



Department
of Health



Blackburn with Darwen Teaching Care Trust Plus

2012-13 Annual Report and Accounts

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Blackburn with Darwen Teaching Care Trust Plus

2012-13 Annual Report

2012/13

Blackburn with Darwen
Teaching Care Trust Plus

Annual Report



Supporting information
and financial statement

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1. Welcome

2012/13 has been a challenging year for Blackburn with Darwen Care Trust Plus (referred to as 'we' in the report). It has been a year of major change and like most National Health Service (NHS) trusts and public sector organisations, we faced tough economic times.

Despite this, we have continued to commission high quality care and striven to improve Health and Wellbeing outcomes for the people of Blackburn with Darwen.

Following the changes to the NHS brought about by the Health and Social Care Act 2012, NHS Lancashire and NHS Blackburn with Darwen CTP ceased to exist on 31 March 2013. This Act established Clinical Commissioning Groups and NHS England from the 1st April as the main commissioners of acute and community health care. Therefore NHS Blackburn with Darwen CTP responsibility for commissioning these services has been taken over by NHS Blackburn with Darwen CCG.

The Clinical Commissioning Group for Blackburn with Darwen has been well established as a shadow organisation and as the year progressed the CCG took on many of the tasks previously undertaken by the Care Trust. This report identifies areas of service improvements and achievements brought about by the shadow CCG. You will also see from our financial report, we have achieved our financial targets for 2012/13.

It is important to remember this context when looking at how we have performed over the last year. This report details how we worked and sets out the main developments.

We are proud of these successes and we want to thank everyone who works for the CTP and our partner organisations for their hard work and dedication throughout the year.

As the local leader of the NHS, we have a clear sense of what we need to do. Everything we do is for the residents of Blackburn with Darwen; we exist solely to improve their health and wellbeing.

The only way to achieve this is by working together, with our partners, our staff and most importantly with local people.

2. About us

2.1 What was the Care Trust Plus (CTP)?

We were responsible for planning and buying primary and community health services, social care and a full range of hospital services for the people of this borough and those who are registered with our GP's. We served a population of around 165,000 people. In 2012/13, we spent £361.5m to improve health and wellbeing in the borough.

2.2 Our vision and aims

Our vision, which is set out in our strategic plan for 2009-2014, Living Better, Living Longer, was straightforward and clear: Blackburn with Darwen will be a place where all our population have the opportunity to live better and live longer, with access to high quality services.

To help us achieve our vision, we produced an operational plan each year. This set out our corporate intentions for the year ahead in light of the local and national health priorities and strategies.

2.3 How was the CTP run?

There have been major changes throughout 2012/13 as the government reforms of the NHS took shape. This is outlined later in the report. For the majority of the 2012/13, we were governed by the CCG board, chaired by Joe Slater.

2.4 The Annual Strategic Agreement with Blackburn with Darwen Borough Council

We became a Care Trust Plus in April 2010. This formally brought together the commissioning of health and social care services. We commissioned or bought adult social care services on behalf of Blackburn with Darwen Borough Council. The Annual Strategic Agreement was the formal agreement used in relation to the transfer of a range of commissioning responsibilities. Due to the NHS reforms the Local Authority and the CCG agreed to formally exit the agreement by 31st March 2013. The CCG and Local Authority are developing a new way of working in partnership to deliver the improvement of people's health and wellbeing.

2.5 Our Partnerships

We cannot achieve our aims in isolation. We worked with the local community and local partnership organisations such as Blackburn with Darwen Borough Council to improve people's health and wellbeing. This includes the wider community sector such as the voluntary, faith and harder to reach communities.

As a member of the borough's Local Strategic Partnership (LSP), the area's overarching partnership body, we were heavily involved in the development of the borough's Vision 2030. This sets out how partner organisations and residents want Blackburn with Darwen to look in 20 years' time.

We worked closely with other NHS organisations, including East Lancashire Hospitals NHS Trust (ELHT) which is responsible for running Royal Blackburn

Hospital, Lancashire Care NHS Foundation Trust (LCFT) which provides our mental health and community services, and NHS East Lancashire (ELPCT). We have working relationship with Northwest Ambulance Service via NHS Blackpool PCT as lead commissioner. Throughout last year we continued to develop work across Pennine Lancashire firmly establishing the Pennine Lancashire Clinical Transformation Board.

3. Key Developments

3.1 Clinical Commissioning Group (CCG)

During 2012/13 the CCG progressed through the NHS Commissioning Board process of Authorisation. The CCG was assessed by an external panel in October 2012 and the outcome of this assessment reported to the NHS Commissioning Board in December 2012. The CCG was authorised by the NHS CB to become a statutory organisation from the 1st April 2013 with no conditions attached.

3.2 Clustering

We were part of the Lancashire Cluster, known as NHS Lancashire the amalgamation of 5 PCTs. The other PCTs in this cluster were: NHS Blackpool, NHS Central Lancashire, NHS East Lancashire and NHS North Lancashire.

The Cluster Board, which comprised members from each participating organisation, was given delegated powers and decision making responsibilities from the Department of Health. Its role was to manage the transition to the new NHS system and ensure business continuity. Much of the day-to-day work of the five PCTs continued within each of their localities, but resources and skills were shared to sustain services.

The Cluster Board's Chair was Peter Kenyon and the Chief Executive Janet Soo-Chung. Sir Bill Taylor who was Chair of the CTP, was a Non-Executive Director (NED) on the Cluster Board.

3.3 Health and Wellbeing Board Developments

Another part of the Government's health reforms is the establishment of Health and Wellbeing Boards. The boards have to be established by local authorities. They aim to provide a stakeholder governance committee to drive improved health, social care, quality of life and wellbeing outcomes for residents.

Working with our local authority colleagues, we have helped develop the Blackburn with Darwen Health and Wellbeing Board.

Blackburn with Darwen was one of the first 20 Boards to be established in England. The Board brings together an organisational partnership for the borough and it has driven local action for improvement on a range of key local health issues including dementia, child deaths and health inequalities. The Health and Wellbeing strategy was presented to and adopted by the board at the end of 2012 following extensive consultation.

3.4 Public Health Transfer Developments

From April 2013, full statutory responsibility for commissioning specialist public health services and associated statutory functions transferred from the NHS to local government as part of wider health reforms.

We recognise that boroughs like Blackburn with Darwen have very significant challenges in improving health outcomes. We are confident that the return of public health to local government will give us the best opportunity in a generation, to influence some of the social causes of ill health, such as: deprivation, poor housing, low education achievements and environment to make a real difference to people's lives.

Locally we benefit from the advantage of strong partnerships between Blackburn with Darwen Borough Council and the NHS in the borough. The Director of Public Health role has been a joint post across the NHS and the local authority since 2005. The Council and the GTP shared a Chief Executive between them.

During 2012/13, we developed a transition management plan to ensure a smooth handover of public health services to Blackburn with Darwen Borough Council with the Council due to take commissioning control from April 2013.

The Public health staff has physically moved location to Blackburn with Darwen Borough Council, transferring from Guide Business Centre to Blackburn Town Hall in November 2012.

4. Key Achievements, Projects and Service Improvements

The Shadow CCG has commissioned and will continue to commission services aimed at managing demand, by offering alternative enhanced high quality community services. Some of these are detailed below:

4.1 The AGE Streaming Pilot is a Pennine Lancashire initiative which commenced on the Royal Blackburn Hospital site in January 2013. The service aims to ensure that people will be treated in the most appropriate setting following an assessment. Patients presenting at AGE will be initially assessed by a nurse who will inform the patient of the most effective way to deal with their symptoms. This may involve for example: accessing GP services, pharmacy services and self-care. The pilot will be in place for 6 months with continual monitoring and evaluation to enable future commissioning plans to be developed.

4.2 The GP Acute Visiting Service Pilot commenced in February 2013 within NHS Blackburn with Darwen – the aim of this service is to provide an in-hours GP visiting service for those patients who require an urgent visit and who are potentially at risk of requiring/contacting emergency services if the visit is not undertaken within a 2-3 hour time period. If their GP is unable to respond in this time for example because of surgery responsibilities they can arrange for the patient to be seen by a GP from the scheme. North West Ambulance Service, using clear protocols, will also be able to refer into this scheme as an alternative pathway for appropriate patients therefore avoiding an attendance/admission.

4.3 The Enhanced Community Support Pilot, which is planned to commence in 2013 to support patients with Long Term Conditions with a GP in the east locality of Blackburn with Darwen aims to provide both predictive and preventative care for these patients to reduce the frequency of admission to hospital and also provide step up and step down community care for those patients who are acutely unwell but can be managed in the community.

4.4 The Alcohol Liaison Scheme is a Pennine Lancashire initiative which commenced in January 2013, the main aims of this service are to:

- **reduce alcohol related hospital emergency attendances.**
- **reduce unplanned admissions, and where necessary facilitate improved clinical pathways and co-ordinated discharges.**
- **increase patient access and engagement with primary care and community specialist substance misuse services.**

4.5 Take Home and Settle Scheme is a Pennine Lancashire pilot scheme which commenced in January 2013 and ran until 31st March 2013 and was an extension of the Age UK service within the Emergency Department and Urgent Care Centre at the Royal Blackburn Hospital. The aim of the service was to prevent unnecessary hospital admissions and assist to re-settle individuals back at home.

4.6 Rapid Assessment and Integrated Discharge (RAID), is a Pennine Lancashire initiative to ensure early diagnosis of people with dementia and use care planning to avoid unnecessary admission to or protracted stay in hospital. The hospital liaison element of this will be commissioned from April 2013.

4.7 Paediatric Pathway re-design - providing an extended advice programme for children and young people, a "HOT clinic", as an alternative to an admission into Children's Observation and Assessment Unit and a diversion in the pathway for those children who may require specialist input, but not an inpatient stay. The Children's Community Nursing Team has been extended to provide a service both evenings and weekends to improve access to specialist paediatric nursing and reduce the need for some children to access hospital care

4.8 Chronic Obstructive Pulmonary Disease (COPD) – ensuring a number of initiatives are in place to support a proactive approach towards the management of patients with COPD and to reduce unnecessary hospital admissions. These initiatives include a Community Respiratory Service, Primary Care Respiratory Local Enhanced Service, Education Programme for Primary Care Professionals and a Tele-healthcare Project for COPD patients. The service developments aim to support prevention and early identification, an improved quality of life, and prevent exacerbations leading to hospital admission.

The Pennine Lancashire Cancer Care Programme is intended to support Pennine Lancashire in achievement and delivery of better care for people with cancer. The shadow CCG has worked with all partners to reduce premature cancer mortality and improve survival, in particular one year survival, reduce cancer inequalities within our population and improve patient experience across the cancer pathway. The three priorities for cancer are contained within the Cancer Action Plan and focus on health and wellbeing, assessment and management and living with and beyond cancer.

5. Engagement of Patients and Public

5.1 During 2012/13 engagement activities have been carried out by the Head of Equality, Diversity and Human Rights (EDHR) and the Equality Support Officer on behalf of the shadow CCG. This engagement has been primarily around the development of the EDHR Strategy, the development of the new CCG's commissioning intentions for 2013/14 and for the development of the Equality Delivery System baseline.

5.2 Additional engagement activities have also take place to support the Urgent Care Review, Self-Care, development of Health and Wellbeing Passports and the annual Learning Disability Self-Assessment return.

5.3 The Equality Team have endeavoured to engage people from all protected groups in all its engagement. The engagement event held on the 31st of May 2012 saw 48 participants across a range of protected groups including representatives of seldom heard groups such as Asylum Seekers and Refugees and the Deaf and Hard of Hearing. There were also two British Sign Language Interpreters in attendance to support Deaf delegates, 8 facilitators and representatives of the CCG Board.

5.4 The team have also undertaken positive action to ensure effective involvement and engagement of those groups who are seldom heard and do not take part in mainstream engagement activities for example; Gypsy Travellers, Asylum Seekers and Refugees, the Deaf and Hard of Hearing and Blind and Partially sighted communities.

5.5 As the urgent care triage and streaming pilot was being developed a range of engagement/communications approaches have been developed, including script/briefing materials, face to face engagement, use of social media, and training of three media spokespeople – one from each CCG and the Acute Trust – who can each speak on behalf of the health economy.

5.6 To encourage success it was recognised that patients need more information about local NHS services and about health conditions and self-care. A behaviour change campaign is needed to persuade patients that self-care or seeing the GP is a better option than Urgent Care Centre. These are all elements that are being addressed within the Pilot.

5.7 A questionnaire was developed to be used both electronically and face to face with members of the public regarding awareness of NHS services. The questionnaire was distributed to stakeholders across Pennine Lancashire. Members of the East Lancashire NHS Engagement Team held face to face interviews across all the boroughs in Pennine Lancs in town centre settings, health centres, children's centres, youth groups, and Burnley College over a six week period during August and September. A total of 895 questionnaires were completed regarding the awareness of NHS services. 719 were face to face interviews and the remaining completed online. A further questionnaire was

developed regarding patient attendance at the Urgent Care Centres to ascertain the reason why people were attending Urgent Care Centres in preference to using other services. 104 face to face interviews were undertaken with patients who were attending the Urgent Care Centres.

5.8 Focus groups were delivered at Children's Centres in Rossendale, Blackburn and Burnley. Fifty one parents / guardians including fathers and grandparents were interviewed at local children's centres. The information gathered was used to produce a campaign, including key messages and themes, to raise awareness and encourage members of the public to use NHS services, especially Urgent Care Services, appropriately.

5.9 The Healthy Living Centre carried out 6 Focus Groups across Blackburn with Darwen and the East Lancashire CCG footprints, with a total of 54 residents participating in the sessions, aged between 25 -89 yrs. The purpose of this work was to provide insight into patients' views and opinions towards the new unscheduled care model; and to provide views on marketing campaigns previously developed in order to ascertain views on the most effective campaign concepts to shape the materials for the Pilot.

6. Our Staff

Our successful working practices and achievements would not have been possible without the dedication and hard work of our staff who were committed to our organisation and determined to commissioning better care for our patients.

The NHS recognises that staff are our most important asset and even in these challenging times for the NHS we continued to support and help our staff develop their potential and achieve to the best of their abilities through training and keeping them informed of developments and opportunities.

The NHS is also committed to the health and wellbeing of its employees as much as the patients'.

2012/13 was a challenging year for staff and for the organisation as the NHS reforms took hold. At the start of the process we employed 216 staff, and by March 2013 214 of those staff had secured a satisfactory destination for their future, from among the range of new organisations:-

- **NHS Property Services**
- **NHS Commissioning Board**
- **NHS Commissioning Board Area Team - Lancashire**
- **Clinical Commissioning Groups**
- **Public Health Local Authority**
- **Public Health England**
- **NHS Lancashire Commissioning Support Unit.**

7. Estates

In 2012/13, Blackburn with Darwen Care Trust Plus received a total capital allocation of £1,036k.

During 2012/13 the CTP spent its capital allocation in the following way.

- £775k was spent on investment across the estate including upgrading of clinical areas, fire, health and safety works, disability access and green energy.
- £200k was invested in information technology, including mobile technology for primary care
- £81k was spent improving health and safety, disability access, and infection control in third party premises

The CTP estate transferred to NHS Property Services from 1st April 2013.

8. Sustainability

As a major investor in health and health services, we recognised our responsibility for managing our natural resources.

To meet this aim, we fitted lighting sensors and replaced lights with light emitting diode in a number of our buildings to reduce electricity consumption. Energy costs were actively monitored and tabulated to track consumption to make further reductions.

We worked closely with colleagues across the Local Strategic Partnership (LSP) on themes including:

- Sustainable procurement.
- Integrated green transport policy .
- Energy waste.
- Promotion of recycling and other best practice involvement of all the public service staff as energy champions.

9. Customer Care

We understood the importance of listening to residents' feedback to improve services we delivered and use this intelligence to make changes.

The Customer Care Team offered a totally confidential service which aimed to provide information, offer non-clinical advice, listen to worries, suggestions or queries and helped sort out issues quickly and effectively, keeping the patient involved. The feedback our team gathered helped support the organisation in future planning and delivery of service.

The following charts outline how many complaints, compliments, concerns and queries we have received.

Complaints, queries and compliments

(NB -brackets indicate 2011-2012 figures as a comparison)

Type	
Complaints	98 (52)
Concerns / Queries	470 (508)
Compliments	19 (81)

Complaints reasons

(NB -brackets indicate 2011-2012 figures as a comparison)

Reasons	
Attitude	12 (8)
Access	9 (6)
Unhappy with treatment	24 (11)
Communication	15 (2)
Delay	11 (5)
Negligence	2 (2)
Prescribing / Dispensing	6 (1)
Breach of confidentiality	1 (1)
ELHT	13 (12)
ELPCT	2 (2)
LCFT	5 (3)
Other Trusts	1 (0)
Funding	1 (1)
Site Management	2 (1)
Outside Management	0 (1)
Outside Management	4 (0)

Complaints outcomes

(NB -brackets indicate 2011-2012 figures as a comparison)

Outcomes	
Ref. other Trust	21 (17)
Satisfied	31 (5)
Not satisfied	2 (1)
No further contact	8 (6)
Ref - practice complaints procedure	5 (7)
Ongoing	23 (12)
No consent	4 (0)
Safeguarding	0 (0)
Outside procedure	4 (4)

Compliments

The amount of compliments received was greatly reduced to almost nil. The reason for this is due to the Care Trust Plus transferring its community services to Lancashire Care Foundation Trust and as we were no longer being a direct provider of services we therefore did not receive compliments.

10. Governance, Accountability, And Risk Management

10.1 Information governance

During the transitional period, information security continued to be of paramount importance. A range of policies and training information has been made available for staff to ensure information security remains at the forefront of our minds.

The CTP Information Governance Toolkit assessment (version 10) was approved for 2012/13 at a satisfactory rating and has been published on the Department of Health website.

A Senior Information Risk Owners Annual Report has been compiled and will be presented to the new CCG Board in accordance with the requirements.

10.2 Risk Management and Assurance

We were committed to ensuring all health services provided for local people were safe, efficient and effective. This was achieved through robust systems of internal control that allowed us to scrutinise the quality and safety of services commissioned to ensure that resources were being invested in a way that delivers optimal health outcomes.

Our values supported the importance of responsible, accountable, open and effective governance. These values were embedded into the culture and way of working of the staff throughout the organisation as well as via our policies and procedures. The governance of the organisation continued to develop to reflect the transition period brought about by NHS Reform, with the required links made to NHS Lancashire cluster working.

10.3 Accountability

From 1st April 2012 until 31st March 2013, the role of Accountable Officer was undertaken by the Chief Executive of NHS Lancashire. Delegated governance arrangements were conferred to each of the eight Lancashire Clinical Commissioning Groups (CCGs) including NHS BwD CCG, which operated as sub-committees of the NHS Lancashire board.

To support the delegation of authority to the CCG (in shadow form), the following committees were formed with clear terms of reference:-

- **CCG Board (which was a sub-committee of the Cluster Board)**
- **Quality, Performance and Effectiveness Committee**
- **Locality Assurance Group**
- **Remuneration and Terms of Service Committee**
- **Contracting and Procurement Committee**
- **Commissioning Business Group**

10.4 Organisational Risk Management

Risk Management was managed at three main levels within the organisation:

- **Board level via the Board Assurance Framework;**
- **Corporate Risk Register and;**
- **Operationally via the maintenance of Departmental Risk Registers**

All three levels were linked to provide a consistent and accurate picture of the organisational risks and threats to performance for the organisation.

The risk management process was built on a cycle of identification, assessment, control and monitoring actions to reduce the risk to an acceptable level. Every individual staff member had the right to identify any potential or actual risk for service users, staff and the organisation. In addition, all managers were expected to support staff in carrying out the risk assessment and to develop action plans.

All staff members were required to complete an annual "Risky Business" workbook which covers aspects of risk management that were relevant to every employee. It was designed to ensure staff have the capabilities and knowledge of basic risk assessment, risk management principles and counter-fraud.

In all instances where a risk was not accepted at the current level, an action plan was drawn up to set out the steps to be taken to mitigate that risk, with a nominated responsible person and a deadline for completion of each action.

10.5 Internal and external audit

Both internal and external auditors played an important role in assuring our Board that the internal controls in place are effective. We were supported by the North West Internal Audit Services and Grant Thornton provided the Care Trust Plus with external scrutiny. In 2012/13, we spent £105,256 on the provision of statutory audit and other ad hoc audit services.

A review of the CTP's Assurance Framework and its Risk Management Policy was carried out in January 2013. The audit review concluded that key controls had

been adequately designed and were operating effectively to deliver the key objectives of the system, function or process. As a result, "high assurance" was given that the Assurance Framework was designed to meet the organisation's objectives and controls were consistently applied at the time of the audit.

10.6 Annual Governance Statement

This is an annual declaration made by us and signed by the Chief Executive of NHS Lancashire, which sets out our overall approach to risk management and control.

This year's declaration was submitted to NHS Lancashire with the Head of Internal Audit's opinion, for scrutiny in compliance with all of the reporting timescales. The Annual Governance Statement is included within the full set of accounts. This is available from us upon request.

11. NHS Lancashire Cluster

In 2012/13 Blackburn with Darwen Care Trust Plus was part of NHS Lancashire Cluster.

In response to a national decision to 'cluster' PCTs together the Boards of NHS Blackpool, NHS Blackburn with Darwen Care Trust Plus, NHS Central Lancashire, NHS East Lancashire and NHS North Lancashire approved proposals to implement a PCT Cluster governance model consisting of

- A single board meeting, transacting as far as is practicable, the business of all of the constituent statutory organisations
- A single Executive Team led by a single Chief Executive who is the Accountable Officer
- A single Chair and team of NEDs for all five organisations

NHS Lancashire Board was established 1 June 2011 and held its first meeting in public on 7 July 2011. It has been established as the embodiment of the Boards of the five Lancashire PCTs.

Each of the PCTs within the model contributes to a share of the costs of the clustering arrangements based on the size of each PCTs population as follows:

	Population (Weighted)	%
NHS Blackburn with Darwen Care Trust Plus	171,120	11%
NHS Blackpool	175,163	11%
NHS Central Lancashire	458,874	29%
NHS East Lancashire	408,484	26%
NHS North Lancashire	345,749	22%
Total	1,559,390	100%

Blackburn with Darwen Care Trust Plus - Remuneration Report 2012/13

Name and title	2012-13			2011-12		
	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100) £000	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100) £000
Sir W Taylor - Chair	31-35	0-5	0	6-10	0-5	0
Mr J Slater - CCG Chair Designate	21-25	0-5	0	6-10	0-5	0
Mr G Burgess - Joint Chief Executive (to 31st August 2012)	31-35	0-5	0	96-100	0-5	0
Mr H Catherall - Joint Chief Executive (from 1st September 2012)	36-40	0-5	0	0-5	0-5	0
Dr Chris Clayton - Clinical Commissioning Group Chair from April 2011)	36-40	0-5	0	31-35	0-5	0
Mr M Khan - Non Executive Director	6-10	0-5	0	6-10	0-5	0
Mrs V King - Non Executive Director	6-10	0-5	0	6-10	0-5	0
Mr M Lee - Non Executive Director	6-10	0-5	0	6-10	0-5	0
Mrs D Riley - Non Executive Director	6-10	0-5	0	11-15	0-5	0
Mr P Hinnigan - CCG Lay Member (from 01/10/12)	0-5	0-5	0	0-5	0-5	0
Dr M Ridgway - Medical Director	71-75	0-5	0	46-50	0-5	0
Mrs D Nixon - Director of Commissioning	96-100	0-5	0	31-35	51-55	0
Mr R Parr - Locality Director of Finance	81-85	0-5	0	71-75	0-5	0
Mr D Harrison - Director of Public Health, Engagement & Partnerships	106-110	0-5	0	106-110	0-5	0
Mrs K Lord - Acting Director of Quality, Governance	51-55	0-5	0	66-70	0-5	0
Mrs A Asher - Acting Director of Quality and Governance	41-45	146-150	0	0-5	0-5	0

Benefits in kind included provision of leased cars, and taxable travel expenses. The salary costs shown above

for Mr G Burgess and Mr H Catherall are payments to Blackburn with Darwen Borough Council for their services. The actual salary costs are reported in Blackburn with Darwen Borough Council Statement of Accounts 2012/13.

The Other remuneration against Mrs A Asher relates to a compulsory redundancy package.

Lancashire Cluster – Remuneration Report

Remuneration paid to senior managers - Cluster full costs						
	2012/2013			2011/2012		
	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100) £00	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100) £00
Ms J Soo-Chung - Chief Executive	151-155	0-5	59-60	136-140	0-5	53-54
Mrs S Parnaby - Director of HR, OD and Partnerships	106-110	0-5	51-52	96-100	0-5	53-54
Dr J Gardner - Director of Medicine	121-125	0-5	48-49	106-110	0-5	47-48
Mr G Hardman - Director of Nursing (resigned 20/07/2012)	26-30	0-5	0	61-65	0-5	0
Dr F Atherton - Director of Public Health (resigned 04/05/2012)	16-20	0-5	0	111-115	0-5	0
Mr D Wharfe - Director of Finance	131-135	0-5	34-35	106-110	0-5	44-45
Mr M Maguire - Director of Commissioning Development (resigned 31/08/2012)	51-55	0-5	60-61	86-90	0-5	67-68
Mr G Burgess - Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus (resigned 31/08/2012)	31-35	0-5	0	61-65	0-5	0
Mr H Catherall - Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus (appointed 01/09/2012)	36-40	0-5	0	n/a	n/a	n/a
Ms W Swift - Director of Special Projects (resigned during 2011-12)	0-5	0-5	0	106-110	0-5	46-47
Ms J Higgs - Director of Performance	96-100	0-5	0	16-20	0-5	0
Mr P Kenyon - Cluster Chairman	41-45	0-5	17-18	31-35	0-5	18-19
Mr R Fisher - Cluster Non-Exec	31-35	0-5	0	26-30	0-5	0
Mr W Gormley - Cluster Non-Exec	31-35	0-5	0	21-25	0-5	0
Mr R Huntbach - Cluster Non-Exec	41-45	0-5	0	31-35	0-5	0
Sir W Taylor - Cluster Non-Exec	31-35	0-5	0	26-30	0-5	0
Mr I Cherry - Cluster Non-Exec	31-35	0-5	5-6	0-5	0-5	0

Remuneration paid to senior managers - CTP cluster costs

	2012/2013			2011/2012		
	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100) £00	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100) £00
Ms J Soo-Chung - Chief Executive	16-20	0-5	6-7	11-15	0-5	5-6
Mrs S Parnaby - Director of HR, OD and Partnerships	11-15	0-5	5-6	11-15	0-5	5-6
Dr J Gardner - Director of Medicine	11-15	0-5	5-6	11-15	0-5	5-6
Mr G Hardman - Director of Nursing (resigned 20/07/2012)	1-5	0-5	0	6-10	0-5	0
Dr F Atherton - Director of Public Health (resigned 04/05/2012)	1-5	0-5	0	11-16	0-5	0
Mr D Wharfe - Director of Finance	11-15	0-5	3-4	11-15	0-5	4-5
Mr M Maguire - Director of Commissioning Development (resigned 31/08/2012)	6-10	0-5	6-7	6-10	0-5	7-8
Mr G Burgess - Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus (resigned 31/08/2012)	1-5	0-5	0	6-10	0-5	0
Mr H Catherall - Joint CE - Blackburn with Darwen Borough Council and NHS Care Trust Plus (appointed 01/09/2012)	1-5	0-5	0	n/a	n/a	n/a
Ms W Swift - Director of Special Projects (resigned during 2011-12)	0-5	0-5	0	11-15	0-5	5-6
Ms J Higgs - Director of Performance	11-15	0-5	0	1-5	0-5	0
Mr P Kenyon - Cluster Chairman	1-5	0-5	2-3	1-5	0-5	1-2
Mr R Fisher - Cluster Non-Exec	1-5	0-5	0	1-5	0-5	0
Mr W Gormley - Cluster Non-Exec	1-5	0-5	0	1-5	0-5	0
Mr R Huntbach - Cluster Non-Exec	1-5	0-5	0	1-5	0-5	0
Sir W Taylor - Cluster Non-Exec	1-5	0-5	0	1-5	0-5	0
Mr I Cherry - Cluster Non-Exec	1-5	0-5	0-1	1-5	0-5	0

12. Pensions

Pension Benefits - Blackburn with Darwen Care Trust Plus

Name and title	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2013	Lump sum at age 60 related to accrued pension at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000	£000
Mrs D Nixon (appointed 01/07/2012)	(0-2.5)	(0-2.5)	31-35	96-100	582	546	7	0
Mr R Parr	(0-2.5)	(0-2.5)	21-25	66-70	321	302	4	0
Mr D Harrison	(0-2.5)	12.6-15	0-5	11-15	91	58	30	0
Mrs K Lord	(0-2.5)	(0-2.5)	16-20	51-55	247	231	4	0
Mrs A Asher	0-2.5	5.1-7.5	31-35	96-100	640	557	54	0

Only GP members of the Board/Executive who are directly employed by the PCT should be included in this note.

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

Pension entitlements - Cluster Directors

Name and title	Real increase/ (decrease) in pension at age 60	Real increase/ (decrease) in pension at lump sum age 60	Total accrued pension at age 60 at 31 March 2013	Lump sum at age 60 related to accrued pension at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £2,500) £000	£000	£000	£000	£000
Ms Janet Soo-Chung - Chief Executive	(0-2.5)	(2.5-5)	55-60	165-170	1,064	999	12	nil
Dr Frank Atherton - Director of Public Health (until 4th May 2012)	(0-2.5)	(0-2.5)	35-40	115-120	775	753	(2)	nil
Mrs Sally Parnaby - Director of HR, OD & Partnerships	(0-2.5)	(2.5-5)	45-50	135-140	944	889	8	nil
Dr Jim Gardner - Medical Director	2.5-5	7.5-10	35-40	110-115	663	566	68	nil
Mr Gary Hardman - Director of Nursing (until 20th July)	(0-2.5)	(0-2.5)	30-35	90-95	505	498	(6)	nil
Mr David Wharfe - Director of Finance	(0-2.5)	(2.5-5)	55-60	170-175	1,203	1,137	6	nil
Mr Mike Maguire - Director of Commissioning Development (until 31st August)	(0-2.5)	(0-2.5)	35-40	110-115	648	606	4	nil
Ms Jane Higgs - Director of Performance	5-7.5	17.5-20	20-25	65-70	454	304	135	nil

Note:

The pensions information disclosed above is the total pension entitlements for each Director and has not been split across the five Lancashire PCTs in the NHS Lancashire cluster.

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

As Mr Graham Burgess and Mr Harry Catherall are members of the Local Government Pension Scheme, their superannuation details will appear in the Blackburn with Darwen Borough

Council Statement of Accounts 2012/13 (please refer to www.blackburn.gov.uk).

Pension Entitlements

Value of Pension and related Lump Sum

The value of the related sum is three times the value of the accrued pension for each individual.

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 members' 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 benefit 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 figure, and from 2005/06 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Self-employed GPs who are members of the Professional Executive Committee (PEC) have pension entitlements. However, the proportion of those entitlements that relates to their membership of the PEC is not significant compared to the proportion that relates to their work as practitioners independent of the PCT. It is not, therefore, appropriate to disclose their pension entitlements.

Real increase in CETV

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

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension 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.

The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme (England and

Wales) Resource Account, published annually. These accounts can be viewed on the Business Service Authority – Pensions Division website at www.nhspa.gov.uk

Copies can also be obtained from The Stationary Office.

Fair Pay-Pay Multiples

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

The banded remuneration of the highest paid director in Blackburn with Darwen Care Trust Plus in the financial year 2012-13 was £106k to £110k (2011-12 £106k-£110k). This was 3.9 times (2011-12 3.9 times) the median remuneration of the workforce, which was £28.5k (2010-11 £27.6k).

In 2012-13, no (zero) (2011-12 0 (zero)) employees received remuneration in excess of the highest-paid director.

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

The median remuneration of the workforce is based on the full time equivalent staff of Blackburn with Darwen Care Trust Plus at the 31/1/2013 on an annualised basis.

NHS Lancashire Cluster

From 1 June 2011, Blackburn with Darwen Care Trust Plus became a member of the Lancashire Cluster; NHS Lancashire. As a result of this arrangement, the cost to the PCT of the highest paid Director of the NHS Lancashire Board is £16.5k. This equates to 0.6 times the median remuneration of the workforce for 2012/13.

13. Financial Review 2012/2013

It is pleasing to report that once again Blackburn with Darwen Care Trust Plus has achieved its key financial targets in 2012-13 as follows:

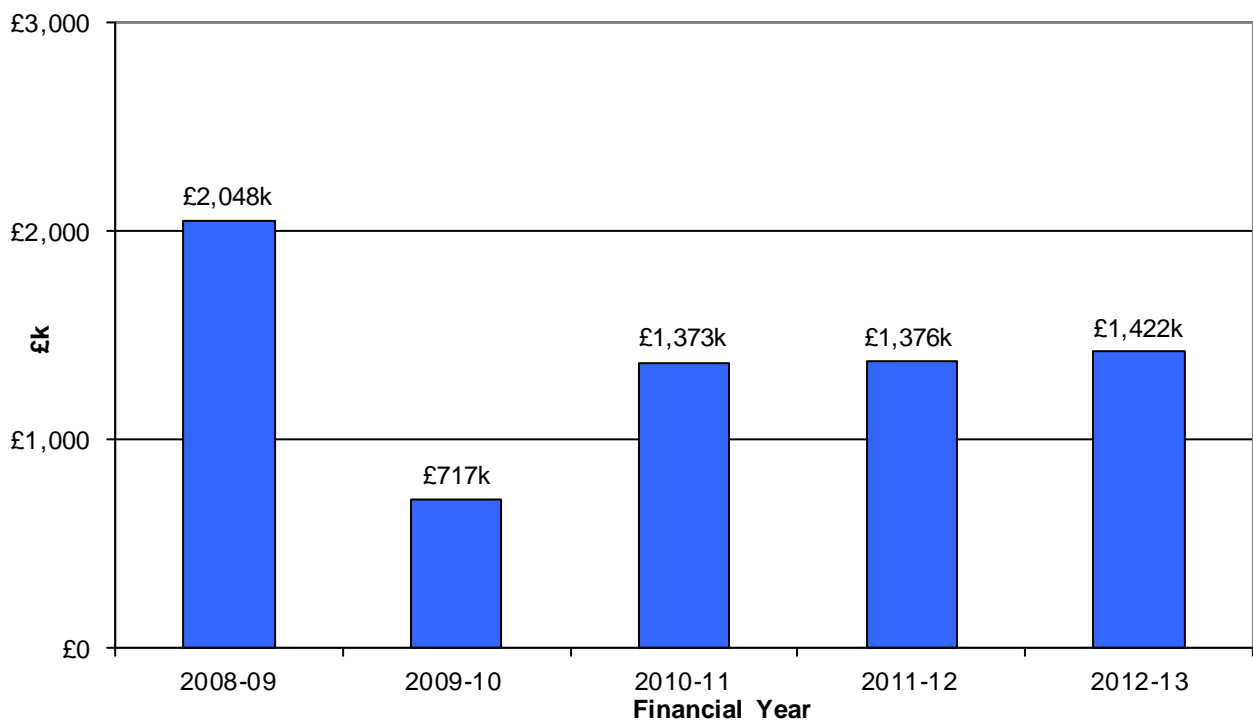
- **To achieve financial balance. The CTP achieved a surplus of £1,422k**
- **To operate within the approved capital resource limit**
- **To operate within the approved cash limit**
- **To pay suppliers in accordance with the public sector payment policy**

The surplus funds are carried forward for local use by Blackburn with Darwen CCG and NHS England in 2013/14 in line with the CTP's strategic plan. The CTP also lodged an additional £2,414k with the North West Strategic Health Authority (NWSHA) which will be made available to the Blackburn with Darwen CCG and NHS England non-recurrently in 2013-14.

The CTP faced another challenging year in 2012-13. A planned cost savings programme of £6,900k was achieved in 2012-13 in addition to the 4% efficiency savings required.

A range of cost savings were successfully managed in-year and the CTP achieved a surplus of £1,422k which was slightly higher than the planned surplus agreed with the NWSHA.

The annual financial operating surplus excluding lodgements achieved in each of the last five years is as shown in the chart below:



In 2012-13 the CTP continued to make a number of joint investments with partner organisations in particular the Refresh campaign, which is a joint initiative with Blackburn with Darwen Borough Council to improve the health and well being of the people of Blackburn with Darwen. The Care Trust Plus continued to invest in improving access to primary care, improving access to appropriate and effective mental health and well being services, and reducing health inequalities and supporting health improvement.

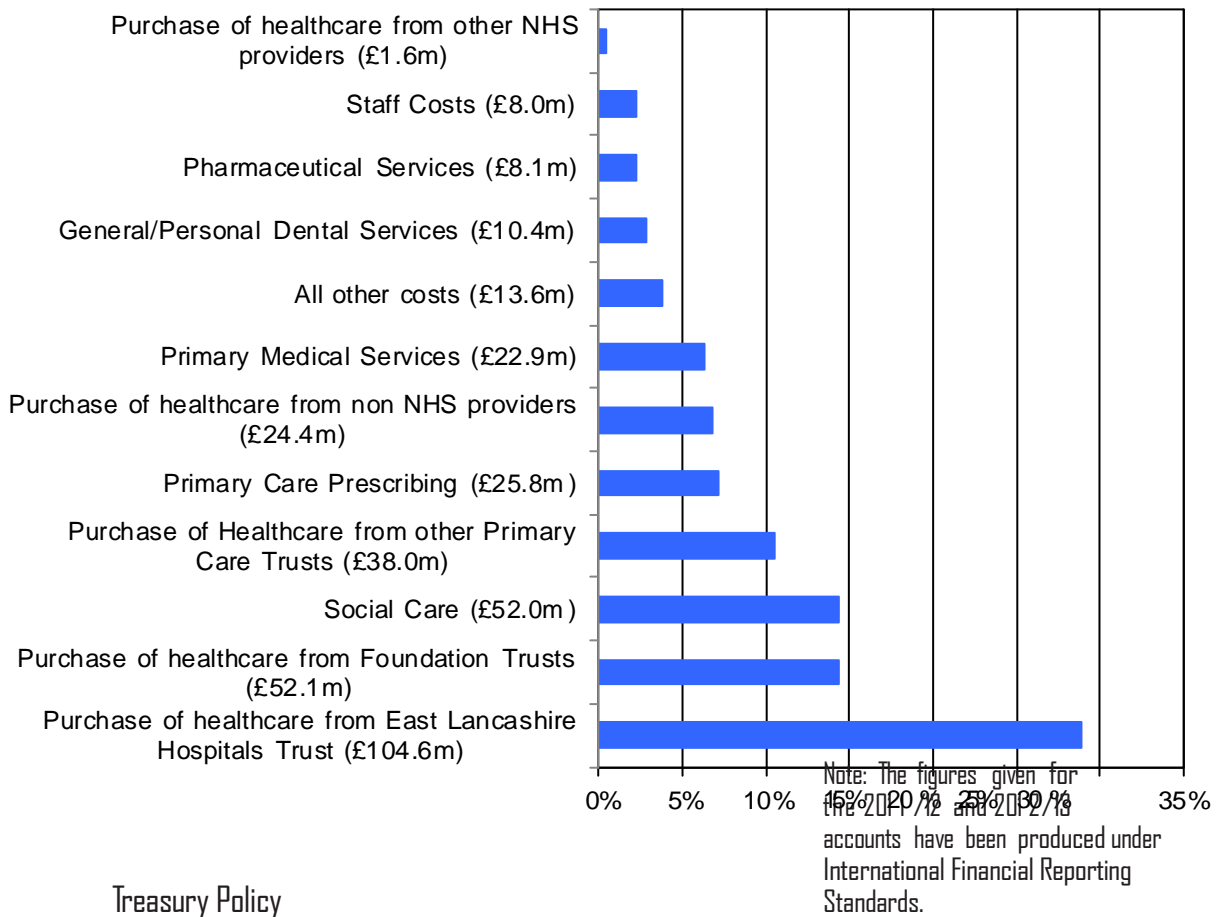
Revenue Resources Available

The main source of funding for the CTP in 2012-13 was Parliamentary Funding from the Department of Health. The CTP is required to operate within limits set for the financial year.

Expenditure

Blackburn with Darwen Care Trust Plus was a purchaser of healthcare during 2012-13 and the CTP's gross annual expenditure was £361.5 million (including social care commissioning). This level of expenditure is equivalent to £2,590 for each resident of Blackburn with Darwen.

Analysis of Gross Operating Costs 2012-13



Treasury Policy

Blackburn with Darwen CTP complies with NHS guidelines on treasury and cash management.

Care Trust Plus Designation

As designated by the Secretary of State under Section 77 of the National Health Service Act 2006, NHS Blackburn with Darwen has operated as a Care Trust Plus from 1st April 2010. Under the arrangements, Blackburn with Darwen Borough Council funded the Care Trust Plus to undertake adult and children social care commissioning activities on a delegated basis. This arrangement has ceased following the changes to the NHS.

Summary of Financial Statements for the period ended on 31st March 2013

The Summary Financial Statements are a summary of the information contained in the CTP's Annual Accounts. The accompanying notes also provide full details of the remuneration of the members of the CTP Board and Executive Committee. For copies of the full accounts, please contact the CTP on tel. 01254 282000

Operating Cost Statement for the period ended on 31st March 2013						
	2012-13			2011-12		
	Commissioning £000	Social Care £000	TOTAL £000	Commissioning £000	Social Care £000	TOTAL £000
Costs						
Gross Operating Costs	309,481	52,030	361,511	302,988	51,975	354,963
less Miscellaneous Income	-9,603	-49,431	-59,034	-11,638	-48,398	-60,036
Finance Costs	2,412	0	2,412	1,463	0	1,463
Interest Received	-151	0	-151	-54	0	-54
Other (Gains)/Losses	0	0	0	-17	0	-17
Net Operating Costs	302,139	2,599	304,738	292,742	3,577	296,319
Resources Available						
Revenue Resource Limit	303,561	2,599	306,160	294,118	3,577	297,695
Approved Expenditure Limit	303,561	2,599	306,160	294,118	3,577	297,695
Operational Financial balance	1,422	0	1,422	1,376	0	1,376

Statement of financial position as at 31st march 2013		
	£002	As at 31st March 2010 £002
Non Current Assets	36,939	39,847
Current Assets	1,765	3,056
Non Current Asset Held for Sale	985	1,050
Less Current Liabilities	-19,083	-20,287
Less Non Current Liabilities	-31,320	-29,313
TOTAL ASSETS EMPLOYED	-10,714	-5,647
General Fund	-14,378	-10,094
Revaluation Reserve	4,078	4,735
Local Government Pension Reserve	-414	-288
TOTAL CAPITAL AND RESERVES	-10,714	-5,647

Statement of cash flows for the period ended 31st march 2012

	2012-13 £000	2011-12 £000
Operating Activities		
Net cash outflow from operating activities	-298,990	-291,352
Interest received	151	54
(Payments)/Receipts to purchase intangible assets	0	0
(Payments)/Receipts to purchase property plant and equipment	-1,213	-2,511
Proceeds from the disposal of asset held for sale	0	160
(Payments)/Receipts to acquire fixed assets investments	0	0
Loans repaid in respect of LIFT	12	12
(Payments)/Receipts from sale of financial instruments	0	0
Net cash outflow before financing	-300,040	-293,637
Financing		
Revenue Funding	300,391	293,997
Net capital receipts	35	-101
Capital element of payment iro finance leases on SOFP -LIFT	-386	-259
Cash transfer from other NHS bodies	n/a	n/a
Net cash inflow from financing	300,040	293,637
Increase/(decrease) in cash	0	0

Note: The figures given for the 2011/12 and 2012/13 accounts have been produced under International Financial Reporting Standards.

Off Payroll Reporting

Blackburn with Darwen Care Trust Plus is required to report about 'off-payroll engagements' as part of the Review of Tax Arrangements of Public Sector Appointees.

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

	Blackburn with Darwen Care Trust Plus
No. In place on 31 January 2012	0
Of which:	
No. that have since come onto the Organisation's payroll	0
Of which:	
No. that have since been re-negotiated/ re-engaged to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
No that have come to an end	0
Total	0

In any cases where contracts have continued, without a successful re-negotiation to take into account the findings of the Review, the department should set out the reasons for this.

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

	Blackburn with Darwen Care Trust Plus
No. of new engagements	1
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	1
Of which:	
No. for whom assurance has been accepted and received	1
No. for whom assurance has been accepted and not received	0
No. that have been terminated as a result of assurance not being received	0
Total	1

In any case where, exceptionally, the department has engaged without including contractual clauses allowing the department to seek assurance as to their tax obligations – or where assurance has been requested and not received, without a contract termination – the department should set out the reasons for this.

Exit Packages agreed during 2012-13

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
Less than £10,000	3	6	9	0	0	0
£10,001-£25,000	0	8	8	0	2	2
£25,001-£50,000	1	6	7	0	2	2
£50,001-£100,000	0	8	8	0	3	3
£100,001 - £150,000	2	0	2	0	0	0
£150,001 - £200,000	1	0	1	1	0	1
>£200,000	0	0	0	1	0	1
Total number of exit packages by type (total cost)	7	28	35	2	7	9

	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	481	860	1,341	416	332	748

This note provides an analysis of Exit Packages agreed during the year. Compulsory redundancies have been paid in accordance with the provisions in the NHS Agenda for Change Terms and Conditions and the Local Government Terms and Conditions. Other departure costs have been paid in accordance with the provisions of the NHS Lancashire Voluntary Redundancy scheme.

CTP Running Costs			
2012/13	Commissioned Services	Public Health	Total
Running Cost (£000)	9,433	1,005	10,438
Weighted Population	171,120	171,120	171,120
Running cost per weighted head of population	£55.13	£5.87	£61.00
2011/12			
Running Cost (£000)	9,396	1,219	10,615
Weighted Population	171,120	171,120	171,120
Running cost per weighted head of population	£54.91	£7.12	£62.03

Better Payment Practice Code - Measure Of Compliance				
Non NHS Payables	2012/13		2011/12	
	Number	£000	Number	£000
Total Non NHS Trade Invoices Paid in the Year	7811	36,381	7,243	32,684
Total Non NHS Trade Invoices Paid within Target	7,488	35,164	7,020	32,201
Percentage bills paid within target				
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,637	204,508	2,685	193,526
Total NHS Trade Invoices Paid within Target	2,574	204,303	2,629	193,098
Percentage bills paid within target	97.61%	99.90%	97.91%	99.78%

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

The CTP is please to report that it has paid over 95% of its invoices within 30 days. The CTP has also signed up to the Prompt Payment Code.

External Auditors

THE CTPs External Auditors for 2012/13 were Grant Thornton and their services for the year cost £79k. In addition £10k was paid to previous auditors, The Audit Commission, in respect of work on Payment by Results and further assurance work.

	£000
Financial Statements	79
Further Assurance Work	10

Staff Sickness absence		
	2012-13 Number	2011-12 Number
Total Days Lost	1,798	3,047
Total Staff Years	209	405
Average Working Days Lost	8.60	7.52

Further Financial Information

The financial information contained in the Annual Report is only a summary. A full set of accounts is available on request from:

Janet Jenkins

NHS England - Lancashire Area

2nd Floor, Preston Business Centre

Watling Street Road

Fulwood

Preston PR2

8DY

e-mail: Janet.Jenkins@nhs.net

Change of NHS Structure

11.1 Introduction

As part of the changes to the NHS brought about by the Health and Social Care Act 2012, NHS Lancashire and

NHS Blackburn with Darwen CTP ceased to exist on 31 March 2013. This Act also established Clinical Commissioning Groups and the National Commissioning Board from the 1st April as the main commissioners of acute and community care. NHS Blackburn with Darwen CTP responsibility for commissioning these services has been taken over by the following NHS Blackburn with Darwen CCG. In addition the primary care commissioning responsibility has been taken over by the NHS England Area Team (Lancashire) and Public Health commissioning by the local authority.

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

11.2 Audit Committee

NHS Lancashire has set up its Audit Sub-Committee in compliance with the terms of reference received from the Department of Health, with the remit to review the annual report, financial statements and governance statement of the five NHS Lancashire Cluster PCTs prior to signing by the Accountable Officer and Director of Finance.

11.3 Accountable Officer

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

11.4 Balance Transfer Arrangements

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

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

11.5 Transfer Schemes


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

Statement of the responsibilities of the signing officer of the care trust plus

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: RICHARD JONES

Date.....6th June 2013

Independent auditor's report to the department of health's accounting officer in respect of Blackburn with Darwen Care Trust Plus

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Operating Cost Statement, the Statement of Financial Position and the Statement of Cash Flows.

This report is made solely to the Department of Health's accounting officer in respect of Blackburn with Darwen Care Trust Plus 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 and auditor

The signing officer is responsible for preparing the Annual Report.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

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

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of Blackburn with Darwen Care Trust Plus for the year ended 31 March 2013.

Grant Thornton UK LLP

4 Hardman Square

Spinningfields Manchester

M3 3EB

7 June 2013



Department
of Health



Blackburn with Darwen Teaching Care Trust Plus

2012-13 Accounts

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Blackburn with Darwen Primary Care Trust

2012-13 Accounts

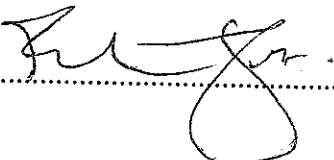
2012-13 Annual Accounts of Blackburn with Darwen Care Trust Plus

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

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: Richard Jones

Date 6th June 2013

2012-13 Annual Accounts of Blackburn with Darwen Care Trust Plus


STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

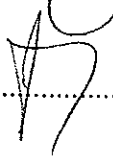
Primary Care Trusts as NHS bodies are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the care trust plus and the 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 CTP kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the care trust plus 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.

6th June 2013 Date..........Designated Signing Officer

| 6th June 2013 Date..........Finance Signing Officer

DRAFT ANNUAL GOVERNANCE STATEMENT 2012/13

NHS Blackburn with Darwen Care Trust Plus (Organisational Code TAP)

1. Scope of Responsibility

1.1 The Board is accountable for internal control; as Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Lancashire PCTs' organisational 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.

1.2 To enable me to discharge this responsibility, there are reporting structures and processes in operation, through which NHS Blackburn with Darwen (BwD) Care Trust Plus (CTP) has worked within, as part of the NHS Lancashire organisation overseen by the Strategic Health Authority (NHS North West), and in partnership with local NHS and Independent Sector providers and commissioners, local social care economy and other key partner organisations.

2. The Governance Framework of the organisation

2.1 From 1st April 2012 until 31st March 2013, the role of Accountable Officer was undertaken by the Chief Executive of NHS Lancashire. The NHS Lancashire Board has met on a bi-monthly basis, supported by a range of committees, each providing assurance to the Cluster Board. Those committees are:

- **NHS Lancashire Audit Committee:** Chaired by Ian Cherry, Cluster Audit Lead and Non-Executive Director for Central Lancashire has operated throughout the year overseeing the internal controls and risk management systems across the cluster.
- **NHS Lancashire Health and Safety Committee:** Chaired jointly by the Director of Partnerships and Corporate Affairs and a Union/Staff Side Health and Safety Representative, and has met on a quarterly basis throughout the year.
- **NHS Lancashire Executive:** Although not a formal committee, the cluster executive team played a key role in providing leadership and assurance to the NHS Lancashire Board.

2.2 Delegated governance arrangements from NHS Lancashire Board were conferred to each of the eight Lancashire Clinical Commissioning Groups (CCGs) including NHS BwD CCG, which operate as sub-committees of the NHS Lancashire board.

2.3 To support the delegation of authority to the CCG (in shadow form), the following committees were formed with clear terms of reference:-

- CCG Board (which is a sub-committee of the Cluster Board)
- Quality, Performance and Effectiveness Committee
- Locality Assurance Group
- Remuneration and Terms of Service Committee
- Contracting and Procurement Committee

- Commissioning Business Group

2.3 The Chair (designate) and the Managing Director/Chief Operating Officer (designate) of the CCG are both members of the NHS Lancashire Board and the CTP.

2.4 During the reporting period arrangements were in place to enable the CTP to discharge its statutory functions, and these were checked for irregularities, and were legally compliant. In addition, robust performance management processes were in place with clear lines of accountability for the CTP and SHA through well-established formal arrangements. The CTP/CCG is an active member of the NHS Lancashire Cluster Patient Safety Group, the NHS Lancashire Cluster Risk Management Group and the NHS Lancashire Health and Safety Committee whose functions are to share knowledge of risks and lessons learnt and to ultimately manage the transfer of these responsibilities into the appropriate receiving organisation(s).

2.5 The Board has carried out its duties effectively during this reporting period; this is demonstrated through the successful authorisation of the CCG with **no conditions**.

2.6 A Transitional Risk Register is in place to capture the risks relating to the closedown and transfer of functions to receiver organisations which provides further assurance of the risk management framework within the CTP. This includes the co-ordination of key pieces of work relating to the risks around the transfer of functions and staff to provide assurance that the organisation has the mechanisms in place to identify those risks, and ensure necessary mitigating actions are taken. The organisation has a process in place to ensure the safe handover of "legacy documents" to ensure key information and organisational memory is retained or appropriately transferred. Additionally, risks will be discussed verbally during the sender/receiver meetings, and the mandatory Department of Health (DoH) submissions will include high level risks relating to corporate risks, which also form part of the legacy documentation.

3. Risk Assessment

3.1 At the time of the production of the Annual Governance Statement (4 March 2013), there are 16 risks on the CTP's Corporate Risk Register (CRR).

3.2 During 2012/13, 13 new risks were identified, assessed and deemed appropriate for inclusion on the CRR, 8 of those risks have already been closed following completion of the mitigating actions.

3.3 During the reporting period, the CTP had one significant Information Governance breach which resulted in the Information Commissioner's Office (ICO) being informed. After investigation the ICO reported that no further action would be taken against the CTP as sufficient plans were put in place to prevent such a recurrence in future.

4. The Risk and Control Framework

4.1 Risk Management is managed at three main tiers within the organisation:

- CTP Board level via the Board Assurance Framework;

- Corporate Risk Register and;
- Operationally via the maintenance of Departmental Risk Registers

4.2 All three tiers are linked and provide a consistent and accurate picture of the organisational risks and threats to performance for the organisation.

4.3 The risk management process is built on a cycle of identification, assessment, control and monitoring actions to reduce the risk to an acceptable level. Every individual staff member has the right to identify any potential or actual risk for service users, staff and the organisation. In addition, all managers are expected to support staff in carrying out the risk assessment and to develop action plans.

4.4 All staff members are required to complete an annual "Risky Business" workbook which covers aspects of risk management that are relevant to every employee. It is designed to ensure staff have the capabilities and knowledge of basic risk management principles, including fraud, and foreseeing potential risks.

4.5 In all instances where a risk is not to be tolerated at the current level, an action plan is drawn up to set out the steps to be taken to manage that risk, with a nominated responsible person and a deadline for completion of each action.

5. Review of the effectiveness of risk management and internal control

5.1 In January 2013 a review of the organisation's risk management systems and processes, and the Assurance Framework, was undertaken by Audit North West (ANW). The objectives of the review of the assurance framework were to identify whether an assurance framework had been established which was designed and operating to meet the requirements of the annual governance statement, and provided reasonable assurance that there was an effective system of internal control to manage the principal risks identified by the organisation.

5.2 The audit review concluded that key controls had been adequately designed and were operating effectively to deliver the key objectives of the system, function or process. As a result, **high assurance** was given that the Assurance Framework was designed to meet the organisation's objectives and controls were consistently applied at the time of the audit.

5.3 The overall objective of the risk management review was to ensure that arrangements for capturing risks, and maintaining and updating risk registers was robust and provided a clear audit trail. This review assessed whether the organisation had a clearly defined and documented strategy in place for managing risks, defined board level responsibility and a committee structure that supported the risk management accountability arrangements within the organisation. Additionally evidence that risk management was embedded throughout the organisation was sought, including the provision of training for staff at all levels.

5.4 The review concluded that key controls had been adequately designed and were operating effectively to deliver the key objectives of the system, function or process. As a result, **high assurance** was given that the system of control is designed to meet the organisation's objectives and controls are consistently applied at the time of the audit.

5.5 The CTP's Risk Register and Assurance Framework continue to be monitored and updated in line with the Risk Management Strategy and Policy supporting the CTP's systems of internal control through the transition period of organisational change until such time as the organisation ceases to be legally accountable.

5.6 The CTP has implemented robust procedures for its key financial systems which have been reviewed as appropriate in line with the annual audit plan and reviewed and reported to the Audit Committee.

6. Significant Issues

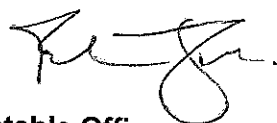
6.1 On the 3 December 2012, the CTP was required to notify the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) Regulations 1995. This was in respect of an "accidental release or escape of substances liable to cause harm" (asbestos), this was caused by extensive water penetration into the building, which resulted in extensive flooding to the central stairwell of the CTP's headquarters. A risk assessment was undertaken on the fitness of the building, particularly in respect of staff continuing to work there. It was deemed necessary to relocate staff occupying the first and second floor of the building and the CTPs Business Continuity Plans were successfully put into action. A number of staff were re-located to alternative sites, with only a skeleton staff operating from the headquarters.

7. Conclusion

7.1 As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways outlined above. The Head of Internal Audit Opinion has also provided "significant assurance" that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

7.2 Whilst acknowledging the information governance breach outlined in section 3, my review confirms that NHS Blackburn with Darwen has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Signed:



Accountable Officer

6/6/13

On behalf of NHS Lancashire



INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF BLACKBURN with DARWEN CARE TRUST PLUS

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

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

- the table of salaries and allowances of senior managers and related narrative notes on pages 17-19;
- the table of pension benefits of senior managers and related narrative notes on pages 20-21; and
- the table of pay multiples and related narrative notes on page 23.

This report is made solely to the Department of Health's accounting officer in respect of Blackburn with Darwen Care Trust Plus 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 Blackburn with Darwen Care Trust Plus 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 arrangements for the demising Care Trust Plus.

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 Blackburn with Darwen Care Trust Plus in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Karen Murray

Karen Murray
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

7 June 2013

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

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	8,051	11,292
Other costs	5.1	353,460	343,645
Income	4	(59,034)	(60,010)
Net operating costs before interest		302,477	294,927
Investment income	9	(151)	(54)
Other (Gains)/Losses	10	0	(17)
Finance costs	11	2,412	1,463
Net operating costs for the financial year		304,738	296,319
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		304,738	296,319
Of which:			
Administration Costs			
Gross employee benefits	7.1	6,954	8,498
Other costs	5.1	6,207	6,146
Income	4	(2,725)	(3,970)
Net administration costs before interest		10,436	10,674
Investment income	9	0	(54)
Other (Gains)/Losses	10	0	(17)
Finance costs	11	0	1
Net administration costs for the financial year		10,436	10,604
Programme Expenditure			
Gross employee benefits	7.1	1,097	2,794
Other costs	5.1	347,253	337,499
Income	4	(56,309)	(56,040)
Net programme expenditure before interest		292,041	284,253
Investment income	9	(151)	0
Other (Gains)/Losses	10	0	0
Finance costs	11	2,412	1,462
Net programme expenditure for the financial year		294,302	285,715
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		594	55
Net (gain) on revaluation of property, plant & equipment		0	(838)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		20	20
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		106	(32)
Reclassification Adjustments			
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive net expenditure for the year*		305,458	295,524

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 5 to 45 form part of this account.

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	12	36,085	38,965
Intangible assets	13	28	43
investment property	15	0	0
Other financial assets	21	826	839
Trade and other receivables	19	0	0
Total non-current assets		<u>36,939</u>	<u>39,847</u>
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	1,765	3,056
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	0	0
Total current assets		<u>1,765</u>	<u>3,056</u>
Non-current assets held for sale	24	985	1,050
Total current assets		<u>2,750</u>	<u>4,106</u>
Total assets		<u>39,689</u>	<u>43,953</u>
Current liabilities			
Trade and other payables	25	(17,137)	(18,426)
Other liabilities	26,28	0	0
Provisions	32	(1,452)	(1,476)
Borrowings	27	(494)	(385)
Other financial liabilities	36.2	0	0
Total current liabilities		<u>(19,083)</u>	<u>(20,287)</u>
Non-current assets plus/less net current assets/liabilities		<u>20,606</u>	<u>23,666</u>
Non-current liabilities			
Trade and other payables	25	(414)	(288)
Other Liabilities	28	0	0
Provisions	32	(2,450)	(74)
Borrowings	27	(28,456)	(28,951)
Other financial liabilities	36.2	0	0
Total non-current liabilities		<u>(31,320)</u>	<u>(29,313)</u>
Total Assets Employed:		<u>(10,714)</u>	<u>(5,647)</u>
Financed by taxpayers' equity:			
General fund		(14,378)	(10,094)
Revaluation reserve		4,078	4,735
Other reserves		(414)	(288)
Total taxpayers' equity:		<u>(10,714)</u>	<u>(5,647)</u>

The notes on pages 5 to 45 form part of this account.

The financial statements on pages 1 to 4 were approved by the Board on 6th June 2013 and signed on its behalf by

Signing Officer

Date: **6th June 2013**

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(10,094)	4,735	(288)	(5,647)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(304,738)			(304,738)
Net gain on revaluation of property, plant, equipment		0		0
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		(594)		(594)
Movements in other reserves			(20)	(20)
Transfers between reserves*	63	(63)		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		(106)	(106)
Total recognised income and expense for 2012-13	(304,675)	(657)	(126)	(305,458)
Net Parliamentary funding	300,391			300,391
Balance at 31 March 2013	(14,378)	4,078	(414)	(10,714)
Balance at 1 April 2011	(7,969)	4093	(235)	(4,111)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(296,319)	0	0	(296,319)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	838	0	838
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0	0
Net Gain / (loss) on Revaluation of Financial Assets	0	0	0	0
Net Gain / (loss) on Assets Held for Sale	0	0	0	0
Impairments and Reversals	0	0	0	0
Movements in other reserves	0	0	(20)	(20)
Transfers between reserves*	196	(196)	0	0
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification Adjustments	0	0	0	0
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	1		(33)	(32)
Total recognised income and expense for 2011-12	(296,122)	642	(53)	(295,533)
Net Parliamentary funding	293,997			293,997
Balance at 31 March 2012	(10,094)	4,735	(288)	(5,647)

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

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		(302,477)	(294,927)
Depreciation and Amortisation		1,197	789
Impairments and Reversals		2,134	4,910
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		(2,412)	(1,462)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	21
(Increase)/Decrease in Trade and Other Receivables		1,255	(390)
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(1,032)	(976)
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(1,148)	(178)
Increase/(Decrease) in Provisions		3,493	861
Net Cash Inflow/(Outflow) from Operating Activities		(298,990)	(291,352)
Cash flows from investing activities			
Interest Received		151	54
(Payments) for Property, Plant and Equipment		(1,213)	(2,511)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		0	160
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		12	12
Rental Revenue		0	0
Net Cash Inflow/(Outflow) from Investing Activities		(1,050)	(2,285)
Net cash inflow/(outflow) before financing		(300,040)	(293,637)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(386)	(259)
Net Parliamentary Funding		300,391	293,997
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		35	(101)
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
Net Cash Inflow/(Outflow) from Financing Activities		300,040	293,637
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		0	0
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		0	0

1. Accounting policies

The Secretary of State for Health has directed that the financial statements of Care Trust Plus (CTP) 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 CTP for the purpose of giving a true and fair view has been selected. The particular policies adopted by the CTP are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The CTP 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 CTP exercises in-year budgetary control over the other entity.

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

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

The CTP has two LIFT schemes in operation that have been accounted for on the Statement of Financial Position in accordance with Department of Health guidance. The CTP's accounting policy is detailed in note 1.27 and full disclosure is made in note 27. The CTP has relied on the critical judgement of the District Valuer in providing the residual value of the LIFT properties at the end of the lease.

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

Indexation

A full revaluation of the CTP's assets was carried out by the District Valuers as at 1st April 2009 in accordance with note 1.7. During 2012-2013, the CTP has relied on the critical judgement of the District Valuer and the Building Cost Information Services (BCIS) indices in calculating adjustments to asset values up to 31st March 2013.

Provisions

As detailed in note 1.25, the CTP provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. In 2012-13 the CTP has provided for the estimated cost of Continuing Healthcare claims. The CTP has adopted a reasonable approach in arriving at these estimates, based on the best knowledge available at the time. However, there is a degree of uncertainty about these numbers, and therefore the level of risk associated with them. Further information is provided in note 32.

Accruals

The accounts are prepared on an accruals basis whereby revenue and expenditure are recognised when they are incurred, regardless of when the actual cash is received or paid. An element of estimation can therefore be necessary when calculating accruals. The material areas of estimation are primarily in relation to prescribing, secondary, tertiary and independent sector activity information.

1. Accounting policies (continued)

Exit Packages 2012-13

As part of the NHS reorganisation, in 2012/13 Blackburn with Darwen Care Trust Plus has agreed a number of exit packages with staff on a voluntary and compulsory basis. The cost of exit packages are reported in Note 7.4. A provision for redundancy costs of £950,000 was reflected in the 2011/12 Accounts. Additional costs incurred over this provision have been reported as expenditure in the 2012/13 Accounts. The CTP has been advised by the Department of Health to report the costs shown only reflect the costs administered through the payroll of Blackburn with Darwen Care Trust Plus. The redundancy costs reported do not therefore include the Care Trust Plus share of cluster redundancy costs. The costs for these staff are reported in each individual PCTs Accounts.

Going Concern

As a consequence of the Health and Social Care Act 2012, Blackburn with Darwen Care Trust Plus will be dissolved on 31 March 2013. Its functions will be transferred to various new or existing public sector entities.

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

As a result, Blackburn with Darwen Care Trust Plus have prepared these financial statements on a going concern basis.

1.2 Revenue and Funding

The main source of funding for the Care Trust Plus (CTP) is allocations (Parliamentary Funding) from the Department of Health within an approved cash limit, which is credited to the General Fund of the CTP. 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 Care Trust Plus. It principally comprises fees and charges for services provided on a full cost basis to external customers, as well as public repayment work. It includes both income appropriated-in-aid of the Vote and income to the Consolidated Fund which HM Treasury has agreed should be treated as operating income.

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

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

1.3 Care Trust Designation

From 1st April 2010, Blackburn with Darwen Care Trust Plus is a Primary Care Trust that is designated by the Secretary of State under section 77 of the Health and Social Care Act 2006 as a Care Trust Plus because of its joint activities with Blackburn with Darwen Borough Council. Under the arrangements Blackburn with Darwen Borough Council funds the CTP to undertake adult social care commissioning activities on a delegated basis. The CTP accounts for the income from Blackburn with Darwen Borough Council and the related expenditure.

1.4 NHS Lancashire Cluster

From 1 June 2011 NHS Blackburn with Darwen became part of NHS Lancashire Cluster.

In response to a national decision to 'cluster' PCTs together the Boards of NHS Blackpool, NHS Blackburn with Darwen Care Trust Plus, NHS Central Lancashire, NHS East Lancashire and NHS North Lancashire approved proposals to implement a PCT Cluster governance model consisting of

- A single board meeting, transacting as far as is practicable, the business of all of the constituent statutory organisations
- A single Executive Team led by a single Chief Executive who is the Accountable Officer
- A single Chair and team of NEDs for all five organisations

NHS Lancashire Board was established 1 June 2011. It has been established as the embodiment of the Boards of the five Lancashire PCTs.

Each of the PCTs within the model contributes to a share of the costs of the clustering arrangements based on the size of each PCTs population.

1.5 Taxation

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

1.6 Administration and Programme Costs

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

From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme"

For PCTs, the Department has defined "admin and programme" in terms of running costs.

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

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

1. Accounting policies (continued)

1.7 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.8 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the CTP'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 CTP; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

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

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

Measurement

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

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

1.9 Depreciation, amortisation and impairments

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

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the CTP expects to obtain economic benefits or service potential from the asset. This is specific to the CTP 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 CTP checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

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

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

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

1. Accounting policies (continued)

1.10 Donated assets

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

1.11 Government grants

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

1.12 Non-current assets held for sale

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

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

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

1.13 Inventories

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

1.14 Cash and cash equivalents

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

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

1.15 Losses and Special Payments

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

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

1.16 Clinical Negligence Costs

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

The NHSLA operates a risk pooling scheme under which the CTP 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 CTP is disclosed at Note 32.

1. Accounting policies (continued)

1.17 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. In 2012-13, the cost of annual leave earned but not taken has not been recognised as employees were advised to take all annual leave in 2012/13 due to the demise of the CTP at 31 March 2013 and are not expected to carry forward any leave to the receiving organisations.

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 CTP commits itself to the retirement, regardless of the method of payment.

Some employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the CTP's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs. Actuarial gains and losses during the year are recognised in the pensions reserve and reported on the Statement of Changes in Taxpayers' Equity.

1.18 Research and Development

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

1.19 Other expenses

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

1.20 Grant making

Under section 256 of the National Health Service Act 2006, the CTP 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 CTP has a present legal or constructive obligation which occurs when all of the conditions attached to the payment have been met.

1.21 EU Emissions Trading Scheme

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

1. Accounting policies (continued)

1.22 Contingencies

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

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

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

1.23 Leases

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

The CTP 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 CTP'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 CTP as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the CTP'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 CTP's net investment outstanding in respect of the leases.

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

1.24 Foreign exchange

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

1.25 Provisions

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

1. Accounting policies (continued)

1.26 Financial Instruments

Financial assets

Financial assets are recognised when the CTP 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. [Disclose how fair value is determined]

Held to maturity investments

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

Available for sale financial assets

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

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss

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

Other financial liabilities

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

1.27 Private Finance Initiative (PFI) and NHS LIFT transactions

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

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

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

a) Services received

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

b) LIFT assets, liabilities, and finance costs

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

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

1. Accounting policies (continued)

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

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

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

c) Lifecycle replacement

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

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

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

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

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

Other assets contributed by the CTP to the operator

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

1. Accounting policies (continued)

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

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

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

2 Operating segments

Blackburn with Darwen care Trust Plus (CTP) has operating segments as defined by IFRS 8 comprising of a Commissioning and Social care Commissioning.

	Commissioner		Social Care		Total	
	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000
Expenditure	309,481	302,988	52,030	51,975	361,511	354,963
Income	(9,603)	(11,638)	(49,431)	(48,398)	(59,034)	(60,036)
Net Operating Costs Before Interest	299,878	291,350	2,599	3,577	302,477	294,927
Finance Costs	2,412	1,463	0	0	2,412	1,463
Investment Income	(151)	(54)	0	0	(151)	(54)
Other (Gains)/Losses	0	(17)	0	0	0	(17)
Net Operating Costs After Interest	302,139	292,742	2,599	3,577	304,738	296,319
Resource Funding	303,561	294,118	2,599	3,577	306,160	297,695
Operating Surplus/(Deficit)	1,422	1,376	0	0	1,422	1,376

The segment expenditure include items which are directly attributable to the segment as well as overhead costs which are allocated on a reasonable basis.

The CTP has incurred significant expenditure with two suppliers - East Lancashire Hospitals NHS Trust and Lancashire Care NHS Foundation Trust. Significant expenditure is defined as expenditure with one external supplier that amounts to 10% or more of the total expenditure. This expenditure is included within the commissioning segment and, during 2012-13, amounted to:

East Lancashire Hospital Trust	£104,633,000
Lancashire Care NHS Foundation Trust	£40,181,000

As per IFRS 8, net assets are reported as a whole and not by segment. Total net assets are shown on the Statement of Financial Position with details provided within the corresponding notes to the accounts.

3. Financial Performance Targets

3.1 Revenue Resource Limit

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

	2012-13 £000	2011-12 £000
Total Net Operating Cost for the Financial Year	304,738	296,319
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>306,160</u>	<u>297,695</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>1,422</u>	<u>1,376</u>

3.2 Capital Resource Limit

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

	2012-13 £000	2011-12 £000
Capital Resource Limit	955	23,688
Charge to Capital Resource Limit	953	23,686
(Over)/Underspend Against CRL	<u>2</u>	<u>2</u>

3.3 Provider full cost recovery duty

Under the Transforming Community Services (TCS) initiative, Lancashire Care NHS Foundation Trust took over the provider services function of the Care Trust Plus during 2011-12. Under merger accounting rules, Blackburn with Darwen Care Trust Plus is therefore not required to complete this note in the 2011-12 Accounts.

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	300,391	293,997
Cash Limit	<u>300,391</u>	<u>293,997</u>
Under/(Over)spend Against Cash Limit	<u>0</u>	<u>0</u>

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

	2012-13 £000	2011-12 £000
Total cash received from DH (Gross)	259,319	252,076
Less: Trade Income from DH	0	0
Less/(Plus): movement in DH working balances	0	0
Sub total: net advances	<u>259,319</u>	<u>252,076</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	8,166	8,226
Plus: drugs reimbursement (central charge to cash limits)	32,906	33,695
Parliamentary funding credited to General Fund	<u>300,391</u>	<u>293,997</u>

4 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	1,383	1	1,382	2,103
Dental Charge income from Contractor-Led GDS & PDS	1,248	0	1,248	1,256
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	1,744	0	1,744	1,670
Strategic Health Authorities	245	1	244	229
NHS Trusts	84	66	18	579
NHS Foundation Trusts	1,411	97	1,314	1,630
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	2,161	1,726	435	2,360
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	2
Recoveries in respect of employee benefits	0	0	0	0
Local Authorities	50,229	720	49,509	49,466
Patient Transport Services	0	0	0	0
Education, Training and Research	272	33	239	349
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	62	0	62	26
Other revenue	195	81	114	340
Total miscellaneous revenue	59,034	2,725	56,309	60,010

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13	2012-13	2012-13	2011-12
	Total	Admin	Programme	Total
	£000	£000	£000	£000
Goods and Services from Other PCTs				
Healthcare	36,855	0	36,855	33,800
Non-Healthcare	1,228	1,106	122	820
Total	38,083	1,106	36,977	34,620
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	106,239	77	106,162	104,797
Goods and services (other, excl Trusts, FT and PCT))	0	0	0	635
Total	106,239	77	106,162	105,432
Goods and Services from Foundation Trusts	52,184	851	51,333	50,027
Purchase of Healthcare from Non-NHS bodies	24,485	0	24,485	17,297
Social Care from Independent Providers	37,922	0	37,922	37,856
Expenditure on Drugs Action Teams	378	0	378	369
Non-GMS Services from GPs	0	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	9,294	0	9,294	9,688
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	1,201	0	1,201	1,055
Chair, Non-executive Directors & PEC remuneration	109	109	0	98
Executive committee members costs	369	363	6	382
Consultancy Services	199	199	0	139
Prescribing Costs	25,826	0	25,826	27,410
G/PMS, APMS and PCTMS (excluding employee benefits)	22,980	93	22,887	22,857
Pharmaceutical Services	0	0	0	0
Local Pharmaceutical Services Pilots	0	0	0	0
New Pharmacy Contract	8,090	0	8,090	7,783
General Ophthalmic Services	2,113	0	2,113	2,121
Supplies and Services - Clinical	656	0	656	749
Supplies and Services - General	30	14	16	48
Establishment	885	773	112	557
Transport	5	5	0	21
Premises	2,921	1,395	1,526	2,399
Impairments & Reversals of Property, plant and equipment	2,069	0	2,069	5,060
Impairments and Reversals of non-current assets held for sale	65	0	65	(150)
Depreciation	1,182	0	1,182	780
Amortisation	15	0	15	9
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	(552)	(552)	0	826
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	74	74	0	157
Other Auditors Remuneration	0	0	0	80
Clinical Negligence Costs	0	0	0	0
Education and Training	55	22	33	104
Grants for capital purposes	81	0	81	69
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	0	0	0	0
Other	16,502	1,678	14,824	15,802
Total Operating costs charged to Statement of Comprehensive Net Expenditure	353,460	6,207	347,253	343,645

Note: In relation to other costs, £13.3m relates to Care Trust Plus Social Care Commissioned Services with Blackburn with Darwen Borough Council

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	341	341	0	484
Other Employee Benefits	7,710	6,614	1,096	10,808
Total Employee Benefits charged to SOCNE	8,051	6,955	1,096	11,292
Total Operating Costs	361,511	13,162	348,349	354,937

Analysis of grants reported in total operating costs

For capital purposes				
Grants to fund Capital Projects - GMS	15	0	15	25
Grants to Local Authorities to Fund Capital Projects	0	0	0	0
Grants to Private Sector to Fund Capital Projects	0	0	0	0
Grants to Fund Capital Projects - Dental	66	0	66	44
Grants to Fund Capital Projects - Other	0	0	0	0
Total Capital Grants	81	0	81	69
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	81	0	81	69

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	10,438	9,433	1,005
Weighted population (number in units)*	171,120	171,120	171,120
Running costs per head of population (£ per head)	61.00	55.13	5.87
PCT Running Costs 2011-12			
Running costs (£000s)	10,615	9,396	1,219
Weighted population (number in units)	171,120	171,120	171,120
Running costs per head of population (£ per head)	62.03	54.91	7.12

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

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

5.2 Analysis of operating expenditure by expenditure classification

	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	22,980	22,857
Prescribing costs	25,826	27,410
Contractor led GDS & PDS	9,294	9,688
Trust led GDS & PDS	1,201	1,055
General Ophthalmic Services	2,113	2,121
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	8,090	7,783
Non-GMS Services from GPs	0	0
Other	0	0
Total Primary Healthcare purchased	69,504	70,914
Purchase of Secondary Healthcare		
Learning Difficulties	3,006	2,300
Mental Illness	28,844	26,949
Maternity	7,790	8,390
General and Acute	122,482	119,522
Accident and emergency	5,635	5,184
Community Health Services	51,530	42,913
Other Contractual	36	1,233
Total Secondary Healthcare Purchased	219,323	206,491
Grant Funding		
Grants for capital purposes	81	69
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	288,908	277,474
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	37,922	37,856
Healthcare from NHS FTs included above	51,333	49,443

Under the Transforming Community Services (TCS) initiative, Lancashire Care NHS Foundation Trust took over the provider services function of the Care Trust Plus from 1st June 2011. The total recurrent revenue funding transferred for 2011/12 was £19.4m. No current or non current assets or liabilities were transferred during 2011/12. Under merger accounting rules, the Care Trust Plus were not required to report on provider services costs for 2011-12.

The costs associated with secondary healthcare commissioned by the CTP itself, are therefore reported under healthcare from NHS FTs in 2011-12.

6. Operating Leases

6.1 PCT as lessee	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				0	0
Contingent rents				0	0
Sub-lease payments				285	269
Total				285	269
Payable:					
No later than one year	0	108	0	108	345
Between one and five years	0	359	0	359	359
After five years	0	651	0	651	741
Total	0	1,118	0	1,118	1,445
Total future sublease payments expected to be received				0	0

6.2 PCT as lessor

Recognised as income	2012-13 £000	2011-12 £000
Rental Revenue	62	26
Contingent rents	0	0
Total	62	26
Receivable:		
No later than one year	62	62
Between one and five years	249	249
After five years	1,146	1,146
Total	1,457	1,457

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	6,345	5,842	503	5,727	5,321	406	618	521	97
Social security costs	500	442	58	439	399	40	61	43	18
Employer Contributions to NHS BSA - Pensions Division	745	670	75	704	641	63	41	29	12
Other pension costs	70	0	70	70	0	70	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	391	0	391	391	0	391	0	0	0
Total employee benefits	8,051	6,954	1,097	7,331	6,361	970	720	593	127
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	8,051	6,954	1,097	7,331	6,361	970	720	593	127
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	8,051	6,954	1,097	7,331	6,361	970	720	593	127
Recognised as:									
Commissioning employee benefits	8,051			7,331			720		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	8,051			7,331			720		

	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
Net expenditure - 2011-12			
Salaries and wages	8,003	7,524	479
Social security costs	552	529	23
Employer Contributions to NHS BSA - Pensions Division	921	854	67
Other pension costs	79	79	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	1,737	1,737	0
Total gross employee benefits	11,292	10,723	569
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	11,292	10,723	569
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	11,292	10,723	569
Recognised as:			
Commissioning employee benefits	11,292		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	11,292		

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	1	1	0	3	3	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	179	159	20	217	202	15
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	1	1	0	5	5	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	8	8	0	10	10	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	190	170	20	235	220	15
Of the above - staff engaged on capital projects	0	0	0	0	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,798	3,047
Total Staff Years	209	405
Average working Days Lost	8.60	7.52

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	2
Total additional pensions liabilities accrued in the year	£000s 0	£000s 196

7.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12			Total number of exit packages by cost band
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed		
	Number	Number	Number	Number	Number	Number	
Less than £10,000	3	6	9	0	0	0	0
£10,001-£25,000	0	8	8	0	2	2	2
£25,001-£50,000	1	6	7	0	2	2	2
£50,001-£100,000	0	8	8	0	3	3	3
£100,001 - £150,000	2	0	2	0	0	0	0
£150,001 - £200,000	1	0	1	1	0	0	1
>£200,000	0	0	0	1	0	0	1
Total number of exit packages by type (total cost)	7	28	35	2	7	9	9
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Total resource cost	481	860	1,341	416	332	748	748

This note provides an analysis of Exit Packages agreed during the year. Compulsory redundancies have been paid in accordance with the provisions in the NHS Agenda for Change Terms and Conditions and the Local Government Terms and Conditions. Other departure costs have been paid in accordance with the provisions of the NHS Lancashire Voluntary Redundancy scheme and the 2010-11 Mutally Agreed Resignation Scheme.

Exit costs in this note are accounted for in full in the year of departure. Where the CTP has agreed early retirements, the additional costs are met by the CTP 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.

Where members of the Board of NHS Lancashire Cluster have been made compulsorily redundant or have negotiated an exit package, the actual costs have been shared out proportionally across the members PCTs. However, these have not been disclosed as part of the note above. The whole of the cost of their exit packages have been included in the accounts of their employing organisation.

The organisations where the full costs have been reported are:-

North Lancashire Primary Care Trust

Ashton, Leigh and Wigan Primary Care Trust

7.5 Pension costs

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

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

a) Accounting valuation

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

7.5 Pension costs (continued)

d) Local Government Pension Scheme

Blackburn with Darwen Care Trust Plus (CTP) has admitted body status with the Local Government Pension Scheme (LGPS) in respect

In accordance with International Accounting Standards 19 disclosure of certain information concerning assets, liabilities, income and

The principal assumptions used by the actuary were:

Expected Rate of Return on Assets:

	2012/13		2011/12	
	Beginning of period p.a.	End of period p.a.	Beginning of period p.a.	End of period p.a.
Equities	7.0%	7.0%	7.5%	7.0%
Government Bonds	3.1%	3.0%	4.4%	3.1%
Other Bonds	4.1%	3.8%	5.1%	4.1%
Property	6.0%	6.0%	6.5%	6.0%
Cash/Liquidity	0.5%	0.5%	0.5%	0.5%
Other	7.0%	7.0%	7.5%	7.0%
Expenses deduction	0.26%	0.26%	0.26%	0.26%

Financial Assumptions:

	2012/13		2011/12	
	Beginning of period p.a.	End of period p.a.	Beginning of period p.a.	End of period p.a.
Rate of CPI inflation	2.6%	2.5%	3.0%	2.6%
Rate of increase in salaries	4.6%	4.5%	5.0%	4.6%
Rate of increase in pensions	2.6%	2.5%	3.0%	2.6%
Discount rate	5.2%	4.7%	5.5%	5.2%

The LGPS's assets consist of the following categories, by proportion of the total assets held:

	2012/13		2011/12	
	£000s	%	£000s	%
Equities	1,395	63	1,074	58
Government Bonds	188	9	93	5
Other Bonds	379	17	278	15
Property	197	9	185	10
Cash/Liquidity	55	2	93	5
Other	0	0	130	7
	<u>2,214</u>	<u>100</u>	<u>1,853</u>	<u>100</u>

Fair Value

	31 March 2013	31 March 2012
	£000	£000
Fair Value of Employer Assets	2,214	1,852
Present Value of Funded Obligations	<u>2,628</u>	<u>2,140</u>
	<u>(414)</u>	<u>(288)</u>

Recognition in Profit and Loss

	31 March 2013	31 March 2012
	£000	£000
Current Service Cost	84	100
Interest on Pension Liabilities	114	108
Expected Return on Employer Assets	(108)	(114)
Past Service Cost/(Gain)	0	0
	<u>90</u>	<u>94</u>

Actual Return on Plan Assets	272	33
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Reconciliation of Defined Benefit Obligation

	31 March 2013	31 March 2012
	£000	£000
Opening Defined Benefit Obligation	2,140	1,898
Current Service Cost	84	100
Interest on Pensions Liabilities	114	108
Member Contributions	34	40
Past Service Cost (gain)	0	0
Actuarial (gains)/losses on liabilities	270	(53)
Curtailements	0	68
Benefits/transfers paid	(14)	(21)
Business Combinations	0	0
Benefit Obligation at End of Period	<u>2,628</u>	<u>2,140</u>

Opening Fair Value of Employer Assets

	31 March 2013	31 March 2012
	£000	£000
Fair value of plan assets at beginning of period	1,852	1,663
Expected Return on Assets	108	114
Actuarial gains/(losses) on assets	164	(86)
Business Combinations	0	0
Employer Contributions	70	142
Member Contributions	34	40
Benefits/transfers paid	(14)	(21)
Fair Value of Plan Assets at End of Period	<u>2,214</u>	<u>1,852</u>

	31 March 2012	31 March 2011
	£000	£000
Total pensions cost recognised in SOCNE	70	29
Experience gains/(losses) on assets	164	(86)
Experience gains/(losses) on liabilities	0	0

d) Local Government Pension Scheme continued**Post retirement mortality assumptions (normal health)**

	Beginning of period (pa)	End of period (pa)
-Non retired members	S1PA_CML_2009_1% Tables (103% Males, 96% Females)	S1PA_CML_2009_1% Tables (103% Males, 96% Females)
- Retired members	S1PA_CML_2009_1% Tables (103% Males, 96% Females)	S1PA_CML_2009_1% Tables (103% Males, 96% Females)
Life expectancy of a male (female) future		
- future pensioner aged 65 in 20 years' time	23.1 (25.9) years	23.9 (26.7) years
-current pensioner aged 65	21.7 (24.3) years	22.1 (24.8) years

Sensitivity Analysis as at 31 March 2013

Disclosure Item	Central	Sensitivity 1 +0.1% p.a discount rate	Sensitivity 2 +0.1% p.a inflation	Sensitivity 3 1 year increase in life expectancy
	£000s	£000s	£000s	£000s
Liabilities	2,628	2,566	2,692	2,675
Assets	(2,214)	(2,214)	(2,214)	(2,214)
Deficit/(Surplus)	414	352	478	461
Projected Service Cost for next year	99	96	103	102
Projected Expected return on Assets for next year	(126)	(126)	(126)	(126)
Projected Interest Cost for next year	126	126	129	129

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	7,811	36,381	7,243	32,684
Total Non-NHS Trade Invoices Paid Within Target	7,488	35,164	7,020	32,201
Percentage of NHS Trade Invoices Paid Within Target	95.86%	96.65%	96.92%	98.52%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,637	204,508	2,685	193,526
Total NHS Trade Invoices Paid Within Target	2,574	204,303	2,629	193,098
Percentage of NHS Trade Invoices Paid Within Target	97.61%	99.90%	97.91%	99.78%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	151	0	151	54
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	151	0	151	54
Total investment income	151	0	151	54

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	0	0	0	17
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain (Loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	0	0	0	0
Change in fair value of investment property	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	0	0	0	17

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	2,104	0	2,104	1,294
- contingent finance cost	301	0	301	168
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	2,405	0	2,405	1,462
Other finance costs	0	0	0	0
Provisions - unwinding of discount	7		7	
Total	2,412	0	2,412	1,462

12.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account £000	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2012-13									
Cost or valuation:									
At 1 April 2012	3,520	39,110	0	0	515	0	1,995	1,292	46,432
Additions of Assets Under Construction				732					732
Additions Purchased	0	0	0		0	0	233	0	233
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	732	0	(732)	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(106)	0	(1,065)	(10)	(1,181)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments/negative indexation	0	(667)	0	0	0	0	0	0	(667)
Reversal of Impairments	20	53	0	0	0	0	0	0	73
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	3,540	39,228	0	0	409	0	1,163	1,282	45,622
Depreciation									
At 1 April 2012	6	5,590	0	0	400	0	1,191	280	7,467
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		(106)	0	(1,065)	(10)	(1,181)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	25	2,093	0	0	0	0	0	0	2,118
Reversal of Impairments	0	(49)	0	0	0	0	0	0	(49)
Charged During the Year	0	740	0		36	0	257	149	1,182
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	31	8,374	0	0	330	0	383	419	9,537
Net Book Value at 31 March 2013	3,509	30,854	0	0	79	0	780	863	36,085
Purchased	3,509	29,619	0	0	79	0	780	863	34,850
Donated	0	1,235	0	0	0	0	0	0	1,235
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,509	30,854	0	0	79	0	780	863	36,085
Asset financing:									
Owned	1,934	6,318	0	0	79	0	780	863	9,974
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	1,575	24,536	0	0	0	0	0	0	26,111
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,509	30,854	0	0	79	0	780	863	36,085

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account £000's	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	1,743	2,984	0	0	0	0	0	8	4,735
Movements (specify)	49	(706)	0	0	0	0	0	0	(657)
At 31 March 2013	1,792	2,278	0	0	0	0	0	8	4,078

12.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011-12									
Cost or valuation:									
At 1 April 2011	3,428	16,515	0	376	533	0	1,466	536	22,854
Additions - purchased	475	20,721	0	2,645	0	0	0	0	23,841
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	1,697	0	(3,021)	6	0	529	756	(33)
Reclassified as held for sale	(858)	(413)	0	0	0	0	0	0	(1,271)
Disposals other than by sale	0	0	0	0	(24)	0	0	0	(24)
Revaluation & indexation gains	525	595	0	0	0	0	0	0	1,120
Impairments	(50)	(5)	0	0	0	0	0	0	(55)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatic	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,520	39,110	0	0	515	0	1,995	1,292	46,432
Depreciation									
At 1 April 2011	0	0	0		395	0	1,043	213	1,651
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		(24)	0	0	0	(24)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	6	5,054	0	0	0	0	0	0	5,060
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	536	0		29	0	148	67	780
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatic	0	0	0	0	0	0	0	0	0
At 31 March 2012	6	5,590	0	0	400	0	1,191	280	7,467
Net Book Value at 31 March 2012	3,514	33,520	0	0	115	0	804	1,012	38,965
Purchased	3,514	32,305	0	0	115	0	804	1,012	37,750
Donated	0	1,215	0	0	0	0	0	0	1,215
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,514	33,520	0	0	115	0	804	1,012	38,965
Asset financing:									
Owned	1,914	7,896	0	0	115	0	804	1,012	11,741
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	1,600	25,624	0	0	0	0	0	0	27,224
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,514	33,520	0	0	115	0	804	1,012	38,965

12.3 Property, plant and equipment

A revaluation of the CTP's assets was conducted on 1st April 2009 by the District Valuer.

The valuations have been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 6th Edition.

Public sector bodies including the NHS are required to apply the revaluation model set out in IAS 16 and value their capital assets to fair value. Those assets which qualify as specialised operational assets have been valued on a modern equivalent asset basis.

Building Cost Information Service (BCIS) indices provided by the District Valuer have been applied to asset values for the period up to 31st March 2013.

Any impairments arising as a result of the valuation or in-year indexation, have been accounted for in accordance with note 1.7 and are detailed within note 14.

12.3 Economic lives of non-current assets

The economic lives of non-current assets are as follows:

	Minimum life years	Maximum life years
Intangible Assets		
Software Licences	5	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0
Property, Plant and Equipment		
Buildings exc Dwellings	1	52
Dwellings	0	0
Plant & Machinery	5	5
Transport Equipment	7	7
Information Technology	5	5
Furniture and Fittings	10	10

13.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2012-13						
At 1 April 2012	0	59	33	0	0	92
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	(16)	0	0	0	(16)
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	43	33	0	0	76
Amortisation						
At 1 April 2012	0	49	0	0	0	49
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(16)	0	0	0	(16)
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	9	6	0	0	15
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	42	6	0	0	48
Net Book Value at 31 March 2013	0	1	27	0	0	28
Net Book Value at 31 March 2013 comprises						
Purchased	0	1	27	0	0	28
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	1	27	0	0	28

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2011-12						
At 1 April 2011	0	59	0	0	0	59
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	33	0	0	33
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	59	33	0	0	92
Amortisation						
At 1 April 2011	0	40	0	0	0	40
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	9	0	0	0	9
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	49	0	0	0	49
Net Book Value at 31 March 2012	0	10	33	0	0	43
Net Book Value at 31 March 2012 comprises						
Purchased	0	10	33	0	0	43
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	10	33	0	0	43

13.3 Intangible non-current assets

Software purchases are held at cost and are amortised over a period of 5 years.

13.4 Revaluation reserve balance for intangible assets

There are no revaluation reserve balances for intangible assets (2011/12: Nil).

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	2,069		2,069
Total charged to Annually Managed Expenditure	2,069		2,069
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Loss or damage resulting from normal operations	0		
Over Specification of Assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	594		
Total impairments for PPE charged to reserves	594		
Total Impairments of Property, Plant and Equipment	2,663	0	2,069
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	65		65
Total charged to Annually Managed Expenditure	65		65
Total impairments of non-current assets held for sale	65	0	65
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	594		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	2,134		2,134
Overall Total Impairments	2,728	0	2,134
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
Donated and Gov Granted Assets, included above -			
PPE - Donated and Government Granted Asset Impairments: amount charged to SoCNE -DEL*	0	0	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SoCNE -AME*	0	0	0

15 Investment property

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

16 Commitments**16.1 Capital commitments**

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

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

16.2 Other financial commitments

The CTP has no other financial commitments such as non-cancellable, legally binding contracts which are not leases, PFI contracts or other service concession arrangements (2011/12: nil)

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	366	0	1,018	0
Balances with Local Authorities	98	0	802	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	123	0	1,964	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,401	0	14,192	0
At 31 March 2013	<u>1,988</u>	<u>0</u>	<u>17,976</u>	<u>0</u>
prior period:				
Balances with other Central Government Bodies	490	0	575	0
Balances with Local Authorities	136	0	159	288
Balances with NHS Trusts and Foundation Trusts	1,028	0	2,454	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,402	0	15,238	0
At 31 March 2012	<u>3,056</u>	<u>0</u>	<u>18,426</u>	<u>288</u>

18 Inventories

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

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	201	1,518	0	0
NHS receivables - capital	65	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	533	1,223	0	0
Non-NHS receivables - capital	0	101	0	0
Non-NHS prepayments and accrued income	68	146	0	0
Provision for the impairment of receivables	(19)	(896)	0	0
VAT	223	235	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	694	729	0	0
Total	1,765	3,056	0	0
Total current and non current	1,765	3,056		
Included above:				
Prepaid pensions contributions	0	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	108	1,085
By three to six months	16	1,000
By more than six months	195	35
Total	319	2,120

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(896)	(195)
Amount written off during the year	325	125
Amount recovered during the year	400	0
(Increase)/decrease in receivables impaired	152	(826)
Balance at 31 March 2013	(19)	(896)

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	0	0	0
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	(12)	(12)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	<u>0</u>	<u>(12)</u>	<u>(12)</u>
Balance at 1 April 2011	0	(2)	(2)
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	(12)	(12)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	<u>0</u>	<u>(14)</u>	<u>(14)</u>

21.1 Other financial assets - Current

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

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	839	851
Additions	0	0
Revaluation	0	0
Impairments	0	0
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	(13)	0
Transfers (to)/from Other Public Sector Bodies in year	0	(12)
Total Other Financial Assets - Non Current	<u>826</u>	<u>839</u>

21.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	0	0
Capital Income	(13)	0

22 Other current assets

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

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	0	0
Net change in year	0	0
Closing balance	<u>0</u>	<u>0</u>

Made up of

Cash with Government Banking Service	0	(1)
Commercial banks	0	1
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	<u>0</u>	<u>0</u>
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	<u>0</u>	<u>0</u>

Patients' money held by the PCT, not included above	0	0
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24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	550	500	0	0	0	0	0	0	0	1,050
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	(65)	0	0	0	0	0	0	0	(65)
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	550	435	0	0	0	0	0	0	0	985
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2011	0	0	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in the year	858	413	0	0	0	0	0	0	0	1,271
Less assets sold in the year	(80)	(63)	0	0	0	0	0	0	0	(143)
Less impairment of assets held for sale	(228)	0	0	0	0	0	0	0	0	(228)
Plus reversal of impairment of assets held for sale	0	150	0	0	0	0	0	0	0	150
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	550	500	0	0	0	0	0	0	0	1,050
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0
Revaluation reserve balances in respect of non-current assets held for sale were:										
At 31 March 2012	0									
At 31 March 2013	0									

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	2,522	2,321	0	0
NHS payables - capital	0	18	0	0
NHS accruals and deferred income	28	690	0	0
Family Health Services (FHS) payables	4,452	5,250		
Non-NHS payables - revenue	2,503	485	0	0
Non-NHS payables - capital	400	513	0	0
Non_NHS accruals and deferred income	5,966	7,165	0	0
Social security costs	84	95		
VAT	0	0	0	0
Tax	246	137		
Payments received on account	0	0	0	0
Other	936	1,752	414	288
Total	17,137	18,426	414	288

Total payables (current and non-current) **17,551** **18,714**

Included above:

to buy out the liability for early retirements over 5 Years (£000s)	0	0
number of cases Involved (number)	0	0
Outstanding pension contributions at year end (£000s)	0	0

26 Other liabilities

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
PFI/LIFT deferred credit	0	0	0	0
Lease incentives	0	0	0	0
Other	0	0	0	0
Total	0	0	0	0

Total other liabilities (current and non-current) **0** **0**

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0	0	0
Bank overdraft - commercial banks	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	494	385	28,456	28,951
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
Total	494	385	28,456	28,951

Total other liabilities (current and non-current) **28,950** **29,336**

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	494	494
1 - 2 Years	0	882	882
2 - 5 Years	0	1,392	1,392
Over 5 Years	0	26,182	26,182
TOTAL	0	28,950	28,950

28 Other financial liabilities

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

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	40	175	0	0
Deferred income addition	0	40	0	0
Transfer of deferred income	(40)	(175)	0	0
Current deferred Income at 31 March 2013	0	40	0	0
Total other liabilities (current and non-current)	0	40		

30 Finance lease obligations

The CTP has no finance lease obligations (2011/12: None)

31 Finance lease receivables as lessor

The CTP has no finance leases as a lessor (2011/12: None)

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	1,550	0	114	28	0	302	0	0	155	951
Arising During the Year	3,517	0	7	16	0	3,334	0	0	160	0
Utilised During the Year	(1,148)	0	(36)	(6)	0	0	0	0	(155)	(951)
Reversed Unused	(24)	0	(2)	(22)	0	0	0	0	0	0
Unwinding of Discount	7	0	7	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	3,902	0	90	16	0	3,636	0	0	160	0
Expected Timing of Cash Flows:										
No Later than One Year	1,452	0	64	16	0	1,212	0	0	160	0
Later than One Year and not later than Five Years	2,437	0	13	0	0	2,424	0	0	0	0
Later than Five Years	13	0	13	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

30

As at 31 March 2012

0

Enil is included in the provisions of the NHS Litigation Authority at 31/3/2013 in respect of clinical negligence liabilities of the CTP (31/03/12 Enil).

The provisions for Pensions comprise two elements:- the CTP's "own" liabilities in respect of the former District Health Authority and Family Health Services Authority

Legal claims provided for at 31 March 2013 consisted of 1 ongoing claim against the CTP based on information provided by the NHS Litigation Authority and the CTP's legal advisors (2011/12 1 claims)

Other provisions of £160,000 are in respect of part completed spells (31/3/2012 £155,000)

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
NHS Litigation Authority (LPTS)	(5)	(4)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(5)	(4)
Contingent Assets		
Contingent Assets <i>[give details]</i>	0	0
Net Value of Contingent Assets	0	0

Contingent liabilities as at 31st March 2013 are based on information provided by the NHS Litigation Authority and are calculated to balance to 100% of the liability which has not been accounted for within provisions.

34 PFI and LIFT - additional information**34.1 PFI and NHS LIFT schemes on-Statement of Financial Position**

Blackburn with Darwen Teaching Care Trust Plus has two Local Improvement Finance Trust (LIFT) schemes:

- Darwen Health Centre - operational July 2005.
- Barbara Castle Way Health Centre - operational September 2011.

Under IFRIC 12, Darwen Health Centre and Barbara Castle Way Health Centre are accounted for as on-Statement of Financial Position and the Health Centres are treated as an asset of the CTP. The substance of the contracts is that the CTP has finance leases and the payments comprise two elements - imputed finance lease charges and service charges.

Darwen Health Centre:

Blackburn with Darwen Teaching Care Trust Plus occupies Darwen Health Centre under a 25 year lease that commenced in July 2005. The annual Lease Plus Agreement includes rental, maintenance and lifecycle costs, and is uplifted each year in line with the Retail Price Index. The Lease Plus Agreement includes an option for the CTP to purchase the health centre at the end of the lease. The Lease Plus Agreement includes an option for the CTP to purchase the health centre at the end of the lease. This is at a price dependent on the residual value built into the financial model, compared to the market value at that time. The District Valuer has provided the CTP with expected future market values and these have been used to calculate the expected purchase price.

Barbara Castle Way Health Centre

Blackburn with Darwen Care Trust Plus occupies Barbara Castle Way under a 25 year lease that commenced in September 2011. As described above, the Annual Lease Plus Agreement includes rental, maintenance and lifecycle costs and will be uplifted each year in line with the Retail Price Index. The Lease Plus Agreement includes an option for the CTP to purchase the health centre at the end of the lease. This is at a price dependent on the residual value built into the financial model, compared to the market value at that time. The District Valuer has provided the CTP with expected future market values and these have been used to calculate the expected purchase price.

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

	31 March 2013 £000	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	716	542
Total	716	542

	31 March 2013 £000	31 March 2012 £000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
LIFT Scheme Expiry Date:		
No Later than One Year	736	709
Later than One Year, No Later than Five Years	3,130	3,018
Later than Five Years	15,175	15,796
Total	19,041	19,523

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

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

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

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	2,570	2,489
Later than One Year, No Later than Five Years	9,743	12,312
Later than Five Years	54,136	54,138
Subtotal	66,449	68,939
Less: Interest Element	(37,499)	(39,603)
Total	28,950	29,336

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	458	0	458
Interest Expense	2,405	0	2,405
Impairment charge - AME	1,000	0	1,000
Impairment charge - DEL	0	0	0
Other Expenditure	836	0	836
Revenue Receivable from subleasing	0	0	0
Total IFRS Expenditure (IFRIC12)	4,699	0	4,699
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(3,699)	0	(3,699)
Net IFRS change (IFRIC12)	1,000	0	1,000

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

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

36 Financial Instruments

Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of the CTP 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 CTP's expected purchase and usage requirements and the CTP is therefore exposed to little credit, liquidity or market risk.

Currency risk

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

Interest rate risk

CTPs are not permitted to borrow. The CTP therefore has low exposure to interest-rate fluctuations.

Credit Risk

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

Liquidity Risk

The CTP 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 CTP 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		266		266
Receivables - non-NHS		1,230		1,230
Cash at bank and in hand		0		0
Other financial assets	0	0	826	826
Total at 31 March 2013	0	1,496	826	2,322
Embedded derivatives	0			0
Receivables - NHS		1,518		1,518
Receivables - non-NHS		1,392		1,392
Cash at bank and in hand		0		0
Other financial assets	0	0	839	839
Total at 31 March 2012	0	2,910	839	3,749

36.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		2,550	2,550
Non-NHS payables		14,564	14,564
Other borrowings		0	0
PFI & finance lease obligations		28,950	28,950
Other financial liabilities	0	0	0
Total at 31 March 2013	0	46,064	46,064
Embedded derivatives	0		0
NHS payables		3,029	3,029
Non-NHS payables		15,685	15,685
Other borrowings		0	0
PFI & finance lease obligations		29,336	29,336
Other financial liabilities	0	0	0
Total at 31 March 2012	0	48,050	48,050

37 Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Blackburn with Darwen Care Trust Plus.

The General Medical Practitioners listed below are members of the Clinical Commissioning Group and the Professional Executive Committee and the payments and receipts shown below relate to the general practice in relation to their clinical work as General Medical Practitioners:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Dr C Clayton & partners	1,612,647	42,889	0	10,114
Dr M Ridgway & partners	1,068,080	4,420	0	0
Dr P Muzzafar & partners	864,977	28,807	0	0
Dr Z Patel & partner	613,195	0	0	0
Dr A Murdoch & partners	2,869,515	71,354	0	15,059
Dr T Phillips	530,724	1,045	3,043	0

The Department of Health is regarded as a related party. During the year Blackburn with Darwen Teaching Care Trust Plus has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the CTP has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Blackburn with Darwen Borough Council. As detailed within note 1.3, Blackburn with Darwen Borough Council funds the CTP to undertake adult and children social care commissioning activities on a delegated basis under section 75 of the National Health Service Act 2006.

The entities are as follows:

	Expenditure £	Income £	Payables £	Receivables £
NHS East Lancashire	1,273,000	1,832,000	42,000	123,000
East Lancashire Hospitals NHS Trust	104,633,000	66,000	487,000	81,000
North West Ambulance Service NHS Trust	565,000	0	0	0
Lancashire Care NHS Foundation Trust	40,181,000	1,370,000	636,000	12,000
Lancashire Teaching Hospitals NHS Foundation Trust	5,186,000	32,000	225,000	0
NHS Western Cheshire (relating to specialist commissioning)	30,327,000	0	200,000	0
Blackpool PCT	6,445,000	49,000	104,000	0
Central Manchester University Hospitals Foundation Trust	2,261,000	0	24,000	0
Greater Manchester West Mental Health Foundation Trust	2,174,000	0	10,000	0
Blackburn with Darwen Borough Council	16,493,000	50,168,000	797,000	98,000

The CTP had a number of charitable funds which are administered on its behalf by NHS East Lancashire. These have been transferred to Lancashire Care Foundation Trust during 2012/13.

The CTP has a partnership stake in the Local Improvement Finance Trust (East Lancashire Building Partnership Ltd).

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	324,913	8
Special payments - PCT management costs	99	1
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	324,913	8
Total special payments	99	1
Total losses and special payments	325,012	9

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

There was 1 case individually over £250,000 in 2012/13 (2011/12: none)

39 Third party assets

The CTP held £nil cash and cash equivalents at 31 March 2013 on behalf of patients (£nil at 31 March 2012). This is not an asset of the CTP and has been excluded from the balances reported in the Account

40 Pooled budget

The CTP has no pooled budgets.

41 Cashflows relating to exceptional items

NHS Reforms

As part of the NHS Reforms, Blackburn with Darwen Care Trust Plus will cease to exist as an organisation at 31 March 2013.

Successor organisations will include Blackburn with Darwen Clinical Commissioning Group, Lancashire Commissioning Support Unit NHS England, NHS Property Company, Community Health Partnerships and Blackburn with Darwen Borough Council.

During 2012-13, as part of the NHS Reforms, the CTP has supported the development of Blackburn with Darwen Clinical Commissioning Group. The CTP has implemented national policy and met the agreed timeframes to ensure that appropriate arrangements are in place when the CTP ceases to exist at the end of March 2013.