



Department
of Health



Trafford Primary Care Trust

2012-13 Annual Report and Accounts

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Trafford Primary Care Trust

2012-13 Annual Report

**Trafford Primary Care Trust
Annual Report and Accounts
2012/2013**

Contents

Chapter 1 ~ Message from Chairman and Chief Executive	3
Chapter 2 ~ Details of the Directors	5
Chapter 3 ~ Our Readiness for Organisational Change	7
Chapter 4 ~ Our Performance	8
Chapter 5 ~ Sustainability Report.....	9
Chapter 6 ~ Financial Review	11
Chapter 7 ~ Remuneration Report	13

Chapter 1 ~ Message from Chairman and Chief Executive

Welcome to our Annual Report for 2012/13

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

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

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

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

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

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

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



Chapter 2 ~ Details of the Directors

The NHS Greater Manchester Board

The 10 PCTs in Greater Manchester formed the Greater Manchester Cluster on 3 May 2011, with a single Board of Directors becoming the embodiment of the Board of each of the 10 PCTs.

For 2012/13 the members of the Board of Directors of Trafford PCT were:

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

** Denotes member of the Audit Committee

'+' non voting member

Ms Mel Sirotkin	Director of Public Health	
Ms Leila Williams+	Director of Service Transformation	.
Mrs Claire Yarwood	Director of Finance	

Chapter 3 ~ Our Readiness for Organisational Change

During 2012/13, Trafford Clinical Commissioning Group (CCG) operated 'in shadow' to the Primary Care Trust (NHS Trafford) to ensure there was a smooth transition for it to take over commissioning responsibilities as a statutory NHS organisation on 1 April 2013.

As part of this process the shadow CCG became a sub-committee of NHS Greater Manchester's board and ran a schedule of decision-making meetings held in public. It appointed Dr Nigel Guest as its designate Chief Clinical Officer, and Dr Kath Sutton as designate Chair.

Trafford CCG was fully authorised in 'wave 4' with no conditions, meaning that the NHS Commissioning Board (NHS England) had no concerns about its ability to commission services on behalf of the borough's residents in a robust and high quality way. It was able to achieve this by ensuring that throughout 2012/13 it had a full programme of GP and wider stakeholder engagement to help develop strong strategies, policies and plans.

Authorisation, however, is just the start of the process.

With its designate leadership now permanent appointments, and the full CCG Governing Body membership in place, the organisation is embarking on an ambitious programme of development throughout its 2013/14 year. This includes a new framework for practice, neighbourhood and corporate-level patient and public involvement, strategies for organisational development and talent management, and the full and realised development of integrated care services in Trafford to improve outcomes for patients.

Everything Trafford CCG undertakes during 2013/14 will be with the aim of achieving the following strategic objectives:

- Consistently achieve local and national quality standards
- Deliver an increasing proportion of services in an integrated way
- Reduce the gap in health outcomes between the most and least deprived communities
- Have a financially sustainable health economy

Chapter 4 ~ Our Performance

A brief snapshot of how Trafford Primary Care Trust fulfilled its objectives for the 2012/13 year is outlined below.

- Achieve our statutory financial duties and improve the efficiency of local health services, ensuring they are value for money:
 - Delivered prescribing savings of over £2m through close working with Trafford GPs.
- Ensure health services are delivered to best practice quality and safety standards:
 - Embedded a new Total Provider Management system, integrating information with the quality and performance monitoring of services.
- Commission services in a way that delivers integrated and innovative models of care:
 - Established an integrated care system and transport support initiatives in Partington to ensure that residents on the edge of Trafford's boundaries would be able to access more care on their doorstep and get better support to attend appointments on health sites outside of their immediate area.
- Ensure patients are able to receive appropriate forms of care in the most appropriate settings:
 - Used capital funding to refurbish and upgrade health centres and clinics to improve overall experiences for patients.
- Design preventative interventions with a focus on cancer, CVD and COPD that increase life expectancy and improve the quality of life for local people:
 - Met targets to offer comprehensive health checks for people in Trafford aged between 40 and 74.
- Support and enable the deliver of the NHS structural reform programme:
 - Delivered a successful programme of internal change management to ensure that staff were able to safely transition from the primary care trust to a wide range of new NHS organisations.
- Work with others to tackle the needs of the most vulnerable and disadvantaged groups in order to reduce health inequalities:
 - Established systems to better identify patients suffering with dementia, to increase the amount of early intervention treatment that can be delivered to ultimately improve outcomes for those people.
- Ensure the PCT leads and participates in meaningful relationships that improve health outcomes:
 - Led the development of a revised Joint Strategic Needs Assessment and was involved in the creation of a new Joint Health and Wellbeing Strategy, which will be delivered as a partnership through Trafford Health and Wellbeing Board.

- Create opportunities for people to be involved in decisions about health and healthcare:
 - Completed a successful consultation to redesign services at Trafford General Hospital, which allowed people across Trafford to have their say on the proposals.
- Ensure the organisation is well run and decisions are based on high quality information:
 - Delivered a robust risk management strategy, including a Board Assurance Framework and a risk register.

During the 2012/13 year, our overall performance in relation to referral to treatment times, cancer 62-day treatment, c-difficile rates, mixed sex accommodation and health checks (indicators set by NHS Greater Manchester) were good and rated as 'green' overall.

There is work to do in some particular areas in the new financial year in relation to accident and emergency waiting times and response times for ambulances to category A (8 minute target) calls. These were rated as 'red' overall, but going forward Trafford CCG is working with the providers and lead commissioners in question to monitor and take action in relation to these areas.

In terms of staff sickness absences, this improved between the 2011/12 and 2012/13 years. The 2011/12 staff sickness rate was 4.06%, whereas the rate in 2012/13 was 3.22%.

Work days lost	Work days available	% Sickness
1,782.15	55,412.81	3.22%

Chapter 5 ~ Sustainability Report

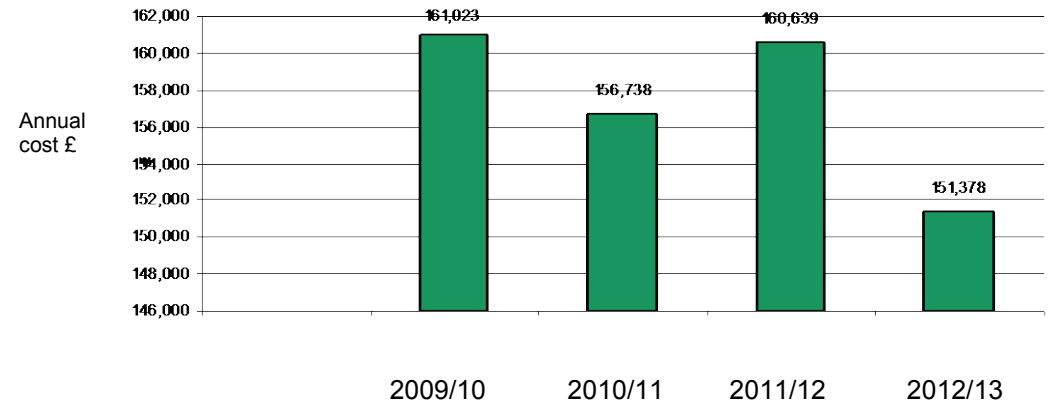
In 2012/2013 the estates team for Trafford Primary Care Trust owned and leased properties, and worked in partnership with its Provider Services unit in Bridgewater Community Healthcare NHS Trust to recognise its role in minimising the impact it has on the environment, by working in a sustainable and friendly manner.

Both parties worked to improve environmental performance through compliance and environmental legislation by implementing the International Management Standard EN ISO 14001:2004.

An Environmental Management Group was set up within Bridgewater Community Healthcare Trust and four main sub-groups (procurement, travel, utilities and waste) were formed. Objectives for the groups were to produce an Environmental Policy, adopt targets consistent with national NHS targets to reduce CO₂e emissions by 10% by 2015, and 34% by 2020, and ultimately achieve ISO 14001 status.

On 1 April 2013 the estates team transferred to NHS Property Services and Trafford Provider Services has moved from Bridgewater Community Healthcare NHS Trust to Pennine Care NHS Foundation Trust. This re-structuring led to insufficient time to complete the process and gain accreditation, although the ISO accreditation process is something that NHS Property Services may revisit in the future, to provide significant efficiencies and develop innovations within its property portfolio.

Total energy expenditure



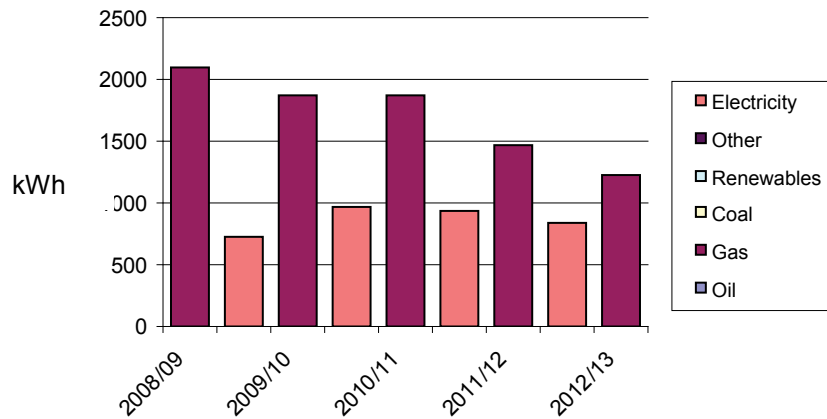
The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015, reducing the amount of energy used in our organisation contributes to this goal. There is also a financial benefit which comes from reducing our energy bill. By reducing our energy costs by 1% in 2013/14, we can save £1,513.

£15,000

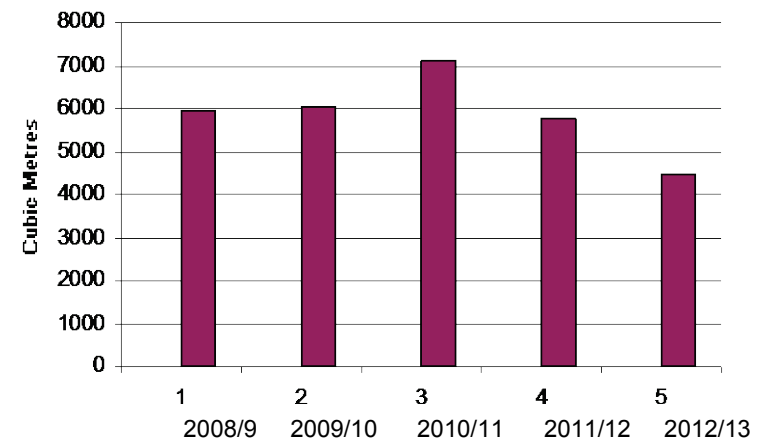
We have put plans in place to reduce carbon emissions and improve our sustainability, over the next 10 years we expect to save £15,000 as a result of these measures.

84 tonnes

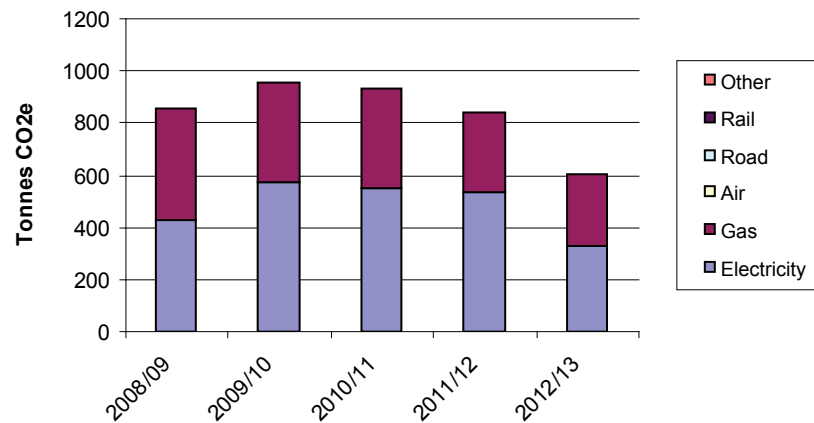
We recovered or recycled 84.48 tonnes of our domestic waste in 2012/13. Our electricity and gas consumption has fallen during the last three financial years.



Our measured greenhouse gas emissions have reduced in the last 4 years as shown.



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



Our water consumption has decreased again as shown in the recent financial year. In 2012/13 we spent £36,390 on water and sewage.



Chapter 6 ~ Financial Review

In terms of financial performance, a significant cost improving and savings plan was agreed for the year, and the primary care trust was able to successfully deliver £10.9m of savings to enable it to end the year with its target surplus of £500k. This means that no debt was handed over to Trafford Clinical Commissioning Group.

It was able to meet the following financial duties:

- Deliver the target surplus as previously mentioned (£500k) against a revenue resource limit of £389.097m, which was within the limits agreed by NHS North.
- Deliver an under-spend of £162k against a capital resource limit of £1.050m.
- Remain within the notified cash limits for revenue and capital by having a minimal cash balance at year end.
- Wherever possible, prompt payments of invoices from NHS and non-NHS suppliers.

The primary care trust's annual accounts and summary financial statements have been audited by external auditors and the result was a clean audit opinion and no items needed to be raised for the attention of the Audit Committee.

The combination of effective financial and operational delivery during 2012/13 meant that not only were significant cost savings delivered, but performance, quality of services and patient outcomes all improved across Trafford.

Chapter 7 ~ Remuneration Report

				Total GM remuneration	Total GM remuneration	Total GM remuneration	Total GM remuneration		
				2012-13	2012-13	2012-13	2012-13		
						Bonus	Benefits in		
				Salary	Other Payments	Payments	kind	% entity share	
Name	Title	Employing PCT	Period in post	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100		
Prof Eileen Fairhurst	Chairman	Salford	01/04/12-31/03/13	40-45	0	0	0	6.98%	
Dr Mike Burrows	Chief Executive	Salford	01/04/12-31/03/13	150-155	0	0	0	6.98%	
Mrs Claire Yarwood	Director of Finance	Salford	01/04/12-31/03/13	115-120	0	0	0	6.98%	
Dr Julie Higgins	Director of Commissioning Development	HMR	01/04/12-31/08/12	65-70	0	0	0	6.98%	
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	Tameside	01/04/12-30/06/12	20-25	0	0	0	6.98%	
Mrs Anita Rolfe^	Director of Nursing, Quality and Performance	Oldham	01/07/12-31/10/12	25-30	0	0	0	6.98%	
Mrs Patricia Bennett^	Director of Nursing, Quality and Performance	Liverpool	01/10/12-31/03/13	0-5	0	0	0	6.98%	
Dr Raj Patel	Medical Director	Tameside	01/04/12-31/03/13	20-25	0	0	0	6.98%	
Ms Melanie Sirotkin^	Lead Director of Public Health	Salford	01/04/12-31/03/13	115-120	0	0	0	6.98%	
Mr Rob Bellingham	Board Secretary	Bury	01/04/12-31/03/13	80-85	0	0	0	6.98%	
Mr Warren Heppollette	Director of Policy and External Relations	Salford	01/04/12-31/03/13	90-95	0	0	0	6.98%	
Ms Leila Williams	Director of Service Transformation	ALW	01/04/12-31/03/13	90 - 95	0	0	0	6.98%	
Mr Kevin Moynes^	Director of HR and OD	SHA	01/04/12-31/03/13	65-70	0	0	0	6.98%	
Mrs Andrea Anderson	Director of HR and OD	Bury	on maternity leave during period	25 - 30	0	0	0	6.98%	
Mr Terry Atherton+	Non-Executive Director	Trafford	01/04/12-31/03/13	30-35	-	-	-	6.98%	
Mr Riaz Ahmad*+	Non-Executive Director	Oldham	01/04/12-31/03/13	35-40	-	-	-	6.98%	
Dr Kailash Chand+	Non-Executive Director	Tameside	01/04/12-31/03/13	30-35	0	0	0	6.98%	
Mr David Edwards+	Non-Executive Director	HMR	01/04/12-31/03/13	35-40	0	0	0	6.98%	
Mr Alan Stephenson*+	Non-Executive Director	ALW	01/04/12-31/03/13	35 - 40	0	0	0	6.98%	
Ms Evelyn Asante-Mensah*+	Non-Executive Director	Manchester	01/04/12-31/03/13	35 - 40	-	-	-	6.98%	
Mr Michael Greenwood+	Non-Executive Director	Stockport	01/04/12-31/03/13	30-35	0	0	0	6.98%	
Mr Paul Horrocks+	Non-Executive Director	Bury	01/04/12-31/03/13	35 - 40	0	0	0	6.98%	
Mrs Pam Senior+	Non-Executive Director (to Jan 12)	Bolton	Left in 2011	N/A	N/A	N/A	N/A	6.98%	

* Audit Committee Members

+ Remuneration of Terms of Service Committee members

^ Not in post 2011/2-12

Grant Thornton, under the terms of the audit, has audited the figures showing the senior managers remuneration.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration in the organisation's workforce. This is the salary half way between the highest and lowest salary, excluding the highest paid Director.

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. Mike Burrows, Chief Executive of NHS Greater Manchester Board, is the highest paid statutory director with a salary in the band £150k to £155k. This is 4.0 times the remuneration of the workforce which is in the band £30k to £35k.

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

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

PENSION DISCLOSURE

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

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

Notes

Grant Thornton, under the terms of the audit, has audited the figures showing the senior managers pension entitlement.

Inflation on pension and lump sum growth figures between 2012 and 2013 is 5.1%.

Members of the 2008 Pension section do not automatically receive a lump sum on retirement but may convert some of their pension to a lump sum.

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

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

Real Increase in CETV

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



Department
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Trafford Primary Care Trust

2012-13 Accounts

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Trafford Primary Care Trust

2012-13 Accounts

FOREWORD TO THE ACCOUNTS

TRAFFORD PCT

These accounts for year ended 31st March 2013 have been prepared by Trafford PCT under Section 232 of the National Health Service Act 2006 in the form which the Secretary of State has directed, with the approval of the Treasury.

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

2012-13 Annual Accounts of Trafford Primary Care Trust

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

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

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

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

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

Name: Mike Burrows

Date: 6 June 2013

2012-13 Annual Accounts of Trafford Primary Care Trust

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

By order of the Permanent Secretary.

6 June 2013..........Signing Officer (Mike Burrows)

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

Insert name of organisation: Trafford PCT

Organisation Code: 5NR

Governance Statement

Scope of responsibility

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

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

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

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

Key working relationships are with:

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

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

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

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

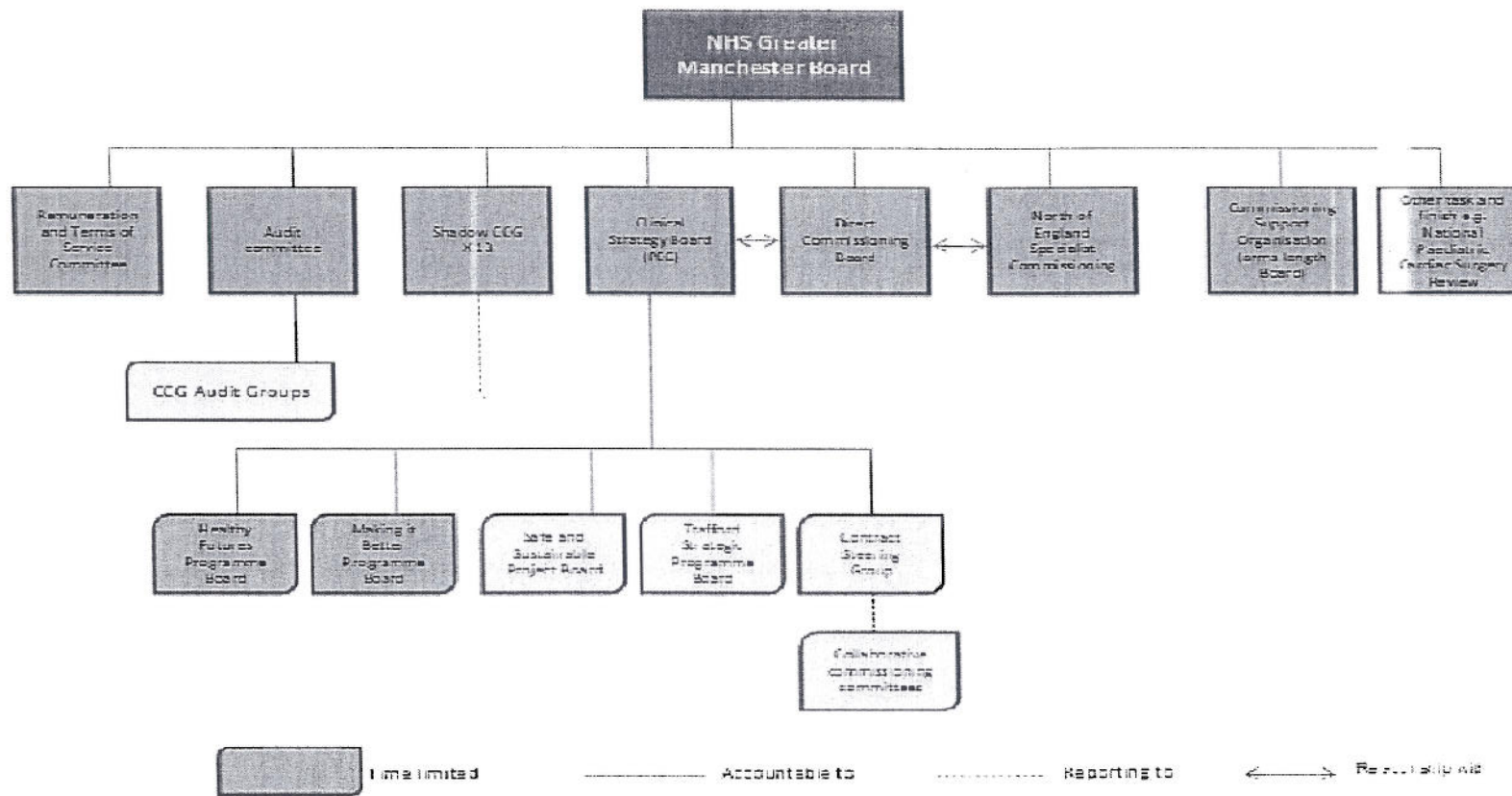
The governance framework of the organisation

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

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

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

NHS Greater Manchester committee structure from April 2012 – March 2013



The Board has received regular themed governance reports throughout the year, under the heading "Managing the Transition". An updated committee structure for 2012/13 was implemented from 1 April 2012 with the following key changes:

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

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

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

Leadership

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

Effectiveness

- The board and its committees draw their membership from a broad pool of NHS staff, independent contractors and non-executive directors, providing the appropriate balance of skills, experience, independence and knowledge of the organisations to enable them to discharge their respective duties and responsibilities effectively.
- There is a formal, rigorous and transparent procedure for the appointment of new directors to the board.
- All directors are able to allocate sufficient time to discharge their responsibilities effectively.
- All directors receive induction on joining the board and regularly update and refresh their skills and knowledge.
- The board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. This has been a priority area in 2012-

13, and is an area which is kept under continuing review and enhancement.

- The board has reviewed its own performance and that of its committees via the regular Board Strategy sessions and via the formal governance, finance, performance and quality reports presented to Board meetings. Individual Directors are subject to formal assessment and appraisal processes.

Accountability

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

Remuneration

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

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

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

Arrangements for managing the transition

The Transition Programme Board was set up in April 2012 as a task and finish operational group to make collective decisions on planning and transition of staff and services to the future commissioning architecture. The Transition Programme Board is responsible for

transitioning people and services to the receiving organisations by April 2013 and is responsible for ensuring that national guidance is met through achieving Clinical Commissioning Group (CCG) authorisation and accreditation of the Commissioning Support Service (CSS) by 1 April 2013. The Transition Programme Board supports the forming and discharge of the wider governance boards.

The Transition Programme Board undertakes the following functions:

- Provides assurance, monitors progress and authorises / assures programme activities through monitoring progress reporting from the sub-programmes and Professional Leads on delivery of:
 - The NHS Greater Manchester transition programme
 - The Sub-Programmes to create the four main receiving organisations in NHS Greater Manchester (NHS Commissioning Board, CCGs, CSS and Local Authority Public Health)
 - Transfer of Estates and Facilities Management functions to NHS Prop Co
 - Enabling work streams in support of the Transition Programme

- Provides assurance of the Transition Programme through review of the following for each receiving organisation and enabler programme:
 - Delivery plans, key milestones and inter-dependencies
 - Resources and budget controls
 - Reviewing and resolving key risks & issues, escalating as required
 - Stakeholder engagement and communications activities for the programme

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

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

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

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

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

- Commissioning Support Unit to Commissioning Support Unit (hosted by National Commissioning Board)
- Direct Commissioning to Greater Manchester Area Team (of National Commissioning Board)
- Specific transition risks will close at the end of March 2013

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

Arrangements for accounts scrutiny and sign off

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

Risk assessment

All risks are assessed in the context of the organisation's locality owned objectives, disseminated throughout the organisation in the form of directorate, department and personal objectives.

Risk assessments are incorporated at all levels within the PCT, from service planning to the assessment of day-to-day risks. Incidents reports and complaints are monitored and reviewed quarterly by the Locality Board and delegated sub-committees.

The risk assessment approach in the organisation focuses on the identification through accurate risk descriptions, estimation of likelihood and impact quantification, risk treatment through accountable decision making and subsequent target and residual risk reporting. Risk monitoring and frequent update reporting completes the iterative process.

Risk management is embedded within the PCT through systematic training of staff in areas such as significant events reporting, risk assessment and high-risk areas eg. infection control, safeguarding children and adults, medicines management, moving and handling, conflict resolution and staff safety. A suite of policies, procedures and a programme of audit underpins this. The volume of significant events reported each year indicates the effectiveness of the reporting system.

The PCT promotes an open and supportive management culture, using all aspects of healthcare governance as an opportunity for learning and improvement. In addition, encouraging and sustaining a non-punitive culture, where staff are empowered to report risks, incidents (including potential incidents) and register concerns about unsafe

practice(s). In this way learning lessons from significant events, complaints, PALS enquiries and claims is ensured.

Strategic risks are captured on the Locality Board Assurance Framework across a diversified risk profile of core external and operations risk, emerging areas and organisation change. Operational risks are captured on directorate risk registers, with the 'high' risks and above captured on the corporate risk register.

Where significant risks to achieving organisational objectives are identified in the Corporate Risk Register, these are added to the BAF, and where significant gaps in control are identified at an operational level, these risks are added to the Corporate Risk Register. The two documents thus work together to provide the Locality Board with assurance and action plans on risk management in the PCT.

Risk is assessed on both strategic and operational platforms across categories including clinical, non-clinical, financial, performance, quality, safety and reputation.

A dedicated Information Governance function provides stewardship over data and systems security. Measures have been put in place to ensure compliance with NHS standards. These include the identification of a Locality Board member as the Senior Information Risk Owner.

There have been no reported lapses of data security at level 1 or above as stated in Department of Health guidance, to the Information Commissioner over the reporting period. Information Security continues to be a key area of focus for risk assessment, with a specific Information Governance risk register managed through the dedicated Information Governance function.

The risk and control framework

During 2012-13, NHS Greater Manchester has continued with a risk management approach to complement the work being done in localities. A key element of this approach has been the development of a NHS Greater Manchester Assurance Framework. Each NHS Greater Manchester Board meeting receives a single page summary of the top risks from the Assurance Framework, with a locality based depiction of the position (or a single GM indicator where the risk is held at GM level). The Audit Committee receives the full Assurance Framework at each meeting.

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

Review of the effectiveness of risk management and internal control

As a Locality Board, we have responsibility for reviewing the effectiveness of the system of internal control. Our review is informed by the head of internal audit providing us with an

opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide us with further assurance and by other reports such as those received from external auditors and the NHS Litigation Authority.

We have been advised on the implications of the results of our review of the effectiveness of the system of internal control by the Locality Board and a Locality Group. There is a plan in place to address weaknesses and ensure the continuous improvement of the system.

The effectiveness of the system of internal control was maintained and reviewed through:

- A Locality Board which meets regularly to consider the plans, progress and strategic direction of the PCT under delegated authority of NHS Greater Manchester. This includes review of significant risks and the controls in place to manage them.
- A Committee and reporting structure that provides the framework and process that maintains, monitors and reviews the effectiveness of the system of internal control and risk management.
- A Locality Group that meets quarterly, at which all assurance activities, including internal and external audit and risk management, are reviewed. This subsequently reports to the NHS Greater Manchester Audit Committee.
- Independent Internal Audit reviews of the PCT's risk management, control and governance systems completed to appropriate NHS standards. The 2012/13 internal Audit programme was approved by a Locality Group, findings reported at quarterly Locality Group meetings and assurances provided to the NHS Manchester Audit Committee.
- A programme of Control Risk Self Assessment Workshops and the maintenance and review of detailed risk registers.

Based upon the completion of the Internal Audit programme agreed by a Locality Group for the year ending 31 March 2013, the Director of Internal Audit has been able to provide an annual report on the adequacy of internal control within the PCT. The overall opinion for 2012/13 was:

Significant Assurance can be given that there is a generally sound system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design or inconsistent application of controls put the achievement of particular objectives at risk.

Significant Issues

There are no significant issues to report.

Accountable Officer : Mike Burrows

Organisation: **TRAFFORD PCT**

Signature



Date **6th JUNE 2013**

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

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

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

- the table of salaries and allowances of senior managers and related narrative notes on page 13 of the Annual Report ;
- the table of pension benefits of senior managers and related narrative notes on page 15 and 16 of the Annual Report; and
- the pay multiples narrative note on page 14

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

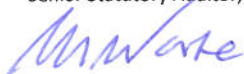
- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work on PCT abolition.

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

Mick Waite
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP



4 Hardman Square
Spinningfields
Manchester M3 3EB

6 June 2013

Trafford PCT - Annual Accounts 2012-13

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	9,071	7,471
Other costs	5.1	403,450	395,621
Income	4	(24,126)	(6,293)
Net operating costs before interest		388,395	396,799
Investment income	9	(10)	(37)
Other (Gains)/Losses	10	0	0
Finance costs	11	211	215
Net operating costs for the financial year		388,596	396,977
Transfers by absorption -(gains)		0	0
Transfers by absorption - losses		0	0
Net (gain)/loss on transfers by absorption		0	0
Net Operating Costs for the Financial Year including absorption transfers		388,596	396,977
Of which:			
Administration Costs			
Gross employee benefits	7.1	7,264	6,181
Other costs	5.1	1,985	3,005
Income	4	(159)	(161)
Net administration costs before interest		9,090	9,025
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		9,090	9,025
Programme Expenditure			
Gross employee benefits	7.1	1,807	1,290
Other costs	5.1	401,465	392,616
Income	4	(23,967)	(6,132)
Net programme expenditure before interest		379,305	387,774
Investment income	9	(10)	(37)
Other (Gains)/Losses	10	0	0
Finance costs	11	211	215
Net programme expenditure for the financial year		379,506	387,952
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		242	239
Net (gain) on revaluation of property, plant & equipment		0	(74)
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	0
Release of Reserves to Statement of Comprehensive Net Expenditure		0	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		388,838	397,142

The notes on pages 1 to 40 form part of this account.

Trafford PCT - Annual Accounts 2012-13

Statement of Financial Position at
31 March 2013

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	11,965	12,811
Intangible assets	13	0	0
Investment property	15	0	0
Other financial assets	21	152	152
Trade and other receivables	19	0	0
Total non-current assets		12,117	12,963
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	1,641	3,960
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	316	49
Total current assets		1,957	4,009
Non-current assets held for sale	24	0	0
Total current assets		1,957	4,009
Total assets		14,074	16,972
Current liabilities			
Trade and other payables	25	(21,713)	(23,572)
Other liabilities	26,28	0	0
Provisions	31	(2,436)	(154)
Borrowings	27	(72)	(77)
Other financial liabilities	36.2	0	0
Total current liabilities		(24,221)	(23,803)
Non-current assets plus/less net current assets/liabilities		(10,147)	(6,831)
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	31	0	0
Borrowings	27	(3,630)	(3,700)
Other financial liabilities	36.2	0	0
Total non-current liabilities		(3,630)	(3,700)
Total Assets Employed:		(13,777)	(10,531)
Financed by taxpayers' equity:			
General fund		(15,930)	(12,926)
Revaluation reserve		2,153	2,395
Other reserves		0	0
Total taxpayers' equity:		(13,777)	(10,531)

The notes on pages 1 to 40 form part of this account.

The financial statements on pages 1 to 40 were approved by the Board on 6th June 2013 and signed on its behalf by

Chief Executive:



Date:

6/6/13

Trafford PCT - Annual Accounts 2012-13

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

	General fund £000	Revaluation reserve £000	Total reserves £000
Balance at 1 April 2012	(12,926)	2,395	(10,531)
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(388,596)		(388,596)
Net gain on revaluation of property, plant, equipment	0	0	0
Net gain on revaluation of intangible assets	0	0	0
Net gain on revaluation of financial assets	0	0	0
Net gain on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	(242)	(242)
Movements in other reserves	0	0	0
Transfers between reserves*	0	0	0
Release of Reserves to SOCNE	0	0	0
Reclassification Adjustments			
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0
Total recognised income and expense for 2012-13	(388,596)	(242)	(388,838)
Net Parliamentary funding	385,592		385,592
Balance at 31 March 2013	(15,930)	2,153	(13,777)
Balance at 1 April 2011	(12,230)	2560	(9,670)
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(396,977)		(396,977)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	74	74
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0
Net Gain / (loss) on Revaluation of Financial Assets	0	0	0
Net Gain / (loss) on Assets Held for Sale	0	0	0
Impairments and Reversals	0	(239)	(239)
Movements in other reserves	0	0	0
Transfers between reserves*	0	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0
Reclassification Adjustments			
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0
On disposal of available for sale financial assets	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0
Total recognised income and expense for 2011-12	(396,977)	(165)	(397,142)
Net Parliamentary funding	396,281		396,281
Balance at 31 March 2012	(12,926)	2,395	(10,531)

Trafford PCT - Annual Accounts 2012-13

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	(388,395)	(396,799)
Depreciation and Amortisation	594	504
Impairments and Reversals	898	600
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	(211)	(215)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	56
(Increase)/Decrease in Trade and Other Receivables	2,319	156
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(1,972)	648
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(144)	(136)
Increase/(Decrease) in Provisions	2,426	18
Net Cash Inflow/(Outflow) from Operating Activities	(384,485)	(395,168)
Cash flows from investing activities		
Interest Received	10	37
(Payments) for Property, Plant and Equipment	(925)	(1,070)
(Payments) for Intangible Assets	0	0
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	150	0
Proceeds of disposal of assets held for sale (Intangible)	0	0
Proceeds from Disposal of Other Financial Assets	0	8
Proceeds from the disposal of Financial Assets (LIFT)	0	0
Loans Made in Respect of LIFT	0	0
Loans Repaid in Respect of LIFT	0	0
Rental Revenue	0	0
Net Cash Inflow/(Outflow) from Investing Activities	(765)	(1,025)
Net cash inflow/(outflow) before financing	(385,250)	(396,193)
Cash flows from financing activities		
Capital Element of Payments in Respect of On-SoFP LIFT	(75)	(78)
Net Parliamentary Funding	385,592	396,281
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/(Outflow) from Financing Activities	385,517	396,203
Net increase/(decrease) in cash and cash equivalents	267	10
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	49	39
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	316	49

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies

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

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

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

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

Management has made no critical judgements, apart from those involving estimations (see below) that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The PCT has entered into a pooled budget with Trafford Metropolitan Borough Council on 1st April 2003. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for learning disability activities and a memorandum note to the accounts provides details of the joint income and expenditure.

The pool is hosted by the local authority and, as a commissioner, 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.

1.5 Administration and Programme Costs

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

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

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

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

1.6 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.

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

1.7 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.

1.8 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.

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

1.9 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.

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

1.10 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.

1.11 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.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.13 Cash and cash equivalents

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

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

1.14 Losses and Special Payments

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

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

1.15 Clinical Negligence Costs

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

The NHSLA operates a risk pooling scheme under which the PCT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure in the year that it is due. The total value of clinical negligence provisions carried by the NHSLA on behalf of the PCT is disclosed at Note 31.

Trafford PCT - Annual Accounts 2012-13

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.

Retirement benefit costs

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

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

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1.20 EU Emissions Trading Scheme

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

1.21 PCT Closure 1st April 2013

Under the provisions of the Health and Social Care Act 2012 (Commencement No. 4 Transitional, Savings and Transitory Provisions Order 2013), Trafford PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42 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 Statement of Financial Position has therefore been drawn up at 31st 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 Operations. Where revaluations and impairments have been recognised in the period, such transactions are considered routine within the normal cycle of activity.

No activities, assets or liabilities have transferred to non-public sector entities.

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

1.22 Contingencies

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

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

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

1.23 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.24 Foreign exchange

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

1.25 Provisions

Provisions are recognised when the PCT has a present legal or constructive obligation as a result of a past event, it is probable that the PCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% (2.8% in respect of early staff departures) in real terms.

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

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

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

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

1.26 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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.

Loans and receivables

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

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

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

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

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

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

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss

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

Other financial liabilities

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

1.27 NHS LIFT transactions

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

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

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

a) Services received

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

b) LIFT assets, liabilities, and finance costs

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

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

Trafford PCT - Annual Accounts 2012-13

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.

Trafford PCT - Annual Accounts 2012-13

1. Accounting policies (continued)

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

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

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

2 Operating segments

The PCT had 2 reportable segments in 2010/11, Commissioning and Provider (Trafford Provider Services) and all income and expenditure of the PCT was attributable to either of these segments. Following the PCT transferring its Provider functions on a holding basis to Bridgewater Community Healthcare NHS Trust on 1st April 2011, the PCT now has only one reportable segment, its Commissioning function. Segmental analysis for 2012/13 is therefore no longer applicable.

Trafford PCT - Annual Accounts 2012-13

3. Financial Performance Targets

3.1 Revenue Resource Limit

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

	2012-13 £000	2011-12 £000
Total Net Operating Cost for the Financial Year	388,596	396,977
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>389,097</u>	<u>397,678</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>501</u>	<u>701</u>

3.2 Capital Resource Limit

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

	2012-13 £000	2011-12 £000
Capital Resource Limit	1,050	935
Charge to Capital Resource Limit	888	926
(Over)/Underspend Against CRL	<u>162</u>	<u>9</u>

3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	385,592	396,281
Cash Limit	<u>385,592</u>	<u>396,281</u>
Under/(Over)spend Against Cash Limit	<u>0</u>	<u>0</u>

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

	2012-13 £000
Total cash received from DH (Gross)	331,763
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	<u>331,763</u>
(Less)/plus: transfers (to)/from other resource account bodies	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	10,026
Plus: drugs and pharmacy reimbursement (central charge to cash limits)	<u>43,803</u>
Parliamentary funding credited to General Fund	<u>385,592</u>

Trafford PCT - Annual Accounts 2012-13

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	0	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	3,123	0	3,123	3,000
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	2,199	0	2,199	2,110
Strategic Health Authorities	486	0	486	35
NHS Trusts	0	0	0	73
NHS Foundation Trusts	319	0	319	242
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	17,506	0	17,506	280
Primary Care Trusts - Lead Commissioning	0	0	0	0
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	0	0	0	0
Recoveries in respect of employee benefits	165	131	34	122
Local Authorities	0	0	0	3
Patient Transport Services	0	0	0	0
Education, Training and Research	134	0	134	111
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 revenue from finance leases	0	0	0	0
Rental revenue from operating leases	12	0	12	12
Other revenue	182	28	154	305
Total miscellaneous revenue	24,126	159	23,967	6,293

Note

PCT income increased by £17.5m due to accounting treatment of GM-wide initiative for the transfer of Trafford Healthcare Trust to Central Manchester Hospitals Foundation Trust. See also Note 5.2.

Trafford PCT - Annual Accounts 2012-13

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	35,711	0	35,711	35,119
Non-Healthcare	83	47	36	604
Total	35,794	47	35,747	35,723
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	29,260	106	29,154	105,126
Goods and services (other, excl Trusts, FT and PCT))	2,568	16	2,552	2,465
Total	31,828	122	31,706	107,591
Goods and Services from Foundation Trusts	207,244	39	207,205	127,876
Purchase of Healthcare from Non-NHS bodies	26,305	0	26,305	21,932
Social Care from Independent Providers	2,478	0	2,478	2,595
Expenditure on Drugs Action Teams	0	0	0	0
Non-GMS Services from GPs	60	60	0	437
Contractor Led GDS & PDS (excluding employee benefits)	13,769	0	13,769	13,118
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0	0	0	0
Chair, Non-executive Directors & PEC remuneration	52	52	0	9
Executive committee members costs	0	0	0	139
Consultancy Services	606	338	268	397
Prescribing Costs	36,277	0	36,277	38,537
G/PMS, APMS and PCTMS (excluding employee benefits)	30,511	0	30,511	28,918
Pharmaceutical Services	0	0	0	0
Local Pharmaceutical Services Pilots	351	0	351	267
New Pharmacy Contract	10,282	0	10,282	9,817
General Ophthalmic Services	2,778	0	2,778	2,837
Supplies and Services - Clinical	343	0	343	1,045
Supplies and Services - General	340	47	293	420
Establishment	318	103	215	291
Transport	5	5	0	0
Premises	1,901	994	907	1,702
Impairments & Reversals of Property, plant and equipment	898	0	898	600
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	594	0	594	504
Amortisation	0	0	0	0
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	0
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	126	126	0	209
Other Auditors Remuneration	0	0	0	0
Clinical Negligence Costs	0	0	0	48
Education and Training	215	52	163	153
Grants for capital purposes	375	0	375	456
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	0	0	0	0
Total Operating costs charged to Statement of Comprehensive Net Expenditure	403,450	1,985	401,465	395,621
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	1,025	1,025	0	671
Other Employee Benefits	8,046	6,240	1,806	6,800
Total Employee Benefits charged to SOCNE	9,071	7,265	1,806	7,471
Total Operating Costs	412,521	9,250	403,271	403,092
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	275	0	275	356
Grants to Local Authorities to Fund Capital Projects	100	0	100	100
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	375	0	375	456
Grants to fund revenue expenditure				
To Local Authorities	0	0	0	0
To Private Sector	0	0	0	0
To Other	0	0	0	0
Total Revenue Grants	0	0	0	0
Total Grants	375	0	375	456
Total		Commissioning Public Health Services		
PCT Running Costs 2012-13				
Running costs (£000s)	9,091	8,526	565	
Weighted population (number in units)*	207,063	207,063	207,063	
Running costs per head of population (£ per head)	43.90	41.18	2.73	
PCT Running Costs 2011-12				
Running costs (£000s)	9,162	8,769	393	
Weighted population (number in units)	207,063	207,063	207,063	
Running costs per head of population (£ per head)	44.25	42.35	1.90	

Trafford PCT - Annual Accounts 2012-13

5.2 Analysis of operating expenditure by expenditure classification	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	30,511	28,918
Prescribing costs	36,277	38,537
Contractor led GDS & PDS	13,769	13,118
Trust led GDS & PDS	0	0
General Ophthalmic Services	2,778	2,837
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	351	267
New Pharmacy Contract	10,282	9,817
Non-GMS Services from GPs	60	437
Other	0	0
Total Primary Healthcare purchased	<u>94,028</u>	<u>93,931</u>
Purchase of Secondary Healthcare		
Learning Difficulties	7,102	6,834
Mental Illness	29,957	28,825
Maternity	18,491	17,792
General and Acute - see below	196,989	189,547
Accident and emergency	14,700	14,145
Community Health Services	24,008	25,682
Other Contractual	9,681	9,315
Total Secondary Healthcare Purchased	<u>300,928</u>	<u>292,140</u>
Grant Funding		
Grants for capital purposes	375	456
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	<u>395,331</u>	<u>386,527</u>
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	2,478	2,595
Healthcare from NHS FTs included above	202,098	127,816

Note

General and Acute costs have increased in 2012/13 by around £17.5m due to the additional expenditure relating to the transfer of Trafford Healthcare Trust to Central Manchester Foundation Trust under the Healthier Together Programme.

This cost has subsequently been recharged to the Greater Manchester PCT's. See also Note 4.

Trafford PCT - Annual Accounts 2012-13

6. Operating Leases

The PCT has a number of operating leases for various premises, the longest of which expires in 2026. Each lease has standard terms and conditions without the option to purchase upon the expiry of the lease. There are no operating restrictions imposed by the leases. Operating leases transfer to NHS Property Services post 1st April 2013.

6.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
Payments recognised as an expense					
Minimum lease payments	0	509	0	509	404
Contingent rents	0	0	0	0	0
Sub-lease payments	0	0	0	0	0
Total	0	509	0	509	404
Payable:					
No later than one year	0	408	0	408	395
Between one and five years	0	595	0	595	879
After five years	0	476	0	476	372
Total	0	1,479	0	1,479	1,646

Total future sublease payments expected to be received	0	0
--	---	---

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	12	12
Contingent rents	0	0
Total	12	12
Receivable:		
No later than one year	12	12
Between one and five years	48	48
After five years	152	164
Total	212	224

The PCT sub-lets part of its premises at Partington Health Centre to a third party. The lease has standard terms and conditions with break clauses on the 10th, 15th and 20th anniversaries. The lease commenced in December 2005 and expires in November 2030.

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	7,136	6,074	1,062	6,721	5,762	959	415	312	103
Social security costs	574	492	82	570	489	81	4	3	1
Employer Contributions to NHS BSA - Pensions Division	814	698	116	814	698	116	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	547	0	547	547	0	547	0	0	0
Total employee benefits	9,071	7,264	1,807	8,652	6,949	1,703	419	315	104
Less recoveries in respect of employee benefits (table below)	(165)	(131)	(34)	(165)	(131)	(34)	0	0	0
Total - Net Employee Benefits including capitalised costs	8,906	7,133	1,773	8,487	6,818	1,669	419	315	104
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	9,071	7,264	1,807	8,652	6,949	1,703	419	315	104
Recognised as:									
Commissioning employee benefits	9,071			8,652			419		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	9,071			8,652			419		

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	137	109	28	137	109	28	0	0	0
Social Security costs	11	9	2	11	9	2	0	0	0
Employer Contributions to NHS BSA - Pensions Division	17	13	4	17	13	4	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	165	131	34	165	131	34	0	0	0

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	6,270	5,797	473
Social security costs	497	492	5
Employer Contributions to NHS BSA - Pensions Division	701	701	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	3	3	0
Total gross employee benefits	7,471	6,993	478
Less recoveries in respect of employee benefits	(122)	(122)	0
Total - Net Employee Benefits including capitalised costs	7,349	6,871	478
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	7,471	6,993	478
Recognised as:			
Commissioning employee benefits	7,471		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	7,471		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	4	4	0	1	1	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	137	128	9	153	145	9
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	2	2	0	2	2	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	0	0	0	0	0	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	143	134	9	157	148	9
Of the above - staff engaged on capital projects	0	0	0	0	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,782	2,349
Total Staff Years	152	153
Average working Days Lost	11.72	15.35

Trafford PCT - Annual Accounts 2012-13

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			Total number of exit packages by cost band
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed		
	Number	Number	Number	Number	Number	Number	
Less than £10,000	0	0	0	0	0	0	0
£10,001-£25,000	3	3	6	0	0	0	0
£25,001-£50,000	2	1	3	0	0	0	0
£50,001-£100,000	3	1	4	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0
Total number of exit packages by type (total cost)	8	5	13	0	0	0	0
	£	£	£	£	£	£	£
Total resource cost	353,092	193,881	546,973	0	0	0	0

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

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

Trafford PCT - Annual Accounts 2012-13

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 at 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, 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 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 changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

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

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

c) Scheme provisions

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

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

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

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

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

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

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.

The PCT has no employees who are members of a pension scheme other than the NHS Pension Scheme.

Trafford PCT - Annual Accounts 2012-13

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	10,445	48,158	11,292	46,755
Total Non-NHS Trade Invoices Paid Within Target	<u>9,567</u>	<u>44,849</u>	<u>10,693</u>	<u>44,875</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>91.59%</u>	<u>93.13%</u>	<u>94.70%</u>	<u>95.98%</u>
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,931	277,140	2,426	277,345
Total NHS Trade Invoices Paid Within Target	<u>2,590</u>	<u>250,231</u>	<u>2,278</u>	<u>275,389</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>88.37%</u>	<u>90.29%</u>	<u>93.90%</u>	<u>99.29%</u>

The Better Payment Practice Code requires the PCT to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. Targets have not been achieved in 2012/13 due to the transition of moving the PCT payments function to NHS Shared Business Services in July 2012.

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

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

Trafford PCT - Annual Accounts 2012-13

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	10	0	10	37
LIFT: loan interest receivable	0	0	0	0
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	10	0	10	37
Total investment income	10	0	10	37

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	211	0	211	215
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	211	0	211	215
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
Total	211	0	211	215

Trafford PCT - Annual Accounts 2012-13

12.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000
2012-13						
Cost or valuation:						
At 1 April 2012	3,920	6,838	2,348	2,059	289	15,454
Additions of Assets Under Construction	0	0	0	0	0	0
Additions Purchased	0	378	561	99	0	1,038
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
Reclassifications as Held for Sale	0	0	0	0	0	0
Disposals	(67)	(83)	0	0	0	(150)
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments/negative indexation	0	(236)	0	0	(6)	(242)
Reversal of Impairments	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0
At 31 March 2013	3,853	6,897	2,909	2,158	283	16,100
Depreciation						
At 1 April 2012	0	0	1,088	1,330	225	2,643
Reclassifications	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments	58	64	496	230	50	898
Reversal of Impairments	0	0	0	0	0	0
Charged During the Year	0	223	150	213	8	594
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0
At 31 March 2013	58	287	1,734	1,773	283	4,135
Net Book Value at 31 March 2013	3,795	6,610	1,175	385	0	11,965
Purchased	3,795	6,610	1,175	385	0	11,965
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	3,795	6,610	1,175	385	0	11,965
Asset financing:						
Owned	3,195	3,903	1,175	385	0	8,658
Held on finance lease	0	0	0	0	0	0
On-SOFP LIFT contracts	600	2,707	0	0	0	3,307
LIFT residual: interests	0	0	0	0	0	0
Total at 31 March 2013	3,795	6,610	1,175	385	0	11,965

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	0	2,293	21	1	7	2,322
Movements	0	(235)	0	0	(7)	(242)
At 31 March 2013	0	2,058	21	1	0	2,080

The PCT's land and buildings assets are stated on a Modern Equivalent Asset basis and have been revalued as at 31st March 2013 by the District Valuation Service.

Trafford PCT - Annual Accounts 2012-13

12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
2011-12	£000	£000	£000	£000	£000	£000
Cost or valuation:						
At 1 April 2011	4,285	7,229	2,046	1,822	285	15,667
Additions - purchased	0	391	302	237	4	934
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	0	0	0	0	0	0
Revaluation & indexation gains	0	74	0	0	0	74
Impairments	(239)	0	0	0	0	(239)
Reversals 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 reval.	(126)	(856)	0	0	0	(982)
At 31 March 2012	3,920	6,838	2,348	2,059	289	15,454
Depreciation						
At 1 April 2011	77	643	565	1,055	181	2,521
Reclassifications	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0
Impairments	49	0	407	109	35	600
Reversal of Impairments	0	0	0	0	0	0
Charged During the Year	0	213	116	166	9	504
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following reval.	(126)	(856)	0	0	0	(982)
At 31 March 2012	0	0	1,088	1,330	225	2,643
Net Book Value at 31 March 2012	3,920	6,838	1,260	729	64	12,811
Purchased	3,920	6,838	1,260	729	64	12,811
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
At 31 March 2012	3,920	6,838	1,260	729	64	12,811
Asset financing:						
Owned	3,320	4,100	1,260	729	64	9,473
Held on finance lease	0	0	0	0	0	0
On-SOFP LIFT contracts	600	2,738	0	0	0	3,338
LIFT residual: interests	0	0	0	0	0	0
At 31 March 2012	3,920	6,838	1,260	729	64	12,811

13.1 Intangible non-current assets

The PCT had no intangible non-current assets in 2011/12 or 2012/13.

Trafford PCT - Annual Accounts 2012-13

12.3 Economic Lives of Non Current Assets

	Min Life Years	Max Life Years
Property, Plant and Equipment		
Buildings exc Dwellings	16	44
Plant & Machinery	10	10
Information Technology	4	5
Furniture and Fittings	0	0

Open Market Value of Assets	Land	Buildings	Total
	£000s	£000s	£000s
Open Market Value at 31 March 2013	3,795	6,609	10,404
Open Market Value at 31 March 2012	3,920	6,838	10,758

Trafford PCT - Annual Accounts 2012-13

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	0
Loss as a result of catastrophe	0	0	0
Other - see below	898	0	898
Changes in market price	0	0	0
Total charged to Annually Managed Expenditure	898	0	898
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
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
Unforeseen obsolescence	0	0	0
Loss as a result of catastrophe	0	0	0
Other	242	0	242
Changes in market price	0	0	0
Total impairments for PPE charged to reserves	242	0	242
Total Impairments of Property, Plant and Equipment	1,140	0	1,140

Losses in value arising from downward revaluations to land and buildings are recognised as impairments and are charged to the Revaluation Reserve to the extent to which a balance exists in the Reserve for that asset. Falls in value beyond the level of the balance held in the Revaluation Reserve are charged to operating costs (Statement of Comprehensive Net Expenditure). Losses arising from a fall in economic value or service potential eg. Physical damage, are charged directly to operating costs regardless of the balance held in the Revaluation Reserve for that asset. Economic impairments charged to operating costs in 2012/13 relate to : Mitford St Clinic £122k, and miscellaneous items of IT and other plant and equipment £776k

Trafford PCT - Annual Accounts 2012-13

15 Investment property

The PCT held no investment property in either 2011/12 or 2012/13.

16 Commitments

16.1 Capital commitments

The PCT has no contracted capital commitments at 31st March 2013.

16.2 Other financial commitments

The PCT has entered into non-cancellable contracts as at 31st March 2013 with non-NHS suppliers the payments to which the PCT is committed are as follows :-

39 dental contracts with a combined total annual contract value of £10.6m, and 1 year rolling duration.

6 orthodontic contracts with an annual contract value of £1.4m the longest of which expires on 31st March 2015.

37 GP service contracts, including the Walk In Centre and out of hours provision, with a combined total annual contract value of £30.6m and a 1 year rolling duration.

Continuing Healthcare contracts - 81 providers and 265 patients, annual contract value of £7.7m and 1 year rolling duration

Individual Packages of Care contracts - 32 providers and 171 patients, annual contract value £2.2m and 1 year rolling duration.

Funded Nursing Care contracts - 29 providers and 561 patients, annual contract value £2.0m and annual rolling duration.

Dental and GP contracts transfer to the responsibility of the NHS Commissioning Board post 1st April 2013.

Continuing Healthcare, Individual Packages of Care and Funded Nursing Care contracts transfer to the responsibility of Trafford CCG post 1st April 2013.

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	30	0	677	0
Balances with Local Authorities	0	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	148	0	4,789	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,463	0	16,247	0
At 31 March 2013	1,641	0	21,713	0
prior period:				
Balances with other Central Government Bodies	842	0	1,092	0
Balances with Local Authorities	141	0	840	0
Balances with NHS Trusts and Foundation Trusts	469	0	5,142	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,508	0	16,498	0
At 31 March 2012	3,960	0	23,572	0

Trafford PCT - Annual Accounts 2012-13

18 Inventories

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

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	178	1,244	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	0	0	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	1,221	2,299	0	0
Provision for the impairment of receivables	0	0	0	0
VAT	76	67	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	166	350	0	0
Total	1,641	3,960	0	0
Total current and non current	1,641	3,960		
Included above:				
Prepaid pensions contributions	0	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	28	0
By three to six months	0	0
By more than six months	0	0
Total	28	0

19.3 Provision for impairment of receivables

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

Trafford PCT - Annual Accounts 2012-13

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	0	152	152
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	0	152	152
Balance at 1 April 2011	0	160	160
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	(8)	(8)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	0	152	152

This investment transfers to Community Health Partnerships Ltd post 1st April 2013.

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	152	152
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	0	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	152	152

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	0	0
Capital Income	0	0

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	49	39
Net change in year	267	10
Closing balance	316	49
Made up of		
Cash with Government Banking Service	316	49
Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	316	49
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	316	49

Patients' money held by the PCT, not included above	0	0
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Trafford PCT - Annual Accounts 2012-13

24 Non-current assets held for sale

The PCT had no Non-current assets held for sale in either 2011/12 or 2012/13.

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0	0	0
NHS payables - revenue	5,466	5,770	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	0	0	0	0
Family Health Services (FHS) payables	8,315	9,063	0	0
Non-NHS payables - revenue	4,740	3,161	0	0
Non-NHS payables - capital	248	135	0	0
Non-NHS accruals and deferred income	2,131	4,964	0	0
Social security costs	69	75	0	0
VAT	0	0	0	0
Tax	142	81	0	0
Payments received on account	0	0	0	0
Other	602	323	0	0
Total	21,713	23,572	0	0
Total payables (current and non-current)	21,713	23,572		

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0	0	0
Bank overdraft - commercial banks	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	72	77	3,630	3,700
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
Total	72	77	3,630	3,700
Total other liabilities (current and non-current)	3,702	3,777		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	72	72
1 - 2 Years	0	75	75
2 - 5 Years	0	144	144
Over 5 Years	0	3,411	3,411
TOTAL	0	3,702	3,702

Borrowings transfers to the responsibility of Community Health Partnerships Ltd post 1st April 2013.

Trafford PCT - Annual Accounts 2012-13

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	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

The PCT holds no finance leases.

Trafford PCT - Annual Accounts 2012-13

31 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	154	0	131	0	0	0	0	0	23	0
Arising During the Year	2,426	0	0	0	0	1,263	0	0	1,163	0
Utilised During the Year	(144)	0	(122)	0	0	0	0	0	(22)	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	2,436	0	9	0	0	1,263	0	0	1,164	0

Expected Timing of Cash Flows:

No Later than One Year	2,436	0	9	0	0	1,263	0	0	1,164	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	0	0	0	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	32
As at 31 March 2012	47

Legal liability for potential claims would fall on the PCT but under the arrangement with the NHS Litigation Authority the financial liability falls on the NHS LA (subject to a policy excess), for which the PCT pays a policy premium included in Operating Costs.

Other Provisions (£1,164k) mainly comprise :

Transforming Community Services - Business Transfer Agreement £500k
Trafford MBC Learning Disabilities Pooled Budget contribution £644k

32 Contingencies

The PCT held no contingent assets or liabilities at 31st March 2013.

Trafford PCT - Annual Accounts 2012-13

33 PFI and LIFT - additional information

The PCT operates Partington Health Centre via a LIFT contract. The centre became operational in December 2005 and has an estimated capital value of £3.3m at 31st March 2013.

The LIFT contract is for a duration of 25 years expiring in 2031 at which point there is an option to purchase the land and buildings.

The PCT paid an annual premium of £498k in 2012/13 (£480k in 2011/12) for the contract which is subject to an annual uplift for inflation over the duration of the contract.

Under IFRIC 12, the asset is treated as an asset of the PCT and reported on the Statement of Financial Position.

The substance of the contract is that the PCT has a finance lease and payments comprise two elements – imputed finance lease charges and service costs.

From 1st April 2013 responsibility for managing the LIFT contract will transfer to Community Health Partnerships Ltd

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT

	31 March 2013 £000	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	211	189
Total	211	189

Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.

	31 March 2013 £000	31 March 2012 £000
LIFT Scheme Expiry Date:		
No Later than One Year	210	205
Later than One Year, No Later than Five Years	1,075	1,051
Later than Five Years	3,463	3,355
Total	4,748	4,611

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

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

Imputed "finance lease" obligations for on SOFP LIFT Contracts due

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	279	287
Later than One Year, No Later than Five Years	1,009	1,045
Later than Five Years	5,602	5,844
Subtotal	6,890	7,176
Less: Interest Element	(3,188)	(3,399)
Total	3,702	3,777

34 Impact of IFRS treatment - 2012-13

Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)

	Total £000	Admin £000	Programme £000
Depreciation charges	60	0	60
Interest Expense	211	0	211
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	211	0	211
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	482	0	482
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(482)	0	(482)
Net IFRS change (IFRIC12)	0	0	0

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

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

Trafford PCT - Annual Accounts 2012-13

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 risk.

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 and the interest rate used for the liability calculations contained in the LIFT accounting model used by the NHS is fixed, therefore the PCT therefore has low exposure to interest-rate fluctuations

Credit Risk

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

Liquidity Risk

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

36.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
Receivables - NHS	0	178	0	178
Receivables - non-NHS	0	701	0	701
Cash at bank and in hand	0	316	0	316
Other financial assets	0	0	152	152
Total at 31 March 2013	0	1,195	152	1,347
Embedded derivatives	0			0
Receivables - NHS	0	1,244	0	1,244
Receivables - non-NHS	0	2,334	0	2,334
Cash at bank and in hand	0	49	0	49
Other financial assets	0	0	152	152
Total at 31 March 2012	0	3,627	152	3,779

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0	0	0
NHS payables	0	5,565	5,565
Non-NHS payables	0	4,888	4,888
Other borrowings	0	3,702	3,702
PFI & finance lease obligations	0	0	0
Other financial liabilities	0	11,049	11,049
Total at 31 March 2013	0	25,204	25,204
Embedded derivatives	0		0
NHS payables	0	5,680	5,680
Non-NHS payables	0	3,296	3,296
Other borrowings	0	3,777	3,777
PFI & finance lease obligations	0	0	0
Other financial liabilities	0	14,019	14,019
Total at 31 March 2012	0	26,772	26,772

Trafford PCT - Annual Accounts 2012-13

Note 37. Related Party Transactions NHS Greater Manchester

Details of the individual related party transactions, where relevant, for the GM board and GM Clinical Strategy Board members are as follows:

Name and Details of Related Party

Alan Dow, Member of Clinical Strategy Board, NHS Greater Manchester.
Wife is anaesthetist at Tameside NHS Foundation Trust.

Anne Talbot, Member Clinical Strategy Board, NHS Greater Manchester
Husband is Consultant Neurologist at Salford Royal NHS Foundation Trust and also
at Stockport NHS Foundation Trust

Chris Duffy, Member Clinical Strategy Board, NHS Greater Manchester.
Wife is a Consultant at Pennine Acute Hospitals NHS Trust

Hamish Steadman, Member Clinical Strategy Board, NHS Greater Manchester
Wife runs the Diabetes team at Salford Royal NHS Foundation Trust.

Ian Williamson, Member Clinical Strategy Board, NHS Greater Manchester
Wife is Programme Director of Integrated Care at Central Manchester University
Hospitals NHS Foundation Trust

Mike Burrows, Chief Executive, NHS Greater Manchester
Brother works at Central Manchester University Hospitals NHS Foundation Trust
Sister in Law, works at Pennine Acute Hospitals NHS Trust

Name and Details of Related Party	Transactions with Related Parties 2012/13			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Alan Dow, Member of Clinical Strategy Board, NHS Greater Manchester. Wife is anaesthetist at Tameside NHS Foundation Trust.	117	0	12	0
Anne Talbot, Member Clinical Strategy Board, NHS Greater Manchester Husband is Consultant Neurologist at Salford Royal NHS Foundation Trust and also at Stockport NHS Foundation Trust	7,632 695	172 0	41 9	0 0
Chris Duffy, Member Clinical Strategy Board, NHS Greater Manchester. Wife is a Consultant at Pennine Acute Hospitals NHS Trust	2,292	0	0	80
Hamish Steadman, Member Clinical Strategy Board, NHS Greater Manchester Wife runs the Diabetes team at Salford Royal NHS Foundation Trust.	7,632	172	41	0
Ian Williamson, Member Clinical Strategy Board, NHS Greater Manchester Wife is Programme Director of Integrated Care at Central Manchester University Hospitals NHS Foundation Trust	109,809	48	1,361	14
Mike Burrows, Chief Executive, NHS Greater Manchester Brother works at Central Manchester University Hospitals NHS Foundation Trust Sister in Law, works at Pennine Acute Hospitals NHS Trust	109,809 2,292	48 0	1,361 0	14 80

Name and Details of Related Party	Transactions with Related Parties 2011/212			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Alan Dow, Member of Clinical Strategy Board, NHS Greater Manchester. Wife is anaesthetist at Tameside NHS Foundation Trust.	59	0	5	0
Anne Talbot, Member Clinical Strategy Board, NHS Greater Manchester Husband is Consultant Neurologist at Salford Royal NHS Foundation Trust and also at Stockport NHS Foundation Trust	6,229 703	1 0	682 2	156 0
Chris Duffy, Member Clinical Strategy Board, NHS Greater Manchester. Wife is a Consultant at Pennine Acute Hospitals NHS Trust	2,481	0	0	96
Hamish Steadman, Member Clinical Strategy Board, NHS Greater Manchester Wife runs the Diabetes team at Salford Royal NHS Foundation Trust.	6,229	1	682	156
Ian Williamson, Member Clinical Strategy Board, NHS Greater Manchester Wife is Programme Director of Integrated Care at Central Manchester University Hospitals NHS Foundation Trust	33,586	28	925	9
Mike Burrows, Chief Executive, NHS Greater Manchester Brother works at Central Manchester University Hospitals NHS Foundation Trust Sister in Law, works at Pennine Acute Hospitals NHS Trust	33,586 2,481	28 0	925 0	9 96

Trafford PCT - Annual Accounts 2012-13

Note 37. Related Party Transactions - contd

The Department of Health is regarded as a related party. During the year the 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. In addition, the PCT had a number of transactions with Trafford Metropolitan Borough Council below the materiality limit.

Below are the relevant organisations where the PCT had transactions above it's materiality limit (£8.0m) :

Central Manchester and Manchester Children's Univ. Hospital FoundationTrust
 Greater Manchester West Mental Health Foundation Trust
 Western Cheshire PCT
 Bridgewater Community Healthcare NHS Trust

Transactions with Related Parties 2012/13			
Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
109,809	48	1,361	14
15,705	75	0	0
27,681	0	81	0
24,800	81	67	18

Transactions with Related Parties 2011/212			
Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
33,586	28	925	9
15,532	0	154	50
20,237	237	0	20
18,531	28	485	85

Trafford PCT has no charitable funds.

Trafford PCT - Annual Accounts 2012-13

38 Losses and special payments

The PCT had no Losses or Special Payments in either 2011/12 or 2012/13.

39 Third party assets

The PCT held no third party assets at 31st March 2012 or 31st March 2013.

40 Pooled budget

Trafford PCT entered into a pooled budget arrangement with Trafford MBC for the commissioning and purchase of healthcare for adults with learning disabilities with effect from 1st April 2003. The host organisation is Trafford MBC and the partner organisation is Trafford PCT.

During the year the PCT made payments of £3,036k (2011/12 £1,947k) to the pool.

41 Cashflows relating to exceptional items

There were no cash flows relating to exceptional items in either 2011/12 or 2012/13.

42 Events after the end of the reporting period

Part of the PCT's land and buildings assets have transferred to Pennine Care Foundation NHS Trust and the remainder to NHS Property Services Ltd on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT's accounts. It is for the successor bodies to consider whether, in 2013/14, it is necessary to review these assets for impairment.