



Department  
of Health



# Wiltshire Primary Care Trust

2012-13 Annual Report and Accounts

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# Wiltshire Primary Care Trust

2012-13 Annual Report



***Wiltshire***

# **ANNUAL REPORT**

## **2012-2013**

## Chief Executive's Statement

This financial year has seen the enactment of all the requirements of the Health and Social Care Bill 2012. NHS Wiltshire and NHS Bath & North East Somerset conducted their business this year under the difficult arrangement of what is called a "Cluster" between the Boards of Bath and North East Somerset PCT and Wiltshire PCT. The structure for this arrangement finally came into place in April 2012, so that in the final year of existence, both PCTs were served by one Executive team serving two Boards with mainly common membership under the Chairmanship of Tony Barron. We had the privilege of leadership from Ed Macalister-Smith, who served as Interim Chief Executive Officer until his retirement from the service in October 2012. I'd like to take this opportunity to thank sincerely, Ed, for his energy, support and enthusiasm as the PCT cluster undertook existing PCT duties in preparation for the structured closure of the Primary Care Trusts on 31 March 2013.

I have served as Interim Chief Executive and Accountable Officer to the PCT cluster since Ed's retirement and I wish to record my sincere thanks to the entire Executive Team for their unswerving professionalism and the support they have shown to me through what has been a very difficult period for the entire health service. We have been working very hard to set up the mechanisms to transfer the commissioning activity to our GP colleagues.

The new Cluster Board has provided diligent leadership, support and challenge, as we shape new structures for managing the NHS. GPs are stepping forward to take on the responsibility of running the health system, and balancing new ways of working with their clinical practice.

During 2012/13 NHS Wiltshire and NHS Bath and North East Somerset, working as a Cluster, has assisted Wiltshire Clinical Commissioning Group and Bath and North East Somerset Clinical Commissioning Group to obtain authorisation to undertake commissioning duties, and responsibilities and assets were signed over to the respective CCGs on 1st April 2013. Both CCGs are resolved to demonstrate a continued focus on outcomes that show the effectiveness and the safety of services and the quality of experience undergone by patients.

The Cluster ensured that appropriate support services are in place through local commissioning support and specialist arrangements such as SBS Primary Care, to underpin and support the work of the CCGs. In addition, the Cluster has ensured that arrangements are in place to transfer commissioning responsibilities to NHS England.

Our key partners in local government have actively engaged with the NHS, and have been establishing their own new roles through the emerging Health and Wellbeing Boards and also through hosting the Public Health and Emergency Planning functions which have served our communities well. The completion of a comprehensive transition plan, outlining the change process for the transfer of staff and activities from Primary Care Trusts to local authorities, was successfully conducted via an equivalent

TUPE transfer on 31 March 2013; however, the transfer of operational and management responsibility occurred three months earlier, in December 2012.

Our final year has been successful in both financial and performance terms whilst we continued the delivery of the government agenda to help GPs to build and develop their organisation. Both Wiltshire and Bath & North East Somerset PCTs achieved their control total budgets. Despite all the system reform work, ensuring high quality care and services remained our top priority and featured as the major part of our committee agendas. Our local NHS partners continue to provide high quality care despite the challenge the NHS generally has of managing higher and more expensive demands on its services, with funding which is essentially flat.

I thank the staff of the PCT for their continued professionalism and dedication to public service; it is their drive, passion and commitment which enabled the PCT cluster to deliver quality services within budget for the people of Wiltshire and for Bath & North East Somerset.

**Jennifer Howells**

**Interim Chief Executive**

**NHS Wiltshire and NHS Bath & North East Somerset**

## NHS Wiltshire Board Committee Structure

The PCT's Board Committee structure has been in place since April 2007. Following the formation of the shadow Clinical Commissioning Group (CCG) in April 2012, a new Clinical Commissioning Committee (CCC) was created to replace the PCT Commissioning Committee. The CCC is chaired by the Designate Chair of the CCG.

The Committee Structure that was in place throughout 2012/13 is shown at the end of this section.

Board membership comprises:

### Voting Members (*unless otherwise stated*):

Name	Role	Committee Membership	Declaration of Interest
Tony Barron	PCT Chair	<ul style="list-style-type: none"> <li>Board</li> </ul>	Nil
Ed Macalister-Smith <i>(left the PCT October 2012)</i>	Chief Executive	<ul style="list-style-type: none"> <li>Board</li> <li>Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Chair of Local, Education and Training Board (LETB) for NHS South Central  Associate to Maguire Izatt Consulting
Jennifer Howells	Director of Finance & Deputy Chief Executive <i>(until October 2012)</i> Interim Chief Executive <i>(from October 2012)</i>	<ul style="list-style-type: none"> <li>Board</li> <li>Audit &amp; Assurance Committee</li> <li>Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Treasurer of Wootton Bassett Amateur Swimming Club Close family member leads a business unit for AWP that provides services to NHS Wiltshire
Christina Button	Director of Commissioning Development	<ul style="list-style-type: none"> <li>Board</li> <li>Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Nil
Deborah Fielding	Designate Accountable Officer, Wiltshire CCG	<ul style="list-style-type: none"> <li>Board (<b>non-voting</b>)</li> <li>Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Nil
John Holden	Non-Executive Director	<ul style="list-style-type: none"> <li>Board</li> <li>Audit &amp; Assurance Committee</li> <li>Remuneration Committee</li> </ul>	Nil

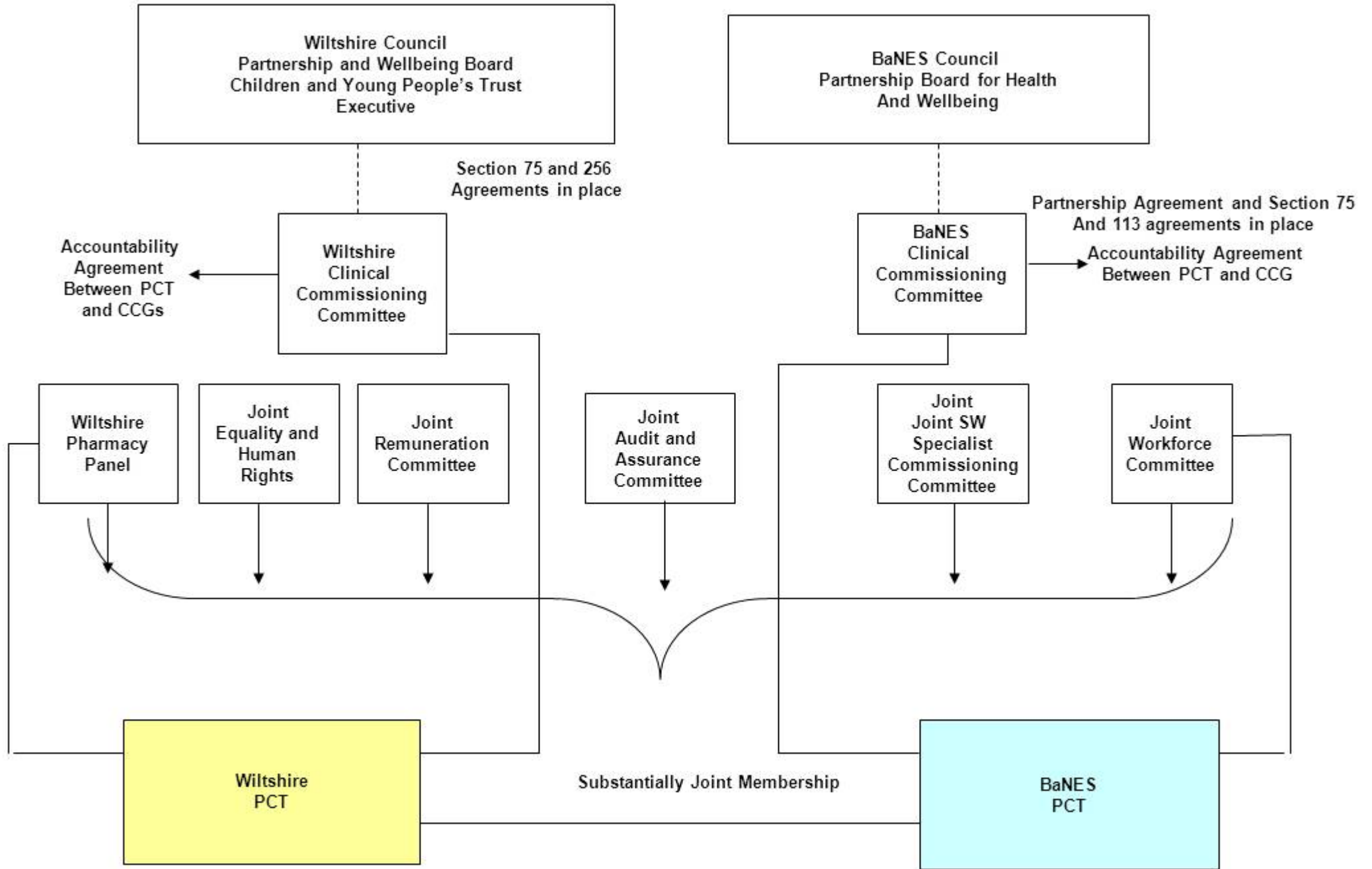
David Loosley	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit &amp; Assurance Committee</li> </ul>	<p>Director of Marine Management Holdings Ltd</p> <p>Chief Executive and Secretary of the Institute of Marine Engineering, Science and Technology</p>
Peter Lucas	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit &amp; Assurance Committee</li> <li>• Clinical Commissioning Committee (Wiltshire CCG)</li> <li>• Remuneration Committee</li> <li>• Workforce Committee</li> </ul>	Nil
Mary Monnington	Director of Nursing and Patient Safety	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit and Assurance Committee</li> <li>• Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Nil
Maggie Rae	Joint Director of Public Health and Public Protections	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit and Assurance Committee</li> <li>• Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Joint Director Wiltshire Council
Christine Reid	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit &amp; Assurance Committee</li> <li>• Clinical Commissioning Committee (Wiltshire CCG)</li> <li>• Remuneration Committee</li> <li>• Workforce Committee</li> </ul>	Nil
Dr Steve Rowlands	Medical Director and Designate Chair, Wiltshire CCG	<ul style="list-style-type: none"> <li>• Board</li> <li>• Clinical Commissioning Committee (Wiltshire CCG)</li> </ul>	Practice member of GP practice which is in an LLP with Assura Medical (part of Virgin Health)



David Smith	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit &amp; Assurance Committee</li> <li>• Remuneration Committee</li> <li>• Workforce Committee</li> </ul>	Trustee, St John's Hospital, Bath Trustee, Bath Municipal Charities
David Stevens	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit &amp; Assurance Committee</li> <li>• Remuneration Committee</li> <li>• Workforce Committee</li> </ul>	Governor Great Western Hospital Foundation Trust
Suzanne Tewkesbury	Director of HR, Communications and Corp Affairs	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit and Assurance Committee</li> <li>• Clinical Commissioning Committee (Wiltshire CCG)</li> <li>• Workforce Committee</li> </ul>	Nil
Dominic Tkaczyk	Interim Director of Finance	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit &amp; Assurance Committee</li> </ul>	Nil
Dr Richard Wharton	Joint Medical Director	<ul style="list-style-type: none"> <li>• Board</li> </ul>	Partner at Newbridge Surgery & Shareholder of Assura Minerva  Chair, Sophie Cameron Trust  Trustee, Bath GP Education and Research Trust, Trustee, Anne Hill Trust
Lis Woods	Non-Executive Director	<ul style="list-style-type: none"> <li>• Board</li> <li>• Audit and Assurance Committee</li> <li>• Remuneration Committee</li> </ul>	Nil

Each director declares annually that as far as he/she is aware, there is no relevant audit information of which the NHS body's auditors are unaware and he/she has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

# Board Committee Structure Chart 2012/2013



23 May 2013

NHS Wiltshire  
Remuneration Report - Salaries and Pensions 2012-13

Title	Initials	Forename	Surname	Position Title (NHS B&NES & NHS WILTSHIRE cluster role unless otherwise stated)	2012-13						
					Start Date for 2012/13	End Date for 2012/13	Salary (total across cluster where applicable, bands of £5,000) £000	Start date as cluster executive, where applicable (if full year, 01/04/2012)	Salary (Cost to Wiltshire PCT, bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00
<b>Chairman &amp; Directors</b>											
Mr	A	Tony	Barron	Chairman	01/04/2012	31/03/2013	35-40	01/04/2012	20-25		
Mr	E	Edward	Macalister-Smith	Chief Executive	01/04/2012	31/10/2012	95-100	01/04/2012	60-65		
Mrs	J M	Jennifer	Barker	Cluster QIPP Programme Director	01/04/2012	30/09/2012	35-40	01/04/2012	20-25		
Ms	J	Jennifer	Howells	Director of Finance (1/4/2012-31/10/2012) Interim Chief Executive (1/11/2012-31/3/2013)	01/04/2012	31/03/2013	120-125	01/04/2012	70-75		
Mr	D	Dominic	Tkaczyk	Interim Director of Operational Finance* Interim Director of Finance*	14/09/2012 01/11/2012	31/10/2012 31/03/2013	100-105 100-105	14/09/2012 14/09/2012	60-65 60-65		
Mrs	S	Suzanne	Tewkesbury	Director of HR, Communications & Corporate Affairs (1/4/2012-31/10/2012) Interim Deputy Chief Executive (1/11/2012-31/3/2013)	01/04/2012	31/03/2013	90-95	01/04/2012	50-55		
Dr	S	Stephen	Rowlands	Joint Medical Director	01/04/2012	31/05/2012	5-10	01/04/2012	5-10		
Dr	P D	Peter	Jenkins	Joint Medical Director	01/06/2012	31/03/2013	35-40	01/06/2012	20-25		
Dr	R	Richard	Wharton	Joint Medical Director	01/04/2012	31/03/2013	50-55	01/04/2012	30-35		
Mrs	M	Mary	Monnington	Director of Nursing and Patient Safety	01/04/2012	31/03/2013	100-105	01/04/2012	60-65		
Mrs	C	Christina	Button	Director of Commissioning Development	01/04/2012	31/03/2013	90-95	01/04/2012	50-55		

Start Date for 2011/12	End Date for 2011/12	2011-12		
		Salary (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00
01/04/2011	31/03/2012	35-40		
01/01/2012	31/03/2012	35-40		
01/04/2011	31/05/2011	10-15		
01/04/2011	31/03/2012	110-115		
n/a	n/a	n/a		
01/04/2011	31/03/2012	85-90		
01/04/2011	31/03/2012	30-35		
n/a	n/a	n/a		
10/10/2011	31/03/2012	15-20		
01/08/2011	31/03/2012	65-70		
03/10/2011	31/03/2012	45-50		
01/04/2011	31/03/2012	10-15		
01/04/2011	31/03/2012	5-10		
01/04/2011	31/03/2012	5-10		
01/04/2011	31/03/2012	5-10		
01/04/2011	31/03/2012	5-10		

<b>Non-Executive Members</b>										
Mr	J	John	Holden	Non-Executive Member	01/04/2012	31/03/2013	10-15	01/04/2012	5-10	
Ms	C	Christine	Reid	Non-Executive Member	01/04/2012	31/03/2013	5-10	01/04/2012	0-5	
Mr	D	David	Stevens	Non-Executive Member	01/04/2012	31/03/2013	5-10	01/04/2012	0-5	
Ms	E	Elisabeth	Woods	Non-Executive Member	01/04/2012	31/03/2013	5-10	01/04/2012	0-5	
Mr	P	Peter	Lucas	Non-Executive Member	01/04/2012	31/03/2013	5-10	01/04/2012	0-5	
Mr	D	David	Loosley	Non-Executive Member	01/04/2012	31/03/2013	5-10	01/04/2012	0-5	
Mr	D	David	Smith	Non-Executive Member	01/04/2012	31/03/2013	5-10	01/04/2012	0-5	

**Pension Benefits**

Title	Initials	Forename	Surname	Position Title	Real increase in pension at age 60 (bands of £2,500) £000	Real Increase in Lump Sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)* £000	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)* £000	Cash Equivalent Transfer Value at 31 March 2013 £000	Cash Equivalent Transfer Value at 31 March 2012 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £00
Mr	E	Edward	Macalister-Smith	Chief Executive	(0-2.5)	(0-2.5)	55-60	175-180	0	1,328	n/a	
Mrs	J M	Jennifer	Barker	Cluster QIPP Programme Director	(0-2.5)	(2.5-5.0)	30-35	100-105	0	623	n/a	
Ms	J	Jennifer	Howells	Director of Finance (1/4/2012-31/10/2012) Interim Chief Executive (1/11/2012-31/3/2013)	0-2.5	0-2.5	15-20	25-30	212	178	25	
Mrs	M M	Margaret (Maggie)	Rae	Joint Director Public Health & Protection, NHSW	(0-2.5)	(0-2.5)	45-50	135-140	963	905	11	
Mrs	S	Suzanne	Tewkesbury	Director of HR, Communications & Corporate Affairs (1/4/2012-31/10/2012) Interim Deputy Chief Executive (1/11/2012-31/3/2013)	0-2.5	2.5-5.0	15-20	55-60	329	288	26	
Dr	S	Stephen	Rowlands	Joint Medical Director	0-2.5	5.0-7.5	65-70	195-200	1,541	1,386	83	
Mrs	M	Mary	Monnington	Director of Nursing and Patient Safety	(0-2.5)	(2.5-5.0)	45-50	140-145	0	n/a	n/a	
Mrs	C	Christina	Button	Director of Commissioning Development	0-2.5	0-2.5	15-20	50-55	252	222	19	

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

The banded remuneration of the highest paid director in B&NES PCT in the financial year 2012-13 was £105k-£110k (2011-12 £100k-£105k). This was 4.17 times (2011-12 4.35 times) the median remuneration of the workforce which was £25,766 (2011-12 £23,589)

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.

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

The remuneration for the Non-Executive Directors is for their JOINT Cluster PCT roles.

\* Invoices for Dominic Tkaczyk's services are paid to Foxwell Associates

There were no 'off payroll engagements'

## **Looking after our staff**

Over the course of 2012/13 we have undertaken an unprecedented number of large scale changes as part of the government's NHS reform agenda, which has meant that the organisation's staffing structures and staffing numbers have changed substantially during the period.

During the transition, we have continued to focus on improving our attendance levels and have maintained our low sickness absence rates, with the average number of days recorded being 4.8% (per FTE).

**Accountable Officer: Jennifer Howells, Interim Chief Executive**

**Organisation: Wiltshire Primary Care Trust**

**Signature:**

A handwritten signature in cursive script that reads "J. Howells".

**Date:**

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



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

	General Fund	Revaluation Reserve	Total Reserves
	£000	£000	£000
<b>Balance at 1 April 2012</b>	<b>(375)</b>	<b>17,598</b>	<b>17,223</b>
<b>Changes in taxpayers' equity for 2012-13</b>			
Net operating cost for the year	(684,867)		(684,867)
Net gain on revaluation of property, plant, equipment		820	820
Impairments and reversals		(2,262)	(2,262)
Transfers between reserves*	759	(759)	0
<b>Total recognised income and expense for 2012-13</b>	<b>(684,108)</b>	<b>(2,201)</b>	<b>(686,309)</b>
Net Parliamentary funding	677,784		677,784
<b>Balance at 31 March 2013</b>	<b>(6,699)</b>	<b>15,397</b>	<b>8,698</b>
<b>Balance at 1 April 2011</b>	<b>(4,988)</b>	<b>19,962</b>	<b>14,974</b>
<b>Changes in taxpayers' equity for 2011-12</b>			
Net operating cost for the year	(674,508)		(674,508)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		440	440
Impairments and Reversals		(556)	(556)
Transfers between reserves*	2,248	(2,248)	0
<b>Total recognised income and expense for 2011-12</b>	<b>(672,260)</b>	<b>(2,364)</b>	<b>(674,624)</b>
Net Parliamentary funding	676,873		676,873
<b>Balance at 31 March 2012</b>	<b>(375)</b>	<b>17,598</b>	<b>17,223</b>

## Statement of Financial Position at 31 March 2013

		31 March 2013	31 March 2012
	NOTE	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	11	52,067	58,099
Trade and other receivables	15	0	0
<b>Total non-current assets</b>		<u>52,067</u>	<u>58,099</u>
<b>Current assets:</b>			
Trade and other receivables	15	3,544	9,808
Cash and cash equivalents	16	0	16
<b>Total current assets</b>		<u>3,544</u>	<u>9,824</u>
Non-current assets held for sale	17	2,245	465
<b>Total current assets</b>		<u>5,789</u>	<u>10,289</u>
<b>Total assets</b>		<u>57,856</u>	<u>68,388</u>
<b>Current liabilities</b>			
Trade and other payables	18	(36,894)	(41,754)
Provisions	22	(5,505)	(2,532)
Borrowings	19	(156)	(147)
<b>Total current liabilities</b>		<u>(42,555)</u>	<u>(44,433)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>		<u>15,301</u>	<u>23,955</u>
<b>Non-current liabilities</b>			
Trade and other payables	18	0	0
Provisions	22	(242)	(214)
Borrowings	19	(6,361)	(6,518)
<b>Total non-current liabilities</b>		<u>(6,603)</u>	<u>(6,732)</u>
<b>Total Assets Employed:</b>		<u>8,698</u>	<u>17,223</u>
<b>Financed by taxpayers' equity:</b>			
General fund		(6,699)	(375)
Revaluation reserve		15,397	17,598
<b>Total taxpayers' equity:</b>		<u>8,698</u>	<u>17,223</u>

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

	NOTE	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>			
Gross employee benefits	7.1	10,607	8,594
Other costs	5.1	692,396	684,587
Income	4	(18,660)	(18,825)
<b>Net operating costs before interest</b>		<b>684,343</b>	<b>674,356</b>
Other (Gains)/Losses	9	(50)	(409)
Finance costs	10	574	561
<b>Net operating costs for the financial year</b>		<b>684,867</b>	<b>674,508</b>
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
<b>Net (gain)/loss on transfers by absorption</b>		<b>0</b>	
<b>Net Operating Costs for the Financial Year including absorption transfers</b>		<b>684,867</b>	<b>674,508</b>
<b>Of which:</b>			
<b>Administration Costs</b>			
Gross employee benefits	7.1	9,026	8,386
Other costs	5.1	6,923	6,527
Income	4	(2,168)	(2,327)
<b>Net administration costs before interest</b>		<b>13,781</b>	<b>12,586</b>
Other (Gains)/Losses	9	0	0
Finance costs	10	0	0
<b>Net administration costs for the financial year</b>		<b>13,781</b>	<b>12,586</b>
<b>Programme Expenditure</b>			
Gross employee benefits	7.1	1,581	208
Other costs	5.1	685,473	678,060
Income	4	(16,492)	(16,498)
<b>Net programme expenditure before interest</b>		<b>670,562</b>	<b>661,770</b>
Other (Gains)/Losses	9	(50)	(409)
Finance costs	10	574	561
<b>Net programme expenditure for the financial year</b>		<b>671,086</b>	<b>661,922</b>
<b>Other Comprehensive Net Expenditure</b>			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		2,262	753
Net (gain) on revaluation of property, plant & equipment		(820)	(440)
<b>Total comprehensive net expenditure for the year*</b>		<b>686,309</b>	<b>674,821</b>

\*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.  
The notes on pages 5 to 39 form part of this account.



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

	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost Before Interest	(684,343)	(674,356)
Depreciation and Amortisation	2,859	2,901
Impairments and Reversals	1,971	2,502
Interest Paid	(568)	(555)
(Increase)/Decrease in Trade and Other Receivables	6,264	(933)
Increase/(Decrease) in Trade and Other Payables	(4,805)	(7,719)
Provisions Utilised	(257)	(88)
Increase/(Decrease) in Provisions	3,251	2,264
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(675,628)</b>	<b>(675,984)</b>
<b>Cash flows from investing activities</b>		
(Payments) for Property, Plant and Equipment	(2,540)	(1,920)
Proceeds of disposal of assets held for sale (PPE)	515	1,184
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(2,025)</b>	<b>(736)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(677,653)</b>	<b>(676,720)</b>
<b>Cash flows from financing activities</b>		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI	(147)	(138)
Net Parliamentary Funding	677,784	676,873
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>677,637</b>	<b>676,735</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(16)</b>	<b>15</b>
<b>Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>	<b>16</b>	<b>1</b>
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>	<b>0</b>	<b>16</b>

## Better Payment Practice Code

Measure of compliance	2012-13	2012-13	2011-12	2011-12
	Number	£000	Number	£000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	14,284	98,423	19,990	74,885
Total Non-NHS Trade Invoices Paid Within Target	13,328	88,690	17,728	67,232
Percentage of NHS Trade Invoices Paid Within Target	93.31%	90.11%	88.68%	89.78%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	4,166	438,337	3,857	436,701
Total NHS Trade Invoices Paid Within Target	3,765	434,964	3,308	421,522
Percentage of NHS Trade Invoices Paid Within Target	90.37%	99.23%	85.77%	96.52%

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.

Please note that the NHS :LOWVKLUH Annual Governance Statement is included within the full set of Annual Accounts, copies of which can be obtained from:

Bath, Gloucestershire, Swindon and Wiltshire Area Team  
 NHS England  
 1st Floor, Bewley House  
 Marshfield Road  
 Chippenham  
 Wiltshire  
 SN15 1JW

The fee paid to KPMG for their external audit work undertaken during 2012/2013 was £150,796.80



Department  
of Health



# Wiltshire Primary Care Trust

2012-13 Accounts

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# Wiltshire Primary Care Trust

2012-13 Accounts

**Wiltshire Primary Care Trust**

**Annual Accounts**

**Year Ended 31<sup>st</sup> March 2013**

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# 1. Statements of Responsibilities



2012-13 Annual Accounts of Wiltshire Primary Care Trust (non-london)

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

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

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

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

Signed.....*J Howells*.....Designated Signing Officer

Name: *J Howells*

Date.....*5<sup>th</sup> June 2013*.....

2012-13 Annual Accounts of Wiltshire Primary Care Trust (non-london)

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

By order of the Permanent Secretary.

5<sup>th</sup> June 2013 Date .....  ..... Signing Officer

5<sup>th</sup> June 2013 Date .....  ..... Finance Signing Officer

## 2. Independent Auditors Report

## **INDEPENDENT AUDITOR'S REPORT TO THE RESPONSIBLE OFFICER FOR WILTSHIRE PCT**

We have audited the financial statements of Wiltshire 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 on page 8;
- the table of pension benefits of senior managers on page 8; and
- the table of pay multiples on page 8.

This report is made solely to the Responsible Officer for Wiltshire 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.

### **Respective responsibilities of the Signing Officer and Finance Signing Officer, and auditors**

As explained more fully in the Statement of Responsibilities in respect of the accounts, 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 also 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 Wiltshire 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 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

### **Conclusion on the PCT's arrangements for securing economy, efficiency and effectiveness in the use of resources**

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. The Code of Audit Practice issued by the Audit Commission requires us 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, having regard to the guidance issued by the Audit Commission in November 2012. We have considered the results of the following:

- our review of the Governance Statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the Trust; and
- our locally determined risk-based work on exit packages.

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

#### **Certificate**

We certify that we have completed the audit of the accounts of Wiltshire PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Chris Wilson  
for and on behalf of KPMG LLP, Statutory Auditor

100 Temple Street  
Bristol  
BS1 6AG

5 June 2013

### 3. Annual Governance Statement

## Annual Governance Statement 2012-13

Wiltshire Primary Care Trust

Organisational Code: 5QK

### Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of the Cluster Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisational policies, aims and objectives. I also have responsibility for safeguarding the public funds and the assets of the organisation for which I am personally responsible as set out in the Accountable Officer Memorandum. This requires me to see that the PCT carries out its principal functions in a way which ensures the proper stewardship of public money and assets.

The governance framework comprises the systems and processes and culture and values by which the Primary Care Trust (PCT) is directed and controlled. It enables the PCT to monitor the achievement of its strategic objectives. The Board Assurance Framework and the system of internal control are significant parts of that framework and are designed to manage risk providing reasonable assurance of effectiveness. The Board Assurance Framework and the system of internal control are based on an on-going process to identify and prioritise for management the risks to the achievement of the PCT objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised.

In order to maintain internal control, the PCT worked with other PCTs in both commissioning and provision of services, the South of England Strategic Health Authority, NHS Trusts, Local Authorities, and other organisations. Across the Wiltshire community a number of joint meetings take place which all health and social care partners attend. Also, when developing its policies and services the PCT actively creates opportunities to promote engagement with and involvement of diverse groups of service users and patients.

The PCT governance framework has been in place throughout the year ended 31 March 2013 and up to the date of approval of the annual accounts for 2012/13. Wiltshire PCT will be abolished on 1 April 2013.



## The governance framework of the organisation

### Committee structure

The Cluster Board is responsible for strategic leadership, policy making and overall performance. The Board is made up of non-executive directors and executive directors, some of whom are health professionals. Public Board meetings are held regularly and are the vehicle through which the business agenda of the Cluster is governed. Through the scheme of reservation and delegation the Cluster Board retains responsibilities and delegates some responsibilities to committees of the Board. These committees are:

#### Audit and Assurance Committee

This Non-Executive Director Committee considers and advises the Board on the adequacy and effective operation of the internal control systems that underpins the delivery of the PCT objectives. This includes internal and external audit services, the system of integrated governance, internal controls and risk management across the whole of the PCT activities, the arrangements for engagement and feedback from stakeholders and the review of national reports and guidance. The Committee also monitors compliance with the Standing Orders and Standing Financial Instructions.

#### Clinical Commissioning Committees

The Clinical Commissioning Committee supports the PCT and the emerging Wiltshire CCG in developing vision and strategic direction in application of the commissioning process across all areas of the commissioning cycle (health needs assessment, service strategy and planning, contracting and performance management and review). The Committee leads clinical communications with partners and stakeholders and ensure that the PCT delivers high standards of patient experience.

#### Workforce Committee

The Committee oversees and monitors the development and delivery of the Human Resource and Workforce Development Strategies. The Committee acts as Health & Safety Committee for the PCT providing the Board with assurance on the adequacy of arrangements in line with legislation. The Committee ensures that all issues relating to staff and the working environment are considered in an integrated way, thereby maximising the benefits and opportunities for staff and the organisation.

### Equality & Human Rights Group

To strengthen leadership and accountability to enable the delivery of the PCT equality responsibilities, promoting respect and dignity, diversity and partnership working. The Group provides the Board with assurance on the adequacy of governance arrangements for equality and human rights, monitoring and management of the Single Equality Scheme by means of the Equality Delivery System, and assessment of the effectiveness of arrangements for stakeholder relationships.

### Remuneration Committee

To determine all aspects of appropriate remuneration, performance bonuses, allowances and terms of service for the Chief Executive, Executive Directors and those Senior Managers with locally determined contracts, within the limits described within the Pay Framework for Very Senior Managers. To ensure contractual arrangements for such staff including the proper calculation and scrutiny of termination of employment payments, taking account of national guidance as appropriate.

Membership of the Board and committees is arranged to ensure that discussions are comprehensive. Members of the committees are conscious of the responsibility placed on them. Records show that there were 6 Cluster Board meetings held during 2012/13. Attendance at these meetings was as follows:

### Board meeting attendance 2012/13

Name	Position	Meeting Date					
		May 12	Jul 12	Sep 12	Nov 12	Feb 13	Mar 13
Pamela Akerman	Acting Director of Public Health, NHS BaNES		n/a	n/a	n/a	n/a	n/a
Tony Barron	Chair						
Christina Bulton	Cluster Director of Commissioning Development						
John Holden	Non-Executive Director						
Jennifer Howells	Cluster Director of Finance / Chief Executive Officer						
David Loosley	Non-Executive Director						
Peter Lucas	Non-Executive Director						
Ed Macalister-Smith	Chief Executive Officer				n/a	n/a	n/a
Mary Monnington	Cluster Director of Nursing & Patient Safety						
Ian Orpen	Designate BaNES CCG Chair						
Maggie Rae	Joint Director of Public Protection, NHS Wiltshire						
Christine Reid	Non-Executive Director						
Steve Rowlands	Joint Medical Director & Designate Wiltshire CCG Chair						
Paul Scott	Director of Public Health, NHS BaNES	n/a					
David Smith	Non-Executive Director						
David Stevens	Non-Executive Director						
Suzanne Tewkesbury	Cluster Director of Human Resources, Communications and Corporate Affairs						
Dominic Tkaczyk	Interim Director of Finance	n/a	n/a	n/a			
Richard Wharton	Joint Medical Director						
Lis Woods	Non-Executive Director						

KEY:

	In attendance		Did not attend	n/a	Not attending (see below)
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Additional information:

Pam Akerman, Acting Director of Public Health, NHS BaNES until June 2012

Jennifer Howells, Cluster Director of Finance until November 2012 then Chief Executive

Ed Macalister-Smith, Chief Executive, until October 2012

Paul Scott, Director of Public Health, NHS BaNES appointed June 2012

Dominic Tkaczyk, Interim Director of Finance appointed November 2012

## **Board performance and effectiveness**

During 2012/13 the Board engaged in a continuous programme of review of its functioning, in the light of major changes in its responsibilities. Specifically the Board worked with CCGs on the draft CCG Constitution to ensure that lessons from the Board are carried forward to the CCGs. At an individual level, during the year all Board members underwent personal appraisal and agreed forward plans to optimise their performance.

## **Highlights of committee reports**

**Clinical Commissioning Group (CCG) Development - Transition and Governance** arrangements have been strongly represented in committee reports during 2012/13 to monitor progress and direct activities for the development and authorisation of the Clinical Commissioning Groups.

**PCT Closedown** – The Cluster has had a Transition Board in place to lead and monitor movement of PCT responsibilities, staff and assets and liabilities to the receiving organisations. Representation on the Board has included representatives for Public Health (transferring to Local Authorities), NHS Property Co, the Commissioning Support Unit, the Local Area Team of the NHS National Commissioning Board and the Clinical Commissioning Groups. The Transition Board has been populating and managing a transition risk register and receiving updates on the Transfer Orders.

**Continuing Health Care (CHC)** – In 2012/13 there have been two national cut-off dates for retrospective claims for CHC funding. The cut-off dates were 30 September 2012 for claims from April 2004 to March 2011 and 31 March 2013 for claims from April 2011 to March 2012. Both NHS Wiltshire and NHS BaNES have received a large number of claims for retrospective assessment. All claims will be assessed by the relevant organisation and patients will need to meet CHC eligibility criteria. Provisions have been made in the Annual Accounts for 2012/13 to fund these claims.

**Mental Health Commissioning** – Considerable triangulation work was undertaken early in 2012/13 involving the Strategic Health Authority, the Local Authority and GPs to assess the delivery of the commissioned mental health services. Whilst patient safety was considered the highest priority other concerns were also investigated. Actions were implemented to address points raised resulting in tangible improvements in service provision.

**Delayed Transfer Of Care (DTOCs)** – During 2012/13 Wiltshire PCT and Wiltshire Council agreed to commit to key areas of work to tackle DTOCs encouraging care in the community as far as possible. This project has supported the review of the care pathway to determine future solutions.

## **Operational Handover and PCT Closedown**

The PCT has been diligently working with the emerging receiver organisations to ensure that the duties, responsibilities and tasks of the PCT are appropriately re-located. The PCT has been through a structured process to match staff to posts in the receiving organisations. These staff have then been recruited or will be formally transferred on 1 April 2013.

The PCT has prepared a Transfer Scheme for assets, liabilities and contracts which has been authorised by the Department of Health.

A legacy team will be in place from 1 April 2013 to handle any outstanding or emerging transfer issues.

## **Governance Framework Established for Accounts Scrutiny and Sign-off**

NHS National Commissioning Board Area Team Directors will discharge the responsibilities associated with Annual Accounts scrutiny and sign-off. This will include:

- Preparation and sign-off of PCT Annual Accounts 2012/13;
- Transfer of closing balances to receiving organisations;
- Management of payroll queries and related issues.

An accounts delivery team is in place with appropriate skills and knowledge to undertake financial closedown and accounts preparation.

Area Team Directors, as PCT Accountable Officers, will have the responsibility for signing the accounts and supporting statements. To maintain rigour in the process, an audit committee will be established to scrutinise the accounts. Three Non-Executive Directors of the Cluster have been nominated and appointed by the Department of Health Permanent Secretary to form the audit committee. The audit committee is formed as a sub-committee of the Department of Health Audit Committee with appropriate terms of reference to reflect the narrower scope of the committee.

## **Corporate Governance Code**

It is the policy of the PCT to identify, minimise, control and where possible eliminate any risks that may have an adverse impact on patients, staff and the organisation. The Chief Executive carries ultimate responsibility for all risks within the organisation. The PCT's risk management strategy, policy and procedures describe the responsibilities for risk management from the organisational responsibility of the Cluster Board, through all managers, clinicians and staff ensuring their commitment to the principles of risk management which apply throughout all areas of the organisation regardless of the type of risk – organisational, financial, environment and facilities, clinical and non-clinical.

Risk management covers all aspects of risk management and is discussed at the Audit and Assurance Committee. In addition the Cluster Board receives the minutes of the Audit and Assurance Committee. The Cluster Board is advised on financial risks by both the Audit and Assurance Committee and regular financial reporting. Guidance on all matters relating to risk management is available to all staff from the Governance & Risk Manager.

Over the last year we have organised and participated in a number of activities across the county, including Stakeholder Assemblies. These are events at which we bring together around 80 regular delegates twice a year, drawn from groups across the county who represent geographical areas, the voluntary sector and charities, service user, patients, carers, elected members and members of the public. The Stakeholder Assembly has helped Wiltshire PCT examine arrangements for the development of Clinical Commissioning Groups.

In addition, Strategies for Communication and Public Engagement have been agreed with the CCGs, the overarching aim of which is to ensure that communications and engagement activities support the principles of the NHS Health Act 2012 and to ensure the views of GPs, clinicians, healthcare professionals, patients, carers, the public and our staff are taken into consideration in the development, commissioning and provision of services. A development of work programmes has been initiated to develop the implementation of the strategy, with the support of the Cluster communications team.

## **Statutory functions**

The Cluster has mechanisms in place with Internal Audit, External Audit and the Strategic Health Authority to scrutinise the execution of statutory functions and confirm that the PCT is legally compliant.

## **Risk assessment**

The PCT is required to have in place an Assurance Framework which will enable members of the Board to be confident that the systems, policies and staff they have put in place are operating in a way that is effective and is focused on the delivery of organisational objectives. The Cluster Board of NHS Wiltshire and NHS Bath and North East Somerset formally adopted an Assurance Framework for 2012/13 and has reviewed it throughout the year. The Audit and Assurance Committee is responsible for monitoring the Assurance Framework at each meeting. The Assurance Framework details:

- The key business objectives
- The principal risks to the achievement of objectives
- The key controls against the respective principal risks
- The gaps in control and the gaps in assurance that have been identified
- Action plans to remedy any gaps
- The arrangements for accountability and responsibility

The PCT has an organisation-wide risk register which covers the risks identified and undertaking risk analysis. In addition, the PCT has identified the risks associated with the Strategic Objectives outlined within the PCT Assurance Framework and covers the following aspects of risk:

- Nature of risk
- Classification of risk
- Risk rating
- Controls
- Review date
- Actions

Any organisational risks assessed at a score of 12 or above or which are deemed to be an emerging risk are referred to the Audit and Assurance Committee for consideration and monitoring. Risks assessed at a score of 16 or above are reported to the PCT Cluster Board.

Executive Directors are fully engaged with the system to maintain and update the Board Assurance Framework and Strategic Risk Register.

Risks are systematically identified, evaluated and controlled by each Directorate within the PCT. Significant risks are identified and described in the organisation-wide Risk Register.

Having transferred community health care services to Great Western Hospitals NHS Foundation Trust with effect from 1 June 2011, the risk profile of the organisation has changed. The Cluster PCT no longer acts as a Provider of health care services to patients but retains responsibility for the commissioning of these services. The PCT has retained ownership of all property, most of which being leased to Great Western Hospitals NHS Foundation Trust to maintain continuity of service provision. Wiltshire PCT employs approximately 250 staff in largely non-clinical roles.

The PCT hosts Information Technology services with FHSA services having been transferred to NHS SBS during 2012. The transfer was recorded and monitored on the risk register.

Generally, the risks identified against the strategic objectives are those relating to the transformation agenda where staff and duties will be transferring to authorised Clinical Commissioning Groups, Commissioning Support Organisations, the National Commissioning Board, NHS Property Services and, in regard to Public Health services, to the Local Authority.

During 2012/13 the Cluster was involved in procurement of the new NHS 111 service. The Cluster recorded and managed risks around clinical engagement, IT operability and interdependencies with community services, the ambulance service and Out of Hours.

The Cluster also recorded the major risk that a large number of retrospective claims have been received for CHC funding with potentially serious financial consequences.

An Ofsted and CQC assessment identified failings in Safeguarding Children arrangements within the Cluster and commissioned services. Remedial steps including audit, peer review, recruitment, funding and training have been put in place to address the Improvement Plans.

Wiltshire PCT has had one data security issue where PCT staff considered patient confidential information supplied by a GP. A formal apology has been made to the patient. No lapses of data security have had to be reported to the Information Commissioner during 2012/13.

### **The risk and control framework**

The risk and control framework encompasses the key assurance systems including planning, performance monitoring, audit, management policies and procedures, external assessment and risk management. The operation, scrutiny and reporting of these systems assists internal control.



The PCT is required to have in place an assurance framework which will enable the board to be confident that the systems, policies and people they have put in place are operating in a way that is effective, is focused on key risks and is driving the delivery of objectives. The PCT has such a framework in place. The assurance framework outlines the systems in place to manage the organisation's strategic objectives and control the risks to those objectives. It details where assurances on the effectiveness of the system can be obtained, where there are gaps in assurance or control and any actions required to strengthen assurance or control.

During the year gaps in both controls and assurance were identified through the management of the assurance framework. Work took place to address the identified gaps through agreed controls and the monitoring of their implementation. The identified gaps were reduced throughout the year with progress reported regularly to the audit and assurance committee. At the year-end technical actions remain against two items on the assurance framework. Clarity has yet to be received regarding definition of some indicators within the Public Health Outcomes Framework. The Cluster does not consider this to be a major risk. The Cluster also recognises and has recorded that some level of reactive management may be needed to address year-end transfer issues. Again the Cluster does not consider this to be a major risk.

The Board has formally adopted a Risk Management Strategy, originally approved in July 2009 and amended and approved in March 2011, which sets out the PCT's strategic direction for the management of risks and provides the framework for the continued development of risk management processes throughout the PCT. The strategy covers in outline the following areas:

- Developing the vision
- Definitions of risk
- Risk management objectives
- Roles and responsibilities
- Delivering the strategy
- Reporting and monitoring
- Communication

A system of counter fraud has been in operation throughout the year. Working to a managed plan the counter fraud service has undertaken activities that seek to further establish an anti-fraud culture, deter fraud, prevent fraud, detect fraud and investigate fraud where it is suspected.

Overall responsibility for the implementation of the Financial Management Framework and Financial Management Policy lies with the Director of Finance, working with the Finance Department and budget holders.

The Equality and Human Rights Assurance Group (EHRAG) and the Clinical Commissioning Committee are involved in setting priorities and monitoring progress for Equality, Diversity and Human Rights. NHS Wiltshire has a robust recruitment and selection process to support a fair recruitment process with the current workforce broadly representing the ethnicity of the Wiltshire population. The focus of work for patients and the public is commissioning for quality, delivering the highest quality care for all. Commissioning and Public Health teams ensure that patient experience and feedback are central parts of service design and delivery. A programme of Stakeholder Assemblies is in place. The Joint Strategic Needs Assessment (JSNA) relates to everyone who lives or works in Wiltshire providing a three to five year commissioning framework. Equality and diversity permeates this document to increase social inclusion, reduce inequalities and give local communities the opportunity to shape services.

### **Review of the effectiveness of risk management and internal control**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways.

- The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.
- Executive Managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.
- The Audit and Assurance Committee have assessed their own performance in year and this contributes to my opinion.
- The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.
- My review is also informed by the Information Governance Toolkit, internal and external audit reports, the contribution of external auditors and the counter fraud service and the perspective provided by other external bodies, for example the Strategic Health Authority and the NHS Litigation Authority.

The Internal Audit review of GP local scheme payments resulted in a high risk rating. Management are aware of the issues and steps are in place to address them.

The Board Assurance Framework was approved by the PCT Cluster Board and evaluated by the Audit & Assurance Committee. The Cluster Board receives progress reports on the achievement of the strategic and corporate objectives as part of the regular performance review. On-going review of the framework is provided by the Audit & Assurance Committee who advise the Cluster Board on the controls and assurance documented within the framework. Progress on improving internal controls and removing gaps in control and assurance is monitored by this committee and the work of the committee is reported to the Cluster Board.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Cluster Board, Audit and Assurance Committee and Clinical Commissioning Committees.

My review confirms that Wiltshire Primary Care Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

This is supported by the 2012/2013 Opinion Statement from the Head of Internal Audit, which grants significant assurance that there is a generally sound system of internal control.

### **Significant Issues**

There are no significant issues to report.

### **Looking Forward**

The Health and Social Care Act 2012 gives powers to Clinical Commissioning Groups to commission certain health services with other services being commissioned by the NHS Commissioning Board. Local Authorities will undertake public health functions. With effect from 1 April 2013 Primary Care Trusts will be abolished.

During 2012/13 NHS Wiltshire and NHS Bath and North East Somerset, working as a Cluster, have been assisting Wiltshire Clinical Commissioning Group and Bath and North East Somerset Clinical Commissioning Group to obtain authorisation to undertake commissioning duties. There will be a continued focus on outcomes that show the effectiveness and the safety of services and the quality of experience undergone by patients.

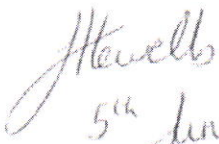
The Cluster has also been working to ensure that appropriate support services are in place through local commissioning support and specialist arrangements such as SBS Primary Care, to underpin and support the work of the CCGs.

The Cluster has ensured that arrangements are in place to transfer relevant commissioning responsibilities to the NHS Commissioning Board and has worked with Local Authorities to reassign Public Health service, staff and responsibilities.

NHS Wiltshire and has been diligently undertaking existing PCT duties and preparing for the structured closure of the Primary Care Trust on 1 April 2013.

**Accountable Officer: Jennifer Howells, Chief Executive**

**Organisation: Wiltshire Primary Care Trust**

**Signature:**   
**Date:** 5<sup>th</sup> June 2013

## 4. Primary Financial Statements and Notes to the Accounts

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

	NOTE	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>			
Gross employee benefits	7.1	10,607	8,594
Other costs	5.1	692,396	684,587
Income	4	(18,660)	(18,825)
<b>Net operating costs before interest</b>		<b>684,343</b>	<b>674,356</b>
Other (Gains)/Losses	9	(50)	(409)
Finance costs	10	574	561
<b>Net operating costs for the financial year</b>		<b>684,867</b>	<b>674,508</b>
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
<b>Net (gain)/loss on transfers by absorption</b>		<b>0</b>	
<b>Net Operating Costs for the Financial Year including absorption transfers</b>		<b>684,867</b>	<b>674,508</b>
<b>Of which:</b>			
<b>Administration Costs</b>			
Gross employee benefits	7.1	9,026	8,386
Other costs	5.1	6,923	6,527
Income	4	(2,168)	(2,327)
<b>Net administration costs before interest</b>		<b>13,781</b>	<b>12,586</b>
Other (Gains)/Losses	9	0	0
Finance costs	10	0	0
<b>Net administration costs for the financial year</b>		<b>13,781</b>	<b>12,586</b>
<b>Programme Expenditure</b>			
Gross employee benefits	7.1	1,581	208
Other costs	5.1	685,473	678,060
Income	4	(16,492)	(16,498)
<b>Net programme expenditure before interest</b>		<b>670,562</b>	<b>661,770</b>
Other (Gains)/Losses	9	(50)	(409)
Finance costs	10	574	561
<b>Net programme expenditure for the financial year</b>		<b>671,086</b>	<b>661,922</b>
<b>Other Comprehensive Net Expenditure</b>			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		2,262	753
Net (gain) on revaluation of property, plant & equipment		(820)	(440)
<b>Total comprehensive net expenditure for the year*</b>		<b>686,309</b>	<b>674,821</b>

\*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.  
The notes on pages 5 to 39 form part of this account.

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	11	52,067	58,099
Trade and other receivables	15	0	0
<b>Total non-current assets</b>		<u>52,067</u>	<u>58,099</u>
<b>Current assets:</b>			
Trade and other receivables	15	3,544	9,808
Cash and cash equivalents	16	0	16
<b>Total current assets</b>		<u>3,544</u>	<u>9,824</u>
Non-current assets held for sale	17	2,245	465
<b>Total current assets</b>		<u>5,789</u>	<u>10,289</u>
<b>Total assets</b>		<u>57,856</u>	<u>68,388</u>
<b>Current liabilities</b>			
Trade and other payables	18	(36,894)	(41,754)
Provisions	22	(5,605)	(2,532)
Borrowings	19	(156)	(147)
<b>Total current liabilities</b>		<u>(42,555)</u>	<u>(44,433)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>		<u>15,301</u>	<u>23,955</u>
<b>Non-current liabilities</b>			
Trade and other payables	18	0	0
Provisions	22	(242)	(214)
Borrowings	19	(6,361)	(6,518)
<b>Total non-current liabilities</b>		<u>(6,603)</u>	<u>(6,732)</u>
<b>Total Assets Employed:</b>		<u>8,698</u>	<u>17,223</u>
<b>Financed by taxpayers' equity:</b>			
General fund		(6,699)	(375)
Revaluation reserve		15,397	17,598
<b>Total taxpayers' equity:</b>		<u>8,698</u>	<u>17,223</u>

The notes on pages 5 to 39 form part of this account.

The financial statements on pages 1 to 4 were approved by the Board on the 5th of June 2013 and signed on its behalf by

Chief Executive:



Jennifer Howells

Date:

5<sup>th</sup> June 2013

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

	General Fund	Revaluation Reserve	Total Reserves
	£000	£000	£000
<b>Balance at 1 April 2012</b>	(375)	17,598	17,223
<b>Changes in taxpayers' equity for 2012-13</b>			
Net operating cost for the year	(684,867)		(684,867)
Net gain on revaluation of property, plant, equipment		820	820
Impairments and reversals		(2,262)	(2,262)
Transfers between reserves*	759	(759)	0
<b>Total recognised income and expense for 2012-13</b>	<u>(684,108)</u>	<u>(2,201)</u>	<u>(686,309)</u>
Net Parliamentary funding	677,784		677,784
<b>Balance at 31 March 2013</b>	<u>(6,699)</u>	<u>15,397</u>	<u>8,698</u>
<b>Balance at 1 April 2011</b>	(4,988)	19,962	14,974
<b>Changes in taxpayers' equity for 2011-12</b>			
Net operating cost for the year	(674,508)		(674,508)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		440	440
Impairments and Reversals		(556)	(556)
Transfers between reserves*	2,248	(2,248)	0
<b>Total recognised income and expense for 2011-12</b>	<u>(672,260)</u>	<u>(2,364)</u>	<u>(674,624)</u>
Net Parliamentary funding	676,873		676,873
<b>Balance at 31 March 2012</b>	<u>(375)</u>	<u>17,598</u>	<u>17,223</u>



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

	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost Before Interest	(684,343)	(674,356)
Depreciation and Amortisation	2,859	2,901
Impairments and Reversals	1,971	2,502
Interest Paid	(568)	(555)
(Increase)/Decrease in Trade and Other Receivables	6,264	(933)
Increase/(Decrease) in Trade and Other Payables	(4,805)	(7,719)
Provisions Utilised	(257)	(88)
Increase/(Decrease) in Provisions	3,251	2,264
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<u>(675,628)</u>	<u>(675,984)</u>
<b>Cash flows from investing activities</b>		
(Payments) for Property, Plant and Equipment	(2,540)	(1,920)
Proceeds of disposal of assets held for sale (PPE)	515	1,184
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<u>(2,025)</u>	<u>(736)</u>
<b>Net cash inflow/(outflow) before financing</b>	<u>(677,653)</u>	<u>(676,720)</u>
<b>Cash flows from financing activities</b>		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI	(147)	(138)
Net Parliamentary Funding	677,784	676,873
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<u>677,637</u>	<u>676,735</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(16)</u>	<u>15</u>
<b>Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>	<u>16</u>	<u>1</u>
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>	<u>0</u>	<u>16</u>

## 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.

#### Acquisitions and Discontinued Operations

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

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

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

#### Critical judgements in applying accounting policies

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

The PCT has made a provision for Continuing Healthcare (CHC) payments relating to existing retrospective applications which may demonstrate eligibility for Continuing Healthcare. The specific cases for which these provisions have been made have not yet been agreed by the CHC panel and therefore the PCT's liability for settlement of these claims is not certain, however the PCT felt that it was prudent to provide for the full value of retrospective applications outstanding .

#### Key sources of estimation uncertainty

The PCT has not made any key assumptions or estimations at the Statement of Financial Position date, that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **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 Taxation**

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

### **1.4 Administration and Programme Costs**

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).

From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme" For PCTs, the Department has defined "admin and programme" in terms of running costs.

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

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

## 1. Accounting policies (continued)

### 1.5 Property, Plant & Equipment

#### Recognition

Property, plant and equipment is capitalised if:

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

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

#### Valuation

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

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

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

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

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

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

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

#### Subsequent expenditure

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

## 1. Accounting policies (continued)

### 1.6 Intangible Assets

#### Recognition

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

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

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

#### Measurement

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

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

### 1.7 Depreciation, amortisation and impairments

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

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

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

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

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

## **1. Accounting policies (continued)**

### **1.8 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.

### **1.9 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.

### **1.10 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.

### **1.11 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).

### **1.12 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 22.

## **1. Accounting policies (continued)**

### **1.13 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.

### **1.14 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.

### **1.15 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.

### **1.16 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.

### **1.17 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. Accounting policies (continued)**

### **1.18 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.

### **1.19 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.

### **1.20 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.

### **1.21 Provisions**

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



## 1. Accounting policies (continued)

### 1.22 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.

#### Loans and receivables

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

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

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

#### 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.

#### 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. Accounting policies (continued)

### 1.23 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI 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 PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

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

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

#### a) Services received

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

#### b) PFI assets, liabilities, and finance costs

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

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

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

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

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

#### c) Lifecycle replacement

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

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

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

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

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

#### Other assets contributed by the PCT to the operator

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

## **1. Accounting policies (continued)**

### **1.24 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

### **1.25 Events After the Reporting Period**

Under the provisions of *The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013*, Wiltshire PCT was dissolved on 1<sup>st</sup> April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 28 *Events after the Reporting Period*. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

In accordance with the routine annual cycle of activity the PCT requested the District Valuer to undertake a revaluation exercise of all Wiltshire PCT Land and Buildings with an effective date of 31st March 2013.

The results of the revaluation are reflected in the asset values included within Note 11 and any resulting impairments have been recognised as set out in Note 12. The revaluations and impairments resulted, purely, from the normal routine annual cycle.

## **2 Operating segments**

Wiltshire PCT did not have any separately distinguishable segments in the years 2012/13 or 2011/12.

### 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		674,508
Net operating cost plus (gain)/loss on transfers by absorption	684,867	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>686,867</u>	<u>676,513</u>
<b>Under/(Over)spend Against Revenue Resource Limit (RRL)</b>	<u>2,000</u>	<u>2,005</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	2,030	1,135
Charge to Capital Resource Limit	2,020	972
<b>(Over)/Underspend Against CRL</b>	<u>10</u>	<u>163</u>

#### 3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	677,784	676,873
Cash Limit	677,784	676,873
<b>Under/(Over)spend Against Cash Limit</b>	<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)	599,362
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
<b>Sub total: net advances</b>	<u>599,362</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	11,801
Plus: drugs reimbursement (central charge to cash limits)	66,621
<b>Parliamentary funding credited to General Fund</b>	<u>677,784</u>

**4 Miscellaneous Revenue**

	<b>2012-13 Total £000</b>	<b>2012-13 Admin £000</b>	<b>2012-13 Programme £000</b>	<b>2011-12 £000</b>
Dental Charge income from Contractor-Led GDS & PDS	5,480	0	5,480	5,334
Prescription Charge income	3,882	0	3,882	3,656
Strategic Health Authorities	26	26	0	194
NHS Trusts	15	15	0	7
NHS Foundation Trusts	533	533	0	2,106
Primary Care Trusts - Other	1,302	682	620	1,882
Local Authorities	831	103	728	41
Education, Training and Research	3,018	0	3,018	2,522
Other Non-NHS Patient Care Services	277	0	277	277
Rental revenue from operating leases	2,546	59	2,487	2,590
Other revenue	750	750	0	216
<b>Total miscellaneous revenue</b>	<b>18,660</b>	<b>2,168</b>	<b>16,492</b>	<b>18,825</b>

## 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
<b>Goods and Services from Other PCTs</b>				
Healthcare	53,385	0	53,385	44,607
Non-Healthcare	187	187	0	510
<b>Total</b>	<b>53,572</b>	<b>187</b>	<b>53,385</b>	<b>45,117</b>
<b>Goods and Services from Other NHS Bodies other than FTs</b>				
Goods and services from NHS Trusts	135,258	2	135,256	138,726
Goods and services (other, excl Trusts, FT and PCT))	30	0	30	7,401
<b>Total</b>	<b>135,288</b>	<b>2</b>	<b>135,286</b>	<b>146,127</b>
<b>Goods and Services from Foundation Trusts</b>				
Purchase of Healthcare from Non-NHS bodies	72,449	0	72,449	62,750
Expenditure on Drugs Action Teams	3,325	0	3,325	2,663
Contractor Led GDS & PDS (excluding employee benefits)	17,207	0	17,207	17,445
Chair, Non-executive Directors & PEC remuneration	141	141	0	87
Consultancy Services	1,023	939	84	761
Prescribing Costs	64,903	0	64,903	65,500
G/PMS, APMS and PCTMS (excluding employee benefits)	67,564	362	67,202	66,316
Pharmaceutical Services	3,717	0	3,717	3,781
New Pharmacy Contract	14,949	0	14,949	14,428
General Ophthalmic Services	3,432	0	3,432	3,611
Supplies and Services - Clinical	6	6	0	27
Supplies and Services - General	11	11	0	11
Establishment	883	863	20	629
Transport	16	16	0	21
Premises	3,040	2,260	780	2,426
Impairments & Reversals of Property, plant and equipment	1,971	0	1,971	2,502
Depreciation	2,859	1,232	1,627	2,901
Impairment of Receivables	13	13	0	0
Audit Fees	170	170	0	271
Other Auditors Remuneration	1	1	0	0
Clinical Negligence Costs	179	0	179	74
Education and Training	2,638	221	2,417	2,415
Grants for capital purposes	387	0	387	0
Other	361	359	2	234
<b>Total Operating costs charged to Statement of Comprehensive Net Expenditure</b>	<b>692,396</b>	<b>6,923</b>	<b>685,473</b>	<b>684,587</b>
<b>Employee Benefits (excluding capitalised costs)</b>				
PCT Officer Board Members	801	801	0	850
Other Employee Benefits	9,806	8,225	1,581	7,744
<b>Total Employee Benefits charged to SOCNE</b>	<b>10,607</b>	<b>9,026</b>	<b>1,581</b>	<b>8,594</b>
<b>Total Operating Costs</b>	<b>703,003</b>	<b>15,949</b>	<b>687,054</b>	<b>693,181</b>
<b>Analysis of grants reported in total operating costs</b>				
<b>For capital purposes</b>				
Grants to fund Capital Projects - GMS	387	0	387	0
<b>Total Capital Grants</b>	<b>387</b>	<b>0</b>	<b>387</b>	<b>0</b>
	<b>Total</b>	<b>Commissioning Services</b>	<b>Public Health</b>	
<b>PCT Running Costs 2012-13</b>				
Running costs (£000s)	13,781	11,634	2,147	
Weighted population (number in units)*	408,294	408,294	408,294	
Running costs per head of population (£ per head)	34	28	5	
<b>PCT Running Costs 2011-12</b>				
Running costs (£000s)	12,586	9,997	2,589	
Weighted population (number in units)	408,294	408,294	408,294	
Running costs per head of population (£ per head)	31	24	6	

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

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

	2012-13	2011-12
	£000	£000
<b>Purchase of Primary Health Care</b>		
GMS / PMS/ APMS / PCTMS	67,564	66,316
Prescribing costs	64,903	65,500
Contractor led GDS & PDS	17,207	17,445
General Ophthalmic Services	3,432	3,611
Pharmaceutical services	3,717	3,781
New Pharmacy Contract	14,949	14,428
<b>Total Primary Healthcare purchased</b>	<b>171,772</b>	<b>171,081</b>
<b>Purchase of Secondary Healthcare</b>		
Learning Difficulties	9,880	12,796
Mental Illness	46,113	52,679
Maternity	21,328	20,975
General and Acute	313,168	303,788
Accident and emergency	24,237	21,369
Community Health Services	87,498	85,363
Other Contractual	1,048	1,337
<b>Total Secondary Healthcare Purchased</b>	<b>503,272</b>	<b>498,307</b>
<b>Grant Funding</b>		
Grants for capital purposes	387	0
<b>Total Healthcare Purchased by PCT</b>	<b>675,431</b>	<b>669,388</b>
Healthcare from NHS FTs included above	240,863	234,977

## 6. Operating Leases

### 6.1 PCT as lessor

The PCT leases the land at the Independent Sector Treatment Centre (ISTC) in Devizes to the ISTC provider. The PCT also leases the estate that the PCT owns but which its provider arm used to provide healthcare services, to Great Western Hospital NHS Foundation Trust following the transfer of the PCT provider arm under TCS on 1st of June 2011. The income generated from these arrangements is as follows:

	2012-13 £000	2011-12 £000
<b>Recognised as income</b>		
Rental Revenue	2,546	2,590
Contingent rents	0	0
<b>Total</b>	<u>2,546</u>	<u>2,590</u>
<b>Receivable:</b>		
No later than one year	2,545	2,590
Between one and five years	658	3,192
After five years	6,830	6,724
<b>Total</b>	<u>10,033</u>	<u>12,506</u>



## 7. Employee benefits and staff numbers

## 7.1 Employee benefits

	2012-13 Total			Permanently employed			Total £000	Other Admin £000	Programme £000
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000			
<b>Employee Benefits - Gross Expenditure</b>									
Salaries and wages	8,609	7,697	912	6,136	5,224	912	2,473	2,473	0
Social security costs	642	552	90	606	516	90	36	36	0
Employer Contributions to NHS BSA - Pensions Division	901	777	124	834	710	124	67	67	0
Termination benefits	455	0	455	455	0	455	0	0	0
<b>Total employee benefits</b>	<b>10,607</b>	<b>9,026</b>	<b>1,581</b>	<b>8,031</b>	<b>6,450</b>	<b>1,581</b>	<b>2,576</b>	<b>2,576</b>	<b>0</b>
<b>Recognised as:</b>									
Commissioning employee benefits	10,607			8,031			2,576		
Provider employee benefits	0			0			0		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>10,607</b>			<b>8,031</b>			<b>2,576</b>		

## Employee Benefits - Prior- year

	Total £000	Permanently employed £000		Other £000
		Permanently employed £000	Other £000	
<b>Employee Benefits Gross Expenditure 2011-12</b>				
Salaries and wages	7,045	6,555	490	
Social security costs	614	607	7	
Employer Contributions to NHS BSA - Pensions Division	935	922	13	
<b>Total gross employee benefits</b>	<b>8,594</b>	<b>8,084</b>	<b>510</b>	
<b>Recognised as:</b>				
Commissioning employee benefits	8,594			
Provider employee benefits	0			
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>8,594</b>			

## 7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
<b>Average Staff Numbers</b>						
Medical and dental	8	3	5	2	2	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	186	156	30	199	182	17
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	17	13	3	16	14	2
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	6	6	0	6	6	0
Social Care Staff	0	0	0	0	0	0
Other	4	1	3	1	1	0
<b>TOTAL</b>	<b>221</b>	<b>180</b>	<b>41</b>	<b>225</b>	<b>206</b>	<b>19</b>

## 7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,865	13,591
Total Staff Years	391	1,580
Average working Days Lost	4.77	8.60

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	1	3
Total additional pensions liabilities accrued in the year	£000s 124	£000s 248

Wiltshire 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		
	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number
Less than £10,000	3	0	3	1	0	1
£10,001-£25,000	0	0	0	0	0	0
£25,001-£50,000	3	0	3	1	0	1
£50,001-£100,000	1	0	1	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	1	0	1	1	0	1
>£200,000	0	0	0	0	0	0
<b>Total number of exit packages by type (total cost)</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total resource cost</b>	<b>£s</b> 414,009	<b>£s</b> 0	<b>£s</b> 414,009	<b>£s</b> 194,000	<b>£s</b> 0	<b>£s</b> 194,000

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

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

## 7.5 Pension costs

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

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

### a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2013, is based on the valuation data as 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In

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

### b) Full actuarial (funding) valuation

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

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

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

The formal valuation to be used for funding purposes was 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.

## 8. Better Payment Practice Code

### 8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	14,284	98,423	19,990	74,885
Total Non-NHS Trade Invoices Paid Within Target	13,328	88,690	17,728	67,232
Percentage of NHS Trade Invoices Paid Within Target	93.31%	90.11%	88.68%	89.78%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	4,166	438,337	3,857	436,701
Total NHS Trade Invoices Paid Within Target	3,765	434,964	3,308	421,522
Percentage of NHS Trade Invoices Paid Within Target	90.37%	99.23%	85.77%	96.52%

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

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

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

**9. 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	409
Gain (Loss) on disposal of assets held for sale	50	0	50	0
<b>Total</b>	<b>50</b>	<b>0</b>	<b>50</b>	<b>409</b>

**10. Finance Costs**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
<b>Interest</b>				
Interest on obligations under finance leases	97	0	97	100
<b>Interest on obligations under PFI contracts:</b>				
- main finance cost	470	0	470	455
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
<b>Total interest expense</b>	<b>567</b>	<b>0</b>	<b>567</b>	<b>555</b>
Provisions - unwinding of discount	7	0	7	6
<b>Total</b>	<b>574</b>	<b>0</b>	<b>574</b>	<b>561</b>

### 11.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
<b>2012-13</b>							
<b>Cost or valuation:</b>							
<b>At 1 April 2012</b>	<b>23,428</b>	<b>30,364</b>	<b>140</b>	<b>2,780</b>	<b>7,646</b>	<b>533</b>	<b>64,891</b>
Additions of Assets Under Construction							0
Additions Purchased	0	1,749	0	179	557	0	2,485
Reclassifications as Held for Sale	(2,120)	(125)	0	0	0	0	(2,245)
Upward revaluation/positive indexation	85	735	0	0	0	0	820
Impairments/negative indexation	(431)	(1,828)	(3)	0	0	0	(2,262)
<b>At 31 March 2013</b>	<b>20,962</b>	<b>30,895</b>	<b>137</b>	<b>2,959</b>	<b>8,203</b>	<b>533</b>	<b>63,689</b>
<b>Depreciation</b>							
<b>At 1 April 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,204</b>	<b>4,312</b>	<b>276</b>	<b>6,792</b>
Impairments	150	1,956	0	0	0	0	2,106
Reversal of Impairments	0	(135)	0	0	0	0	(135)
Charged During the Year	0	1,345	7	269	1,191	47	2,859
<b>At 31 March 2013</b>	<b>150</b>	<b>3,166</b>	<b>7</b>	<b>2,473</b>	<b>5,503</b>	<b>323</b>	<b>11,622</b>
<b>Net Book Value at 31 March 2013</b>	<b>20,812</b>	<b>27,729</b>	<b>130</b>	<b>486</b>	<b>2,700</b>	<b>210</b>	<b>52,067</b>
Purchased	20,812	27,629	130	466	2,693	190	51,920
Donated	0	100	0	20	7	20	147
<b>Total at 31 March 2013</b>	<b>20,812</b>	<b>27,729</b>	<b>130</b>	<b>486</b>	<b>2,700</b>	<b>210</b>	<b>52,067</b>
<b>Asset financing:</b>							
Owned	20,812	18,922	130	486	2,700	210	43,260
Held on finance lease	0	1,966	0	0	0	0	1,966
On-SOFP PFI contracts	0	6,841	0	0	0	0	6,841
<b>Total at 31 March 2013</b>	<b>20,812</b>	<b>27,729</b>	<b>130</b>	<b>486</b>	<b>2,700</b>	<b>210</b>	<b>52,067</b>
<b>Revaluation Reserve Balance for Property, Plant &amp; Equipment</b>							
	Land	Buildings	Dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>At 1 April 2012</b>	<b>6,244</b>	<b>11,119</b>	<b>123</b>	<b>27</b>	<b>0</b>	<b>10</b>	<b>17,523</b>
Movements (specify)	(420)	(1,763)	(3)	(15)	0	0	(2,201)
<b>At 31 March 2013</b>	<b>5,824</b>	<b>9,356</b>	<b>120</b>	<b>12</b>	<b>0</b>	<b>10</b>	<b>15,322</b>

## 11.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>2011-12</b>								
<b>Cost or valuation:</b>								
<b>At 1 April 2011</b>	<b>25,433</b>	<b>32,390</b>	<b>405</b>	<b>65</b>	<b>2,705</b>	<b>6,724</b>	<b>515</b>	<b>68,237</b>
Additions - purchased	0	732	0	0	75	922	18	1,747
Reclassified as held for sale	(620)	(30)	(365)	0	0	0	0	(1,015)
Revaluation & indexation gains	0	508	130	0	0	0	0	638
Impairments	0	(730)	(23)	0	0	0	0	(753)
<b>At 31 March 2012</b>	<b>24,813</b>	<b>32,870</b>	<b>147</b>	<b>65</b>	<b>2,780</b>	<b>7,646</b>	<b>533</b>	<b>68,854</b>
<b>Depreciation</b>								
<b>At 1 April 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>1,903</b>	<b>3,158</b>	<b>226</b>	<b>5,287</b>
Impairments	1,385	1,302	0	0	0	0	0	2,687
Reversal of Impairments	0	(185)	0	0	0	0	0	(185)
Charged During the Year	0	1,389	7		301	1,154	50	2,901
<b>At 31 March 2012</b>	<b>1,385</b>	<b>2,506</b>	<b>7</b>	<b>0</b>	<b>2,204</b>	<b>4,312</b>	<b>276</b>	<b>10,690</b>
<b>Net Book Value at 31 March 2012</b>	<b>23,428</b>	<b>30,364</b>	<b>140</b>	<b>65</b>	<b>576</b>	<b>3,334</b>	<b>257</b>	<b>58,164</b>
Purchased	23,428	30,259	140	0	547	3,320	231	57,925
Donated	0	105	0	0	29	14	26	174
<b>At 31 March 2012</b>	<b>23,428</b>	<b>30,364</b>	<b>140</b>	<b>0</b>	<b>576</b>	<b>3,334</b>	<b>257</b>	<b>58,099</b>
<b>Asset financing:</b>								
Owned	23,428	21,193	140	0	576	3,334	257	48,928
Held on finance lease	0	2,016	0	0	0	0	0	2,016
On-SOFP PFI contracts	0	7,155	0	0	0	0	0	7,155
<b>At 31 March 2012</b>	<b>23,428</b>	<b>30,364</b>	<b>140</b>	<b>0</b>	<b>576</b>	<b>3,334</b>	<b>257</b>	<b>58,099</b>

### 11.3 Property, plant and equipment

At the PCT's request the District Valuer undertook a revaluation exercise of all Wiltshire PCT Land and Buildings with an effective date of 31st March 2013. The results of the revaluation are reflected in the asset values included within Note 12.

#### Economic Lives of Non-Current Assets

	<b>Min Life Years</b>	<b>Max Life Years</b>
<b>Property, Plant and Equipment</b>		
Buildings excl Dwellings	1	65
Dwellings	17	17
Plant & Machinery	1	14
Transport & Equipment	0	0
Information Technology	1	5
Furniture & Fittings	1	10



**12. Analysis of impairments and reversals recognised in 2012-13**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
<b>Property, Plant and Equipment impairments and reversals taken to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	1,971		1,971
<b>Total charged to Annually Managed Expenditure</b>	<b>1,971</b>		<b>1,971</b>
<b>Property, Plant and Equipment impairments and reversals charged to the revaluation reserve</b>			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	2,262		
<b>Total impairments for PPE charged to reserves</b>	<b>2,262</b>		
<b>Total Impairments of Property, Plant and Equipment</b>	<b>4,233</b>	<b>0</b>	<b>1,971</b>
<b>Total Impairments charged to Revaluation Reserve</b>	<b>2,262</b>		
<b>Total Impairments charged to SoCNE - DEL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Impairments charged to SoCNE - AME</b>	<b>1,971</b>		<b>1,971</b>
<b>Overall Total Impairments</b>	<b>4,233</b>	<b>0</b>	<b>1,971</b>

The District Valuer (DV) valued the PCT estate as at the 31st of March 2013. The site at Westbury Hospital was reduced in value by £1.46m between the DV valuation as at 31 March 2012 and 31 March 2013. The site is a mixture of land and buildings and has been held in the PCT's books on a non-operational basis at market value as at 31st March 2013.

### 13 Commitments

#### 13.1 Capital commitments

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

	31 March 2013 £000	31 March 2012 £000
Property, plant and equipment	0	19
Intangible assets	0	0
<b>Total</b>	<b>0</b>	<b>19</b>

### 14 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	1,206	0	814	0
Balances with Local Authorities	25	0	1,422	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	699	0	4,935	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,614	0	29,723	0
<b>At 31 March 2013</b>	<b>3,544</b>	<b>0</b>	<b>36,894</b>	<b>0</b>
<b>prior period:</b>				
Balances with other Central Government Bodies	600	0	1,184	0
Balances with Local Authorities	751	0	6,272	0
Balances with NHS Trusts and Foundation Trusts	8,052	0	4,787	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	405	0	29,511	0
<b>At 31 March 2012</b>	<b>9,808</b>	<b>0</b>	<b>41,754</b>	<b>0</b>

**15 Trade and other receivables****15.1 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	1,532	8,437	0	0
Non-NHS receivables - revenue	1,297	1,199	0	0
Non-NHS prepayments and accrued income	377	437	0	0
Provision for the impairment of receivables	(20)	(413)	0	0
VAT	358	148	0	0
<b>Total</b>	<b>3,544</b>	<b>9,808</b>	<b>0</b>	<b>0</b>
<b>Total current and non current</b>	<b>3,544</b>	<b>9,808</b>		

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

A provision for the impairment of receivables is created where the possibility of receiving payment for a debt is doubtful. The PCT has considered the credit quality of receivables in 2012-13 and entered a provision where necessary equal to the value of the doubtful debt. All other receivables are considered to be recoverable in full.

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

	31 March 2013 £000	31 March 2012 £000
By up to three months	197	1,248
By three to six months	130	211
By more than six months	5	268
<b>Total</b>	<b>332</b>	<b>1,727</b>

**15.3 Provision for impairment of receivables**

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(413)	(418)
Amount written off during the year	406	5
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	(13)	0
<b>Balance at 31 March 2013</b>	<b>(20)</b>	<b>(413)</b>

**16 Cash and Cash Equivalents**

	31 March 2013 £000	31 March 2012 £000
<b>Opening balance</b>	16	0
Net change in year	(16)	16
<b>Closing balance</b>	<u>0</u>	<u>16</u>
<b>Made up of</b>		
Cash with Government Banking Service	0	16
Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	<u>0</u>	<u>16</u>
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<u>0</u>	<u>16</u>
Patients' money held by the PCT, not included above	0	0

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

	Land	Buildings, excl. dwellings	Dwellings	Total
	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	435	30	0	<b>465</b>
Plus assets classified as held for sale in the year	2,120	125	0	<b>2,245</b>
Less assets sold in the year	(450)	(15)	0	<b>(465)</b>
Less impairment of assets held for sale	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	<b>0</b>
<b>Balance at 31 March 2013</b>	<b>2,105</b>	<b>140</b>	<b>0</b>	<b>2,245</b>
				<b>0</b>
<b>Balance at 1 April 2011</b>	225	0	0	<b>225</b>
Plus assets classified as held for sale in the year	620	30	365	<b>1,015</b>
Less assets sold in the year	(410)	0	(365)	<b>(775)</b>
<b>Balance at 31 March 2012</b>	<b>435</b>	<b>30</b>	<b>0</b>	<b>465</b>

The assets held for sale as at 31 March 2012 comprised of:

- Trowbridge Health Centre £225k. (Land £210k, Buildings £15k). Sold this financial year.
- Devizes Health Centre £235k. (Land £225k, Buildings £10k). Remains held for sale as at 31 March 2013.
- Portacabin at Studley Green School £5k. No longer classified as held for sale as at 31 March 2013.

In the year the site at 'Old Manor', formerly known as 'Fountains Way' was classified as held for sale, the status for each element as at 31 March 2013 is as follows:

- Land (part) £240k. Sold for Net Book Value within year.
- Land £1,880k. Remains held for sale as at 31 March 2013.
- Buildings £130k. Remains held for sale as at 31 March 2013.

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

	£000
At 31 March 2012	75
At 31 March 2013	75

**18 Trade and other payables**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS payables - revenue	5,482	5,609	0	0
Family Health Services (FHS) payables	10,873	12,579		
Non-NHS payables - revenue	7,896	8,239	0	0
Non-NHS payables - capital	253	308	0	0
Non_NHS accruals and deferred income	9,789	12,746	0	0
Social security costs	100	89		
Tax	115	98		
Other	2,386	2,086	0	0
<b>Total</b>	<b>36,894</b>	<b>41,754</b>	<b>0</b>	<b>0</b>
Total payables (current and non-current)	<b>36,894</b>	<b>41,754</b>		

Other payables include £750,396 (2011-12: £172,910) in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012).

**19 Borrowings**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
PFI liabilities:				
Main liability	112	105	4,662	4,775
Finance lease liabilities	44	42	1,699	1,743
<b>Total</b>	<b>156</b>	<b>147</b>	<b>6,361</b>	<b>6,518</b>
Total other liabilities (current and non-current)	<b>6,517</b>	<b>6,665</b>		

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

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	156	156
1 - 2 Years	0	166	166
2 - 5 Years	0	562	562
Over 5 Years	0	5,633	5,633
<b>TOTAL</b>	<b>0</b>	<b>6,517</b>	<b>6,517</b>

## 20 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	92	348	0	0
Deferred income addition	11	92	0	0
Transfer of deferred income	(92)	(348)	0	0
<b>Current deferred Income at 31 March 2013</b>	<b>11</b>	<b>92</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>11</b>	<b>92</b>		

The deferred income in 2011-12 and 2012-13 is in relation to datawarehousing for Bath and North East Somerset Council.

## 21 Finance lease obligations

The PCT has a finance lease obligation linked to its Independent Sector Treatment Centre based in Devizes. There is an option to purchase this property in October 2015. The present value of future minimum lease payments represents the cost of the finance lease before future finance charges. The PCT's financial obligation in relation to this contract is set out below:

Amounts payable under finance leases (Buildings)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	139	139	44	42
Between one and five years	556	556	202	191
After five years	2,279	2,418	1,497	1,552
Less future finance charges	(1,231)	(1,328)		
<b>Present value of minimum lease payments</b>	<b>1,743</b>	<b>1,785</b>	<b>1,743</b>	<b>1,785</b>
Included in:				
Current borrowings			44	42
Non-current borrowings			1,699	1,743
			<b>1,743</b>	<b>1,785</b>

## 22 Provisions

	Total £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Continuing Care £000s	Other £000s
Balance at 1 April 2012	2,746	226	30	2,490	0
Arising During the Year	3,714	19	9	3,496	190
Utilised During the Year	(257)	(13)	0	(244)	0
Reversed Unused	(479)	0	0	(479)	0
Unwinding of Discount	7	7	0	0	0
Change in Discount Rate	16	16	0	0	0
<b>Balance at 31 March 2013</b>	<b>5,747</b>	<b>255</b>	<b>39</b>	<b>5,263</b>	<b>190</b>
<b>Expected Timing of Cash Flows:</b>					
No Later than One Year	5,505	13	39	5,263	190
Later than One Year and not later than Five Years	52	52	0	0	0
Later than Five Years	190	190	0	0	0
	<b>5,747</b>	<b>255</b>	<b>39</b>	<b>5,263</b>	<b>190</b>
<b>Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:</b>					
As at 31 March 2013	28,352				
As at 31 March 2012	32,801				

Pensions - This provision relates to Injury Benefit Claims by employees made against the PCT's predecessor bodies. Payments are made to the NHS Pensions Agency quarterly in order to top up pension benefits. Payments may fluctuate due to movements in the Retail Price Index (RPI). The provision will

Legal - This provision relates to Non-Clinical Negligence Claims against the PCT which are managed by the NHS Litigation Authority (NHSLA). The provision represents the excess payable by the PCT for these claims based on the probability of the claim being successful.

Continuing Care - This provision relates to existing retrospective applications which may demonstrate eligibility for Continuing Healthcare (CHC) that have not yet been agreed by the CHC panel.

Other - This is a provision for the cost of a S106 agreement payable to Wiltshire Council in relation to the development of land on the Trowbridge Hospital Site.



**23 PFI and LIFT - additional information**

	31 March 2013 £000	31 March 2012 £000
<b>23.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI</b>		
Total charge to operating expenses in year - OFF SOFP PFI	0	0
Service element of on SOFP PFI charged to operating expenses in year	396	384
<b>Total</b>	<b>396</b>	<b>384</b>
<b>Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI</b>		
No Later than One Year	396	384
Later than One Year, No Later than Five Years	1,585	1,537
Later than Five Years	7,199	7,371
<b>Total</b>	<b>9,180</b>	<b>9,292</b>
<b>23.2 Imputed "finance lease" obligations for on SOFP PFI contracts due</b>		
<b>Analysed by when PFI payments are due</b>		
No Later than One Year	425	425
Later than One Year, No Later than Five Years	1,700	1,700
Later than Five Years	7,025	7,450
<b>Subtotal</b>	<b>9,150</b>	<b>9,575</b>
Less: Interest Element	(4,376)	(4,695)
<b>Total</b>	<b>4,774</b>	<b>4,880</b>

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

	Total £000	Admin £000	Programme £000
<b>Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)</b>			
Depreciation charges	314	0	314
Interest Expense	470	0	470
Impairment charge - AME	11	0	11
Impairment charge - DEL	0	0	0
Other Expenditure	0	0	0
Revenue Receivable from subleasing	0	0	0
<b>Total IFRS Expenditure (IFRIC12)</b>	<b>795</b>	<b>0</b>	<b>795</b>
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	0	0	0
<b>Net IFRS change (IFRIC12)</b>	<b>795</b>	<b>0</b>	<b>795</b>

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

### Interest rate risk

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

### Credit Risk

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

### Liquidity Risk

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

25.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		1,532		1,532
Receivables - non-NHS		2,012		2,012
Cash at bank and in hand		0		0
Other financial assets	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>3,544</b>	<b>0</b>	<b>3,544</b>
Embedded derivatives	0			0
Receivables - NHS		7,722		7,722
Receivables - non-NHS		1,371		1,371
Cash at bank and in hand		16		16
Other financial assets	0	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>9,109</b>	<b>0</b>	<b>9,109</b>
25.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000	
Embedded derivatives	0		0	
NHS payables		5,482	5,482	
Non-NHS payables		31,412	31,412	
Other borrowings		0	0	
PFI & finance lease obligations		6,517	6,517	
Other financial liabilities	0	0	0	
<b>Total at 31 March 2013</b>	<b>0</b>	<b>43,411</b>	<b>43,411</b>	
Embedded derivatives	0		0	
NHS payables		4,972	4,972	
Non-NHS payables		36,067	36,067	
Other borrowings		0	0	
PFI & finance lease obligations		6,665	6,665	
Other financial liabilities	0	0	0	
<b>Total at 31 March 2012</b>	<b>0</b>	<b>47,704</b>	<b>47,704</b>	

**26 Related party transactions**

Details of related party transactions with individuals are as follows:

Related Party	Name	Relationship to PCT	Relationship to Related Party	Payments to Related Party £	Receipts from Related Party £	Amounts owed to Related Party £	Amounts due from Related Party £
Great Western Hospital Foundation Trust	D Stevens	PCT Board Member	Governor	113,908,000	2,980,000	612,000	407,000
Salisbury NHS Foundation Trust	L Woods	PCT Board Member	Governor	94,796,000	1,000	24,000	0
Avon and Wiltshire Mental Health Partnership NHS Trust	C Reid	PCT Board Member	Mental Health Associate	33,480,000	10,000	664,000	32,000
Bradford Road Surgery	Dr S Rowlands	PCT Board Member	GP	1,178,237	0	83,173	0
West Wiltshire, Yatton Keynell and Devizes Practice Based Commissioning Group	Dr S Rowlands	PCT Board Member	CCG Chair	445,169	0	21,795	0
Alliance Practice Based Commissioning Group	Dr S Rowlands	PCT Board Member	CCG Chair	468,309	0	0	0
North and East Wiltshire Practice Based Commissioning Group	Dr S Rowlands	PCT Board Member	CCG Chair	613,819	0	0	0
	S Douglas/I Orpen/S Rowlands						
Assura Minerva (part of Virgin Health)	Rowlands	PCT Board Member	Member M Rae (Corporate Director), P Scott (Director of Public Health)	33,690	0	0	0
Wiltshire Council	M Rae/P Scott	PCT Board Member		26,399,000	750,000	261,000	1,132,000

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

- South West Strategic Health Authority
- Bristol PCT
- Avon And Wiltshire Mental Health Partnership NHS Trust
- Great Western Ambulance Service NHS Trust
- North Bristol NHS Trust
- Oxford University Hospitals NHS Trust
- Royal United Hospital Bath NHS Trust
- Gloucestershire Hospitals NHS Foundation Trust
- Great Western Hospitals NHS Foundation Trust
- Oxford Health NHS Foundation Trust
- Royal Bournemouth And Christchurch NHS Foundation Trust
- Royal Nat Hosp Rheumatic Diseases NHS Foundation Trust
- Salisbury NHS Foundation Trust
- South West Ambulance Service NHS Foundation Trust
- University Hospital Southampton NHS Foundation Trust
- University Hospitals Of Bristol NHS Foundation Trust

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Wiltshire County Council.

**2011/12 Prior Year Comparators**

Details of related party transactions with individuals are as follows:

Related Party	Name	Relationship to PCT	Relationship to Related Party	Payments to Related Party £	Receipts from Related Party £	Amounts owed to Related Party £	Amounts due from Related Party £
Great Western Hospital Foundation Trust	D Stevens	PCT Board Member	Governor	118,563,000	3,805,000	0	4,869,000
Salisbury NHS Foundation Trust	L Woods	PCT Board Member	Governor	96,878,000	829,000	0	2,399,000
Bradford Road Surgery	Dr S Rowlands	PCT Board Member	GP	1,184,252	0	63,771	0
The Porch Surgery Corsham	Dr S Burrell	PCT Board Member	GP	1,420,456	0	56,094	0
Courtyard Surgery	Dr H Osborn	PCT Board Member	GP	396,238	0	17,077	0
The Castle Practice	Dr T Davies	PCT Board Member	GP	1,458,923	0	56,695	0
Alliance Practice Based Commissioning Group	Dr T Davies	PCT Board Member	Board Member	335,372	0	346,367	0
North and East Wiltshire Practice Based Commissioning Group	Dr S Burrell	PCT Board Member	Board Member	152,615	0	598,693	0
West Wiltshire, Yatton Keynell and Devizes Practice Based Commissioning Group	Dr H Osborn	PCT Board Member	Board Member	274,260	0	425,851	0

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

**27 Losses and special payments**

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

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

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	543	5
Special payments - PCT management costs	35,352	4
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
<b>Total losses</b>	<u>543</u>	<u>5</u>
<b>Total special payments</b>	<u>35,352</u>	<u>4</u>
<b>Total losses and special payments</b>	<u><u>35,895</u></u>	<u><u>9</u></u>

**28 Events after the end of the reporting period**

The main functions carried out by Wiltshire PCT in 2012-13 are to be carried out in 2013-14 by the following public sector bodies:

- NHS Wiltshire CCG
- NHS England
- Wiltshire Council

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