Department of Health

NHS

North Somerset Primary Care Trust

2012-13 Annual Report and Accounts

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North Somerset Primary Care Trust

2012-13 Annual Report

An introduction to the NHS North Somerset Annual Report from Stephen Harrison chair of NHS Bristol, NHS North Somerset and NHS South Gloucestershire, and Anthony Farnsworth chief executive of NHS Bristol, NHS North Somerset and NHS South Gloucestershire

Introduction

On 31 March 2013, NHS North Somerset – like all Primary Care Trusts across the country – ceased to exist, bringing to a close a journey that has lasted more than ten years. The date also saw the creation of a number of new organisations including Clinical Commissioning Groups, Commissioning Support Units, and the National Commissioning Board, who take on the great responsibility of commissioning and providing healthcare services for the population of Bristol, North Somerset and South Gloucestershire.

Our task this year – as it has been for all of those before – has been in commissioning high-quality healthcare services for our population. Using our combined cluster budget of almost £1.5 billion, we provide for the healthcare needs for a combined population of almost 1 million people.

This year has seen us achieve this whilst managing the transition of services between Primary Care Trusts and the new, emerging NHS organisations. This has involved managing the transition of hundreds of staff to new NHS organisations.

In this report, as an NHS cluster and as individual Primary Care Trusts, we reflect upon the successes of last year – of which there were many. Across the cluster we helped many more smokers to quit; reduced teenage pregnancies; improved access to healthcare services; made greater strides in the treatment of cancer and much more.

In North Somerset specifically we have continued to work with Weston Area Health Trust, North Somerset Community Partnership and North Somerset Council to develop more integrated services which offer greater support for patients. We have also worked closely with these partners to ensure that Weston Hospital continues to provide high quality local services which are sustainable for the future.

In Bristol our work on recommissioning mental health services has gained national attention and will become the largest exercise of its type ever undertaken in England and Wales.

We saw South Bristol Community Hospital develop into a wonderful resource; prized and appreciated by the local community, treating thousands of patients in its first full year of operation.

In South Gloucestershire, we saw the re-opening of the state-of-the-art Cossham Hospital, providing a renal dialysis unit, a midwife-led birth centre and a wide range of outpatient and diagnostic services. Cossham Hospital will provide double the number of outpatient and physiotherapy appointments

than previously offered. The ‘jewel in the crown’ at Cossham is the area’s first stand-alone, midwife-led birth centre which offers mums a homely facility for a natural birth.

Through our time in the NHS, the staff we have met and had the pleasure of working with have been behind some monumental and life-changing developments in healthcare and can be proud of their achievements. We would especially like to thank all those people who have worked so hard to maintain and improve services during this past year of great personal uncertainty and change.

Every day the commitment to the core values and ideals of the NHS is evident in Bristol, North Somerset and South Gloucestershire and we are sure that this will continue into the new organisations to whom we pass on the responsibility for commissioning healthcare services.

Of the new organisations, part of our work as a cluster this year has been in supporting the Clinical Commissioning Groups, and preparing them to take on the responsibility for commissioning services. We can proudly say that all three have now been authorised. This authorisation is a clear demonstration of the readiness and ability of CCGs to manage local healthcare and is the final step in ensuring a seamless transition of healthcare commissioning.

Our local Public Health teams have successfully moved to their local authority and will continue their health improvement work in new environments. You can read of their achievements and successes in this report.

Reflecting on the closure of PCTs it is natural that we assess the impact that we have had on the health and wellbeing of our local population. We can confidently say that, over the past year, we have made great strides towards improving our services. Cancer mortality rates are lower, stroke treatments have greatly improved, fewer people are smoking than ever before, incidences of hospital acquired infections continue to fall and much more.

There are still many more challenges that face the CCGs but we are confident that they are well placed to tackle them. Our legacy is one of which we can be proud of – a pride we must share with others.

Finally, we must pay tribute to all of those who, over the past ten years, have worked with the Primary Care Trusts. This includes those from the local authority – specifically Bristol City Council, South Gloucestershire Council and North Somerset Council. It also includes our colleagues from our local acute trusts including the University Hospitals NHS Foundation Trust, the North Bristol Trust and the Weston Area Health Trust, as well as our mental health provider the Avon and Wiltshire Mental Health Partnership.

We would also like to extend our great thanks to all of those who have volunteered their time and knowledge to improving health services over the past ten years, as patient representatives on project teams; as members of groups like LINKs and for attending and contributing to our many public

meetings. The health services we provide are for our population and your input, expertise and experiences have helped us to improve it in many ways.

As our journey with Primary Care Trusts comes to an end, and personally we move on to new challenges – we can confidently say that local healthcare services are better than they have ever been and that their future is in good hands. And there is no greater legacy than that. We hope that you enjoy this report.

Changing and improving the way the NHS works

The Health and Social Care Act 2012 proposed many changes to the way that health and social care services are commissioned and provided in England and Wales. In 2012-13 the local NHS has seen the emergence of a number of new organisations who will assume control for the commissioning and ongoing management of local health services in the future.

The BNSSG PCTs have worked this year towards completing the transfer of responsibility from us to the newly emerging NHS bodies, fully implementing the Act's changes.

BNSSG Cluster

- In 2012-13 Bristol, North Somerset and South Gloucestershire PCTs maintained their 'clustering' arrangements locally.
- Clustering involves sharing essential management functions across three PCTs to improve the quality of service offered and to reduce costs.

Clinical Commissioning Groups (CCGs)

- Clinical Commissioning Groups are led by GPs and will provide the clinical input and management in commissioning healthcare services.
- The Bristol, North Somerset and South Gloucestershire (BNSSG) cluster PCTs worked closely with the newly emerging CCGs and their leadership teams in supporting them through the process of authorisation and in assuming responsibility for commissioning local health services in April 2013.
- The Bristol CCG, North Somerset CCG and South Gloucestershire CCG all achieved 'authorisation' and became statutory organisations in their own right on 1 April 2013.

Public Health Teams

- During 2012-13 Public Health teams across BNSSG began to move to local authority control.
- Public Health teams will continue to work in partnership with local GPs and other health organisations in their life-changing work, providing stop smoking support, expert advice and guidance on a variety of health issues and in ensuring our most disadvantaged communities access appropriate health services.

Commissioning Support Units (CSU)

- Commissioning Support Units (CSUs) will work closely with CCGs to support them in making their clinically driven commissioning intentions a reality.

- South West Commissioning Support (SWCS) will provide essential local commissioning support for CCGs including business intelligence, information and communications technology (ICT), communications and media support, commissioning and service redesign.

This page marks the beginning of the NHS North Somerset specific section

Changing and improving lives through a shared vision

NHS North Somerset exists to improve the health of the people of North Somerset and to commission high-quality healthcare for our population.

NHS North Somerset aims to:

- ⇒ Be the most successful at improving the health of the most disadvantaged;
- ⇒ Commission a comprehensive range of health services which deliver world-class outcomes for the local population;
- ⇒ Ensure a consistently high-quality patient experience; and
- ⇒ Provide services locally.

To help us achieve these aims we have developed a series of values. The values of NHS North Somerset are the guiding principles by which all staff work to provide our population with the healthcare that it needs and deserves.

Defined by our board, staff and stakeholders, these values provide the framework for everything we do.

Our values are:

- ⇒ Achieving high performance
- ⇒ Innovation and creativity
- ⇒ Equality and diversity
- ⇒ Teamwork and partnership
- ⇒ Individual contribution
- ⇒ Open communication
- ⇒ Taking care of the environment

Throughout 2012-13 NHS North Somerset ensured that the work that we did contributed to our aims, objectives and vision.

Our aims, objectives and vision have provided a guiding light for the organisation and in the past ten years, we have made great strides towards achieving them.

North Somerset CCG is taking on the responsibility for healthcare services in the area and has its own vision, values and priorities. You can read about them by visiting their website at: www.northsomesetccg.nhs.uk.

Healthy Futures

The NHS in Bristol, North Somerset and South Gloucestershire share a vision of achieving a financially sustainable health system which prevents illness, maintains independence and streamlines healthcare pathways.

Through the Healthy Futures Programme we are working in partnership across the NHS to change the way services are provided.

During 2012 the focus of the programme was on supporting the redesign of services for frail older people and patients with long-term conditions. These groups of patients tend to use NHS services more than most people and our focus will be to develop services which support patients to manage their conditions within their community.

During 2012-13 the Healthy Futures Programme worked with many individuals, groups, stakeholders and organisations to help facilitate the transition of commissioning healthcare services from NHS North Somerset to the North Somerset Clinical Commissioning Group and any other bodies that have a responsibility for healthcare services.

Meeting our targets – a snapshot of the year

The NHS North Somerset Board receives comprehensive information on a monthly basis about our performance on key health indicators relevant to the people living in the area.

By understanding our performance on these key issues we can assess our progress and take action where necessary.

Here are just some of the indicators, our targets and our progress towards them:

Indicator	2011-2012 Performance (%)	National Target 2012-13 (%)	2012-13 Performance (YTD) (%)
Urgent Care			
Accident and Emergency wait times < 4 Hours – Weston Area Health Trust	93.5%	95.0%	92.6%
Accident and Emergency wait times < 4 Hours – North Bristol Trust	94.0%	95.0%	93.4%
Accident and Emergency wait times < 4 Hours – University Hospital NHS Foundation Trust Bristol	95.9%	95.0%	94.2%
"Red Calls" responded to within 8 minutes - Type 1	68.9%	n/a	69.5%
"Red Calls" responded to within 8 minutes - Type 2	New	n/a	98.2%
"Red Calls" responded to within 19 minutes	95.0%	n/a	94.0%
SWAS "Red Calls" responded to within 8 minutes - Type 1	82.8%	75.0%	76.4%
SWAS "Red Calls" responded to within 8 minutes - Type 2	New	75.0%	76.7%
SWAS "Red Calls" responded to within 19 minutes	97.1%	95.0%	95.7%
Long term conditions			
Reperfusion waiting times - Primary PCI - 150 minute call to balloon for direct cases	77.0%	90.0%	89.3%
Planned care			
18 Week referral to treatment times: admitted pathways	92.6%	90.0%	92.3%
18 Week referral to treatment times: non-admitted pathways	97.5%	95.0%	96.3%
Patient Choice and Booking - Utilisation	72.6%	75.0%	71.5%
Patient Choice and Booking - Conversion	New	85.0%	87.6%
Cancer			
Urgent Referrals to First appointment < 2 weeks	96.0%	93.0%	96.4%
Urgent Referrals to First appointment < 2 weeks - Breast Symptoms	98.1%	93.0%	97.6%
Cancer Diagnosis to 1st treatment < 31 days	98.0%	96.0%	98.0%
Urgent Referral to treatment < 62 days (all cases)	90.8%	85.0%	86.1%
Cervical screening test results within 14 days	93.2%	98.0%	95.4%
Healthcare Associated Infections			
Incidence of MRSA - National Plan	4 Cases	2 Cases	5 Cases
C Diff Infections - National Plan	77 Cases	58 Cases	67 Cases
Other			
Breastfeeding	46.7%	53.1%	50.9%
Chlamydia screening	26.7%	30.0%	33.2%

Against a clear background of achievement against targets, there is disappointment within NHS North Somerset that we have not fully achieved what we had intended to do.

During the year, there was continual under-performance amongst all three acute trusts against the ‘4 hour wait’ target for Emergency Departments. The period between October 2012 and March 2013 saw a marked deterioration in Emergency Performance at Weston Area Health Trust. This under-performance has been the subject of intensive work between NHS North Somerset, acute trusts and health care providers in the area.

This represents a clear failure of NHS North Somerset to achieve the NHS Constitution standard for our population.

Changing and improving the lives of children, young people and families

There are approximately 47,000 children and young people aged 0-19 living in North Somerset, which equates to 23% of the population.

The health and wellbeing of children is generally better than the England average (Child Health Profile 2012). NHS North Somerset works hard to improve the health and wellbeing of the children and young people in North Somerset in a variety of ways.

Supporting women to breastfeed

Breastfeeding has health benefits for the mother and the child, improving health and wellbeing. As a result, NHS organisations work hard to support as many mothers as possible to breastfeed should they want to.

In North Somerset, reports from our community health provider, the North Somerset Community Partnership, highlight that breastfeeding at six weeks increased to 52% in May of 2012, the highest it has been in 12 months.

Rates of breastfeeding across the North Somerset have generally been rising since 2007.

Health organisations in NHS North Somerset have recently achieved level 1 and 2 of the nationally recognised UNICEF Baby Friendly Initiative.

There are a number of programmes in place to improve breastfeeding mothers and provide support for them, particularly in areas where rates are lowest. Health providers have clear actions in place to improve the drop off rate between initiation and 6-8 weeks and we are seeing a subsequent improvement as a result of this.

Improving the rates of breastfeeding amongst new mothers will continue to be a priority for the CCG and local Public Health teams in the future.

Giving a helping hand to children in poverty

Children who live in poverty often experience poorer health outcomes and as a result, supporting both children and parents is a key priority for NHS North Somerset.

Nearly 14% of North Somerset children live in poverty compared to 22% in England. This ranges from 2% in Clevedon Walton to 44% in Weston-super-Mare South.

During the year NHS North Somerset:

- Opened a new ‘health shop’ in South Ward, engaging vulnerable children in positive activities and supporting families back to work

- ‘Weston Works’, our central ‘health shop’, continued to support families with complex needs
- Our ‘Child Poverty Strategy’ – which was completed in 2011 – and which aims to prevent poor children in North Somerset becoming poor adults, continued to direct our resources and work.

Supporting children who are born into poverty will be a continuing focus for the CCG, Local Authority and Public Health departments in North Somerset.

Tackling childhood obesity

In North Somerset, 24% of reception age children are above a healthy weight; 15% are overweight and 8.9% are obese.

Sadly, almost 30% of Year 6 children in the area are above a healthy weight. Obesity rates in both Reception and Year 6 children from the most deprived areas in North Somerset are significantly higher than rates in children from affluent areas.

The NHS North Somerset Childhood Obesity Action Plan co-ordinates a range of activities aimed at pregnant women and the early years.

The action plan includes a weight management programme for pregnant women and the implementation of MEND (Mind, Exercise, Nutrition, Do it!) programme, an evidence-based obesity treatment programme for children aged 5-13 and their families.

Reducing childhood obesity will be a key focus for the North Somerset Public Health team.

Improving the mental health of children

It is estimated that in North Somerset there may be around 1,500 children with conduct disorders; 1,200 with emotional disorders; and almost 400 with hyperactive disorders.

During 2012-13:

- A range of services in a variety of settings across North Somerset supported children and young people’s emotional health and wellbeing.
- Our specialist Child and Adolescent Mental Health Service (CAHMS) is provided by Weston Area Health Trust and there is a dedicated service (CONSULT) for Looked After Children/Young People
- In the most recent period, 895 referrals were made to CAMHS, of which 342 were for the North team and 485 for the South team. Since 2005, there has been a 31% increase in referrals, the largest increase for the South team (57%)

Sexual Health

The sexual health of young people is a key priority in our local health and wellbeing strategy and our aim is to both reduce the under 18 conception rate and increase the number of young people aged 15-24 being screened for chlamydia.

In North Somerset we have a partnership approach to addressing the sexual health needs of our community. Membership of our local Sexual Health and HIV Partnership includes members from the Local Authority, NHS North Somerset, Weston Area Health Trust, North Somerset Community Partnership and the Voluntary Sector.

In 2012-13 NHS North Somerset achieved our local target to reduce teenage conceptions. The rate in North Somerset is currently 25.6 per 1,000 girls aged 15-17. This is lower than the rates for the South West (27.3) and England (30.9).

During 2012-13 NHS North Somerset:

- exceeded the local target to provide chlamydia screening to 25% of young people from 15-25 years of age
- continued to improve access to long acting reversible contraception – three quarters of local GP practices now either provide this service directly or have a local patient pathway in place
- developed a sexual health service for under 25-year-olds improving access to free condoms, pregnancy testing, emergency contraception and chlamydia screening and treatment.
- reduced the rate of repeat abortions, in 2011 (the most up to date figures available) the percentage of repeat abortions in under 25-year-olds in North Somerset was 17%, which was lower than the South West average (21%) and England average.

Vaccination

Outbreaks of measles and whooping cough across the UK were reflected in an increase in cases across North Somerset. A temporary vaccination for pregnant women was started in 2012 while an outbreak of measles among people from the gypsy and traveller communities across the patch led to an increased uptake of MMR vaccine in this community.

Changing and improving the lives of adults

Improving the health and lives of adults is a key priority for NHS North Somerset, with our idea of reducing the health inequalities which exist across the area.

Our work with adults spans the whole range of health and wellbeing concerns, including mental health and stress, smoking, alcohol, domestic abuse, cancer and much more.

Alcohol

Misuse of alcohol is a serious issue for North Somerset. It is estimated that 32,000 people are 'increased risk' drinkers in the area, regularly consuming above the recommended daily limit of 2-3 units for women and 3-4 units for men.

To help tackle the problem of excessive alcohol consumption, over 40 GPs and primary care staff have now been trained and hold the Royal College of General Practitioners certificate in the management of alcohol problems in primary care.

As a result almost all of North Somerset's GP surgeries now have at least one GP trained to recognise and screen people for alcohol problems. Workers from ARA (Addiction Recovery Agency) assisted in the delivery of this training and have enhanced local knowledge about how local services work.

In addition to this, in North Somerset during 2012-13:

- The ARCH project – a community alcohol outreach service funded by NHS North Somerset and provided by ARA (Addiction Recovery Agency) – was launched here in October 2011. It aims to reach adults who drink at problematic levels but find it difficult to address their alcohol misuse and access existing services due to geographical or other barriers e.g. transport problems. Today it offers people a choice of venues at six locations across North Somerset, including Clevedon, Nailsea, Portishead, Yatton and Weston-super-Mare's Central and South wards, treating hundreds of patients each year.
- The alcohol health service at Weston General Hospital was launched in the spring of 2012 and works with people in the emergency department and on the wards, whose condition may be related to alcohol. Their work involves screening people for alcohol problems, giving advice and support whilst they are in the hospital and then arranging referrals to local services.
- A new community alcohol detoxification service was commissioned by NHS North Somerset, allowing people to continue to live at home whilst having a safe detoxification. This is particularly important for dependent drinkers, as the shock to the body that can happen when stopping drinking suddenly can be dangerous.

The battle against excessive alcohol consumption and the reduction of alcohol related harm is a challenge the CCG and local Public Health team will continue to tackle.

Supporting smokers to quit

The NHS North Somerset smoking cessation team has worked hard over the past 12 months to protect residents from the harmful effects of tobacco, reduce the uptake of smoking in young people and motivate and assist smokers to quit.

It has also involved local employers in schemes to motivate and encourage staff to quit smoking and worked alongside local authority partners to develop initiatives to protect children and young people in particular, from the harmful effects of smoking.

During 2012-13 NHS North Somerset:

- Has continued to ensure that stop smoking services are available and accessible in a range of settings including GP practices, pharmacies, dental practices and supermarkets and we increased the number of available stop smoking groups. Our advisors within North Somerset saw over 3,000 smokers during 2012-13. As well as helping smokers improve their health they have also helped smokers save around £200,000 (based on the 4 week quit attempt 20/day at £5)
- Worked with clinicians and developed a new pre-operative care pathway for smokers, making sure that they are offered information advice and support to quit before their operation, maximising their chances of shorter hospital stays and improved health outcomes
- Developed a Facebook page to raise awareness of the service and offered smokers ongoing encouragement and support and raised awareness about the harmful effects of tobacco. The numbers of followers continues to increase
- Continued to roll out the Assist programme which is a peer led smoking prevention programme delivered to Year 8 students in secondary schools
- Worked with our partners in the local authority to support our work on making no smoking the 'norm' which has a big impact on young people taking up smoking. In April 2012 – a voluntary code to designate all North Somerset local authority play areas and areas around children's play concessions on the beach at Weston-super-Mare as smoke free zones was introduced. Sixty six entrances to play areas now have signage attached requesting people not to smoke.

Helping and supporting those with mental health issues

NHS North Somerset continued to progress and strengthen the mental health services it provides by working towards a full implementation of our 'Shaping the Future' project, led by the PCT and supported by North Somerset Council.

Our Positive Step initiative is a support network via GP surgeries to provide help and support for adults of working age and older people alike who are experiencing mental health problems. It provides both low and high level psychological interventions as well as group sessions. We also have a number of small contracts with local third sector organisations that provide support and advocacy for mental health.

Milestones in 2012-13:

- The move from the planning phase of the 'Shaping the future of mental health services' to the implementation of changes within our services which has improved service quality and our ability to respond quickly. Health professionals in NHS North Somerset continued to work with service users, carers and clinicians to make sure that recovery focused services are commissioned and delivered.
- Our mental health redesign plans have improved the quality, consistency and experience of care in the area.
- Through the introduction of care clusters, substantial progress has been made over the past few months. From a GP and service user perspective, the most important part of this work is the development of a comprehensive range of care packages which can be offered to users to ensure that a care plan is tailored precisely to the mental health condition and needs of the individual patient.

During 2012-13 NHS North Somerset consulted on the 2013-14 mental health service delivery plan at a range of local stakeholder events that include service users and users, local authority colleagues, third and voluntary sector colleagues and local clinicians from primary and secondary care.

This work will help guide and shape the future of mental health services in the North Somerset area and its legacy will be taken up by those assuming responsibility for defining healthcare in the North Somerset area.

Focus on diabetes care

NHS North Somerset has worked hard throughout the year to build upon our achievements in the field of diabetes care and to improve the quality of life of diabetes patients old and young. This year local commissioners and healthcare staff made great progress in improving both access to treatments and patient outcomes.

During the year the revised BNSSG diabetes integrated care pathway was launched after much work in updating it.

During 2012-13:

- North Somerset-based adult diabetes specialist nurses have continued to develop the education programme for health care professionals responding to local requirements. Record numbers of staff and care staff across North Somerset have undergone some form of diabetes training and awareness in the last year
- NHS North Somerset continued to work toward implementing a new model of diabetes delivery and care as well. The podiatry team have been involved in proposed changes and improvements to the diabetes foot-care pathway. Both will be continued developments and priorities for the emerging Clinical Commissioning Group in 2013-14
- Our diabetes specialist nurses are working closely with the newly appointed health psychologist from positive steps to develop existing patient education programmes for people with type 2 diabetes to better cope with their condition
- Local paediatric diabetes specialist nurses continue to develop the ongoing support for children with diabetes in schools, developing robust care plans and training for teaching staff to ensure children are safely managed at school
- The use of insulin pump therapy is also increasing with 25% of children now using an insulin pump. This has been highly beneficial to the child, family and the management of their diabetes.

Changing and improving the lives of older people

The elderly population of North Somerset, in common with communities across the South West, is growing rapidly. Of the current population of 210,000, 20% are over 65, compared with the national average of 16%.

It is a shared public health ambition across North Somerset to increase healthy life expectancy, particularly in those parts of Weston-super-Mare where it is substantially lower than in more affluent areas of North Somerset.

Healthy walks, healthy lives

We have continued to increase the promotion of physical activity through the Healthy Walks programme as the new national provider takes charge and works with us to develop and support new falls prevention initiatives in the community with Weston Hospital and Age UK, as part of our 'Ageing Well' Service.

In North Somerset during 2013-13:

- The North Somerset Community Exercise Programme for Older people – which is now being managed by Age UK – has seen more older people participating in community based exercise programmes. We now have eight regular 'flexercise' (seated exercise) classes taking place in sheltered schemes, led by trained volunteers and many more run by care workers in care settings.
- We have worked with our partners in the local authority to expand further our joint Heath Walks programme with more than 200-240 people walking each week.
- We have also worked with our local authority partners to bring their schemes to the attention of General Practices and have a range of primary care professionals registered as key workers to refer patients to leisure centres to increase physical activity.
- We supported our partners in the local housing department to put forward a bid to the Department of Health for resources to help the old and vulnerable during cold weather. This also included a package of training for front line health staff to help them identify patients at risk of ill health due to cold homes and inform patients and carers of where to get help.

Creating our community wards

It is essential that the Primary Care Trust and its community services provide the care that patients need to enable them to stay in their own homes and avoid unnecessary admissions to an acute hospital.

NHS North Somerset has developed a range of care pathways to ensure that the right care is given in the right place – including Community Wards and the

Enablement service which aims to help people remain in their own homes for as long as possible.

Local health and social care services also work closely together to avoid duplication and deliver a seamless service. During 2013-14 this will be developed further with the establishment of new integrated teams.

In 2012-13:

- North Somerset CCG approved a business case to significantly increase support for carers. NHS North Somerset CCG now invests a total of £446,000 per annum in carers support.
- A total of £326,000 of this is spent jointly with North Somerset Council, with £250,000 going to breaks, £40,000 to the Carers Support Service in general hospital and £36,000 to emotional support. The joint Carers Support Contract with North Somerset Council is currently going through a tender process.
- £120,000 of the total CCG budget was invested in a psychological therapies and counselling service for carers which is provided by Positive Step. This service commenced in January 2013 and carers can self-refer for support.
- A vulnerable adult lead was appointed to the team to work closely with our providers.
- Community Wards – continual development of the seven community wards in North Somerset enabled patients to stay at home during an episode of ill health rather than be admitted to hospital. A 13% reduction on the over 65s was seen during 2012/13 and this is due to the teams being able to manage patients in their own home.
- We have established the Integrated Health and Social Care Home Enablement Pathway, giving patients and service users the opportunity and support needed to make the most of their independence during their first weeks in residential care. In many cases, after receiving this package of care, service users are more independent and better able to return home or move from a nursing to residential placement with access to the support they need to do this.
- Of the 317 patients/service users that have completed Enablement so far, 14% have returned to their own home (either with a care package or independently) and 10% have moved down the tariff from a nursing home to a residential home. This is an overall 'success rate' of 24% – a positive achievement.

Concentrating on dementia

The North Somerset Dementia Strategy Group leads and monitors the implementation of the dementia action plan. It is a partnership group which includes representatives from Rethink Mental Illness, the Alzheimer's Society, Avon and Wiltshire Mental Health Partnership Trust (AWP), North Somerset Community Partnership, Weston Area Health Trust (WAHT), Public Health and Health Promotion, End of Life Care, NHS North Somerset and North

Somerset Council. Involvement and engagement of people living with dementia, their families and carers is undertaken via the local support services and groups.

The group meets quarterly and monitors the implementation of the Dementia Action Plan. It reports to and is scrutinised by the North Somerset Improving Outcomes Group and the North Somerset Clinical Commissioning Group (CCG) Shadow Board. An NHS North Somerset Commissioning Manager is now in post as the lead for commissioning and improvement of services for people living with dementia, their family and carers.

Key milestones in 2012-13

In 2012-13 the North Somerset Dementia Strategy Group focused on four objectives of the National Dementia Strategy:

- Enabling easy access to care, support and advice following diagnosis
- The development of structured peer and learning networks
- Improved community personal support services
- Good quality early diagnosis and intervention for all.

A comprehensive action plan was developed for the improvement of diagnostic rates, aiming to achieve a minimum of 60% of the estimated local prevalence of dementia for the PCT area. This included targeted work with outlying practices to improve rates of diagnosis.

A demand and capacity plan for the memory assessment service will be further developed by the CCG and other health partners during 2013. The work will improve the help and support people receive following diagnosis to enable people with dementia, their families and carers to live lives of the best possible quality. There will also be a focus on improving the integration of the dementia pathway.

Protecting our public

Getting vaccinated is the best way to stay protected from seasonal flu and NHS North Somerset has worked closely with our primary care colleagues to ensure that as many people as possible get this potentially life-saving jab every year. For the vast majority of people this can be a minor ailment but for those over 65, pregnant mothers and those with existing conditions, catching flu can be much more serious. To protect our at-risk residents we provided a free flu jab. This is how we did and how we compare with the Strategic Health Authority (SHA) average:

Group	target uptake rate	NS uptake rate	SW SHA uptake rate
Over 65s	75%	77%	73%
Vulnerable groups	70%	53%	50%
Pregnant women	70%	50%	43%

Clevedon Hospital

It was with great regret that NHS North Somerset made the difficult decision in July 2012 not to submit the business case for the redevelopment of Clevedon Community Hospital. Changing financial circumstances meant that our proposals for the new hospital were unaffordable and we appreciate how much this decision disappointed and angered the many individuals and local groups who have given Clevedon Community Hospital tireless support through their fundraising efforts.

Since the announcement was made in July of last year NHS North Somerset has spent a great deal of time meeting and engaging with local groups, individual residents, local politicians and patient representatives to explain in detail the reasons why the project was unable to go ahead and what we plan to do in the future to improve services for the people of Clevedon and its surrounding area.

Locally, the Clinical Commissioning Group will continue to work closely with local stakeholders to define the current and future healthcare needs of the North Somerset community and to develop local services which meet those needs. The services currently provided at Clevedon Hospital, including its minor injuries unit, will remain. We have undertaken repairs and improvements to the older in-patient building and there are plans to move the minor injuries unit to the modern wing which houses x-ray and diagnostic facilities.

As a health community those in North Somerset are committed to considering every option for future local health services in Clevedon. In the meantime the current hospital will continue to provide high-quality care at the heart of the community.

Listening to and learning from our patients and partners

When it comes to listening to patients and the public, NHS North Somerset works hard to involve them in the planning and development of local health services. During 2012-13 we have worked with lay representatives, patients, service users, carers, local people and partners from the statutory and voluntary sector across a range of different initiatives. We have also tackled health inequalities across our area, and co-ordinated a range of innovative schemes in partnership with local agencies to tackle the most important health issues affecting our population.

Focus on our achievements:

- We learned from our local population that local people prefer GPs to deliver Out of Hours services. NHS North Somerset worked with our NHS partners to commission a new Out of Hours provider for North Somerset which uses this medical model of care. 'Brisdoc' will provide the service from 2 April 2013.
- We responded to North Somerset Health Overview Scrutiny Panel (HOSP) and public concerns to ensure that primary care services are accessible to our most deprived communities in Weston-super-Mare, for instance by expanding medical services provided from Health Central on the Boulevard.
- NHS North Somerset conducted an engagement exercise with local people to discuss Rehabilitation and Re-ablement Services for North Somerset. These views will feed into the Clevedon Community Hospital Futures work.
- NHS North Somerset promoted the local CCG, working to support them in ensuring that their engagement activity had a high profile. This included participation in the 'Your North Somerset' event, a stakeholder event in April 2012 which was attended by over 200 local people, and leading a Practice Patient Group (PPG) forum event which brought together PPGs from different GP practices across North Somerset to share information and ideas.

The clinical leaders of the CCG are fully committed to patient and public engagement across all areas of its activity. The Voices for Health Involvement Scheme will be transferring into the CCG and a coproduction framework has been agreed in principle as the preferred methodology. This means involving lay people at the very earliest stage of any commissioning activity that might result in a change to services.

Tackling inequalities: celebrating diversity

As providers of health services and as employers, NHS North Somerset has remained committed to eliminating discrimination on the basis of gender, marital status, age, disability, race, religion, nationality, ethnicity, sexuality or social class. We have aimed to provide accessible services delivered in a way that respects the needs of each individual and excludes no-one.

In NHS North Somerset we:

- Value the diversity of our customers and employees
- Develop and implement action plans to identify and eliminate discrimination, reduce health inequalities and promote equality of opportunity
- Communicate our aims and progress to our customers, employees and our local communities
- Work closely with our partners to achieve our equality aims and standards
- Have worked with colleagues from NHS Bristol and NHS South Gloucestershire as part of a BNSSG cluster-wide team to develop and implement our local equality delivery system, its policies and practices.

As a commissioner of services, we have also worked closely with North Somerset Local Involvement Network (LINk), which produces reports on key issues affecting community groups.

Our staff receive equality and diversity training which covers the requirements of the Equality Act 2010 and the Human Rights Act, in order to ensure they understand and commission services which are geared to the needs and expectations of our diverse communities.

Our annual January event ‘Your North Somerset’, organised with our Council colleagues at Weston-super-Mare’s Winter Gardens, was a celebration of the diverse communities which make up Weston itself and the wider North Somerset area. Our Health Zone was a new innovation and its enormous success in bringing together a wide range of both voluntary groups and PCT staff as well as members of the public from a rich variety of ethnic, religious and culture backgrounds, have helped ensure its permanent place at this important annual community event.

In 2012-13 NHS North Somerset received 88 complaints, a decrease on the 103 received in the previous year.

In the same year we received 299 Freedom of Information (FOI) requests, a decrease on the previous year when we received 320.

NHS North Somerset is committed to continuing to improve the quality of its health services and is continuously striving, through listening and responding to patient feedback and patient experiences, to improve the services we commission.

Serious Untoward Incidents (SUI)

NHS North Somerset takes its obligations to protect our patients and their information seriously. If there are any issues, we report them, investigate them and learn from them. These are reported as Serious Untoward Incidents (SUI).

For a definition of an SUI visit the website: Serious Incident Reporting and Learning Framework

In 2012-13 NHS North Somerset reported 10 SUIs.

When an SUI occurs, NHS North Somerset investigates fully and takes action where appropriate.

Sustainability

NHS North Somerset is committed to reducing our carbon footprint and delivering our services in the most sustainable way possible. During the year we made some big improvements:

- We rationalised our office premises – closing two buildings and locating staff in shared premises with the local council this year, reducing our estates cost and ensuring a better legacy for the North Somerset CCG.
- Demolition work of the former Kwik Save building on the Millcross site in Clevedon began in February 2013, and completion of this work has helped the local NHS to save £54,000 in annual maintenance and security cost as well as improving the outlook for local residents.

NHS North Somerset planning for an emergency

We never know when an emergency situation might arise and the NHS must remain vigilant and able to respond to a range of hazards and threats. We also have to ensure that our emergency response is communicated effectively to our partners, stakeholders and the public and that the essential services we provide remain in place – whatever happens.

The Bristol, North Somerset and South Gloucestershire (BNSSG) emergency planning team has been working more closely than ever on this critical area of work. We have retained our essential relationships with local providers and multi-agency partners, and have progressed key areas of work, including business continuity and healthcare support to emergency shelter and treatment facilities. In recent months preparedness boundaries have been widening ahead of NHS reforms on 1 April 2013 and we have been working closely with partners from Somerset and BaNES.

The process of NHS transition has meant that we have had to keep a keen eye on resilience arrangements. We have altered a number of plans and brought together cluster arrangements, rotas and personnel to ensure a collaborative and enhanced response during emergencies. We have used opportunities to test a number of our response arrangements and capabilities, devising training plans where we feel staff would benefit from them. Looking ahead, all parts of the NHS will be working closely together to ensure robust arrangements are in place.

Each individual organisation in the NHS has a duty to have emergency preparedness plans with the overall responsibility for emergency preparedness resting with the NHS Commissioning Board. CCGs will have 'Category two responder status'.

Listening to and learning from our staff

NHS North Somerset exists to manage the complex and diverse health needs of the population of our area, and our staff are the ones charged with delivering it. We invest heavily in our staff to ensure they have the skills and security to deliver these essential services.

This year the major challenge for us was in minimising the impact of the changes specified in the Health and Social Care Act 2012 and the transition of all Primary Care Trust staff to a multitude of new organisations.

Focus on: Staff transition

In April 2012 the BNSSG Communications and HR teams began working together in collaboration to ensure that the hundreds of staff affected by the Health and Social Care Act transitional changes were regularly communicated with and had all relevant information and resources to support them through what was a potentially difficult time.

From spring 2012 onwards the Communications team started building an internal website accessible by all staff called the 'Transition intranet' which provides a complete resource for all staff to access and included a timeline for the transition programme, information on the receiver organisations, details of internal staff events and training and additionally a full list of jobs and all relevant contact information for Human Resources.

Throughout the year staff were invited to regular briefings to keep up to date on the transition process and to allow questions to be asked. Briefing packs were designed and developed to provide details of the receiving organisations and these were distributed to all staff.

A consultation period was launched in January 2013 to gather staff views on the proposed changes to working conditions.

By March 2013, the majority of staff in NHS North Somerset had achieved some certainty as to their future location and indicated that the transitional communications had worked.

NHS North Somerset was also approached by the Department of Health who requested to use the transitional planning and communications approach created to roll out to other Primary Care Trusts across the country.

Equalities and diversity improvements for our staff

NHS North Somerset is proud of the diversity of our area and, when commissioning and designing services, a knowledge of the breadth of diversity is essential. As a result, we have a comprehensive diversity training programme for staff.

During the year NHS North Somerset:

- Provided induction and ongoing mandatory training on equality and diversity
- Designed and delivered a local leadership training programme focusing on equality and diversity
- Analysed and published detailed workforce data outlining the diverse profile of our staff.

In addition to this, the NHS North Somerset equalities team provided expert support and guidance for the emerging North Somerset CCG in developing an equality, diversity and human rights strategy, which included a commitment to implementing the EDS. This plan formed part of the CCG's authorisation package and was well received.

In the future, Bristol CCG and SWCS have a clear and well-documented commitment to ensuring that the principles of health equality and diversity are an integral part of the new organisations moving forward.

NHS North Somerset Board Members

Senior managers influencing activities across the BNSSG (Bristol, North Somerset, South Gloucestershire PCTs) Cluster

Name	Title	Start Date
D Evans*	Chief Executive	01/06/2011 to 30/11/2012
A Farnsworth*	Chief Executive	01/12/2012
M Orchard	Director of Finance & IM&T	04/07/2011 to 31/07/2012
N Kemsley	Director of Finance & IM&T	01/08/2012
L Tranmer	Director of Commissioning Delivery	01/06/2011
D Tappin	Director of Strategy & Development	01/06/2011
L Scott	Director of Quality & Governance	01/11/2011
R Pedley	Director of Commissioning Development	01/06/2011
M Vaughan	Director of HR & Organisational Development	01/06/2011
S Harrison	Chair	07/12/2011
K Headdon	Non-Executive Director (NED)	01/01/2012 to 30/11/2012
T Mistry	Non-Executive Director (NED)	01/01/2012
G Nix	Non-Executive Director (NED)	01/01/2012
P Phillips	Non-Executive Director (NED)	01/01/2012
T Anderson	Non-Executive Director (NED)	01/01/2012
H D Harwood	Non-Executive Director (NED)	01/01/2012
M Gibbs	Vice Chair/ Non-Executive Director (NED)	01/01/2012
Dr A Havers	Medical Director	01/07/2012

****Clinical Commissioning Group (replaced the Professional Executive Committee) from 1 October 2011.**

On 1 October 2012 the North Somerset Governing Body was formed ahead of the new committee structure for the Clinical Commissioning Group taking on formal statutory duties from 1 April 2013.

The membership of the Governing body and the Clinical Commissioning Group is shown in the table below.

Name	Title	Start Date with the Clinical Commissioning Group	Member of Governing Body
M Vaughton	Chief Financial Officer	01/12/12	Yes
Dr M Backhouse	Accountable Officer and Chief Clinical Officer	01/10/11	Yes

J George	Chief Operating Officer	01/10/11	Yes
K Headdon ***	Lay Chair North Somerset Governing Body		Yes
G Nix ***	Lay Member North Somerset Governing Body		Yes
Dr J Heather	GP	01/10/11	
Dr K Haggerty	GP	01/10/11	
Dr M Ainsworth	GP	01/10/11	Yes
Dr M O Connor	GP	01/10/11	
Dr A Ryan	GP	01/10/11	
Dr J Maynard	GP	01/10/11	
B Pollard	Director of Public Health	01/10/11	
G Biggs	Lay representative	01/10/11	
J Smith	Council representative	01/10/11	
V Denton	Practice Manager	01/10/11	
K Payne	Practice Manager		Yes
A Clarke	Secondary Care Consultant		from 15/01/2013
L Williams	Interim Chief Nursing Officer		from 01/01/2013
P Kirkby ****	Local Medical Committee representative		Yes
S Pill	GP		Yes

Notes

* Between 1 December 2012 and 31 March 2013 Ms D Evans remained employed by Bristol PCT following the transfer of chief executive responsibilities to Mr A Farnsworth on 1 December 2012. This involved her working to support the development of the West of England Academic Health Science Network.

** Clinical Commissioning Groups operated under a delegated arrangement during 2012/13 prior to undertaking formal statutory responsibilities from 1 April 2013 as part of the national reform of the NHS. From this date the Bristol PCT Board and its members were disbanded.

*** On 1 September 2012 K Headdon was appointed as Lay Chair designate of the North Somerset Clinical Commissioning Group Governing Body. On 30 November 2012 K Headdon formally resigned as member of the North Somerset PCT Board in order to take up this position.

*** On 1 September 2012 G Nix was appointed as Lay member of the Clinical Commissioning Group's Governing Body. G Nix continued as a non-executive member of the North Somerset PCT Board until 31 March 2013.

**** P Kirkby is a non-remunerated appointment

REPORT OF THE DIRECTOR OF FINANCE

NORTH SOMERSET PRIMARY CARE TRUST

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OPERATING AND FINANCIAL REVIEW

Overview

The PCT achieved its financial duties for 2012/13 and delivered an under spend of £1.063 million against its £352.825 million revenue resource limit.

Trend Analysis of Revenue Performance	2012/13 £000	2011/12 £000
Revenue Resource Limit	**352,825**	**342,464**
Under spend against Revenue Resource Limit	**1,063**	**1,063**
Percentage under spend against Revenue Resource Limit	**0.3%**	**0.3%**

The provider arm moved to a social enterprise on 1 October 2011
Explanatory notes are included under the relevant notes in the statutory accounts and in this report to explain movements between the 2012/13 and 2011/12 financial years.

Outlook for 2013/14 and beyond

Financial Standing

The key financial planning assumptions for 2013/14 for North Somerset CCG are as follows:

- A pro rata share of the revenue resource limit underspend from 2012/13 will be returned to the CCG in 2013/14 and this has been assumed in the financial plan.
- The CCG's recurrent revenue resource limit, as determined in the national baseline setting exercise, has been increased by 2.6%. The additional growth funding is being used to deliver a number of national and local priorities
- Part of the allocation has been set aside for the delivery of planned CCG revenue resource limit underspend (0.5%) as agreed with NHS England as part of the 2013/14 plan.

The CCG is committed to ensuring there is high quality care for all residents of North Somerset. In an environment with limited funding growth, and with increasing demand, significant levels of efficiency will be needed.

It is important that the coming year is used to make the changes required so we are prepared for the challenges which lie ahead from 2014/15 and to ensure that local services are best placed to continue to deliver high quality services.

The emphasis during 2013/14 will include:

- Performing and improving on quality and outcomes.
- Delivering sustainable efficiency improvements.
- Maintaining financial control and improving the underlying financial position of the CCG.

FINANCIAL PERFORMANCE

Overview

The audited accounts show that during the year ended 31 March 2013 the PCT achieved all of its financial duties.

A copy of the full set of audited accounts is available upon request without charge from:

Corporate Governance Manager
North Somerset Clinical Commissioning Group
Castlewood
Clevedon BS21 9BH

Alternatively, the full document can be viewed on the PCT's website at:
http://www.northsomerset.nhs.uk/CCG/

Revenue and Capital Resource Limits

The PCT has a statutory duty to maintain expenditure within the resource limits set for both revenue and capital, which must be met individually.

Revenue Resource Limit

Revenue expenditure covers general day-to-day running costs and other areas of ongoing expenditure. The PCT met its statutory duty to operate within it's revenue resource limit:

	2012/13 *	2011/12
	£000	£000
Total net operating cost for the financial year	351,762	341,401
Less: Non-discretionary expenditure	0	0
Operating Costs less non-discretionary expenditure	**351,762**	**341,401**
Revenue Resource Limit	352,825	342,464
UNDER SPEND AGAINST REVENUE RESOURCE LIMIT	**1,063**	**1,063**

* The PCT provided £1.8 million planned financial support to South Gloucestershire PCT during 2012/13, in accordance with the Shared Model for PCT Clusters published by the Department of Health on 28 July 2011, and as approved at the incommon meeting of the PCT Cluster Board in March 2012.

This note measures the PCT's performance against its statutory duty to operate within the revenue resource limit set by the Department of Health.
The revenue resource limit is the maximum the PCT can spend on commissioning and providing healthcare for its resident population.

Capital Resource Limit

Capital resource provides for expenditure on items with a useful life expectancy in excess of one year (such as land, buildings). The PCT met its statutory duty to operate within its capital resource limit:

	2012/13	2011/12
	£000	£000
Gross Capital Expenditure	758	453
Less: Net book value of assets disposed of		0
Charge Against the Capital Resource Limit	**761**	**453**
Capital Resource Limit	761	453
UNDER SPEND AGAINST CAPITAL RESOURCE LIMIT	**3**	**0**

This note measures the PCT's performance against its statutory duty to operate within the capital resource limit set by the Department of Health.

FINANCIAL PERFORMANCE (cont)

Cash Limit

The PCT is required not to exceed the cash limit set by the Department of Health, which restricts the amount of cash drawings that the PCT can make in the financial year. The PCT achieved this in 2012/13 and 2011/12, against its cash limit of £351 million in 2012/13 (£340 million 2011/12).

Provider Full Cost Recovery

The PCT's provider function transferred to a social enterprise organisation on 1 October 2011 and therefore this is nil for 2012-13. The PCT achieved operational financial balance and full cost recovery in relation to its provider function for the period 1 April to 30 September 2011 in financial year 2011-12.

	2012/13	2011/12
	£000	£000
Provider gross operating cost	0	10,755
Less: Miscellaneous income relating to provider functions	0	(76)
Net Operating Cost	**0**	**10,679**
Less: Costs met from PCT's own allocation	0	(10,679)
RECOVERY (Over) / Under OF PROVIDER FUNCTION COST	**0**	**0**

The PCT had a duty to achieve full cost recovery in relation to its directly managed provider services. In other words, provider activities must not be subsidised by commissioning funds.

This note identifies how the costs of the provider function were met and specifically shows the level of costs which were met internally from the PCT's own allocation.

Total Staff Costs

	2012/13	2011/12
Salaries and wages	4,418	11,063
Employer contributions to NHS Pensions Agency	484	1,341
Social security costs	284	731
Termination benefits	239	0
Total Staff Costs *	**5,425**	13,135

* Of the total staff costs of £5.425m in 2012/13, £nil capitalised (2011/12 £10,000).

The total staff costs decrease between 2012/13 and 2011/12 is attributable to provider staff being transferred to the Social Enterprise on 1st October 2011, the North Somerset Community Partnership.

This note includes permanently (those directly employed by the PCT) and other employed staff (those on secondment or loan from other organisations, bank/ agency/ temporary staff and contract staff).

Average Number of Persons Employed

	2012/13	2011/12
Nursing, midwifery & health visiting staff	3	113
Scientific, therapeutic and technical staff	8	40
Healthcare assistants & other support staff	0	37
Medical and dental	0	0
Administration and estates	86	135
Other	0	0
Average Number of Persons Employed	**97**	325

This note has been prepared consistently with total staff costs above.

The number of employees decreased between 2012/13 and 2011/12 this is mainly attributable to provider staff being transferred to the Social Enterprise (North Somerset Community Partnership) on 1st October 2011.

During calendar year ending 31 December 2012 the PCT's average working days lost was 9.6 days (9.4 days in calendar year to 31 December 2011).

Running Costs

The PCT aims to ensure that the maximum possible expenditure is committed to patient care, whilst ensuring that sufficient management capacity is available to facilitate delivery of the changing and modernising environment in which it operates. The costs shown below were calculated in accordance with the Primary Care PCT Manual for Accounts definition for running costs, and represent some 2.8% of net operating costs (2011/12 2.8%).

PCT Running Costs 2012/13	Commissioning Services	Public Health	Total
Running costs	£8,457	£1,318	£9,775
Weighted population	208,920	208,920	208,920
Running costs per head of population (£ per head)	£40.48	£6.31	£46.79

PCT Running Costs 2011/12	Commissioning Services	Public Health	Total
Running costs	£8,546	£1,229	£9,775
Weighted population	208,920	208,920	208,920
Running costs per head of population (£ per head)	£40.91	£5.88	£46.79

The purpose of these notes is to record the overall PCT running costs according to definitions provided by the Department of Health. 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. The costs are split between Commissioning Services and Public Health with a total cost provided.

Better Payments Practice Code

In accordance with the Better Payments Practice Code, valid invoices should be paid by their due date or within 30 days of receipt, whichever is later. PCT performance is presented below, measured in terms of both the number and value of invoices received, against an NHS administrative target to pay over 95% of non-NHS trade creditors in accordance with the Code. The PCT achieved this target in 2012/13.

Non-NHS Payables

	2012/13		2011/12	
	Number	**£000**	Number	£000
Total bills paid in the year	7,728	68,502	9,220	36,320
Total bills paid within target	7,444	67,434	8,679	33,963
Percentage of bills paid within target	**96.33%**	**98.44%**	**94.13%**	**93.51%**

NHS Payables

	2012/13		2011/12	
	Number	**£000**	Number	£000
Total bills paid in the year	2,568	238,796	3,842	244,649
Total bills paid within target	2,521	238,497	3,762	244,015
Percentage of bills paid within target	**98.17%**	**99.87%**	**97.92%**	**99.74%**

Additionally, the Prompt Payment Code is a payment initiative developed by Government with the Institute of Credit Management (ICM) to tackle the crucial issue of late payment and help small businesses. The PCT has always adopted the principles incorporated in the code, and has been a registered member since June 2009.

This note shows the PCT's performance against its administrative duty to pay over 95% of non-NHS trade creditors within 30 calendar days of receipt of goods or valid invoice, whichever is later, unless other payment terms have been agreed.
Since 2005/06 NHS organisations have also been required to report payment performance with respect to other NHS bodies.

Losses and Special Payments

The PCT has approved two cases of losses during 2012/13 totalling £184,000 (2011/12 £22,000).

Loses or special payments are payments that Parliament would not have envisaged healthcare funds being spent on when it originally provided the funds.

During 2012/13 the PCT had no serious untoward incidents involving data loss or confidentiality breaches (Nil in 2011/12).

Accounting Issues

There are no significant changes in accounting practice to report in 2012/13. Full details of the accounting policies, estimation techniques and measurement bases used to prepare the accounts and summary financial statements can be found within Note 1 of the PCT's audited accounts.

Board and Executive Committee Members

Full details of the remuneration paid to Board and Executive Committee members and senior employees are provided within the Remuneration Report included herein, together with their pension entitlements and declaration of interest.

In accordance with national policy NHS North Somerset entered into a cluster arrangement with NHS Bristol and NHS South Gloucestershire. A single executive team was in place for all three organisations for 2012/13.

The Audit Committee is chaired by Graham Nix, Non-Executive Director, who has relevant and recent financial experience. Other Non-Executive Director members of the Committee are Tim Anderson, David Harwood and Dr Paul Phillips.

The Committee reviews its terms of reference and its effectiveness annually and recommends to the Board any changes required as a result of the review.

In 2012/13, the Audit Committee discharged its responsibilities by:

* reviewing the PCT's draft financial statements prior to Board approval and reviewing the external auditors' detailed reports
* reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, taking into account relevant UK professional and regulatory requirements;
* reviewing the external auditors' annual work plan, including its non-audit services and fees;
* reviewing the risks associated with the PCT's business and management thereof;
* reviewing the policies and procedures for all work related to fraud and corruption;
* reviewing investigations as a result of the instigation of the PCT's whistle blowing policy;
* reviewing the PCT's system of internal control and its effectiveness, reporting to the Board on the results of the review and receiving regular updates on key processes for management of the risks facing the PCT;
* reviewing the effectiveness of the internal audit function; and
* reviewing the internal audit work programme, internal audit reports and periodic progress reports on its work during the year.

The Audit Committee has wide powers to establish special investigations in the event that any wrongdoing is brought to its notice, in particular, in the case of defalcations, fraud or theft.

External Audit

Grant Thornton is the appointed external auditor for the PCT. The total fee paid to Grant Thornton is analysed below, and was paid to cover the cost of the statutory audit and associated services. This included a qualitative assessment of the effectiveness of the PCT's arrangements to secure economy, efficiency and effectiveness in our use of resources.

	2012/13	2011/12
	£000	£000
Total external audit fee paid to Grant Thornton	**116**	134

SUMMARY FINANCIAL STATEMENTS

The statements below summarise the information contained within the full audited accounts.

Statement of Comprehensive Net Expenditure

	2012/13 £000	2011/12 £000
Administration		
Staff Costs	5,425	4,911
Other Costs	4,407	4,890
Less: Miscellaneous Income	(57)	(26)
Net Administration costs for the financial year	**9,775**	**9,775**
Programme		
Staff Costs	0	8,214
Other Costs	350,951	329,274
Less: Miscellaneous Income	(8,964)	(5,862)
Net Programme expenditure for the financial year	**341,987**	**331,626**
Other Comprehensive Net Expenditure		
Impairments and reversals put to the Revaluation Reserve	291	4
Net (gain) on revaluation of property, plant & equipment	(28)	(20)
NET COMPREHENSIVE EXPENDITURE FOR THE FINANCIAL YEAR	**352,025**	**341,385**

The purpose of this statement is to summarise, on an accruals basis, the net operating costs of the PCT. The statement identifies gross operating costs, less miscellaneous income, to arrive at the net operating costs of the PCT split between administration (broadly defined as Non-Healthcare) and programme (broadly defined as Healthcare) expenditure. The split between administration and programme expenditure was not reqiuired in 2010/11.

Statement of Changes in Taxpayers' Equity

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
2012/13			
Balance at 1 April 2012	(9,866)	1,518	(8,348)
Net operating cost for the year	(351,762)		(351,762)
Net gain/(loss) on revaluation of property, plant, equipment		28	28
Impairments		(291)	(291)
Transfers between reserves	165	(165)	0
Total recognised income and expense for 2012/13	**(351,597)**	**(428)**	**(352,025)**
Net Parliamentary funding	349,910	0	349,910
RECOGNISED GAINS FOR THE YEAR	**(11,553)**	**1,090**	**(10,463)**
2011/12			
Balance at 1 April 2011	(8,876)	1,532	(7,344)
Net operating cost for the year	(341,401)	0	(341,401)
Net gain/(loss) on revaluation of property, plant, equipment	0	16	16
Impairments	0	0	0
Transfers between reserves	30	(30)	0
Total recognised income and expense for 2011/12	**(341,371)**	**(14)**	**(341,385)**
Net Parliamentary funding	340,381	0	340,381
RECOGNISED GAINS FOR THE YEAR	**(9,866)**	**1,518**	**(8,348)**

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period.

Statement of Cash Flows

	2012/13 £000	2011/12 £000
Operating Activities		
Net cash outflow from operating activities	**(349,150)**	**(339,929)**
Investing Activities		
Payments to acquire intangible non-current assets	0	0
Payments to acquire property, plant and equipment	(953)	(453)
Proceeds od disposal of assets held for sale	195	
Net cash outflow from investing activities	**(758)**	**(453)**
Net cash outflow before Financing	**(349,908)**	**(340,382)**
Financing		
Net Parliamentary Funding	349,910	(340,381)
Net cash inflow from financing	**349,910**	**340,381**
INCREASE/ (DECREASE) IN CASH	**2**	**(1)**

The Statement of Cash Flows provides information on PCT liquidity, viability and financial adaptability.

Statement of Financial Position

	31 March 2013 £000	31 March 2012 £000
Non-current Assets		
Intangible assets	0	0
Property, plant and equipment	8,196	8,410
Total Non-Current Assets	**8,196**	**8,410**
Current Assets		
Inventories	0	0
Trade and Other Receivables	1,963	1,719
Cash and Cash Equivalents	3	1
Total Current Assets	**1,966**	**1,720**
Trade and other payables	18,636	17,282
Provisions	1,989	1,196
Total Current Liabilities	**20,625**	**18,478**
TOTAL ASSETS LESS CURRENT LIABILITIES	**(10,463)**	**(8,348)**
TOTAL ASSETS (LIABILITIES) EMPLOYED	**(10,463)**	**(8,348)**
Financed by:		
Taxpayers Equity		
General fund	(11,553)	(9,866)
Revaluation reserve	1,090	1,518
TOTAL TAXPAYERS' EQUITY	**(10,463)**	**(8,348)**

The Statement of Financial Position states the assets and liabilities of the PCT as at the end of the financial year being reported on, and is made up of two parts:

*** The upper part shows the net assets/ liabilities of the PCT; and**

*** The lower part identifies the source of finance used to fund the net assets/ liabilities.**

The financial statements were approved by the PCT Board and signed on its behalf by:

Stephen Harrison
Chairman
3 June 2013

Anthony Farnsworth
Chief Executive
3 June 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors 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.

In preparing these accounts, Directors are required to:

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

ii. make judgements and estimates which are reasonable and prudent;

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention of fraud and other irregularities.

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

By order of the Board.

Anthony Farnsworth
Director
Bristol, North Somerset, Somerset and South Gloucestershire Area Team
NHS England

Neil Kemsley
Director of Finance
Bristol, North Somerset, Somerset and South Gloucestershire Area Team
NHS England

3 June 2013

ANNUAL GOVERNANCE STATEMENT

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

The Annual Governance Statement (AGS) provides details of the system of control within the Trust. The full version of the AGS can be found within the audited accounts.

Anthony Farnsworth
Director
Bristol, North Somerset, Somerset and South Gloucestershire Area Team
NHS England
3 June 2013

SENIOR MANAGERS' REMUNERATION REPORT

For the purpose of this report, senior managers are defined as being: *'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. This means those who influence the decisions of the organisation as a whole rather than the decisions of individual directorates or departments'.* Senior managers (excluding Non-Executive Directors) are generally employed on permanent contracts with a three month period of notice.

The Trust's Terms of Service and Remuneration Committee is chaired by the Chairman of the Board. It is the Terms of Service and Remuneration Committee that determines the reward packages of Executive Directors, whilst taking account of the Pay Framework for Very Senior Managers (VSM) published by the Department of Health. There is a performance bonus for Executive Directors covered by the VSM framework, which is subject to annual agreement by Ministers at a national level.

The Chairman of the Board and other Non-Executive Director members are appointed by the Appointments Commission, on behalf of the Secretary of State of Health.

North Somerset PCT Board **1st April 2012 to 31st March 2013 - senior managers influencing activities across the BNSSG (Bristol, North Somerset, South Gloucestershire PCTs) Cluster**

					2012/13		2012/13		2011/12		2011/12	
					Total BNSSG Salaries and Allowances		NHS North Somerset's 23.9% share of Total BNSSG Salaries and Allowances		Total BNSSG Salaries and Allowances		NHS North Somerset's 23.9% share of Total BNSSG Salaries and Allowances	
			Start Date	End Date	Salary (bands of £5,000)	Other Emolu-ments / Benefits	Salary (bands of £5,000)	Other Emolu-ments / Benefits	Salary (bands of £5,000)	Other Emolu-ments / Benefits	Salary (bands of £5,000)	Other Emolu-ments / Benefits
M Orchard	Director of Finance and IM&T		01/07/2011	31/07/2012	35-40	0-5	5-10	0-5	85-90	15-20	20-25	0-5
N Kemsley	Director of Finance		01/08/2012		80-85		20-25					
D Evans *	Chief Executive		01/06/2011	30/11/2012	90-95	280-285	20-25	65-70	115-120		25-30	
A Farnsworth *	Chief Executive		01/12/2012		65-70		15-20					
L Scott	Director of Quality and Governance		01/11/2011		95-100	15-20	20-25	0-5	35-40	15-20	5-10	0-5
L Tranmer	Director of Commissioning Delivery		01/06/2011		95-100		20-25		75-80		15-20	
R Pedley	Director of Commissioing Development		01/06/2011		90-95	180-185	20-25	40-45	75-80		10-15	
D Tappin	Director of Strategy		01/06/2011		100-105		25-30		85-90		20-25	
M Vaughan	Director of Human Resources and Organisational Development		01/06/2011		75-80	50-55	15-20	10-15	60-65		15-20	
S Harrison	Chairman		07/12/2012		35-40		5-10		25-30		5-10	
M Gibbs	Vice-Chairman and Non Executive Director		01/01/2012		5-10		0-5		0-5		0-5	
T Anderson	Non-Executive		01/01/2012		5-10		0-5		0-5		0-5	
D Harwood	Non-Executive		01/01/2012		5-10		0-5		0-5		0-5	
G Nix **	Non-Executive (Audit Committee Chair)		01/01/2012		10-15		0-5		0-5		0-5	
K Headdon ***	Non-Executive		01/01/2012	30/11/2012	5-10		0-5		0-5		0-5	
P Philips	Non-Executive		01/01/2012		5-10		0-5		0-5		0-5	
T Mistry	Non-Executive		01/01/2012		5-10		0-5		0-5		0-5	
A Havers	Medical Director		01/07/2011		40-45		10-15		40-45		10-15	
R Knibbs	Interim Director of Finance and IM&T		01/06/2011	03/07/2011					5-10		0-5	
Ms D Hayman	Interim Director of quality and governance		01/06/2011	18/11/2011					45-50	60-65	10-15	
Ms A Robinson	Interim Director of quality and governance		01/06/2011	26/10/2011					25-30		0-5	

*Between 1 December 2012 and 31 March 2013 Ms D Evans remained employed by Bristol PCT following the transfer of chief executive responsibilities to Mr A Farnsworth on 1 December 2012. This involved her working to support the development of the West of England Academic Health Science Network.

From 1 June 2011 (or later start date as shown) the Executive directors listed above took on responsibilities across the BNSSG Cluster and North Somerset PCT from that date bore a share of these costs. The total salary costs above reflect amounts from 1 April 2012 to 31 March 2013. This is not therefore the total salaries those individuals have received in the whole of the 2012/13 financial year North Somerset PCT had a 23.9% share of the costs of these posts (which is broadly in line with its share of the weighted population) as shown in the table above.

Clinical Commissioning Group **from 1st April 2012 to 31st March 2013 - influencing activities in North Somerset**

On 1 October 2012 the North Somerset Governing Body was formed ahead of the new committee structure for the Clinical Commissioning Group taking on formal statutory duties from 1 April 2013. The membership of the Governing body and the Clinical Commissioning Group is shown in the table below.

					2012/13		2011/12	
		Governing Body	Start Date	End Date	Salary (bands of £5,000)	Other Emolu-ments	Salary (bands of £5,000)	Other Emolu-ments
Dr M Backhouse	Accountable Officer, Chief Clinical Officer North Somerset Clinical Commissioning Group	Yes	01/10/2011		75-80		40-45	
B Pollard	Director of Public Health		01/10/2011		80-85		40-45	
J George	Chief Operating Officer	Yes	01/10/2011		75-80		35-40	
M Vaughton	Chief Financial Officer	Yes	01/12/2012		25-30			
K Haggerty	GP		01/10/2011		20-25		10-15	
M O'Connor	GP		01/10/2011		15-20		5-10	
J Heather	GP		01/10/2011		20-25		10-15	
T Ryan	GP		01/10/2011		15-20		5-10	
M Ainsworth	GP	Yes	01/10/2011		30-35		10-15	
J Maynard	GP		01/10/2011		30-35		10-15	
V Denton	Practice Manager		01/10/2011		10-15		0-5	
G Biggs****	Public Representative - Links		01/10/2011		-			
J Smith****	Director of Adult Social Services- North somerset Council		01/10/2011		-			
G Nix **	Lay Member & Governance Lead	Yes	01/09/2012		5-10			
K Headdon ***	Chair & PPE Lead	Yes	01/09/2012		15-20			
A Clarke	Secondary Care Consultant	Yes	15/01/2013		0-5			
K Payne	Practice Manager	Yes	01/10/2012		0-5			
S Pill	GP	Yes	01/10/2012		10-15			
L Wiliams*****	Interim Chief Nursing Officer	Yes	01/01/2013		10-15			
P Kirkby ****	Local Medical Committee representative	Yes	01/10/2012		-			

Finance representation to the Clinical Commissioning Group was via C Brookes as Chief Financial Officer (CFO) until M Vaughton was appointed on 1 December 2012. C Brookes acted as representative of the Director of Finance N Kemsley so is not listed separately.
No performance related bonus payments were made to the individuals listed in the table above for the Clinical Commissioning Group during 2012/13.
No benefits-in-kind were received by any senior manager in either year. No senior manager waived his/her remuneration nor received any allowances in lieu in either year.

** On 1 September 2012 G Nix was appointed as Lay member of the Clinical Commissioning Group's Governing Body. G Nix continued as a non-executive member of the North Somerset PCT Board until 31 March 2013.

*** On 1 September 2012 K Headdon was appointed as Lay Chair designate of the North Somerset Clinical Commissioning Group Governing Body.
On 30 November 2012 K Headdon formally resigned as member of the North Somerset PCT Board in order to take up this position.

****G Biggs / J Smith / P Kirkby are all non-remunerated employments.

*****L Williams was on secondment from South Western Ambulance Trust.

No Compensation is payable to former Senior Managers.

Highest Paid Director and retationship to Median
2012/13 - B Pollard Director of Public Health who earnt a salary of £80 - £85,000 during 2012/13. Median Salary - £25 to £30,000. Ratio Median to Highest paid - 3.0
2011/12 - C Born Chief Executive who earnt a salary of £110 - £115,000 during 2011/12 prior to leaving the PCT on 31 January 2012. Median Salary - £25 to £30,000. Ratio Median to Highest paid - 4.5

SENIOR MANAGERS' REMUNERATION REPORT

Senior Manager Pension Entitlements

Name	Title	Dates of appointment or (retirement)	Real increase in pension at age 60 (bands of £2,500)	Lump sum at age 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value
			£000	£000	£000	£000	£000	£000	£000
J George	Director of Commissioning	19/03/2007	0	0	20-25	60-65	435	425	10
B Pollard	Director of Public Health	01/04/2010	0-2.5	0	0-5	0	51	44	7
M Vaughton*	Chief Financial Officer	01/12/2012	N/A	N/A	5-10	20-25	150-155	N/A	N/A

*M Vaughton has no prior year comparator.

Notes:
1. Non-Executive and Professional Executive Committee Members do not receive pensionable remuneration.
2. Full details of the accounting policy regarding pension costs can be found within Note 1 of the full set of audited financial statements (available separately).
3. In his budget of 22 June 2010 the Chancellor announced that the uprating (annual increase) of public sector pensions would change from the Retail Price Index (RPI) to the Consumer Prices Index (CPI) with the change expected from April 2011. As a result the Government Actuaries Department undertook a review of all transfer factors. The new CETV's factors have been used in our calculations and are lower than the previous factors used. Therefore, the value of the CETV's for some members has fallen since 31/03/2010.

Cash Equivalent Transfer Values

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

Real Increase in CETV

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

From 1st June 2011 to 31st March 2013 - pension entitlements of senior managers influencing activities across the BNSSG Cluster

The full pension entitlements for these individuals are shown in the remuneration report of their host employer which is either NHS Bristol or NHS South Gloucestershire.

Name	Title	Interest Declared	Details/ comments
Executive Members			
B Pollard	Director of Public Health	Yes	Partner Board Member of the All Healthy Living Centre
Non-Executive Members			
K Headdon	Non-Executive Director	Yes	Husband is a Director at University Hospitals Bristol Foundation Trust Member of Avon and Somerset Policy Authority Governor Backwell School until November 2012
G Nix	Non-Executive Director	Yes	Chairman of The Charitable Trustees for United Bristol Hospitals (Above and Beyond Charities); Director of Education Centre Management Ltd National Finance Committee St John Ambulance
Dr P Phillips	Non-Executive Director	Yes	Principal and Chief Executive of Weston College - role involves apprenticeships/training to many organisations including the NHS.
Clinical Commissioning Committee			
Dr M Backhouse	Chair of CCG	Yes	GP Partner in Nailsea Family Practice Out of hours work for Harmoni (Stopped 31/08/2012) Woodspring Healthcare Director(Company owning Towerhouse Medical Centre) The Practice is a member of GP Care Chair North Somerset GP Commissioning Leadership Group Wellspring counselling director and trustee Tower House Pharmacy(Joint Venture)
Dr M Backhouse	Chair of CCG	Yes	Husband Dr Tim Southwood is a GP Partner in Nailsea Family Practice Out of hours work for Harmoni Woodspring Healthcare Director Company owning Towerhouse Medical Centre) The Practice is a member of GP Care Tower House Pharmacy (Joint Venture)
Liam Williams	Interim Chief Nursing Officer	Yes	Executive Director of Great Western Ambulance Trust until 31 January 2013

Off-Payroll Engagements 2012/13

NHS bodies are required to include disclosures in 2012/13 about their off-payroll engagements, and the details for North Somerset Pirmary Care Trust are set out in the tables below.

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

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	Totals
No. In place on 31 January 2012	0
Of which:	
No. that have since come onto the Organisation's Payroll	N/A
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	N/A
No that have come to an end	N/A
Total	0

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

	Totals
No. of new engagements	4
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	4
Of which:	
No. for whom assurance has been accepted and received	4
No. for whom assurance has been accepted and not received	
No. that have been terminated as a result of assurance not being received	
Total	4

INDEPENDENT AUDITOR'S REPORT

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the operating and financial review, financial performance, summary financial statements and senior manager remuneration report.

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

Respective responsibilities of director and auditor

The director is responsible for preparing the Annual Report.
Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.
We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statement.
We conducted our work in accordance with Bulletin 2008/03 “The auditor's statement on the summary financial statement in the United Kingdom” issued by the Auditing Practices Board.
Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of North Somerset Primary Care Trust for the year ended 31 March 2013.

Grant Thornton 4 June 2013

Grant Thornton UK LLP
55-61 Victoria Street
Bristol
BS1 6FT

GLOSSARY OF FINANCIAL TERMS

Accruals	An accounting concept. In addition to payments and receipts of cash, adjustment is made for outstanding payments, debts to be collected and stock. This means that the accounts show all of the income and expenditure that related to the financial year.
Assets	An item that has a value in the future. For example, a debtor (someone who owes money) is an asset, as they will in future pay. A building is an asset, because it houses activity that will provide a future income stream.
Audit	The process of validation of the accuracy, completeness and adequacy of disclosure of financial records.
Capital	Land, buildings, equipment and other long-term assets owned by the Trust, the cost of which exceeds £5,000 and has an expected life of more than one year.
Cash limit	A limit set by the Department of Health which restricts the amount of cash drawings that the Trust can make in the financial year. There is a combined cash limit for both revenue and capital.
Clinical Commissioning Groups	CCGs take on the statutory commissioning responsibilities of Primary Care Trusts from 1 April 2013
Commissioning	Purchase of healthcare from external service providers (NHS, other public sector, private and voluntary) to meet the needs of the
Current assets	Debtors, stocks, cash or similar, whose value is, or can be converted into, cash within the next twelve months.
Fixed assets	Land, buildings, equipment and other long term assets that are expected to have a life of more than one year.
Governance	Governance is the system by which organisations are directed and controlled . It is concerned with how the organisation is run, how it is structured and how it is led. Corporate governance should underpin all that an organisation does. In the NHS, this means it must
Gross operating costs	This is the total revenue expenditure, including accruals and provisions, incurred in the course of performing all aspects of the Trust's functions during the year.
Intangible assets	Goodwill, brand value or some other right (for example, a software licence), which although invisible is likely to derive financial benefit for its owner in the future, and for which you might be willing to pay.
Miscellaneous income	Income that relates directly to the operating activities of the Trust. This excludes cash voted by Parliament and drawn down by the Trust
Payment by results	A financial framework in which providers are paid according to the level of activity undertaken. Payment Is based on a national tariff.
Practice based commissioning	A framework which engages GP practices and other primary care professionals in the redesign of services for the benefit of patients, though the provision of resources, information and support.
Primary care trust	Primary Care Trust organisations commission acute and primary care services for their population.
Provider	Provision of healthcare from within the Trust to meet the needs of the population.
Resource limit	Expenditure limits are determined for each NHS organisation by the Department of Health for both revenue and capital, which limit the
Revenue	Ongoing or recurring running costs or funding for the general provision of services.

Department of Health

NHS

North Somerset Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

North Somerset Primary Care Trust

2012-13 Accounts

2012-13 Annual Accounts of North Somerset 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: A J FARNSWORTH

Date.....3rd June 2013

2012-13 Annual Accounts of North Somerset 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.

3rd June 2013 Date ..... Signing Officer

3rd June 2013 Date ..... Finance Signing Officer

Annex A

North Somerset Primary Care Trust

Organisation Code 5M8

Governance Statement

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer and Chief Executive of **North Somerset Primary Care Trust** I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's 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 Primary Care Trust (PCT) is performance managed by the South West Strategic Health Authority which, on a regular basis, monitors progress against plans. The PCT works in collaboration with other PCTs and NHS Trusts in commissioning services across the broad areas of Bristol, North Somerset and South Gloucestershire.

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

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

I rely on the reports from Internal Audit and the Local Counter Fraud Service to provide me with regular assurance on internal controls throughout the year.

There was an agreed audit plan in place throughout the year and fifteen audits were completed; none of these identified weaknesses in the design and/or operation of controls which could have a significant impact on the achievement of key system, function or process objectives.

There was an agreed counter fraud plan in place throughout the year with allocated days split between planned proactive work (such as preventative activity relating to the Bribery Act) and fraud investigations.

The system of internal control has been in place in NHS North Somerset for the year ending 31 March 2013 and up to approval of the annual report and accounts. Although the PCT ceased to exist on the 31 March 2013 relevant controls continued in place until the completion of the accounts.

The governance framework of the organisation

The Board and its Committees met regularly throughout 2012/13. It was, however, a year of continuing transition for NHS North Somerset. In accordance with national policy NHS North Somerset operated as a cluster arrangement with NHS South Gloucestershire and NHS Bristol and during the year supported the creation of the three Clinical Commissioning Groups (CCGs) and the Commissioning Support Unit (CSU). A single executive team was in place for all three organisations, including a lead Director for each of the CCGs. The three PCT Boards met throughout the year as a Cluster Board with a common membership for each PCT.

Attendance at Board meetings was recorded in the minutes and these were published, together with Board papers, on the PCT's website. The Board has regularly reviewed the effectiveness of its ways of working (with reference to transformation, transition and performance) in a rapidly changing environment.

As part of the governance structure In common Board Committees were in place for Audit, Integrated Governance and Remuneration. Terms of reference for these were agreed by the In Common Board and subsequently reviewed by the Committees themselves and then the Board. There were detailed work programmes in place for each of these Committees and they were reviewed and updated at every meeting. Minutes from all Board Committees have been presented to the Board throughout the year, providing assurance to the Board on the business being conducted and providing the Board with the opportunity to raise issues or concerns. Each Board Committee completes an annual self assessment to assure the Board of its effectiveness. The Audit Committee agreed its self assessment on 13 March 2013.

A Transition Programme Board was in place throughout 2012/13 to manage the transition to the new organisational structure for April 2013 and regular reports have been made to the Cluster Board on progress.

The North Somerset Clinical Commissioning Group started to meet formally as a committee of the Board on 10 October 2011 and has continued to meet throughout 2012/13. The CCG Committee has met as the Governing Body for the CCG in the latter months of the year with the minutes being presented to the cluster Board. The Chair of this Committee/Governing Body is a member of the Cluster Board.

A register of hospitality and a register of declared interests are maintained and all Board and Board Committee meetings commence with declarations of interest relating to the matters to be considered.

Risk assessment

It is the policy of NHS North Somerset to identify, minimise, control and where possible eliminate risks that may have an adverse impact on patients, staff and the organisation. I, as Chief Executive, carry ultimate responsibility for all risks within the PCT. The PCT's Risk Management Strategy and Policy defines the responsibilities for risk management within the organisation. Staff are required to undertake training for risks that are relevant, including training for risk assessment, health & safety, manual handling, basic life support, infection control, fire safety and conflict resolution. All PCT employees must undertake this training on an annual, bi-annual, or three yearly basis, as appropriate. Reports on training are provided regularly to the Integrated Governance Committee and these include data on the staff uptake on the mandatory training programme.

The principal risks facing the PCT during the year were:

- The risk of the impact of the complexity of transition and organisational change upon staff morale and capacity: this is an organisational priority that is constantly being reviewed. A Transition Programme Board was created to oversee the transition process during the year.

- The achievement of the challenging Quality Improvement Programme and delivering against the financial surplus control total for 2012/13 and the impact of these on delivering a credible and achievable financial plan for 2013/14. A particular risk throughout the year was managing demand through the acute care sector. Delivery during 2012/13 was enabled through robust financial management and also included the transfer of planned financial support to South Gloucestershire Primary Care Trust of £1.8m.

The PCT has a risk management framework in place which ensures the continued commissioning of high quality healthcare and which requires the identification, management and minimisation of events or activities which could result in unnecessary risks to patients, staff, visitors and members of the public. The PCT is committed to possessing the attributes associated with an active learning organisation where lessons learned are embedded into the organisation's culture and practice.

The risk and control framework

The Board-approved risk management strategy defines the structures for the management and ownership of risk. It encapsulates the PCT's attitude to risk and defines how risks are dealt with and by whom. A cluster-wide Risk Management Strategy was adopted by the Board at its meeting in February 2012. This was put in place following a recommendation from Internal Audit that there should be an overarching Strategy. The Cluster's Integrated Governance Committee oversaw the four governance systems (corporate, clinical, information and research governance), covering assurance, risk management and compliance to systems and processes. The Board receives the minutes of the Integrated Governance Committee. The Cluster Audit Committee also received the minutes of the Integrated Governance Committee and reviewed them for assurance purposes.

The risk assessment process identifies risks and grades them in accordance with NHS advice using a "five-by-five" scoring system. The Corporate Risk Register forms the basis of the PCT's risk management plan which is updated to reflect the dynamic nature of the risks and the PCT's management of them. Each risk is assigned to a named individual. The Corporate Risk Register was regularly reviewed by the Integrated Governance Committee throughout the year and quarterly by the Cluster Board.

Throughout the year, the PCT has been responsible for the management of STEIS in North Somerset. This is the information management system for monitoring Serious Untoward Incidents within Provider Units.

The Board Assurance Framework covers all the organisation's main activities and identifies significant risks, or "gaps". It identifies the PCT's objectives, the risks to the achievement of these goals, the internal controls to manage those risks and any gaps in the assurances. The Board Assurance Framework was reviewed by the Audit Committee, the Governance Committee and by the Board. No gaps were identified in financial, operational or clinical controls or assurance measures.

Risks to information are managed and controlled with a comprehensive set of controls set out in the PCT's Information Governance Management System (IGMS). The IGMS is a comprehensive set of policies, processes and guidance used across the PCT to manage all aspects of information including confidentiality, communication, technical security, data quality and managing records.

The IGMS is supported by the Information Risk Group (across the 'clustered' PCTs) which ensures that appropriate monitoring, operational and improvement activities are undertaken to maintain compliance with legislation and standards. The Information Risk Group reports performance to the Cluster Integrated Governance Committee. This is measured by the annual information governance self assessment and a number of associated internal audit programmes. Active 'expertise' is provided by the Information Governance team of the Avon IM&T Consortium, who provide mandatory education tools for all staff, assessment of new developments, advice and query resolution and compliance monitoring.

A significant risk for the PCT is the impact of the Management Cost Reduction Target scheme and the complexity of transition and organisational change upon staff morale, productivity, recruitment and retention. The gaps to service delivery both in terms of capacity and capability has meant that the transitional plan has had to adjust to help support and manage through such change and transition in order to ensure that business continuity is addressed.

It is critical, therefore, that the risks associated with such uncertainty and change over the coming months and years are identified and well managed. Therefore, the business continuity of the PCT is shown on the Corporate Risk Register and is regularly reviewed by the Board. Due to the actions taken and reported to the Board the overall risk relating to business continuity was sufficiently reduced for it to be removed from the Corporate Risk Register. The business continuity risk relating to staffing and transition, however, remains on the Register as a risk that is being managed by the Transition Programme Board.

Comprehensive performance management reports are considered at each Board meeting. These reports use a scorecard to identify the PCT's position against key work areas set out in the performance management framework and present the summary financial position.

The PCT is fully committed to the national policy on "Being Open" (a set of principles regarding communication with patients following a patient safety incident developed by the National Patient Safety Agency) and adheres to the need to reinforce the need to maintain effective communication with patients when incidents or adverse events occur. "Being Open" is reflected in the PCT's policies and the patient safety and quality improvement processes through the clinical governance framework, in which patient safety incidents are investigated and analysed, to find out what can be done to prevent their recurrence. It also involves a system of accountability through the Chief Executive to the Board to ensure these changes are implemented and their effectiveness reviewed. The findings are disseminated to staff so that they can learn from patient safety incidents through manager's feeding back locally.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. There is an executive director responsible for equality, diversity and human rights which is the Director of Quality and Governance, and a non-executive lead. The Director of Quality and Governance is supported by a Consultant in Public Health and the equality and diversity leads in the PCTs. The Board receives regular reports on equality and the Human Rights Act. The Board approved a revised policy, considered the key elements of the Equality Delivery System (EDS) and formally adopted its use on 27 January 2011. This helps to ensure that NHS North Somerset meets the requirements of the statutory public sector equality duty, contained within the Equality Act (2010) and the obligations that had to be met from April 2011, including our statutory duty to consult and involve patients (NHS Act 2006) and embedding equality into the mainstream business of the organisation and NHS commissioned service providers.

As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Review of the effectiveness of risk management and internal control

As Accountable Officer, I have the responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The overall level of the Head of Internal Audit Opinion is significant assurance. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation of achieving its principal objectives have been reviewed. My review is also informed by the comments and reports of internal and external auditors.

I have been advised on my review of the effectiveness of the system of internal control by the PCT Board, the Integrated Audit Committee and the Integrated Governance Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The process of maintaining and reviewing the effectiveness of the internal control systems includes the following aspects undertaken by various committees and individuals within the organisation as well as those external parties who continue to provide valued support:

- The Audit Committee agrees an annual plan for work to be undertaken by internal audit focusing on areas of particular concern or risk. Reports are made to the Committee on audit findings with assurance and recommendations being given. Discussions are also held with the external auditors regarding their audit plans and regular reports are made to the audit committee on progress and findings.

- The Integrated Governance Committee reports to the Board on the development, implementation and monitoring of integrated governance by providing assurance on the systems and processes by which the PCT leads, directs and controls its function in order to achieve organisational objectives, safety and quality of services, and in which they relate to the wider community and partner organisations. It has developed and monitors compliance with the PCT integrated governance strategy and supports me in fulfilling responsibilities for governance as the Accountable Officer.

- Internal Audit provides assurances through their reports on various aspects of the organisation to the Audit Committee and the Board. These reports also provide assurances and support for the work undertaken by the external auditors. There were no reports with a control definition of "no assurance" or "limited assurance" during the year.

- The Board receives regular reports on significant risks identified through the Corporate Risk Register, Board Assurance Framework reports, clinical and non-clinical incident reports, monthly financial reports, monthly performance reports and minutes from each of the Committees.

Our transition plan sets out the process for NHS North Somerset to ensure the delivery of current operational and financial performance standards, improved quality and productivity within the new financial scenario and implementation of the White Paper. The former has significant implications for NHS North Somerset in terms of our organisational future as a commissioner of healthcare, as a system leader, a partner and as an employer.

We needed to lead the organisation, its people and functions, in supporting the future commissioning and wider landscape anticipated in, and as a result of, the Health & Social Care Act. Amongst other aspects of the proposals in the Act, in particular we have supported GPs as the leaders of the development of the proposed new commissioning landscape and the ultimate commissioners of the majority of services. The transition plan articulated the high level actions that will be taken to achieve success in meeting those priorities.

My review confirms that NHS North Somerset has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Significant Issues

This has been a challenging year for the PCT Cluster.

The main providers in our health system have faced considerable challenges in meeting key performance targets in a number of areas.

The 2012/13 annual plan reduced the risk facing the local economy financially for the year and provided a twelve month window for the PCT, constituent CCG and local NHS providers to deliver sustainable capacity, demand management and pathway redesign alongside transition to the new NHS landscape from April 2013. The preparation of the clear and credible plan for 2013/14 has been the responsibility of the CCGs. The PCT has assisted the three CCGs in this crucial task along with supporting the creation of the Local Area Team and South West Commissioning Support Unit.

Staff transfers have been a central issue for the PCT to manage and has through good HR procedures reduced substantially the overall cost of change. Handover documents have been prepared and approved and the transfer documents produced according to the prescribed timetables.

The other significant risk issue during the year I would like to highlight was the provider risk of financial stability at Weston Area Health Trust, which although being managed in-year is a continuing risk for the future. It should also be noted that during the year the Cluster Board agreed to abandon the Clevedon Hospital redevelopment scheme on financial affordability grounds.

Accounts Scrutiny, Sign-Off Process and Financial Closedown

Under the arrangements overseen by the Department of Health, the Chair and three Members of the previous Audit Committee have been appointed to a BNSSSG Audit Sub-Committee of the Department of Health's Audit and Risk Committee. Members' roles include scrutiny of the 2012/13 accounts for the PCT and, for a minimum of two Members, attendance at the Sub-Committee meeting on 3 June 2013 to approve the accounts. The draft statutory accounts for the PCT, which were submitted to the external auditors on 22 April 2013, were shared with the Members and a separate briefing session for Members was provided to highlight and discuss the key issues.

Finance staff who had prepared the PCT accounts continued their involvement in closedown issues to ensure a smooth transition. A Handover Report will also be presented to the Audit Sub-Committee and circulated to key leaders in the relevant successor commissioning bodies.

Accountable Officer : Anthony Farnsworth

Organisation: North Somerset Primary Care Trust

Signature A Farnsworth

Date 3rd June 2013

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF NORTH SOMERSET PRIMARY CARE TRUST

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

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

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

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

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

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

Scope of the audit of the financial statements

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

apparent material misstatements or inconsistencies we consider the implications for our report.

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

Opinion on regularity

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

· our review of the annual governance statement;

· 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 transition to new commissioning arrangements.

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 North Somerset 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.

Stephen Malyn
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

Hartwell House | 55-61 Victoria Street | Bristol | BS1 6FT
4 June 2013

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FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2013 have been prepared by the North Somerset Primary Care Trust under section 98 (2) of the National Health Service Act 1977 in the form which the Secretary of State has, with the approval of the Treasury, directed.

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	5,425	13,125
Other costs	5.1	355,358	334,164
Income	4	(9,021)	(5,888)
Net operating costs before interest		351,762	341,401
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net operating costs for the financial year		351,762	341,401
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		351,762	341,401
Of which:			
Administration Costs			
Gross employee benefits	7.1	5,425	4,911
Other costs	5.1	4,407	4,890
Income	4	(57)	(26)
Net administration costs before interest		9,775	9,775
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		9,775	9,775
Programme Expenditure			
Gross employee benefits	7.1	0	8,214
Other costs	5.1	350,951	329,274
Income	4	(8,964)	(5,862)
Net programme expenditure before interest		341,987	331,626
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net programme expenditure for the financial year		341,987	331,626

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	291	4
Net (gain) on revaluation of property, plant & equipment	(28)	(20)
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*	352,025	341,385

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 9 to 42 form part of this account.

The purpose of this statement is to summarise, on an accruals basis, the net operating costs of the PCT. The statement identifies gross operating costs, less miscellaneous income, to arrive at the net operating costs of the PCT split between administration costs (broadly Non-Healthcare) and programme (broadly Healthcare) expenditure.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	8,196	8,410
Intangible assets	13	0	0
Investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	0	0
Total non-current assets		8,196	8,410
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	1,963	1,719
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	3	1
Total current assets		1,966	1,720
Non-current assets held for sale	24	0	0
Total current assets		1,966	1,720
Total assets		10,162	10,130
Current liabilities			
Trade and other payables	25	(18,636)	(17,282)
Other liabilities	26,28	0	0
Provisions	32	(1,989)	(1,196)
Borrowings	27	0	0
Other financial liabilities	36.2	0	0
Total current liabilities		(20,625)	(18,478)
Non-current assets plus/less net current assets/liabilities		(10,463)	(8,348)
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	0	0
Borrowings	27	0	0
Other financial liabilities	36.2	0	0
Total non-current liabilities		0	0
Total Assets Employed:		(10,463)	(8,348)
Financed by taxpayers' equity:			
General fund		(11,553)	(9,866)
Revaluation reserve		1,090	1,518
Other reserves		0	0
Total taxpayers' equity:		(10,463)	(8,348)

The notes on pages 9 to 42 form part of this account.

The financial statements on pages 4 to 7 were approved by the Audit Committee on 3 June and signed on its behalf by

Chief Executive: [signature] Date: 3rd June 2013

The Statement of Financial Position states the assets and liabilities of the PCT as at the end of the financial year being reported on, and is made up of two parts:

- The upper part shows the net assets/liabilities of the PCT; and
- The lower part identifies the source of finance used to fund the net assets/ liabilities.

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	**(9,866)**	**1,518**	**0**	**(8,348)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(351,762)			**(351,762)**
Net gain on revaluation of property, plant, equipment		28		**28**
Net gain on revaluation of intangible assets		0		**0**
Net gain on revaluation of financial assets		0		**0**
Net gain on revaluation of assets held for sale		0		**0**
Impairments and reversals		(291)		**(291)**
Movements in other reserves			0	**0**
Transfers between reserves*	165	(165)		**0**
Release of Reserves to SOCNE		0		**0**
Reclassification Adjustments				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0		**0**
Net actuarial gain/(loss) on pensions	0		0	**0**
Total recognised income and expense for 2012-13	**(351,597)**	**(428)**	**0**	**(352,025)**
Net Parliamentary funding	349,910			**349,910**
Balance at 31 March 2013	**(11,553)**	**1,090**	**0**	**(10,463)**
Balance at 1 April 2011	**(8,876)**	**1532**	**0**	**(7,344)**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(341,401)			(341,401)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		20		20
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(4)		(4)
Movements in other reserves			0	0
Transfers between reserves	30	(30)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(341,371)	(14)	0	(341,385)
Net Parliamentary funding	340,381			340,381
Balance at 31 March 2012	**(9,866)**	**1,518**	**0**	**(8,348)**

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease The Statement has been interpreted to include figures for net operating cost for the year and net Parliamentary funding for the 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	**(351,762)**	(341,401)
Depreciation and Amortisation	**630**	765
Impairments and Reversals	**79**	(41)
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	**0**	0
Release of PFI/deferred credit	**0**	0
(Increase)/Decrease in Inventories	**0**	0
(Increase)/Decrease in Trade and Other Receivables	**(244)**	(115)
(Increase)/Decrease in Other Current Assets	**0**	0
Increase/(Decrease) in Trade and Other Payables	**1,354**	1,566
(Increase)/Decrease in Other Current Liabilities	**0**	0
Provisions Utilised	**(141)**	(489)
Increase/(Decrease) in Provisions	**934**	(214)
Net Cash Inflow/(Outflow) from Operating Activities	**(349,150)**	**(339,929)**
Cash flows from investing activities		
Interest Received	**0**	0
(Payments) for Property, Plant and Equipment	**(953)**	(453)
(Payments) for Intangible Assets	**0**	0
(Payments) for Other Financial Assets	**0**	0
(Payments) for Financial Assets (LIFT)	**0**	0
Proceeds of disposal of assets held for sale (PPE)	**195**	0
Proceeds of disposal of assets held for sale (Intangible)	**0**	0
Proceeds from Disposal of Other Financial Assets	**0**	0
Proceeds from the disposal of Financial Assets (LIFT)	**0**	0
Loans Made in Respect of LIFT	**0**	0
Loans Repaid in Respect of LIFT	**0**	0
Rental Revenue	**0**	0
Net Cash Inflow/(Outflow) from Investing Activities	**(758)**	**(453)**
Net cash inflow/(outflow) before financing	**(349,908)**	**(340,382)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases.	**0**	0
Net Parliamentary Funding	**349,910**	340,381
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	**349,910**	**340,381**
Net increase/(decrease) in cash and cash equivalents	**2**	**(1)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	**1**	**2**
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	**3**	**1**

The Statement of Cash Flows provides information on PCT liquidity, viability and financial adaptability.

NOTES TO THE ACCOUNTS

The notes to the accounts provide additional details on the entries on the primary statements as well

1. Accounting policies

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

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

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

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, North Somerset PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42.1 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The accounts for North Somerset PCT have been prepared on a going concern basis.

It should be noted that South Gloucestershire PCT has had the benefit of £1.8m planned support from North Somerset PCT in both 2011/12 and 2012/13. For 2013/14 the main successor bodies to South Gloucestershire PCT, South Gloucestershire CCG and NHS England, have produced financial plans that place no reliance upon the continuation of this transfer of resource.

The 2013/14 financial plan for North Somerset CCG sets out to achieve a surplus of 0.5% (£1,175k) and includes uncommitted headroom of 1.0% (£2,351k). The plan has been subject to intensive review through both the CCG authorisation process and the planning round review process overseen by NHS England.

Whilst acknowledging that the CCG has a challenging financial context for 2013/14, through our involvement in the creation and review of that plan, we have confidence in its delivery and, therefore, further support for our view of the entity as a going concern.

The SOFP has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity.

1.1 Accounting Conventions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

As a consequence of the Health and Social Care Act 2012, North Somerset PCT will be dissolved on 31 March 2013. Its functions will be transferred to various new or existing public sector entities, notably Clinical Commissioning Groups (CCG's).

The commissioning functions of North Somerset PCT are set to transfer to North Somerset CCG, which has now been authorised.

The Secretary of State is making separate arrangements for dealing with the assets and liabilities of PCTs on dissolution of the PCTs. Whilst there remains uncertainty over the final arrangements for the PCT's dissolution the Directors have determined that these accounts can be prepared without adjustments to either the carrying values of liabilities or assets under the Health and Social Care Act 2012 and that it remains appropriate to prepare these accounts on a going concern basis as explained below.

The Secretary of State is responsible under the National Health Service Act 1996 for ensuring that any remaining liabilities of the PCT at the time of dissolution are dealt with by other Government bodies. The Directors of North Somerset PCT have determined that, whilst final arrangements for the transfer of liabilities have still to be confirmed, no adjustments are required to liabilities based on the assurances they have received relating to settling outstanding liabilities.

The Secretary of State has confirmed the intention that remaining assets of the PCT will be transferred at net book value to other Government bodies. This may include the transfer of assets to other NHS bodies where necessary for the continued provision of services, such as transfers to NHS bodies that have taken over responsibility for provider functions of the PCT under Transforming Community Services or to a Social Enterprise. Other non-current assets, such as buildings including those accounted for under LIFT schemes, are expected to transfer to a NHS property company formed by the Department of Health. The final details of asset transfer arrangements have still to be finalised including how the PCT will receive book value for any assets transferred. However based on the assurances the Directors have received over the transfer of assets they have determined that no adjustments are required to asset values reported in these accounts as a consequence of the passing of the Health and Social Care Act 2012.

1. Accounting policies (continued)

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

a) Modern Equivalent Asset (MEA) Valuation The asset valuation is a hybrid of properties valued by the district valuer appointed by the PCT and those where it is deemed appropriate to use an estimate based on similar properties.

b) Partially Completed Spells - The PCT has made an estimate and created an accrual in conjunction with its partner provider organisation of the value of partially completed episodes of care.

c) The PCT has calculated impairments against its fixed asset base using updated valuations from the District Valuer for larger assets and an estimate based on sampling for its smaller assets. Where an asset was impaired in the previous financial year and the charge taken to the Operating Cost statement and the asset value has increased in this financial year the impairment in the previous year has been unwound to the extent of the increase in value of the asset.

d) The PCT has analysed and reported 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.

e) The PCT has received several claims for the retrospective costs of continuing healthcare. The PCT has estimated the total cost it would have to meet if all the claims were successful, and has shown the costs as partly provision (15%) and contingent liability (85%).

f) The PCT has reviewed the accounting treatment of the costs incurred for the Clevedon Hospital development given that the scheme is being reviewed further prior to any final decisions being made. Further information is set out under note 12.

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The PCT has entered into a pooled budget with North Somerset Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Community Equipment.

"The pool is hosted by North Somerset Council. As a commissioner of healthcare services, the PCT makes contributions to the pool, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement."

1.4 Taxation

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

1.5 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
- 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.
- There are no lower threshold limits for recognising capital items.

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.

Asset valuation

Tangible Assets have been estimated at Fair value and are based on indices for price inflation applied to the last revaluation of those assets done on 1st April 2009. Up until 1st April 2008 the indices used by the whole NHS for valuing assets was that published by The Department of Health to inflate land buildings and equipment. From that date, the Department no longer considered it appropriate to publish a National indices and NHS organisations have sought to use the most appropriate indices for their estate. The PCT in common with others approached the District Valuer for his professional opinion over the most appropriate indices to use given the uncertainties in the housing market due to the recession and the very low base rate.

- The valuation for the 2012-13 accounts was carried out by Sharon Short (MRICS Chartered Valuation Surveyor) or District Valuer Services, which is part of the Valuation Office Agency.
- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.7 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

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

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

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

The PCT has none

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. 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.

Retirement benefit costs

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

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

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1.20 EU Emissions Trading Scheme

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

1. Accounting policies (continued)

1.21 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.

1.22 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.

1.23 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.

1.24 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 arsing from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1. Accounting policies (continued)

1.25 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

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

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.

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

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

1.26 Private Finance Initiative (PFI) and NHS LIFT transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes (including NHS LIFT) where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. North Somerset PCT does not have any infrastructure PFI schemes or NHS Lift Transactions

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

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

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

2 Operating segments

The relevant segments are as per in-year Board Reporting and are Provider and Commissioning.

The PCT's provider function transferred to a social enterprise organisation on 1 October 2011 and therefore this is nil for 2012-13. The segments have been retained to show consistency with showing prior year comparators within the annual accounts. The PCT achieved full cost recovery in relation to its provider function for the period 1 April to 30 September 2011 in financial year 2011-12.

The chief decision making body is the Board.

Transactions with a single external provider amounting to 10% or more of total expenditure are as follows:

Weston Area Health Trust - £67.180M

University Hospitals of Bristol Foundation Trust - £48.326M

	Segment (Commissioning)		Segment (Provider)			Total
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
	£000	£000	**£000**	£000	**£000**	£000
Expenditure	**360,783**	336,534	**0**	10,755	**360,783**	347,289
Income	**(9,021)**	(5,812)	**0**	(76)	**(9,021)**	(5,888)
Net Operating Costs	**351,762**	330,722	**0**	10,679	**351,762**	341,401
Surplus/(Deficit)						
Segment surplus/(deficit)	**1,063**	1,063	**0**	0	**1,063**	1,063
Surplus/(deficit) before interest	**1,063**	1,063	**0**	0	**1,063**	1,063

The revenues of both segments are derived from Parliamentary funding.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		341,401
Net operating cost plus (gain)/loss on transfers by absorption	**351,762**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**352,825**	342,464
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,063	1,063

The PCT provided £1.8 million planned financial support to South Gloucestershire PCT during 2012/13, in accordance with the Shared Model for PCT Clusters published by the Department of Health on 28 July 2011, and as approved at the in common meeting of the PCT Cluster Board in March 2012.

Prior period adjustments in respect of errors	
In respect of expenditure attributable to a prior period	0
In respect of (income) related to a prior period	0
Net PPA related to errors	0

The were no prior period adjustments in respect of errors

This note measures the PCT's performance against its statutory duty to operate within the revenue resource limit set by the Department of Health. This limit is the same as the prior year.

The revenue resource limit is the maximum the PCT can spend on commissioning and providing healthcare for its resident population.

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**761**	453
Charge to Capital Resource Limit	758	453
(Over)/Underspend Against CRL	**3**	**0**

This note measures the PCT's performance against its statutory duty to operate within the capital resource limit set by the Department of Health.

3.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	**0**	10,755
Provider Operating Revenue	**0**	(76)
Net Provider Operating Costs	**0**	10,679
Costs Met Within PCTs Own Allocation	**0**	(10,679)
Under/(Over) Recovery of Costs	**0**	0

All PCTs were required to divest themselves of the provider arm in 2011/12. The Provider Arm of the PCT was transferred to a social enterprise on 1 October 2011.

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**349,910**	340,381
Cash Limit	**351,610**	340,381
Under/(Over)spend Against Cash Limit	**1,700**	**0**

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

	2012-13 £000
Total cash received from DH (Gross)	308,023
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**308,023**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	7,211
Plus: drugs reimbursement (central charge to cash limits)	34,676
Parliamentary funding credited to General Fund	**349,910**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**113**	0	113	158
Dental Charge income from Contractor-Led GDS & PDS	**3,006**	0	3,006	2,896
Dental Charge income from Trust-Led GDS & PDS	**0**	0	0	0
Prescription Charge income	**1,674**	0	1,674	1,244
Strategic Health Authorities	**564**	24	540	599
NHS Trusts	**14**	0	14	91
NHS Foundation Trusts	**0**	0	0	17
Primary Care Trusts Contributions to DATs	**0**	0	0	0
Primary Care Trusts - Other	**2,269**	33	2,236	65
Primary Care Trusts - Lead Commissioning	**0**	0	0	0
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**0**	0	0	0
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**80**	0	80	0
Patient Transport Services	**0**	0	0	0
Education, Training and Research	**0**	0	0	5
Non-NHS: Private Patients	**0**	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**	0	0	0
NHS Injury Costs Recovery	**0**	0	0	0
Other Non-NHS Patient Care Services	**0**	0	0	0
Charitable and Other Contributions to Expenditure	**0**	0	0	0
Receipt of donated assets	**0**	0	0	0
Receipt of Government granted assets	**0**	0	0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases*	**951**	0	951	278
Other revenue**	**350**	0	350	535
Total miscellaneous revenue	**9,021**	**57**	**8,964**	**5,888**

*** Rental Income from Operating Leases**
This income is from assets being leased to the Social Enterprise
On 1st October 2011 the provider arm of the PCT was transferred to a Social Enterprise.

**** Other Revenue**
This income is from the sale of a property to which the PCT had a legal charge.

This note discloses the income that relates directly to the operating activities of the PCT. It excludes cash voted by Parliament and drawn down by the PCT which is credited directly to the General Fund.

This note provides an analysis of the PCT's gross operating income for the year. The total equals the sum of gross operating income which is split between administration and programme as shown on the Statement of Comprehensive Net Expenditure.

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	27,216	0	27,216	25,998
Non-Healthcare	1,237	1,237	0	1,327
Total	28,453	1,237	27,216	27,325
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	122,598	6	122,592	122,314
Goods and services (other, excl Trusts, FT and PCT))	295	7	288	3,744
Total	122,893	13	122,880	126,058
Goods and Services from Foundation Trusts	51,798	1	51,797	48,048
Purchase of Healthcare from Non-NHS bodies	57,699	0	57,699	40,614
Social Care from Independent Providers	0	0	0	0
Expenditure on Drugs Action Teams	1,648	0	1,648	1,455
Non-GMS Services from GPs	178	0	178	162
Contractor Led GDS & PDS (excluding employee benefits)	10,349	0	10,349	10,053
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0	0	0	0
Chair, Non-executive Directors & PEC remuneration	54	54	0	79
Executive committee members costs	315	315	0	114
Consultancy Services	343	328	15	120
Prescribing Costs	30,189	0	30,189	31,031
G/PMS, APMS and PCTMS (excluding employee benefits)	31,374	8	31,366	30,234
Pharmaceutical Services	574	0	574	559
Local Pharmaceutical Services Pilots	0	0	0	0
New Pharmacy Contract	8,323	0	8,323	7,604
General Ophthalmic Services	2,056	0	2,056	2,023
Supplies and Services - Clinical	40	0	40	668
Supplies and Services - General	0	0	0	32
Establishment	417	307	110	816
Transport	0	0	0	0
Premises	1,650	937	713	2,030
Impairments & Reversals of Property, plant and equipment	79	0	79	(41)
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	630	170	460	765
Amortisation	0	0	0	0
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	0
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	116	116	0	134
Other Auditors Remuneration	51	51	0	64
Clinical Negligence Costs	68	0	68	43
Education and Training	80	80	0	134
Grants for capital purposes	4,866	0	4,866	2,343
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	1,115	790	325	1,697
Total Operating costs charged to Statement of Comprehensive Net Expenditure	355,358	4,407	350,951	334,164
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	0	0	0	0
Trust led PDS and PCT DS	0	0	0	0
PCT Officer Board Members	468	468	0	619
Other Employee Benefits	4,957	4,957	0	12,506
Total Employee Benefits charged to SOCNE	5,425	5,425	0	13,125
Total Operating Costs	360,783	9,832	350,951	347,289
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	0	0	0	0
Grants to Local Authorities to Fund Capital Projects	3,524	0	3,524	2,022
Grants to Private Sector to Fund Capital Projects	1,342	0	1,342	321
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	4,866	0	4,866	2,343
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	4,866	0	4,866	2,343

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	9,775	8,457	1,318
Weighted population (number in units)*	208,920	208,920	208,920
Running costs per head of population (£ per head)	47	40	6
PCT Running Costs 2011-12			
Running costs (£000s)	9,775	8,546	1,229
Weighted population (number in units)	208,920	208,920	208,920
Running costs per head of population (£ per head)	47	41	6

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

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

The PCT's Running Cost target for 2012-13 was the same as 2011-12.

This note provides an analysis of the PCT's gross operating costs for the year for the PCT. The total equals the sum of gross operating costs which is split in 2011/12 between administration and programme as shown on the Statement of Comprehensive Net Expenditure.

5.2 Analysis of operating expenditure by expenditure classification

	2012-13	2011-12 restated	2011-12
	£000	£000	£000
Purchase of Primary Health Care			
GMS / PMS/ APMS / PCTMS	31,374	30,234	30,234
Prescribing costs	30,189	31,031	31,031
Contractor led GDS & PDS	10,349	10,053	10,053
Trust led GDS & PDS	0	0	0
General Ophthalmic Services	2,056	2,023	2,023
Department of Health Initiative Funding	0	0	0
Pharmaceutical services	574	559	559
Local Pharmaceutical Services Pilots	0	0	0
New Pharmacy Contract	8,323	7,604	7,604
Non-GMS Services from GPs	178	162	162
Other	0	0	0
Total Primary Healthcare purchased	**83,043**	81,666	81,666
Purchase of Secondary Healthcare			
Learning Difficulties	505	482	482
Mental Illness	22,574	22,241	19,734
Maternity	7,962	8,243	8,243
General and Acute	151,921	145,857	145,857
Accident and emergency	13,052	11,638	11,638
Community Health Services	24,722	14,692	2,562
Other Contractual*	38,022	54,239	68,876
Total Secondary Healthcare Purchased	**258,758**	257,392	257,392
Grant Funding			
Grants for capital purposes	4,866	2,343	2,343
Grants for revenue purposes	0	0	0
Total Healthcare Purchased by PCT	**346,667**	**341,401**	**341,401**
PCT self-provided secondary healthcare included above	0	10,679	10,679
Social Care from Independent Providers	0	0	0
Healthcare from NHS FTs included above	51,798	48,048	48,048

*12-13 Other Contractual includes £10.5m relating to Secondary Healthcare, the remaining £27.5m being healthcare expenditure within the third sector.

*11-12 Other Contractual includes £13.2m relating to Secondary Healthcare, the remaining £41m being healthcare expenditure within the third sector and PCT self-provided secondary healthcare. 11-12 has been restated so as to be comparable to 12-13.

The purpose of this note is to analyse the PCT's total expenditure on patient treatment for its own patients only. The note provides details of both primary and secondary health care purchased and provided by the PCT for its patients. This includes those secondary health care services that the PCT 'commissions' internally from itself. All of the items included in this note will also have been recorded under various lines on Note 5.1 and Note 4.

6. Operating Leases

6.1 PCT as lessee

	2012-13 Total £000	2011-12 £000
Payments recognised as an expense		
Minimum lease payments	940	758
Contingent rents	0	0
Sub-lease payments	0	0
Total	940	758

	Land £000	Buildings £000	Other £000		
Payable:					
No later than one year	0	945	0	945	878
Between one and five years	0	2,508	0	2,508	2,888
After five years	0	5,784	0	5,784	5,186
Total	0	9,237	0	9,237	8,952

Total future sublease payments expected to be received: £nil

The PCT has identified two operating leases which include land and buildings. These are described below:

An independent Sector Treatment Sector was opened in November 2009 at Emersons Green, South Gloucestershire. There is a service agreement between Care UK, the service provider, and the Department of Health to provide an agreed range of treatments for the term of the contract. This activity is provided to and purchased by PCTs adjacent to the area. An assessment of the contract against IFRIC 12, IFRIC 4 and IAS 17 have determined that an operating lease exists. The price within the service contract uses the NHS tariff for secondary care. The service payment to Care UK at Emersons Green in 2012/13 was £3,573,551 (2011/12 was £3,506,010). In estimating the annual value of the operating lease the PCT have estimated the percentage of the tariff which relates to estate costs based on similar premises and determined this to be approximately 12%. (The tariff includes a contribution to the cost of the asset). The estimated value of the operating lease in 2012/13 is £428,826 (2011/12 - £420,721).

North Somerset PCT has entered into certain financial arrangements involving the use of GP premises. Under: IAS 17 Leases SIC 27 Evaluating the substance of transactions involving the legal form of a lease IFRIC 4 Determining whether an arrangement contains a lease.

The PCT has determined that those operating leases must be recognised, but, as there is no defined term in the arrangement(s) entered into, it is not possible to analyse the arrangement(s) over financial years. The financial value included in the Operating Cost Statement for 2012/13 is £1.915m (2011/12 is £1.829m).

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	951	278
Contingent rents	0	0
Total	951	278
Receivable:		
No later than one year	885	613
Between one and five years	885	1,227
After five years	0	0
Total	1,770	1,840

This note identifies the amount included in operating expenses in respect of operating lease agreements. It also highlights the amounts the PCT is liable for under non-cancellable leases over the next five years.

All operating leases relating to items with a purchase cost above the capitalisation limit are regarded as non-cancellable.

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	4,418	4,418	0	3,626	3,626	0	792	792	0
Social security costs	284	284	0	284	284	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	484	484	0	484	484	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	239	239	0	239	239	0	0	0	0
Total employee benefits	5,425	5,425	0	4,633	4,633	0	792	792	0
Less recoveries in respect of employee benefits (table below)	0	0	0	0	0	0	0	0	0
Total - Net Employee Benefits including capitalised costs	5,425	5,425	0	4,633	4,633	0	792	792	0
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	5,425	5,425	0	4,633	4,633	0	792	792	0
Recognised as:									
Commissioning employee benefits	5,425			4,633			792		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	5,425			4,633			792		

Permanently employed staff are directly employed by the PCT and include those on outward secondment or on loan to other organisations (although the recovery of the cost of these staff is netted off). Other staff relate to those on inward secondment or loan from other organisations, bank/ agency/ temporary staff and contract staff.

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

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	11,063	10,144	919
Social security costs	731	731	0
Employer Contributions to NHS BSA - Pensions Division	1,341	1,341	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Total gross employee benefits	13,135	12,216	919
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	13,135	12,216	919
Employee costs capitalised	10	10	0
Gross Employee Benefits excluding capitalised costs	13,125	12,206	919
Recognised as:			
Commissioning employee benefits	4,911		
Provider employee benefits	8,214		
Gross Employee Benefits excluding capitalised costs	13,125		

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	0	0	0	0	0	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	86	86	0	135	135	0
Healthcare assistants and other support staff	0	0	0	37	37	0
Nursing, midwifery and health visiting staff	3	3	0	113	113	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	8	8	0	40	40	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	97	97	0	325	325	0
Of the above - staff engaged on capital projects	0	0	0	0	0	0

* Staff numbers are calculated on a quarterly basis rather than a weekly basis per the MfA.
On 1st October 2011 the provider arm of the PCT was transferred to a Social Enterprise, consequently the staff numbers and costs are lower in 2012/13 compared to 2011/12.

This note is analysed over the same column heading as staff costs included within Note 7.1 above. The same definitions apply.

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	974	4,114
Total Staff Years	102	440
Average working Days Lost	9.55	9.35

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

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Lees than £10,000	**0**	**0**	**0**	0	0	**0**
£10,001-£25,000	**0**	**0**	**0**	0	0	**0**
£25,001-£50,000	**0**	**0**	**0**	0	0	**0**
£50,001-£100,000	**2**	**0**	**2**	1	0	**1**
£100,001 - £150,000	**1**	**0**	**1**	0	0	**0**
£150,001 - £200,000	**1**	**0**	**1**	0	0	**0**
>£200,000	**0**	**0**	**0**	1	0	**1**
Total number of exit packages by type (total cost	**4**	**0**	**4**	**2**	**0**	**2**
	£	**£**	**£**	**£**	**£**	**£**
Total resource cost	467,474	0	**467,474**	349,000	0	**349,000**

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

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

The resource cost of £467,474 represents the total cost of the redundancy of the employees. After costs which were recharged between other organisations as part of hosting arrangements, the net cost to North Somerset PCT was £569,710

7.5 Pension costs [to update - details from NHS BSA]

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	7,728	68,502	9,220	36,320
Total Non-NHS Trade Invoices Paid Within Target	7,444	67,434	8,679	33,963
Percentage of NHS Trade Invoices Paid Within Target	96.33%	98.44%	94.13%	93.51%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,568	238,796	3,842	244,649
Total NHS Trade Invoices Paid Within Target	2,521	238,497	3,762	244,015
Percentage of NHS Trade Invoices Paid Within Target	98.17%	99.87%	97.92%	99.74%

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. This was achieved by North Somerset PCT.

This note shows the PCT's performance against its administrative duty to pay over 95% of non-NHS trade creditors within 30 calendar days of receipt of goods or valid invoice, whichever is later, unless other payment terms have been agreed.

Since 2005/06 NHS organisations have also been required to report payment performance with respect to other NHS bodies.

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

This note relates to the prompt payment code legislation which allows entities to claim interest from other entities on debts incurred under contracts.

9. Investment Income

North Somerset PCT had no investment income in 2012-13 or in the prior year 2011-12

10. Other Gains and Losses

North Somerset PCT had no other gains or losses in 2012-13 or in the prior year 2011-12

11. Finance Costs

North Somerset PCT had no finance costs in 2012-13 or in the prior year 2011-12

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	2,543	4,073	0	1,618	652	0	2,522	287	11,695
Additions of Assets Under Construction				285					285
Additions Purchased	188	480	0		0	0	0	0	668
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	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	(60)	(135)	0	0	0	0	0	0	(195)
Upward revaluation/positive indexation	5	23	0	0	0	0	0	0	28
Impairments/negative indexation	(57)	(234)	0	0	0	0	0	0	(291)
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	2,619	4,207	0	1,903	652	0	2,522	287	12,190
Depreciation									
At 1 April 2012	10	432	0	0	550	0	2,048	245	3,285
Reclassifications	0	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	10	85	0	0	0	0	0	0	95
Reversal of Impairments	0	(16)	0	0	0	0	0	0	(16)
Charged During the Year	0	172	0		61	0	357	40	630
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	20	673	0	0	611	0	2,405	285	3,994
Net Book Value at 31 March 2013	2,599	3,534	0	1,903	41	0	117	2	8,196
Purchased	2,599	3,534	0	1,903	41	0	117	2	8,196
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	2,599	3,534	0	1,903	41	0	117	2	8,196
Asset financing:									
Owned	2,599	3,534	0	1,903	41	0	117	2	8,196
Held on finance lease	0	0	0	0	0	0	0	0	0
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	2,599	3,534	0	1,903	41	0	117	2	8,196

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	299	1,219	0	0	0	0	0	0	1,518
Movements (specify)	(88)	(340)	0	0	0	0	0	0	(428)
At 31 March 2013	211	879	0	0	0	0	0	0	1,090

Additions to Assets Under Construction in 2012-13

	£000
Land	0
Buildings excl Dwellings	285
Dwellings	0
Plant & Machinery	0
Balance as at YTD	285

The PCT fixed asset register at 31st March 2013 includes land at Mill Cross, Clevedon with a value of £1.3m and associated development costs of £1.9m. This asset is the proposed site for the potential redevelopment of a community hospital in Clevedon and has been included in the PCT balance sheet as an asset in the course of construction. The PCT decided not to proceed with a building contract in 2012/13 on grounds of cost. However a development of a new health facility at this site remains an option and is being considered as part of a wider review of health services configuration in North Somerset. On 1st April 2013 the property transferred to NHS Property Services Ltd.

Property, plant and equipment is a sub-classification of the total non-current assets recorded on the PCT's Statement of Financial Position, and are analysed as follows:
- Land: not depreciated, because it is considered to have an infinite life;
- Buildings: the structure of a site as well as the fabric of the building and will include, internal and external walls, roofs and windows;
- Assets under construction: are not depreciated, because depreciation is only appropriate when assets are in operational use;
- Information technology: personal computers held within GP surgeries and within PCT administrative buildings, network servers and communication equipment;
- Furniture and fittings: assets include office furniture (desks, chairs), general furniture (sofas, chairs and wardrobes) and soft furniture (curtains, blinds).

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	2,548	3,993	0	1,240	652	0	2,506	287	11,226
Additions - purchased	0	59	0	378	0	0	16	0	453
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Revaluation & indexation gains	0	20	0	0	0	0	0	0	20
Impairments	(5)	0	0	0	0	0	0	0	(5)
Reversals of impairments	0	1	0	0	0	0	0	0	1
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	0	0	0	0	0	0	0	0	0
At 31 March 2012	2,543	4,073	0	1,618	652	0	2,522	287	11,695
Depreciation									
At 1 April 2011	10	319	0		479	0	1,575	178	2,561
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	0	0	0	0	0	0	0	0
Reversal of impairments	0	(41)	0	0	0	0	0	0	(41)
Charged During the Year	0	154	0		71	0	473	67	765
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	0	0	0	0	0	0	0	0	0
At 31 March 2012	10	432	0	0	550	0	2,048	245	3,285
Net Book Value at 31 March 2012	2,533	3,641	0	1,618	102	0	474	42	8,410
Purchased	2,533	3,641	0	1,618	102	0	474	42	8,410
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	2,533	3,641	0	1,618	102	0	474	42	8,410
Asset financing:									
Owned	2,533	3,641	0	1,618	102	0	474	42	8,410
Held on finance lease	0	0	0	0	0	0	0	0	0
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	2,533	3,641	0	1,618	102	0	474	42	8,410

12.3 Property, plant and equipment

Property was revalued at 31st March 2013 by the District Valuer under Modern Equivalent Asset desk top conditions.

The revaluation resulted in a decrease of £211,000 (2011-12 was a £21,000 increase) in the revaluation reserve, but resulted in a reversal impairment of £16,000 (2011-12 - £41,000)

Asset lives of property, plant & equipment are:

	Min Life Years	Max Life Years
Buildings exc dwelling	15	44
Plant and Machinery	4	5
Information Technology	4	4
Furniture and Fittings	4	4

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	**0**	**23**	**0**	**0**	**0**	**23**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**23**	**0**	**0**	**0**	**23**
Amortisation						
At 1 April 2012	**0**	**23**	**0**	**0**	**0**	**23**
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	0	0	0	0	**0**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**23**	**0**	**0**	**0**	**23**
Net Book Value at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	0	**0**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

Revaluation reserve balance for intangible non-current assets

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

Intangible non-current assets are defined as brand value or some other right, which although invisible is likely to derive financial benefit for its owner in the future, and for which you might be willing to pay.

13.2 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2011	**0**	**23**	**0**	**0**	**0**	**23**
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**	**23**	**0**	**0**	**0**	**23**
Amortisation						
At 1 April 2011	**0**	**23**	**0**	**0**	**0**	**23**
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	0	0	0	0	0
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**	**23**	**0**	**0**	**0**	**23**
Net Book Value at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2012 comprises						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**

13.3 Intangible non-current assets

Asset lives of intangible assets are:

	Min life Years	Max life Years
Intangible Assets		
Software Licences	3	3

Open Market Value of Assets at balance sheet date

North Somerset PCT had no assets at open market value at the balance sheet date.

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	79		79
Total charged to Annually Managed Expenditure	79		79
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 construcbon	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	291		
Total impairments for PPE charged to reserves	291		
Total impairments of Property, Plant and Equipment	370	0	79
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	0		
Total impairments of Intangibles	0	0	0
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	0		
Total impairments of Financial Assets	0	0	0
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of non-current assets held for sale	0	0	0
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	0		
Total Investment Property Impairments	0	0	0
Total impairments charged to Revaluation Reserve	291		
Total impairments charged to SoCNE - DEL	0	0	0
Total impairments charged to SoCNE - AME	79		79
Overall Total Impairments	370	0	79
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

This note identifies any losses of and damage to non-current assets that reduce the recoverable amount to below its book value

15 Investment property

North Somerset PCT had no investment property in 2012-13 or in the prior year 2011-12

16 Commitments

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

North Somerset PCT had no capital commitments in 2012-13 or in the prior year 2011-12

16.2 Other financial commitments
The PCT has entered into non-cancellable contracts (which are not leases or PFI contracts or other service

North Somerset PCT had no other financial commitments in 2012-13 or in the prior year 2011-12

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	1,493	0	111	0
Balances with Local Authorities	232	0	541	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	62	0	3,022	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	176	0	14,962	0
At 31 March 2013	**1,963**	**0**	**18,636**	**0**
prior period:				
Balances with other Central Government Bodies	58	0	489	0
Balances with Local Authorities	77	0	341	0
Balances with NHS Trusts and Foundation Trusts	518	0	1,429	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,066	0	15,023	0
At 31 March 2012	**1,719**	**0**	**17,282**	**0**

18 Inventories

North Somerset PCT had no inventories in 2012-13 or in the prior year 2011-12

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	1,509	533	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	271	753	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	137	390	0	0
Provision for the impairment of receivables	0	0	0	0
VAT	46	43	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	0	0	0
Total	1,963	1,719	0	0
Total current and non current	1,963	1,719		
Included above:				
Prepaid pensions contributions	0	0		

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

This note analyses the amounts owing to the PCT at the Statement of Financial Position date. The great majority of trade is with other NHS bodies, including other Primary Care Trusts as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	21	196
By three to six months	0	15
By more than six months	0	0
Total	21	211

This note analyses the length of time beyond their due date the amounts owing to the PCT at the Statement of Financial Position date have been outstanding.

19.3 Provision for impairment of receivables

North Somerset PCT had no provision for impairment of receivables in 2012-13 or in the prior year 2011-12

20 NHS LIFT investments

North Somerset PCT had no LIFT investments in 2012-13 or in the prior year 2011-12

21 Other financial assets

North Somerset PCT had no other financial assets in 2012-13 or in the prior year 2011-12

22 Other current assets

North Somerset PCT had no other current assets in 2012-13 or in the prior year 2011-12

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**1**	2
Net change in year	**2**	(1)
Closing balance	**3**	1
Made up of		
Cash with Government Banking Service	**3**	1
Commercial banks	**0**	0
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**3**	1
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**3**	1
Patients' money held by the PCT, not included above	**0**	0

There is no cash held on behalf of patients included under 'cash held at bank or in hand' or within creditors, separately.

24 Non-current assets held for sale

North Somerset PCT had no non-current assets held for sale in 2012-13 or in the prior year 2011-12

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Interest payable	**0**	0		
NHS payables - revenue	**3,126**	1,819	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**0**	0	**0**	0
Family Health Services (FHS) payables	**4,924**	4,534		
Non-NHS payables - revenue	**541**	625	**0**	0
Non-NHS payables - capital	**0**	0	**0**	0
Non-NHS accruals and deferred income	**10,040**	10,205	**0**	0
Social security costs	**2**	47		
VAT	**0**	0	**0**	0
Tax	**3**	52		
Payments received on account	**0**	0	**0**	0
Other	0	0	0	0
Total	**18,636**	17,282	**0**	0
Total payables (current and non-current)	**18,636**	**17,282**		

26 Other liabilities

North Somerset PCT had no other liabilities in 2012-13 or in the prior year 2011-12

27 Borrowings

North Somerset PCT had no borrowings in 2012-13 or in the prior year 2011-12

28 Other financial liabilities

North Somerset PCT had no other financial liabilities in 2012-13 or in the prior year 2011-12

29 Deferred income

North Somerset PCT had no deferred income in 2012-13 or in the prior year 2011-12

30 Finance lease obligations

North Somerset PCT had no finance lease obligations in 2012-13 or in the prior year 2011-12

31 Finance lease receivables as lessor

North Somerset PCT had no finance lease receivables as lessor in 2012-13 or in the prior year 2011-12

32 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	1,196	0	0	0	0	1,182	0	0	14	0
Arising During the Year	1,989	0	0	0	0	1,989	0	0	0	0
Utilised During the Year	(141)	0	0	0	0	(141)	0	0	0	0
Reversed Unused	(1,055)	0	0	0	0	(1,041)	0	0	(14)	0
Unwinding of Discount	0	0	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	1,989	0	0	0	0	1,989	0	0	0	0
Expected Timing of Cash Flows:										
No Later than One Year	1,989	0	0	0	0	1,989	0	0	0	0
Later than One Year and not later than Five Years	0	0	0	0	0	0	0	0	0	0
Later than Five Years	0	0	0	0	0	0	0	0	0	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	0
As at 31 March 2012	0

A provision has been recognised for North Somerset PCT Continuing Healthcare Retrospective payments because there is a present obligation that probably requires an outflow of resources.

In establishing a provision for the potential costs of claimants for periods of unassessed care North Somerset PCT has estimated the financial liability using three variables,

1. the number of weeks of eligibility, supported by evidence of the claim period
2. the cost per week, supported by the actual weekly cost of nursing homes in the health economy, and
3. the rate of conversion

The factors that affect our assessment of the possible number of successful claims includes whether the care setting for the claimant was in a nursing home or residential care.

The PCT has assumed a rate of conversion of 15%, supported by the professional opinion of the CHC nursing and administrative team.

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Other	(11,279)	(9)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(11,279)	(9)
Contingent Assets		
Contingent Assets	3,147	2,010
Net Value of Contingent Assets	3,147	2,010

£11.271m of the contingent liability balance relates to Continuing Healthcare retrospective claims. North Somerset PCT has identified that there is a possible obligation relating to claim forms received from solicitors and other individuals. A professional review of the claims has been made and it has been recognised that there is a possible but unlikely outflow of resources relating to an estimated 85% of claims based on historical information.

The PCT has legal charges on properties with a value of £3.147m. The value is determined by the amount of the PCT's fixed charge, and are held under a legal charge in the name of the PCT.

The properties are used for the provision of learning difficulties services.
If one of the properties were to be sold the capital receipt would transfer to the PCT in the first instance, but it is possible that any capital receipt would be re-invested into new premises to ensure service continuity. Receipt is contingent on sale of the properties and has therefore been shown as a contingent asset.

There are potential claims in relation to a care home but at present these are unquantified and could range between £30,000 to £5m for the most severely affected patients. The claimants have not yet given enough information to enable this level of detail to be provided.

34 PFI and LIFT - additional information

North Somerset PCT had no PFI and LIFT obligations in 2012-13 or in the prior year 2011-12

35 Impact of IFRS treatment - current year

North Somerset PCT had no impact of IFRS treatment in 2012-13

36 Financial Instruments

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

Currency risk

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

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

Credit Risk

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

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

36.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			**0**
Receivables - NHS		1,509		**1,509**
Receivables - non-NHS		271		**271**
Cash at bank and in hand		3		**3**
Other financial assets	0	0	0	**0**
Total at 31 March 2013	**0**	**1,783**	**0**	**1,783**
Embedded derivatives	0			0
Receivables - NHS		533		533
Receivables - non-NHS		753		753
Cash at bank and in hand		1		1
Other financial assets	0	0	0	0
Total at 31 March 2012	0	1,287	0	1,287

36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		**0**
NHS payables		3,126	**3,126**
Non-NHS payables		15,505	**15,505**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**18,631**	**18,631**
Embedded derivatives	0		0
NHS payables		1,819	1,819
Non-NHS payables		15,364	15,364
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	**0**	17,183	17,183

37 Related party transactions

		Payments to Related Party
K Headdon	Husband is a Director at University Hospitals Bristol Foundation Trust Member of Avon and Somerset Policy Authority Governor Backwell School until November 2012	£48,326m
G Nix	Chairman of The Charitable Trustees for United Bristol Hospitals (Above and Beyond Charities); Director of Education Centre Management Ltd National Finance Committee St John Ambulance	
Dr P Phillps	Principal and Chief Executive of Weston College - role involves apprenticeships/training to many organisations including the NHS.	
Dr M Backhouse	GP Partner in Nailsea Family Practice Out of hours work for Harmoni (stopped 31/08/2012) Woodspring Healthcare Director(Company owning Towerhouse Medical Centre) The Practice is a member of GP Care Chair North Somerset GP Commissioning Leadership Group Wellspring counselling Director and trustee Tower House Pharmacy(Joint Venture)	
Dr M Backhouse	Husband Dr Tim Southwood who is: GP Partner in Nailsea Family Practice Out of hours work for Harmoni Woodspring Healthcare Director (Company owning Towerhouse Medical Centre) The Practice is a member of GP Care Tower House Pharmacy (joint Venture)	
Becky Pollard	Partner Board Member of the All Healthy Living Centre	
Liam Williams	Executive Director of Great Western Ambulance Trust until 31 January 2013	£0.051m

North Somerset Primary Care Trust is a body corporate established by order of the Secretary of State for Health.

Primary Care Trusts will cease to function after 31 March 2013 when Clinical Commissioning Groups will take commissioning responsibility for the local populations.
During 2012/13 NHS North Somerset has been operating under a Cluster Model with NHS South Gloucestershire and NHS Bristol.
Therefore, NHS Bristol and NHS South Gloucestershire are related parties to this PCT.

A Cluster Operating Model maintains the three PCTs as separate legal entities but they operate under the control of one Governing Board.
Primary Care Trusts traditionally operated a Professional Executive Committee (PEC) or Clinical Commissioning Committee made up of clinicians.
From 1 April 2013 the North Somerset Clinical Commissioning Group will exist which covers the population of North Somerset.
Similar Groups will be established for both South Gloucestershire and Bristol. A shadow committee has operated during 2012/13

The Department of Health is regarded as a related Party. During the year the North Somerset PCT has had many transactions with the Department and with other organisations for which the Department is regarded as the parent as shown below. In this context, total transactions of less than £1million are considered immaterial.

Avon & Wiltshire Partnership Trust
Somerset PCT
Bristol PCT
South Gloucestershire PCT
Great Western Ambulance Service
NHS South West

The PCT has also had material transactions with other central and local Government bodies.

North Somerset Council
NHS Pension Scheme

Prior Year
Details of related party transactions with individuals where individually significant are as follows:

		£
K Headdon	Husband is a Director at University Hospitals Bristol Foundation Trust Member of Avon and Somerset Policy Authority Governor Backwell School	45,789,312
C Born (left 31/01/2012)	Trustee National Children's Bureau Wife is Account Manager (for Bristol and Special Services) for Avon and Wiltshire Mental Health Partnership.	16,959,093
G Nix	Chairman of The Charitable Trustees for United Bristol Hospitals (Above and Beyond Charities); Director of Education Centre Management Ltd Director of Pentamed Ltd Chairman of Council St John Ambulance Avon	
Dr M Pimm (left 30/09/2011)	Shareholder Gryphon Shareholder GP Care Practicing GP in Worle Director and part owner of Weston Property and Medical Services Ltd Member of PCT Individual Commissioning Appeals Panel Director/Administrator of funds from the extinct Weston Primary Care that are available to be bid for by local GPs for patient initiatives	2,642,247
Dr T England (left 30/09/2011)	Principal GP at Riverbank Surgery Committee member for PLANET Director/Administrator of funds from the extinct Weston Primary Care that are available to be bid for by local GPs for patient initiatives	
P Morgan (left 31/12/2011)	Independent Trainer with connections to some of the PCTs partner agencies such as North Somerset Social Care.	
J White (left 31/12/2011)	Appointed Governor at UHB Director of The Changing Face Ltd Managing Director and Major Shareholder - Customers Really Matter	45,789,312
R Darling (Left 30/09/2011)	GP partner – Riverbank Medical Centre, Worle Shareholder GP Care – Bristol based GP provider organisation Shareholder Wyvern GP – North Somerset based GP provider company and owner of Gryphon, a joint venture with Harmoni, bidding for primary contracts in North Somerset Member of GP Commissioning Group	2,642,247
D Fife (left 30/09/2011)	Vice Chairman of League of Friends of Clevedon Hospital	
Dr P Phillps	Principal and Chief Executive of Weston College - role involves apprenticeships/training to many organisations including the NHS.	
Dr M Backhouse	GP Partner in Nailsea Family Practice Out of hours work for Harmoni Woodspring Healthcare Director(Company owning Towerhouse Medical Centre) GP Consortium Member The Practice is a member of GP Care Member of the PCT INNF Panel Wellspring counselling director and trustee	
Dr M Backhouse	Husband Dr Tim Southwood who is: GP Partner in Nailsea Family Practice Out of hours work for Harmoni Woodspring Healthcare Director (Company owning Towerhouse Medical Centre) The Practice is a member of GP Care	
Delwyth Lloyd-Evans (left 30/09/2011)	Director Business Development - Skills for Health Chair of Arcadia Housing Group Chair designate North Somerset Community Services Partnership (from 1 April 2011, appointed 1 Oct 2011) Director P D Properties (SW) Ltd Governor - Broad Oak Secondary School, Weston-Super-Mare.	
Becky Pollard	Partner Board Member of the All Health Living Centre	

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Great Western Ambulance Service
NHS South West

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North Somerset Council
NHS Pension Scheme

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	0	0
Special payments - PCT management costs	184,000	2
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	0	0
Total special payments	184,000	2
Total losses and special payments	184,000	2

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	22,000	2
Special payments - PCT management costs	0	0
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	22,000	2
Total special payments	0	0
Total losses and special payments	22,000	2

39 Third party assets

The PCT holds no Third Party Assets.

Third party assets are held by the PCT on behalf of a third party - for instance as money held on behalf of patients. As these assets do not belong to the PCT they are not included in the Statement of Financial Position or the trade payables note.

40 Pooled budget

The PCT has a pooled budget arrangement with North Somerset Council (NSC) to provide an Integrated Community Service Equipment Service (ICES). NSC are responsible for operating the fund on behalf of the PCT and take the lead in commissioning, contracting and monitoring the service.

The PCT's shares of the income and expenditure handled by the pooled budget in the financial year was:

	2012-13	2011-12
Gross Funding	**£000**	**£000**
North Somerset PCT	**1,295**	1,020
North Somerset Council	**587**	572
Interest on advanced funding		
Total funding	**1,882**	**1,592**
Expenditure		
Provision of service	**1,855**	1,521
Net under/(over)spend	**27**	**71**

41 Cashflows relating to exceptional items

The PCT does not have any cashflows relating to exceptional items

42.1 Events after the end of the reporting period

The Health and Social Care Bill received Royal Assent on 27 March 2012 to become the Health and Social Care Act 2012. This now formalises the NHS reforms including the formal creation of Clinical Commissioning Groups (CCGs) from April 2013 and marks 2012/13 as the final year of Primary Care Trusts.

The PCT ceased to exist on the 31st March 2013. Commissioning responsibility transfers to various successor organisations, local legacy teams are working on transferring the assets and liabilities:

Receiving Body	Functions Transferring
North Somerset Clinical Commissioning Group	Non specialised health care commissioning contracts
NHS England	Primary care contracts, secondary care dental, specialised commissioning contracts, offender and justice health, some public health functions
Public Health England	Specified public health functions
North Somerset Council	Specified public health functions
NHS Property Services	Estate and Landlord functions

North Somerset Clinical Commissioning Group (NSCCG) has been authorised by NHS England and is coterminous with NHS North Somerset. This group was a sub Committee of the Cluster Board in 2012/13.

GLOSSARY OF FINANCIAL TERMS

Accruals	An accounting concept. In addition to payments and receipts of cash, adjustment is made for outstanding payments, debts to be collected and stock. This means that the accounts show all of the income and expenditure that related to the financial year.
Assets	An item that has a value in the future. For example, a debtor (someone who owes money) is an asset, as they will in future pay. A building is an asset, because it houses activity that will provide a future Income stream.
Audit	The process of validation of the accuracy, completeness and adequacy of disclosure of financial records.
Capital	Land, buildings, equipment and other non-current assets owned by the PCT, the cost of which exceeds £5,000 and has an expected life of more than one year.
Cash limit	A limit set by the Department of Health which restricts the amount of cash drawings that the PCT can make in the financial year. There is a combined cash limit for both revenue and capital.
Commissioning	Purchase of healthcare from external service providers (NHS, other public sector, private and voluntary) to meet the needs of the population.
Current assets	Trade receivables (debtors), inventories (stocks), cash or similar, whose value is, or can be converted into, cash within the next twelve months.
Non-current assets	Land, buildings, equipment and other long term assets that are expected to have a life of more than one year.
Governance	Governance is the system by which organisations are directed and controlled . It is concerned with how the organisation is run, how it is structured and how it is led. Corporate governance should underpin all that an organisation does. In the NHS, this me
Gross operating costs	This is the total revenue expenditure, including accruals and provisions, incurred in the course of performing all aspects of the PCT's functions during the year.
Intangible assets	Brand value or some other right (for example, a software licence), which although invisible is likely to derive financial benefit for its owner in the future, and for which you might be willing to pay.
Miscellaneous Income	Income that relates directly to the operating activities of the PCT. This excludes cash voted by Parliament and drawn down by the PCT from the Department of Health, which is credited to the general fund.
Payment by results	A financial framework in which providers are paid according to the level of activity undertaken. Payment is based on a national tariff.
Practice based commissioning	A framework which engages GP practices and other primary care professionals in the redesign of services for the benefit of patients, through the provision of resources, information and support.
Primary care trust	Primary care organisations that provide and manage services delivered within the primary and community care sector, as well as commission acute and other services for its population.
Provider	Provision of healthcare from within the PCT to meet the needs of the population.
Resource limit	Expenditure limits are determined for each NHS organisation by the Department of Health for both revenue and capital, which limit the amount that may be expended on revenue purchases, as assessed on an accruals basis (that is, after adjusting for debtors
Revenue	Ongoing or recurring running costs or funding for the general provision of services.
Tangible assets	A sub-classification of fixed assets, which include land, buildings, equipment, and fixtures and fittings.