



Department  
of Health



# Tameside and Glossop Primary Care Trust

2012-13 Annual Report and Accounts

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# Tameside and Glossop Primary Care Trust

2012-13 Annual Report

# **Tameside & Glossop Primary Care Trust**

## **Annual Report and Accounts**

### **2012/13**

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# Chapter 1 ~ Message from Chairman and Chief Executive

## *Welcome to our Annual Report for 2012/13*

This will be the final annual report for Primary Care Trusts, as the Health and Social Care Bill was implemented on 1 April 2013. For the ten Primary Care Trusts this was the concluding year for organisations that were established in 2002 and which have worked individually and collaboratively to improve the health of the population of Greater Manchester.

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

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

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

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

Further into this report you will read about the local achievements made by our locality PCTs in 2012/13, which have individually and

collectively ensured that safe, efficient and effective systems have been maintained.

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



# Chapter 2 ~ Details of the Directors

## *The NHS Greater Manchester Board*

The 10 PCTs in Greater Manchester formed the Greater Manchester PCT on 3 May 2011, with a single Board of Directors becoming the embodiment of the Board of each of the 10 PCTs. For 2012/13 the members of the Board of Directors of Tameside and Glossop PCT were:

Prof Eileen Fairhurst	Chairman	Mr David Edwards	Non-Executive Director
Dr. Mike Burrows	Chief Executive	Mr Paul Horrocks*	Non-Executive Director
Dr Raj Patel	Medical Director	Mr Alan Stephenson*	Non-Executive Director
Mr Terry Atherton	Non-Executive Director (Vice-Chairman)	Dr Julie Higgins	Director of Commissioning & Development (from 1.4.12 to 31.8.12)
Mr Michael Greenwood	Non-Executive Director (Vice-Chairman)	Ms Andrea Anderson+	Director of HR & OD (on maternity leave during 2012/13)
Mr Riaz Ahmad*	Non-Executive Director (Audit Committee Chairman)	Mr Kevin Moynes+	Director of HR & OD
Ms Evelyn Asante-Mensah*	Non-Executive Director	Mr Rob Bellingham+	Board Secretary
Dr Kailash Chand+	Associate Non-Executive Director	Mrs Hilary Garratt	Director of Nursing, Quality & Performance (from 1.4.12 to 30.6.12)
		Mrs Anita Rolfe	Director of Nursing, Quality & Performance (from 1.7.12 to 31.10.12)
		Mrs Trish Bennett	Director of Nursing, Quality & Performance (from 1.10.12 onwards)
		Mr Warren Heppolette+	Director of Policy & External Relations



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

\*\* Denotes member of the Audit Committee

+ non voting member

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# Chapter 3 ~ Our Readiness for Organisational Change

The last 12 months have seen the beginnings of unprecedented change across the NHS, both nationally and locally. Here in Tameside and Glossop, 2012/13 was a real turning point, with the official launch of the Clinical Commissioning Group which became a statutory body on the 1<sup>st</sup> April 2013 upon the closure of the former PCT, on 31 March 2013.

During the last 12 months, in preparation for the CCG taking over the reins, the former PCT has delivered some significant achievements, not least in supporting the CCG to achieve authorisation. This was particularly challenging due to the number of functions transitioning out of the PCT to new NHS organisations such as the Commissioning Support Unit or those areas leaving the NHS as a whole such as the Public Health function moving to the local councils. This required the transition of around 200 staff.

We took into account the views and opinions of our members, partners, stakeholders, and most importantly local people in developing our VISION, our PRINCIPLES and our plans.

## **Authorisation**

The journey to full authorisation involved close scrutiny from the NHS England, who examined the plans in detail, talking to dozens of stakeholders and assessing their views on whether it was ready to manage its budgets and deliver its objectives. In February, the NHS England formally informed the CCG of the outcome of the authorisation process. The vast majority of assessment areas were ready, meaning that the organisation was in fact 'good to go'.

The panel viewed Tameside and Glossop CCG as being 'committed to public and patient engagement and the close working relationships between clinicians and managers' as an area of significant strength. The leadership team pressed ahead with the strategic plan, encompassing commissioning capacity and capability, engagement with patients, carers and communities, constitutional and governance arrangements and how to deliver commissioning with partner agencies.

NHS Tameside and Glossop CCG was authorised in the third wave of the application process. This achievement was testament to the

successful, collaborative relationships between CCG members, former PCT staff and partner organisations, during a time of significant change for everyone involved.

### **Striving for improvement**

In February, the NHS England gave final authority to Tameside and Glossop to become established on April 1 2013, and whilst this authorisation focused on the required standards to achieve this status, the Governing Body intends to strive to become an exemplary commissioner as the organisation matures.

By March 2013 the appointments to the new Governing Body were completed in readiness for CCG launch in April. The Governing Body is made up of local doctors and other health professionals as well as lay members of the public, all of whom had to apply for a role. Governing Body meetings are held monthly, and are open to patients and members of the public to attend, and hear about the developments being made within their local health service. We are committed to listening to the public and using their views to shape our services. The establishment of our Patient and Public Impact Committee ensures no changes to local healthcare services will ever be made without consulting and listening to our public.

### **Our vision**

As we move into 2013/14, we are confident that the Clinical Commissioning Group will be a more than worthy successor to the Primary Care Trust. Its clinical leadership and strong focus on quality make it well placed to take forward and build upon the many achievements of the PCT we will do this 'by inspiring all NHS colleagues, and working closely with partners, we will ensure the development of excellent, compassionate, cost effective care, leading to longer, healthier lives'.

# Chapter 4 ~ Our Performance

## Performance & Quality Improvement

Tameside and Glossop PCT's 2012/13 Operating Plan details how we will provide assurance that satisfactory performance will be maintained and how it can be improved. NHS Tameside and Glossop PCT have a Corporate Performance Framework that incorporates National Performance Measures and Outcomes, plus local commitments for local overview. The performance review of 2012/13 highlights achievement of our key performance objectives.

## Referral To Treatment (RTT)

*RTT – Operational standards to monitor patients from Referral to Treatment as set out in the NHS Constitution, within 18 weeks. The target is also measured by speciality and sub speciality. Targets: Admitted Patient Care (APC) 90%, Non Admitted Patient Care (APC) 95% and Incomplete 92%.*

Tameside and Glossop PCT achieved the targets overall for APC.

In 2013/14 we will promote the NHS constitution through practices, clinics, patient participation groups and community groups and

implement a system so that patients who wait longer than 18 weeks are able to contact the PCT to ask for their situation to be investigated and alternative provision to be arranged when appropriate.

## Cancer 62 Day Wait

*Percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer within 62 days of an urgent GO referral for suspected cancer (target 85%)*

The majority of patients are being treated within 62 days. There have been cases where people have waited longer because their condition is complex, involving numerous diagnostic tests and often involves more than one provider. Significant progress has been made in reducing delays due to diagnostics so those patients who do wait longer are either complex or have chosen to wait/explore alternatives.

In 2012 Tameside Hospital NHS Foundation Trust have reviewed whether the services that support cancer patients place patients at

their centre and enable people to progress as quickly as clinically needed through diagnostics to treatment. New processes and systems have been developed to create a culture of proactive cancer patient management and build a hospital wide understanding of cancer pathways and targets. Together these should minimize the risk of patients waiting longer than 62 days for first definitive treatment and support patients along the pathways. This is currently borne out by the trust's performance.

Tameside and Glossop PCT are confident that they will achieve and maintain achievement against this target.

#### **Clostridium difficile (C.diff) infections**

*The target monitors the number of C.diff infections for patients aged 2 or above against an annual target of no more than 121.*

Tameside and Glossop PCT have implemented a number of initiatives and have seen a reduction over the last four years (2009/10: 269 cases, 2010/11: 246 cases, 2011/12: 173 cases and 2012/13 110 cases).

The District Infection and Prevention Control Committee will continue to oversee progress on actions for prevention and reduction, supported by clinical and managerial engagement.

We will continue to use a variety of communication, education and audit tools to promote best practise and adherence to the recently revised antibiotic guidelines both within the acute sector and in the community.

The plan for 2013/14 will remain challenging at 88, this equates to a 30% reduction on the baseline

#### **A&E 4 hour waiting time – Total time in the A&E Department**

*Percentage of patients who spent 4 hours or less in A&E (target 95%)*

An Urgent Care Integrated Recovery plan was developed detailing actions that will help to improve performance across the Urgent Care Pathway; working in integration across the Health Economy. This will also enable us to better manage ambulance arrival, receipt and handover.

## **Mixed Sex Accommodation**

### *Eliminate Mixed Sex Accommodation*

Locally we are compliant with the Governments requirement to eliminate mixed sex accommodation and have an action plan to ensure the ongoing training, education and awareness to staff and patients into their policies and procedures; especially within bed management. The patient survey feedback reports 95% compliance.

## **Ambulance Cat A**

*Category A incidents are presenting conditions, which may be immediately life threatening and should receive an emergency response within 8 minutes irrespective of location in 75% of cases.*

The North West Ambulance Service (NWAS) have achieved the target for the North West and for Greater Manchester. The Urgent Care Integrated Recovery Plan will help to continue to improve performance across the Urgent Care Pathway; working in integration across the Health Economy. This will enable us to better manage ambulance arrival, receipt and handover.

## **Stroke**

In 2012/13 the focus was on the quality of stroke care; with a target for 80% of people who have had a stroke, to spend 90% of their time in a hospital on a stroke unit.

To address areas of concern at Tameside and Glossop PCT, we have worked with our local provider and the community provider to develop and implement a local improvement plan. NHS Tameside and Glossop PCT are confident that they will achieve performance in the last quarter.

We have an Early Supported Discharge Team in place, and are linked closely with the Network GMISS (Greater Manchester Integrated Stroke Services) project and the Advancing Quality Stroke collaborative (jointly with our Providers).

In 2013/14 we will follow the Network wide implementation of the further centralisation of stroke services and continued development of stroke rehabilitation services and life after stroke.

# Chapter 5 ~ Sustainability Report

This is the sustainability report and performance commentary for 2012/13. There are no significant additional buildings to be added or deducted from the PCT's Building stock, consequently this year the calculations are not skewed. The ownership of the PCT's building stock was transferred to NHS Property Services Ltd as at 1 April 2013. Sustainable Estate- directions are awaited from the Governance Sustainability Group.

## Electricity Gas and Oil

		Tonnes				Tonnes/1000			
Greenhouse Gas		2009	2010	2011	2012	2009	2010	2011	2012
Non Financial Indicators 1000 tonne co <sup>2</sup>	Total Gross Emissions (Estates)	2,185	2,009	1,807	1,844	2.19	2.01	1.81	1.84
	Total Gross Emissions (Travel)	402	211	N/A		0.40	0.21	N/A	
	Total all Emissions	2,587	2,220	1,807		2.59	2.22	1.81	
		KWH				KWH/1000000			
Related Energy Consumption (million KWH)	Electricity	2,608,993	2,488,853	2,432,677	265,922	2.61	2.49	2.43	0.27
	Gas	2,319,408	2,055,902	1,709,288	197,000	2.32	2.06	1.71	0.20
	Oil	1,666,701	1,468,848	1,256,546	1,297,263	1.67	1.47	1.26	1.30
		£				£ million			
		2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13
Financial Indicators (£ million)	Electricity	134,655	156,686	172,859	282,655	0.13	0.16	0.17	0.28
	Gas	53,139	57,575	36,408	80,457	0.05	0.06	0.04	0.08
	Oil	65,084	72,900	77,220	80,560	0.07	0.07	0.08	0.08

## Water and Waste

		2008/09	2009/10	2010/11	2011/12	2012/13		2008/09	2009/10	2010/11	2011/12	2012/13
<b>Water</b> Non Financial Indicators 000m <sup>3</sup>	Consumption (office, Estate) Supplied	4,896	6,432	3,588	2,435	3,111		4.90	-	-	-	3.11
	Consumption (Non-office, Estate) Supplied	13,651	17,932	10,003	6,790	11,344		13.65	-	-	-	11.34
Financial Indicators £	Water supply cost (office, Estate)	11,174	120,526	14,783	20,005	11,106		11.17	-	-	-	11.11
	Water supply cost (Non- office, Estate)	31,151	336,011	41,212	55,771	59,889		31.15	-	-	-	59.89
<b>Waste</b> Non Financial Indicators	Total Waste	193	150	222	Estimate	98						
	Hazardous Waste	36	6	8	Estimate	12						
	Landfill	136	110	98	Estimate	87						
	Recycled	21	33.2	116.84	Estimate	76						
Financial Indicators £	Total Waste	81,216	91,324	50532	Estimate	58						
	Hazardous Waste	16,309	14,789	19952	Estimate	13						
	Landfill	34,024	46,633	18831	Estimate	42						
	Recycled	5,005	28,031	11850	Estimate	2						



### **Gas Oil and Electricity**

The performance this year is broadly static, for both gas and oil despite the long cold weather period that was experienced, electricity consumption increased due to changes in working practices at some sites , for example the need to keep some rooms warm outside normal hours to accommodate the changing working pattern on District Nursing.

Rigorous monitoring of the energy continues – the front page of the Building Management System now enables all relevant information to be glanced at and change to the temperature to be more closely controlled. A review of the whole estate was carried out to check that the optimum insulation is installed within roof voids and fitted to services pipes – where necessary additional insulation was installed.

### **Water**

The slight increase in consumption reflects the finalisation of a large disputed invoice which spans both this and last year the net result is some cost and consumption from the previous year have been included in this year's submission.

Water bills are recorded and any abnormal usage is investigated – for example a spike in usage at Craven Street Clinic was

investigated that revealed a leak in the external pipe-work underneath the building – the remedial work is now complete.

### **Waste**

The performance this year is mixed, whilst total waste and recycled waste have reduced there was an increase in clinical wastes due changes in interpretation of how clinical waste was categorised.

The Provider Division was transferred to foundation trust(s) these staff are the main waste producers in PCT property– these changes extended the lines of communication and the importance of aggressively managing waste by training etc. was to some extent lost. The PCT commissioned a specialist waste management consultant (Catalyst) to inspect all categories of waste in two clinics in order to determine if compliant segregation of waste and recycling was being achieved – the report highlighted issues that required addressing. The report was forwarded to the Provider Division to reinforce the need for correct segregation and recycling by use of effective training.

# Chapter 6 ~ Financial Review

## Overview

The following summary financial statements set out the performance of Tameside and Glossop PCT during the financial year 2012/13. This is a summary of the financial position. For a full understanding of our financial position and performance a full set of financial statements are available on request from the Locality Director of Finance (Telephone 0161 304 5322). The full financial statements include a statement of the Greater Manchester PCT Chief Executive Officer (CEO) as the accountable officer of the PCT.

We are pleased to report all of our statutory financial duties in 2012/13 have been achieved. As the local leader of your NHS, we have:

- Achieved 'operational financial balance' and reported a revenue under-spend of £1,000,000 (carried forward for investment in 2013-14);

- Utilised capital resources to invest £657,000 in the quality of our facilities
- Managed within our cash limits;
- Exceeded the 'Better Payment Practice Code' (BPPC) targets by paying over 95% of creditors within 30 days of receiving a valid invoice.

## Better Payment Practice Code (BPPC)

We are required to pay all trade creditors in accordance with the national Better Payment Practice Code. The target is to pay relevant creditors within 30 days of receipt of goods or a valid invoice unless other payment terms have been agreed with the supplier.

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	14,405	53,003	16,354	50,726
Total Non-NHS Trade Invoices Paid Within Target	13,912	50,992	16,204	50,515
Percentage Invoices Paid Within Target	96.58%	96.21%	99.08%	99.58%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	3,427	332,736	4,199	316,812
Total NHS Trade Invoices Paid Within Target	3,284	330,069	4,162	316,634
Percentage Invoices Paid Within Target	95.83%	99.20%	99.12%	99.94%

# Chapter 7 ~ Remuneration

## Report

The functions of the PCT's Remuneration Committee were performed by the Greater Manchester Remuneration Committee, membership of which is denoted in the table. The Remuneration Committee follows national guidance issued by the Department of Health, to determine the remuneration and terms and conditions of senior managers using the national Very Senior Managers pay framework (VSM).

Implementation of this framework took place following completion of the Fitness for Purpose assessment.

The performance of VSMs is assessed through the PCT's Personal Development Review system in line with NHS policy. Termination of

Contracts, and any relevant payments, would be calculated on an individual basis, taking into account circumstances of termination, notice periods, length of service and salary.

All calculations would be in line with statutory and NHS terms and conditions. For each VSM and other members of Board and the shadow CCG who have served during the financial year 2012/13, details of service contract, remuneration and pension benefits are shown in the tables overleaf.

**Salaries and Allowances Board of Tameside and Glossop PCT (Audited)**

Salaries and Allowances Board of Tameside and Glossop PCT (Audited)				Total GM Remuneration				PCT Share of GM Remuneration								
				2012/13				2012/13				2011/12				
				Name	Title	Employing PCT	Period in post	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in kind bands of £100	% entity share	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in Kind bands of £100
Prof Eileen Fairhurst	Chairman	Salford	01/04/12-31/03/13	40-45	0	0	0	8.6	0-5	-	-	-	35-40	-	-	-
Dr Mike Burrows	Chief Executive	Salford	01/04/12-31/03/13	150-155	0	0	0	8.6	10-15	-	-	-	135-140	-	-	-
Mrs Claire Yarwood	Director of Finance	Salford	01/04/12-31/03/13	115-120	0	0	0	8.6	10-15	-	-	-	100-105	-	-	-
Dr Julie Higgins	Director of Commissioning Development	HMR	01/04/12-31/08/12	65-70	0	0	0	8.6	5-10	-	-	-	115 - 120	-	-	-
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	Tameside and Glossop	01/04/12-30/06/12	20-25	0	0	0	8.6	0-5	-	-	-	105 - 110	-	-	-
Mrs Anita Rolfe^	Director of Nursing, Quality and Performance	Oldham	01/07/12-31/10/12	25-30	0	0	0	8.6	0-5	-	-	-	N/A	N/A	N/A	N/A
Mrs Patricia Bennett^	Director of Nursing, Quality and Performance	Liverpool	01/10/12-31/03/13	0-5	0	0	0	8.6	0-5	-	-	-	N/A	N/A	N/A	N/A
Dr Raj Patel	Medical Director	Tameside and Glossop	01/04/12-31/03/13	20-25	0	0	0	8.6	0-5	-	-	-	20 - 25	50 - 55	-	-

**Salaries and Allowances Board of Tameside and Glossop PCT (Audited) continued**

Salaries and Allowances Board of Tameside and Glossop PCT (Audited) continued				Total GM Remuneration				PCT Share of GM Remuneration								
				2012/13				2012/13				2011/12				
				Name	Title	Employing PCT	Period in post	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in kind bands of £100	% entity share	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in Kind bands of £400
Ms Melanie Sirotkin^	Lead Director of Public Health	Salford	01/04/12-31/03/13	115-120	0	0	0	8.6	10-15	-	-	-	N/A	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	Bury	01/04/12-31/03/13	80-85	0	0	0	8.6	5-10	-	-	-	45 - 50	-	-	-
Mr Warren Heppolette	Director of Policy and External Relations	Salford	01/04/12-31/03/13	90-95	0	0	0	8.6	5-10	-	-	-	70-75	-	-	-
Ms Leila Williams	Director of Service Transformation	ALW	01/04/12-31/03/13	90 - 95	0	0	0	8.6	5-10	-	-	-	75 - 80	-	-	0 - 1
Mr Kevin Moynes^	Director of HR and OD	SHA	01/04/12-31/03/13	65-70	0	0	0	8.6	5-10	-	-	-	N/A	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	Bury	on mat leave during period	25 - 30	0	0	0	8.6	0-5	-	-	-	65 - 70	-	-	-
Mr Terry Atherton+	Non-Executive Director	Trafford	01/04/12-31/03/13	30-35	-	-	-	8.6	0-5	-	-	-	30 - 35	-	-	-
Mr Riaz Ahmad*+	Non-Executive Director	Oldham	01/04/12-31/03/13	35-40	-	-	-	8.6	0-5	-	-	-	30 - 35	-	-	-
Dr Kailash Chand+	Associate Non-Executive Director	Tameside and Glossop	01/04/12-31/03/13	30-35	0	0	0	8.6	0-5	-	-	-	30 - 35	-	-	-
Mr David Edwards+	Non-Executive Director	HMR	01/04/12-31/03/13	35-40	0	0	0	8.6	0-5	-	-	-	30 - 35	-	-	-

**Salaries and Allowances Board of Tameside and Glossop PCT (Audited) continued**

				Total GM Remuneration				PCT Share of GM Remuneration								
				2012/13				2012/13				2011/12				
Name	Title	Employing PCT	Period in post	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in kind bands of £100	% entity share	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in Kind bands of £100	Salary bands of £5,000	Other Payments bands of £5,000	Bonus Payments bands of £5,000	Benefits in Kind bands of £100
Mr Alan Stephenson*+	Non-Executive Director	ALW	01/04/12-31/03/13	35 - 40	0	0	0	8.6	0-5	-	-	-	30 - 35	-	-	-
Ms Evelyn Asante-Mensah*+	Non-Executive Director	Manchester	01/04/12-31/03/13	35 - 40	-	-	-	8.6	0-5	-	-	-	40 - 45	-	-	-
Mr Michael Greenwood+	Non-Executive Director	Stockport	01/04/12-31/03/13	30-35	0	0	0	8.6	0-5	-	-	-	30 - 35	-	-	-
Mr Paul Horrocks+	Non-Executive Director	Bury	01/04/12-31/03/13	35 - 40	0	0	0	8.6	0-5	-	-	-	30 - 35	-	-	-
Mrs Pam Senior+	Non-Executive Director (to Jan 12)	Bolton	Left in 2011	N/A	N/A	N/A	N/A	8.6	N/A	N/A	N/A	N/A	25 - 30	-	-	-

\* Audit Committee Members

+ Remuneration of Terms of Service Committee Members

### Pensions Disclosures Board of Tameside and Glossop PCT (Audited)

Name	Title	Real increase in pensions at 60	Real increase in lump sum pension at aged 60	Total accrued pension at 60 at 31 March 2013	Lump sum at 60 - 31 March 2013	CETV 31 March 2013	CETV 31 March 2012	Real increase in CETV	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
Dr Mike Burrows	Chief Executive	0-2.5	0-2.5	45-50	145-150	900	842	14	N/A
Mrs Claire Yarwood	Director of Finance	0-2.5	0-2.5	35-40	105-110	623	578	15	N/A
Dr Julie Higgins	Director of Commissioning Development	0-2.5	0-2.5	25-30	85-90	502	455	23	N/A
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	0-2.5	0-2.5	15-20	50-55	301	271	16	N/A
Mrs Anita Rolfe	Director of Nursing, Quality and Performance	N/A	N/A	20-25	70-75	383	N/A	N/A	N/A
Mrs Patricia Bennett	Director of Nursing, Quality and Performance	N/A	N/A	20-25	65-70	388	N/A	N/A	N/A
Dr Raj Patel	Medical Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms Melanie Sirotkin	Lead Director of Public Health	N/A	N/A	35-40	105-110	706	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	0-2.5	0-2.5	20-25	65-70	359	334	8	N/A
Mr Warren Heppolette	Director of Policy and External Relations	0-2.5	0-2.5	20-25	0-5	223	193	20	N/A
Ms Leila Williams	Director of Service Transformation	0-2.5	0-2.5	25-30	80-85	491	452	15	N/A
Mr Kevin Moynes	Director of HR and OD	N/A	N/A	20-25	60-65	410	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	12.5-15	0-2.5	15-20	0-5	150	32	116	N/A

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.  
Dr Raj Patel is not a member of the NHS pension scheme and his employer makes no contribution to any other scheme

### Salaries and Allowances Shadow Clinical Commissioning Group (CCG) (Audited)

Name	Title	2012-13 Salary (bands of £5,000)	2012-13 Other Payments bands of £5,000	2012-13 Bonus Payments (bands of £5,000)	2012-13 Benefits in Kind (bands of £100)	2011-12 Salary (bands of £5,000)	2011-12 Other Payments bands of £5,000	2011-12 Bonus Payments (bands of £5,000)	2011-12 Benefits in Kind (bands of £100)
<b>Exec Board Members</b>									
Dr Tim Riley	Chief Executive until 02/05/2011 Locality Managing Director from 03/05/2011 - 03/11/2011			-		75 - 80	290-295	-	
Mr Steve Allinson	Chief Operating Officer	75-80		-		40-45	20-25	-	
Mr Ian Currell	Director of Finance until 31/3/2012 Locality Director of Finance from 03/05/2011 - 30/09/2011 Locality Managing Director from 01/10/2011 - 31/03/2012			-		100 - 105	-	-	0-1
Mrs Kathy Roe	Chief Finance Officer, Deputy Chief Operating Office and Locality Director of Finance	85-90		-	0-1	40-45	35-40	-	0-1
Dr Bal Duper	Medical Director until 02/05/2011			-		10 - 15	-	-	1-2
Dr Vikram Tanna	Locality Medical Director from 02/05/2011 until 31/03/2013	55-60		-		45 - 50	-	-	
Dr Naomi Duggan	Director of Public Affairs until 02/05/2011 Locality Director of Public Affairs from 03/05/2011	90-95		-	0-1	85 - 90	-	-	1-2
Ms Sabrina Fuller	Acting Director of Public Health until 31/07/2011			-		30 - 35		-	2-3
Mrs Elaine Michel	Acting Director of Public Health from 01/08/2011 until 27/01/2013	70-75		-	0-1	60 - 65	60 - 65	-	0-1



### Salaries and Allowances Shadow CCG (Audited) continued

		2012-13	2012-13	2012-13	2012-13		2011-12	2011-12	2011-12	2011-12
Name	Title	Salary (bands of £5,000)	Other Payments bands of £5,000	Bonus Payments (bands of £5,000)	Benefits in Kind (bands of £100)		Salary (bands of £5,000)	Other Payments bands of £5,000	Bonus Payments (bands of £5,000)	Benefits in Kind (bands of £100)
Angela Hardman	Director of Public Health from 21/01/2013	30-35							-	
Mrs Hilary Garratt	Deputy Chief Executive and Director of Comm, Quality & Exec Nurse until 02/05/2011			-			5 - 10	20-25	-	7-8
Dr Raj Patel	PEC Chair until 30/04/2011			-			0 - 5	-	-	
Mr Tom Wilson	Director of Contracting and Performance until 02/05/2011 Locality Director of Contracting and Performance from 03/05/2011 Seconded to local Central Support Unit from 01/01/2013	65-70	20-25	-	1-2		90 - 95	-	-	5-6
<b>Lay Members</b>										
Mr Graham Curtis	Lay Member from 01/09/2012	5-10	-	-			N/A	N/A	N/A	N/A
Mr John Hallsworth	Lay Member from 03/05/2011 until 30/11/2012	5 - 10	-	-			N/A	N/A	N/A	N/A
Mrs Yvonne Pritchard	Lay Member from 03/05/2011 Lay Advisor from 01/09/2012	10 - 15	-	-			N/A	N/A	N/A	N/A

### Salaries and Allowances Shadow CCG (Audited) continued

Name	Title	2012-13 Salary (bands of £5,000)	2012-13 Other Payments bands of £5,000	2012-13 Bonus Payments (bands of £5,000)	2012-13 Benefits in Kind (bands of £100)	2011-12 Salary (bands of £5,000)	2011-12 Other Payments bands of £5,000	2011-12 Bonus Payments (bands of £5,000)	2011-12 Benefits in Kind (bands of £100)
Mrs Lynn Travis	Lay Member until 13/07/2012	5 - 10	-	-		N/A	N/A	N/A	N/A
Ms Celia Poole	Lay Member from 01/09/2012	0-5				N/A	N/A	N/A	N/A
<b>CCG GP Members</b>									
Dr Raj Patel	CCG Board Chair finished 31/12/12 thereafter Part of the PCT Board	70-75	20-25	-		45-50	20-25	-	
Dr Alan Dow	CCG Board member and Chair from 01/01/2013	45-50		-		30-35	-	-	
Dr Tina Greenough	CCG Board member	30-35		-		30-35	-	-	
Dr Richard Bircher	CCG Board member	30-35		-		20-25	-	-	
Dr Joanne Rowell	CCG Board member until 30/11/2012	10-15		-		15-20	-	-	
Dr John Doldon	CCG Board member until 30/11/2012	20-25	10-15	-		30-35	-	-	
Dr Phaninder Tatineni	CCG Board member until 30/11/2012	15-20		-		15-20	-	-	
Dr Guy Wilkinson	CCG Board member	15-20		-		15-20	-	-	
Dr Amir Hannan	CCG Board member from 01/11/2012	5-10				N/A			
Dr Ram Jha	CCG Board member from 01/01/2012	0-5							

### Shadow CCG Pensions Disclosures (Audited)

		2012-13						
		Real increase in pensions at 60	Real increase in Lump sum pensions at 60	Total accrued pension at 60 31 Mach 2013	Lump sum at age 60 31 March 2013	CETV 31 March 2012	CETV 31 March 2013	Real Increase in CETV
		£000	£000	£000	£000	£000	£000	£000
<b>Mr Ian Currell</b>	Director of Finance until 02/05/2011 Locality Director of Finance from 03/05/2011 - 30/09/2011 Locality Managing Director from 01/10/2011 - 31/03/2012	0-2.5	5-10	25-30	80-85	N/A	N/A	N/A
<b>Dr Vikram Tanna</b>	Locality Medical Director from 02/05/2011 until 31/03/2013	0-2.5	5-10	70-75	220-225	Retired	Retired	Retired
<b>Ms Naomi Duggan</b>	Director of Public Affairs until 02/05/2011 Locality Director of Public Affairs from 03/05/2011	0-2.5	N/A	5-10	N/A	54	68	14
<b>Mrs Elaine Michel</b>	Acting Director of Public Health from 01/08/2011 until 27/01/2013	(2.5) - 0.0	(2.5) - 0.0	20-25	70-75	502	504	2
<b>Angela Hardman</b>	Director of Public Health from 21/01/2013	Not Employed by the PCT						
<b>Mr Tom Wilson</b>	Director of Contracting and Performance until 02/05/2011 Locality Director of Contracting and Performance from 03/05/2011 Seconded to local Central Support Unit from 01/01/2013	0-2.5	0-2.5	20-25	60-65	323	333	11
<b>Mr Steve Allinson</b>	Chief Operating Officer	2.5 - 5	5-10	20-25	75-80	360	420	60
<b>Mrs Kathy Roe</b>	Chief Finance Officer, Deputy Chief Operating Officer and Locality Director of Finance	0-2.5	5-10	25-30	80-85	368	422	54

## **Notes to Pension information**

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members. It is not possible to assign a Cash Equivalent Transfer Value (CETV) across a cluster and therefore only the full values are shown. There were no contributions to employer stakeholder pensions.

### **Cash Equivalent Transfer Values (CETV)**

A CETV is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has

transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

### **Real Increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. (The real increase in CETV figures have increased significantly compared to last year's values. This is due to a change in the factors used to calculate the CETV which came into force on 1 October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment regulations.)

### **Pay multiples**

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent

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

For Tameside and Glossop PCT the costs of the Directors were shared amongst all 10 PCTs within Greater Manchester. As a consequence Tameside and Glossop PCT only incurred 8.64% (9% in 2011/12) of each of their salaries. Using the annualised cost of these Directors would mean that the highest paid director in Tameside and Glossop PCT in the financial year 2012/13 was £13,000 (£14,000 in 2011/12). This was 0.4 times (0.6 times in 2011/12) the median remuneration of the workforce which was £32,500 (£25,000 in 2011/12). There was also one member of staff earning more than the highest paid director by £2,349. In 2011/12 there were no other members of staff earning more than the highest paid director

The highest paid director in the shadow clinical commissioning group in the financial year 2012/13 was £92,562 (2011/12: £128,000). This was 2.84 times (2011/12 5.2 times) the median

remuneration of the workforce which was £32,500 (2010/11: £25,000). During 2012/13, one member of staff earned £97,651 (£152,000 in 2011/12) more than the highest paid director, due to the inclusion of a severance payment in the remuneration.

### Sickness Absence Data

The following sickness absence data was reported in 2012/13.

Average Sickness	Full Time Equivalent Staff	Full time Staff Days Available	Days Lost to Sickness Absence	Average Sick Days per Full Time Equivalent
1.4%	189	42,577	613	3.2

### 1 Off Payroll Engagements

The Treasury Paper PES2012/17 requires the PCT to disclose all off payroll engagements. Tameside & Glossop PCT had no off payroll engagements during 2012/13.



Department  
of Health



# Tameside and Glossop Primary Care Trust

2012-13 Accounts

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# Tameside and Glossop Primary Care Trust

2012-13 Accounts



# **NHS Tameside and Glossop**

**Statutory Accounts 2012/13**

## **FOREWORD TO THE ACCOUNTS**

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

Tameside and Glossop PCT - Annual Accounts 2012-13

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

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

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

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

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

Name: Mike Burrows

Date 6 June 2013

Tameside and Glossop PCT - Annual Accounts 2012-13

**STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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

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

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

By order of the Permanent Secretary.

6 June 2013 Date..........Signing Officer

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

## **ANNUAL GOVERNANCE STATEMENT 2012/13**

### **TAMESIDE AND GLOSSOP PCT [5LH]**

#### **1. Scope of responsibility**

##### NHS Greater Manchester

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

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

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

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

Key working relationships are with:

- Local Residents;
- Staff within the PCT;
- Executive Directors;
- Non Executive Directors;
- Members of the Clinical Commissioning Groups;
- Local Authorities and the Association of Greater Manchester Authorities (AGMA);
- North of England Specialist Commissioning team;
- The media;
- Local members of Parliament;
- Local Foundation Trusts;
- Local NHS Trusts;
- Local Independent Contractors;
- Voluntary/not for profit sector;
- NHS North;
- Department of Health;
- Care Quality Commission;
- Monitor.

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

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

## **2. The purpose of the system of internal control**

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

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

## **3. Capacity to handle risk**

### NHS Greater Manchester

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

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

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

#### Tameside and Glossop Shadow CCG

Tameside and Glossop Shadow CCG is committed to managing all forms of risks, including clinical risk, financial risk and organizational risk, in order to ensure that the quality and delivery of patient services and care are maximised, and reputation, services and finances are protected.

Responsibility for the management of risk across Tameside and Glossop Shadow CCG resides with the Locality Board, and as Accountable Officer I am accountable overall for risk management within the organization and therefore provide the necessary leadership in this area. The Audit and Risk Group [latterly the Integrated Governance, Audit and Risk Committee] has had delegated responsibility on behalf of the Locality Board for managing risk. The following officers, as Locality Directors, were specifically responsible in 2012/13 for risk issues within their own defined area of responsibility: Locality Interim Managing Director, Locality Director of Commissioning, Locality Director of Finance, Locality Director of Public Health, and Locality Director of Public Affairs. The Locality Directors above ensured that staff attended statutory/mandatory training in Risk Management, Health and Safety, Fire Safety, Lifting and Handling, Conflict Resolution and Basic Life Support (Advanced Life Support where applicable). These Officers ensure that risk is managed within their Directorate in accordance with the requirements of the organization's Risk Management Strategy and Risk Management Policy. Tameside and Glossop Shadow CCG also seeks to learn from good practice in risk management and maintains contacts with other organizations within the NHS and external to it (e.g. NHS Litigation Authority, Care Quality Commission) in order to achieve this.

Principal high risk areas during 2012/13 and key risks outstanding at end of the year related to issues around achieving all NHS Operating Framework Standards; addressing secondary care over performance; progress on hospital acquired infection rates; Public Health priorities; and PCT Closedown and organizational transition arrangements.

## **4. The risk and control framework**

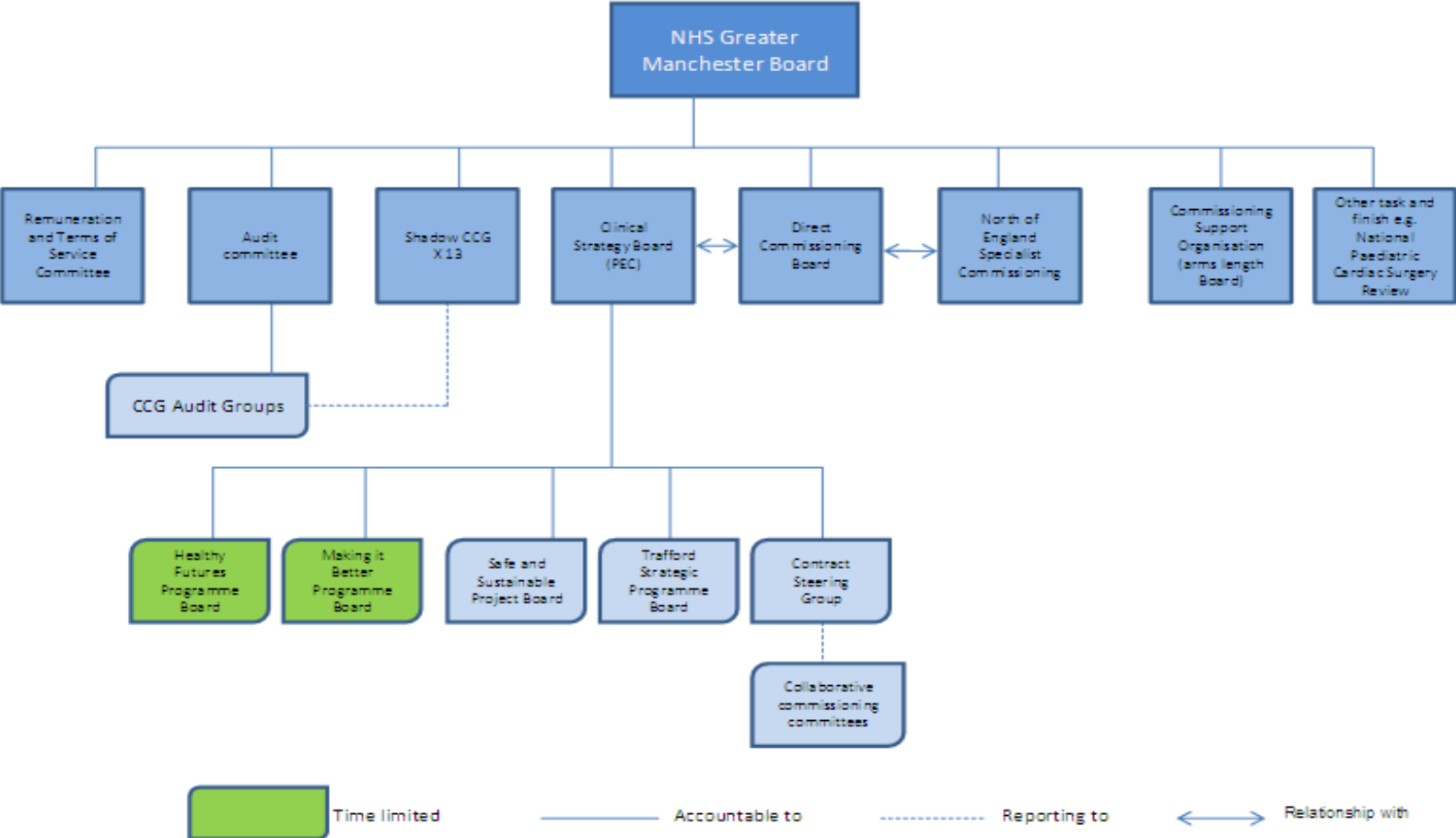
### NHS Greater Manchester

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

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

The high level committee structure depicted below was in place during the year.

**NHS Greater Manchester committee structure from April 2012 – March 2013**





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

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

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

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

#### **Leadership**

- A Board is in place which is collectively responsible for the success of the Greater Manchester PCTs and for overseeing the transition to the new organisational arrangements.

- There is a clear division of responsibilities between the running of the board and the executive responsibility for the running of the organisation. No one individual has unfettered powers of decision.
- The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role.
- Non-executive directors constructively challenge and help develop proposals on strategy.

### **Effectiveness**

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

### **Accountability**

- The board presents a balanced and understandable assessment of the organisations position and prospects via a number of routes including,
  - Papers presented to each Board meeting, eg Finance, Performance
  - The development and publication of an Annual Plan
  - The development and publication of an Annual Report for each constituent PCT
- The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board has maintained sound risk management and internal control systems as described in the "Risk and Control framework" section below.
- The board has established formal and transparent arrangements for considering how it should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the PCT's auditor. The Audit Committee leads on this area of work, with regular feedback and reporting to the main Board and a regular ongoing dialogue in place between the PCTs and their internal and external auditors.

## Remuneration

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

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

- There is a dialogue with stakeholders, (eg patients, public, partner organisations), based on the mutual respect and a commitment to effective communication and engagement. The board as a whole has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place.
- The AGMs of the ten Greater Manchester PCTs, together with a wide range of other initiatives, are used to communicate with stakeholders and to encourage their participation. AGMs were held in 2012-13 in respect of the 2011-12 accounts and achievements, however due to the demise of PCTs on 31.3.13, no further AGMs will be held.

## 5. Arrangements for managing the transition

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

### The Transition Programme Board undertakes the following functions:

- Provides assurance, monitors progress and authorises / assures programme activities through monitoring progress reporting from the sub-programmes and Professional Leads on delivery of:
  - The NHS Greater Manchester transition programme
  - The Sub-Programmes to create the four main receiving organisations in NHS Greater Manchester (NHS England, CCGs, CSS and Local Authority Public Health)
  - Transfer of Estates and Facilities Management functions to NHS Prop Co
  - Enabling work streams in support of the Transition Programme
- Provides assurance of the Transition Programme through review of the following for each receiving organisation and enabler programme:
  - Delivery plans, key milestones and inter-dependencies
  - Resources and budget controls
  - Reviewing and resolving key risks & issues, escalating as required
  - Stakeholder engagement and communications activities for the programme

The PCT Closedown Programme has been established as a sub programme of the Transition Programme Board. The Closedown Accountable Officers (the Locality Directors of Finance) and Closedown Leads at the individual PCTs will ensure that there is effective

identification of the functions and associated assets, liabilities and contracts to be transferred and that there has been clear and meaningful communication of this with the 'Receiving Organisations'.

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

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

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

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

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

## **6. Arrangements for accounts scrutiny and sign off**

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

## **7. Review of effectiveness**

### Tameside and Glossop PCT

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The overall level of the Head of Internal Audit Opinion in 2012/13 is "significant assurance". Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by Internal and External Audit reports.

During 2012/13 I was advised on the implications of the result of my review of the effectiveness of the system of internal control by the Shadow CCG Board, the Audit and Risk Group [latterly the Integrated Governance, Audit and Risk Committee], the Quality Committee, the Finance Committee [latterly the Finance and QIPP Assurance Committee, the Planning, Implementation and Quality Committee, and the Public and Patient Impact Committee. Arrangements to address any weaknesses and to ensure continuous improvement of the system are in place.

The maintenance and review of effectiveness of the system of Internal Control is overseen by the Shadow CCG Board. The Audit and Risk Group [latterly the Integrated Governance, Audit and Risk Committee] undertakes the overview of the process culminating in the production of the Assurance Framework on behalf of the Locality Board. This involves monitoring the Risk Register, together with an overview of the responsibilities of managers in the areas of risk management. The Audit and Risk Group [latterly the Integrated Governance, Audit and Risk Committee] is made aware of recommendations made by Internal Audit on governance and risk management matters, and formulates action plans to address these. The Shadow CCG Board has also received direct advice on internal control issues via the committee structure from the Audit and Risk Group [latterly the Integrated Governance, Audit and Risk Committee], Quality Committee, the Finance Committee [latterly the Finance and QIPP Assurance Committee], the Planning, Implementation and Quality Committee, and the Public and Patient Impact Committee.

My review confirms that Tameside and Glossop PCT has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. The system of internal control has been in place in Tameside and Glossop PCT for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

**Accountable Officer:** Mike Burrows

**Organisation:** Tameside and Glossop PCT

**Signature:**



**Date:** 7 June 2013

**INDEPENDENT AUDITOR'S REPORT  
TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF  
TAMESIDE AND GLOSSOP PRIMARY CARE TRUST**

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

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

- the table of salaries and allowances of senior managers and related narrative notes on pages 17 to 20 and 22 to 24
- the table of pension benefits of senior managers and related narrative notes on pages 21 and 25 to 26
- the pay multiples narrative notes on pages 26 and 26.

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

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

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

**Scope of the audit of the financial statements**

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

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

**Opinion on regularity**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other matters**

In our opinion:

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

**Matters on which we report by exception**

We report to you if:

- in our opinion the governance statement does not reflect compliance with the Department of Health's Guidance;
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have 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 Primary Care Trust

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 [name of PCT] in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Mark Heap  
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP  
4 Hardman Square, Spinningfields, Manchester, M3 3EB  
7 June 2013

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

	NOTE	2012-13 £000	2011-12 £000
<b>Administration Costs and Programme Expenditure</b>			
Gross employee benefits	7.1	9,758	9,985
Other costs	5.1	445,561	427,163
Income	4	(10,838)	(10,737)
<b>Net operating costs before interest</b>		<b>444,481</b>	<b>426,411</b>
Investment income	9	(59)	(41)
Other (Gains)/Losses	10	(5)	0
Finance costs	11	1,491	1,456
<b>Net operating costs for the financial year</b>		<b>445,908</b>	<b>427,826</b>
Transfers by absorption -(gains)		0	0
Transfers by absorption - losses		0	0
<b>Net (gain)/loss on transfers by absorption</b>		<b>0</b>	<b>0</b>
<b>Net Operating Costs for the Financial Year including absorption transfers</b>		<b>445,908</b>	<b>427,826</b>
<b>Of which:</b>			
<b>Administration Costs</b>			
Gross employee benefits	7.1	8,258	9,117
Other costs	5.1	6,524	6,774
Income	4	(3,253)	(3,582)
<b>Net administration costs before interest</b>		<b>11,529</b>	<b>12,309</b>
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
<b>Net administration costs for the financial year</b>		<b>11,529</b>	<b>12,309</b>
<b>Programme Expenditure</b>			
Gross employee benefits	7.1	1,500	868
Other costs	5.1	439,037	420,389
Income	4	(7,585)	(7,155)
<b>Net programme expenditure before interest</b>		<b>432,952</b>	<b>414,102</b>
Investment income	9	(59)	(41)
Other (Gains)/Losses	10	(5)	0
Finance costs	11	1,491	1,456
<b>Net programme expenditure for the financial year</b>		<b>434,379</b>	<b>415,517</b>
<b>Other Comprehensive Net Expenditure</b>			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		70	298
Net (gain) on revaluation of property, plant & equipment		(10)	(70)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		(19)	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	0
Release of Reserves to Statement of Comprehensive Net Expenditure		13	0
Net actuarial (gain)/loss on pension schemes		0	0
<b>Reclassification Adjustments</b>			
Reclassification adjustment on disposal of available for sale financial assets		0	0
<b>Total comprehensive net expenditure for the year*</b>		<b>445,962</b>	<b>428,054</b>

\*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.  
The notes on pages 5 to 46 form part of this account.



Statement of Financial Position at  
31 March 2013

		31 March 2013	31 March 2012
	NOTE	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	12	23,609	24,742
Intangible assets	13	65	228
investment property	15	0	0
Other financial assets	20	572	553
Trade and other receivables	19	0	0
<b>Total non-current assets</b>		<b>24,246</b>	<b>25,523</b>
<b>Current assets:</b>			
Inventories	18	0	0
Trade and other receivables	19	2,280	2,704
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	23	1
<b>Total current assets</b>		<b>2,303</b>	<b>2,705</b>
Non-current assets held for sale	24	0	115
<b>Total current assets</b>		<b>2,303</b>	<b>2,820</b>
<b>Total assets</b>		<b>26,549</b>	<b>26,343</b>
<b>Current liabilities</b>			
Trade and other payables	25	(19,862)	(22,786)
Other liabilities	26,28	0	0
Provisions	32	(1,463)	(165)
Borrowings	27	(123)	(106)
Other financial liabilities	36.2	0	0
<b>Total current liabilities</b>		<b>(21,448)</b>	<b>(23,057)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>5,101</b>	<b>5,286</b>
<b>Non-current liabilities</b>			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	0	0
Borrowings	27	(12,259)	(12,382)
Other financial liabilities	36.2	0	0
<b>Total non-current liabilities</b>		<b>(12,259)</b>	<b>(12,382)</b>
<b>Total Assets Employed:</b>		<b>(7,158)</b>	<b>(7,096)</b>
<b>Financed by taxpayers' equity:</b>			
General fund		(9,273)	(9,278)
Revaluation reserve		2,115	2,182
Other reserves		0	0
<b>Total taxpayers' equity:</b>		<b>(7,158)</b>	<b>(7,096)</b>

The notes on pages 5 to 46 form part of this account.

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

Designated Signing Officer for Tameside and Glossop PCT

Date: 6 June 2013

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
<b>Balance at 1 April 2012</b>	<b>(9,278)</b>	<b>2,182</b>	<b>0</b>	<b>(7,096)</b>
<b>Changes in taxpayers' equity for 2012-13</b>				
Net operating cost for the year	(445,908)	0	0	<b>(445,908)</b>
Net gain on revaluation of property, plant, equipment	0	10	0	<b>10</b>
Net gain on revaluation of intangible assets	0	0	0	<b>0</b>
Net gain on revaluation of financial assets	0	19	0	<b>19</b>
Net gain on revaluation of assets held for sale	0	0	0	<b>0</b>
Impairments and reversals	0	(70)	0	<b>(70)</b>
Movements in other reserves	0	0	0	<b>0</b>
Transfers between reserves*	13	(13)	0	<b>0</b>
Release of Reserves to SOCNE	0	(13)	0	<b>(13)</b>
<b>Reclassification Adjustments</b>				
Transfers between Revaluation Reserve & General Fund in respect of assets transferred under absorption	0	0	0	<b>0</b>
Net actuarial gain/(loss) on pensions	0	0	0	<b>0</b>
<b>Total recognised income and expense for 2012-13</b>	<b>(445,895)</b>	<b>(67)</b>	<b>0</b>	<b>(445,962)</b>
Net Parliamentary funding	445,900			<b>445,900</b>
<b>Balance at 31 March 2013</b>	<b>(9,273)</b>	<b>2,115</b>	<b>0</b>	<b>(7,158)</b>
<b>Balance at 1 April 2011</b>	<b>(8,324)</b>	<b>2,536</b>	<b>0</b>	<b>(5,788)</b>
<b>Changes in taxpayers' equity for 2011-12</b>				
Net operating cost for the year	(427,826)	0	0	<b>(427,826)</b>
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	70	0	<b>70</b>
Net Gain / (loss) on Revaluation of Intangible Assets	0	0	0	<b>0</b>
Net Gain / (loss) on Revaluation of Financial Assets	0	0	0	<b>0</b>
Net Gain / (loss) on Assets Held for Sale	0	0	0	<b>0</b>
Impairments and Reversals	0	(288)	0	<b>(288)</b>
Movements in other reserves	0	0	0	<b>0</b>
Transfers between reserves*	136	(136)	0	<b>0</b>
Release of Reserves to Statement of Comprehensive Net Expenditure	0	0	0	<b>0</b>
<b>Reclassification Adjustments</b>				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	<b>0</b>
On disposal of available for sale financial assets	0	0	0	<b>0</b>
Net actuarial gain/(loss) on pensions	0	0	0	<b>0</b>
<b>Total recognised income and expense for 2011-12</b>	<b>(427,690)</b>	<b>(354)</b>	<b>0</b>	<b>(428,044)</b>
Net Parliamentary funding	426,736			<b>426,736</b>
<b>Balance at 31 March 2012</b>	<b>(9,278)</b>	<b>2,182</b>	<b>0</b>	<b>(7,096)</b>

\* including transfers from the revaluation reserve to the general fund in respect of impairments and depreciation on revalued assets.

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

	2012-13 £000	2011-12 £000
<b>Cash Flows from Operating Activities</b>		
Net Operating Cost Before Interest	(444,481)	(426,411)
Depreciation and Amortisation	808	861
Impairments and Reversals	1,200	98
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	(1,491)	(1,445)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	0	0
(Increase)/Decrease in Trade and Other Receivables	424	442
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(2,526)	444
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(5)	(194)
Increase/(Decrease) in Provisions	1,303	29
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(444,768)</b>	<b>(426,176)</b>
<b>Cash flows from investing activities</b>		
Interest Received	59	41
(Payments) for Property, Plant and Equipment	(1,116)	(585)
(Payments) for Intangible Assets	(54)	(121)
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	107	227
Proceeds of disposal of assets held for sale (Intangible)	0	0
Proceeds from Disposal of Other Financial Assets	0	0
Proceeds from the disposal of Financial Assets (LIFT)	0	0
Loans Made in Respect of LIFT	0	0
Loans Repaid in Respect of LIFT	0	1
Rental Revenue	0	0
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(1,004)</b>	<b>(437)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(445,772)</b>	<b>(426,613)</b>
<b>Cash flows from financing activities</b>		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(106)	(124)
Net Parliamentary Funding	445,900	426,736
Capital Receipts Surrendered	0	0
Capital grants and other capital receipts	0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)	0	0
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>445,794</b>	<b>426,612</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>22</b>	<b>(1)</b>
<b>Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period</b>	<b>1</b>	<b>2</b>
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>	<b>23</b>	<b>1</b>

## 1. Accounting policies

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

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

As a consequence of the Health and Social Care Act 2012, Tameside and Glossop PCT 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, the Board of Tameside & Glossop PCT have prepared these financial statements on a going concern basis.

### **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. For the PCT, its community services transferred to Stockport NHS Foundation Trust in April 2011. 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 accounting for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE, and is disclosed separately from operating costs.

### **Acquisitions and Discontinued Operations**

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

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

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

## 1. Accounting policies (continued)

### Critical judgements in applying accounting policies

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

- The Lease Plus Agreement under which the PCT leases premises fulfils the definition of a service concession and is accounted for in accordance with the Private Finance Initiative described in note 34.

### 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

- The estimated useful economic lives for assets owned by the PCT are as set out in note 12.3.
- In estimating the provisions for early retirement costs, actuarial information from the Government Actuarial Service has been used.
- Payments to contractors (e.g. GPs) as part of their contract for services in respect of premises costs are accounted for as operating costs.
- During 2012/13 and 2011/12, valuations were obtained for all land and buildings recorded on the PCT's asset register from the District Valuer.
- There are a number of material costs for which the PCT needs to estimate some of the annual charge at year end as the actual costs are not available until after the date of submission. These are:
  - Prescribing charges;
  - Secondary care costs, including the costs of unfinished courses of treatment; and
  - Dental charges.
- Within the Lease Plus Agreement contracts are amounts that the PCT pays to reflect expected required maintenance and replacement work. These costs are included within the fixed payments that the PCT makes over the life of the contract. In accounting for these costs, the PCT judges whether there are delays in necessary expenditure (in which case the funding is set aside) or the costs have been avoided (in which case the funding is expensed).
- Provisions are those items which are more uncertain than creditors. They are also frequently, but not necessarily, one-off or unusual items for which there are fewer comparisons. In 2012/13, provisions include:
  - Other legal claims;
  - Insurance cases handled by the NHS LA who provide an estimate of the excess costs for which the PCT is expected to be liable; and
  - Continuing Healthcare claims for ongoing nursing support where there is dispute over whether the criteria have been met.
- Management costs are calculated figures using a DH defined set of rules to provide an indication of the overhead costs of the organisation. However, the application of the rules for each organisation involves an application of professional judgement to particular circumstances.

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

From 2012-13, 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

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

### **1.2 Revenue and Funding**

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

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

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

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

### **1.3 Taxation**

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

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

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

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

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

The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services. Expense incurred under NHS transition redundancy programmes is however classified to "programme" under Treasury budgetary control arrangements and so is recorded as such in the financial statements.

## 1. Accounting policies (continued)

### 1.5 Property, Plant & Equipment

#### Recognition

Property, plant and equipment is capitalised if:

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

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

#### Valuation

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

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

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

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

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

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

Where the value of equipment and expected economic life warrants, IT equipment held by the PCT is revalued by comparison with the cost of Modern Equivalent Asset.

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

#### Subsequent expenditure

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

## 1. Accounting policies (continued)

### 1.6 Intangible Assets

#### Recognition

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

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

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

#### Measurement

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

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

### 1.7 Depreciation, amortisation and impairments

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

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

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

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

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

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



## 1. Accounting policies (continued)

### 1.8 Donated assets

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

### 1.9 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.

### 1.10 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.

### 1.11 Inventories

The PCT does not hold any inventories.

### 1.12 Cash and cash equivalents

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

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

### 1.13 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).

### 1.14 Clinical Negligence Costs

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

The NHSLA operates a risk pooling scheme under which the PCT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure in the year that it is due. The total value of clinical negligence provisions carried by the NHSLA on behalf of the PCT is disclosed at Note 30.

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

### **1.15 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.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

#### **Retirement benefit costs**

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

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

### **1.16 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.

### **1.17 Grant making**

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

## 1. Accounting policies (continued)

### 1.18 Contingencies

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

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

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

### 1.19 Leases

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

#### The PCT as lessee

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

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

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

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

#### The PCT as lessor

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

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

### 1.20 Foreign exchange

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

### 1.21 Provisions

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

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

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

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

## 1. Accounting policies (continued)

### 1.22 Financial Instruments

#### Financial assets

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

Financial assets are initially recognised at fair value.

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

#### Financial assets at fair value through profit and loss

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

#### 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. The PCT does not currently hold any available for sale financial derivatives.

#### Loans and receivables

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

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques. The PCT does not hold any loans or receivables which are carried at fair value.

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

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

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

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

## 1. Accounting policies (continued)

### Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

### 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. The PCT does not hold any embedded derivatives.

### 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.

## 1.23 Private Finance Initiative (PFI) and NHS LIFT transactions

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

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

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

### a) Services received

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

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

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

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

## 1. Accounting policies (continued)

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

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

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

### c) Lifecycle replacement

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

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

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

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

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

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

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

## 1.24 Accounting standards that have been issued but have not 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

Tameside and Glossop PCT has applied IFRS 8 in determining its operating segments. An operating segment represents a component that offers different services, for which financial information is reported to the Board and is used to assess performance and allocate resources.

Material suppliers and customers are all other public bodies and the financial value of transaction with them is disclosed in note 37 on related party transactions. The only supplier with whom the PCT spends more than 10% of total expenditure is Tameside Hospital NHS FT. Details are shown in note 37.

	<b>2012-13</b> <b>£000</b>	2011-12 £000
Employee benefits	<b>9,758</b>	9,985
Other costs	<b>445,561</b>	427,163
Income	<b>(10,838)</b>	(10,737)
<b>PCT net operating costs before interest</b>	<b>444,481</b>	426,411
Investment income	<b>(59)</b>	(41)
Other (gains) & Losses	<b>(5)</b>	0
Finance costs	<b>1,491</b>	1,456
<b>Net operating costs for the financial year</b>	<b>445,908</b>	427,826
Less: Non-discretionary expenditure Resource Funding	<b>(446,908)</b>	-
Operating Segment surplus	<b>(1,000)</b>	(1,000)

### 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		427,826
Net operating cost plus (gain)/loss on transfers by absorption	445,908	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	446,908	428,826
<b>Under spend Against Revenue Resource Limit (RRL)</b>	<u>1,000</u>	<u>1,000</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	664	507
Charge to Capital Resource Limit	657	505
<b>(Over)/Underspend Against CRL</b>	<u>7</u>	<u>2</u>

#### 3.3 Provider full cost recovery duty

The PCT transferred its community services to Stockport FT in April 2011. This disclosure is, therefore, no longer required.

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

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	445,900	426,736
Cash Limit	450,900	427,736
<b>Under/(Over)spend Against Cash Limit</b>	<u>5,000</u>	<u>1,000</u>

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

	2012-13 £000
Total cash received from DH (Gross)	450,900
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
<b>Sub total: net advances</b>	<u>450,900</u>
(Less)/plus: transfers (to)/from other resource account bodies - cash returned at end of the year	(5,000)
Plus: cost of Dentistry Schemes (central charge to cash limits)	0
Plus: drugs reimbursement (central charge to cash limits)	0
<b>Parliamentary funding credited to General Fund</b>	<u>445,900</u>



**4 Miscellaneous Revenue**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	0	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	3,566	0	3,566	3,141
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	2,894	0	2,894	2,335
Strategic Health Authorities	388	0	388	306
NHS Trusts	0	0	0	0
NHS Foundation Trusts	1,774	1,774	0	1,795
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	737	0	737	1,303
Primary Care Trusts - Lead Commissioning	0	0	0	0
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	0
Department of Health - SMPTB	0	0	0	0
Department of Health - Other	0	0	0	0
Recoveries in respect of employee benefits	363	363	0	619
Local Authorities	291	291	0	375
Patient Transport Services	0	0	0	0
Education, Training and Research	0	0	0	3
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	476	476	0	487
Other revenue	349	349	0	373
<b>Total miscellaneous revenue</b>	<b>10,838</b>	<b>3,253</b>	<b>7,585</b>	<b>10,737</b>

## 5. Operating Costs

## 5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
<b>Goods and Services from Other PCTs</b>				
Healthcare	39,615		39,615	40,297
Non-Healthcare	3,846	150	3,696	467
<b>Total</b>	<b>43,461</b>	<b>150</b>	<b>43,311</b>	<b>40,764</b>
<b>Goods and Services from Other NHS Bodies other than FTs</b>				
Goods and services from NHS Trusts	8,182	0	8,182	9,716
Goods and services (other, excl Trusts, FT and PCT))	3,321	0	3,321	670
<b>Total</b>	<b>11,503</b>	<b>0</b>	<b>11,503</b>	<b>10,386</b>
Goods and Services from Foundation Trusts	243,626	2,180	241,446	234,506
Purchase of Healthcare from Non-NHS bodies	26,183		26,183	18,857
Social Care from Independent Providers	0		0	0
Expenditure on Drugs Action Teams	2,237		2,237	2,170
Non-GMS Services from GPs	1,456	0	1,456	1,638
Contractor Led GDS & PDS (excluding employee benefits)	16,669		16,669	16,417
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	792		792	0
Chair, Non-executive Directors & PEC remuneration	38	38	0	103
Executive committee members costs	127	127	0	333
Consultancy Services	647	647	0	126
Prescribing Costs	39,597		39,597	42,489
G/PMS, APMS and PCTMS (excluding employee benefits)	32,072	0	32,072	32,311
Pharmaceutical Services	0		0	0
Local Pharmaceutical Services Pilots	0		0	0
New Pharmacy Contract	11,715		11,715	11,418
General Ophthalmic Services	2,783		2,783	2,468
Supplies and Services - Clinical	833	0	833	403
Supplies and Services - General	26	26	0	26
Establishment	1,142	1,142	0	1,060
Transport	42	42	0	21
Premises	4,066	1,038	3,028	3,818
Impairments & Reversals of Property, plant and equipment	1,070	0	1,070	(12)
Impairments and Reversals of non-current assets held for sale	0	0	0	0
Depreciation	721	194	527	770
Amortisation	87	87	0	91
Impairment & Reversals Intangible non-current assets	130	0	130	110
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	0
Inventory write offs	0	0	0	0
Research and Development Expenditure	0	0	0	0
Audit Fees	70	70	0	129
Other Auditors Remuneration	26	26	0	37
Clinical Negligence Costs	0	0	0	0
Education and Training	106	106	0	381
Grants for capital purposes	0	0	0	0
Grants for revenue purposes	139	0	139	185
Impairments and reversals for investment properties	0	0	0	0
Other	4,197	651	3,546	6,158
<b>Total Operating costs charged to Statement of Comprehensive Net Expenditure</b>	<b>445,561</b>	<b>6,524</b>	<b>439,037</b>	<b>427,163</b>

Expenditure on New Pharmacy Contract has been reclassified as Pharmaceutical services

**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	850	850	0	884
Other Employee Benefits	8,908	7,408	1,500	9,101
<b>Total Employee Benefits charged to SOCNE</b>	<b>9,758</b>	<b>8,258</b>	<b>1,500</b>	<b>9,985</b>
<b>Total Operating Costs</b>	<b>455,319</b>	<b>14,782</b>	<b>440,537</b>	<b>437,148</b>

**Analysis of grants reported in total operating costs****For capital purposes**

Grants to fund Capital Projects - GMS	0	0	0	0
Grants to Local Authorities to Fund Capital Projects	0	0	0	0
Grants to Private Sector to Fund Capital Projects	0	0	0	0
Grants to Fund Capital Projects - Dental	0	0	0	0
Grants to Fund Capital Projects - Other	0	0	0	0
<b>Total Capital Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Grants to fund revenue expenditure**

To Local Authorities	96	0	96	70
To Private Sector	43	0	43	115
To Other	0	0	0	0
<b>Total Revenue Grants</b>	<b>139</b>	<b>0</b>	<b>139</b>	<b>185</b>
<b>Total Grants</b>	<b>139</b>	<b>0</b>	<b>139</b>	<b>185</b>

	Total	Commissioning Public Health Services	
<b>PCT Running Costs 2012-13</b>			
Running costs (£000s)	11,607	10,703	904
Weighted population (number in units)*	256,058	256,058	256,058
Running costs per head of population (£ per head)	45	42	4
<b>PCT Running Costs 2011-12</b>			
Running costs (£000s)	12,501	10,460	2,041
Weighted population (number in units)	256,058	256,058	256,058
Running costs per head of population (£ per head)	49	41	8

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

	2012-13	2011-12
	£000	£000

**Purchase of Primary Health Care**

GMS / PMS/ APMS / PCTMS	32,072	32,311
Prescribing costs	39,597	42,489
Contractor led GDS & PDS	16,669	16,417
Trust led GDS & PDS	792	0
General Ophthalmic Services	2,783	2,468
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	11,715	11,418
Non-GMS Services from GPs	1,456	1,638
Other	0	0
<b>Total Primary Healthcare purchased</b>	<b>105,084</b>	<b>106,741</b>

Expenditure on New Pharmacy Contract has been reclassified as Pharmaceutical services

**Purchase of Secondary Healthcare**

Learning Difficulties	5,476	4,901
Mental Illness	41,096	39,715
Maternity	13,475	13,583
General and Acute	201,182	189,129
Accident and emergency	15,250	14,578
Community Health Services	40,239	39,304
Other Contractual	3,474	2,751
<b>Total Secondary Healthcare Purchased</b>	<b>320,192</b>	<b>303,961</b>

**Grant Funding**

Grants for capital purposes	0	0
Grants for revenue purposes	139	185
<b>Total Healthcare Purchased by PCT</b>	<b>425,415</b>	<b>410,887</b>

PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	241,446	232,192

## 6. Operating Leases

The PCT has one material lease agreement for a GP premises used by the Millbrook Equitable Access practices. This is a Tenant's Internal Repairing lease and has an annual rent of £0.1m with annual rent reviews linked to inflation.

6.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
<b>Payments recognised as an expense</b>					
Minimum lease payments				810	2,433
Contingent rents				0	41
Sub-lease payments				0	0
<b>Total</b>				<b>810</b>	<b>2,474</b>
<b>Payable:</b>					
No later than one year	0	778	15	793	1,249
Between one and five years	0	1,201	0	1,201	1,542
After five years	0	2,610	0	2,610	2,834
<b>Total</b>	<b>0</b>	<b>4,589</b>	<b>15</b>	<b>4,604</b>	<b>5,625</b>

The PCT has not entered into any subleases.

Tameside and Glossop PCT has entered into certain financial arrangements involving the use of GP premises. Under:

- IFRIC 4 "Determining whether an arrangement contains a lease";
- IAS 17 "Leases"; and
- SIC 27 "Evaluating the substance of transactions involving the legal form of a lease".

the PCT has determined that those operating leases must be recognised. However, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years.

### 6.2 PCT as lessor

The PCT owns a number of premises which are used as offices and clinical space. In some cases, the PCT has leased space within these facilities to contractors (such as GP's or dentists) who provide medical services on behalf of the PCT.

	2012-13 £000	2011-12 £000
<b>Recognised as income</b>		
Rental Revenue	476	487
Contingent rents	0	0
<b>Total</b>	<b>476</b>	<b>487</b>
<b>Receivable:</b>		
No later than one year	469	480
Between one and five years	648	875
After five years	1,951	2,076
<b>Total</b>	<b>3,068</b>	<b>3,431</b>

## 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
<b>Employee Benefits - Gross Expenditure</b>									
Salaries and wages	7,226	6,847	379	6,522	6,143	379	704	704	0
Social security costs	497	473	24	496	472	24	1	1	0
Employer Contributions to NHS BSA - Pensions Division	985	938	47	983	936	47	2	2	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	1,050	0	1,050	1,050	0	1,050	0	0	0
<b>Total employee benefits</b>	<b>9,758</b>	<b>8,258</b>	<b>1,500</b>	<b>9,051</b>	<b>7,551</b>	<b>1,500</b>	<b>707</b>	<b>707</b>	<b>0</b>
<b>Less recoveries in respect of employee benefits (table below)</b>	<b>(363)</b>	<b>(363)</b>	<b>0</b>	<b>(363)</b>	<b>(363)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>9,395</b>	<b>7,895</b>	<b>1,500</b>	<b>8,688</b>	<b>7,188</b>	<b>1,500</b>	<b>707</b>	<b>707</b>	<b>0</b>
<b>Employee costs capitalised</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>9,758</b>	<b>8,258</b>	<b>1,500</b>	<b>9,051</b>	<b>7,551</b>	<b>1,500</b>	<b>707</b>	<b>707</b>	<b>0</b>
<b>Recognised as:</b>									
Commissioning employee benefits	9,758			9,051			707		
Provider employee benefits	0			0			0		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>9,758</b>			<b>9,051</b>			<b>707</b>		

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
<b>Employee Benefits - Revenue</b>									
Salaries and wages	306	306	0	306	306	0	0	0	0
Social Security costs	19	19	0	19	19	0	0	0	0
Employer Contributions to NHS BSA - Pensions Division	38	38	0	38	38	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
<b>TOTAL excluding capitalised costs</b>	<b>363</b>	<b>363</b>	<b>0</b>	<b>363</b>	<b>363</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
<b>Employee Benefits Gross Expenditure 2011-12</b>			
Salaries and wages	8,051	6,467	1,584
Social security costs	549	548	1
Employer Contributions to NHS BSA - Pensions Division	871	869	2
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	514	514	0
<b>Total gross employee benefits</b>	<b>9,985</b>	<b>8,398</b>	<b>1,587</b>
<b>Less recoveries in respect of employee benefits</b>	<b>(619)</b>	<b>(619)</b>	<b>0</b>
<b>Total - Net Employee Benefits including capitalised costs</b>	<b>9,366</b>	<b>7,779</b>	<b>1,587</b>
<b>Employee costs capitalised</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>9,985</b>	<b>8,398</b>	<b>1,587</b>
<b>Recognised as:</b>			
Commissioning employee benefits	9,985		
Provider employee benefits	0		
<b>Gross Employee Benefits excluding capitalised costs</b>	<b>9,985</b>		

## 7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
<b>Average Staff Numbers</b>						
Medical and dental	10	9	1	9	3	6
Ambulance staff	0	0	0	0	0	0
Administration and estates	151	127	24	179	144	36
Healthcare assistants and other support staff	0	0	0	0	0	0
Nursing, midwifery and health visiting staff	12	11	1	11	7	4
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	9	9	0	8	7	1
Social Care Staff	0	0	0	0	0	0
Other	13	5	8	19	7	12
<b>TOTAL</b>	<b>195</b>	<b>161</b>	<b>34</b>	<b>226</b>	<b>168</b>	<b>58</b>
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	613	6,218
Total Staff Years	189	777
Average working Days Lost	3.24	8.00

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	1	3
Total additional pensions liabilities accrued in the year	£000s 133	£000s 359

## 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	7	0	7	6	0	6	
£10,001-£25,000	11	0	11	1	0	1	
£25,001-£50,000	5	0	5	0	0	0	
£50,001-£100,000	6	0	6	1	0	1	
£100,001 - £150,000	2	0	2	2	0	2	
£150,001 - £200,000	0	0	0	1	0	1	
>£200,000	0	0	0	0	0	0	
<b>Total number of exit packages by type (total cost)</b>	<b>31</b>	<b>0</b>	<b>31</b>	<b>11</b>	<b>0</b>	<b>11</b>	
	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	<b>£s</b>	
<b>Total resource cost</b>	1,050,136	0	<b>1,050,136</b>	514,000	0	<b>514,000</b>	

This note provides an analysis of Exit Packages agreed during the year.

Redundancy and other departure costs have been paid in accordance with the provisions of S16 of the Agenda For Change. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

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

## 7.5 Pensions Costs

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

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

### a) Accounting valuation

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

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

### b) Full actuarial (funding) valuation

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

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

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

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

### c) Scheme provisions

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

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

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

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

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

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

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

## 8. Better Payment Practice Code

### 8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade Invoices Paid in the Year	14,405	53,002	16,354	50,726
Total Non-NHS Trade Invoices Paid Within Target	13,912	50,992	16,204	50,515
Percentage of NHS Trade Invoices Paid Within Target	96.58%	96.21%	99.08%	99.58%
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	3,427	332,736	4,199	316,812
Total NHS Trade Invoices Paid Within Target	3,284	330,069	4,162	316,634
Percentage of NHS Trade Invoices Paid Within Target	95.83%	99.20%	99.12%	99.94%

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

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

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



**9. Investment Income**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
<b>Rental Income</b>				
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
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Interest Income</b>				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	59	0	59	41
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
<b>Subtotal</b>	<b>59</b>	<b>0</b>	<b>59</b>	<b>41</b>
<b>Total investment income</b>	<b>59</b>	<b>0</b>	<b>59</b>	<b>41</b>

**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)	5	0	5	0
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain (Loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	0	0	0	0
Change in fair value of investment property	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>

**11. Finance Costs**

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
<b>Interest</b>				
Interest on obligations under finance leases	0	0	0	0
<b>Interest on obligations under PFI contracts:</b>				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
<b>Interest on obligations under LIFT contracts:</b>				
- main finance cost	1,237	0	1,237	1,249
- contingent finance cost	254	0	254	207
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
<b>Total interest expense</b>	<b>1,491</b>	<b>0</b>	<b>1,491</b>	<b>1,456</b>
Other finance costs	0	0	0	0
Provisions - unwinding of discount	0	0	0	0
<b>Total</b>	<b>1,491</b>	<b>0</b>	<b>1,491</b>	<b>1,456</b>

## 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
<b>2012-13</b>									
<b>Cost or valuation:</b>									
<b>At 1 April 2012</b>	4,235	19,782	0	0	1,432	91	744	97	26,381
Additions of Assets Under Construction	0	0	0	0	0	0	0	0	0
Additions Purchased	0	634	0	0	0	0	84	0	718
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(454)	0	(259)	0	(713)
Upward revaluation/positive indexation	0	10	0	0	0	0	0	0	10
Impairments/negative indexation	(22)	(48)	0	0	0	0	0	0	(70)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	(85)	(1,292)	0	0	0	0	0	0	(1,377)
<b>At 31 March 2013</b>	<b>4,128</b>	<b>19,086</b>	<b>0</b>	<b>0</b>	<b>978</b>	<b>91</b>	<b>569</b>	<b>97</b>	<b>24,949</b>
<b>Depreciation</b>									
<b>At 1 April 2012</b>	0	0	0	0	987	80	535	37	1,639
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(454)	0	(259)	0	(713)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	85	764	0	0	132	0	89	0	1,070
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	528	0	0	85	11	86	11	721
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	(85)	(1,292)	0	0	0	0	0	0	(1,377)
<b>At 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>91</b>	<b>451</b>	<b>48</b>	<b>1,340</b>
<b>Net Book Value at 31 March 2013</b>	<b>4,128</b>	<b>19,086</b>	<b>0</b>	<b>0</b>	<b>228</b>	<b>0</b>	<b>118</b>	<b>49</b>	<b>23,609</b>
Purchased	4,128	19,086	0	0	228	0	118	49	23,609
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>4,128</b>	<b>19,086</b>	<b>0</b>	<b>0</b>	<b>228</b>	<b>0</b>	<b>118</b>	<b>49</b>	<b>23,609</b>
<b>Asset financing:</b>									
Owned	3,193	8,697	0	0	228	0	118	49	12,285
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	935	10,389	0	0	0	0	0	0	11,324
PFI residual: interests	0	0	0	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>4,128</b>	<b>19,086</b>	<b>0</b>	<b>0</b>	<b>228</b>	<b>0</b>	<b>118</b>	<b>49</b>	<b>23,609</b>

## Revaluation Reserve Balance for Property, Plant &amp; 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
<b>At 1 April 2012</b>	1,711	455	0	0	3	0	0	1	2,170
Movements (Impairments charged to revaluation reserve)	(22)	(51)	0	0	0	0	0	0	(73)
<b>At 31 March 2013</b>	<b>1,689</b>	<b>404</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2,097</b>

**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
<b>2011-12</b>									
<b>Cost or valuation:</b>									
<b>At 1 April 2011</b>	<b>4,935</b>	<b>20,543</b>	<b>0</b>	<b>0</b>	<b>1,451</b>	<b>91</b>	<b>799</b>	<b>97</b>	<b>27,916</b>
Additions - purchased	0	507	0	0	0	0	105	0	612
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	149	0	0	0	0	(149)	0	0
Reclassified as held for sale	(10)	(105)	0	0	0	0	0	0	(115)
Disposals other than by sale	0	0	0	0	(18)	0	(11)	0	(29)
Revaluation & indexation gains	0	70	0	0	0	0	0	0	70
Impairments	(288)	(9)	0	0	(1)	0	0	0	(298)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	(402)	(1,373)	0	0	0	0	0	0	(1,775)
<b>At 31 March 2012</b>	<b>4,235</b>	<b>19,782</b>	<b>0</b>	<b>0</b>	<b>1,432</b>	<b>91</b>	<b>744</b>	<b>97</b>	<b>26,381</b>
<b>Depreciation</b>									
<b>At 1 April 2011</b>	<b>135</b>	<b>1,057</b>	<b>0</b>	<b>0</b>	<b>858</b>	<b>64</b>	<b>543</b>	<b>26</b>	<b>2,683</b>
Reclassifications	0	98	0	0	0	0	(98)	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	(16)	0	(11)	0	(27)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	267	(304)	0	0	17	0	8	0	(12)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	522	0	0	128	16	93	11	770
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	(402)	(1,373)	0	0	0	0	0	0	(1,775)
<b>At 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>987</b>	<b>80</b>	<b>535</b>	<b>37</b>	<b>1,639</b>
<b>Net Book Value at 31 March 2012</b>	<b>4,235</b>	<b>19,782</b>	<b>0</b>	<b>0</b>	<b>445</b>	<b>11</b>	<b>209</b>	<b>60</b>	<b>24,742</b>
Purchased	4,235	19,782	0	0	445	11	209	60	24,742
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>4,235</b>	<b>19,782</b>	<b>0</b>	<b>0</b>	<b>445</b>	<b>11</b>	<b>209</b>	<b>60</b>	<b>24,742</b>
<b>Asset financing:</b>									
Owned	3,215	9,058	0	0	445	11	209	60	12,998
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	1,020	10,724	0	0	0	0	0	0	11,744
PFI residual: interests	0	0	0	0	0	0	0	0	0
<b>At 31 March 2012</b>	<b>4,235</b>	<b>19,782</b>	<b>0</b>	<b>0</b>	<b>445</b>	<b>11</b>	<b>209</b>	<b>60</b>	<b>24,742</b>

## 12.3 Property, plant and equipment

### Valuation

During 2012/13, all land and buildings recorded on the PCT's Statement of Financial Position have been revalued as at the 31st March 2013. The valuations were conducted by the District Valuer, who is independent of the PCT, using the Modern Equivalent Asset technique as set out in note 1.5. These assets were also revalued during 2012/13 as at the 31st March 2013.

During 2012/13, the effect of movements in market prices compared to the carrying value of the assets was a net impairment of £1,140,000. Of this balance £70,000 was charged against the revaluation reserve for assets reducing in value and £10,000 was added for a small number of assets increasing in value.

During 2011/12, the effect of movements in market prices compared to the carrying value of the assets was an impairment of £837,000.

As part of the valuation exercise, the District Valuer provided an estimate of the remaining useful economic lives of each asset.

### Asset Lives

	Min	Max
<b>Property Plant and Equipment</b>		
Buildings Excluding Dwellings	6	85
Dwellings	0	0
Plant & Machinery	1	6
Transport Equipment	0	0
Information Technology	1	5
Furniture and Fittings	2	6

The PCT also owns two temporary accommodation facilities which have a life of 3 years valued at £8,431. The value for this is included within the PCT's balances for "Non-Current Assets - Buildings". These assets have not been valued by the DV.

### Other notes

The PCT is not aware of any material differences between the values of property, which are held at existing use value, and their open market valuations.

**13.1 Intangible non-current assets**

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
<b>2012-13</b>						
<b>At 1 April 2012</b>	<b>0</b>	<b>633</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>633</b>
Additions - purchased	0	54	0	0	0	54
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	(329)	0	0	0	(329)
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
<b>At 31 March 2013</b>	<b>0</b>	<b>358</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>358</b>
<b>Amortisation</b>						
<b>At 1 April 2012</b>	<b>0</b>	<b>405</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>405</b>
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(329)	0	0	0	(329)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	130	0	0	0	130
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	87	0	0	0	87
In-year transfers to NHS bodies	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>293</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>293</b>
<b>Net Book Value at 31 March 2013</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>
<b>Net Book Value at 31 March 2013 comprises</b>						
Purchased	0	65	0	0	0	65
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>
<b>Revaluation reserve balance for intangible non-current assets</b>						
	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
<b>At 1 April 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Movements (specify)	0	0	0	0	0	0
<b>At 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**13.2 Intangible non-current assets**

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
<b>2011-12</b>						
<b>At 1 April 2011</b>	<b>0</b>	<b>658</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>658</b>
Additions - purchased	0	121	0	0	0	121
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(146)	0	0	0	(146)
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
<b>At 31 March 2012</b>	<b>0</b>	<b>633</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>633</b>
<b>Amortisation</b>						
<b>At 1 April 2011</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350</b>
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(146)	0	0	0	(146)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	110	0	0	0	110
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	91	0	0	0	91
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
<b>At 31 March 2012</b>	<b>0</b>	<b>405</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>405</b>
<b>Net Book Value at 31 March 2012</b>	<b>0</b>	<b>228</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>228</b>
<b>Net Book Value at 31 March 2012 comprises</b>						
Purchased	0	228	0	0	0	228
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
<b>Total at 31 March 2012</b>	<b>0</b>	<b>228</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>228</b>

### 13.3 Intangible non-current assets

The PCT does not hold any internally generated intangible assets.

The PCT has a number of assets with nil net book value which are still in use. None of these are material individually. At a summary level, this comprises:

- Software with a cost of £215,835;
- IM&T hardware with a cost of £363,443;
- Operational and clinical equipment with a cost of £474,636; and
- Transport equipment with a cost of £91,265.

#### Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
<b>Intangible Assets</b>		
Software Licences	1	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0

The PCT has no open value of assets at the balance sheet dated different from the values included above.

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
<b>Property, Plant and Equipment impairments and reversals taken to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	220		220
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	850		850
<b>Total charged to Annually Managed Expenditure</b>	<b>1,070</b>		<b>1,070</b>
<b>Property, Plant and Equipment impairments and reversals charged to the revaluation reserve</b>			
Loss or damage resulting from normal operations	0		0
Over Specification of Assets	0		0
Abandonment of assets in the course of construction	0		0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	70		70
<b>Total impairments for PPE charged to reserves</b>	<b>70</b>		<b>70</b>
<b>Total Impairments of Property, Plant and Equipment</b>	<b>1,140</b>	<b>0</b>	<b>1,140</b>
<b>Intangible assets impairments and reversals charged to SoCNE</b>			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
<b>Total charged to Departmental Expenditure Limit</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unforeseen obsolescence	130		130
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
<b>Total charged to Annually Managed Expenditure</b>	<b>130</b>		<b>130</b>
<b>Intangible Assets impairments and reversals charged to the Revaluation Reserve</b>			
Loss or damage resulting from normal operations	0		0
Over-specification of assets	0		0
Abandonment of assets in the course of construction	0		0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
<b>Total impairments for Intangible Assets charged to Reserves</b>	<b>0</b>		<b>0</b>
<b>Total Impairments of Intangibles</b>	<b>130</b>	<b>0</b>	<b>130</b>
<b>Total Impairments charged to Revaluation Reserve</b>	<b>70</b>	<b>0</b>	<b>70</b>
<b>Total Impairments charged to SoCNE - DEL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Impairments charged to SoCNE - AME</b>	<b>1,200</b>	<b>0</b>	<b>1,200</b>
<b>Overall Total Impairments</b>	<b>1,270</b>	<b>0</b>	<b>1,270</b>

There were no impairments to non-current assets held for sale or financial assets during 2012/13 or 2011/12. The PCT has not held any investment property in 2012/13 or 2011/12.

None of the revaluations in 2012/13 or 2011/12 related to revaluation onto a "Modern Equivalent Asset" basis.

There were no impairments on Donated or Government Granted assets.



**15 Investment property**

	31 March 2013 £000	31 March 2012 £000
<b>At fair value</b>		
<b>Balance at 1 April 2012</b>	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
<b>Balance at 31 March 2013</b>	<u>0</u>	<u>0</u>
<b>Investment property capital transactions in 2012-13</b>		
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
<b>Total</b>	<u>0</u>	<u>0</u>

**16.2 Other financial commitments**

The trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), for delivery of healthcare services. The payments to which the PCT is committed are as follows

	31 March 2013 £000	31 March 2012 £000
Not later than one year	7,005	5,470
Later than one year and not later than five year	0	0
Later than five years	0	0
<b>Total</b>	<u>7,005</u>	<u>5,470</u>

The PCT has entered into contracts with a number of NHS Acute Trusts and NHS Foundation Trusts for the provision of healthcare services. These contracts include an estimated contract value, but the amounts payable are based on actual activity delivered during the year which is based on patient choice as to where to receive treatment.

The PCT has obligations under contracts for delivery of primary medical services, including delivery of healthcare services by GPs, dentists, community optometrists and community pharmacists. These contracts have no end date and no fixed contract value as they include a mixture of fixed and variable amounts of payments.

**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	505	0	821	0
Balances with Local Authorities	0	0	2,787	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	788	0	2,636	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	987	0	13,438	0
<b>At 31 March 2013</b>	<u>2,280</u>	<u>0</u>	<u>19,682</u>	<u>0</u>
<b>prior period:</b>				
Balances with other Central Government Bodies	524	0	1,121	0
Balances with Local Authorities	275	0	1,769	0
Balances with NHS Trusts and Foundation Trusts	742	0	2,870	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,163	0	17,026	0
<b>At 31 March 2012</b>	<u>2,704</u>	<u>0</u>	<u>22,786</u>	<u>0</u>

**18 Inventories**

The PCT does not hold any inventories and did not in 2011/12.

**19.1 Trade and other receivables**

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	1,054	1,135	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	0	0	0
Non-NHS receivables - revenue	117	553	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	870	890	0	0
Provision for the impairment of receivables	0	0	0	0
VAT	239	126	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	0	0	0
<b>Total</b>	<b>2,280</b>	<b>2,704</b>	<b>0</b>	<b>0</b>
<b>Total current and non current</b>	<b>2,280</b>	<b>2,704</b>		
<b>Included above:</b>				
<b>Prepaid pensions contributions</b>	<b>0</b>	<b>0</b>		

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

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

	31 March 2013 £000	31 March 2012 £000
By up to three months	837	1,082
By three to six months	3	67
By more than six months	55	160
<b>Total</b>	<b>895</b>	<b>1,309</b>

**19.3 Provision for impairment of receivables**

The PCT does not hold any provisions against impaired receivables. ( 31 March 2012: £nil).

**20 NHS LIFT investments**

	Loan £000	Share capital £000	Total £000
<b>Balance at 1 April 2012</b>	503	50	553
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	19	0	19
Loans repayable within 12 months	0	0	0
<b>Balance at 31 March 2013</b>	<u>522</u>	<u>50</u>	<u>572</u>
<b>Balance at 1 April 2011</b>	504	50	554
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(1)	0	(1)
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
<b>Balance at 31 March 2012</b>	<u>503</u>	<u>50</u>	<u>553</u>

**21.1 Other financial assets - Current**

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

**21.2 Other Financial Assets - Non Current**

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

**21.3 Other Financial Assets - Capital Analysis**

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

**22 Other current assets**

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

**23 Cash and Cash Equivalents**

	31 March 2013 £000	31 March 2012 £000
<b>Opening balance</b>	1	2
Net change in year	22	(1)
<b>Closing balance</b>	<u>23</u>	<u>1</u>

**Made up of**

Cash with Government Banking Service	20	1
Commercial banks	0	0
Cash in hand	3	0
Current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	<u>23</u>	<u>1</u>
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<u>23</u>	<u>1</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
<b>Balance at 1 April 2012</b>	10	105	0	0	0	0	0	0	0	<b>115</b>
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	<b>0</b>
Less assets sold in the year	(10)	(105)	0	0	0	0	0	0	0	<b>(115)</b>
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	<b>0</b>
Revaluation	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Balance at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities associated with assets held for sale at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 1 April 2011</b>	225	0	0	0	0	0	0	0	0	<b>225</b>
Plus assets classified as held for sale in the year	10	105	0	0	0	0	0	0	0	<b>115</b>
Less assets sold in the year	(225)	0	0	0	0	0	0	0	0	<b>(225)</b>
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	<b>0</b>
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Balance at 31 March 2012</b>	<b>10</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115</b>
<b>Liabilities associated with assets held for sale at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revaluation reserve balances in respect of non-current assets held for sale were:</b>										
At 31 March 2012	12									
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	0	0
NHS payables - revenue	3,011	3,407	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	0	0	0	0
Family Health Services (FHS) payables	9,551	10,951	0	0
Non-NHS payables - revenue	1,057	44	0	0
Non-NHS payables - capital	58	456	0	0
Non-NHS accruals and deferred income	5,220	7,283	0	0
Social security costs	91	86	0	0
VAT	0	0	0	0
Tax	241	96	0	0
Payments received on account	0	0	0	0
Other	633	463	0	0
<b>Total</b>	<b>19,862</b>	<b>22,786</b>	<b>0</b>	<b>0</b>
Total payables (current and non-current)	<b>19,862</b>	<b>22,786</b>		

**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 <i>[specify]</i>	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>0</b>	<b>0</b>		

**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	123	106	12,259	12,382
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
<b>Total</b>	<b>123</b>	<b>106</b>	<b>12,259</b>	<b>12,382</b>
Total other liabilities (current and non-current)	<b>12,382</b>	<b>12,488</b>		

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

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	123	123
1 - 2 Years	0	111	111
2 - 5 Years	0	295	295
Over 5 Years	0	11,853	11,853
<b>TOTAL</b>	<b>0</b>	<b>12,382</b>	<b>12,382</b>

**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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>0</b>	<b>0</b>		

**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	15	166	0	0
Deferred income addition		0	0	0
Transfer of deferred income	(15)	(151)	0	0
<b>Current deferred Income at 31 March 2013</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>
Total other liabilities (current and non-current)	<b>0</b>	<b>15</b>		

**30 Finance lease obligations**

The PCT is not party to any finance leases (either as lessor or as lessee) other than the LIFT schemes as disclosed in note 34.

**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
<b>Balance at 1 April 2012</b>	<b>165</b>	0	0	21	0	0	0	0	144	0
Arising During the Year	1,315	0	0	76	0	914	0	0	325	0
Utilised During the Year	(5)	0	0	(5)	0	0	0	0	0	0
Reversed Unused	(12)	0	0	(12)	0	0	0	0	0	0
Unwinding of Discount	0	0	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31 March 2013</b>	<b>1,463</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>914</b>	<b>0</b>	<b>0</b>	<b>469</b>	<b>0</b>
<b>Expected Timing of Cash Flows:</b>										
No Later than One Year	1,463	0	0	80	0	914	0	0	469	0
Later than One Year and not later than Five Years	0	0	0	0	0	0	0	0	0	0
Later than Five Years	0	0	0	0	0	0	0	0	0	0

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

<b>As at 31 March 2013</b>	90
<b>As at 31 March 2012</b>	961

Legal cases include the likely cost to the PCT taking into account the excess payable. The timings are uncertain given the nature of legal claims

Other provision relates to a claim against the Primary Care Trust

**33 Contingencies**

	31 March 2013 £000	31 March 2012 £000
<b>Contingent liabilities</b>		
Equal Pay	0	0
Continuing Care	2,666	0
Legal Claims	10	
Amounts Recoverable Against Contingent Liabilities	0	0
<b>Net Value of Contingent Liabilities</b>	<b>2,676</b>	<b>0</b>
<b>Contingent Assets</b>		
Contingent Assets	0	0
<b>Net Value of Contingent Assets</b>	<b>0</b>	<b>0</b>

Contingencies are the maximum value of outstanding claims based on an assessment of probability and professional advice. Given the nature of the claims the timing is uncertain.

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

The PCT does not hold any PFI contracts, or any off-SoFP contracts.

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

The PCT party to two on-SoFP LIFT contracts:

- a 25 year lease plus agreement for the provision of managed facilities at Ashton Primary Care Centre which commenced in October 2008; and
- a 25 year lease plus agreement for the provision of managed facilities at Glossop Primary Care Centre which commenced in June 2010.

These assets do not belong to the PCT. However, under IFRIC12 for accounting purposes the asset is treated as an asset of the PCT because the substance of the lease is that the PCT controls the services provided from the facility. To reflect this within the accounts, the payments are viewed as comprising two elements - payment for finance lease charges (which are broken down below), and also service charges which are treated as expenses in the period in which they are incurred.

The lease contract allows for inflationary uplift of the lease charges and ensures market testing of the service element of the lease to ensure value for money is being achieved.

As part of the contract, the PCT has the right to purchase the facility at the end of the lease. If the market value of the facility is more than 50% greater than the estimated residual value, then the PCT has the right to buy it at a discounted value.

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

	31 March 2013 £000	31 March 2012 £000
Service element of on SOFP LIFT charged to operating expenses in year	257	257
<b>Total</b>	<b>257</b>	<b>257</b>

**Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.**

LIFT Scheme Expiry Date:

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	257	257
Later than One Year, No Later than Five Years	1,031	1,031
Later than Five Years	4,123	4,378
<b>Total</b>	<b>5,411</b>	<b>5,666</b>

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	1,338	1,344
Later than One Year, No Later than Five Years	5,211	5,302
Later than Five Years	29,662	30,908
<b>Subtotal</b>	<b>36,211</b>	<b>37,554</b>
Less: Interest Element	<b>(23,828)</b>	<b>(25,066)</b>
<b>Total</b>	<b>12,383</b>	<b>12,488</b>

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

	Total £000	Admin £000	Programme £000
<b>Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)</b>			
Depreciation charges	187	0	187
Interest Expense	1,491	0	1,491
Impairment charge - AME	0	0	0
Impairment charge - DEL	85	0	85
Other Expenditure	318	0	318
Revenue Receivable from subleasing	0	0	0
<b>Total IFRS Expenditure (IFRIC12)</b>	<b>2,081</b>	<b>0</b>	<b>2,081</b>
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	<b>(1,975)</b>	0	<b>(1,975)</b>
<b>Net IFRS change (IFRIC12)</b>	<b>106</b>	<b>0</b>	<b>106</b>

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

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



## 36 Financial Instruments

### Financial risk management

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

### Currency risk

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

### Interest rate risk

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

### Credit Risk

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

### Liquidity Risk

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

36.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
Receivables - NHS	0	1,223	0	1,223
Receivables - non-NHS	0	117	0	117
Cash at bank and in hand	0	23	0	23
Other financial assets	0	0	0	0
<b>Total at 31 March 2013</b>	<b>0</b>	<b>1,363</b>	<b>0</b>	<b>1,363</b>
Embedded derivatives	0			0
Receivables - NHS	0	1,135	0	1,135
Receivables - non-NHS	0	553	0	553
Cash at bank and in hand	0	1	0	1
Other financial assets	0	503	50	553
<b>Total at 31 March 2012</b>	<b>0</b>	<b>2,192</b>	<b>50</b>	<b>2,242</b>
36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000	
Embedded derivatives	0		0	
NHS payables		3,350	3,350	
Non-NHS payables		10,666	10,666	
Other borrowings		0	0	
PFI & finance lease obligations		12,382	12,382	
Other financial liabilities	0	0	0	
<b>Total at 31 March 2013</b>	<b>0</b>	<b>26,398</b>	<b>26,398</b>	
Embedded derivatives	0		0	
NHS payables		3,407	3,407	
Non-NHS payables		11,529	11,529	
Other borrowings		0	0	
PFI & finance lease obligations		12,488	12,488	
Other financial liabilities	0	0	0	
<b>Total at 31 March 2012</b>	<b>0</b>	<b>27,424</b>	<b>27,424</b>	

Fair value of financial assets and liabilities is not materially different from carrying value.

**37 Related party transactions**

Details of related party transactions with individuals are as follows:

	Transactions with Related Parties 2012/13				Transactions with Related Parties 2011/212			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Alan Dow, Member Clinical Strategy Board, NHS Greater Manchester Wife is an Anaesthetist at Tameside Hospital NHS Foundation Trust	127,758	0	640	2	120,032	58	1,088	24
Anne Talbot, Member Clinical Strategy Board, NHS Greater Manchester Husband is a Consultant Neurologist at Salford Royal NHS Foundation Trust and also at Stockport NHS Foundation Trust	4,798 40,890	0 1,632	63 252	0 539	3,927 42,471	0 1,733	104 68	0 287
Chris Duffy, Member Clinical Strategy Board, NHS Greater Manchester Wife is a Consultant at Pennine Acute Hospitals NHS Trust	6,901	0	59	0	8,001	0	21	187
Hamish Steadman, Member Clinical Strategy Board, NHS Greater Manchester Wife runs the Diabetes team at Salford Royal NHS Foundation Trust	4,798	0	63	0	3,927	0	104	0
Iain Williamson, Member Clinical Strategy Board, NHS Greater Manchester Wife is Programme Director of Integrated Care at Central Manchester University Hospitals NHS Foundation Trust	23,464	0	739	0	22,769	0	24	124
Martin Whiting, Member Clinical Strategy Board, NHS Greater Manchester Sister is a Partner in the Spec savers Franchise in Stockport	7	0	0	0	0	0	0	0
Mike Burrows, Chief Executive, NHS Greater Manchester Brother works at Central Manchester University Hospitals NHS Foundation Trust Sister in Law, works at Pennine Acute Hospitals NHS Trust	23,464 6,901	0 0	739 59	0 0	22,769 8,001	0 0	24 21	124 187

**37 Related party transactions (continued)****Tameside and Glossop Shadow Clinical Commissioning Group (CCG)**

• Dr Kailash Chand the Chair of the Board has declared he is a partner of D Medicine Ltd and owns the building which is used by the Stamford House GP Practice. D Medicine provided community based orthopaedic electro-diagnostic service to the PCT in 2011/12. Dr Chand was chair of the PCT until 31/03/2013 and is also Associate Non Executive Director at the Board of the Tameside and Glossop PCT

• Dr Christina Greenough was a member of PEC until 30th November 2010 and a member of the CCG Board during 2012/13 declaring her interest as a Director of Go To Doc. This company provides primary medical services to the PCT under a PMS contracts for Equitable Access practices and the Out of Hours service.

• Sue Maymon, who was Associate Director of Workforce & Organisational Development, was a director of Workplace Matters who provided interim HR support to the PCT. Sue Maymon left before the start of 2012/13.

• Lynn Travis who is a non executive member of the Board has declared that she is an elected member councillor of Tameside MBC. The PCT works closely with the local authority on a range of services, in particular nursing care for patients in care homes and re-ablement services.

Disclosures in respect of GP Practices as private contractors. The CCG Shadow Board members have declared their interest as GPs in their respective practices. The payments disclosed below represent the whole of the contract value for services undertaken by the whole practice. This is not the same as the amount that individual GPs are paid by their practices. The amounts of the relevant transactions for the whole financial year is shown below as well as the totals disclosed in the 2011/12 accounts for relevant practices and related parties.

	Transactions with Related Parties 2012/13				Transactions with Related Parties 2011/212			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Dr Kailash Chand / D Medicine	0	0	0	0	146	0	0	0
Dr Kailash Chand / Rental for building used by Stamford House GP Practice	25	0	0	0	23	0	0	0
Dr Christina Greenough/Go To Doc Limited	1,781	228	0	0	1,818	0	306	145
Sue Maymon/Workplace Matters	0	0	0	0	81	0	0	0
Mrs Lynn Travis/TMBC	12,535	441	2,538	0	14,668	0	1,509	274
<b>Disclosures in respect of GP contracts</b>								
Dr Raj Patel/Brooke Surgery								
Dr Patel ceased to be a CCG member 31/12/2012 and is currently a Non-Executive director for NHS Greater Manchester	1,238	0	0	0	1,034	0	0	0
Dr Alan Dow/Cottage Lane Surgery	341		3	0	351	0	0	0
Dr John Doldon/ Staveleigh Medical Centre	841	1	4	0	686	0	0	0
Dr Christina Greenough/ Mossley Medical Practice	331	0	9	0	362	0	0	0
Dr Guy Wilkinson/ Manor House Glossop	1,717	0	12	0	1,714	0	0	0
Dr Phaninder Tatineni/ Simmondley Medical Practice. Dr Tatineni ceased to be a CCG board member on the 30/11/2012	403	0	1	0	389	0	0	0
Dr Richard Bircher/ Lockside Medical Centre	861	0	2	0	858	0	0	0
Dr Joanne Rowell/ Lambgates Surgery Dr Rowell Ceased to be a Board member on the 30/11/2012	746	0	1	0	778	0	0	1
Dr Vikram Tanna/Clarendon Medical Practice	946	0	0	0	762	0	0	0
Dr Amir Hannan Thornley House/Haughton Vale Medical Practice Dr Hannan became a CCG Board member on 01/11/2012	1,382	6	23	6	No Disclosure as not a related party in 2011/12			
Dr Ram Jha Stamford House Medical Practice CCG member from 01/11/2012	626	0	13	0	No Disclosure as not a related party in 2011/12			

**37 Related party transactions (continued)**

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

	Transactions with Related Parties 2012/13				Transactions with Related Parties 2011/212			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
The Department of Health	3,200	0	13	0	1,766	61	13	15
NHS Blackpool PCT	7,731	0	0	0	7,344	0	0	0
NHS Bury PCT	87	0	0	59	180	2	4	24
NHS Manchester PCT	1,119	467	36	71	1,101	379	50	122
NHS Stockport PCT	269	93	1	0	7,005	97	289	15
Western Cheshire PCT	32,402	0	0	0	24,327	476	0	0
Tameside Hospitals NHS Foundation Trust	127,758	0	640	2	120,032	58	1,088	24
Stockport NHS Foundation Trust	43,200	1,632	252	539	42,471	1,733	66	287
Central Manchester University Hospitals NHS Foundation Trust	23,464	0	739	0	22,769	0	24	124
Christie Hospital NHS Foundation Trust	6,322	0	6	0	8,469	0	74	0
University Hospital of South Manchester NHS Foundation Trust	8,140	0	0	168	6,395	0	51	75
Pennine Acute Hospitals NHS Trust	6,901	0	59	0	8,001	0	21	187
Pennine Care NHS Foundation Trust	27,645	140	132	0	28,932	137	291	11
Salford Royal NHS Foundation Trust	4,798	0	63	0	3,927	0	104	0

In addition, the Primary Care Trust has had a significant number of material transactions with Local Governmnt bodies. The PCT also holds a 10% investment in BTG Community Solutions, its LIFT co partner. A further 30% is owed by other entities for which the Department of Health is regarded as the parent department. Transactions with BTG Community Solutions are shown below.

	Transactions with Related Parties 2012/13				Transactions with Related Parties 2011/212			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Tameside Metropolitan Borough Council	12,535	441	2,538	0	14,588	0	1,509	274
BTG Community Solutions	1,168	0	63	9	2,752	0	0	0

### 38 . Losses and special payments

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

	<b>Total Value of Cases £s</b>	<b>Total Number of Cases</b>
Losses - PCT management costs	1,327	5
Special payments - PCT management costs	8,200	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
<b>Total losses</b>	<u>1,327</u>	<u>5</u>
<b>Total special payments</b>	<u>8,200</u>	<u>1</u>
<b>Total losses and special payments</b>	<u>9,527</u>	<u>6</u>

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

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

There were no cases individually exceeding £250,000 either in 2012/13 or in 2011/12.

### 39 Third party assets

The PCT does not hold any assets on behalf of other bodies.

### 41 Events after the end of the reporting period

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

- NHS Tameside and Glossop Clinical Commissioning Group
- Department of Health
- NHS England
- Tameside Hospital NHS Foundation Trust
- NHS Property Services

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

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

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