



Department
of Health



Blackpool Primary Care Trust

2012-13 Annual Report and Accounts

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Blackpool Primary Care Trust

2012-13 Annual Report

Blackpool Primary Care Trust

Annual Report and Accounts 2012/13



Introduction

Welcome to Blackpool Primary Care Trust's (NHS Blackpool) Annual Report and Accounts for 2012/13.

The 2012/13 financial year is the eleventh year of NHS Blackpool and as with all other years, it has been both a successful but challenging year of transition.

Substantial progress continues to be made in improving the health and wellbeing of Blackpool residents and this report provides information on progress and successes.

As part of the changes to the NHS brought about by the Health and Social Care Act 2012, NHS Lancashire and NHS Blackpool PCT ceased to exist on 31 March 2013. This Act also established Clinical Commissioning Groups and the National Commissioning Board from 1 April 2013 as the main commissioners of acute and community care. Blackpool PCT's responsibility for commissioning these services has been taken over by NHS Blackpool Clinical Commissioning Group (CCG).

In addition, the primary care commissioning responsibility has been taken over by the NHS Commissioning Board and Public Health commissioning by the Local Authority, Blackpool Council.

As a result, the SHA and PCT responsibility for scrutiny and assurance in relation to the Annual Report and Accounts and Governance Statements is lost. However, there is still a legal requirement for the Annual Report and Accounts and Governance Reports to be produced and scrutinised. To maintain rigour in the process, the Department of Health has facilitated the establishment of Audit Sub Committees to support the final accounts process for 2012/13. These Sub Committees are Sub Committees of the Department's Audit and Risk Committee.

Audit Committee

NHS Lancashire has set up its Audit Sub Committee in compliance with the terms of reference received from the Department of Health, with the remit to review the Annual Report, Financial Statements and Governance Statement of the five NHS Lancashire Cluster PCTs prior to signing by the Accountable Officer and Director of Finance.

Accountable Officer

To deliver the Annual Accounts, the Department of Health has arranged for the Area Director and the Director of Finance of the Lancashire Local Area Team (LAT) to sign the accounts and the supporting certificates, and that they will do so by authority of the Department. To facilitate this, both the Area Director and the Director of Finance are appointed on a secondment basis to the Department, in order to be designated as the Department's officers responsible for signing the accounts.

Balance Transfer Arrangements

There is no direct successor to take responsibility for the closing balances of NHS Lancashire. Balances are transferred to the receiving organisations where the associated function transfers.

The Lancashire LAT Director of Finance is responsible for managing the process of handover of balances to receiver organisations; this responsibility lasts from 1 April 2013 to 31 July 2013.

Transfer Schemes

Transfer schemes to ensure the accurate transfer of assets and liabilities from Blackpool PCT to all receiving organisations have been prepared by PCT staff and are being finalised by the Lancashire Legacy Team.

We believe that Blackpool PCT has left behind a strong legacy of achievement that will allow the CCG to deliver continual improvement of health and health services for Blackpool residents.

Finally, thank you to all of the staff at Blackpool PCT over the past 11 years for their continued professionalism and loyal support, particularly during the challenging times of transition. We wish you all our very best wishes.

Our Staff

We continued our commitment to developing our staff, who were able to access mandatory and statutory training some of which is now via e-learning with the exception of training where an element of 'face to face' training or assessment is required. The use of the Electronic Staff Record (ESR) system has enabled successful monitoring of completion of mandatory and statutory training thus ensuring staff are up to date with their training requirements.

The continued transition that has taken place during last 12 months has proved to be a challenging time for all staff and as a result, we have paid particular attention to supporting staff through this. This included support and training for staff through programmes which provide tangible outcomes eg, searching for alternative employment. This transition meant that the health and wellbeing of staff continued to be high on our agenda and as a result, we also provided support on how staff could look after themselves and their wellbeing during this time.

In addition to the specific programmes provided, support continues to be available from Occupational Health and the Employee Assistance programme.

Staff Sickness Absence

Staff Sickness Absence	Maincode 01 Total Number
Total Days Lost	1,028
Total Staff Years	187
Average Working Days Lost	5.5
Number of Persons Retired Early on Ill Health Grounds	0
Total Additional Pensions Liabilities Accrued in the Year (£000s)	0

Equal Opportunities

We are committed to ensuring equal opportunities in employment and have appropriate policies in place to provide guidance, including in specific areas such as Maternity Leave and Retirement, and via our Equality Strategy and Single Equality Scheme which covers six equality strands.

Equality and Diversity

The year has seen continuous improvement in the way the organisation meets its obligations under the Equality and Diversity legislation. It published up to date information as required by the 2011 Equality Act and updated Equality and Diversity information on review of objectives in year.

Positive About Disabled People

Internal policies and procedures are updated in line with legislation and all job applicants who meet the minimum criteria for a post are shortlisted for interview in accordance with our commitment to disability.

Performance

Blackpool PCT has a track record of meeting major performance requirements. Throughout the year we have experienced excellent results with the number of C-Difficile infections in our local hospitals and community, the number of people who have quit smoking, keeping mixed sex accommodation breaches down to a minimum and ensuring our patients receive high quality care.

However we have experienced some challenges in certain areas during the course of the year, particularly with A&E performance, referral to treatment waiting times, and ambulance performance. These will be the subject to further corrective action in 2013/14, with the Clinical Commissioning Group GPs and managers working closely with the providers to ensure patient safety and the quality of care is kept to a high standard.

Developments and Achievements During the Year

Blackpool PCT was responsible for commissioning and delivering quality services for its population. The Trust continued to meet key targets set for it by the Department of Health and had established challenging local targets with the intention of improving the health of the population, producing better patient experience of services and delivering better outcomes from its investment programme.

As well as focusing on immediate targets, there has been a long standing attitude of setting ambitious longer-term goals with ongoing improvements expected to be made, month on month and year on year. Blackpool PCT recognised that, over time, significant improvements could be made by regular small improvements. In other cases, "step change" improvement on past years' level of performance requirements were required, agreed and made. Both approaches ensured that there was not only a consolidation of performance year on year, but a perceptible and measureable improvement in delivery outcomes over time. Developments during the year include:

- **End of Life Care** - More people were able to die in their preferred place of care with a plan of who should be involved and where they should reside through the implementation of the End of Life Strategy.
- More **psychological therapies** were available for "Looked After Children".
- Refurbishment of facilities and redesign of **adult learning disability day care services** in conjunction with Blackpool Adult Social Care.
- Expansion of the **mental health psychological therapies service** to provide better access for patients.

- Development of a **rapid response nursing team** to reduce unpredicted admissions to hospital and care provide at home.
- **Increased health provision, nursing and allied health professionals with social intermediate care** at ARC to increase reablement potential for patients.
- In 2012/13, Blackpool PCT commenced a **Hypertension Scheme** to reduce mortality from cardiovascular disease and to raise public awareness of the importance of managing blood pressure to prevent ill health. The scheme:
 - Raises profile of hypertension in Blackpool
 - Targets the highest risk groups
 - Aims to screen 10,000 hard to engage people 40–70 years in the general population
 The scheme commenced in October 2012 and by the end of February 2013, an additional 682 clinics had been held and 605 people found to have high Blood Pressure. The Hypertension Scheme is to be extended to the end of September 2013.
- **18 weeks referral to treatment time.**
- Achieved the annual **A&E 4 hour waiting time target** despite a downward national trend.
- Development of an **Unscheduled Care Strategy** which shapes the future of how unplanned care will be provided in Blackpool for the next 5 years. It clearly describes nine workstreams to deliver the vision and engaging all key stakeholders.
- We were delighted that Blackpool CCG was authorised on 5 December 2012 as a statutory body. Having been assessed against 119 criteria, the CCG was authorised with just 4 'conditions of authorisation' which were areas where some additional work just needed to be undertaken in the period through to March 2013. On 26 March 2013, Blackpool CCG was assessed as a 'fully authorised CCG' with no conditions of authorisation. This means that Blackpool CCG will now take on the full range of duties and responsibilities to commission healthcare for the people of Blackpool from 1 April 2013.

North West Ambulance Services

Blackpool PCT leads on the commissioning of ambulance services on behalf of the 24 PCTs and emerging 33 Clinical Commissioning Groups across the North West. The PCT provides effective contract management of both the Emergency and Patient Transport contracts.

Paramedic Emergency Services

The Paramedic Emergency Services contract is the “blue light” service responding to 999 calls across the North West. Across the country there are 11 Ambulance Trusts in the North West are provided by the North West Ambulance Service NHS Trust (NWAS). The area covered by NWAS is the largest nationally in terms of geography, covering an area of 5,400 square miles and serves a population of 7.14 million people.

There are two important targets in place for Ambulance Services, which are that 75% of patients who have an “immediately life threatening condition” are provided with an emergency response at scene within 8 minutes of the call connecting to the ambulance control centre. This is known as the Category A8 target. On a typical day, NWAS will receive around 3,300 “999” calls with around 1,100 of these being classed as “immediately life threatening”. The second target requires that 95% of patients receive an ambulance vehicle capable of conveying them to hospital, at scene is required, within 19 minutes. This is known as the Category A19 target.

During the course of the year, NWS achieved performance of 76.4% against the Category A8 target and 95.1% against the Category A19 target. This is the second year that NWS have achieved the Category A8 target and represents a significant achievement due to the number of 'Immediately Life Threatening' calls having increased by nearly 11% over the previous year and it is the first time that NWS have responded to more than a million incidents in a single year.

2012/13 saw preparations in place for recording activity differently in 2013/14 under the new 'Payment by Results' currencies being implemented for Ambulance Services. Activity in 2013/14 will be recorded under the headings of 'Call Handling', 'Hear & Treat' where some callers will be provided with clinical advice over the phone where appropriate, 'See & Treat' where some patients will be treated and discharged at the scene when there is no clinical need to attend A&E, and 'See & Convey' where patients will be conveyed to the most appropriate centre for treatment, including A&E.

A significant amount of work has been undertaken to prepare appropriate governance of the Ambulance Service by the future 33 Clinical Commissioning Groups which will replace the 24 Primary Care Trusts as part of transition. The revised governance arrangements have been endorsed by the PCTs and emerging CCGs. Blackpool CCG Designate will continue to take a lead co-ordinating role on behalf of the new CCGs for the management of the ambulance contracts.

2013/14 will continue to see development of transformational change, which includes the use of the Urgent Care Desk and Urgent Care Service as an alternative to conveyance to hospital where appropriate. This will be supported by the continued development of Clinical Patient Pathways and use of the Paramedic Pathfinder triage tool to ensure that patients are managed in the most appropriate way for their condition. Additionally, the coming year will also see targeted use of appropriate clinical pathways to manage patients who call the service frequently.

Patient Transport Services (PTS)

Patient Transport Services (PTS) are commissioned on behalf of patients with a medical need for transport (otherwise known as eligible patients) to and from NHS funded healthcare facilities. PTS is typified as being non-urgent planned transport in contrast with the emergency blue light service. In total there are around 1.9 million PTS journeys that take place across the North West each year.

During 2012/13, PTS services underwent a major re-procurement and tendering exercise to provide safe, timely and reliable high quality transportation of patients attending treatment centres for non-emergency appointments. The new specification for the services was developed by a wide range of stakeholders, including clinicians patients and hospitals representatives offering extended hours and improved quality requirements as standard for eligible patients.

Following tendering, five PTS contracts were awarded. North West Ambulance Service will continue to provide PTS transport in Lancashire, Cumbria, Cheshire and Merseyside footprints. Arriva Transport Solutions will provide the PTS transport across the Greater Manchester area, effective from 1 April 2013.

A consistent approach is now in place for all patients across the North West in applying eligibility criteria in line with guidance published by the Department of Health in 2007. The criteria ensure equity for patients who most need to use PTS to access healthcare.

2013/14 will see a continued focus on improving the quality of patient transport services to deliver an efficient transport solution that provides better patient experience.

Public Health

Overall, we are continuing to see the health of people living in Blackpool improve. Life expectancy for men has increased over the last six years from 73.2 years (2003-05) to 73.6 years (2008-10), and for women life expectancy during the same period increased from 78.8 years to 79.4 years.

However, there remains a gap in life expectancy between Blackpool and the rest of the country which continues to widen indicating that health in Blackpool is not improving as quickly as the national average. Similarly, early death rates from cancer and from heart disease and stroke have been falling but remain worse than the England average. There are also significant differences, or inequalities, in health within Blackpool itself with life expectancy 12.8 years lower for men and 8.1 years lower for women in the most deprived areas than least deprived areas of the town. These inequalities present a real challenge for health improvement across the town.

The Public Health team work continued to work with communities and a wide range of partner organisations to improve health across the three domains of public health, which are:

- Health improvement
- Improving health services
- Health protection

Further information in respect of Public Health can be found in the Director of Public Health's Annual Report for Blackpool 2012 on the Blackpool JSNA website at www.blackpooljsna.org.uk

Being Prepared for an Emergency

We have a Major Incident Plan that is fully compliant with the requirement of the NHS Emergency Planning Guidance 2005 and all associated guidance. During the year, our emergency planning staff attended major incident training exercises.

Quality of Services

We sought to improve the quality of services we commission. We continued to robustly monitor the quality of all our commissioned services so that we can assure Blackpool residents that they are being delivered to a high standard and the services are achieving good outcomes for patients.

Throughout 2012/13 quality and engagement have been key themes running through all elements of Blackpool PCT's commissioning. This is reflected in the development and monitoring of quality schedules within contracts and the incentives offered through CQUINs to providers to move beyond minimum standards in delivering patient care.

Safety continued to be scrutinised through the monitoring of serious incidents, never events and complaints and their subsequent action plans. In addition the impact on quality and safety of performance breaches has been a key focus and an integrated approach between commissioners.

Throughout the year, in shadow form, the CCG developed a Quality and Engagement Sub Committee in addition to the local arrangements of a Public and Patient Involvement Forum.

The shadow CCG has a majority clinical membership and this has been reflected in challenge both of poor practice and of performance and enhanced scrutiny of what this means for patients receiving care.

Safeguarding

We have worked closely with leads across Lancashire in developing a network approach in respect of safeguarding. We are also working collaboratively with the Local Authority to meet all the recommendations from an OFSTED review in 2012.

Complaints 2012/13

Blackpool PCT handled 28 commissioning complaints, the majority of these related to parking concerns at a new Health Centre.

Principles for Remedy

The PCT Board adopted the Principles for Remedy document as set out by the Parliamentary and Health Service Ombudsman. The Trust's Complaints Procedures are in line with good practice advocated.

Patients, Public and Partners/Partnership Working/Engagement with the Public

- **Public Consultation on the Future of Older People's Rehabilitation Services on the Fylde Coast -** A 12-week public consultation was held between 8 November 2012 and 31 January 2013 to seek the views of staff, patients and the public on proposals to modernise and improve older people's rehabilitation in-patient services and provide healthcare closer to people's homes.
- **Altogether Now – a Legacy for Blackpool**, a partnership programme between the NHS in Blackpool (PCT and Blackpool Teaching Hospitals Foundation Trust); Blackpool Football Club; and Blackpool Council, unparalleled anywhere else in the country continued to be successful.

The aim of **Altogether Now** is to improve the health, wellbeing and lifestyle of every person in Blackpool through targeted messages and interventions and increased physical activity. It does not focus on the negative, but rather seeks to inspire, encourage and support people to be more proactive and take more responsibility for the way in which they live.

One of the projects delivered under **Altogether Now** is **Fit2Go** – a six-week healthy lifestyle and physical activity programme delivered to every Blackpool primary school. During 2012/13, Fit2Go was delivered in 56 classrooms, reaching 1,400 pupils. In addition, 4,500 children attended after school community sessions and 30 Family Workshops took place.

Sustainability Report

Sustainability Report

Blackpool PCT had an up to date Sustainability Development Management Plan which supported the Government's Carbon Reduction Strategy.

The Sustainability Report gives a mixture of quantitative and qualitative indicators illuminating the progress of NHS Blackpool's shrinking carbon footprint, reduction in energy emissions and the improvement in its environmental impact. Most importantly, it reinforces the indelible link between financial and environmental performance.

A full copy of the Sustainability Report will be available from NHS Property Services in due course.

Governance

- **NHS Lancashire Cluster Terms of Service and Remuneration Committee** - The Committee comprised of the NHS Lancashire Cluster Non-Executive Director members and met five times during the year.
- **NHS Lancashire Cluster Audit Committee** - The Committee comprised of the NHS Lancashire Cluster Non-Executive Director Audit Chair and the Locality Lead Non-Executive Directors and met four times in the year, with the Director of Finance in attendance.
- **Annual Governance Statement (AGS)** – This forms part of the Annual Financial Statement and provides public assurance about the effectiveness of the organisation's system of internal control (please see page 14).
- **Disclosure of SUIs** - Blackpool PCT can record that there were no serious untoward incidents involving data loss or confidentiality breaches during 2012/13.

External Audit

KPMG LLP were the external auditors for Blackpool PCT. £62,423 (excluding VAT) was paid to them during 2012/13 for statutory audit and other services under the Audit Commission Code of Practice. Blackpool PCT considers External Audit independence annually and confirmed that this had not been compromised. In addition to the production of the ISA 260, which drew on work undertaken in the Lancashire CSU, the External Auditors provided some consultancy services to the CSU.

Auditing standards require the Directors to provide KPMG with representations on certain matters material to their audit opinion. The Directors confirmed to KPMG such representations as necessary to the best of their knowledge and belief having made appropriate enquiries of other Directors and officers of NHS Blackpool. As such, each Director has stated that as far as they are aware there is no relevant audit information of which KPMG is unaware.

Operating and Financial Review 2012/13 A Message from the Locality Director of Finance

Blackpool PCT achieved the following financial duties in 2012/13:

- Returned the required revenue surplus of £1.44m against a control total of £317.24m
- Spent £260k on capital items against a resource limit of £260k
- Kept its cash drawings within the combined revenue and capital cash limit of £317.87m

The PCT met only one of the four aspects of the Better Practice Payment Code targets, the performance for which is reported in the financial section to this Annual Report.

As 2012/13 was the final year of the organisation's existence and there were no guarantees regarding the carry forward of any unspent funds into 2013/14, the PCT had to ensure that any historic money lodged with the SHA in previous years was returned to Blackpool. A programme of non-recurring spending was initiated in the second half of the financial year to ensure that the funds available for health services were fully utilised by the end of the financial year. The PCT ensured that a robust assessment process was adopted for the non-recurring spending to assure achievement of best value for money.

Although the PCT was dissolved on 31 March 2013, the accounts have nevertheless been produced on the going concern basis. However, balances in the accounts will be transferred to a number of different organisations in 2013/14 including: Blackpool CCG, NHS Property Services, NHS England, Blackpool Council and Blackpool Teaching Hospitals NHS Foundation Trust. These transfers will be made under the auspices of a transfer scheme approved by the Department of Health.

Of particular note is the potential liability for continuing healthcare costs, which are subject to an ongoing process post 31 March 2013 and which have been estimated at just under £1.5m. This is the level of provision made in the PCT's accounts and this balance will be transferred to Blackpool CCG to enable the liability to be discharged in 2013/14.

In summary, the PCT ultimately had a successful year in managing its resources while it continued to invest in healthcare services to better meet the current and future health needs of the population of Blackpool.

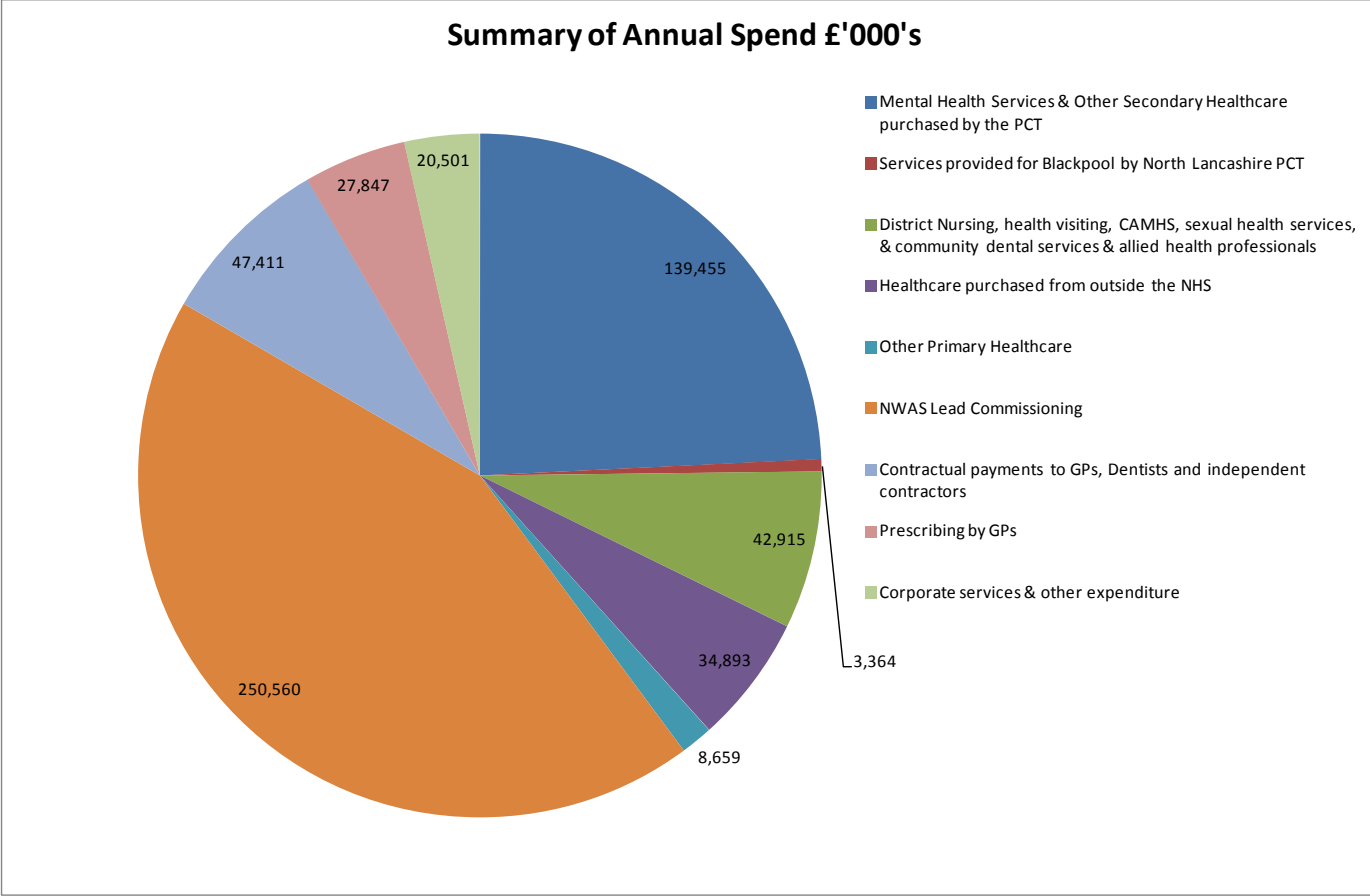
A full copy of the accounts is available from the Department of Health website at www.dh.gov.uk

I would like to thank the PCT's finance staff (many of them interim staff) who agreed to stay on to finish the accounts and ensure that they were completed on time.

Gary Raphael
Blackpool Locality Director of Finance


Jim Hayburn
Designated Finance Signing officer

How the Money Was Spent



2012-13 Annual Accounts of Blackpool 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.

nb: sign and date in any colour ink except black

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

Name: R JONES

Date: 4/6/13

2012-13 Annual Accounts of Blackpool 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:

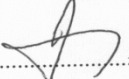
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and 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.

nb: sign and date in any colour ink except black

6/6/13. Date.....  Signing Officer

6/6/13 Date.....  Finance Signing Officer

Annual Governance Statement 2012/13

The annual governance statement records the stewardship of the organisation. It supplements the financial accounts and gives a sense of how successfully the organisation has coped with the challenges it faces. The statement draws together position statements and evidence on governance, risk management and control to provide a coherent and consistent reporting mechanism.

1.0 Scope of Responsibility

- 1.1 As accountable officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, procedures and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the accountable officer memorandum.
- 1.2 I am accountable to the NHS Lancashire Board for the corporate governance of the organisation. The NHS North of England is responsible for the performance management of NHS Lancashire, which includes the corporate governance agenda.
- 1.3 The accountability arrangements include regular reporting to the NHS Lancashire board on systems in place for ensuring effective internal control. Mechanisms are in place for the effective reporting of incidents across the organisation. During 2012/13 serious untoward incidents have been reported through the strategic executive information system / UNIFY serious untoward incident reporting system.
- 1.4 NHS Blackpool holds lead responsibility for monitoring the performance of its key providers in relation to the handling of serious untoward incidents. This involves the providers for which NHS Blackpool acts as lead commissioner. NHS Blackpool ensures that associate commissioners are advised regarding serious untoward incidents involving patients from within their boundaries who are receiving care from services for which NHS Blackpool has lead responsibility.
- 1.5 NHS Blackpool ceased to exercise formal PCT governance functions from September 2011 as powers were transferred to NHS Lancashire. NHS Lancashire established an Audit Committee to oversee financial governance across Lancashire and individual NHS commissioning organisations also established locality assurance groups (LAGs) which reported to the Lancashire-wide Audit Committee as part of the overall assurance process for PCTs.
- 1.6 LAGs, including that for NHS Blackpool, have been responsible for providing locality level assurance to the NHS Lancashire Audit Committee up until the end of March 2013.

2.0 The Governance Framework of the Organisation

- 2.1 A local governance framework continued to be operated in Blackpool to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not an absolute assurance of effectiveness.

- 2.2 Governance and internal control of the organisation is an on-going process designed to:
- identify and prioritise the risks to the achievement of policies, aims and objectives of NHS Blackpool
 - evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.
- 2.3 NHS Blackpool has continued to deliver the programme of work associated with the current NHS reforms and the requirements of the white paper *Equity and Excellence: Liberating the NHS* to ensure the close down of the organisation in line with national timescales.
- 2.4 Whilst NHS Blackpool remains as the statutory body, it has delegated powers and decision making responsibility to NHS Lancashire at a cluster level to provide the necessary support and direction during the period of transition.
- 2.5 The Clinical Commissioning Group, to which NHS Blackpool Board delegated responsibility in 2011-12 as part of the reform agenda, has continued to operate in shadow form and fulfil their duties at a locality level.
- 2.6 The Governance Framework of NHS Blackpool, including the system of internal control has therefore been delivered through co-operation and collaboration between both local and cluster level arrangements.
- 2.7 The system of internal control, reflective of the changes outlined below, has been in place in NHS Blackpool for the year ended 31 March 2013.
- 2.8 At a NHS Lancashire level, the following arrangements have been in place:
- NHS Lancashire Board**
- 2.9 NHS Lancashire Board has met on a bi-monthly basis, in public and has governed the organisations within its footprint for the whole reporting period. The Board is supported by a range of committees, each providing assurance to the Cluster Board through the business transacted at the meetings, and the locality CCG Governing Body and supporting governance structures.
- 2.10 Responsibility for the corporate assurance framework sits with the Director of Partnerships and Corporate Affairs. The domains relating to quality assurance and clinical governance directly relate to the Directors of Nursing and the Medical Director. The domains relating to financial stewardship relate to the role of the Director of Finance.
- NHS Lancashire Audit Committee**
- 2.11 The NHS Lancashire Cluster Audit Committee, chaired by Ian Cherry, Cluster Audit Chair and Locality Lead Non-Executive Director for Central Lancashire, has operated robustly during the financial year. This is a formal committee of the NHS Lancashire Board, with agreed Terms of Reference and responsibility for providing assurance to the NHS Lancashire Board through the business transacted at the meetings, in relation to financial reporting; internal controls and risk management systems across the Cluster; internal and external audit functions, and counter fraud.

2.12 The committee reports formally to the NHS Lancashire Board following each of its meetings.

NHS Lancashire Health and Safety Committee

2.13 The NHS Lancashire Health and Safety Committee has met on a quarterly basis, and provides assurance in relation to all health and safety matters across the cluster. The committee is chaired jointly by the Director of Partnerships and Corporate Affairs and a Union / Staff Side Health and Safety representative.

NHS Lancashire Executive Team

2.14 Although not a formal committee of the Board, the Cluster Executive Team plays a key role in providing executive leadership and assurance for the business of NHS Lancashire and in ensuring the delivery of the vision as set out by the Board.

2.15 The Executive Team has authority to authorise expenditure or make decisions consistent with the Cluster scheme of reservation and delegation, as well as being responsible for ensuring the implementation of decisions made by the Board and its committees.

2.16 At a local level, the following arrangements have been in place:

NHS Blackpool Board

2.17 There is no formal Board operating within NHS Blackpool PCT, although the Shadow CCG Governing body held its meetings in public from July 2012.

2.18 Responsibility for the continued delivery of the local commissioning organisation's business is shared between NHS Lancashire and the Shadow Governing Body of Blackpool Clinical Commissioning Group (CCG).

2.19 The CCG has operated in shadow form for the whole financial year, whilst progressing through Authorisation, which was achieved in December 2012.

NHS Blackpool Locality Assurance Group (LAG)

2.20 A Locality Assurance Group, comprising the former chairman and non-executive directors of NHS Blackpool PCT, has operated within Blackpool for the full financial year. This has reported into the NHS Lancashire Audit Committee and has responsibility for providing a high level of scrutiny to the areas under its remit of:

- Governance, Risk Management and Internal Control – to ensure the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

- Internal Audit – to ensure that the internal audit function established by management is effective, meets the mandatory NHS Internal Audit Standards, and provides appropriate independent assurance to the Audit Committee and Board.
 - External Audit – to review the work and findings of the External Auditor appointed by the Audit Commission and consider the implications and management’s responses to their work
 - Financial Reporting – to scrutinise the financial statements and ensure the financial plans of the PCT are delivered.
 - Transfer scheme - to oversee the transition process for the PCT as a ‘sender organisation’ and in particular to scrutinise the local Transfer Scheme submission and ensure appropriate arrangements are in place to manage the risks of the actual transfer process.
- 2.21 The Locality Assurance Group has fulfilled its duties through the provision of well-attended meetings reviewing, scrutinising and challenging all areas of work under its remit.
- 2.22 The PCT ceases to be a statutory body on 1st April 2013, and therefore its responsibility for scrutiny and assurance in relation to the Annual Report and Accounts and governance statements is lost. However, there is still a legal requirement for the annual report and accounts and governance reports to be produced and scrutinised. To maintain rigour in the process, the Department of Health has facilitated the establishment of an audit sub-committee to support the final accounts process for 2012/13. This sub-committee is a sub-committee of the Department’s Audit and Risk Committee.
- 2.23 The scope of the audit sub-committee is to review the annual report, financial statements and governance statement of the PCT prior to signing by the Accountable Officer and Director of Finance, focusing on:
- The wording in the governance statement
 - Changes in, and compliance with, accounting policies and practices
 - Unadjusted mis-statements in the financial statements
 - Significant judgements in preparing the financial statements
 - Significant adjustments resulting from audit
 - Letter of representation, and
 - Qualitative aspects of financial reporting

3.0 Risk Management

- 3.1 NHS Blackpool (Shadow CCG) has established and maintained a system of risk assessment and risk management relating to the business of the local commissioning organisation and through the LAG the risks relating to the PCT have been assessed and managed throughout the year.
- 3.2 The LAG reviews the establishment and maintenance of an effective system of governance, risk management and internal control across all the organisations activities. The organisation uses the 5 x 5 matrix for the assessment of impact and likelihood of risks, including assessment of mitigation and corrective action. All risks scored above 15 have been reported to the LAG along with the corrective action being proposed.
- 3.3 At an operational level, NHS Blackpool participates in and contributes to both the cluster Risk Management Group and the NHS Lancashire Health and Safety Committee which have been operating across the cluster to provide a structure for developing and implementing common practice in relation to risk management.
- 3.4 The organisation can report no gaps in relation to its risk management provision.
- 3.5 Responsibility for **information governance** is delegated to the locality Director of Finance (who is also the CCG CFO) who also fulfils the role of Senior Information Risk Owner.
- 3.6 Day-to-day support and management is provided by the in-house team, which has worked closely with the developing Lancashire-wide information governance service at the CSU.
- 3.7 A 'clustered' report for NHS Lancashire as a whole was submitted against the IG toolkit 2012/13. An audit is scheduled, although it is not expected that a satisfactory rating will be returned, mainly due to the changing landscape within the NHS and the impact on local organisations. The NHS Lancashire Executive Team has been made aware of this risk and has accepted the current position.
- 3.15 The risks identified within the IG toolkit compliance and associated transition has been included within the overall Information Governance work programme, which is overseen by the NHS Lancashire Information Governance Committee.

4.0 The Risk and Control Framework

- 4.1 **Risk management** is embedded through:
- Compliance with legislative and regulatory requirements
 - Standing Financial Instructions and Standing Orders
 - Sub committees of the Board, including finance and performance, quality and engagement and remuneration
 - Board Assurance Framework
 - Risk Registers
 - Internal performance management processes

- Policies and Procedures (including the adoption of emerging NHS Lancashire arrangements)
 - Internal and external audit
 - Programme management approach to the organisational transition process
- 4.2 The organisation can report that:
- It has continued to follow best practice standards in undertaking its duties, both with regard to PCT and CCG business
 - it continues to work to the vision and values as set out in its Strategic Commissioning Plan
 - it complies with Local Counter Fraud and NHS Protect (previously Security Management Services) directives
 - a robust information governance framework is in place, with NHS Blackpool participating and contributing to the reporting of a cluster assessment against the Information Governance toolkit
 - Standing Orders, Standing Financial Instructions and Schemes of delegation are in place and have been reviewed and updated as necessary to reflect the approved changes and delegation of authority associated with the transition
 - a suitable review, approval and dissemination process has been implemented for policies and procedures, which takes account of local requirements and the development of policies at an NHS Lancashire level
- 4.3 NHS Blackpool has utilised the key elements of its control framework to secure assurance for the prevention, deterrent and management of both manifest and potential risks, as shown in paragraphs 4.5 to 4.14 below.
- 4.4 The **Board Assurance Framework** provides a comprehensive method for the effective and focussed management of the principle risks to achieving the organisations objectives.
- 4.5 An Assurance Framework has been in place throughout the year which has supported the completion of the Annual Governance Statement. This is underpinned by the practical application of risk management and maps the principle objectives to risks, controls and assurances.
- 4.6 Any gaps in assurance and control are also included and notified to the LAG when it meets through presentation of risk assessments and mitigation plans.
- 4.7 All risks included within the Assurance Framework fall into a risk register.
- 4.8 Risks scoring a level 15 or above are notified to the Locality Assurance Group through submission of a corporate risk register.

- 4.9 All risks scoring 12 or below are managed through directorate arrangements which includes mechanisms for the review of risks on a monthly basis.
- 4.10 The Assurance Framework provides reasonable assurance that there is an effective system of governance and internal control to manage the principle risks identified by the organisation.
- 4.11 **Internal audit:** NHS Blackpool participates in a robust programme of Internal Audit assessments. These are completed during the year and their findings are reported to Locality Assurance Group and, where there is any report with a limited assurance finding, the NHS Lancashire Audit Committee, where corrective action must be reported.
- 4.12 **Management of incidents:** During 2012/13 NHS Blackpool used the Datix system for incident reporting and management. This is a web-based reporting system which supports improved communication and response to incidents when they occur.
- 4.13 Incidents are managed in accordance with the Incident Reporting Policy.
- 4.14 All Serious Untoward Incidents have been reported and managed in accordance with NHS Lancashire policy guidelines.

5.0 Performance against National Priorities

- 5.1 Performance against national priorities has been reported to the NHS Lancashire Board at each meeting, with operational review being undertaken at locality level within the shadow Clinical Commissioning Groups.
- 5.2 This has maintained a focus on the delivery of outcomes against national and local targets at a locality level. Failing and under-achieving areas have been subject to increased review with action plans developed to support improvement in delivery. NHS Blackpool's performance has generally been good for most of the year and compares favourably with other localities across the north of England.

6.0 Safeguarding

- 6.1 NHS Blackpool has policies, procedures and arrangements in place to safeguard and promote the welfare of children and adults who may be vulnerable which reflect both statutory and local guidance.
- 6.2 Training is provided to all staff, and refreshed on an annual basis. Senior managers from the organisation are active partners on the local Safeguarding Board for both adults and children and support local development work following an OFSTED review undertaken in 2012.

7.0 Equality and Diversity

- 7.1 Control measures are in place to ensure that all the organisations obligations under equality, diversity and human rights legislation are complied with through policies, training and audit processes.

7.2 All staff received training in equality, diversity and human rights awareness on an annual basis.

8.0 Financial Monitoring

8.1 The main area of risk for the organisation relate to delivery of the financial control total. These have been monitored closely by the CCG's Finance and Performance Committee, reviewed on a periodic basis by the LAG and managed on a daily basis by management.

8.2 Delivery of QIPP targets has also been actively managed. Robust controls have been put in place which has included both financial and performance monitoring against the projects to ensure delivery remained on track.

8.3 NHS Blackpool has delivered its financial duties and is reporting a year end surplus in line with requirements. The exception is that the organisation did not meet the requirements for the Better Payment Practice code, where invoices have to be paid by the due date or within 30 days of receipt, whichever is the later.

9.0 Human Resources

9.1 As part of the overall process of closing down the PCT and transferring staff to their new organisations, or, where necessary, making them redundant, the PCT has ensured that it has followed national policy and procedures in the change process. NHS Lancashire Remuneration Committee was responsible for approving NHS Blackpool redundancies where they were under £100k and the SHA was responsible for approving those over £100k in line with national policy and procedures.

10.0 Review of the effectiveness of risk management and internal control

10.1 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.

10.2 Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

10.3 The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

10.4 The Head of internal Audit Opinion provided shows an overall level of significant assurance for the reporting period.

10.5 I have been advised on the implications of the result of my review on the effectiveness of the system of internal control by the internal mechanisms of the organisation, which includes the oversight of the locality Executive Team and Local Assurance Group.

11.0 Significant Issues

- 11.1 There have been no significant control issues in NHS Blackpool in 2012/13 that have not already been reported through the STEiS system.
- 11.2 During the year, the organisation has been faced with the challenges associated with significant reform, including the loss of organisational memory and transition on a scale and pace not previously experienced within the NHS.
- 11.3 There has been real and sustained effort to maintain governance and accountability arrangements during the reporting period.
- 11.4 In conclusion my review, as informed by the Head of Internal Audit opinion and the Lancashire-wide and local Blackpool governance processes reported in this statement, confirms that NHS Blackpool has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.
- 11.5 It is acknowledged that the internal control environment can always be strengthened and this will be imperative as the transition continues during 2013/14.

Signed



Position: Area Director NHS England (Lancashire)

Date

6/8/13

Summary Financial Statements

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	6,276	27,427
Other costs	5.1	568,810	528,909
Income	4	(259,803)	(252,985)
Net operating costs before interest		315,283	303,351
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	519	509
Net operating costs for the financial year		315,802	303,860
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
Net (gain)/loss on transfers by absorption		0	
Net Operating Costs for the Financial Year including absorption transfers		315,802	303,860
Of which:			
Administration Costs			
Gross employee benefits	7.1	5,354	5,649
Other costs	5.1	4,969	4,701
Income	4	(1,309)	(502)
Net administration costs before interest		9,014	9,848
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	18
Net administration costs for the financial year		9,014	9,866
Programme Expenditure			
Gross employee benefits	7.1	922	21,778
Other costs	5.1	563,841	524,208
Income	4	(258,494)	(252,483)
Net programme expenditure before interest		306,269	293,503
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	519	491
Net programme expenditure for the financial year		306,788	293,994

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	23,355	24,830
Intangible assets	13	0	16
Investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	0	0
Total non-current assets		23,355	24,846
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	4,578	5,303
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	0	0
Total current assets		4,578	5,303
Non-current assets held for sale	24	10	0
Total current assets		4,588	5,303
Total assets		27,943	30,149
Current liabilities			
Trade and other payables	25	(15,635)	(18,599)
Other liabilities	26,28	0	0
Provisions	32	(1,572)	(1,757)
Borrowings	27	(842)	(859)
Other financial liabilities	36.2	0	0
Total current liabilities		(18,049)	(21,215)
Non-current assets plus/less net current assets/liabilities		9,894	8,934
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(436)	(531)
Borrowings	27	(17,123)	(17,948)
Other financial liabilities	36.2	0	0
Total non-current liabilities		(17,559)	(18,479)
Total Assets Employed:		(7,665)	(9,545)
Financed by taxpayers' equity:			
General fund		(8,516)	(10,571)
Revaluation reserve		851	1,026
Other reserves		0	0
Total taxpayers' equity:		(7,665)	(9,545)

The notes on pages 5 to 44 form part of this account.

The financial statements on pages 1 to 4 were approved by the audit sub committee of the Department of Health on 6th June 2013. and signed on its behalf by:

NHS England Area Director - Lancashire

Date:



6/6/13

Richard Jones

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(10,571)	1,026	0	(9,545)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(315,802)			(315,802)
Net gain on revaluation of property, plant, equipment		4		4
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(174)		(174)
Movements in other reserves			0	0
Transfers between reserves*	5	(5)		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	(315,797)	(175)	0	(315,972)
Net Parliamentary funding	317,852			317,852
Balance at 31 March 2013	(8,516)	851	0	(7,665)
Balance at 1 April 2011	(11,092)	1273	0	(9,819)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(303,860)			(303,860)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		96		96
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(225)		(225)
Movements in other reserves			0	0
Transfers between reserves*	118	(118)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(303,742)	(247)	0	(303,989)
Net Parliamentary funding	304,263			304,263
Balance at 31 March 2012	(10,571)	1,026	0	(9,545)

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

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		(315,283)	(303,351)
Depreciation and Amortisation		1,054	949
Impairments and Reversals		517	721
Other Gains / (Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		0	0
Government Granted Assets received credited to revenue but non-cash		0	0
Interest Paid		(487)	(491)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	0
(Increase)/Decrease in Trade and Other Receivables		725	(1,682)
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(3,032)	265
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(1,778)	(197)
Increase/(Decrease) in Provisions		1,466	1,339
Net Cash Inflow/(Outflow) from Operating Activities		(316,818)	(302,447)
Cash flows from investing activities			
Interest Received		0	0
(Payments) for Property, Plant and Equipment		(192)	(978)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		0	0
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Proceeds from the disposal of Financial Assets (LIFT)		0	0
Loans Made in Respect of LIFT		0	0
Loans Repaid in Respect of LIFT		0	0
Rental Revenue		0	0
Net Cash Inflow/(Outflow) from Investing Activities		(192)	(978)
Net cash inflow/(outflow) before financing		(317,010)	(303,425)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(842)	(838)
Net Parliamentary Funding		317,852	304,263
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
Net Cash Inflow/(Outflow) from Financing Activities		317,010	303,425
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		0	0
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		0	0

Better Payment Practice Code

Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	8,748	52,538	11,300	46,282
Total Non-NHS Trade Invoices Paid Within Target	<u>7,908</u>	<u>45,623</u>	<u>10,843</u>	<u>44,017</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>90.40%</u>	<u>86.84%</u>	<u>95.96%</u>	<u>95.11%</u>
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,961	445,400	3,144	411,486
Total NHS Trade Invoices Paid Within Target	<u>2,787</u>	<u>435,729</u>	<u>3,061</u>	<u>409,490</u>
Percentage of NHS Trade Invoices Paid Within Target	<u>94.12%</u>	<u>97.83%</u>	<u>97.36%</u>	<u>99.51%</u>

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

Remuneration Report

Annual Report 2012/13 - Remuneration Report							
Name	Title	Salary (bands of £5,000)	2012-13 Other remuneration (bands of £5,000)	Benefits in kind (rounded to nearest £100)	Salary (bands of £5,000)	2011-12 Other remuneration (bands of £5,000)	Benefits in kind (rounded to nearest £100)
		£000	£000	£00	£000	£000	£00
Mr R Fisher	Board Chairman	35 to 40	nil	nil	30 to 35	nil	nil
Dr A Doyle	Medical Director	85 to 90	nil	26	100 to 105	nil	24
Dr J Calvert	Director of Clinical Engagement	95 to 100	nil	11	60 to 65	nil	131
Mr G Raphael	Locality Director of Finance & Information	15 to 20	nil	nil			
Mr K Parkinson	Locality Director of Finance & Information	20 to 25	nil	5	20 to 25	nil	10
Dr A Rajpura	Director of Public Health	95 to 100	nil	0	90 to 95	nil	7
Mr D Bonson	Director of Strategic Planning & Commissioning	85 to 90	nil	48	80 to 85	nil	74
Miss R Howard	Lay Advisor	05 to 10	nil	nil	05 to 10	nil	nil
Mr M Morris	Lay Advisor	05 to 10	nil	nil	05 to 10	nil	nil
Mr G Smith	Lay Advisor	05 to 10	nil	nil	05 to 10	nil	nil
Mr I Taylor	Lay Advisor	05 to 10	nil	nil	05 to 10	nil	nil
Mr M Block	Lay Advisor	05 to 10	nil	nil	05 to 10	nil	nil
Mr D Edmundson	Lay Advisor	10 to 15	nil	nil	10 to 15	nil	nil
Mrs H Skerritt	Director of Nursing & Quality	75 to 80	nil	21	75 to 80	nil	19
Lancashire Cluster Remuneration report							
Full Cost of Cluster							
Janet Soo-Chung	Chief Executive	150-155	nil	5907	135-140	nil	53-54
Sally Parnaby	Director of HR, OD and partnerships	105-110	nil	5141	95-100	nil	53-54
Jim Gardner	Director of Medicine	120-125	nil	4859	105-110	nil	47-48
Gary Hardman	Director of Nursing	29-30	nil	0	60-65	nil	0
Frank Atherton	Director of Public Health	15-20	nil	0	110-115	nil	0
David Wharfe	Director of Finance	130-135	nil	3426	110-115	nil	44-45
Mike Maguire	Director of Commissioning Development	50-55	nil	6024	85-90	nil	67-68
Graham Burgess	Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus	30-35	nil	0	60-65	nil	0
Wendy Swift	Director of Special Projects	0	nil		105-110	nil	46-47
Jane Higgs	Director of Performance	95-100	nil	0	20-25	nil	0
Peter Kenyon	Cluster Chairman	40-45	nil	1732	35-40	nil	18-19
Roy Fisher	Cluster non-exec	35-40	nil	0	25-30	nil	0
Bill Gormley	Cluster non-exec	30-35	nil	0	25-30	nil	0
Bob Huntbach	Cluster non-exec	40-45	nil	0	30-35	nil	0
Sir Bill Taylor	Cluster non-exec	35-40	nil	0	25-30	nil	0
Ian Cherry	Cluster non-exec	30-35	nil	528	5-10	nil	0
Harry Catterall	Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus	35-40	nil	0		nil	
Blackpools share is 11% based on weighted population of the cluster(175163/1559390)							
Janet Soo-Chung	Chief Executive	15 to 20	nil	650	15 to 20	nil	6
Sally Parnaby	Director of HR, OD and partnerships	10 to 15	nil	566	10 to 15	nil	6
Jim Gardner	Director of Medicine	10 to 15	nil	534	10 to 15	nil	5
Gary Hardman	Director of Nursing	0 to 5	nil	0	5 to 10	nil	nil
Frank Atherton	Director of Public Health	0 to 5	nil	0	10 to 15	nil	nil
David Wharfe	Director of Finance	10 to 15	nil	377	10 to 15	nil	5
Mike Maguire	Director of Commissioning Development	5 to 10	nil	663	5 to 10	nil	8
Graham Burgess	Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus	0 to 5	nil	0	5 to 10	nil	nil
Wendy Swift	Director of Special Projects	0 to 5	nil	0	10 to 15	nil	5
Jane Higgs	Director of Performance	10 to 15	nil	0	0 to 5	nil	nil
Peter Kenyon	Cluster Chairman	0 to 5	nil	191	0 to 5	nil	nil
Roy Fisher	Cluster non-exec	0 to 5	nil	0	0 to 5	nil	nil
Bill Gormley	Cluster non-exec	0 to 5	nil	0	0 to 5	nil	nil
Bob Huntbach	Cluster non-exec	0 to 5	nil	0	0 to 5	nil	nil
Sir Bill Taylor	Cluster non-exec	0 to 5	nil	0	0 to 5	nil	nil
Ian Cherry	Cluster non-exec	0 to 5	nil	58		nil	
Harry Catterall	Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus	0 to 5	nil	0		nil	
<i>"Salary" costs includes payments for locum cover where applicable.</i>							
<i>"Other Remuneration" includes salary payments for directly employed clinical or specialist PCT work.</i>							
<i>"Benefits in Kind" relate in all cases to the assessed taxable benefit for the partial provision of a vehicle for private use.</i>							
Remuneration waived by directors and allowances paid in lieu							
Enil (2012-13 Enil) remuneration was waived by nil (2012-13 nil) directors.							
Enil (2011-12 Enil) of allowances were paid in lieu to nil (2011-12 nil) directors.							

Pension Benefits									
Name and title		Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2013	Lump Sum at aged 60 related to accrued pension at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
		(bands of £2,500 £000	(bands of £2,500 £000	(bands of £5,000 £000	(bands of £5,000 £000	£000	£000	£000	£000
Mr G Raphael	Locality Director of Finance & Information	0 to 2.5	0 to 2.5	40-45	130-135	864	0	0	0
Dr A Doyle	Medical Director	0 to 2.5	0 to 2.5	40-45	130-135	743	0	0	0
Mr D Bonson	Director of Strategic Planning & Commissioning	-2.5 to 0	-2.5 to 0	35-40	105-110	704	663	19	13
Mrs H Skerritt	Director of Nursing & Quality	0 to 2.5	0 to 2.5	25-30	85-90	535	502	18	12
Dr A Rajpura	Director of Public Health	0 to 2.5	0 to 2.5	15-20	55-60	269	246	15	10
Mr G Raphael became the Interim Locality Director of Finance and Information on 1st October 2012, thus any information for 2011/12 is 0.									
The majority of Dr A Doyle's pension is unrelated to the PCT, and not included in 2011/12.									
As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.									
Pension liabilities									
Pension liabilities are treated in the accounts as shown in Accounting policy note 1.14 of the statutory financial statements.									
Cash Equivalent Transfer Values									
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.									
Real Increase in CETV									
This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.									
Pension Benefits - Cluster Directors									
Name	Title	Real increase/ (decrease) in pension at age 60	Real increase/ (decrease) in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2013	Lump sum at age 60 related to accrued pension at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase/ (decrease) in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
		(bands of £2,500 £000	(bands of £2,500 £000	(bands of £5,000 £000	(bands of £5,000 £000	£000	£000	£000	£000
Ms Janet Soo-Chung	Chief Executive	(0-2.5)	(2.5-5)	55-60	165-170	1,064	999	12	nil
Dr Frank Atherton	Director of Public Health - until 4 May 2012	(0-2.5)	(0-2.5)	35-40	115-120	775	753	(2)	nil
Mrs Sally Parnaby	Director of HR, OD & Partnerships	(0-2.5)	(2.5-5)	45-50	135-140	944	889	8	nil
Dr Jim Gardner	Medical Director	2.5-5	7.5-10	35-40	110-115	663	566	68	nil
Mr Gary Hardman	Director of Nursing - until 20 July 2012	(0-2.5)	(0-2.5)	30-35	90-95	505	498	(6)	nil
Mr David Wharfe	Director of Finance	(0-2.5)	(2.5-5)	55-60	170-175	1,203	1,137	6	nil
Mr Mike Maguire	Director of Commissioning Development - until 31 Aug 2012	(0-2.5)	(0-2.5)	35-40	110-115	648	606	4	nil
Ms Jane Higgs	Director of Performance	5-7.5	17.5-20	20-25	65-70	454	304	135	nil
Notes:									
The pensions information disclosed above is the total pension entitlements for each Director and has not been split across the five Lancashire PCTs in the NHS Lancashire cluster.									
As Mr George Burgess and Mr Harry Catterall are members of the Local Government Pension Scheme, their superannuation details will appear in the Blackburn with Darwen Borough Council Statement of Accounts 2012/13 (please refer to www.blackburn.gov.uk).									

Off Payroll Reporting

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

No. In place on 31 January 2012	16
Of which:	
No. that have since come onto the Organisation's payroll	-
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	-
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	-
No that have come to an end	15
Total	1

The remaining contractor who is employed within a Limited Company has provided the PCT with assurances as to their tax obligations.

All contractors engaged by the PCT are from agencies who are part of the framework agreement.

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

No. of new engagements	3
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	3
Of which:	
No. for whom assurance has been requested and received	3
No. for whom assurance has been requested and not received	-
No. that have been terminated as a result of assurance not being received	-
Total	3

Details of the Directors Including the Register of Interests

Details of directorships or other significant interests held by Directors of Blackpool Primary Care Trust or Members of the (Shadow) Blackpool Clinical Commissioning Group (prior to it being authorised on 5 December 2012) in other organisations where those organisations do business or may possibly seek to do business with the NHS and where these could potentially conflict with their responsibilities to Blackpool Primary Care Trust.

Blackpool Primary Care Trust

Name	Position	Declaration
Roy Fisher	Locality Lead Non-Executive Director for NHS Lancashire Chairman, Blackpool CCG	<ul style="list-style-type: none"> Chairman of Governors, Layton Primary School, Blackpool
Martin Block	Lay Advisor	<ul style="list-style-type: none"> Chairman, Age UK, Blackpool and District
David Edmundson	Lay Advisor Lay Member, Blackpool CCG	<ul style="list-style-type: none"> Independent Board Member, Lancashire Police Authority (up to 21 November 2012)
Ray Howard	Lay Advisor	<ul style="list-style-type: none"> MD (Self Employed) QHR Solutions, HR and Training Consultancy
Geoff Smith	Lay Advisor	<ul style="list-style-type: none"> Nil return
Michael Morris	Lay Advisor	<ul style="list-style-type: none"> Volunteer, Trinity Hospice <p>Spouse, Gillian Morris</p> <ul style="list-style-type: none"> Volunteer, Trinity Hospice
Ivan Taylor	Lay Advisor	<ul style="list-style-type: none"> Elected Member, Blackpool Council Director, Claremont First Steps Community Centre Committee Member, Claremont West Family Centre Committee Member, Claremont Park Community Centre Director, Angel Trust Chairman, Salvation Army Bridge Project Advisory Board Chairman, Shadow Health and Well Being Board, Blackpool Council <p>Spouse, Councillor Mrs Sylvia Taylor</p> <ul style="list-style-type: none"> Chairman, Health Committee, Blackpool Council
Dr Amanda Doyle	Medical Director/Chairman, Shadow Blackpool CCG Chief Clinical Officer, Blackpool CCG	<ul style="list-style-type: none"> GP Partner, Bloomfield Medical Centre including the GP Led Health Centre and Urgent Care Centre Member (£1 Guarantee Holder) FCMS (NW) Limited

Name	Position	Declaration
Dr John Calvert	Director of Clinical Engagement/GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Partner, Waterloo Medical Centre and Gorton Street Surgery • Director, Waterloo Medical Services Limited • Member (£1 Guarantee Holder) FCMS(NW) Limited <p>Spouse, Maria Calvert</p> <ul style="list-style-type: none"> • Director, Waterloo Medical Services Limited
Kevin Parkinson	Locality Director of Finance and Information (up to 30 September 2012)	<ul style="list-style-type: none"> • Nil return
Gary Raphael	Locality Director of Finance and Information (from 1 October 2012) Chief Finance Officer, Blackpool CCG	<ul style="list-style-type: none"> • Nil return
Dr Arif Rajpura	Director of Public Health	<ul style="list-style-type: none"> • Director and Owner, Raj and Company Limited
David Bonson	Director of Strategic Planning and Commissioning Chief Operating Officer, Blackpool CCG	<ul style="list-style-type: none"> • Partner of Liz Holt, Director of Community Health Services, Blackpool Teaching Hospitals NHS Foundation Trust
Helen Skerritt	Director of Nursing and Quality Chief Nurse, Blackpool CCG	<ul style="list-style-type: none"> • Nil return

Blackpool Clinical Commissioning Group

(Those not included within the Blackpool Primary Care Trust Declarations of Interest)

Name	Position	Declaration
Dr Leanne Rudnick	GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Partner, St Paul's Medical Centre, a member of Assura Blackpool LLP (which was a partnership with Virgin Care, formerly Assura Medical) • Practice is signed up to the PBC Scheme • Member (£1 Guarantee Holder) FCMS(NW) Limited <p>Spouse, Dr Colin Scott</p> <ul style="list-style-type: none"> • GP Partner, St Paul's Medical, a member of Assura Blackpool LLP (which was a partnership with Virgin Care, formerly Assura Medical) • Practice is signed up to the PBC Scheme • Member (£1 Guarantee Holder) FCMS(NW) Limited

Name	Position	Declaration
Dr Cruz Augustine	GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Partner, Adelaide Street Medical, up to 30 September 2012, the practice was a member of Assura Blackpool LLP (which was a partnership with Virgin Care, formerly Assura Medical) • Partner, Pharmisense Pharmacy LLP • Undertakes ad hoc sessions for the local Out of Hours Provider – FCMS (NW) Limited <p>Spouse, Dr Neelima Augustine</p> <ul style="list-style-type: none"> • GP Partner, Stonyhill Medical Centre • Undertakes ad hoc sessions for the local Out of Hours Provider – FCMS (NW) Limited
Dr Marie Williams	GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Partner, North Shore, a member of Assura Blackpool LLP (which was a partnership with Virgin Care, formerly Assura Medical) • Practice is signed up to the PBC Scheme • Member (£1 Guarantee Holder) FCMS (NW) Limited
Dr Sujata Singh	GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Partner, Abbeydale Medical Centre <p>Spouse, Dr Anoup Chauhan</p> <ul style="list-style-type: none"> • Consultant Cardiologist, Blackpool Teaching Hospitals NHS Foundation Trust and Spire Fylde Coast Hospitals
Dr Eric Bonsell	GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Partner, South King Street Medical Centre, a member of Assura Blackpool LLP (which was a partnership with Virgin Care, formerly Assura Medical) • Practice associated with Trinity Hospice • Practice is signed up to the PBC Scheme • Member (£1 Guarantee Holder) FCMS (NW) Limited
Dr Simon Shearer	GP Member, Blackpool CCG	<ul style="list-style-type: none"> • GP Senior Partner, Glenroyd Medical Centre, a member of Assura Blackpool LLP (which was a partnership with Virgin Care, formerly Assura Medical) • Practice provides Pulmonary Rehabilitation Service
Chris Brown	Lay Member, Blackpool CCG (from 1 July 2012)	<ul style="list-style-type: none"> • Managing Director, Brown Development Resources Limited
Angela Winter	Lay Member, Blackpool CCG (from 1 July 2012)	<ul style="list-style-type: none"> • Nil return
Naved Alizai	Secondary Care Clinician, Blackpool CCG (from 11 February 2013)	<ul style="list-style-type: none"> • Paediatric Consultant, Leeds Teaching Hospitals NHS Trust

NHS Lancashire Cluster Board

No declaration is available for 2012/13 of Cluster Directors' interests in organisations which may transact business with the PCT. Interests declared in 2011/12 are as follows:

Name	Position	Declaration
Peter Kenyon	Chair	<ul style="list-style-type: none"> • Nil return
Ian Cherry	Non-Executive Director	<ul style="list-style-type: none"> • Managing Director A.I. Cherry Chartered Accountants and Registered Auditor • Non-Executive Director of Institute of Chartered Accountants in England and Wales
Roy Fisher	Non-Executive Director	<ul style="list-style-type: none"> • Chairman of Governors, Layton Primary School, Blackpool
William Gormley	Non-Executive Director	<ul style="list-style-type: none"> • Member of The Court of The University of Central Lancashire • Honorary Fellow of The British International Doctors Association
Bob Huntbach	Non-Executive Director	<ul style="list-style-type: none"> • Nil return
Sir Bill Taylor	Non-Executive Director	<ul style="list-style-type: none"> • Chair – Blackburn College • Non-Executive Director Community Business Partners • Non-Executive Director RCU • Mentor Enterprise 4 All • External Trustee Lancaster University Students Union • Member Blackburn Golf Club
Janet Soo-Chung	Chief Executive	<ul style="list-style-type: none"> • Non-Executive Director of Government Equalities Division, Home Office • Member of Advisory Board – Hunter Healthcare
Graham Burgess (to 31.8.12)	CEO, Blackburn with Darwen Care Trust Plus	<ul style="list-style-type: none"> • Nil return
Dr Jim Gardner	Medical Director	<ul style="list-style-type: none"> • Nil return
Gary Hardman (to 20.7.12)	Director of Nursing	<ul style="list-style-type: none"> • Nil return
Mike Maguire	Director of Commissioning Development	<ul style="list-style-type: none"> • Nil return
Sally Parnaby	Director of Partnerships and Corporate Affairs	<ul style="list-style-type: none"> • Governor Castle Park School Kendal
David Wharfe	Director of Finance	<ul style="list-style-type: none"> • Nil return
Dr Frank Atherton (to 4.5.12)	Director of Public Health	<ul style="list-style-type: none"> • President, Association of Directors of Public Health • President/Medical Advisor, Lancaster/Morecambe MENCAP • Member of Heysham Parochial Church Council • School Governor – St Peter's School, Heysham
Jane Higgs	Director of Performance	<ul style="list-style-type: none"> • Nil return
Harry Catterall (from 1.9.12)	Executive Director – Blackburn with Darwen Council representative	N/A

INDEPENDENT AUDITOR'S REPORT TO SIGNING OFFICER OF BLACKPOOL PCT ON THE SUMMARY FINANCIAL STATEMENT

We have examined the summary financial statement for the year ended 31 March 2013 set out on pages 23 to 26 and 28 to 29.

This report is made solely to the Signing Officer of Blackpool PCT in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Signing Officer of the PCT those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Signing Officer of the PCT for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Signing Officer is responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Blackpool PCT for the year ended 31 March 2013 on which we have issued an unqualified opinion.

Handwritten signature of Timothy Cutler in black ink, consisting of the letters 'KPMG' followed by a stylized signature.

Timothy Cutler for and on behalf of KPMG LLP, Statutory Auditor

KPMG LLP
Chartered Accountants
ST James Square
Manchester
M2 6DS

6 June 2013





Department
of Health



Blackpool Primary Care Trust

2012-13 Accounts

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Blackpool Primary Care Trust

2012-13 Accounts

2012-13 Annual Accounts of Blackpool 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:

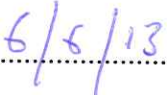
- there were effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money was achieved from the resources available to the primary care trust;
- the expenditure and income of the primary care trust had been applied 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.

nb: sign and date in any colour ink except black

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

Name: 

Date..........

2012-13 Annual Accounts of Blackpool 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:

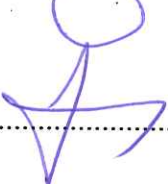
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and 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.

nb: sign and date in any colour ink except black

5/6/13Date..... Signing Officer

6/6/13.Date..... Finance Signing Officer

Annual Governance Statement 2012/13

The annual governance statement records the stewardship of the organisation. It supplements the financial accounts and gives a sense of how successfully the organisation has coped with the challenges it faces. The statement draws together position statements and evidence on governance, risk management and control to provide a coherent and consistent reporting mechanism.

1.0 Scope of Responsibility

- 1.1 As accountable officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, procedures and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the accountable officer memorandum.
- 1.2 I am accountable to the NHS Lancashire Board for the corporate governance of the organisation. The NHS North of England is responsible for the performance management of NHS Lancashire, which includes the corporate governance agenda.
- 1.3 The accountability arrangements include regular reporting to the NHS Lancashire board on systems in place for ensuring effective internal control. Mechanisms are in place for the effective reporting of incidents across the organisation. During 2012/13 serious untoward incidents have been reported through the strategic executive information system / UNIFY serious untoward incident reporting system.
- 1.4 NHS Blackpool holds lead responsibility for monitoring the performance of its key providers in relation to the handling of serious untoward incidents. This involves the providers for which NHS Blackpool acts as lead commissioner. NHS Blackpool ensures that associate commissioners are advised regarding serious untoward incidents involving patients from within their boundaries who are receiving care from services for which NHS Blackpool has lead responsibility.
- 1.5 NHS Blackpool ceased to exercise formal PCT governance functions from September 2011 as powers were transferred to NHS Lancashire. NHS Lancashire established an Audit Committee to oversee financial governance across Lancashire and individual NHS commissioning organisations also established locality assurance groups (LAGs) which reported to the Lancashire-wide Audit Committee as part of the overall assurance process for PCTs.

1.6 LAGs, including that for NHS Blackpool, have been responsible for providing locality level assurance to the NHS Lancashire Audit Committee up until the end of March 2013.

2.0 The Governance Framework of the Organisation

2.1 A local governance framework continued to be operated in Blackpool to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not an absolute assurance of effectiveness.

2.2 Governance and internal control of the organisation is an on-going process designed to:

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

2.3 NHS Blackpool has continued to deliver the programme of work associated with the current NHS reforms and the requirements of the white paper *Equity and Excellence: Liberating the NHS* to ensure the close down of the organisation in line with national timescales.

2.4 Whilst NHS Blackpool remains as the statutory body, it has delegated powers and decision making responsibility to NHS Lancashire at a cluster level to provide the necessary support and direction during the period of transition.

2.5 The Clinical Commissioning Group, to which NHS Blackpool Board delegated responsibility in 2011-12 as part of the reform agenda, has continued to operate in shadow form and fulfil their duties at a locality level.

2.6 The Governance Framework of NHS Blackpool, including the system of internal control has therefore been delivered through co-operation and collaboration between both local and cluster level arrangements.

2.7 The system of internal control, reflective of the changes outlined below, has been in place in NHS Blackpool for the year ended 31 March 2013.

2.8 At a NHS Lancashire level, the following arrangements have been in place:

NHS Lancashire Board

2.9 NHS Lancashire Board has met on a bi-monthly basis, in public and has governed the organisations within its footprint for the whole reporting period. The Board is supported by a range of committees, each providing assurance to the Cluster Board through the business transacted at the

meetings, and the locality CCG Governing Body and supporting governance structures.

- 2.10 Responsibility for the corporate assurance framework sits with the Director of Partnerships and Corporate Affairs. The domains relating to quality assurance and clinical governance directly relate to the Directors of Nursing and the Medical Director. The domains relating to financial stewardship relate to the role of the Director of Finance.

NHS Lancashire Audit Committee

- 2.11 The NHS Lancashire Cluster Audit Committee, chaired by Ian Cherry, Cluster Audit Chair and Locality Lead Non-Executive Director for Central Lancashire, has operated robustly during the financial year. This is a formal committee of the NHS Lancashire Board, with agreed Terms of Reference and responsibility for providing assurance to the NHS Lancashire Board through the business transacted at the meetings, in relation to financial reporting; internal controls and risk management systems across the Cluster; internal and external audit functions, and counter fraud.

- 2.12 The committee reports formally to the NHS Lancashire Board following each of its meetings.

NHS Lancashire Health and Safety Committee

- 2.13 The NHS Lancashire Health and Safety Committee has met on a quarterly basis, and provides assurance in relation to all health and safety matters across the cluster. The committee is chaired jointly by the Director of Partnerships and Corporate Affairs and a Union / Staff Side Health and Safety representative.

NHS Lancashire Executive Team

- 2.14 Although not a formal committee of the Board, the Cluster Executive Team plays a key role in providing executive leadership and assurance for the business of NHS Lancashire and in ensuring the delivery of the vision as set out by the Board.

- 2.15 The Executive Team has authority to authorise expenditure or make decisions consistent with the Cluster scheme of reservation and delegation, as well as being responsible for ensuring the implementation of decisions made by the Board and its committees.

- 2.16 At a local level, the following arrangements have been in place:

NHS Blackpool Board

- 2.17 There is no formal Board operating within NHS Blackpool PCT, although the Shadow CCG Governing body held its meetings in public from July 2012.

2.18 Responsibility for the continued delivery of the local commissioning organisation's business is shared between NHS Lancashire and the Shadow Governing Body of Blackpool Clinical Commissioning Group (CCG).

2.19 The CCG has operated in shadow form for the whole financial year, whilst progressing through Authorisation, which was achieved in December 2012.

NHS Blackpool Locality Assurance Group (LAG)

2.20 A Locality Assurance Group, comprising the former chairman and non-executive directors of NHS Blackpool PCT, has operated within Blackpool for the full financial year. This has reported into the NHS Lancashire Audit Committee and has responsibility for providing a high level of scrutiny to the areas under its remit of:

- Governance, Risk Management and Internal Control – to ensure the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.
- Internal Audit – to ensure that the internal audit function established by management is effective, meets the mandatory NHS Internal Audit Standards, and provides appropriate independent assurance to the Audit Committee and Board.
- External Audit – to review the work and findings of the External Auditor appointed by the Audit Commission and consider the implications and management's responses to their work
- Financial Reporting – to scrutinise the financial statements and ensure the financial plans of the PCT are delivered.
- Transfer scheme - to oversee the transition process for the PCT as a 'sender organisation' and in particular to scrutinise the local Transfer Scheme submission and ensure appropriate arrangements are in place to manage the risks of the actual transfer process.

2.21 The Locality Assurance Group has fulfilled its duties through the provision of well-attended meetings reviewing, scrutinising and challenging all areas of work under its remit.

2.22 The PCT ceases to be a statutory body on 1st April 2013, and therefore its responsibility for scrutiny and assurance in relation to the Annual Report and Accounts and governance statements is lost. However, there is still a legal requirement for the annual report and accounts and governance reports to be produced and scrutinised. To maintain rigour in the process, the Department of Health has facilitated the establishment of an audit sub-committee to support the final accounts process for 2012/13. This sub-committee is a sub-committee of the Department's Audit and Risk Committee.

2.23 The scope of the audit sub-committee is to review the annual report, financial statements and governance statement of the PCT prior to signing by the Accountable Officer and Director of Finance, focusing on:

- The wording in the governance statement
- Changes in, and compliance with, accounting policies and practices
- Unadjusted mis-statements in the financial statements
- Significant judgements in preparing the financial statements
- Significant adjustments resulting from audit
- Letter of representation, and
- Qualitative aspects of financial reporting

3.0 Risk Management

3.1 NHS Blackpool (Shadow CCG) has established and maintained a system of risk assessment and risk management relating to the business of the local commissioning organisation and through the LAG the risks relating to the PCT have been assessed and managed throughout the year.

3.2 The LAG reviews the establishment and maintenance of an effective system of governance, risk management and internal control across all the organisations activities. The organisation uses the 5 x 5 matrix for the assessment of impact and likelihood of risks, including assessment of mitigation and corrective action. All risks scored above 15 have been reported to the LAG along with the corrective action being proposed.

3.3 At an operational level, NHS Blackpool participates in and contributes to both the cluster Risk Management Group and the NHS Lancashire Health and Safety Committee which have been operating across the cluster to provide a structure for developing and implementing common practice in relation to risk management.

- 3.4 The organisation can report no gaps in relation to its risk management provision.
- 3.5 Responsibility for **information governance** is delegated to the locality Director of Finance (who is also the CCG CFO) who also fulfils the role of Senior Information Risk Owner.
- 3.6 Day-to-day support and management is provided by the in-house team, which has worked closely with the developing Lancashire-wide information governance service at the CSU.
- 3.7 A 'clustered' report for NHS Lancashire as a whole was submitted against the IG toolkit 2012/13. An audit is scheduled, although it is not expected that a satisfactory rating will be returned, mainly due to the changing landscape within the NHS and the impact on local organisations. The NHS Lancashire Executive Team has been made aware of this risk and has accepted the current position.
- 3.15 The risks identified within the IG toolkit compliance and associated transition has been included within the overall Information Governance work programme, which is overseen by the NHS Lancashire Information Governance Committee.

4.0 The Risk and Control Framework

4.1 Risk management is embedded through:

- Compliance with legislative and regulatory requirements
- Standing Financial Instructions and Standing Orders
- Sub committees of the Board, including finance and performance, quality and engagement and remuneration
- Board Assurance Framework
- Risk Registers
- Internal performance management processes
- Policies and Procedures (including the adoption of emerging NHS Lancashire arrangements)
- Internal and external audit
- Programme management approach to the organisational transition process

4.2 The organisation can report that:

- It has continued to follow best practice standards in undertaking its duties, both with regard to PCT and CCG business

- it continues to work to the vision and values as set out in its Strategic Commissioning Plan
 - it complies with Local Counter Fraud and NHS Protect (previously Security Management Services) directives
 - a robust information governance framework is in place, with NHS Blackpool participating and contributing to the reporting of a cluster assessment against the Information Governance toolkit
 - Standing Orders, Standing Financial Instructions and Schemes of delegation are in place and have been reviewed and updated as necessary to reflect the approved changes and delegation of authority associated with the transition
 - a suitable review, approval and dissemination process has been implemented for policies and procedures, which takes account of local requirements and the development of policies at an NHS Lancashire level
- 4.3 NHS Blackpool has utilised the key elements of its control framework to secure assurance for the prevention, deterrent and management of both manifest and potential risks, as shown in paragraphs 4.5 to 4.14 below.
- 4.4 The **Board Assurance Framework** provides a comprehensive method for the effective and focussed management of the principle risks to achieving the organisations objectives.
- 4.5 An Assurance Framework has been in place throughout the year which has supported the completion of the Annual Governance Statement. This is underpinned by the practical application of risk management and maps the principle objectives to risks, controls and assurances.
- 4.6 Any gaps in assurance and control are also included and notified to the LAG when it meets through presentation of risk assessments and mitigation plans.
- 4.7 All risks included within the Assurance Framework fall into a risk register.
- 4.8 Risks scoring a level 15 or above are notified to the Locality Assurance Group through submission of a corporate risk register.
- 4.9 All risks scoring 12 or below are managed through directorate arrangements which includes mechanisms for the review of risks on a monthly basis.

- 4.10 The Assurance Framework provides reasonable assurance that there is an effective system of governance and internal control to manage the principle risks identified by the organisation.
- 4.11 **Internal audit:** NHS Blackpool participates in a robust programme of Internal Audit assessments. These are completed during the year and their findings are reported to Locality Assurance Group and, where there is any report with a limited assurance finding, the NHS Lancashire Audit Committee, where corrective action must be reported.
- 4.12 **Management of incidents:** During 2012/13 NHS Blackpool used the Datix system for incident reporting and management. This is a web-based reporting system which supports improved communication and response to incidents when they occur.
- 4.13 Incidents are managed in accordance with the Incident Reporting Policy.
- 4.14 All Serious Untoward Incidents have been reported and managed in accordance with NHS Lancashire policy guidelines.

5.0 Performance against National Priorities

- 5.1 Performance against national priorities has been reported to the NHS Lancashire Board at each meeting, with operational review being undertaken at locality level within the shadow Clinical Commissioning Groups.
- 5.2 This has maintained a focus on the delivery of outcomes against national and local targets at a locality level. Failing and under-achieving areas have been subject to increased review with action plans developed to support improvement in delivery. NHS Blackpool's performance has generally been good for most of the year and compares favourably with other localities across the north of England.

6.0 Safeguarding

- 6.1 NHS Blackpool has policies, procedures and arrangements in place to safeguard and promote the welfare of children and adults who may be vulnerable which reflect both statutory and local guidance.
- 6.2 Training is provided to all staff, and refreshed on an annual basis. Senior managers from the organisation are active partners on the local Safeguarding Board for both adults and children and support local development work following an OFSTED review undertaken in 2012.

7.0 Equality and Diversity

- 7.1 Control measures are in place to ensure that all the organisations obligations under equality, diversity and human rights legislation are complied with through policies, training and audit processes.
- 7.2 All staff received training in equality, diversity and human rights awareness on an annual basis.

8.0 Financial Monitoring

- 8.1 The main area of risk for the organisation relate to delivery of the financial control total. These have been monitored closely by the CCG's Finance and Performance Committee, reviewed on a periodic basis by the LAG and managed on a daily basis by management.
- 8.2 Delivery of QIPP targets has also been actively managed. Robust controls have been put in place which has included both financial and performance monitoring against the projects to ensure delivery remained on track.
- 8.3 NHS Blackpool has delivered its financial duties and is reporting a year end surplus in line with requirements. The exception is that the organisation did not meet the requirements for the Better Payment Practice code, where invoices have to be paid by the due date or within 30 days of receipt, whichever is the later.

9.0 Human Resources

- 9.1 As part of the overall process of closing down the PCT and transferring staff to their new organisations, or, where necessary, making them redundant, the PCT has ensured that it has followed national policy and procedures in the change process. NHS Lancashire Remuneration Committee was responsible for approving NHS Blackpool redundancies where they were under £100k and the SHA was responsible for approving those over £100k in line with national policy and procedures.

10.0 Review of the effectiveness of risk management and internal control

- 10.1 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.
- 10.2 Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

10.3 The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

10.4 The Head of internal Audit Opinion provided shows an overall level of significant assurance for the reporting period.

10.5 I have been advised on the implications of the result of my review on the effectiveness of the system of internal control by the internal mechanisms of the organisation, which includes the oversight of the locality Executive Team and Local Assurance Group.

11.0 Significant Issues

11.1 There have been no significant control issues in NHS Blackpool in 2012/13 that have not already been reported through the STEiS system.

11.2 During the year, the organisation has been faced with the challenges associated with significant reform, including the loss of organisational memory and transition on a scale and pace not previously experienced within the NHS.

11.3 There has been real and sustained effort to maintain governance and accountability arrangements during the reporting period.

11.4 In conclusion my review, as informed by the Head of Internal Audit opinion and the Lancashire-wide and local Blackpool governance processes reported in this statement, confirms that NHS Blackpool has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

11.5 It is acknowledged that the internal control environment can always be strengthened and this will be imperative as the transition continues during 2013/14.

Signed



Position: Area Director NHS England (Lancashire)

Date

6/8/13

INDEPENDENT AUDITOR'S REPORT TO THE RESPONSIBLE OFFICERS OF BLACKPOOL PCT

We have audited the financial statements of Blackpool PCT comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity, Statement of Cash Flows and related notes for the year ended 31 March 2013. 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.

This report is made solely to the responsible officers of Blackpool PCT in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the responsible officers of the PCT those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the responsible officers of the PCT for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Responsible Officer and auditor

As explained more fully in the Statement of Responsibilities of the Signing Officer of the Primary Care Trust, the Signing Officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Blackpool PCT as at 31 March 2013 and of its expenditure and income 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 regularity prescribed by the Code of Audit Practice 2010 for local NHS bodies

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 other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared 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; and
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the Department of Health's requirements;
- any referrals to the Secretary of State have been made under section 19 of the Audit Commission Act 1998; or
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of, the audit.

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 PCT 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 2010 for local NHS bodies, 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; and
- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the PCT.

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 Blackpool PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.



Timothy Cutler
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St James Square
Manchester
M2 6DS

6 June 2013

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	6,276	27,427
Other costs	5.1	568,810	528,909
Income	4	(259,803)	(252,985)
Net operating costs before interest		315,283	303,351
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	519	509
Net operating costs for the financial year		315,802	303,860
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
Net (gain)/loss on transfers by absorption		0	
Net Operating Costs for the Financial Year including absorption transfers		315,802	303,860
Of which:			
Administration Costs			
Gross employee benefits	7.1	5,354	5,649
Other costs	5.1	4,969	4,701
Income	4	(1,309)	(502)
Net administration costs before interest		9,014	9,848
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	18
Net administration costs for the financial year		9,014	9,866
Programme Expenditure			
Gross employee benefits	7.1	922	21,778
Other costs	5.1	563,841	524,208
Income	4	(258,494)	(252,483)
Net programme expenditure before interest		306,269	293,503
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	519	491
Net programme expenditure for the financial year		306,788	293,994
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		174	129
Net (gain) on revaluation of property, plant & equipment		(4)	(96)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
Net actuarial (gain)/loss on pension schemes		0	0
Reclassification Adjustments			
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive net expenditure for the year*		315,972	303,893

*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 44 form part of this account.

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	23,355	24,830
Intangible assets	13	0	16
Investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	0	0
Total non-current assets		<u>23,355</u>	<u>24,846</u>
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	4,578	5,303
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	0	0
Total current assets		<u>4,578</u>	<u>5,303</u>
Non-current assets held for sale	24	10	0
Total current assets		<u>4,588</u>	<u>5,303</u>
Total assets		<u>27,943</u>	<u>30,149</u>
Current liabilities			
Trade and other payables	25	(15,635)	(18,599)
Other liabilities	26,28	0	0
Provisions	32	(1,572)	(1,757)
Borrowings	27	(842)	(859)
Other financial liabilities	36.2	0	0
Total current liabilities		<u>(18,049)</u>	<u>(21,215)</u>
Non-current assets plus/less net current assets/liabilities		<u>9,894</u>	<u>8,934</u>
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(436)	(531)
Borrowings	27	(17,123)	(17,948)
Other financial liabilities	36.2	0	0
Total non-current liabilities		<u>(17,559)</u>	<u>(18,479)</u>
Total Assets Employed:		<u>(7,665)</u>	<u>(9,545)</u>
Financed by taxpayers' equity:			
General fund		(8,516)	(10,571)
Revaluation reserve		851	1,026
Other reserves		0	0
Total taxpayers' equity:		<u>(7,665)</u>	<u>(9,545)</u>

The notes on pages 5 to 44 form part of this account.

The financial statements on pages 1 to 4 were approved by the audit sub committee of the Department of Health on 6th June 2013. and signed on its behalf by:

NHS England Area Director - Lancashire

Date:



6/6/13

Richard Jones

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(10,571)	1,026	0	(9,545)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(315,802)			(315,802)
Net gain on revaluation of property, plant, equipment		4		4
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(174)		(174)
Movements in other reserves			0	0
Transfers between reserves*	5	(5)		0
Release of Reserves to SOCNE		0		0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	(315,797)	(175)	0	(315,972)
Net Parliamentary funding	317,852			317,852
Balance at 31 March 2013	(8,516)	851	0	(7,665)
Balance at 1 April 2011	(11,092)	1273	0	(9,819)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(303,860)			(303,860)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		96		96
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(225)		(225)
Movements in other reserves			0	0
Transfers between reserves*	118	(118)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(303,742)	(247)	0	(303,989)
Net Parliamentary funding	304,263			304,263
Balance at 31 March 2012	(10,571)	1,026	0	(9,545)

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

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		(315,283)	(303,351)
Depreciation and Amortisation		1,054	949
Impairments and Reversals		517	721
Other Gains / (Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		0	0
Government Granted Assets received credited to revenue but non-cash		0	0
Interest Paid		(487)	(491)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	0
(Increase)/Decrease in Trade and Other Receivables		725	(1,682)
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(3,032)	265
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(1,778)	(197)
Increase/(Decrease) in Provisions		1,466	1,339
Net Cash Inflow/(Outflow) from Operating Activities		(316,818)	(302,447)
Cash flows from investing activities			
Interest Received		0	0
(Payments) for Property, Plant and Equipment		(192)	(978)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		0	0
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Proceeds from the disposal of Financial Assets (LIFT)		0	0
Loans Made in Respect of LIFT		0	0
Loans Repaid in Respect of LIFT		0	0
Rental Revenue		0	0
Net Cash Inflow/(Outflow) from Investing Activities		(192)	(978)
Net cash inflow/(outflow) before financing		(317,010)	(303,425)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(842)	(838)
Net Parliamentary Funding		317,852	304,263
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
Net Cash Inflow/(Outflow) from Financing Activities		317,010	303,425
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		0	0
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		0	0

1. Accounting policies

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

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

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

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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.

Key sources of estimation uncertainty

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

There has been a national campaign to identify potential individuals who have a claim for funding for Continuing Healthcare. There were two deadlines for the receipt of claims, the 30th September 2012 (for claims relating to the period between 1/4/2004 and 31/3 2011) and 31/3 2013 (for claims between 1/4/11 and 31/3/12). The PCT has received 217 claims. Because of the nature of the claims, each has to be individually assessed and resolved. As at the 31/3/13 only 42 of the 217 claims have been reviewed. The PCT has made a provision of £1,473,000 for the outstanding liability in its accounts. The calculation of the liability has been based on estimating from the pool of claims the number of individuals who will be assessed as having a valid claim (30%), the length of the claim (average of 9 months) and the weekly rate (average of £650).

NHS Blackpool receives financial information from the NHS Prescription Services who are responsible for processing prescription data to reimburse pharmacy contractors and to provide to NHS Blackpool information on the cost of drugs prescribed by its prescribers (General Practitioners, Nurse Prescribers and other PCT services). The timescale for processing the data means that the cost for March has been estimated. The PCT estimate is based upon the forecast data provided by the NHSBSA, and has been sense-checked against forecasting models used within the PCT.

Secondary Healthcare activity information is collected on the national "Secondary Uses System". The final year end activity is not available until the end of May. Therefore, estimates for the cost of that activity for NHS Blackpool patients have been included based on activity data supplied by providers costed in accordance with the national PbR tariff.

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 Care Trust Designation

The PCT is not designated as a Care Trust by the Secretary of State under s45 of the Health and Social Care Act 2001.

1.4 Pooled budgets

THE PCT does not have any pooled budget arrangements

1.5 Taxation

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

1.6 Administration and Programme Costs

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

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

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

1. Accounting policies (continued)

1.7 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.8 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.9 Depreciation, amortisation and impairments

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

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

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

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

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.

AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1. Accounting policies (continued)

1.10 Donated assets

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

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

1.11 Government grants

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

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

1.12 Non-current assets held for sale

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

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

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

1.13 Inventories

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

1.14 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.

1.15 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).

1.16 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

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

Retirement benefit costs

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

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

1.18 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.

1.19 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.

1.20 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.

1.21 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)

1.22 Contingencies

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

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

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

1.23 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.24 Foreign exchange

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

1.25 Provisions

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

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

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

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

Continuing Healthcare provision: The PCT has adopted a reasonable approach in arriving at these estimates, based on the best knowledge available at the time. However, there is a degree of uncertainty about these numbers, and therefore a level of risk associated with them.

1. Accounting policies (continued)

1.26 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset. The PCT has no embedded derivatives.

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.

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss

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

Other financial liabilities

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

1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

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

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

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

a) Services received

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

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

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

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.

1. Accounting policies (continued)

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

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

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

c) Lifecycle replacement

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

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

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

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

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

Other assets contributed by the PCT to the operator

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

1. Accounting policies (continued)

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

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

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

1.29 "Going concern" and the dissolution of the PCT

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4 Transitional, Savings and Transitory Provisions) Order 2013, Blackpool PCT was dissolved on 1/4/2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42 Events after the Reporting Period. Where reconfigurations of this nature take place, 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 31/3 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 and liabilities and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

Revaluations and impairments of fixed assets have been recognised in the period. These transactions are in accordance with the PCT's normal accounting procedures and such transactions have been routinely recognised within previous years accounts.

2 Operating segments

The PCT has two distinct functions: that as a commissioner of services on behalf of the resident population of Blackpool; that of a host commissioner on behalf of a number of PCTs of ambulance services from North West Ambulance Service. The definitions within IFRS 8 that "an operating segment is a component of an entity that enters into activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resource allocation to the segments and assess its performance and for which there is discrete financial information available" are applied. The PCT only reports within its internal reports the portion of the ambulance service which relates to its own population. However the level of gross expenditure and gross income recorded within these accounts which relates solely to this hosting arrangement is significant. The PCT has therefore decided that these two roles form distinct operating segments.

	Commissioning		North West Ambulance Services		Provider		Total	
	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000
Expenditure	<u>324,526</u>	<u>289,396</u>	<u>250,560</u>	<u>241,533</u>	<u>0</u>	<u>26,916</u>	<u>575,086</u>	<u>556,845</u>
	324,526	289,396	250,560	241,533	0	26,916	575,086	529,929
Surplus/(Deficit)								
Segment surplus/(deficit)	1,441	1,399	0	0	0	0	1,441	1,399
Surplus/(deficit) before interest	<u>1,441</u>	<u>1,399</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,441</u>	<u>1,399</u>

In accordance with disclosure requirements for these accounts the PCT discloses that in this segmental reporting analysis there are no differences in values of:

- i) assets from those in the Statement of Financial Position;
- ii) liabilities from those in the Statement of Financial Position;
- iii) in surpluses from those in the Statement of Comprehensive Income;

Furthermore, the PCT discloses there are no changes from prior periods in measurement methods used to determine segment surpluses.

There are no asymmetrical allocations to segments.

There are no transactions between the NWAS & Provider segments.

Transactions between Commissioner & Provider segments are on an accruals basis at agreed contract prices.

Transactions between Commissioner & NWAS segments are on an accruals basis at agreed contract prices.

As permissible in clause 7.74 of Chapter 7 of the NHS Manual of Accounts the PCT has not disclosed the value of net assets between the operating segments as this information is not reported

The PCT's overheads have now been clearly apportioned to the Commissioner & Provider segments of the PCT in readiness for transfer of the Provider segment to another NHS Trust on 01 April 2012. Therefore, in accordance in with clause 7.73 of the NHS Manual of Accounts the Common Costs are shown as part of the net operating expenditure of each segment. The North West Ambulance Service Commissioning function was not apportioned any Common Costs being a discrete hosted service within the PCT.

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		303,860
Net operating cost plus (gain)/loss on transfers by absorption	315,802	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>317,243</u>	<u>305,259</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>1,441</u>	<u>1,399</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	260	859
Charge to Capital Resource Limit	260	783
(Over)/Underspend Against CRL	<u>0</u>	<u>76</u>

3.3 Provider full cost recovery duty

The PCT is required to recover full costs in relation to its provider functions. There are no 12/13 figures because the PCT divested itself of its directly provided services at the 1/14/2012

	2012-13 £000	2011-12 £000
Provider gross operating costs	0	26,916
Provider Operating Revenue	0	(3,561)
Net Provider Operating Costs	<u>0</u>	<u>23,355</u>
Costs Met Within PCTs Own Allocation	0	(23,355)
Under/(Over) Recovery of Costs	<u>0</u>	<u>0</u>

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	317,852	304,263
Cash Limit	317,869	304,263
Under/(Over)spend Against Cash Limit	<u>17</u>	<u>0</u>

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

	2012-13 £000
Total cash received from DH (Gross)	275,475
Less: Trade Income from DH	(138)
Less/(Plus): movement in DH working balances	0
Sub total: net advances	<u>275,337</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)	6,793
Plus: drugs reimbursement (central charge to cash limits)	35,722
Parliamentary funding credited to General Fund	<u>317,852</u>

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	0	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	1,464		1,464	1,513
Dental Charge income from Trust-Led GDS & PDS	163		163	118
Prescription Charge income	1,984		1,984	1,770
Strategic Health Authorities	2,265	10	2,255	2,641
NHS Trusts	0	0	0	56
NHS Foundation Trusts	4,147	735	3,412	1,301
Primary Care Trusts Contributions to DATs	0		0	0
Primary Care Trusts - Other	4,199	184	4,015	5,950
Primary Care Trusts - Lead Commissioning	242,414	0	242,414	236,716
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	138	0	138	11
Recoveries in respect of employee benefits	162	162	0	267
Local Authorities	144	15	129	209
Patient Transport Services	0		0	0
Education, Training and Research	0	0	0	0
Non-NHS: Private Patients	0		0	4
Non-NHS: Overseas Patients (Non-Reciprocal)	0		0	0
NHS Injury Costs Recovery	0		0	0
Other Non-NHS Patient Care Services	23	0	23	0
Charitable and Other Contributions to Expenditure	0		0	0
Receipt of donated assets	0		0	0
Receipt of Government granted assets	0		0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	1,646	192	1,454	1,909
Other revenue	1,054	11	1,043	520
Total miscellaneous revenue	259,803	1,309	258,494	252,985

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	27,270		27,270	24,546
Non-Healthcare	806	799	7	1,215
Total	28,076	799	27,277	25,761
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	251,424	35	251,389	245,867
Goods and services (other, excl Trusts, FT and PCT))	135	125	10	3,272
Total	251,559	160	251,399	249,139
Goods and Services from Foundation Trusts	159,353	710	158,643	129,890
Purchase of Healthcare from Non-NHS bodies	34,893		34,893	24,013
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	5,139		5,139	5,101
Non-GMS Services from GPs	2,474	0	2,474	2,351
Contractor Led GDS & PDS (excluding employee benefits)	8,537		8,537	8,363
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0		0	18
Chair, Non-executive Directors & PEC remuneration	437	437	0	382
Executive committee members costs	8	8	0	52
Consultancy Services	260	134	126	542
Prescribing Costs	27,847		27,847	28,190
G/PMS, APMS and PCTMS (excluding employee benefits)	25,051	0	25,051	24,873
Pharmaceutical Services	0		0	0
Local Pharmaceutical Services Pilots	0		0	0
New Pharmacy Contract	9,542		9,542	8,766
General Ophthalmic Services	1,808		1,808	1,756
Supplies and Services - Clinical	85	0	85	3,311
Supplies and Services - General	2	0	2	177
Establishment	585	450	135	1,168
Transport	27	17	10	13
Premises	8,150	1,260	8,890	8,373
Impairments & Reversals of Property, plant and equipment	517	0	517	721
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	1,038	239	799	926
Amortisation	16	0	16	23
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	8
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	97	75	22	140
Other Auditors Remuneration	0	0	0	0
Clinical Negligence Costs	0	0	0	0
Education and Training	88	88	0	434
Grants for capital purposes	0	0	0	0
Grants for revenue purposes	2,319	0	2,319	3,837
Impairments and reversals for investment properties	0	0	0	0
Other	902	592	310	581
Total Operating costs charged to Statement of Comprehensive Net Expenditure	568,810	4,969	563,841	528,909
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	1,013
PCT Officer Board Members	1,075	996	79	1,904
Other Employee Benefits	5,201	4,358	843	24,510
Total Employee Benefits charged to SOCNE	6,276	5,354	922	27,427
Total Operating Costs	575,086	10,323	564,763	556,336

Analysis of grants reported in total operating costs

	2012-13	2012-13	2012-13	2011-12
For capital purposes				
Grants to fund Capital Projects - GMS	0	0	0	0
Grants to Local Authorities to Fund Capital Projects	0	0	0	0
Grants to Private Sector to Fund Capital Projects	0	0	0	0
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	0	0	0	0
Grants to fund revenue expenditure				
To Local Authorities	2,319	0	2,319	3,837
To Private Sector	0	0	0	0
To Other	0	0	0	0
Total Revenue Grants	2,319	0	2,319	3,837
Total Grants	2,319	0	2,319	3,837

	Total	Commissioning Public Health Services	
PCT Running Costs 2012-13			
Running costs (£000s)	9,015	7,410	1,805
Weighted population (number in units)*	175,163	175,163	175,163
Running costs per head of population (£ per head)	51	42	9
PCT Running Costs 2011-12			
Running costs (£000s)	9,884	8,021	1,863
Weighted population (number in units)	175,163	175,163	175,163
Running costs per head of population (£ per head)	56	46	11

* 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 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	25,051	24,873
Prescribing costs	27,847	28,190
Contractor led GDS & PDS	8,537	8,363
Trust led GDS & PDS	0	1,837
General Ophthalmic Services	1,808	1,756
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	9,542	8,766
Non-GMS Services from GPs	2,474	2,351
Other	8,659	9,259
Total Primary Healthcare purchased	83,918	85,395
Purchase of Secondary Healthcare		
Learning Difficulties	2,320	2,171
Mental Illness	20,339	20,639
Maternity	5,134	5,276
General and Acute	132,719	120,429
Accident and emergency	6,741	8,308
Community Health Services	46,279	43,061
Other Contractual	7,095	6,334
Total Secondary Healthcare Purchased	220,627	206,218
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	2,319	3,837
Total Healthcare Purchased by PCT	306,864	295,450
PCT self-provided secondary healthcare included above	0	23,355
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	155,095	113,585

6. Operating Leases

The PCT leases assets for the provision of healthcare related services. These leases are classified as operating leases.

6.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
Payments recognised as an expense					
Minimum lease payments				2,926	2,710
Contingent rents				0	0
Sub-lease payments				0	0
Total				2,926	2,710
Payable:					
No later than one year	0	2,813	113	2,926	2,933
Between one and five years	0	11,317	274	11,591	11,424
After five years	0	35,286	0	35,286	38,115
Total	0	49,416	387	49,803	52,472

Total future sublease payments expected to be received 0 0

6.2 PCT as lessor

Where the PCT owns or has taken the headlease on buildings or major equipment, the PCT has formal or informal sub-leasing arrangements with service providers or independent contractors (General Practitioners or Pharmacists) who provide services to the PCT from these buildings. All sub-leasing arrangements have been treated as operating leases under IAS 17.

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	1,646	1,909
Contingent rents	0	0
Total	1,646	1,909
Receivable:		
No later than one year	1,135	575
Between one and five years	4,062	1,687
After five years	12,234	3,501
Total	17,431	5,763

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	5,177	4,366	811	4,216	3,527	689	961	839	122
Social security costs	278	233	45	278	233	45	0	0	0
Employer Contributions to NHS BSA - Pensions Division	405	339	66	405	339	66	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	416	416	0	416	416	0	0	0	0
Total employee benefits	6,276	5,354	922	5,315	4,515	800	961	839	122
Less recoveries in respect of employee benefits (table below)	(162)	(162)	0	(162)	(162)	0	0	0	0
Total - Net Employee Benefits including capitalised costs	6,114	5,192	922	5,153	4,353	800	961	839	122
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	6,276	5,354	922	5,315	4,515	800	961	839	122
Recognised as:									
Commissioning employee benefits	6,276			5,315			961		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	6,276			5,315			961		

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	162	162	0	162	162	0	0	0	0
Social Security costs	0	0	0	0	0	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	0	0	0	0	0	0	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other Post Employment Benefits	0	0	0	0	0	0	0	0	0
Other Employment Benefits	0	0	0	0	0	0	0	0	0
Termination Benefits	0	0	0	0	0	0	0	0	0
TOTAL excluding capitalised costs	162	162	0	162	162	0	0	0	0

Employee Benefits - Prior-year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	21,482	19,806	1,876
Social security costs	1,373	1,368	5
Employer Contributions to NHS BSA - Pensions Division	2,324	2,324	0
Other pension costs	9	0	9
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	2,239	2,239	0
Total gross employee benefits	27,427	25,537	1,890
Less recoveries in respect of employee benefits	(267)	(267)	0
Total - Net Employee Benefits including capitalised costs	27,160	25,270	1,890
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	27,427	25,537	1,890
Recognised as:			
Commissioning employee benefits	8,190		
Provider employee benefits	19,237		
Gross Employee Benefits excluding capitalised costs	27,427		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	2	2	0	21	21	1
Ambulance staff	0	0	0	0	0	0
Administration and estates	104	80	24	226	206	20
Healthcare assistants and other support staff	3	3	0	123	123	1
Nursing, midwifery and health visiting staff	0	0	0	248	243	4
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	3	3	0	44	44	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	113	89	24	663	638	25
Of the above - staff engaged on capital projects	0	0	0	0	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,028	5,243
Total Staff Years	187	645
Average working Days Lost	5.50	8.13

[Note: this should be included in the PCT's annual report. Inclusion in accounts is optional]

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	1
Total additional pensions liabilities accrued in the year	£000s 0	£000s 44

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			Total number of exit packages by cost band
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	
	Number	Number	Number	Number	Number	Number	
Lees than £10,000	1	1	2	10	0	10	
£10,001-£25,000	0	3	3	8	0	8	
£25,001-£50,000	0	5	5	4	0	4	
£50,001-£100,000	0	7	7	1	0	1	
£100,001 - £150,000	4	1	5	0	0	0	
£150,001 - £200,000	0	0	0	1	0	1	
>£200,000	0	0	0	1	0	1	
Total number of exit packages by type (total cost)	5	17	22	25	0	25	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	470	848	1,318	874	0	874	

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 Voluntary Redundancy Scheme or for compulsory redundancies under the terms of NHS national terms and conditions. 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. In accordance with DoH guidance only the numbers of exit packages for staff employed by NHS Blackpool PCT have been included. Where the PCT has shared staff with another NHS organisation and those staff have been on the payroll of that other organisation, they are included on the other organisation's note to its accounts. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

7.5 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

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

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

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

are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

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

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	8,748	52,538	11,300	46,282
Total Non-NHS Trade Invoices Paid Within Target	7,908	45,623	10,843	44,017
Percentage of NHS Trade Invoices Paid Within Target	90.40%	86.84%	95.96%	95.11%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,961	445,400	3,144	411,486
Total NHS Trade Invoices Paid Within Target	2,787	435,729	3,061	409,490
Percentage of NHS Trade Invoices Paid Within Target	94.12%	97.83%	97.36%	99.51%

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

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

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

9. Investment Income

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

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under PFI contracts:				
- main finance cost	487	0	487	491
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	<u>487</u>	<u>0</u>	<u>487</u>	<u>491</u>
Other finance costs	0	0	0	0
Provisions - unwinding of discount	32	0	32	18
Total	<u>519</u>	<u>0</u>	<u>519</u>	<u>509</u>

12.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2012-13									
Cost or valuation:									
At 1 April 2012	3,890	18,840	0	0	1,964	0	2,024	189	26,907
Additions of Assets Under Construction				0					0
Additions Purchased	45	90	0	0	16	0	109	0	260
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	(10)	0	0	0	0	0	0	0	(10)
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	4	0	0	0	0	0	0	4
Impairments/negative indexation	(174)	0	0	0	0	0	0	0	(174)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	3,751	18,934	0	0	1,980	0	2,133	189	26,987
Depreciation									
At 1 April 2012	0	0	0	0	611	0	1,297	169	2,077
Reclassifications		0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	16	501	0	0	0	0	0	0	517
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	389	0	0	227	0	419	3	1,038
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	16	890	0	0	838	0	1,716	172	3,632
Net Book Value at 31 March 2013	3,735	18,044	0	0	1,142	0	417	17	23,355
Purchased	3,735	18,044	0	0	1,142	0	417	17	23,355
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,735	18,044	0	0	1,142	0	417	17	23,355
Asset financing:									
Owned	3,735	1,001	0	0	1,142	0	417	17	6,312
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	17,043	0	0	0	0	0	0	17,043
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,735	18,044	0	0	1,142	0	417	17	23,355

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	867	142	0	0	17	0	0	0	1,026
Movements (specify)	(174)	10	0	0	(11)	0	0	0	(175)
At 31 March 2013	693	152	0	0	6	0	0	0	851

Additions to Assets Under Construction in 2012-13

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

12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	4,153	19,438	0	0	1,752	0	1,874	189	27,406
Additions - purchased	262	159	0	0	212	0	150	0	783
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0	0	0	0
Impairments	(225)	0	0	0	0	0	0	0	(225)
Reversals of impairments	96	0	0	0	0	0	0	0	96
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	(396)	(757)	0	0	0	0	0	0	(1,153)
At 31 March 2012	3,890	18,840	0	0	1,964	0	2,024	189	26,907
Depreciation									
At 1 April 2011	0	0	0	0	426	0	991	166	1,583
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	396	937	0	0	0	0	0	0	1,333
Reversal of Impairments	0	(612)	0	0	0	0	0	0	(612)
Charged During the Year	0	432	0	0	185	0	306	3	926
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	(396)	(757)	0	0	0	0	0	0	(1,153)
At 31 March 2012	0	0	0	0	611	0	1,297	169	2,077
Net Book Value at 31 March 2012	3,890	18,840	0	0	1,353	0	727	20	24,830
Purchased	3,890	18,840	0	0	1,353	0	727	20	24,830
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,890	18,840	0	0	1,353	0	727	20	24,830
Asset financing:									
Owned	3,890	1,046	0	0	1,353	0	727	20	7,036
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	17,794	0	0	0	0	0	0	17,794
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,890	18,840	0	0	1,353	0	727	20	24,830

12.3 Property, plant and equipment

The PCT has no donated assets. (2011/12 £nil)

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. The PCT had its assets valued by the District Valuation Office using Modern Equivalent Asset valuations with effect from the 1st April 2009. At the same time the District Valuer provided estimated lives for each building and its components as the basis for on-going depreciation. The District Valuer has provided interim valuations as at 31st March 2011, together with revised asset lives if applicable, for the land and buildings recorded in the Statement of Financial Position. These valuations have been recorded as the closing valuations for the assets.

The District Valuer has confirmed that he has provided valuations for non-specialised operational assets using "Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation". This is in accordance with NHS guidance on the valuation methodology for operational assets.

The District Valuer has confirmed that where he has provided valuations for specialised operational assets for which there is no market based evidence of fair value because of the specialised nature of the property and the item is rarely sold, except as part of a continuing business fair value is estimated using a depreciated replacement cost approach subject to the assumption of continuing use. Where depreciated replacement cost has been used it is confirmed that the valuer had regard to the RICS Valuation Information Paper 10 "The Depreciated Replacement Cost method of Valuation for Financial Reporting" as supplemented by Treasury guidance.

Non-operational assets including surplus land are valued on the basis of Market Value making the assumption that the property is no longer required for existing operations which have ceased.

The PCT uses standard asset lives for furniture, general equipment and IT equipment. Furniture and general equipment are normally depreciated over 10 years, whilst IT assets are normally depreciated over 5 years. The District Valuer provided estimates of remaining useful lives for buildings as part of his valuation at the 1st April 2009. The use of component depreciation requires that different aspects of the building are depreciated using the asset life for each different component identified in the valuation.

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	0	102	0	0	0	102
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	102	0	0	0	102
Amortisation						
At 1 April 2012	0	86	0	0	0	86
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	16	0	0	0	16
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	102	0	0	0	102
Net Book Value at 31 March 2013	0	0	0	0	0	0
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	0	0	0	0	0

Revaluation Reserve Balance for intangible non-current assets

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

13.2 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2011-12						
At 1 April 2011	0	102	0	0	0	102
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	102	0	0	0	102
Amortisation						
At 1 April 2011	0	63	0	0	0	63
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	23	0	0	0	23
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	86	0	0	0	86
Net Book Value at 31 March 2012	0	16	0	0	0	16
Net Book Value at 31 March 2012 comprises						
Purchased	0	16	0	0	0	16
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	16	0	0	0	16

13.3 Intangible non-current assets

Software licences are depreciated over 5 years.

The carrying value of existing assets at the Statement of Financial Position date will be written off over their remaining useful lives. New Intangible assets are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	26		26
Changes in market price	491		491
Total charged to Annually Managed Expenditure	517		517
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	174		
Changes in market price	0		
Total impairments for PPE charged to reserves	174		
Total Impairments of Property, Plant and Equipment	691	0	517
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	0		
Total Impairments of Intangibles	0	0	0
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL Impairments for Financial Assets charged to reserves	0		
Total Impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of non-current assets held for sale	0	0	0
Inventories - Impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	0		
Total Investment Property Impairments	0	0	0
Total Impairments charged to Revaluation Reserve	174		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	517		517
Overall Total Impairments	691	0	517
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE -DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

15 Investment property

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

16 Commitments

16.1 Capital commitments

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

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

16.2 Other financial commitments

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

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

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	2,195	0	864	0
Balances with Local Authorities	387	0	241	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	525	0	3,416	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,732	0	10,997	0
At 31 March 2013	<u>4,839</u>	<u>0</u>	<u>15,518</u>	<u>0</u>
prior period:				
Balances with other Central Government Bodies	2,610	0	365	0
Balances with Local Authorities	76	0	115	0
Balances with NHS Trusts and Foundation Trusts	672	0	3,554	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,945	0	14,565	0
At 31 March 2012	<u>5,303</u>	<u>0</u>	<u>18,599</u>	<u>0</u>

18 Inventories

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

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	2,096	3,282	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	624	0	0	0
Non-NHS receivables - revenue	883	455	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	663	1,378	0	0
Provision for the impairment of receivables	(24)	(24)	0	0
VAT	322	195	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	14	17	0	0
Total	4,578	5,303	0	0
Total current and non current	4,578	5,303		
Included above:				
Prepaid pensions contributions	0	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	563	(344)
By three to six months	384	182
By more than six months	20	584
Total	967	422

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(24)	(16)
Amount written off during the year	0	16
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	0	(24)
Balance at 31 March 2013	(24)	(24)

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	0	0	0
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	<u>0</u>	<u>0</u>	<u>0</u>
Balance at 1 April 2011	0	0	0
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	<u>0</u>	<u>0</u>	<u>0</u>

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

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

21.3 Other Financial Assets - Capital Analysis

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

22 Other current assets

	31 March 2013 £000	31 March 2012 £000
EU Emissions Trading Scheme Allowance	0	0
Other Assets	0	0
Total	<u>0</u>	<u>0</u>

23 Cash and Cash Equivalents

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

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	0	0	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in the year	10	0	0	0	0	0	0	0	0	10
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	10	0	0	0	0	0	0	0	0	10
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2011	0	0	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	0	0	0	0	0	0	0	0	0	0
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0
Revaluation reserve balances in respect of non-current assets held for sale were:										
At 31 March 2012	0									
At 31 March 2013	0									

The asset held for sale is land which is being purchased by the Local Authority as open space. The asset sale will be completed in April 2013.

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0		
NHS payables - revenue	3,738	1,478	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	542	3,050	0	0
Family Health Services (FHS) payables	6,786	6,792		
Non-NHS payables - revenue	2,401	2,369	0	0
Non-NHS payables - capital	71	3	0	0
Non_NHS accruals and deferred income	2,095	4,854	0	0
Social security costs	0	0		
VAT	0	0	0	0
Tax	0	0		
Payments received on account	0	0	0	0
Other	2	53	0	0
Total	15,635	18,599	0	0
Total payables (current and non-current)	15,635	18,599		

Other payables include £0 (2011-12: £0) in respect of payments due in future years under arrangements to buy out the liability for [number] early retirements over 5 instalments; and £0 (2011-12: £0) in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012: £0).

26 Other liabilities

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

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	842	859	17,123	17,948
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other	0	0	0	0
Total	842	859	17,123	17,948
Total other liabilities (current and non-current)	17,965	18,807		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	864	864
1 - 2 Years	0	766	766
2 - 5 Years	0	2,373	2,373
Over 5 Years	0	13,962	13,962
TOTAL	0	17,965	17,965

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	0	75	0	0
Deferred income addition	0	0	0	0
Transfer of deferred income	0	(75)	0	0
Current deferred Income at 31 March 2013	0	0	0	0
Total other liabilities (current and non-current)	0	0		

30 Finance lease obligations

The PCT has no finance lease obligations

31 Finance lease receivables as lessor

The PCT has no Finance Lease receivables

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	2,288	0	577	20	0	0	0	0	0	1,691
Arising During the Year	1,510	0	19	18	0	1,473	0	0	0	0
Utilised During the Year	(1,778)	0	(74)	(13)	0	0	0	0	0	(1,691)
Reversed Unused	(44)	0	(44)	0	0	0	0	0	0	0
Unwinding of Discount	32	0	32	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	2,008	0	510	25	0	1,473	0	0	0	0
Expected Timing of Cash Flows:										
No Later than One Year	1,572	0	74	25	0	1,473	0	0	0	0
Later than One Year and not later than Five Years	1,769	0	296	0	0	1,473	0	0	0	0
Later than Five Years	(1,333)	0	140	0	0	(1,473)	0	0	0	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:
As at 31 March 2013 112
As at 31 March 2012 382

Given the nature of the claims relating to Continuing Healthcare it is not possible to precisely calculate the number and amount of any individual claim until it has been formally assessed. The PCT has made assumptions about both the number of claims which will be successful and as to the value of the claim.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other [give details]	(5)	0
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(5)	0
Contingent Assets		
Contingent Assets [give details]	0	0
Net Value of Contingent Assets	0	0

The NHS LA has 3 claims in progress concerning Blackpool PCT. The Contingent Liability stated is the balance of the excess payable by Blackpool PCT which has not been included in Provisions based on the probability of the PCT needing to make payment upon conclusion of the claims.

The PCT has fifteen legal charges over property owned by Housing Associations or Local Authorities. In accordance with section 256 and 257 of the NHS Act 2006, whenever the PCT has provided grant funding for the provision or refurbishment of property, it has taken a legal charge over the asset concerned. The legal charges have been reviewed against IFRIC 12 and IFRIC 4 and the PCT has concluded that there are no implications. The legal charges become payable when the assets are no longer used for the purpose agreed when the grant was made and the PCT is entitled to receive a percentage (dependent on the relative size of the PCT contribution to the contribution by the other party) of the final sale price of the asset. The PCT cannot therefore estimate when the legal charge may be invoked nor the final value it will receive.

34 PFI and LIFT - additional information**34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI**

Total charge to operating expenses in year - OFF SOFP PFI

Service element of on SOFP PFI charged to operating expenses in year

	31 March 2013 £000	31 March 2012 £000
Total charge to operating expenses in year - OFF SOFP PFI	0	0
Service element of on SOFP PFI charged to operating expenses in year	698	702
Total	698	702

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

No Later than One Year

Later than One Year, No Later than Five Years

Later than Five Years

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	716	728
Later than One Year, No Later than Five Years	3,475	3,097
Later than Five Years	33,218	33,695
Total	37,409	37,520

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

Estimated Capital Value of Project - off SOFP PFI

Value of Deferred Assets - off SOFP PFI

Value of Reversionary Interest - off SOFP PFI

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

34.2 Imputed "finance lease" obligations for on SOFP PFI contracts due

Analysed by when PFI payments are due

No Later than One Year

Later than One Year, No Later than Five Years

Later than Five Years

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	1,329	1,329
Later than One Year, No Later than Five Years	4,802	5,179
Later than Five Years	18,805	20,044
Subtotal	24,936	26,552
Less: Interest Element	(6,971)	(7,745)
Total	17,965	18,807

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

The PCT has no LIFT properties

35 Impact of IFRS treatment - 2012-13**Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)**

Depreciation charges

Interest Expense

Impairment charge - AME

Impairment charge - DEL

Other Expenditure

Revenue Receivable from subleasing

Total IFRS Expenditure (IFRIC12)

Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)

Net IFRS change (IFRIC12)

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

Capital expenditure 2012-13

UK GAAP capital expenditure 2012-13 (Reversionary Interest)

	Total £000	Admin £000	Programme £000
Depreciation charges	358	0	358
Interest Expense	487	0	487
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	969	0	969
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	1,814	0	1,814
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(2,298)	0	(2,298)
Net IFRS change (IFRIC12)	(484)	0	(484)
Capital expenditure 2012-13	0		
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0		

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

36.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		0		0
Receivables - non-NHS		0		0
Cash at bank and in hand		0		0
Other financial assets	0	0	0	0
Total at 31 March 2013	0	0	0	0
Embedded derivatives	0			0
Receivables - NHS		2,848		2,848
Receivables - non-NHS		2,335		2,335
Cash at bank and in hand		0		0
Other financial assets	0	(24)	0	(24)
Total at 31 March 2012	0	5,159	0	5,159

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		0	0
Non-NHS payables		0	0
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2013	0	0	0
Embedded derivatives	0		0
NHS payables		4,461	4,461
Non-NHS payables		13,881	13,881
Other borrowings		0	0
PFI & finance lease obligations		18,807	18,807
Other financial liabilities	0	53	53
Total at 31 March 2012	0	37,202	37,202

37 Related party transactions

During the year 2012/13 the PCT had material transactions with bodies which were, at least in part, controlled by Board members as follows:

Details of these related party transactions with individuals are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Blackpool Council	10,671	495	241	367
Fylde Coast Medical Services	2,290	0	0	0
Blackpool Teaching Hospital Foundation Trust	129,514	3,471	92	0
Bloomfield Medical Centre	1,811	0	0	4
GP Led Medical Centre	2,812	0	0	0
Gorton Street	834	0	0	0
Waterloo Medical Centre	1,668	0	0	26

Mr I Taylor (PCT Board Member) was an elected member of Blackpool Council & the Board of Governors at Blackpool, Fylde, & Wyre Hospitals Foundation Trust.
Mrs S Taylor (spouse of Mr Taylor) is an elected member of Blackpool Council.

Dr Doyle & Dr Calvert (Executive Directors) are shareholders of FCMS.
Dr Doyle is a partner at Bloomfield Medical Centre GP Practice who also hold the contract for the GP Led Medical Centre.

General Practitioners of the Board receive income under the PCT's APMS / PMS / GMS commissioning arrangements.

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

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

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Her Majesty's Revenue & Customs.

The PCT has not received any revenue and capital payments from any charitable funds of which certain of the trustees are also members of the PCT board.

During the year 2011/12 the PCT had material transactions with bodies which were, at least in part, controlled by Board members as follows:

Details of these related party transactions with individuals are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Blackpool Council	10,740	497	115	78
Fylde Coast Medical Services	2,290	0	6	0
Blackpool Teaching Hospital Foundation Trust	103,419	909	1,703	205
Bloomfield Medical Centre	1,335	0	15	4
GP Led Medical Centre	2,598	0	152	0
Gorton Street	615	0	117	0
Waterloo Medical Centre	68	0	11	0

Mr I Taylor (PCT Board Member) was an elected member of Blackpool Council & the Board of Governors at Blackpool, Fylde, & Wyre Hospitals Foundation Trust.
Mrs S Taylor (spouse of Mr Taylor) is an elected member of Blackpool Council.
Dr Doyle & Dr Calvert (Executive Directors) are shareholders of FCMS.

Dr Doyle is a partner at Bloomfield Medical Centre GP Practice who also hold the contract for the GP Led Medical Centre.

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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 Her Majesty's Revenue & Customs.

The PCT has not received any revenue and capital payments from any charitable funds of which certain of the trustees are also members of the PCT board.

38 Losses and special payments

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs (in respect of write off of payments owed by other Primary Care trusts)	81,775	287
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
Total losses	81,775	287
Total special payments	0	0
Total losses and special payments	81,775	287

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	213	2
Special payments - PCT management costs	4335	1
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	213	2
Total special payments	4,335	1
Total losses and special payments	4,548	3

There are no cases individually over £250,000

39 Third party assets

The PCT has no third party assets

40 Pooled budget

The PCT has no pooled budget arrangements

41 Cashflows relating to exceptional items

The PCT has no exceptional items to report.

42.1 Events after the end of the reporting period

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4 Transitional, Savings and Transitory Provisions) Order 2013, Blackpool PCT was dissolved on 1/4/2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42 Events after the Reporting Period. Where reconfigurations of this nature take place, 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 main functions carried out by Blackpool PCT are to be carried out in 2013/14 by the following public sector bodies:

Nhs Blackpool Clinical Commissioning Group who will be responsible for commissioning most general acute and community services on behalf of the populations of its member practices. This covers all such services previously provided by the PCT.

NHS England who will be responsible for commissioning specialist acute services, GP services, Dental Services, Pharmacy services, Ophthalmic services and health visiting previously provided by the PCT.

Blackpool Borough Council who will commission public health activities, family planning services, sexual health services, drug and alcohol services previously provided by the PCT.

Certain assets have transferred to NHS Property services on 1st April 2013. These were considered operational at the year-end and so have not been impaired in the PCT books. It is for a successor body to consider whether in 2013/14, it is necessary to review these for impairments

THE DoH have been designated as the successor body to the PCT for the settlement of its current assets and liabilities