		
Analysed by when PFI payments are due		
No Later than One Year	**0**	0
Later than One Year, No Later than Five Years	**0**	0
Later than Five Years	**0**	0
Subtotal	**0**	0
Less: Interest Element	**0**	0
Total	**0**	0

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	31 March 2013	31 March 2012
	£000	£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	**448**	358
Total	**448**	358

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.	31 March 2013	31 March 2012
	£000	£000
LIFT Scheme Expiry Date:		
No Later than One Year	**448**	358
Later than One Year, No Later than Five Years	**1,797**	1,432
Later than Five Years	**7,070**	5,744
Total	**9,315**	7,534

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	31 March 2012
	£000	£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

Under IFRIC12, the assets are treated as assets of the trust, the substance of the contract is that the PCT has the right to use the majority area of the assets in return for finance lease payments which comprise two elements - imputed finance lease charges and service charges

The LIFT operating company has the obligation to provide specified services to the PCT for a period of 25 years.

The PCT has the option to to purchase the assets of the scheme at the end of the 25 year minimum lease term, this option is assumed to be exercised in the calculation of the finance lease creditor.

The pricing of the services increases at an annual inflation rate (RPI).

Schemes in operation at the Statement of Financial Position date, and their period of operation are:

	Start	**End**
Widnes Healthcare Resource Centre	1st Feb 2006	31st Jan 2031
Newton Community Hospital	27th Jun 2008	27th Jun 2033
Garswood	5th Nov 2007	5th Nov 2032
Beaconsfield	29th Oct 2008	27th Apr 2034
Lowe House	1st Feb 2010	5th Jan 2035
Castlefields	1st Feb 2012	31st Jan 2037

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	31 March 2013	31 March 2012
	£000	£000
No Later than One Year	**3,768**	3,270
Later than One Year, No Later than Five Years	**14,793**	12,823
Later than Five Years	**81,999**	75,195
Subtotal	**100,560**	91,288
Less: Interest Element	**(63,986)**	(60,958)
Total	**36,574**	30,330

35 Impact of IFRS treatment - 2012-13

	Total	Admin	Programme
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)	**£000**	£000	£000
Depreciation charges	**205**	19	186
Interest Expense	**951**	0	951
Impairment charge - AME	**1,720**		1,720
Impairment charge - DEL	**0**	0	0
Other Expenditure	**0**	0	0
Revenue Receivable from subleasing	**0**	0	0
Total IFRS Expenditure (IFRIC12)	**2,876**	**19**	**2,857**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**0**	0	0
Net IFRS change (IFRIC12)	**2,876**	**19**	**2,857**

Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12	
Capital expenditure 2012-13	6,171
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 is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The PCT has no overseas operations. The PCT 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		1,439		**1,439**
Receivables - non-NHS		371		**371**
Cash at bank and in hand		27		**27**
Other financial assets	0	971	15	**986**
Total at 31 March 2013	**0**	**2,808**	**15**	**2,823**
Embedded derivatives	0			0
Receivables - NHS		4,788		4,788
Receivables - non-NHS		3,928		3,928
Cash at bank and in hand		35		35
Other financial assets	0	982	15	997
Total at 31 March 2012	0	9,733	15	9,748

36.2 Financial Liabilities	**At 'fair value through profit and loss'**	**Other**	**Total**
	£000	**£000**	**£000**
Embedded derivatives	0		**0**
NHS payables		3,594	**3,594**
Non-NHS payables		2,437	**2,437**
Other borrowings		0	**0**
PFI & finance lease obligations		36,547	**36,547**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**42,578**	**42,578**
Embedded derivatives	0		0
NHS payables		4,591	4,591
Non-NHS payables		5,062	5,062
Other borrowings		0	0
PFI & finance lease obligations		30,330	30,330
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	39,983	39,983

37 Related party transactions

Halton & St Helens Primary Care Trust is a corporate body established by order of the Secretary of state for Health. In accordance with the national policy of the 'clustering' of Primary Care Trusts, with effect from 1st June 2011, NHS Merseyside (Primary Care Trust cluster) assumed responsibility as the corporate body with the PCTs in the cluster operating under a single board. During financial year 2012-13 the following transactions took place between Halton & St Helens Primary Care Trust and organisations that have a related party relationship with board members or senior staff of the cluster. For 2012-13 related party transactions are based on interests disclosed by members of the cluster board and senior staff, as these persons have control and significant influence over the organisation.

2012-2013

		Role with PCT	Role with related party	Related party	2012-13 Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
PCT CLUSTER BOARD	Gideon Ben-Tovim	Chair	Senior Fellow	University of Liverpool, Dept of Sociology	27	-	-	-
	David Merrill	Audit Committee Chair, Non Executive Director	Lay member Research Review Panel	St Helens &Knowsley Hospitals NHS Trust	163,120	142	101	-
			Lay member Internal Patient Information Ratification Group	St Helens &Knowsley Hospitals NHS Trust	163,120	142	101	-
	Maureen Williams	Non Executive Director	Fellow	Liverpool John Moores University	8	-	-	-
	Peter Hinton	Non Executive Director	Senior manager	Liverpool John Moores University	8	-	-	-
	Dympna Edwards	Interim Director of Health Strategy	Joint Appointment (Interim Director of Health Strategy)	St Helens MBC	8,959	73	271	44
	Liz Gaulton	Director of Public Health St Helens LA	Trustee	Heart of Mersey	30	-	30	-
	Clare Duggan	Strategic Change Director	Member	Mersey Care NHS Trust.	253	-	-	-
	Dr Steve Cox	St Helens CCG GP Board member, Clinical Accountable officer		Practice one of 4 Practices with shared provider arm – Aspect Health	49	-	37	-
			Member	ST Helens Rota OOH Co-operative	1,136	-	27	-
	Dr John Hussey	Medical Director	Partner	Park Road Group Practice	1	-	-	-
	Eileen O'Meara	Director of Public Health	Director of Public Health	Halton Borough Council	9,381	1,339	568	50
	Paul Brickwood	Chief Finance Officer - Governing Body Member	Director of Finance	Knowsley PCT	530	265	84	118

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

ST HELENS CCG	P Donaldson	Non Executive Director	Managing Partner	ESP International	9	-	-	-
	Karen Beeby	St Helens CCG Board Member, Shadow Accountable Officer		LMC member, BMA member, Rota member. St Helens Rota has accessed sponsorship from various pharmaceutical companies to help with projects and meetings. Details declared on hospitality register.	1,136	-	27	-
			GP	Hollybank Surgery	28	11	-	5
			Trustee	Willowbrook Hospice	997	-	-	-
	Tom Hughes	Non Executive Director		St Helens CCG, NHS Merseyside Disability sub group, Mersey Safeguarding Board Liverpool, Governor Rainford High School. Centred Start, Acute Need care and support.Acute Need CIC	579	-	-	-
HALTON CCG	P-Lloyd Jones	Non Executive Director	Chair	Halton Borough Council	9,381	1,339	568	50

In addition to the above, senior managers were asked to disclose any interests that they or close family members had, (or any business that they own or control) with any local NHS body during 2012/2013. The following senior managers have made disclosures:

Eugene Lavan	QIPP Programme Director		Spouse is Director of Corporate Development Liverpool Heart and Chest Hospitals NHS Foundation Trust	1,300	2	25	-
Martin McDowell	Deputy Director of Financial Strategy		Partner is the Assistant Director of Finance for Liverpool Community NHS Trust (Natalie Gilmore).	159	1	-	-

2011-2012

	Role with PCT	Role with related party	Related Party	2011-12 Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Dympna Edwards	Interim Director of Health Strategy	Joint Appointment (Interim Director of Health Strategy)	St Helens MBC	6,451	212	448	582
		Part time Dental Officer (Out of Hours Service)	Bridgewater Community Trust	55,080	6,821	1,329	2,536
Eugene Lavan	QIPP Programme Director	Spouse is Director of Corporate Development	Liverpool Heart and Chest Hospitals NHS Foundation Trust	218		26	
Rob Foster	Director of Performance	Spouse is Director of Clinical Services	BMI Healthcare	14			
David Merrill	Non Executive Director	Lay Member	St Helens & Knowsley Hospitals NHS Trust	148,505		144	322
P Donaldson	Non Executive Director	Managing Partner	ESP International	8			
I Schofield	Non Executive Director	Member	Platform 7	125	138		138
		Spouse is employed by	Liverpool Community Trust	200		145	
P-Lloyd Jones	Non Executive Director	Chair	Halton Borough Council	6,929	1,554	1,091	2,300

The Department of Health is regarded as a related party. During the year Halton & St Helens Primary Care Trust 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:

NHS North West
Primary Care Trusts: Liverpool, Sefton, Knowsley PCT

		Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
NHS Trusts:	St Helens and Knowsley Hospitals NHST	163,120	142	101	-
	Warrington and Halton Hospitals Foundation Trust	62,539	211	460	142
	5 Boroughs Foundation NHS Trust	41,951	16	-	16
	Bridgewater Community NHS Trust	55,142	4,315	1,440	970
	North West Specialist Services Commissioning Team at Western Cheshire PCT	49,857	141	3	-
	Royal Liverpool and Broadgreen University Hospitals NHST	10,627	-	191	-
	Aintree Hospitals Foundation Trust	6,051	-	97	-
	North West Ambulance NHST	-	-	-	-
	Clatterbridge Centre for Oncology	10,792	-	-	-
	Wrightington Wigan and Leigh Hospitals Foundation Trust	6,072	-	-	28
	Prescription pricing Authority	57,942	-	-	-
	Blackpool PCT	9,915	-	-	-

NHS Litigation Authority
Prescription Pricing Authority
NHS Pensions Agency
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 Halton Borough Council and St Helens Borough 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 £	Total Number of Cases
Losses - PCT management costs	0	0
Special payments - PCT management costs	43,176	2
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	0	0
Total special payments	43,176	2
Total losses and special payments	43,176	2

The total number of losses cases in 2011-12 and their total value was as follows:	Total Value of Cases £	Total Number of Cases
Losses - PCT management costs	0	0
Special payments - PCT management costs	85,657	2
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	0	0
Total special payments	85,657	2
Total losses and special payments	**85,657**	2

39 Third party assets

The PCT held no cash and cash equivalents at 31st March 2013 on behalf of patients (nil at 31st March 2012).

40 Cashflows relating to exceptional items

The PCT has no items which it has considered exceptional.

41 Events after the end of the reporting period

Under the provisions of The Health and Social Care Act 2012 (Commencement No. 4. Transitional , Savings and Transitory Provisions) Order 2013 Halton and St Helens PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to the following public sector entities:

NHS Halton Clinical Commissioning Group
NHS St Helens Clinical Commissioning Group
NHS National Commissioning Board
NHS Trusts
NHS Foundation Trusts
NHS Property Services
Community Health Partnerships
Public Health England
Halton Borough Council
St Helens Council

The Department of Health has made detailed arrangements for the transfer of balances (assets/liabilities/contractual commitments) at their recognised carrying value such that there will be no surplus or deficit arising from this transfer. It is for the successor body to consider whether, in 2013/14, it is necessary to review these for impairment.

The PCT has a Transfer Agreement showing the expected destination of these balances but the final details have not yet been confirmed. The Department's arrangements ensure that all assets, liabilities and contractual obligations of the PCT will be transferred to other bodies within the public sector.