



Department
of Health



Stockport Primary Care Trust

2012-13 Annual Report and Accounts

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Stockport Primary Care Trust

2012-13 Annual Report

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

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Chapter 1 ~ Message from Chairman and Chief Executive

Welcome to our Annual Report for 2012/13

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

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

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

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

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

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

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



Chapter 2 ~ Details of the Directors

The NHS Greater Manchester Board

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

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

Prof Eileen Fairhurst	Chairman
Dr. Mike Burrows	Chief Executive
Dr Raj Patel	Medical Director
Mr Terry Atherton	Non-Executive Director (Vice-Chairman)
Mr Michael Greenwood	Non-Executive Director (Vice-Chairman)
Mr Riaz Ahmad*	Non-Executive Director (Audit Committee Chairman)
Ms Evelyn Asante-Mensah*	Non-Executive Director
Dr Kailash Chand+	Associate Non-Executive Director

Mr David Edwards	Non-Executive Director
Mr Paul Horrocks*	Non-Executive Director
Mr Alan Stephenson*	Non-Executive Director
Dr Julie Higgins	Director of Commissioning & Development (from 1.4.12 to 31.8.12)
Ms Andrea Anderson+	Director of HR & OD (on maternity leave during 2012/13)
Mr Kevin Moynes+	Director of HR & OD
Mr Rob Bellingham+	Board Secretary
Mrs Hilary Garratt	Director of Nursing, Quality & Performance (from 1.4.12 to 30.6.12)
Mrs Anita Rolfe	Director of Nursing, Quality & Performance (from 1.7.12 to 31.10.12)
Mrs Trish Bennett	Director of Nursing, Quality & Performance (from 1.10.12 onwards)
Mr Warren Heppolette+	Director of Policy & External Relations

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

The Directors have stated that all possible steps have been taken and, as far as they can distinguish, the PCT's auditors are aware of all relevant audit information

** Denotes member of the Audit Committee

'+' non voting member

Chapter 3 ~ Our Readiness for Organisational Change

During 2012 - 2013 Stockport PCT has focussed a great deal of its attention on the development of the new Clinical Commissioning Group (CCG). We were in the second wave of CCGs to become authorised and there was a phenomenal amount of work undertaken by the GP members, Governing Body and staff to get us ready for external assessment and scrutiny.

This started with the development of the CCG vision, values and priorities. In development of these and the constitution we worked closely with GP practice colleagues and the public. The constitution sets out how the organisation will carry out its duties and make decisions. It has been set up as a member organisation and all GP practices have nominated a GP member who will have voting rights as set out in the CCG's Constitution.

The membership of the CCG shadow board reflects the dedication to clinical leadership with the inclusion of 8 GPs, 1 hospital consultant and 1 nurse. Also its commitment to the voice of the patient is demonstrated by the lay chair appointment and lay finance lead.

In March 2013 we got the result we were aiming for which was to have a fully authorised clinical commissioning group with no conditions. This means that we do not require any support from NHS England to undertake our functions. Much of the work setting up the CCG was undertaken by PCT staff who faced uncertainty over their future employment. Their professionalism was upheld throughout the process and the legacy of their success will live on in the CCG.

We have also worked very closely with our Local Authority colleagues and are working well to further develop plans for integrated commissioning across health and social care. We developed an integrated model for public health in the CCG including the appointment of a Deputy Director of Public Health as a clinical director in the CCG.

During 2012/2013 we demonstrated our commitment to listening to patients by bringing the patient's voice to the Board. We started each of our CCG Shadow Board meetings with a patient story video. These have been a powerful way of getting across a snapshot of patient experience. They have also produced real changes and have been used across our providers in staff learning and development.

Early in 2013 we progressed the first Annual Business plan for Stockport PCT Clinical Commissioning Group 2013/2014. The CCG Shadow Board agreed the following strategic aims:

1. Transform the experience and care of adults with long term and complex conditions

2. Improve the care of children and adolescents with long term conditions and mental health needs
3. Increase the clinical cost effectiveness of elective treatment and prescribing
4. Improve the quality, safety and performance of local services in line with local and national expectations
5. Ensure better prevention and early identification of disease leading to reduced inequalities

From April 2013 the CCG and its members are eager to take on the challenge of addressing these aims and improving patients experience of health care in Stockport

Chapter 4 ~ Our Performance

Stockport PCT has two financial performance targets against which it is measured:-

- Achievement of Operational Financial Balance (OFB) - *whether we balance our books at the end of the year*
- Better Payments Practice Policy - *whether we pay our invoices on time and within agreed payment terms*

Achievement of Operational Financial Balance (OFB) – Primary Care Trusts have a legal duty to maintain spending within their Resource Limit i.e. the total budget. There are three separate elements against which our performance is measured under OFB: Revenue, Capital and Cash.

Performance against each is shown in Table A which also shows that we have delivered against each of our financial performance targets in 2012/13 by:-

Revenue – underspend against budget by £970,000, which is in line with our planned control surplus target of £917,000 for 2012/13.

Capital – an under spend of £180,000 against £1.6m capital resources.

Cash – The balance of cash at bank is within the approved limits set by the Department of Health.

Table A

Summary of Financial Performance Targets 2012/13

	£000s
(i) Revenue Position 2012/13	
Total Budget	(490,013)
Total Spend	489,043
(Under)/Overspend - Revenue	(970)
(ii) Capital Position 2012/13	
Total Capital Budget	(1,556)
Disposal of Assets	0
Total Capital Spend	1,376
(Under)/Overspend - Capital	(180)
(iii) Cash Position	
Opening Cash at Bank 1.4.12	58
Cash Funding Received	489,317
Total Cash Spending 12/13	(489,326)
Closing Cash at Bank 31.3.13	49

Better Payments Practice Policy

All NHS Organisations are required to pay 95% of its invoices within 30 days or within the agreed payment terms, whichever is the sooner. This is known as the Better Payment Practice Code.

We monitor performance against this target on a monthly basis. Our performance shows that we have exceeded the 95% target for 2012/13 with an average performance of over 96.3%. This is shown on page 26 of the Annual Accounts.

Running Costs

The PCT is required to report spend on 'running costs' which reflects the pay cost for admin staff, associated non pay costs and accommodation costs of PCT estate. The running costs reported in the 2012/13 accounts shows the costs for all existing PCT staff before their transfer to a successor body. The running cost comparator is determined by dividing the GP registered population into the total running costs to provide a cost per head.

The total spend on running costs in 12/13 of £34.17 (including Public Health staff) shows a reduction of £10.14 compared to 11/12 cost of £44.31. This reflects the PCT's continued programme of reducing staff numbers as we move towards the new NHS organisational structures and the need for Clinical Commissioning Groups to operate within the nationally set £25 per head of population funding envelope..

Fair Pay

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

The banded remuneration of the highest paid director in the financial year 2012/13 was £150k - £155k for a post funded on a shared basis across Greater Manchester. This highest-paid director post resulted in a 10.26% cost to Stockport which equated to

£15,852 for 2012/13. This shared out cost is lower than the PCT's median remuneration of the workforce, which was £32,090.

No employees received remuneration in excess of the highest-paid director in 2012/13.

The ratio of highest-paid director to the median salary is £15,852 / £32,090 which equates to 0.49. This ratio is markedly out of line with similar sized organizations and solely reflects the cost of highest paid director at GM Cluster shared out across 10 organisations. For comparative purposes only, if the highest paid director was not shared across the 10 PCTs then an indicative determination would be £154,500 / £32,090 giving a ratio of 4.81.

Other Key Performance Results 2012/13

In addition to the statutory financial performance targets, PCTs have also been measured in other key areas such as:-

- Access to elective care (i.e. planned care) through the '18 weeks' Referral to Treatment Target
- Assessment and treatment for urgent care through the 4 hour A&E wait measures (specifically relating to Stockport Foundation Trust).
- Incidence of clinical infections through measurement of the number of MRSA and C-Diff infections.

Measure	Actual Achieved 2011/12	Actual Achieved 2012/13
18 weeks - Admitted	86.6%	93.2%
18 weeks - non Admitted	96.3%	96.9%
A&E 4 hours	94.4%	90.3%
MRSA infections	4	6
Clostridium Difficile infections	154	113

During 2012/2013 we halved the rate of C difficile in Stockport. This was a fantastic achievement to which our GP practices, Infection Control team, staff and patients contributed. In 2013/2014 the CCG will continue this focus and effort to reduce this even further.

Despite the challenges faced by organisational change we have had some excellent achievements during 2012/13. For example;

Top in the country for uptake of the flu vaccination.

Department of Health figures show that NHS staff in Stockport vaccinated around 68,000 people who were at risk of developing serious complications if they caught the flu. In all three “at risk” categories, Stockport’s immunisation rates were considerably better than the national average making the borough the safest place to be in England when it comes to flu.

In the 65 and over group 80.8% were vaccinated in Stockport compared to a national average of 73.4%. We achieved 74.5% uptake of the borough’s expectant mums for free flu jabs compared to the national average of just 40.3%. In the group of people aged 6 months to 65 years old who have a health condition that puts them at risk, 68.8% were immunised compared to a national average of 51.3%.

Reduced cancer waiting times

During 2013/2013 we significantly reduced our waiting times for cancer treatment. Working in collaboration with Stockport NHS Foundation Trust the lead clinicians in the shadow CCG progressed work on the cancer pathways of care. This led to sustained improvements in our performance on 2 week waits.

Conclusion of the Lifestyle Services Review

This project led by Public Health that resulted in the launch of the www.healthystockport.co.uk website, which is the universal lifestyle offer for Stockport and part of the holistic Healthy Stockport service.

Eye Care LPN

This group was established with the Local Optometric Committees across Greater Manchester, a strategy has been developed to explore how the Eye Care LPN can support the Public Health agenda for improved eye care. In addition they have examined how optometrists in primary care could support the demand in secondary care for glaucoma, red-eye and cataract services and their aspiration would be to work with the Clinical Commissioning Groups on this agenda in 2013/14.

Chapter 5 ~ Sustainability Report

Carbon Management Strategy and Sustainability Report 2012/13

Introduction

Stockport PCT has a proven track record of active carbon reduction management and sustainability, and has invested heavily in infrastructure to allow it to achieve its reduction and sustainability targets and obligations since 2010.

Sustainability Reports (ERIC data 2011/12)

Water

Water Volume	16,807 m ³
Water and Sewage Costs	£ 71,712
Water and Sewage Cost per total water volume	£ 4.87 m ³
Water and Sewage Cost per occupied floor area	£ 3.72 m ²
Water Volume per occupied floor area	0.9 m ³ /m ²

Waste

High Temperature Disposal Waste Weight	65 Tonnes
High Temperature Disposal Waste Cost	£ 41,598
Total Waste Cost	£ 69,909
Landfill Disposal Waste Weight	198 Tonnes
Total Waste Volume per occupies floor area (1)	13.78 Kg/m ²

(1) Includes high temperature , non-burn ,
Landfill and electrical and electronic

Waste, less waste recycle and reclamation

Energy

Total Energy cost (All Supplies)	£ 523,437
Total Fossil and Renewable Non Fossil Energy	0.63 kWh/ m ²
Carbon Emissions	2.55 Tonnes
Carbon Reduction Credits Rating	94 %

Carbon Management Strategy Actions taken 2010/2011

The impact of asset disposals and estate reductions and the completion of the spend to save asset investment schemes has enabled Stockport PCT to achieve its carbon reduction targets, the use of green energy at a number of its buildings, the introduction of energy saving lighting, replacement windows, new roofs all with positive thermal qualities, and the replacement of all heating systems and introduction of smart energy meters, and the introduction of EPCs and energy management systems linked to planned preventative maintenance programmes and building management systems has impacted positively on sustainability measures in Stockport.

Continued backlog maintenance eradication, the introduction of photovoltaic technology, and the next phase of energy costs reductions, all as detailed in the Trusts Carbon Management Strategy, will see further advances being made to the Trusts commitment to 2015, 2020 and beyond NHS sustainability targets.

Chapter 6 ~ Financial Review

Investments in 2012/2013

We have throughout 2012/13 continued to make investments in elective care, emergency care, additional independent sector capacity and mental health. We have also made additional investments in Adult social care working closely with colleagues in Stockport MBC to improve intermediate care support before integration either at home or a residential facility. This will remain a key theme going forward with our colleagues at SMBC.

We continued to progress our joint commissioning strategies with SMBC which provide joint health and social care activities to the same cohort of clients. Resources from both the PCT and SMBC are being 'pooled' under what is commonly known as a Section 75 arrangement, i.e. effectively monies held in a joint account, to drive more efficient use of the resources by having agreed contracts with our providers. During the year we created an additional 2 new S75 Pools around Children & Young People Disability Partnership and the Healthy Child Programme.

Accounting Officer Responsibilities

The Chief Executive of the NHS has designated that the Chief Executive should be the 'Accountable Officer' to the Primary Care Trust. The relevant responsibilities of the Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the primary care trust;
- the expenditure and income of the primary care trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are 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.

Treatment of Pensions

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. This note can be found at section 1.16 of the PCT's accounting policies.

Review of Tax Arrangements of Public Sector Employees

Treasury guidance requires that organisations disclose information relating to "off payroll engagements" for staff costing greater than £58,200 per annum. NHS bodies must disclose this information in their 2012-13 Annual Reports.

The PCT had one individual engaged on this basis as at 31 January 2012 and agreements were in place allowing the PCT to seek assurance as to their tax obligations. This engagement ceased on 19th April.

Policy on Remuneration of Executive Directors

The PCT adopted the Department of Health Very Senior Manager (VSM) pay framework for remunerating directors of the PCT. The award of annual uplifts in directors pay is at the discretion of the PCT Chief Executive within an overall 5% ceiling for such VSM awards.

The annual uplift has two elements which are (I) an annual uplift incorporated into basic pay and (II) non consolidated bonus scheme which is paid as a one-off.

The Chief Executive holds annual performance reviews with all executive directors to ensure that key individual objectives are delivered which support the organisations corporate strategic objectives. Following these reviews, the Chief Executive proposes annual increases in directors pay based on achievement of agreed key strategic targets and high levels of performance at a corporate level and this is approved following review and scrutiny by the Remuneration Committee.

These arrangements cover all executive directors with the exception of the Medical Director and Director of Public Health.

All executive directors have been appointed on a permanent contract basis and entitled to 6 months written notice from the PCT and may terminate their employment with 3 months notice (6 months for the Chief Executive).

Following the establishment of the GM Cluster in May 2011 which covers the 10 PCT localities within Greater Manchester, the reviews of the locality Director's performance will be undertaken by the Chief Executive of the GM Cluster.

Director Declaration

Directors have stated that as far as each of them are aware there is no relevant audit information that has been knowingly withheld from the auditors and that all steps have been taken to be aware of any such relevant audit information and that the auditors are made aware of its existence.

External Auditor

Following the abolition of the Audit Commission, Grant Thornton act as the PCT's external auditor and carry out the statutory audit and other audit work as directed by the Department of Health.

The cost of the statutory audit work undertaken in 2012/13 was £117k (incl VAT) which is a lower fee than paid in 2011/12. This included an amount of £30k for Payment by Results data assurance work.

Sickness Absence

Staff Sickness Absence				
	2012-13		2011-12	
	Number		Number	
Total Days Lost	3,659		7,458	
Total Staff	440		835	
Average Working Days lost	8.32		8.93	
Sickness data obtained is based on the 2012-13 calendar year (January 2012 - December 2012) rather than the financial year due to current financial year data not being available in time for inclusion in the 2012-13 NHS accounts.				

Chapter 7 ~ Remuneration Report

Name	Title	Employing PCT	Period in post	2012-13		2012-13		% entity share	2012-13		2012-13		2011-12		2011-12		2011-12	
				Total GM remuneration	Total GM remuneration	Total GM remuneration	Total GM remuneration		PCT Share GM remuneration	PCT Share GM remuneration	PCT Share GM remuneration	PCT Share GM remuneration	Total GM remuneration	Total GM remuneration	Total GM remuneration	Total GM remuneration		
				bands of £5,000	bands of £5,000	bands of £5,000	bands of £100		Salary	Other Payments	Bonus	Benefits in kind	Salary	Other Payments	Bonus	Benefits in kind		
Prof Eileen Fairhurst	Chairman	Salford	01/04/12-31/03/13	40-45	0	0	0	9.50%	0-5	-	-	-	35-40	-	-	-		
Dr Mike Burrows	Chief Executive	Salford	01/04/12-31/03/13	150-155	0	0	0	9.50%	10-15	-	-	-	135-140	-	-	-		
Mrs Claire Yarwood	Director of Finance	Salford	01/04/12-31/03/13	115-120	0	0	0	9.50%	10-15	-	-	-	100-105	-	-	-		
Dr Julie Higgins	Director of Commissioning Development	HMR	01/04/12-31/08/12	65-70	0	0	0	9.50%	5-10	-	-	-	115-120	-	-	-		
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	Tameside	01/04/12-30/06/12	20-25	0	0	0	9.50%	0-5	-	-	-	105-110	-	-	-		
Mrs Anita Rolfe^	Director of Nursing, Quality and Performance	Oldham	01/07/12-31/10/12	25-30	0	0	0	9.50%	0-5	-	-	-	N/A	N/A	N/A	N/A		
Mrs Patricia Bennett^	Director of Nursing, Quality and Performance	Oldham	01/10/12-31/03/13	0-5	0	0	0	9.50%	0-5	-	-	-	N/A	N/A	N/A	N/A		
Dr Raj Patel	Medical Director	Tameside	01/04/12-31/03/13	20-25	0	0	0	9.50%	0-5	-	-	-	20-25	50 - 55	-	-		
Ms Melanie Sirotkin^	Lead Director of Public Health	Salford	01/04/12-31/03/13	115-120	0	0	0	9.50%	10-15	-	-	-	N/A	N/A	N/A	N/A		
Mr Rob Bellingham	Board Secretary	Bury	01/04/12-31/03/13	80-85	0	0	0	9.50%	5-10	-	-	-	45-50	-	-	-		
Mr Warren Heppollette	Director of Policy and External Relations	Salford	01/04/12-31/03/13	90-95	0	0	0	9.50%	5-10	-	-	-	70-75	-	-	-		
Ms Leila Williams	Director of Service Transformation	ALW	01/04/12-31/03/13	90-95	0	0	0	9.50%	5-10	-	-	-	75-80	-	-	0 - 1		
Mr Kevin Moynes^	Director of HR and OD	SHA	01/04/12-31/03/13	65-70	0	0	0	9.50%	5-10	-	-	-	N/A	N/A	N/A	N/A		
Mrs Andrea Anderson	Director of HR and OD	Bury	On maternity leave during period	25-30	0	0	0	9.50%	0-5	-	-	-	65-70	-	-	-		
Mr Terry Atherton+	Non-Executive Director	Trafford	01/04/12-31/03/13	30-35	-	-	-	9.50%	0-5	-	-	-	30-35	-	-	-		
Mr Riaz Ahmad+	Non-Executive Director	Oldham	01/04/12-31/03/13	35-40	-	-	-	9.50%	0-5	-	-	-	30-35	-	-	-		
Dr Kailash Chand+	Associate Non Executive Director	Tameside	01/04/12-31/03/13	30-35	0	0	0	9.50%	0-5	-	-	-	30-35	-	-	-		
Mr David Edwards+	Non-Executive Director	HMR	01/04/12-31/03/13	35-40	0	0	0	9.50%	0-5	-	-	-	30-35	-	-	-		
Mr Alan Stephenson+	Non-Executive Director	ALW	01/04/12-31/03/13	35-40	0	0	0	9.50%	0-5	-	-	-	30-35	-	-	-		
Ms Evelyn Asante-Mensah	Non-Executive Director	Manchester	01/04/12-31/03/13	35-40	-	-	-	9.50%	0-5	-	-	-	40-45	-	-	-		
Mr Michael Greenwood+	Non-Executive Director	Stockport	01/04/12-31/03/13	30-35	0	0	0	9.50%	0-5	-	-	-	30-35	-	-	-		
Mr Paul Horrocks+	Non-Executive Director	Bury	01/04/12-31/03/13	35-40	0	0	0	9.50%	0-5	-	-	-	30-35	-	-	-		
Mrs Pam Senior	Non-Executive Director (to Dec11)	Bolton	Left 31/12/11	N/A	N/A	N/A	N/A	9.50%	N/A	N/A	N/A	N/A	25-30	-	-	-		

* Audit Committee Members

+ Remuneration of Terms of Service Committee members

^ Not in post 2011-12

Pension Benefits

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

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

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

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 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 which the member 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 scheme 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 accrued in another 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 in accordance with 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 pension benefits in another scheme or arrangement) and uses common market valuation factors for the start and end of the period.



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Stockport Primary Care Trust

2012-13 Accounts

Foreword to the Annual Accounts

Stockport PCT

These accounts for the year ended 31 March 2013 have been prepared by Stockport PCT under Section 232 (Schedule 15) of the National Health Service Act 2006 in the form which the Secretary of State has, with the approval of the Treasury, directed.

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

2012-13 Annual Accounts of Stockport Primary Care Trust

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

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

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

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

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

Name: Mike Burrows

Date: 6 June 2013

2012-13 Annual Accounts of Stockport Primary Care Trust


STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

By order of the Permanent Secretary.

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

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

Stockport PCT

Organisation Code: 5F7

Governance Statement

Scope of responsibility

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

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

Operational management of the PCT continued at a local level. Following sign-off of an Accountability Agreement by shadow Clinical Commissioning Groups (CCGs), Locality Boards were abolished and CCGs became accountable to the NHS Greater Manchester Board. The annual report and accounts of the PCT for 2012/13 were approved by the NHS Greater Manchester sub-committee of the Department of Health Audit and Risk Committee and certified by the NHS Greater Manchester Chief Executive and Director of Finance on 6 June 2013. This was undertaken following the provision of appropriate assurance from the External Auditor and Locality Director of Finance to the NHS Greater Manchester Audit Committee on 6 June 2013.

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

Key working relationships are with:

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

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

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

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

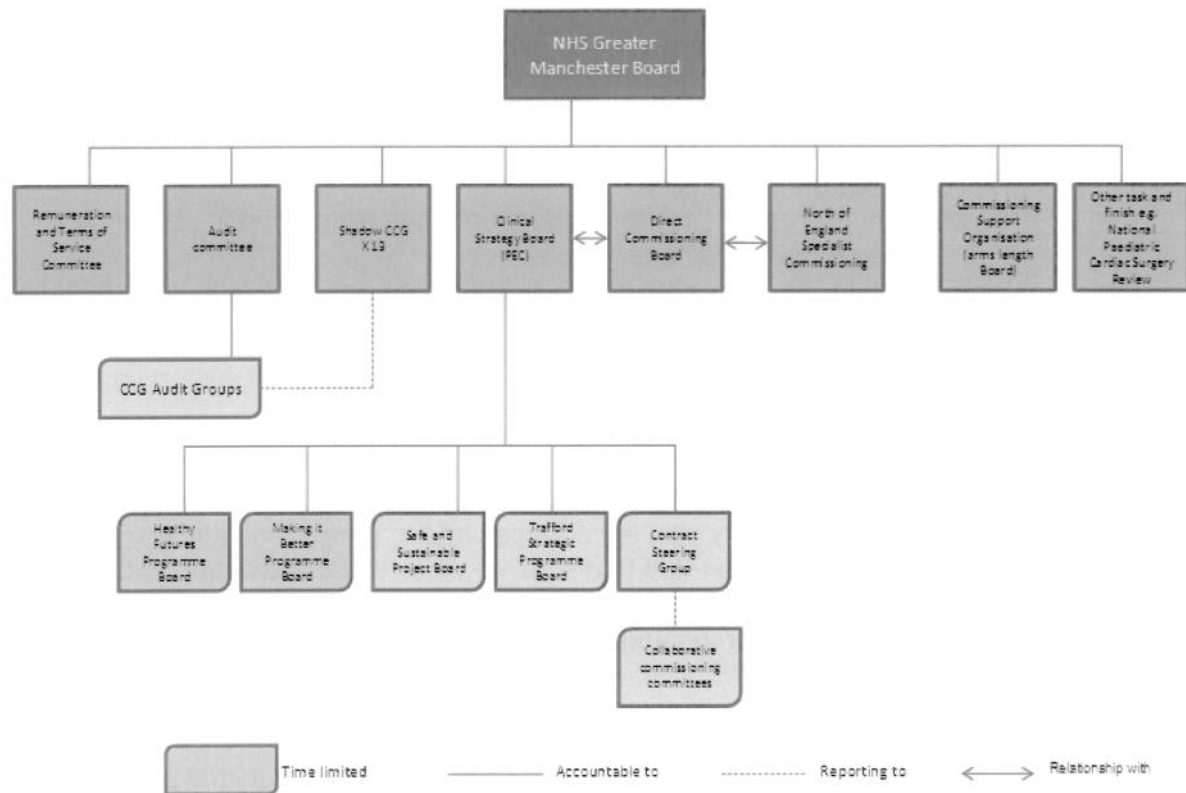
The governance framework of the organisation

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

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

The high-level committee structure depicted overleaf was in place during the year:

NHS Greater Manchester committee structure from April 2012 – March 2013



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

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

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

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

Leadership

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

Effectiveness

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

Accountability

- The Board presents a balanced and understandable assessment of the organisation's position and prospects via a number of routes including:
 - Papers presented to each Board meeting (for example Finance, Performance)
 - The development and publication of an Annual Plan
 - The development and publication of an Annual Report for each constituent PCT
- The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board has maintained sound risk management and internal control systems as described in the "Risk and Control framework" section below
- The Board has established formal and transparent arrangements for considering how it should apply the corporate reporting and risk management and internal control

principles and for maintaining an appropriate relationship with the PCT's auditor. The Audit Committee leads on this area of work with regular feedback and reporting to the main Board and a regular ongoing dialogue in place between the PCTs and their internal and external auditors.

Remuneration

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

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

- There is a dialogue with stakeholders (for example patients, public, partner organisations), based on mutual respect and a commitment to effective communication and engagement. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place
- The AGMs of the ten Greater Manchester PCTs, together with a wide range of other initiatives, are used to communicate with stakeholders and to encourage their participation. AGMs were held in 2012/13 in respect of the 2011/12 accounts and achievements; however due to the demise of PCTs on 1 April 2013 no further AGMs will be held.

Arrangements for managing the transition

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

The Transition Programme Board undertakes the following functions:

- Provides assurance, monitors progress and authorises and assures programme activities through monitoring progress reporting from the sub-programmes and Professional Leads on delivery of:
 - The NHS Greater Manchester transition programme
 - The sub-programmes to create the four main receiving organisations in NHS Greater Manchester (NHS England, CCGs, CSU and Local Authority Public Health)
 - Transfer of Estates and Facilities Management functions to NHS Property

Services Ltd

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

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

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

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

At 1 April 2013 the following risk management arrangements for individual stakeholders' risks currently on the Greater Manchester Board Assurance Framework will transfer as follows:

- From all shadow CCGs to respective formal CCGs (subject to authorisation)
- From NHS Greater Manchester to NHS England (Greater Manchester Area Team)/Commissioning Support Unit (hosted by NHS England)/NHS Property Services Ltd (as appropriate)
- From Commissioning Support Unit to Commissioning Support Unit (hosted by NHS England)
- From Direct Commissioning to Greater Manchester Area Team (of NHS England)
- From Public Health risks to Stockport MBC.
- Specific transition risks will close at the end of March 2013.

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

Arrangements for accounts scrutiny and sign off

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

Risk assessment

The Head of Corporate Governance and Risk has responsibility for co-ordinating and reporting all aspects of the PCT's risk register and also for providing risk training across the PCT.

The systems in place for scoring, capturing and reporting these risks remains unchanged and these are reported to the shadow audit group based on risk scores equal to or >12 as determined by the risk owners. The system requires that all severe risks are updated on a monthly basis to ensure that these are being effectively managed by the risk owners. Any delays in updating this information are followed up by the Head of Corporate Governance and Risk with the risk owner.

The shadow audit group has been in operation throughout 2012/13 and has been responsible for ensuring that there remain effective systems and procedures in place for risk management and that assurance is obtained that these are being effectively managed. The minutes of these meetings plus a summary providing the salient points are shared with NHS Greater Manchester for reporting to the NHS Greater Manchester Audit Committee.

Whilst there have been new risks identified during 2012/13, mainly as a result of issues arising from transition such as staff capacity and loss of corporate knowledge, the PCT had identified locally only four areas which had a risk score > 12. These areas are noted under the 'Significant Issues' section below.

During 2012/13 the PCT did not experience any 'Confidential Information leak' serious incidents

The risk and control framework

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

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

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

During 2012/13 Internal Audit carried out a review of the PCT's Assurance Framework and reported that 'significant assurance' could be given that there is generally a sound system of internal control. This specific review forms an integral part of the Head of Internal Audit Opinion.

Review of the effectiveness of risk management and internal control

As Accountable Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by evidence and assurance provided to me via local governance arrangements and my executive colleagues.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework together with assurance ratings for each of the audits undertaken during 2012/13. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control also provide me with assurance (for example Locality Director of Finance, Head of Corporate Governance and Risk).

I also receive assurance via the NHS GM Audit Committee who review the effectiveness of the system of internal control following assurances received from audit colleagues at both the strategic and operational level. In addition to this, Mersey Internal Audit Agency have managed the provision of some core audit review work carried out by the Internal Audit providers to the 10 PCTs in Greater Manchester. This work included audit reviews on the Board Assurance Frameworks and PCT Closedown processes to ensure that robust processes were in place for ensuring an efficient and effective discharge of assets and liabilities, following the abolition of PCTs on 1 April 2013, to the new commissioning architecture.

The Locality Director of Finance has been responsible for reporting progress and the status of this work to NHS Greater Manchester as part of the assurance process. This reporting

also included updates on risks reported to the Direct Commissioning Board covering Primary Care (NCB), Public Health (SMBC) and Estates (NHS Property Services Ltd).

The Head of Internal Audit Opinion Statement has been produced based on an assessment of :

- the Assurance Framework and supporting processes
- the range of individual opinions arising from risk-based audit work taking account of relative materiality and managements progress in addressing control weaknesses.

The overall opinion formed from these reviews is that 'Significant Assurance' can be given.

Significant Issues

The PCT has continued to capture and report its operational risks as part of the reporting to the Direct Commissioning Board. In addition to the operational risks the PCT Closedown Lead has managed a closedown process supported by a team of senior managers with lead responsibility for overseeing the closedown of their functional area (as per NHS Greater Manchester functional groups). This work has been carried out in line with the reporting requirements and deadlines set out within NHS Greater Manchester aligned to national requirements.

All risks are reported to and maintained by the Head of Corporate Governance and Risk using the PCT's risk management system. We have been proactively managing risks throughout 2012/13 with attention and review by the Head of Corporate Governance and Risk on those risks equal to or greater than 12 (using 5x5 matrix). Risks below this score are progressed as part of an internally-managed process within the locality.

The PCT has been challenged by a number of risks of which the most significant have been around:

- Deadline for Continuing Care assessments for restitution cases– significant financial challenge to the PCT estimated at c£6m – responsibility transfers to the CCG
- Lack of capacity in Primary Care finance team – small team of two finance staff resulting in risk that the service is not resilient – responsibility transfers to NHS England
- Inadequate assurance from providers on safeguarding – matter now addressed via new adult safeguarding lead appointment – responsibility transfers to CCG
- Lack of staffing capacity to manage the re-organisation during the transition and to

progress the CCG Authorisation and annual planning – responsibility transfers to the CCG.

- Allocation Transfers across Commissioners – the ongoing review during 2013/14 around funding / allocation transfers to align financial resources with any changes in functions or responsibility announced since the PCT Baseline exercise in September 2012. The financial risk of around these ongoing transfers is being mitigated via Risk Share Agreements across local GM and NW wide Commissioners.

In addition to the above the PCT received a draft 'Notice of Intent' from the 'Information Commissioner's Office (ICO) in March 2013 setting out the case for imposing a monetary penalty arising from a breach of confidential information dating back to 2011. The PCT has made representations to the ICO to provide clarification on some of the issues raised in the Notice. The monetary penalty has been provided for in full within the Stockport PCT 2012/13 accounts. The PCT has furthermore given assurances to the ICO that actions have been taken since this breach was discovered with regards to strengthening the process for decommissioning premises and removal of confidential waste so the likelihood of a re-occurrence is significantly minimised as far as can be reasonably expected.

Accountable Officer : Mike Burrows

Organisation: Stockport PCT

Signature:



Date: 6 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE ACCOUNTABLE OFFICER OF STOCKPORT PRIMARY CARE TRUST

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

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

- the table of salaries and allowances of senior managers and related narrative notes on page 16;
- the table of pension benefits of senior managers and related narrative notes on page 17; and
- the table of pay multiples and related narrative notes on page 10.

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

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

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

Scope of the audit of the financial statements

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

Other matters on which we are required to conclude

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

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

our review of the annual governance statement;

the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and

our locally determined risk-based work on the PCT's preparations for its abolition.

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

Certificate

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



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

4 Hardman Square
Spinningfields
Manchester
M3 3EB

7 June 2013

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

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	10,201	30,158
Other costs	5.1	494,424	531,575
Income	4	(16,410)	(85,128)
Net operating costs before interest		488,215	476,605
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	828	758
Net operating costs for the financial year		489,043	477,363
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		489,043	477,363
Of which:			
Administration Costs			
Gross employee benefits	7.1	8,476	8,082
Other costs	5.1	4,358	5,862
Income	4	(2,743)	(1,099)
Net administration costs before interest		10,091	12,845
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		10,091	12,845
Programme Expenditure			
Gross employee benefits	7.1	1,725	22,076
Other costs	5.1	490,066	525,713
Income	4	(13,667)	(84,029)
Net programme expenditure before interest		478,124	463,760
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	828	758
Net programme expenditure for the financial year		478,952	464,518
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		820	130
Net (gain) on revaluation of property, plant & equipment		(261)	(674)
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*		489,602	476,819

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.

The notes on pages 6 to 47 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	20,859	22,903
Intangible assets	13	154	82
investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	38	39
Total non-current assets		<u>21,051</u>	<u>23,024</u>
Current assets:			
Inventories	18	0	15
Trade and other receivables	19	1,722	6,556
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	49	58
Total current assets		<u>1,771</u>	<u>6,629</u>
Non-current assets held for sale	24	3,823	3,925
Total current assets		<u>5,594</u>	<u>10,554</u>
Total assets		<u>26,645</u>	<u>33,578</u>
Current liabilities			
Trade and other payables	25	(25,738)	(36,742)
Other liabilities	26,28	0	0
Provisions	32	(4,276)	(1,165)
Borrowings	27	(153)	(142)
Other financial liabilities	36.2	0	0
Total current liabilities		<u>(30,167)</u>	<u>(38,049)</u>
Non-current assets plus/less net current assets/liabilities		<u>(3,522)</u>	<u>(4,471)</u>
Non-current liabilities			
Trade and other payables	25	(243)	(245)
Other Liabilities	28	0	0
Provisions	32	(4,000)	(2,611)
Borrowings	27	(8,718)	(8,871)
Other financial liabilities	36.2	0	0
Total non-current liabilities		<u>(12,961)</u>	<u>(11,727)</u>
Total Assets Employed:		<u>(16,483)</u>	<u>(16,198)</u>
Financed by taxpayers' equity:			
General fund		(23,645)	(23,919)
Revaluation reserve		7,162	7,721
Other reserves		0	0
Total taxpayers' equity:		<u>(16,483)</u>	<u>(16,198)</u>

The notes on pages 6 to 50 form part of this account.

The financial statements on pages 2 to 5 were approved by the NHS Greater Manchester sub-committee on 6 June 2013 and signed on its behalf by



Chief Executive:
(Dr M Burrows - CEO NHS Greater Manchester)

Date: 6 June 2013

**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	(23,919)	7,721	0	(16,198)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(489,043)	0	0	(489,043)
Net gain on revaluation of property, plant, equipment	0	261	0	261
Net gain on revaluation of intangible assets	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0
Net gain on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	(820)	0	(820)
Movements in other reserves	0	0	0	0
Transfers between reserves*	0	0	0	0
Release of Reserves to SOCNE	0	0	0	0
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	0
Net actuarial gain/(loss) on pensions	0	0	0	0
Total recognised income and expense for 2012-13	(489,043)	(559)	0	(489,602)
Net Parliamentary funding	489,317			489,317
Balance at 31 March 2013	(23,645)	7,162	0	(16,483)
Balance at 1 April 2011	(16,891)	7,356	0	(9,535)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(477,363)	0	0	(477,363)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	674	0	674
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0	0
Net Gain / (loss) on Revaluation of Financial Assets	0	0	0	0
Net Gain / (loss) on Assets Held for Sale	0	0	0	0
Impairments and Reversals	0	(130)	0	(130)
Movements in other reserves	0	0	0	0
Transfers between reserves*	179	(179)	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	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	0
Total recognised income and expense for 2011-12	(477,184)	365	0	(476,819)
Net Parliamentary funding	470,156			470,156
Balance at 31 March 2012	(23,919)	7,721	0	(16,198)

*The transfer between reserves of £179k in 2011-12 is the transfer of revaluation reserve balances in respect to the Cheadle Heath and Great Moor Health Clinics sold during that year.

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

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	(488,215)	(476,605)
Depreciation and Amortisation	1,001	867
Impairments and Reversals	1,890	2,153
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	(828)	(758)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	15	42
(Increase)/Decrease in Trade and Other Receivables	4,835	2,107
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(10,101)	2,866
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(520)	(1,494)
Increase/(Decrease) in Provisions	5,020	1,653
Net Cash Inflow/(Outflow) from Operating Activities	(486,903)	(469,169)
Cash flows from investing activities		
Interest Received	0	0
(Payments) for Property, Plant and Equipment	(2,146)	(1,167)
(Payments) for Intangible Assets	(135)	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	303
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	(2,281)	(864)
Net cash inflow/(outflow) before financing	(489,184)	(470,033)
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(142)	(132)
Net Parliamentary Funding	489,317	470,156
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	489,175	470,024
Net increase/(decrease) in cash and cash equivalents	(9)	(9)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	58	67
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	49	58

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.

As a consequence of the Health and Social Care Act 2012, Stockport PCT will be abolished on 1st April 2013. Its functions will be transferred to various new or existing public sector entities.

The Secretary of State has directed that, where Parliamentary funding continues to be voted to permit the relevant services to be carried out elsewhere in the public sector, this is normally sufficient evidence of going concern.

As a result, the Board of Stockport PCT have prepared these financial statements on a going concern basis.

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.

1. Accounting policies (continued)

Critical judgements in applying accounting policies

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

The PCT has a legal charge on seven properties which are not reported in the Statement of Financial Position as it was deemed that the legal charges did not constitute an IFRIC 12 service concession arrangement as the three conditions pertaining to a service concession are not met specifically that the PCT does not specify the service to be provided, when the service is to be provided or at what price the service will be provided from the properties.

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

- Residual value of Private Public Partnership (PPP) Schemes

In accounting for Private Public Partnership (PPP) schemes as concession agreements the PCT has made assumptions about the amount it will pay for the assets under an option to purchase the asset within the lease agreement. The residual value is advised to the PCT by professional independent valuers. The PCT had two PPP schemes, Heald Green Health Centre and Woodley Health Centre which have residual values of £621,071 and £815,735 respectively. If the options to purchase were exercised, the residual value would be payable in March 2034.

- Prescribing Liability

Each month the Department of Health action a monthly cash deduction in the form of a topslice against PCT cash limits to pay for the costs of General Practitioner prescribing. The cash top-slice is calculated based on 2 months in arrears and so the March top-slice reflects 100% costs up to January 2013. An amount of £7,137k has been accrued within the financial statements reflecting an estimated cost of 100% for both February 2013 and March 2013.

- Asset Lives

The age and remaining lives of buildings and their elements have been advised by professional independent valuers and assessed as at the valuation date. Asset lives have been provided based on the assumption that building elements will continue to be maintained normally over the period from the date of inspection to the valuation date and that there will be no untoward changes.

All other key sources of estimation and uncertainty are disclosed as appropriate within the notes to the financial accounts

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The PCT has entered into a pooled budget arrangement with Stockport Metropolitan Borough Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for the following services:-

- (i) Non Acute services for Older People
- (ii) Learning Disabilities
- (iii) Non Acute services for Adults
- (iv) Drugs & Alcohol Detoxification and Rehabilitation service
- (v) Community Equipment Store
- (vi) CHC Assessment Beds
- (vii) Mental Health
- (viii) Children's Services

and a memorandum note to the accounts provides details of the joint income and expenditure.

All pooled budgets are hosted by Stockport Metropolitan Borough Council and therefore as a commissioner of healthcare services the PCT makes contributions into the pooled budgets which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditures of the pool as determined by the S75 Pooled budget agreement.

1.4 Taxation

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

1.5 Administration and Programme Costs

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

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

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

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

1. Accounting policies (continued)

1.6 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. This is a change in accounting policy from previous years where all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter 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)

1.7 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. This is a change in accounting policy from previous years where all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter 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 2012-13. 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)

1.9 Donated assets

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

1.10 Government grants

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

1.11 Non-current assets held for sale

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

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

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

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the [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.

1.13 Cash and cash equivalents

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

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

1.14 Losses and Special Payments

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

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

1.15 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.16 Employee benefits

Short-term employee benefits

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

1.17 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.

1.18 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.

1.19 EU Emissions Trading Scheme

The PCT is not a member of the EU Emission Trading Scheme and therefore does not need to account for EU Emission Trading Scheme allowances.

1.20 Contingencies

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

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

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

1. Accounting policies (continued)

1.21 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.22 Foreign exchange

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

1.23 Provisions

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

1. Accounting policies (continued)

1.24 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

The PCT has only financial assets classified as 'loans and receivables'.

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

The PCT only has financial liabilities classified as 'other financial liabilities'.

Other financial liabilities

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

1.25 Private Public Partnership (PPP) transactions

HM Treasury has determined that government bodies shall account for infrastructure PPP schemes (including Private Finance Initiative (PFI) and 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 PPP 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 PPP 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) PPP assets, liabilities, and finance costs

The PPP 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 PPP liability is recognised at the same time as the PPP assets are recognised. It is measured initially at the same amount as the fair value of the PPP 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

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 Financial Position.

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

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

IAS 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

2 Operating segments

The PCT transferred its former Provider Arm (Community Health Stockport) to Stockport Foundation Trust on 1st April 2012 and therefore operated solely as a commissioning body in 2012-13. The analysis below therefore reflects PCT as a commissioner body only in 2012-13.

	Commissioning		Provider		Total	
	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000
Expenditure	504,625	533,017	0	29,474	504,625	562,491
Surplus/(Deficit)						
Segment surplus/(deficit)	1,798	1,202	0	251	1,798	1,453
Finance costs	(828)	(758)	0	0	(828)	(758)
Surplus/(deficit) before interest	970	444	0	251	970	695
Net Assets:						
Segment net assets	(16,483)	(15,825)	0	(373)	(16,483)	(16,198)

The above amounts are reflected within the Statement of Comprehensive Net Expenditure and Statement of Finance Position.

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	489,043	477,363
Net operating cost plus (gain)/loss on transfers by absorption	0	0
Adjusted for prior period adjustments in respect of errors	490,013	478,058
Revenue Resource Limit	970	695
Under/(Over)spend Against Revenue Resource Limit (RRL)		

3.2 Capital Resource Limit

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

	2012-13 £000	2011-12 £000
Capital Resource Limit	1,556	1,665
Charge to Capital Resource Limit	1,376	1,228
(Over)/Underspend Against CRL	180	437

3.3 Provider full cost recovery duty

The PCT is required to recover full costs in relation to its provider functions.

	2012-13 £000	2011-12 £000
Provider gross operating costs	0	29,474
Provider Operating Revenue	0	(2,845)
Net Provider Operating Costs	0	26,629
Costs Met Within PCTs Own Allocation	0	(26,880)
Under/(Over) Recovery of Costs	0	(251)

The Provider Arm of the PCT transferred to Stockport Foundation Trust on 1st April 2012 and in 2012-13 these costs are now reported as 'Goods and services from Foundation Trusts' within Note 5.

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	489,317	470,156
Cash Limit	489,317	476,156
Under/(Over)spend Against Cash Limit	0	6,000

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

	2012-13 £000
Total cash received from DH (Gross)	419,889
Less: Trade Income from DH	(20)
Less/(Plus): movement in DH working balances	0
Sub total: net advances	419,869
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	14,219
Plus: drugs reimbursement (central charge to cash limits) ¹	55,229
Parliamentary funding credited to General Fund	489,317

1. Includes the cost of New Pharmacy contracts.

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	1	0	1	4
Dental Charge income from Contractor-Led GDS & PDS	4,818	0	4,818	4,741
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	2,933	0	2,933	2,772
Strategic Health Authorities	15	0	15	200
NHS Trusts	1	0	1	16
NHS Foundation Trusts	1,091	1,091	0	446
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	251	41	210	1,141
Primary Care Trusts - Lead Commissioning	1,666	1,402	264	71,022
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	20	0	20	1
Recoveries in respect of employee benefits	0	0	0	0
Local Authorities	240	2	238	1,992
Patient Transport Services	0	0	0	0
Education, Training and Research	581	0	581	846
Non-NHS: Private Patients	0	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0	0	0	0
NHS Injury Costs Recovery	45	0	45	0
Other Non-NHS Patient Care Services	0	0	0	112
Charitable and Other Contributions to Expenditure	66	0	66	30
Receipt of donated assets	0	0	0	0
Receipt of Government granted assets	0	0	0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	4,423	0	4,423	1,253
Other revenue	259	207	52	552
Total miscellaneous revenue	16,410	2,743	13,667	85,128

In 2011-12, Stockport PCT acted as host organisation for the Greater Manchester Cardiac collaborative and received income of c£70m from Greater Manchester PCT's to facilitate payment to Provider Trusts for cardiac services on their behalf. On the 1st April 2012 Stockport PCT ceased acting as host organisation with individual PCT's within Greater Manchester commissioning and paying for cardiac services directly with Provider Trusts.

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	42,161	0	42,161	30,110
Non-Healthcare	584	584	0	1,123
Total	42,745	584	42,161	31,233
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	6,324	0	6,324	13,644
Goods and services (other, excl Trusts, FT and PCT))	84	0	84	1,326
Total	6,408	0	6,408	14,970
Goods and Services from Foundation Trusts	270,866	970	269,896	312,385
Purchase of Healthcare from Non-NHS bodies	43,352	0	43,352	33,268
Social Care from Independent Providers	0	0	0	0
Expenditure on Drugs Action Teams	2,221	0	2,221	2,220
Non-GMS Services from GPs	0	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	18,610	0	18,610	18,778
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	864	0	864	963
Chair, Non-executive Directors & PEC remuneration	37	37	0	45
Executive committee members costs	0	0	0	35
Consultancy Services	362	241	121	694
Prescribing Costs	45,156	0	45,156	47,671
G/PMS, APMS and PCTMS (excluding employee benefits)	36,910	0	36,910	37,906
Pharmaceutical Services	0	0	0	0
Local Pharmaceutical Services Pilots	0	0	0	0
New Pharmacy Contract	13,281	0	13,281	13,019
General Ophthalmic Services	2,436	0	2,436	2,439
Supplies and Services - Clinical	311	44	267	2,477
Supplies and Services - General	688	11	677	777
Establishment	1,279	971	308	1,807
Transport	13	6	7	73
Premises	3,719	918	2,801	5,440
Impairments & Reversals of Property, plant and equipment	1,101	0	1,101	(46)
Impairments and Reversals of non-current assets held for sale	789	0	789	2,199
Depreciation	927	69	858	846
Amortisation	74	0	74	21
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	179	0	179	0
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees ¹	87	87	0	145
Other Auditors Remuneration	26	26	0	25
Clinical Negligence Costs	89	0	89	74
Education and Training	307	50	257	451
Grants for capital purposes	196	0	196	0
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	1,391	344	1,047	1,660
Total Operating costs charged to Statement of Comprehensive Net Expenditure	494,424	4,358	490,066	531,575
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	180	0	180	594
Trust led PDS and PCT DS	0	0	0	1
PCT Officer Board Members	69	69	0	443
Other Employee Benefits	9,952	8,407	1,545	29,120
Total Employee Benefits charged to SOCNE	10,201	8,476	1,725	30,158
Total Operating Costs	504,625	12,834	491,791	561,733

Analysis of grants reported in total operating costs

For capital purposes

Grants to fund Capital Projects - GMS	196	0	196	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	196	0	196	0
Grants to fund revenue expenditure				
To Local Authorities	0	0	0	0
To Private Sector	0	0	0	0
To Other	0	0	0	0
Total Revenue Grants	0	0	0	0
Total Grants	196	0	196	0

	Total	Commissioning Public Health Services	
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PCT Running Costs 2012-13

Running costs (£000s) ²	9,625	8,270	1,355
Weighted population (number in units) ³	281,645	281,645	281,645
Running costs per head of population (£ per head)	34	29	5

PCT Running Costs 2011-12

Running costs (£000s) ²	12,479	10,983	1,496
Weighted population (number in units)	281,645	281,645	281,645
Running costs per head of population (£ per head)	44	39	5

In 2011-12, Stockport PCT acted as host organisation for the Greater Manchester Cardiac collaborative and incurred expenditure of c£70m on behalf of Greater Manchester PCT's. Stockport PCT ceased acting as host organisation from 1st April 2012 with individual PCT's within Greater Manchester commissioning and paying for cardiac services directly with Provider Trusts.

¹ Other auditors remuneration includes mandated work under the Data Assurance Programme.

² Running costs included Stockport PCT's attributed share of NHS Greater Manchester Board costs.

³ Weighted population figures are not available for 2012-13 as the weighted capitation formula for PCT allocations was not updated for 2012-13. This was because it was decided to give all PCTs the same percentage growth in their allocations in this transitional year rather than differential growth based on a weighted capitation formula

Therefore, 2011-12 weighted populations have been used when calculated the Running Costs per head of population in 2012-13

5.2 Analysis of operating expenditure by expenditure classification	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	37,090	38,500
Prescribing costs	45,156	47,671
Contractor led GDS & PDS	18,610	18,778
Trust led GDS & PDS	864	766
General Ophthalmic Services	2,436	2,438
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	13,281	13,019
Non-GMS Services from GPs	0	0
Other	833	1,199
Total Primary Healthcare purchased	<u>118,270</u>	<u>122,371</u>
Purchase of Secondary Healthcare		
Learning Difficulties	5,552	4,782
Mental Illness	31,563	32,189
Maternity	14,620	14,410
General and Acute	238,838	231,253
Accident and emergency	8,828	8,347
Community Health Services	46,280	41,436
Other Contractual	22,398	19,083
Total Secondary Healthcare Purchased	<u>368,079</u>	<u>351,500</u>
Grant Funding		
Grants for capital purposes	196	0
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	<u>486,545</u>	<u>473,871</u>
PCT self-provided secondary healthcare included above	0	26,880
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	269,719	249,033

6. 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				4,155	3,812
Contingent rents				567	891
Sub-lease payments				0	0
Total				4,722	4,703
Payable:					
No later than one year	1	1,089	3	1,093	2,080
Between one and five years	4	294	1	299	1,496
After five years	33	0	0	33	35
Total	38	1,383	4	1,425	3,611

Total future sublease payments expected to be received 0 0

The majority of the operating lease payments of £4.7m shown above relates to lease costs on buildings the PCT occupies such as Regent House, Kingsgate, Beckwith and St Petersgate which are mainly for the provision of healthcare. In addition, lease costs include payments for General Practitioner rented accommodation.

The financial arrangements involving the use of General Practitioner premises is now recognised under IFRIC 4. The PCT has determined that these operating leases must be recognised, but, as these leases are not on defined terms i.e with regards to length of lease period, then it is not possible to analyse the arrangements over future financial years. The cost of the General Practitioner rents is £2.4m in 2012-13.

The contingent rent figure reflects increase in rent compared to the initial rent payable at the inception of the lease.

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	4,290	1,152
Contingent rents	133	101
Total	4,423	1,253
Receivable:		
No later than one year	1,425	1,009
Between one and five years	5,701	4,037
After five years	22,279	16,405
Total	29,405	21,451

The £3.2m increase in rental income received by the PCT is due to the transfer of the provision of community services from the PCT to other providers from 1st April 2012. Where these services are provided from PCT owned assets the PCT now receives rental income from tenancy.

The above includes the rental income received from primary care contractors under lease arrangements with the PCT. As stated above these contracts are in perpetuity and as such it is not possible to analyse the arrangements over future financial years.

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	7,563	7,041	522	6,137	5,741	396	1,426	1,300	126
Social security costs	614	576	38	614	576	38	0	0	0
Employer Contributions to NHS BSA - Pensions Division	916	859	57	916	859	57	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	1,108	0	1,108	1,108	0	1,108	0	0	0
Total employee benefits	10,201	8,476	1,725	8,775	7,176	1,599	1,426	1,300	126
Less recoveries in respect of employee benefits (table below)	0	0	0	0	0	0	0	0	0
Total - Net Employee Benefits including capitalised costs	10,201	8,476	1,725	8,775	7,176	1,599	1,426	1,300	126
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	10,201	8,476	1,725	8,775	7,176	1,599	1,426	1,300	126
Recognised as:									
Commissioning employee benefits	10,201			8,775			1,426		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	10,201			8,775			1,426		

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

Employee Benefits - Prior- year

	2011-12		
	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	24,854	23,043	1,811
Social security costs	1,708	1,664	44
Employer Contributions to NHS BSA - Pensions Division	3,274	3,220	54
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	322	322	0
Total gross employee benefits	30,158	28,249	1,909
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	30,158	28,249	1,909
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	30,158	28,249	1,909
Recognised as:			
Commissioning employee benefits	8,730		
Provider employee benefits	21,428		
Gross Employee Benefits excluding capitalised costs	30,158		

Expenditure on employee benefits has decreased by £19.96m when compared to 2011-12 due to the transfer of the employment of staff who worked within the Provider Arm of the PCT (Community Health Stockport) now reported under "Goods and Services from Foundation Trusts" in Note 5.1

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	5	4	1	9	9	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	167	153	14	297	285	12
Healthcare assistants and other support staff	0	0	0	95	89	6
Nursing, midwifery and health visiting staff	16	15	1	266	255	11
Nursing, midwifery and health visiting learners	0	0	0	5	5	0
Scientific, therapeutic and technical staff	8	8	0	117	114	3
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	196	180	16	790	757	33
Of the above - staff engaged on capital projects	0	0	0	0	0	0

On the 1st April 2012 at total of 579 staff who worked within the Provider Services directorate transferred to Stockport NHS Foundation Trust.

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	3,659	7,458
Total Staff Years	440	835
Average working Days Lost	8.32	8.93

Sickness data is based on the 2012-13 calendar year (January 2012 - December 2012) rather than the financial year due to all current financial year data not being available in time for inclusion in the 2012-13 NHS Accounts.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	5	1
Total additional pensions liabilities accrued in the year	£000s 285	£000s 11

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12		Total number of exit packages by cost band
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	
	Number	Number	Number	Number	Number	
Lees than £10,000	0	3	3	7	0	7
£10,001-£25,000	3	5	8	3	1	4
£25,001-£50,000	0	8	8	4	0	4
£50,001-£100,000	0	4	4	12	0	12
£100,001 - £150,000	0	3	3	2	0	2
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	1	0	1
Total number of exit packages by type (total cost	3	23	26	29	1	30
	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	50	1,058	1,108	1,624	21	1,645

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

7.5 Pensions Costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

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

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

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

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

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

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

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	16,157	61,295	17,170	40,306
Total Non-NHS Trade Invoices Paid Within Target	15,556	58,797	16,885	39,372
Percentage of NHS Trade Invoices Paid Within Target	96.28%	95.92%	98.34%	97.68%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,642	376,418	3,085	394,091
Total NHS Trade Invoices Paid Within Target	3,490	375,731	2,994	392,797
Percentage of NHS Trade Invoices Paid Within Target	95.83%	99.82%	97.05%	99.67%

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

Stockport PCT did not have any investment income

10. Other Gains and Losses

Stockport PCT did not have any other gains and losses

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	828	0	828	758
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	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	828	0	828	758
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
Total	828	0	828	758

The £828k relates to interest payments on finance leases at Heald Green and Woodley developments.

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	4,585	15,482	0	1,942	1,142	16	2,618	536	26,321
Additions of Assets Under Construction				0					0
Additions Purchased	0	969	0		0	0	261	0	1,230
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	1,557	0	(1,942)	(42)	0	427	0	0
Reclassifications as Held for Sale	0	(350)	0	0	(189)	0	(5)	(143)	(687)
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	40	221	0	0	0	0	0	0	261
Impairments/negative indexation	(100)	(720)	0	0	0	0	0	0	(820)
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	4,525	17,159	0	0	911	16	3,301	393	26,305
Depreciation									
At 1 April 2012	0	0	0	0	746	16	2,400	256	3,418
Reclassifications		44	0		(25)	0	(19)	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	25	1,076	0	0	0	0	0	0	1,101
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	635	0	0	99	0	134	59	927
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	25	1,755	0	0	820	16	2,515	315	5,446
Net Book Value at 31 March 2013	4,500	15,404	0	0	91	0	786	78	20,859
Purchased	4,500	15,404	0	0	91	0	786	78	20,859
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	4,500	15,404	0	0	91	0	786	78	20,859
Asset financing:									
Owned	4,500	8,466	0	0	91	0	786	78	13,921
Held on finance lease	0	6,938	0	0	0	0	0	0	6,938
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	4,500	15,404	0	0	91	0	786	78	20,859

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	1,788	3,782	0	0	66	0	0	0	5,636
Movements	(60)	(433)	0	0	(66)	0	0	0	(559)
At 31 March 2013	1,728	3,349	0	0	0	0	0	0	5,077

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

Capital schemes undertaken in 2012-13 ensured that the existing estate was in a condition that is both fit for purpose and complies with estate code requirements prior to transfer of these properties to NHS Property Services Ltd.

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
2011-12									
Cost or valuation:									
At 1 April 2011	4,756	16,335	0	639	1,142	16	2,618	536	26,042
Additions - purchased	0	228	0	1,303	0	0	0	0	1,531
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	45	629	0	0	0	0	0	0	674
Impairments	(40)	(90)	0	0	0	0	0	0	(130)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	(176)	(1,620)	0	0	0	0	0	0	(1,796)
At 31 March 2012	4,585	15,482	0	1,942	1,142	16	2,618	536	26,321
Depreciation									
At 1 April 2011	176	1,058	0		647	16	2,320	197	4,414
Reclassifications		0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	21	0	0	0	0	0	0	21
Reversal of Impairments	0	(67)	0	0	0	0	0	0	(67)
Charged During the Year	0	608	0		99	0	80	59	846
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	(176)	(1,620)	0	0	0	0	0	0	(1,796)
At 31 March 2012	0	0	0	0	746	16	2,400	256	3,418
Net Book Value at 31 March 2012	4,585	15,482	0	1,942	396	0	218	280	22,903
Purchased	4,585	15,482	0	1,942	396	0	218	280	22,903
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	4,585	15,482	0	1,942	396	0	218	280	22,903
Asset financing:									
Owned	4,585	8,318	0	1,942	396	0	218	280	15,739
Held on finance lease	0	7,164	0	0	0	0	0	0	7,164
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	4,585	15,482	0	1,942	396	0	218	280	22,903

12.3 Property, plant and equipment

The PCT did not receive any donated assets during the year.

All Land & Buildings assets were revalued by the District Valuer in February 2013 to provide the asset values as at 31st March 2013. The valuation was carried out on a MEA basis and reflected the movement in market values during 2012-13. This valuation recognised a further reduction in asset values resulting in an impairment of £1,890k reported as an operating cost.

The asset lives applied to each class of asset are shown in the table below

	Min Life Years	Max Life Years
Property, Plant and Equipment		
Buildings exc Dwellings	8	49
Dwellings	0	0
Plant & Machinery	1	3
Transport Equipment	0	0
Information Technology	1	5
Furniture and Fittings	2	7

The asset lives applied to each class of asset have been provided based on a going concern basis.

13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2012-13						
At 1 April 2012	0	190	0	0	0	190
Additions - purchased	0	146	0	0	0	146
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	336	0	0	0	336
Amortisation						
At 1 April 2012	0	108	0	0	0	108
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	74	0	0	0	74
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	182	0	0	0	182
Net Book Value at 31 March 2013	0	154	0	0	0	154
Net Book Value at 31 March 2013 comprises						
Purchased	0	154	0	0	0	154
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	154	0	0	0	154

||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	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	190	0	0	0	190
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	190	0	0	0	190
Amortisation						
At 1 April 2011	0	87	0	0	0	87
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	21	0	0	0	21
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	108	0	0	0	108
Net Book Value at 31 March 2012	0	82	0	0	0	82
Net Book Value at 31 March 2012 comprises						
Purchased	0	82	0	0	0	82
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	82	0	0	0	82

13.3 Intangible non-current assets

An amount of £154k is held in respect of 2 intangible non-current assets relating to (i) End of Life Care (EOLC) pathway software (ii) General Practitioner information system. The remaining asset life is 5 years on both these assets.

The asset lives applied to each class of asset are shown in the table below:

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	3	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	1,101		1,101
Total charged to Annually Managed Expenditure	1,101		1,101
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	820		
Total impairments for PPE charged to reserves	820		
Total Impairments of Property, Plant and Equipment	1,921	0	1,101
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	0		
Total Impairments of Intangibles	0	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	0		
Total Impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	789		789
Total charged to Annually Managed Expenditure	789		789
Total impairments of non-current assets held for sale	789	0	789
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	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	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	820		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	1,890		1,890
Overall Total Impairments	2,710	0	1,890
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

Stockport PCT did not have any Investment Property

16 Commitments

16.1 Capital commitments

Stockport PCT not have any contracted capital commitments.

16.2 Other financial commitments

Stockport PCT has entered into two non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), for delivery of healthcare services. The contracts entered into were for GP Out of Hours contract and Independent Sector Treatment Centre (ISTC). The payments to which the PCT is committed are as follows:

	31 March 2013	31 March 2012
	£000	£000
Not later than one year	4,134	1,566
Later than one year and not later than five year	1,177	1,578
Later than five years	0	0
Total	<u>5,311</u>	<u>3,144</u>

The PCT has obligations under contracts totalling £71.2m in 2012-13 for delivery of primary medical services, including delivery of healthcare services by GPs, dentists, community optometrists and community pharmacists. These contracts are in perpetuity and therefore it is not possible to amortise the contract over future financial years.

The PCT has entered into contracts with a number of NHS Acute Trusts and NHS Foundation Trusts for the provision of healthcare services. These contracts include an estimated contract value, but the amounts payable are based on actual activity delivered during the year which is based on the patient's choice as to where to receive treatment and therefore not included.

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	454	0	246	0
Balances with Local Authorities	2	0	1,117	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	460	0	1,181	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	806	38	23,194	243
At 31 March 2013	<u>1,722</u>	<u>38</u>	<u>25,738</u>	<u>243</u>
prior period:				
Balances with other Central Government Bodies	2,232	0	2,343	0
Balances with Local Authorities	1,522	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,100	0	6,756	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,702	39	27,643	245
At 31 March 2012	<u>6,556</u>	<u>39</u>	<u>36,742</u>	<u>245</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	15	0	0	0	0	15
Additions	0	44	0	0	0	0	44
Inventories recognised as an expense in the period	0	(59)	0	0	0	0	(59)
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	742	3,332	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	447	1,994	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	540	931	38	39
Provision for the impairment of receivables	(179)	0	0	0
VAT	172	0	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	299	0	0
Total	1,722	6,556	38	39
Total current and non current	1,760	6,595		
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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	338	415
By three to six months	9	16
By more than six months	267	732
Total	614	1,163

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	0	0
Amount written off during the year	0	0
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	(179)	0
Balance at 31 March 2013	(179)	0

20 NHS LIFT investments

Stockport PCT did not have any LIFT investments

21.1 Other financial assets - Current

Stockport PCT did not have any Other financial assets - current.

21.2 Other Financial Assets - Non Current

Stockport PCT did not have any Other financial assets - non current.

22 Other current assets

Stockport PCT did not have any Other current assets.

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	58	67
Net change in year	<u>(9)</u>	<u>(9)</u>
Closing balance	<u>49</u>	<u>58</u>
Made up of		
Cash with Government Banking Service	49	46
Commercial banks	0	12
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	49	58
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	<u>0</u>	<u>0</u>
Cash and cash equivalents as in statement of cash flows	<u>49</u>	<u>58</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	2,813	1,112	0	0	0	0	0	0	0	3,925
Plus assets classified as held for sale in the year	350	0	0	0	189	0	5	143	0	687
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	(475)	0	0	0	(176)	0	(5)	(133)	0	(789)
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	2,688	1,112	0	0	13	0	0	10	0	3,823
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	4,449	1,978	0	0	0	0	0	0	0	6,427
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	(164)	(139)	0	0	0	0	0	0	0	(303)
Less impairment of assets held for sale	(1,472)	(727)	0	0	0	0	0	0	0	(2,199)
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	2,813	1,112	0	0	0	0	0	0	0	3,925
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	2,085									
At 31 March 2013	2,085									

The Land and Building assets held for sale relate to two sites identified for disposal. It is expected that these properties will be disposed of during 2013-14 following their transfer to NHS Property Services Ltd. Plant and Machinery assets held for sale relate to medical equipment which was previously used by the PCT but is now surplus to requirements. Furniture and Fittings assets held for sale relate to furniture which is surplus to requirements as a result of the transfer of services to new and existing public sector entities as required under the Health and Social Care Act 2012. Assets Held for Sale in the Plant and Machinery and Furniture and Fittings categories will transfer to the NHS Stockport Clinical Commissioning Group for disposal during 2013-14.

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	649	4,993	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	778	4,106	0	0
Family Health Services (FHS) payables	13,294	14,866		
Non-NHS payables - revenue	2,458	11	0	0
Non-NHS payables - capital	262	1,167	0	0
Non_NHS accruals and deferred income	8,297	11,590	243	245
Social security costs	0	0		
VAT	0	0	0	0
Tax	0	0		
Payments received on account	0	0	0	0
Other	0	9	0	0
Total	25,738	36,742	243	245
Total payables (current and non-current)	25,981	36,987		

26 Other liabilities

Stockport PCT did not have any Other liabilities

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	0	0	0	0
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	153	142	8,718	8,871
Other	0	0	0	0
Total	153	142	8,718	8,871
Total other liabilities (current and non-current)	8,871	9,013		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	153	153
1 - 2 Years	0	165	165
2 - 5 Years	0	574	574
Over 5 Years	0	7,979	7,979
TOTAL	0	8,871	8,871

28 Other financial liabilities

Stockport PCT did not have any Other financial liabilities.

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	641	809	245	247
Deferred income addition	0	641	0	0
Transfer of deferred income	(639)	(809)	(2)	(2)
Current deferred Income at 31 March 2013	2	641	243	245
Total other liabilities (current and non-current)	245	886		

The non-current deferred income relates to land sold on a 125 year operating lease on the 25th December 2003.

30 Finance lease obligations

The PCT has two Private Public Partnership schemes being Heald Green and Woodley Health Centres'. Under the contractual arrangements Community 1st Stockport Ltd will provide facilities and services via Lease Plus Arrangements.

The facilities are treated as an asset of the PCT and the substance of the contract is that the PCT has a finance lease with payments comprising three elements; liability repayment, imputed finance charge and service charges. The imputed finance charges and service charges are expensed in the year in which they are incurred.

Amounts payable under finance leases (Buildings)

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	814	814	153	142
Between one and five years	3,256	3,256	740	687
After five years	14,439	15,252	7,978	8,184
Less future finance charges	(9,638)	(10,309)		
Present value of minimum lease payments	8,871	9,013	8,871	9,013

Included in:

Current borrowings		153	142
Non-current borrowings		8,718	8,871
		8,871	9,013

Amounts payable under finance leases (Land)

Stockport PCT did not have any amounts payable under finance lease in respect to land.

Amounts payable under finance leases (Other)

Stockport PCT did not have any amounts payable under finance lease in respect to other items.

Finance leases as lessee

	31 March 2013 £000	31 March 2012 £000
Future Sublease Payments Expected to be received	29,405	21,325
Contingent Rents Recognised as an Expense	0	0

31 Finance lease receivables as lessor

Stockport PCT was not a finance lease lessor.

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care ¹ £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	3,776	0	0	0	1,533	875	0	0	1,129	239
Arising During the Year	7,613	0	0	0	0	6,492	0	0	13	1,108
Utilised During the Year	(520)	0	0	0	(64)	(35)	0	0	(396)	(25)
Reversed Unused	(2,593)	0	0	0	(1,469)	(177)	0	0	(733)	(214)
Unwinding of Discount	0	0	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	8,276	0	0	0	0	7,155	0	0	13	1,108
Expected Timing of Cash Flows:										
No Later than One Year	4,276	0	0	0	0	3,155	0	0	13	1,108
Later than One Year and not later than Five Years	4,000	0	0	0	0	4,000	0	0	0	0
Later than Five Years	0	0	0	0	0	0	0	0	0	0

Amount Included in "Other" Provisions of the NHS Litigation Authority in Respect of Clinical**Negligence Liabilities:**

As at 31 March 2013

13

As at 31 March 2012

10

The Department of Health introduced deadlines for any new cases which require assessment of eligibility for NHS Continuing Healthcare funding. All claims for the period 1st April 2004 to 31st March 2011 had to be submitted to the PCT by 30th September 2012. Claims for the period 1st April 2011 to 31st March 2012 had to be submitted by 31st March 2013. Both deadlines were set and agreed nationally. All cases are subject to review and some remain ongoing.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other	(13)	0
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(13)	0
Contingent Assets		
Contingent Assets	0	0
Net Value of Contingent Assets	0	0

The above contingent liability is in respect to the NHS Liabilities to Third Parties Scheme as advised by the NHSLA.

34 PFI and LIFT - additional information

Stockport PCT did not have any PFI or LIFT schemes

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g. LIFT/PFI)			
Depreciation charges	143	0	143
Interest Expense	828	0	828
Impairment charge - AME	0	0	0
Impairment charge - DEL	0	0	0
Other Expenditure	470	0	470
Revenue Receivable from subleasing	(74)	0	(74)
Total IFRS Expenditure (IFRIC12)	1,367	0	1,367
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(1,366)	0	(1,366)
Net IFRS change (IFRIC12)	1	0	1

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

Capital expenditure 2012-13

0

UK GAAP capital expenditure 2012-13 (Reversionary Interest)

0

36 Financial Instruments

Financial risk management

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

Currency risk

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

Interest rate risk

PCT's 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		742		742
Receivables - non-NHS		447		447
Cash at bank and in hand		49		49
Other financial assets	0	0	0	0
Total at 31 March 2013	0	1,238	0	1,238
Embedded derivatives	0			0
Receivables - NHS		3,332		3,332
Receivables - non-NHS		2,293		2,293
Cash at bank and in hand		58		58
Other financial assets	0	74	0	74
Total at 31 March 2012	0	5,757	0	5,757

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		648	648
Non-NHS payables		10,319	10,319
Other borrowings		0	0
PFI & finance lease obligations		8,871	8,871
Other financial liabilities	0	14,767	14,767
Total at 31 March 2013	0	34,605	34,605
Embedded derivatives	0		0
NHS payables		9,099	9,099
Non-NHS payables		16,053	16,053
Other borrowings		0	0
PFI & finance lease obligations		9,013	9,013
Other financial liabilities	0	10,949	10,949
Total at 31 March 2012	0	45,114	45,114

37 Related party transactions

Details of related party transactions with individuals are as follows:

	Transactions with Related Parties 2012/13				Transactions with Related Parties 2011/212			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Alan Dow, Member Clinical Strategy Board, NHS Greater Manchester Wife is an Anaesthetist at Tameside NHS Foundation Trust	1,336	0	26	0	1,289	0	82	0
Anne Talbot, Member Clinical Strategy Board, NHS Greater Manchester Husband is a Consultant Neurologist at Salford Royal NHS Foundation Trust and also at Stockport NHS Foundation Trust	5,163 176,612	212 9,454	80 98	0 0	8,819 147,759	6 252	760 198	0 841
Chris Duffy, Member Clinical Strategy Board, NHS Greater Manchester Wife is a Consultant at Pennine Acute Hospitals NHS Trust	2,387	0	143	0	8,397	1	0	101
Hamish Steadman, Member Clinical Strategy Board, NHS Greater Manchester Wife runs the Diabetes team at Salford Royal NHS Foundation Trust	5,163	212	80	0	8,882	6	724	0
Iain Williamson, Member Clinical Strategy Board, NHS Greater Manchester Wife is Programme Director of Integrated Care at Central Manchester University Hospitals NHS Foundation Trust	22,800	188	332	47	44,716	179	0	73
Martin Whiting, Member Clinical Strategy Board, NHS Greater Manchester Sister is a Partner in the Spec savers Franchise in Stockport	558	0	0	0	564	0	0	0
Mike Burrows, Chief Executive, NHS greater Manchester Brother works at Central Manchester University Hospitals NHS Foundation Trust	22,800	188	332	47	44,716	179	0	73
Sister in Law, works at Pennine Acute Hospitals NHS Trust	2,387	0	143	0	8,397	1	0	101
Ranjit Gill, Member Clinical Strategy Board, NHS Greater Manchester Partner at Edgeley Medical Practice	1,091	0	0	0	1,197	0	0	0

37 Related party transactions (continued)

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

	Transaction with Related Parties in 2012/13				Transaction with Related Parties in 2011/12			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Stockport NHS Foundation Trust	176,612	9,454	98	0	147,759	252	198	841
North West Specialised Commissioning Team (via Western Cheshire PCT)	31,131	2	0	1	20,440	113	0	0
University Hospitals of South Manchester NHS Foundation Trust	27,645	4	236	0	59,638	0	1,032	3
Pennine Care NHS Foundation Trust	23,855	115	17	0	25,281	7	316	2
Central Manchester University Hospitals NHS Foundation Trust	22,800	188	332	47	44,716	179	0	73
Christie Hospital NHS Trust	11,183	24	0	10	14,419	0	135	0
Blackpool PCT	7,778	1	0	0	7,577	1	2	0
Salford Royal NHS Foundation Trust	5,163	212	80	0	8,819	6	760	0

In addition, the Primary Care Trust has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Stockport Metropolitan Borough Council in respect of Section 75 Pooled budgets and other joint commissioning arrangements.

	Transaction with Related Parties in 2012/13				Transaction with Related Parties in 2011/12			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Stockport Metropolitan Borough Council	18,141	240	1,117	2	16,131	1,910	0	1,521
Older People Services	5,212				3,808			
Social Care Re-ablement funding	5,072				5,039			
Stockport Learning Disability	3,275				875			
Funded Nursing Care	1,906				1,579			
Continuing Care	934				1,914			
Rents & Rates	677				993			
Pooled Drugs Budget	478				547			
Mental Health Initiatives	350				299			
Other	237				1,077			

Stockport PCT has no charitable funds.

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	5,840	11
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	<u>5,840</u>	<u>11</u>
Total special payments	<u>0</u>	<u>0</u>
Total losses and special payments	<u><u>5,840</u></u>	<u><u>11</u></u>

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	911	8
Special payments - PCT management costs	1,375	2
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	<u>911</u>	<u>8</u>
Total special payments	<u>1,375</u>	<u>2</u>
Total losses and special payments	<u><u>2,286</u></u>	<u><u>10</u></u>

Details of cases individually over £250,000

There were no cases individually over £250,000

39 Third party assets

The PCT did not hold any patient monies as at 31 March 2013 (Nil at 31 March 2012)

40 Pooled budget (Section 75 Arrangements)

On 1st April 2009, the PCT entered into pooled budget arrangements with Stockport MBC via formal Section 75 Agreements. There are now 7 discrete budgets within the S75 portfolio covering Learning Disabilities (Adults), Older People Non Acute intermediate care, Non Acute Reablement, Drugs & Alcohol; in-patient detoxification, Home Equipment Store, Continuing Healthcare Assessment Bed service and community Mental Health. The PCT is responsible for hosting the Older People's Non Acute services budget only with all other budgets hosted by SMBC.

The memorandum account below shows both the contributions by partners and the financial performance for each individual pool and the overall performance of the S75 for 2012-13:-

Adults Pooled Budget (Total)	SMBC Cont	PCT Cont	Total Cont	Spend 12/13	Variance
	£000	£000	£000	£000	(under) / over £000
Older People's Non Acute	677	5,308	5,985	5,722	(263)
Learning Disabilities	21,491	3,838	25,329	25,740	411
Non Acute services for Adults	435	1,361	1,796	1,595	(201)
Drugs & Alcohol	106	55	161	161	0
Community Equip Store	270	337	607	660	53
Mental Health	284	289	573	573	0
CHC Assessment Bed service	0	532	532	532	0
Totals	23,263	11,720	34,983	34,983	0

The PCT is required to reflect its share of assets and liabilities for each pool and impact on the income & expenditure position. This is shown below:-

Adults Pooled Budget (NHS Share)	PCT Cont	Spend	Variance	Spend	Variance
	2012/13 £000	2012/13 £000	(under) / over £000	2011/12 £000	(under) / over £000
Older People's Non Acute	5,308	5,212	(96)	4,470	(134)
Learning Disabilities	3,838	3,988	150	2,333	1,458
Non Acute services for Adults	1,361	1,288	(73)	0	0
Drugs & Alcohol	55	55	0	59	4
Community Equip Store	337	356	19	315	(12)
Mental Health	289	289	0	289	0
CHC Assessment Bed service	532	532	0	600	0
Totals	11,720	11,720	0	8,066	1,316

In addition to the Adult Pooled budgets, the PCT and SMBC also have 2 Childrens' pool covered under S75 arrangements.

Children's' Pooled Budget (NHS Share)	PCT Cont	Spend	Variance	Spend	Variance
	2012/13 £000	2012/13 £000	(under) / over £000	2011/12 £000	(under) / over £000
Children & Young People Disability Partnership	1,543	1,543	0	1,543	0
Healthy Child Programme	3,648	3,648	0	3,648	0
Totals	5,191	5,191	0	5,191	0

41 Cashflows relating to exceptional items

There has been no cashflow impact relating to exceptional items

42.1 Events after the end of the reporting period

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

- NHS Stockport Clinical Commissioning Group
- Department of Health
- NHS England
- Stockport Foundation Trust
- NHS Property Services

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

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

The PCT shared extracts of this draft document with the Receiving Organisations as part of the engagement and review process prior to taking on responsibility on 1st April 2013. All Receiving Organisations have reviewed the Transfer Scheme and fed comments back to the PCT such that these can be reflected in the final transfer scheme document.