Department of Health

NHS

Bournemouth and Poole Teaching Primary Care Trust

Dorset Primary Care Trust

2012-13 Annual Report and Accounts

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Bournemouth and Poole Teaching Primary Care Trust

Dorset Primary Care Trust

2012-13 Annual Report

NHS

NHS Dorset
NHS Bournemouth and Poole

Annual reports 2012/13

The 2012/13
NHS Dorset and
NHS Bournemouth and Poole
annual reports

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Welcome from the Chair

It is our pleasure and privilege to introduce what are the final annual reports for NHS Bournemouth and Poole and NHS Dorset.

From 1 April 2013 Clinical Commissioning Groups fulfil the role of planning and funding local health services. In Dorset this will be the responsibility of NHS Dorset Clinical Commissioning Group.

This report demonstrates our continued progress toward realising the vision of a healthier Dorset, and details just some of the work we have carried out during the previous year which includes:

- the implementation of NHS Health Checks;
- creation of new diabetes foot care services;
- reforms around local mental health care;
- extending patient choice through commissioning new services in back pain, dermatology and endoscopy;
- improvements in dementia diagnosis rates.

As we hand over the baton to NHS Dorset Clinical Commissioning Group I would like to thank everyone involved in the work of local Primary Care Trusts past and present for their continued support in helping to bring the best possible healthcare to local people.

Jacqueline Swift
Chair

Welcome from the Interim Chief Executive of the NHS Bournemouth and Poole and NHS Dorset Cluster

I am delighted to be writing the introduction to our final annual reports as interim Chief Executive of the PCT Cluster.

The past year has seen unprecedented changes in the landscape of healthcare both nationally and regionally, which has brought us unique challenges in terms of managing transition to new organisations whilst continuing to deliver the very best services to local people.

It has been a busy and often challenging time for everyone employed by the PCT Cluster and I would like to thank everyone for their continued professionalism and support which has ensured the ongoing success of our organisations.

Over the years local Primary Care Trusts have implemented significant changes to local health services and enjoyed considerable success in many areas including the opening of the walk-in centre in Weymouth, the launch of 'yellow books' to help people with learning disabilities manage their own health needs and improved access to psychological therapies across the county.

This ongoing success has enabled us to provide a sound commissioning and financial legacy on which NHS Dorset Clinical Commissioning Group can build.

Suzanne Rastrick
Interim Chief Executive

Our achievements 2012/13

London 2012 comes to Weymouth

The summer of 2012 brought the international spotlight to Dorset as the sailing events of the 2012 Olympic Games and Paralympic Games were hosted at the Weymouth and Portland National Sailing Academy.

We undertook a significant amount of planning and preparation work in order to ensure both the safe delivery of the games for residents, visitors and international visitors as well as ensuring business continuity arrangements for health services to allow the maintenance of high quality services for patients throughout the period.

We acted in a coordinating role and provided leadership at the multiagency Strategic Command Group on behalf of the health system throughout the summer.

The Games were also used as a unique opportunity to inspire the population of Dorset to improve their health and wellbeing, both through the Team Dorset Challenge programme which had more than 30,000 participants and also via the free sports arena on Weymouth beach which attracted more than 90,000 visitors during games time.

Implementation of NHS Health Checks

The NHS Health Check programme aims to help prevent heart disease, stroke, diabetes and kidney disease amongst adults aged 40-74 not currently diagnosed with any of these conditions.

A number of assessments are made during an NHS Health Check, including blood pressure and cholesterol measurements, following which an individual's risk of developing cardiovascular disease in the next 10 years is calculated.

Subsequently, personalised lifestyle advice and support is offered to help manage or lower risk.

In Dorset, 49 GP practices and 27 pharmacies across the county signed up to deliver the service which has enabled the programme to strengthen and develop throughout 2012/13 with 7,230 people invited for an NHS Health Check and 3,767 checks being completed.

Across Bournemouth and Poole, around 10,000 invitations have been sent out; with 40 GPs and ten pharmacies now offering NHS Health Checks. Around 4000 checks have been completed.

We have also completed NHS Health Checks in local community settings in partnership with South West Ambulance Trust, Dorset Cancer Network and Dorset's Drug and Alcohol aftercare service, reaching a number of adults who do not typically access healthcare services.

People living with cancer

Over the last year we have conducted a needs assessment of people living with cancer with a view to addressing the gaps in service. With funding from Macmillan Cancer Support the priorities included fatigue, altered body image and psychological support, as well as the needs of head and neck cancer patients.

In January we launched the Rising Voices Community Choir funded by Dorset Cancer Network which has been established for people living with the effects of cancer in Dorset. Led by Choir Director Sarah McNaughton the choir is growing in popularity and we hope the first public performance will take place in mid 2013.

Reducing inequalities in the uptake of cancer screening

Our work with Gypsy & Traveller communities has continued, with NHS Health Checks being delivered along with cancer awareness messaging at four of the local county shows.

Other measures to get the cancer awareness message to a wider, more diverse audience included targeting and informing urban, rural and remote farming communities in north Dorset with adverts in the local free newspaper Blackmore Vale Magazine and working with local bookmakers in areas of high deprivation where men are less likely to see their GP. This initiative saw 4,000 of our Dorset Cancer Network pens circulated with the message to 'get it checked' if they have a persistent cough, unusual lump or blood in their faeces.

For the women of Weymouth & Boscombe (areas identified as having poor uptake of screening) we provided information to highlight the benefits of attending cervical screening and how it could save their lives. This was via a specially created website and campaign 'Ygo' available at **www.dorset.nhs.uk/ygo**.

Diabetes foot care services

We have expanded diabetic foot services in west Dorset, with the introduction of new diabetic foot protection clinics in Blandford, Dorchester, Weymouth and Bridport. These clinics are run by specialist podiatrists for people with active diabetic foot complications, such as foot ulcers.

People with a previous history of diabetic foot complications have been offered appointments within these clinics and patients can be referred into the clinics from the diabetic foot clinic at Dorchester hospital or via the community podiatry service. The aim of

these clinics is to ensure that the people with the highest risk feet are seen regularly by specialists, to try and prevent more serious problems and to reduce hospital visits.

We have been running community diabetic foot protection clinics in east Dorset since 2008, providing increased access to specialist care for diabetic patients with a history of foot ulceration, in addition to the hospital based diabetic foot clinics.

Mental health urgent care services

Over the past year we have engaged extensively with the public, taking forward the review and transformation for the mental health urgent care services in the west of Dorset.

As a result of this work, from April 2013 there have been increased crisis response home treatment and day treatment services, leading to a reduction in inpatient beds along with the opening of a recovery house in Weymouth serving the three localities in the west.

We are also aiming to offer all community services patients who suffer from long term conditions (LTC) psychological assessment and interventions. We will be including this offer in the extension of primary care mental health services, working with acute hospitals over this next year to develop further approaches, leading to the expansion of "No Health without Mental Health".

Care pathway developed in light of Parkinson's Review

The key recommendations of the Parkinson Specialist Nurse Service Review 2011/12 were to develop and agree a service specification for local services.

During the period 2012/13 we established a task and finish group with a wide variety of representatives from all the current Dorset Parkinson's nurse specialist providers and members of local Parkinson's UK. The outcome of this was the development of a service specification that allows the current nurse specialists to work more flexibly as part of a virtual team.

The service specification identifies the role of the specialist nurses and their place within the care pathway for people with Parkinson's disease.

The Parkinson's nurse specialist service specification was agreed by the General Medical CCP in August 2012 and has been included within the relevant contracts for the year.

Personal health budgets

Following the successful completion of the personal health budgets (PHB) pilot our finance and service improvement teams were awarded the Health Service Journal (HSJ) Efficiency Award for their introduction of personal health budgets across the county.

The award identified organisations that have delivered tangible improvements in healthcare efficiency and cost savings, whilst maintaining the highest levels of patient care. The 2012 awards evening took place on 25 September, where 800 healthcare professionals attended the awards in association with Health Trust Europe.

In the last 12 months we have granted approximately 200 PHBs, with the team and local patients appearing in national promotional DVDs and local BBC television news.

Improvements in dementia diagnosis

We have seen a number of developments and services aiming to improve awareness and diagnosis of dementia, and improve the care, support and treatment people receive both within the community and also within hospital settings.

The dementia partnership group was formed following an event which sought views on important areas to focus on and how best to ensure how we effectively involve those who are interested. Chaired by a carer this has proved to be a highly valued group and has seen a joint dementia improvement plan developed.

We have recruited four GP dementia fellows and two primary care dementia facilitators to offer an education programme for all general practice staff to improve the identification of people with dementia. We have also recruited and supported dementia champions within GP surgeries.

A range of new services have been commissioned to improve the treatment and support people receive within the community and these continue to grow.

We were also delighted to have won national Dementia Challenge monies which have helped develop an innovative dementia friendly communities project involving many partners and led by the Alzheimer's Society. We have also started a new project based within Poole Hospital to improve end of life care for people with dementia.

Relevant and helpful information was seen as a key issue to assist people with dementia and their carers so a new dementia information pack has been developed based on work by staff within Dorset Healthcare University NHS Foundation Trust in conjunction with carers.

Smoking cessation

The success of our stop smoking service in Dorset - SmokeStop - has continued with over two thousand people being supported to give up during the year 2012/13.

We have increased the availability of SmokeStop support through community based pharmacies to 63 qualified providers. These providers offer easy access to trained smoking cessation advisors, some of whom are available for 100 hours per

week. Community pharmacies now support 64% of those who wish to make a quit attempt.

In partnership with Dorset County Hospital NHS Foundation Trust, we have undertaken work to support the implementation of a SmokeFree site, with improved support for those patients who smoke and may have an admission to hospital.

To support the often complex needs of pregnant women we have continued close partnership working with midwifery senior management teams which has resulted in a robust referral and support network for mums to be.

Local stop smoking services in Bournemouth and Poole are provided by Dorset Healthcare University NHS Foundation Trust.

Throughout the same period the Bournemouth and Poole services helped nearly 1,500 people quit and has continued to work on a number of initiatives including the regional 'Take a Breath' campaign highlighting the risk of smoking and chronic obstructive pulmonary disease, Stoptober and linking with maternity services to promote services to pregnant women.

Implementation of the telehealth project

The telehealth project was launched at the end of February 2012 throughout Dorset, Bournemouth and Poole following a robust procurement process to appoint a suitable provider.

Through continuous engagement with community staff, patients, carers, acute colleagues, practice nurses and GPs we have received almost 300 referrals in the projects' first year.

Conditions currently being covered are chronic obstructive pulmonary disease (COPD) and chronic heart failure (CHF) though we are progressing work to expand into other disease groups including (but not limited to) diabetes, cancer, intermediate care and mental health.

Installation of telehealth equipment (a HomePod) has also taken place in a care home which allows for multiple users to undertake their tests.

We have commissioned an evaluation of telehealth in Dorset through Bournemouth University in order to gather patient and clinical benefits from the local community. This is due to be released during the summer of 2013.

Keeping older people healthy over winter

Around 12,000 people go into hospital in Dorset, Bournemouth and Poole each year as a result of the cold weather, with many of these being avoidable.

Working in partnership with Dorset councils and other local organisations we produced a booklet to help inform older people across Dorset how to stay safe and healthy during the cold weather.

In line with feedback from older people 'Your helpful guide to keeping warm, well and safe this winter' was distributed to 38,000 homes of people over the age of 75 during January 2013 and contained helpful information on grants along with energy saving advice and dispelled a few common myths.

Funding for the booklet came as part of a £320,000 Department of Health grant which was allocated to a partnership of councils from across Dorset to help keep people well during the winter months.

A new way to get medicines and appliances

June 2012 saw the launch of the electronic prescription service in Dorset with GPs and pharmacies in Lyme Regis and Charmouth introducing the service for local people.

The electronic prescription service (EPS) is a new national NHS service which enables GPs to deliver prescriptions electronically to a place of the patients choosing.

This new method of prescribing offers real benefits to patients as it saves them time and means they will no longer have to visit their GP to collect the paper prescription and take it to their pharmacist.

Electronic prescriptions maintain the same level of confidentiality as traditional paper versions with staff only being able to access limited information via secure smart card.

As the service is developed further it will be available to more and more people across the county.

Working with our stakeholders

Learning from patient experiences, complaints and concerns is very important to us and helps us improve and develop services for the local population.

Customer care

We endeavour to ensure a consistent management of comments and complaints. We have continued to follow up patients concerns, which may be addressed via the formal NHS complaints process or through the more informal Patient Advice and Liaison Service, known as PALS.

During the period 1 April 2012 - 31 March 2013 the cluster received 196 complaints which primarily concerned independent contractors e.g. general practitioners, dentists, optometrists and pharmacists.

Equality and diversity

We are committed to ensuring that our staff, patients and public receive equal opportunities to access local services.

In the last year, we have launched the NHS equality delivery system, a method of aligning local goals to meet the needs of local communities. We have continued to engage with our diverse communities and influenced our providers to ensure reasonable adjustments are made to services to meet specific needs.

We have seen an increase in staff attending equality and diversity awareness sessions compared to the previous year and bespoke training has commenced with our local GP practices to help them support their diverse communities.

Our relationships with a range of diverse groups throughout Dorset continues and we are supporting the development of the Diversity Advisory Group to provide insight into local communities and feedback on our decisions and policies.

Engagement

We have a duty to consult patients and the public to ensure the services we commission meet local needs. We also have a responsibility to publish information on all consultations past, present and planned, that will have an impact on the services we commission.

Since April 2013 we have continued to work with members of the public across a number of projects including:

- NHS Health Checks;
- short team breaks for children with disabilities;
- persistent community pain services;
- potential changes to health care across Purbeck;
- long term conditions;
- respiratory services.

A full summary report can be found on our website.

Workforce

We have played a key role in the transition arising from the implementation of the Health and Social Care Act 2012. A significant amount of work has been undertaken to ensure the smooth and efficient transfer of functions to a number of local, regional and national receiver organisations. Our work programme, which was developed to ensure the organisational changes required

at a local level covered all staff was developed in line with national HR guidance and local organisational change policies.

Organisational Development Strategy

In May 2012, the shadow Clinical Commissioning Group Board approved the Organisational Development Strategy 2012/15 for the NHS Dorset Clinical Commissioning Group (CCG). The strategy describes the way in which the CCG will grow and develop in order to ensure that it can carry out its commissioning role and statutory functions, during the transition and beyond.

The purpose of the strategy is to set out the way in which the CCG will continue to develop in order to ensure the capability and capacity to deliver its business plan and objectives and progress its vision for Dorset.

Working with carers

Carers are key to the on-going success of the local healthcare community and we endeavour to work closely with them throughout Dorset. GP practices have been encouraged to take a lead in identifying, signposting and supporting carers and we have provided training for carers leads in practices.

The NHS and local authorities have worked in partnership to jointly commission carers' services. With Dorset County Council we have created a fund to help local groups or organisations to develop projects to support carers.

We have recruited three carer caseworker posts based in the acute hospitals.

An individual support scheme allows carers to break from their caring role or assist them with essential purchases such as computer equipment.

In Bournemouth and Poole local authority areas, the range of short break opportunities for carers has been increased through the purchase of a beach hut and holiday lodge. We have also funded carers who prefer to arrange their own breaks and fund subsidised day activities, outings and events. An additional carers support worker has been provided through partnership working with a local agency.

Funding into the personal health budgets (PHB) pilot is provided through a carer premium. Patients and carers with complex needs can receive fully funded breaks in circumstances where no other funding would be available to support their needs.

Sustainability

Sustainability is a high priority of the PCT cluster and will continue to be so with NHS Dorset CCG.

During the past year a number of initiatives have taken place. This includes participation in the Bournemouth Earth Charter group, now renamed Sustain, representation on the Bournemouth Affordable Warmth Partnership and the implementation of sustainability requirements for providers of commissioned services.

In addition a number of activities took place during both Green Office Week and Climate Week which promoted greener working and living amongst staff. This included a quiz and training sessions with the emphasis being on sensible travelling between sites and how we could use new technology such as video conferencing along with how to save energy both at work and at home.

Following the success of previous years we were once again able to work with our partners at West Dorset District Council who attended Vespasian House in Dorchester to help educate staff about recycling and environmental matters.

We also organised a sustainability workshop which show-cased how we can use local food in educational and health settings.

Introducing the NHS Dorset Clinical Commissioning Group

From April 2013 a number of national changes were introduced to the structure of healthcare.

Following the implementation of the Health and Social Care Act 2012, GPs are now responsible for planning and funding a number of local health services.

Across Dorset, Bournemouth and Poole this organisation is called NHS Dorset Clinical Commissioning Group (CCG). It is made up of all 100 GP practices in Dorset, Bournemouth and Poole making it one of the largest CCGs in England.

NHS Dorset CCG is made up of 13 localities which are groups of GP surgeries; each locality has a lead GP and this GP sits on its governing body.

Details of these localities are available on our website. **www.dorsetccg.nhs.uk**

There are six clinical commissioning programmes led by GPs who work with partners to understand how local services work and seek patient feedback on these services.

These programmes are responsible for specific service development and redesign. These are:

- mental health and learning disabilities;
- maternity, reproductive and family health;
- musculoskeletal and trauma;
- general medical and surgical;
- cardiovascular, stroke, renal and diabetes;
- cancer and end of life.

NHS Dorset CCG is a member of the health and wellbeing boards which are run by local authorities to develop and monitor the major health and wellbeing priorities for the area. There are two health and wellbeing boards in Dorset - one run by Dorset County Council, and one run jointly between Bournemouth and Poole Councils.

These boards are made up of representatives from a number of organisations including the NHS, the voluntary sector, local authorities and people representing the public. They set the direction for health and wellbeing across the area and work together to ensure the health of the local population is improved.

More information on the NHS Dorset CCG is available via **www.dorsetccg.nhs.uk**

For more information please call **01305 368900** or email **feedback@dorsetccg.nhs.uk**

The Boards' members

Since September 2011 the PCT Cluster has operated with virtually common board membership. Only the Directors of Public Health, the shadow CCG and PEC Chairs remain unique to their original board.

Jacqueline Swift

Chair

Teresa Hensman

Non Executive Director

Eugene Gratwick

Vice Chair/Non Executive Director

Ken Hockey

Non Executive Director

Graham Avis

Non Executive Director

Glyn Smith

Non Executive Director

Heather Craven

Non Executive Director

Elizabeth Stevens

Non Executive Director

To ensure that the Boards receive adequate assurance from all executive directors and to comply with regulations relating to the restrictions on the number of Board members, certain executive directors have joint appointments, with the Directors of Workforce and Commissioning Development paired and having one vote between them and the Directors of Joint Commissioning and Partnerships and Service Improvement similarly paired and having one vote between them.

Suzanne Rastrick

Interim Chief Executive

Dr Adrian Dawson

Director of Public Health

(NHS Bournemouth and Poole only)

Tim Goodson

Director of Finance (Deputy Chief Executive) until October 2012

Jacqueline Cotgrove

Director of Commissioning Development until November 2012

Jane Pike

Director of Acute and Primary Care Service Improvement

John Morton

Director of Joint Commissioning and Partnerships until October 2012

Charles Summers

Director of Workforce

Sally Shead

Interim Director of Quality from February 2012

Dr David Phillips

Director of Public Health (NHS Dorset only)

Medical Director

Dr Ros Maycock

Clinical Commissioning

Committee (CCC) Chair (NHS Bournemouth and Poole only)

Dr Forbes Watson

Shadow Dorset Clinical Commissioning Group Chair/ PEC Chair (NHS Dorset only)

Paul Vater

Acting Director of Finance from October 2012

Following the demise of the PCTs, the Wessex Area Team Director Debbie Fleming, as Accountable Officer, and Area Team Chief Financial Officer Mark Orchard have signed off the PCT's accounts.

NHS Bournemouth and Poole - report of the Director of Finance

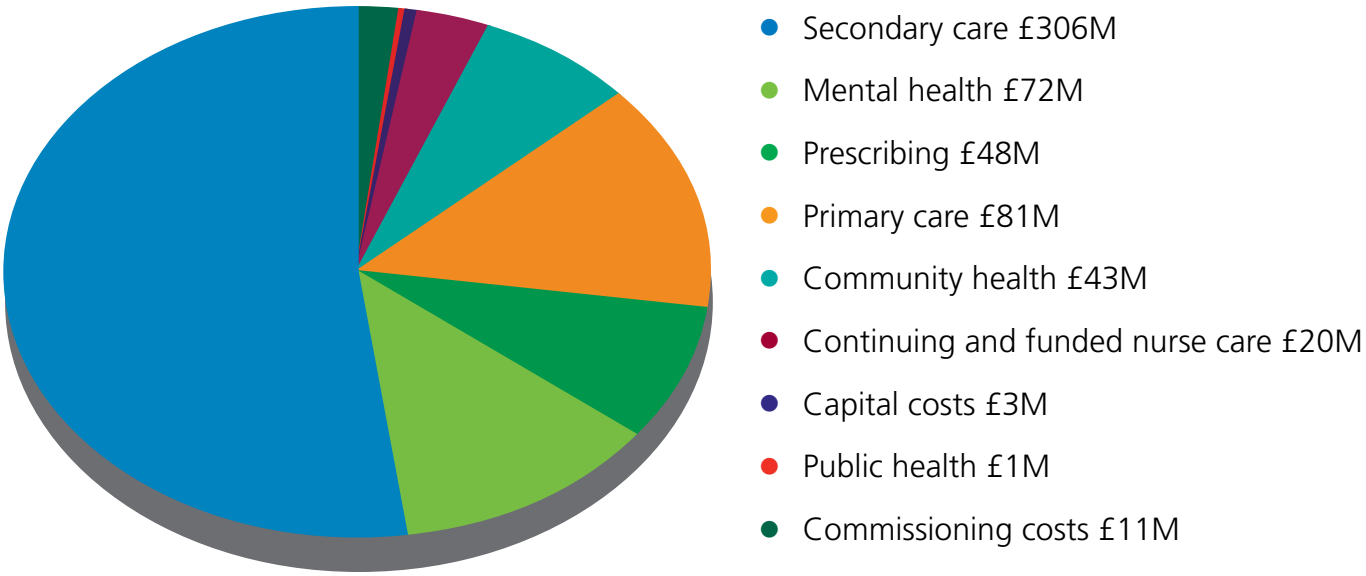
Operating and financial review

OVERVIEW

The PCT achieved its financial duties for 2012/13 and delivered an under spend of £5.9 million against its £590 million revenue resource limit.

Trend analysis of revenue performance	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	**2012/13 £000**
Revenue resource limit	**418,730**	**456,021**	**487,814**	**547,089**	**570,444**	571,326	**589,788**
Under spend against revenue resource limit	**2,938**	**5,779**	**5,403**	**2,886**	**5,356**	5,356	**5,897**
Percentage under spend	**0.7%**	**1.3%**	**1.1%**	**0.5%**	**0.9%**	0.9%	**1.0%**

ANALYSIS OF NET OPERATING COSTS 2012/13



Performance Indicators

The final performance against 2012/13 indicators will not be available until later in the year, the results will be published on the PCT's website.The PCT continues to monitor performance against key vital signs performance indicators even though some of these have been removed from the operating framework. In this example the PCT is forecasting based on continual improvement against the service area.

NATIONAL TARGET INDICATORS	2012/13 Forecast
Ambulance: category A calls meeting eight minute target	Achieved
Ambulance: category A calls meeting 19 minute target	Achieved
Rate of delayed transfers of care from acute and non acute provider per 100,000 population	Achieved
Total time in A&E: four hours or less	Achieved
Unplanned re-attendance rate - Unplanned re-attendance at A&E within 7 days of original attendance	Achieved
Left department without being seen rate	Achieved
Total time spent in A&E department - 95th centile	Achieved
Time to initial assessment - 95th centile	Achieved
Time to treatment in department - median	Achieved
Commissioning of crisis resolution/home treatment services	Achieved
Diabetic retinopathy screening	Achieved
Commissioning of early intervention in psychosis services	Achieved
NHS-reported waits for elective care	Achieved
Stroke Care: percentage of patients spending 90% of their time on a acute stroke unit	Achieved
Stroke Care: Higher risk TIA cases who are treated within 24 hours.	Not achieved
Percentage of women who have seen a midwife or an obstetrician for health and social care assessment of needs and risk by 12 weeks 6 days of their pregnancy	Achieved

Number of incidences of MRSA	Not achieved
Number of incidences of Clostridium Difficile	Achieved
Access to primary dental services, number of patients receiving dental care in the previous 24 months	Not achieved
Commissioning a comprehensive child and adolescent mental health service	Achieved
Urgent GP Referral to Date First Seen - Two week standard	Achieved
Urgent GP Referral to Date First Seen - Two week standard Breast Symptom Referral	Achieved
Decision to Treat to First Definitive Treatment - 31 day standard	Achieved
Second and Subsequent Treatments - 31 day standard - Surgery	Achieved
Second and Subsequent Treatments - 31 day standard - Chemotherapy	Achieved
Second and Subsequent Treatments - 31 day standard - Radiotherapy	Achieved
Urgent GP Referral to First Definitive Treatment - 62 day standard	Achieved
Urgent GP Referral to First Definitive Treatment - 62 day standard - detected through NSP	Achieved
Urgent GP Referral to First Definitive Treatment - 62 day standard - consultant upgrades	Achieved
Extension of NHS Breast Screening Programme to women aged between 53 and 70	Achieved
Cervical screening for women aged 25 - 49 years in last 3.5 years	Achieved
Cervical screening for women aged 50 - 64 years in last 5 years	Achieved

Whilst the PCT is forecasting the achievement of the majority of its key performance indicators, action plans have been put into place to address those notable areas of concern which do exist.

Outlook for 2013/14 and beyond

FINANCIAL STANDING

Under the provision of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Bournemouth and Poole Teaching PCT was dissolved on 1st April 2013.

The main functions performed by Bournemouth and Poole Teaching PCT in 2012/13 are to be carried out in 2013/14 by the following public sector bodies:

LOCAL AUTHORITY

Dorset County Council will take over the responsibility for aspects of public health services (which include Sexual Health, Nutrition, Obesity & Physical Activity, Tobacco, Alcohol Misuse, School Nursing, NHS Health Checks and Health Improvement and Wellbeing). The revenue value that has transferred alongside the responsibility for these programmes is £13m.

NHS ENGLAND

NHS England will take over the responsibility for aspects of public health services (which include Non-Cancer Screening, Cancer Screening, Children 0-5 (including health visiting), Childhood Immunisations, Seasonal Flu and Pnuemoccocal Immunisation, Prison Public Health) - the revenue value that has transferred alongside the responsibility for these programmes is £7m.

NHS England will take over the responsibility for Primary Care services (which include GP services, Dental services, Ophthalmic services and Pharmaceutical services). The revenue value that has transferred alongside the responsibility for these programmes is £72m.

NHS England will take over the responsibility for Specialist Secondary and Tertiary related services, following a nationally defined dataset to include various complex services, which often have a high cost and low volume (Specific Services include Complex Spinal, Burns, Renal, Cancer and Complex Paediatric). The revenue value that has transferred alongside the responsibility for these programmes is £68m.

NHS England will take over the responsibility for Secondary Dental Services. The revenue value that has transferred alongside the responsibility for these programmes is £4m.

PUBLIC HEALTH ENGLAND

Public Health England will take over the responsibility for supporting the CCG on surveillance and control of infectious diseases, a revenue value has transferred of £1m to cover various national objectives not specifcally in relation to the PCT transfer of responsibility.

NHS DORSET CLINICAL COMMISSIONING GROUP

Dorset Clinical Commissioning Group will take over the responsibility of all other programme areas from Bournemouth and Poole Teaching PCT that have not been separately identified above (which include Non Specialist Secondary and Tertiary care services, Mental Health and Learning Disability Services, Community Services, Reablement, Ambulance Services, Prescribing and Local Enhanced Services). The revenue value that has transferred alongside these responsibilities is £409m and the net non-current assets and liabilities are £8m.

Any PCT surpluses are to be carried over to the public bodies outlined above in proportion to the relative shares of the responsible portfolio in which they were generated. They will then be reinvested into the healthcare needs of the resident population.

Paul Vater
Director of Finance, Information and Performance

30 May 2013

Financial performance

OVERVIEW

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

A copy of the full set of audited accounts is available upon request without charge from:
Liz Kite
Deputy Director of Engagement and Communication
Bournemouth and Poole Teaching Primary Care Trust
Canford House, Discovery Court
551-553 Wallisdown Road, Poole, BH12 5AG
Email: communications@bp-pct.nhs.uk

REVENUE AND CAPITAL RESOURCE LIMITS

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

Revenue resource limit

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

	2012/13 £000	2011/12 £000
Total net operating cost for the financial year	583,891	565,970
Revenue resource limit	589,788	571,326
Revenue surplus	**5,897**	5,356

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

CAPITAL RESOURCE LIMIT

Capital resource provides for expenditure on items with a useful life expectancy in excess of one year (such as land and buildings) and with a value greater than £5,000. The PCT met its statutory duty to operate within its capital resource limit:

	2012/13 £000	2011/12 £000
Gross capital expenditure	859	986
Less: Net book value of assets disposed of	0	0
Charge against the capital resource limit	**859**	**986**
Capital resource limit	859	986
Capital surplus	**0**	**0**

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

CASH LIMIT

The PCT is required not to exceed the cash limit set by the Department of Health, which restricts the amount of cash drawings that the PCT can make in the financial year. The PCT achieved this in 2012/13 and 2011/12 against a cash limit of £577 million and £566 million respectively.

TOTAL STAFF COSTS

	2012/13 £000	2011/12 £000
Salaries and wages	5,604	5,621
Employer contributions to NHS Pensions Agency	607	642
Social security costs	425	431
Termination benefits	237	4
Total staff costs	**6,873**	**6,698**

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

AVERAGE NUMBER OF PERSONS EMPLOYED	2012/13 Number	2011/12 Number
Medical and dental	2	3
Administration and estates	123	118
Healthcare assistants and other support staff	1	2
Nursing, midwifery and health visiting staff	12	14
Scientific, therapeutic and technical staff	5	5
Average number of persons employed	**143**	**142**

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

SICKNESS ABSENCE

During 2012/13 financial year the PCT average working days lost were 5.5 (2011/12 7.9 days). The above 2012/13 figures relate to commissioning staff only and following national guidance, the calculation of sickness absence in a financial year is calculated using working days only.

The calculation of sickness absence in a financial year is calculated using only working days

RUNNING COSTS

PCT running costs 2012/13	Commissioning Services	Public Health	Total
Running costs (£000s)	9,019	630	9,649
Weighted population (number in unit)	338,349	338,349	338,349
Running costs per head of population (£ per head)	**£26.66**	**£1.86**	**£28.52**

PCT running costs 2011/12	Commissioning Services	Public Health	Total
Running costs (£000s)	9,194	606	9,800
Weighted population (number in unit)	338,349	338,349	338,349
Running costs per head of population (£ per head)	**£27.17**	**£1.79**	**£28.96**

BETTER PAYMENTS PRACTICE CODE

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

Non-NHS payables	**2012/13 Number**	**2012/13 £000**	2011/12 Number	2011/12 £000
Total bills paid in the year	8,968	57,829	9,457	48,575
Total bills paid within target	8,786	56,643	9,116	47,412
Percentage of bills paid within target	**97.97%**	**97.95%**	96.39%	97.61%

NHS payables	**2012/13 Number**	**2012/13 £000**	2011/12 Number	2011/12 £000
Total bills paid in the year	3,650	447,089	3,074	401,695
Total bills paid within target	3,605	446,570	2,990	400,720
Percentage of bills paid within target	**98.77%**	**99.88%**	97.27%	99.76%

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

This note shows the PCT performance against its administrative duty to pay all creditors within 30 calendar days of receipt of goods or valid invoice, whichever is later, unless other payment terms have been agreed.

LOSSES AND SPECIAL PAYMENTS

The PCT had no losses or special payments during 2012/13 (2011/12 one totalling £30,000).

During 2012/13 the PCT reported no serious and untoward incidents involving data loss or confidentiality breaches (2011/12 nil).

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

ACCOUNTING ISSUES

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Bournemouth and Poole Teaching PCT was dissolved on 1st April 2013. The PCT functions, assets and liabilities transferred to other public sector entities as outlined in the PCT audited accounts under Note 42 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The Statement of Financial Position has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

Full details of the accounting policies, estimation techniques and measurement bases used to prepare the accounts and summary financial statements can be found within Note 1 of the PCT audited accounts.

BOARD AND EXECUTIVE COMMITTEE MEMBERS

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

As part of its governance structure, the PCT has in place a Joint Integrated and Governance Committee which is responsible for providing the Board with assurance across the range of PCT activities, whilst retaining a particular financial focus. The Joint Integrated Governance Committee is chaired by Glyn Smith, Non-Executive Director, who has relevant and recent financial experience. Other Non-Executive Director members of the Committee during 2012/13 were Teresa Hensman, Eugene Gratwick and Graham Avis.

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

In 2012/13, the Joint Integrated Governance Committee discharged its responsibilities by:

- reviewing and approving the PCT draft financial statements and the external auditors' detailed reports thereon;
- reviewing the effectiveness of the external audit process;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, taking into account relevant UK professional and regulatory requirements;
- reviewing the external auditors' annual work plan, including its non-audit services and fees;
- reviewing the risks associated with the PCT business and management thereof;
- reviewing the policies and procedures for all work related to fraud and corruption;
- reviewing investigations as a result of the instigation of the PCT whistle blowing policy;

- reviewing the PCT system of internal control and its effectiveness, reporting to the Board on the results of the review and receiving regular updates on key processes for management of the risks facing the PCT;
- reviewing the effectiveness of the internal audit function;
- reviewing the internal audit work programme, internal audit reports and periodic progress reports on its work during the year; and
- reviewing governance and risk management arrangements to ensure appropriate processes are in place.

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

EXTERNAL AUDIT

Grant Thornton UK LLP is the appointed external auditor for the PCT. The total fee paid to Grant Thornton was £102,605, and was paid to cover the cost of the statutory audit and associated services.

Summary financial statements

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Administration costs and programme expenditure	**2012/13 £000**	2011/12 £000
Staff costs	6,873	6,698
Other costs	586,948	570,446
Less: Miscellaneous income	(10,012)	(11,238)
Net operating cost before interest	**583,809**	**565,906**
Other (gains)/losses	0	0
Finance costs	82	64
Net operating cost for the financial year	**583,891**	**565,970**
Other comprehensive net expenditure for the year		
Impairments and reversals put to the revaluation reserve	318	0
Net (gain)/loss on revaluation of property, plant and equipment	(96)	0
Total comprehensive net expenditure for the year	**584,113**	**565,970**

The purpose of this statement is to summarise, on an accruals basis, the net operating costs of the PCT. The statement identifies gross operating costs, less miscellaneous income, to arrive at the net operating costs of the PCT.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	General Fund £000	Revaluation Reserve £000	Total Reserve £000
2012/13			
Balance at 1 April 2012	(28,818)	1,287	(27,531)
Net operating cost for the year	(583,891)	0	(583,891)
Net gain/(loss) on revaluation of property, plant, equipment	0	96	96
Impairments	0	(318)	(318)
Transfers between reserves	8	(8)	0
Total recognised income and expense for 2012/13	**(583,883)**	**(230)**	**(584,113)**
Net Parliamentary funding	576,624	0	576,624
Recognised gains for the year	**(36,077)**	**1,057**	**(35,020)**
2011/12			
Balance at 1 April 2011	(23,609)	1,302	(22,307)
Net operating cost for the year	(565,970)	0	(565,970)
Net gain/(loss) on revaluation of property, plant, equipment	0	0	0
Impairments	0	0	0
Transfers between reserves	15	(15)	0
Total recognised income and expense for 2011/12	**(565,955)**	**(15)**	**(565,970)**
Net Parliamentary funding	560,746	0	560,746
Recognised gains for the year	**(28,818)**	**1,287**	**(27,531)**

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. The variance between net Parliamentary funding and net operating costs is attributable to the purchase of capital items and also non-cash transactions such as depreciation, provisions and the movement in payables and receivables.

STATEMENT OF CASH FLOWS

Operating activities	**2012/13 £000**	2011/12 £000
Net cash outflow from operating activities	**(575,598)**	**(559,969)**
Investing activities		
Payments to acquire intangible non-current assets	(6)	(34)
Payments to acquire property, plant and equipment	(1,014)	(795)
Net cash outflow from investing activities	**(1,020)**	**(829)**
Financing		
Net Parliamentary Funding	576,624	560,746
Net cash inflow from financing	**576,624**	**560,746**
Increase/ (decrease) in cash	**6**	**(52)**

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

STATEMENT OF FINANCIAL POSITION

	31 March 2013 £000	31 March 2012 £000
Non-current assets		
Intangible assets	0	127
Property, plant and equipment	6,581	7,583
Total	**6,581**	**7,710**
Current assets		
Inventories	290	236
Receivables	2,055	2,902
Cash at bank and in hand	38	32
Subtotal	**2,383**	**3,170**
Trade and other payables	(31,398)	(31,518)
Provisions	(6,084)	(4,358)
Net current liabilities	**(37,482)**	**(35,876)**
Total assets less current liabilities	**(28,518)**	**(24,996)**
Provisions for liabilities and charges	(6,502)	(2,535)
Total assets / (liabilities) employed	**(35,020)**	**(27,531)**
Financed by: Taxpayers Equity		
General fund	(36,077)	(28,818)
Revaluation reserve	1,057	1,287
Total taxpayers' equity	**(35,020)**	**(27,531)**

The Statement of Financial Position states the assets and liabilities of the PCT as at the end of the financial year being reported on, and is made up of two parts:
** The upper part shows the net assets/ liabilities of the PCT; and*
** The lower part identifies the source of finance used to fund the net assets/ liabilities.*

The financial statements were approved by the PCT Board on 30 May 2013 and signed on its behalf by:

Mrs D M Fleming
Accountable Officer
30 May 2013

Statement of Directors' responsibilities

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.

Mrs D M Fleming
Accountable Officer
30 May 2013

Mark Orchard
Chief Financial Officer
30 May 2013

Internal control

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

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

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

Mrs D M Fleming
Accountable Officer
30 May 2013

Independent auditor's report

We have examined the summary financial statement for the year ended 31 March 2013 set out on pages 23 to 26 and 29 to 32.

This report is made solely to the Department of Health's accounting officer in respect of Bournemouth and Poole Teaching 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 SIGNING OFFICER AND AUDITOR
The signing officer is responsible for preparing the Annual Report.

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

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

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

OPINION
In our opinion the summary financial statement is consistent with the statutory financial statements of the Bournemouth and Poole Teaching Primary Care Trust for the year ended 31 March 2013.

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

5 June 2013

Senior managers' remuneration report

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

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

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

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

The mid-point banded remuneration of the highest paid director in the financial year 2012/13 was £102.5k (2011/12 £112.5k). This was 3.6 times the median remuneration of the workforce (2011/12 3.6 times), which was £31,454 (2011/12 £31,230).

In 2012/13, 4 employees' full time equivalent salary were in excess of the highest-paid director (2011/12, 3). Remuneration ranged from £3,941 to £176,590 (2011/12, £3,941 to £125,206).

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.

Exit Packages:
Eight exit packages, costing £237k, were agreed in year.

Senior managers' remuneration report (audited)

NHS Bournemouth and Poole
1 April 2012 to 31 March 2013

Name	Title (as at 31 March 2013)	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
Executive members					
Mrs Suzanne Rastrick	Interim Chief Executive *(from 1 February 2012, previously Deputy Chief Executive and Director of Quality)*	45-50	5-10	0-5	2
Mr Tim Goodson	Chief Accountable Officer Designate *(from 21 November 2012, previously Director of Finance (PCT) and Corporate Finance Officer (CCG Designate))*	55-60	0-5	0-5	2
Paul Vater	Acting Director of Finance *(from 1 December 2012, previously Deputy Director of Finance)*	0	0	0	0
Dr Adrian Dawson	Director of Public Health *(NHS Bournemouth and Poole only)*	100-105	10-15	0	4
Dr David Phillips	Director of Public Health *(NHS Dorset only)* & Medical Director for cluster	10-15	5-10	0	1
Ms Jane Pike	Director of Acute and Primary Care Service Improvement	45-50	0-5	0	2
Mr John Morton	Director of Joint Commissioning and Partnerships *(to 31 October 2012)*	20-25	0	0	1
Mrs Jacqueline Cotgrove	Director of Commissioning Development *(to 30 November 2012)*	25-30	0-5	0	1
Mr Charles Summers	Director of Workforce	40-45	0-5	0	2
Mrs Sally Shead	Interim Director of Quality *(from 29 March 2012)*	30-35	0-5	0	0
Dr Ros Maycock	PEC Chairman *(NHS Bournemouth and Poole only)*	55-60	0	0	0
Dr Forbes Watson	PEC Chairman *(NHS Dorset only)* & Chair of Shadow Clinical Commissioning Group	0	0	0	0
Mr Paul Sly	Chief Executive *(to 31 January 2012)*	0	0	0	0
Mr Mark Orchard	Director of Finance, Information and Performance *(NHS Bournemouth and Poole only to 30 June 2011)*	0	0	0	0

NHS Dorset 1 April 2012 to 31 March 2013				Total 1 April 2012 to 31 March 2013				Total 1 April 2011 to 31 March 2012		
Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
45-50	5-10	0-5	2	90-95	15-20	0-5	5	95-100	5-10	0
55-60	0-5	0-5	2	110-115	5-10	5-10	5	105-110	0-5	0
80-85	0-5	0	3	80-85	0-5	0	3	0	0	0
0	0	0	0	100-105	10-15	0	4	110-115	0	1
90-95	65-70	0	4	100-105	75-80	0	5	105-110	70-75	0
45-50	0-5	0	2	90-95	0-5	0	5	90-95	0-5	0
20-25	0	0	1	45-50	0	0	2	90-95	0	4
25-30	0-5	0	1	55-60	5-10	0	3	70-75	0	3
40-45	0-5	0	2	80-85	0-5	0	5	80-85	0-5	0
30-35	0-5	0	0	65-70	0-5	0	0	0-5	0	0
0	0	0	0	55-60	0	0	0	55-60	0	0
55-60	0	0	0	55-60	0	0	0	55-60	0-5	0
0	0	0	0	0	0	0	0	115-120	5-10	0
0	0	0	0	0	0	0	0	25-30	0	1

NHS Bournemouth and Poole
1 April 2012 to 31 March 2013

Name	Title (as at 31 March 2013)	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
Non-executive members					
Mrs Jacqueline Swift	Chair of the Board	15-20	0	0	0
Mr Eugene Gratwick	Vice Chairman of the Board and Non Executive Director *(Interim Chairman 16 May 2011 to 31 August 2011 NHS Bournemouth and Poole only)*	0-5	0	0	0
Mr Graham Avis	Non-Executive Director	0-5	0	0	0
Mrs Heather Craven	Non Executive Director	0-5	0	0	0
Mrs Teresa Hensman	Non-Executive Director	5-10	0	0	0
Mr Kenneth Hockey	Non Executive Director	0-5	0	0	0
Mr Glyn Smith	Non Executive Director and Audit Committee Chairman	5-10	0	0	0
Miss Elizabeth Stevens	Non-Executive Director	0-5	0	0	0
Ms Amanda Gallaher	Non-Executive Director *(NHS Dorset only to 1 September 2011, now Board Advisor to Cluster)*	0	0	0	0
Mr Gary Hepburn	Non-Executive Director *(NHS Dorset only to 1 September 2011, now Board Advisor to Cluster)*	0	0	0	0
Mrs Angela Schofield	Chair of the Board *(NHS Bournemouth and Poole only to 16 May 2011)*	0	0	0	0
Dr Charlotte Seymour-Smith	Non Executive Director *(NHS Bournemouth and Poole only to 30 June 2011)*	0	0	0	0
Ms Clare Sutton	Non-Executive Director *(NHS Dorset only to 1 September 2011, then Board Advisor to Cluster to 31 January 2012)*	0	0	0	0

NHS Dorset 1 April 2012 to 31 March 2013				Total 1 April 2012 to 31 March 2013				Total 1 April 2011 to 31 March 2012		
Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payments (bands of £5,000)	Benefits in kind (rounded to the nearest £000)	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payments (bands of £5,000)	Benefits in kind (rounded to the nearest £000)	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Benefits in kind (rounded to the nearest £000)
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
15-20	0	0	0	35-40	0	0	0	35-40	0	0
0-5	0	0	0	5-10	0	0	0	15-20	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
5-10	0	0	0	10-15	0	0	0	10-15	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
5-10	0	0	0	10-15	0	0	0	10-15	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	0-5	0	0
0	0	0	0	0	0	0	0	0-5	0	0
0	0	0	0	0	0	0	0	5-10	0	0

		NHS Bournemouth and Poole 1 April 2012 to 31 March 2013			
		Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payments (bands of £5,000)	Benefits in kind (rounded to the nearest £000)
Name	**Title (as at 31 March 2013)**	£000	£000	£000	£000
Shadow Clinical Commissioning Group/Locality Chairs					
Dr Jenny Bubb	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Robert Childs	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Colin Davidson	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Richard Jenkinson	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Carol Linnard	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Chris McCall	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Blair Millar	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Andy Rutland	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Patrick Seal	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Rupert Turberville-Smith	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Christian Verrinder	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Piers Wilde	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Andrew Riddoch	GP - Locality Lead Member *(reimbursement to practice), NHS Dorset only to 31 March 2012)*	0	0	0	0
Other GPs					
Dr Lionel Cartwright	PEC Clinical Member *(NHS Bournemouth and Poole only) & GP Transition Lead (to 21 October 2011)*	0	0	0	0
Dr Jason Clark	GP - Locality Lead Member *(reimbursement to practice, NHS Dorset only to 10 September 2010))*	0	0	0	0
Dr Paul French	PEC Clinical Member *(NHS Bournemouth and Poole only)*	25-30	0	0	0
Dr Richard Holmes	GP Transition Lead *(reimbursement to practice) (from 10 January 2011)*	0	0	0	0
Dr Nick Kennedy	PEC Clinical Member *(NHS Bournemouth & Poole only to 1 September 2011, now GP Advisor)*	10-15	0	0	0

Notes:
1. No directors waived any allowances or remuneration during the period 1 April 2012 to 31 March 2013.
2. Other remuneration and benefits in kind relate to lease car allowance, and also on-call and clinical excellence award for Dr David Phillips and Dr Adrian Dawson.
3. The Trust Board adopted a common board membership with NHS Dorset in September 2011, with the exception of the Professional Executive Committee Chairs and Directors of Public Health who are separate members for both NHS Dorset and NHS Bournemouth and Poole.

NHS Dorset 1 April 2012 to 31 March 2013				Total 1 April 2012 to 31 March 2013				Total 1 April 2011 to 31 March 2012		
Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payments (bands of £5,000)	Benefits in kind (rounded to the nearest £000)	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Bonus payments (bands of £5,000)	Benefits in kind (rounded to the nearest £000)	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Benefits in kind (rounded to the nearest £000)
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
0	0	0	0	0	0	0	0	15-20	0	0
0	0	0	0	0	0	0	0	20-25	0	0
0	0	0	0	0	0	0	0	20-25	0	0
0	0	0	0	0	0	0	0	25-30	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	20-25	0	0
0	0	0	0	0	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	20-25	0-5	0
0	0	0	0	0	0	0	0	30-35	0	0
0	0	0	0	0	0	0	0	0-5	0	0
0	0	0	0	0	0	0	0	30-35	0	0
0	0	0	0	0	0	0	0	45-50	0	0
0	0	0	0	0	0	0	0	10-15	0	0

4. The remuneration costs of each shared board member have been apportioned on a 50/50 basis from the point at which they undertook their respective responsibilities for both organisations. David Phillips was recharged 10%.
5. During 2012/13, GPs forming the shadow clinical commissioning committee board have received reimbursements for their time paid to their employing practices rather than being remunerated by the PCT Cluster.

Senior managers' remuneration report

SENIOR MANAGER PENSION ENTITLEMENTS (AUDITED)

Name and title (as at 31 March 2013)	Real increase in pension at age 60 (bands of £2,500)	Lump sum at age 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash equivalent transfer value at 31 March 2013	Cash equivalent transfer value at 31 March 2012	Real increase in cash equivalent transfer value	Employer contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Mrs Suzanne Rastrick Interim Chief Executive *(from 1 February 2012, previously Deputy Chief Executive and Director of Quality)*	2.5-5	10-12.5	35-40	105-110	605	510	58	0
Mr Tim Goodson Chief Accountable Officer Designate *(from 21 November 2012, previously Director of Finance (PCT) and Corporate Finance Officer (CCG Designate))*	0-2.5	2.5-5	20-25	70-75	366	327	22	0
Mr Paul Vater Acting Director of Finance *(from 1 December 2012, previously Deputy Director of Finance)*	10-12.5	62.5-65	10-15	62.5-65	369	0	259	0
Dr Adrian Dawson Director of Public Health *(NHS Bournemouth and Poole only)*	(0-2.5)	(0-2.5)	50-55	150-155	NA	NA	NA	0
Dr David Phillips Director of Public Health *(NHS Dorset only)* & Medical Director for cluster	0-2.5	0-2.5	20-25	65-70	510	476	15	0
Ms Jane Pike Director of Acute and Primary Care Service Improvement	0-2.5	0-2.5	30-35	100-105	619	578	19	0
Mr John Morton Director of Joint Commissioning and Partnerships *(to 31 October 2012)*	(0-2.5)	(0-2.5)	35-40	110-115	788	745	3	0
Mrs Jacqueline Cotgrove Director of Commissioning Development *(to 30 November 2012)*	0-2.5	2.5-5	20-25	60-65	351	290	31	0
Mr Charles Summers Director of Workforce	0-2.5	0-2.5	15-20	50-55	318	291	14	0
Mrs Sally Shead Interim Director of Quality *(from 29 March 2012)*	0-2.5	0-2.5	15-20	50-55	310	287	11	0
Mr Paul Sly Chief Executive *(to 31 January 2012)*	NA	NA	NA	NA	NA	393	NA	NA
Mr Mark Orchard Director of Finance, Information and Performance *(NHS Bournemouth and Poole only to 30 June 2011)*	NA	NA	NA	NA	NA	226	NA	NA

Notes:
1. Non-Executive and Professional Executive Committee Members (including General Practitioners) do not receive pensionable remuneration.
2. Full details of the accounting policy regarding pension costs can be found within Note 1 of the full set of audited financial statements (available separately).
3. As it is not possible to apportion the CETV across organisations, the full value for each senior manager is reported above.

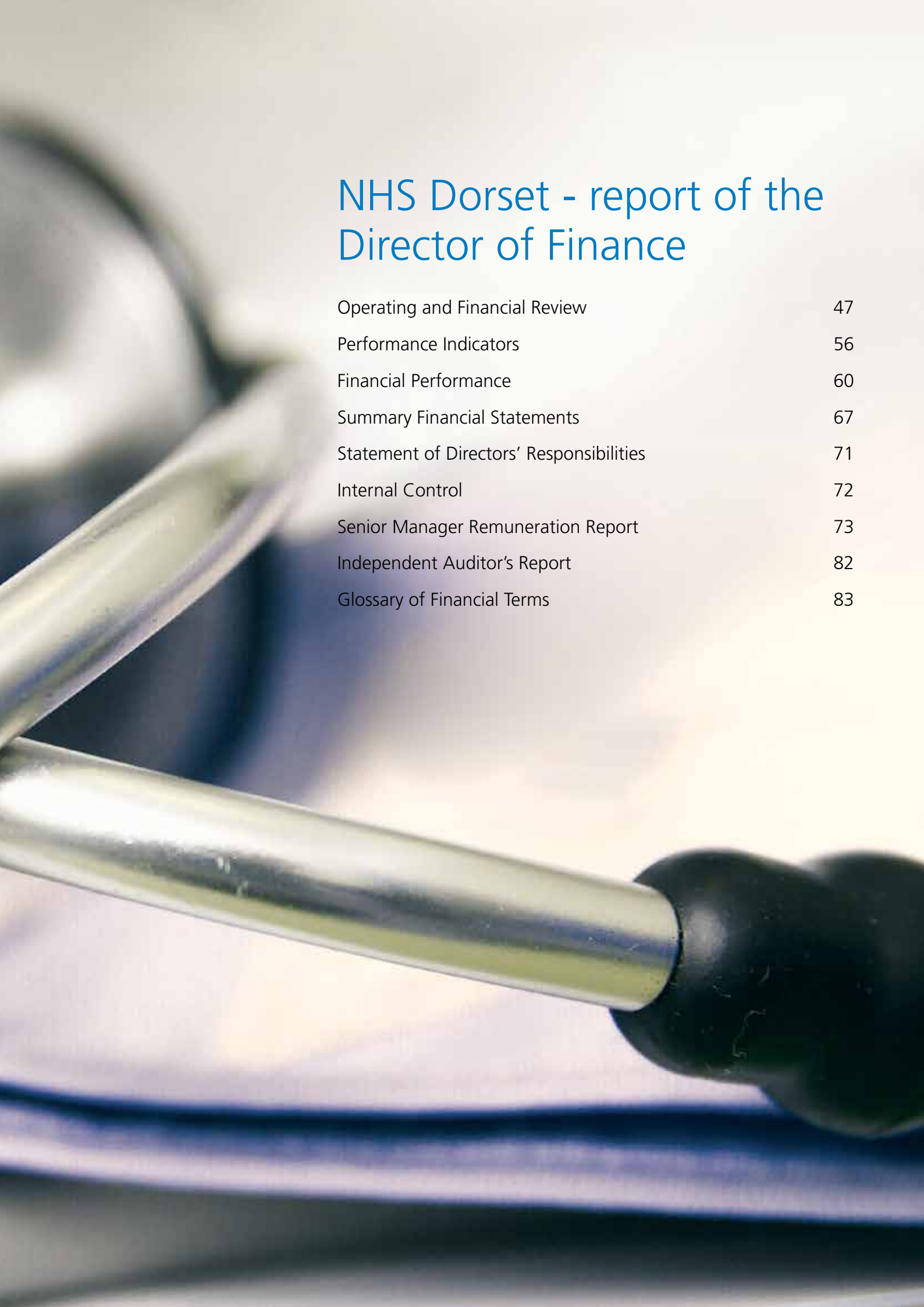
CASH EQUIVALENT TRANSFER VALUES

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

REAL INCREASE IN CETV

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

NHS Dorset - report of the Director of Finance



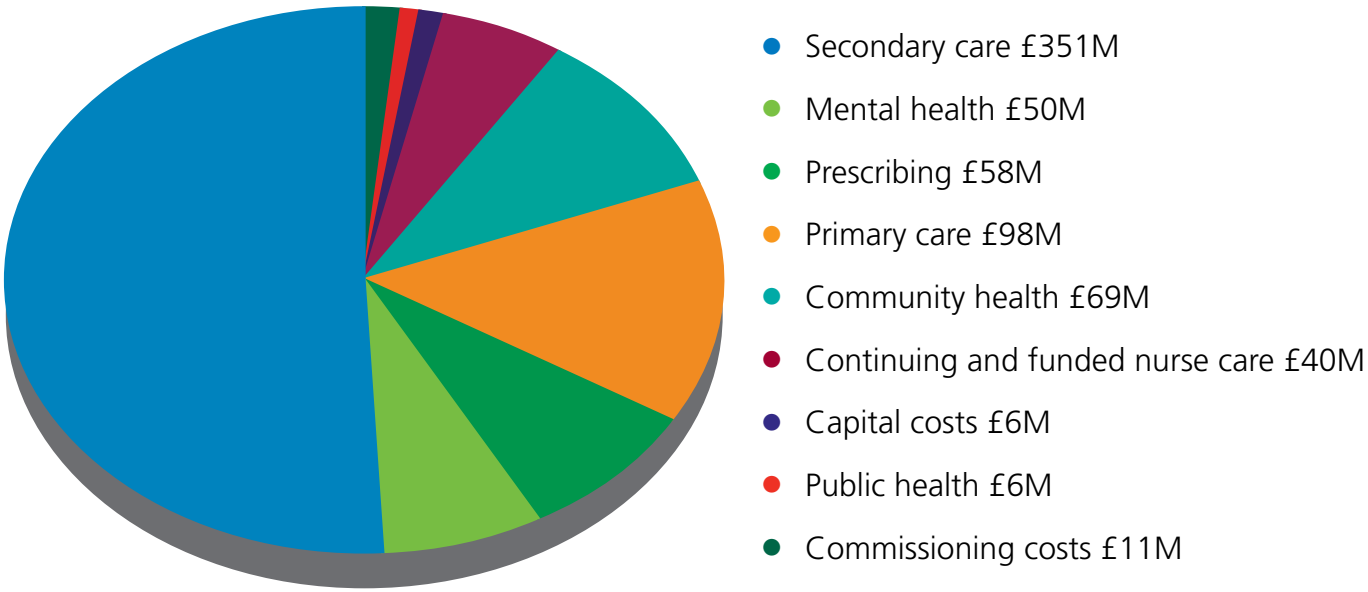
Operating and financial review

OVERVIEW

The PCT achieved its financial duties for 2012/13 and delivered an under spend of £6.7 million against its £696 million revenue resource limit.

Trend analysis of revenue performance	2010/11 £000	2011/12 £000	**2012/13 £000**
Revenue resource limit	650,392	669,345	**695,810**
Under spend against revenue resource limit	6,133	6,133	**6,717**
Percentage under spend against revenue resource limit	0.9%	0.9%	**1.0%**

ANALYSIS OF NET OPERATING COSTS 2012/13



Performance Indicators

The final performance against 2012/13 indicators will not be available until later in the year, the results will be published on the PCT's website. The PCT continues to monitor performance against national operational standards and performance against key vital signs performance indicators even though some of these have been removed from the operating framework. In this example the Primary Care Trust is forecasting based on continual improvement against the service area.

NATIONAL TARGET INDICATORS	2012/13 Forecast
Ambulance: category A calls meeting eight minute target	Achieved
Ambulance: category A calls meeting 19 minute target	Achieved
Rate of delayed transfers of care from acute and non acute provider per 100,000 population	Achieved
Total time in A&E: four hours or less	Achieved
Unplanned re-attendance rate - Unplanned re-attendance at A&E within 7 days of original attendance	Achieved
Left department without being seen rate	Achieved
Total time spent in A&E department - 95th centile	Achieved
Time to initial assessment - 95th centile	Achieved
Time to treatment in department - median	Achieved
Commissioning of crisis resolution/home treatment services	Achieved
Diabetic retinopathy screening	Achieved
Commissioning of early intervention in psychosis services	Achieved
NHS-reported waits for elective care	Achieved
Stroke Care: percentage of patients spending 90% of their time on a acute stroke unit	Achieved
Stroke Care: Higher risk TIA cases who are treated within 24 hours.	Not achieved
Percentage of women who have seen a midwife or an obstetrician for health and social care assessment of needs and risk by 12 weeks 6 days of their pregnancy	Achieved

Number of incidences of MRSA	Not achieved
Number of incidences of Clostridium Difficile	Achieved
Access to primary dental services, number of patients receiving dental care in the previous 24 months	Not achieved
Commissioning a comprehensive child and adolescent mental health service	Achieved
Urgent GP Referral to Date First Seen - Two week standard	Achieved
Urgent GP Referral to Date First Seen - Two week standard Breast Symptom Referral	Achieved
Decision to Treat to First Definitive Treatment - 31 day standard	Achieved
Second and Subsequent Treatments - 31 day standard - Surgery	Achieved
Second and Subsequent Treatments - 31 day standard - Chemotherapy	Achieved
Second and Subsequent Treatments - 31 day standard - Radiotherapy	Achieved
Urgent GP Referral to First Definitive Treatment - 62 day standard	Achieved
Urgent GP Referral to First Definitive Treatment - 62 day standard - detected through NSP	Achieved
Urgent GP Referral to First Definitive Treatment - 62 day standard - consultant upgrades	Achieved
Extension of NHS Breast Screening Programme to women aged between 53 and 70	Achieved
Cervical screening for women aged 25 - 49 years in last 3.5 years	Achieved
Cervical screening for women aged 50 - 64 years in last 5 years	Achieved

Whilst the PCT is forecasting the achievement of the majority of its key performance indicators, action plans have been put into place to address those notable areas of concern which do exist.

Outlook for 2013/14 and beyond

Under the provision of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Dorset PCT was dissolved on 1st April 2013.

The main functions performed by Dorset PCT in 2012/13 are to be carried out in 2013/14 by the following public sector bodies:

LOCAL AUTHORITY
Dorset County Council will take over the responsibility for aspects of public health services (which include Sexual Health, Nutrition, Obesity & Physical Activity, Tobacco, Alcohol Misuse, School Nursing, NHS Health Checks and Health Improvement and Wellbeing). The revenue value that has transferred alongside the responsibility for these programmes is £12m.

NHS ENGLAND
NHS England will take over the responsibility for aspects of public health services (which include Non-Cancer Screening, Cancer Screening, Children 0-5 (including health visiting), Childhood Immunisations, Seasonal Flu and Pnuemoccocal Immunisation, Prison Public Health) - the revenue value that has transferred alongside the responsibility for these programmes is £9m.

NHS England will take over the responsibility for Primary Care services (which include GP services, Dental services, Ophthalmic services and Pharmaceutical services). The revenue value that has transferred alongside the responsibility for these programmes is £78m.

NHS England will take over the responsibility for Specialist Secondary and Tertiary related services, following a nationally defined dataset to include various complex services, which often have a high cost and low volume (Specific Services include Complex Spinal, Burns, Renal, Cancer and Complex Paediatric). The revenue value that has transferred alongside the responsibility for these programmes is £69m.

NHS England will take over the responsibility for Prison and Offender Health - the revenue value that has transferred alongside the responsibility for these programmes is £2m.

NHS England will take over the responsibility for Secondary Dental Services. The revenue value that has transferred alongside the responsibility for these programmes is £7m.

PUBLIC HEALTH ENGLAND
Public Health England will take over the responsibility for supporting the CCG on surveillance and control of infectious diseases, a revenue value has transferred of £1m to cover various national objectives not specifcally in relation to the PCT transfer of responsibility.

NHS DORSET CLINICAL COMMISSIONING GROUP
Dorset Clinical Commissioning Group will take over the responsibility of all other programme areas from Dorset PCT that have not been separately identified above (which include Non Specialist Secondary and Tertiary care services, Mental Health and Learning Disability Services, Community Services, Reablement, Ambulance Services, Prescribing and Local Enhanced Services). The revenue value that has transferred alongside these responsibilities is £468m.

Any PCT surpluses are to be carried over to the public bodies outlined above in proportion to the relative shares of the responsible portfolio in which they were generated. They will then be reinvested into the healthcare needs of the resident population.

Paul Vater
Director of Finance, Information and Performance

30 May 2013

Financial performance

OVERVIEW

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

A copy of the full set of audited accounts is available upon request without charge from:
Liz Kite
Deputy Director of Engagement and Communication
Bournemouth and Poole Teaching Primary Care Trust
Canford House, Discovery Court
551-553 Wallisdown Road, Poole, BH12 5AG
Email: communications@bp-pct.nhs.uk

REVENUE AND CAPITAL RESOURCE LIMITS

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

Revenue resource limit

Revenue expenditure covers the general day-to-day costs involved in the commissioning of healthcare. The PCT met its statutory duty to operate within its revenue resource limit:

	2012/13 £000	2011/12 £000
Total net operating cost for the financial year	**689,093**	663,212
Revenue resource limit	695,810	669,345
Revenue surplus	**6,717**	6,133

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

CAPITAL RESOURCE LIMIT

Capital resource provides for expenditure on items with a useful life expectancy in excess of one year (such as land and buildings) and with a value greater than £5,000. The PCT met its statutory duty to operate within its capital resource limit:

	2012/13 £000	2011/12 £000
Gross capital expenditure	2,983	2,282
Less: Net book value of assets disposed of	0	0
Charge against the capital resource limit	**2,983**	**2,282**
Capital resource limit	3,209	2,358
Capital surplus	**226**	**76**

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

CASH LIMIT

The PCT is required not to exceed the cash limit set by the Department of Health, which restricts the amount of cash drawings that the PCT can make in the financial year. The PCT achieved this in 2012/13 and 2011/12 against a cash limit of £684 million and £656 million respectively.

TOTAL STAFF COSTS

	2012/13 £000	2011/12 £000
Salaries and wages	8,454	11,737
Employer contributions to NHS Pensions Agency	1,091	1,261
Social security costs	781	929
Termination benefits	658	0
Total staff costs	**10,984**	**13,927**

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

AVERAGE NUMBER OF PERSONS EMPLOYED

	2012/13 Number	2011/12 Number
Medical and dental	4	5
Administration and estates	187	217
Healthcare assistants and other support staff	2	1
Nursing, midwifery and health visiting staff	19	21
Scientific, therapeutic and technical staff	11	11
Other	3	10
Average number of persons employed	**226**	**265**

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

SICKNESS ABSENCE

During 2012/13 financial year the PCT average working days lost was 6.2 (2011/12 9.8 days).
The above 2012/13 figures relate to commissioning staff only and following national guidance, the calculation of sickness absence in a financial year is calculated using working days only.

The calculation of sickness absence in a financial year is calculated using only working days.

RUNNING COSTS

PCT running costs 2012/13	Commissioning Services	Public Health	Total
Running costs (£000s)	12,531	905	13,436
Weighted population (number in unit)	388,619	338,619	338,619
Running costs per head of population (£ per head)	**£32.24**	**£2.33**	**£34.57**

PCT running costs 2011/12	Commissioning Services	Public Health	Total
Running costs (£000s)	15,901	927	16,828
Weighted population (number in unit)	388,619	388,619	388,619
Running costs per head of population (£ per head)	**£40.92**	**£2.39**	**£43.30**

BETTER PAYMENTS PRACTICE CODE

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

Non-NHS payables	**2012/13 Number**	**2012/13 £000**	2011/12 Number	2011/12 £000
Total bills paid in the year	21,463	86,263	28,576	85,684
Total bills paid within target	20,811	83,933	26,919	80,522
Percentage of bills paid within target	**96.96%**	**97.30%**	94.20%	93.98%

NHS payables	**2012/13 Number**	**2012/13 £000**	2011/12 Number	2011/12 £000
Total bills paid in the year	4,555	466,034	3,923	393,947
Total bills paid within target	4,487	465,667	3,375	389,933
Percentage of bills paid within target	**98.51%**	**99.92%**	86.03%	98.98%

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

This note shows the PCT performance against its administrative duty to pay all creditors within 30 calendar days of receipt of goods or valid invoice, whichever is later, unless other payment terms have been agreed.

LOSSES AND SPECIAL PAYMENTS

The PCT had 20 losses or special payments during 2012/13 totalling £10,699 (2011/12 13 totalling £6,827).

During 2012/13 the PCT had one lapse of data security relating to BUPA having laptops stolen with patient identifiable information, which was reported to the Information Commissioner (2011/12 nil).

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

ACCOUNTING ISSUES

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Dorset PCT was dissolved on 1st April 2013. The PCT functions, assets and liabilities transferred to other public sector entities as outlined in the PCT audited accounts under Note 42 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The Statement of Financial Position has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

Full details of the accounting policies, estimation techniques and measurement bases used to prepare the accounts and summary financial statements can be found within Note 1 of the PCT audited accounts.

BOARD AND EXECUTIVE COMMITTEE MEMBERS

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

As part of its governance structure, the PCT has in place a Joint Integrated and Governance Committee which is responsible for providing the Board with assurance across the range of PCT activities, whilst retaining a particular financial focus. The Joint Integrated Governance Committee is chaired by Glyn Smith, Non-Executive Director, who has relevant and recent financial experience. Other Non-Executive Director members of the Committee during 2012/13 were Teresa Hensman, Eugene Gratwick and Graham Avis.

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

In 2012/13, the Joint Integrated Governance Committee discharged its responsibilities by:

- reviewing and approving the PCT draft financial statements and the external auditors' detailed reports thereon;
- reviewing the effectiveness of the external audit process;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, taking into account relevant UK professional and regulatory requirements;
- reviewing the external auditors' annual work plan, including its non-audit services and fees;
- reviewing the risks associated with the PCT business and management thereof;
- reviewing the policies and procedures for all work related to fraud and corruption;
- reviewing investigations as a result of the instigation of the PCT whistle blowing policy;

- reviewing the PCT system of internal control and its effectiveness, reporting to the Board on the results of the review and receiving regular updates on key processes for management of the risks facing the PCT;
- reviewing the effectiveness of the internal audit function;
- reviewing the internal audit work programme, internal audit reports and periodic progress reports on its work during the year; and
- reviewing governance and risk management arrangements to ensure appropriate processes are in place.

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

EXTERNAL AUDIT

KPMG is the appointed external auditor for the PCT. The total fee paid to KPMG was £113,400, and was paid to cover the cost of the statutory audit and associated services.

Summary financial statements

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Administration costs and programme expenditure	**2012/13 £000**	2011/12 £000
Staff costs	10,984	13,927
Other costs	706,456	675,115
Less: Miscellaneous income	(28,657)	(25,952)
Net operating cost before interest	**688,783**	**663,090**
Investment income	0	(4)
Other (gains)/losses	160	3
Finance costs	150	123
Net operating cost for the financial year	**689,093**	**663,212**
Other comprehensive net expenditure for the year		
Impairments and reversals put to the revaluation reserve	0	593
Net (gain)/loss on revaluation of property, plant and equipment	(489)	592
Release of reserves to statement of comprehensive net expenditure	87	0
Total comprehensive net expenditure for the year	**688,691**	**664,397**

The purpose of this statement is to summarise, on an accruals basis, the net operating costs of the PCT. The statement identifies gross operating costs, less miscellaneous income, to arrive at the net operating costs of the PCT.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	General Fund £000	Revaluation Reserve £000	Total Reserve £000
2012/13			
Balance at 1 April 2012	11,167	23,062	34,229
Net operating cost for the year	(689,093)	0	(689,093)
Net gain/(loss) on revaluation of property, plant, equipment	0	489	489
Impairments	0	0	0
Release of Reserves to SOCNE	0	(87)	(87)
Total recognised income and expense for 2012/13	**(689,093)**	**402**	**(688,691)**
Net Parliamentary funding	684,455	0	684,455
Recognised gains for the year	**6,529**	**23,464**	**29,993**
2011/12			
Balance at 1 April 2011	22,448	24,029	46,477
Net operating cost for the year	(663,212)	0	(663,212)
Net gain/(loss) on revaluation of property, plant, equipment	0	0	0
Impairments	0	(592)	(592)
Transfers between reserves	375	(375)	0
Total recognised income and expense for 2011/12	**(662,837)**	**(967)**	**(663,804)**
Net Parliamentary funding	651,556	0	651,556
Recognised gains for the year	**11,167**	**23,062**	**34,229**

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. The variance between net Parliamentary funding and net operating costs is attributable to the purchase of capital items and also non-cash transactions such as depreciation, provisions and the movement in payables and receivables.

STATEMENT OF CASH FLOWS

Operating activities	2012/13 £000	2011/12 £000
Net cash outflow from operating activities	**(681,247)**	**(649,314)**
Investing activities		
Payments to acquire intangible non-current assets	(3,606)	(3,116)
Payments to acquire property, plant and equipment	0	(9)
Proceeds of disposal of assets held for sale (PPE)	350	775
Net cash outflow from investing activities	**(3,256)**	**(2,350)**
Financing		
Capital element of payments in respect of finance leases	0	(6)
Net Parliamentary Funding	684,455	651,556
Capital grants and other capital receipts	25	73
Net cash inflow from financing	**684,480**	**651,623**
Increase/ (decrease) in cash	**(23)**	**(41)**

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

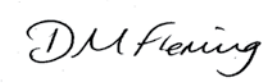
STATEMENT OF FINANCIAL POSITION

Non-current assets	31 March 2013 £000	31 March 2012 £000
Intangible assets	0	58
Property, plant and equipment	77,841	82,300
Total	**77,841**	**82,358**
Current assets		
Inventories	0	0
Receivables	5,842	3,652
Cash at bank and in hand	2	25
Subtotal	**5,844**	**3,677**
Non-current assets held for sale	0	372
Current liabilities		
Trade and other payables	(39,777)	(41,536)
Provisions	(5,752)	(6,147)
Borrowings	(69)	(6)
Net current liabilities	**(45,598)**	**(47,689)**
Total assets less current liabilities	**38,087**	**38,718**
Provision for liabilities and charges	(8,094)	(4,489)
Total assets/(liabilities) employed	**29,993**	**34,229**
Financed by: Taxpayers Equity		
General fund	6,529	11,167
Revaluation reserve	23,464	23,062
Total taxpayers' equity	**29,993**	**34,229**

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

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

The financial statements were approved by the PCT Board on 30 May 2013 and signed on its behalf by:



Mrs D M Fleming
Accountable Officer
30 May 2013

Statement of Directors' responsibilities

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.

Mrs D M Fleming
Accountable Officer
30 May 2013

Mark Orchard
Chief Financial Officer
30 May 2013

Internal control

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

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

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

Mrs D M Fleming
Accountable Officer
30 May 2013

Independent auditor's report

We have examined the summary financial statement for the year ended 31 March 2013 set out on pages 57 to 61.

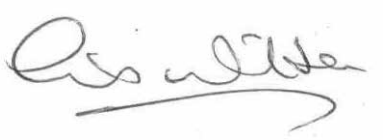
This report is made solely to the Signing Officer of Dorset Primary Care Trust in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Signing Officer of the Primary Care Trust those matters we· are required to state to them in an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

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

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

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

OPINION
In our opinion the summary financial statement is consistent with the statutory financial statements of Dorset Primary Care Trust for the year ended 31 March 2013 on which we have issued an unqualified opinion.



Chris Wilson, for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
Arlington Business Park
Reading
RG74SD

5 June 2013

Senior managers' remuneration report

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

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

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

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 orgainsation's workforce.

The mid-point banded remuneration of the highest paid director in the financial year 2012/13 was £181k (2011/12 £179k). This was 5.3 times the median remuneration of the workforce (2011/12 6.1 times), which was £34,189 (2011/12 £29,464).

In 2012/13, no employees' full time equivalent salary were in excess of the highest-paid director (2011/12, none). Remuneration ranged from £14,153 to £181,355 (2011/12, £13,903 to £179,090).

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.

Exit Packages:
Nineteen exit packages, costing £658k, were agreed in year.

Senior managers' remuneration report (audited)

NHS Bournemouth and Poole
1 April 2012 to 31 March 2013

Name	Title (as at 31 March 2013)	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
Executive members					
Mrs Suzanne Rastrick	Interim Chief Executive *(from 1 February 2012, previously Deputy Chief Executive and Director of Quality)*	45-50	5-10	0-5	2
Mr Tim Goodson	Chief Accountable Officer Designate *(from 21 November 2012, previously Director of Finance (PCT) and Corporate Finance Officer (CCG Designate))*	55-60	0-5	0-5	2
Paul Vater	Acting Director of Finance *(from 1 December 2012, previously Deputy Director of Finance)*	0	0	0	0
Dr Adrian Dawson	Director of Public Health *(NHS Bournemouth and Poole only)*	100-105	10-15	0	4
Dr David Phillips	Director of Public Health *(NHS Dorset only)* & Medical Director for cluster	10-15	5-10	0	1
Ms Jane Pike	Director of Acute and Primary Care Service Improvement	45-50	0-5	0	2
Mr John Morton	Director of Joint Commissioning and Partnerships *(to 31 October 2012)*	20-25	0	0	1
Mrs Jacqueline Cotgrove	Director of Commissioning Development *(to 30 November 2012)*	25-30	0-5	0	1
Mr Charles Summers	Director of Workforce	40-45	0-5	0	2
Mrs Sally Shead	Interim Director of Quality *(from 29 March 2012)*	30-35	0-5	0	0
Dr Ros Maycock	PEC Chairman *(NHS Bournemouth and Poole only)*	55-60	0	0	0
Dr Forbes Watson	PEC Chairman *(NHS Dorset only)* & Chair of Shadow Clinical Commissioning Group	0	0	0	0
Mr Paul Sly	Chief Executive *(to 31 January 2012)*	0	0	0	0
Mr Mark Orchard	Director of Finance, Information and Performance *(NHS Bournemouth and Poole only to 30 June 2011)*	0	0	0	0

NHS Dorset 1 April 2012 to 31 March 2013				Total 1 April 2012 to 31 March 2013				Total 1 April 2011 to 31 March 2012		
Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
45-50	5-10	0-5	2	90-95	15-20	0-5	5	95-100	5-10	0
55-60	0-5	0-5	2	110-115	5-10	5-10	5	105-110	0-5	0
80-85	0-5	0	3	80-85	0-5	0	3	0	0	0
0	0	0	0	100-105	10-15	0	4	110-115	0	1
90-95	65-70	0	4	100-105	75-80	0	5	105-110	70-75	0
45-50	0-5	0	2	90-95	0-5	0	5	90-95	0-5	0
20-25	0	0	1	45-50	0	0	2	90-95	0	4
25-30	0-5	0	1	55-60	5-10	0	3	70-75	0	3
40-45	0-5	0	2	80-85	0-5	0	5	80-85	0-5	0
30-35	0-5	0	0	65-70	0-5	0	0	0-5	0	0
0	0	0	0	55-60	0	0	0	55-60	0	0
55-60	0	0	0	55-60	0	0	0	55-60	0-5	0
0	0	0	0	0	0	0	0	115-120	5-10	0
0	0	0	0	0	0	0	0	25-30	0	1

NHS Bournemouth and Poole
1 April 2012 to 31 March 2013

Name	Title (as at 31 March 2013)	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
Non-executive members					
Mrs Jacqueline Swift	Chair of the Board	15-20	0	0	0
Mr Eugene Gratwick	Vice Chairman of the Board and Non Executive Director *(Interim Chairman 16 May 2011 to 31 August 2011 NHS Bournemouth and Poole only)*	0-5	0	0	0
Mr Graham Avis	Non-Executive Director	0-5	0	0	0
Mrs Heather Craven	Non Executive Director	0-5	0	0	0
Mrs Teresa Hensman	Non-Executive Director	5-10	0	0	0
Mr Kenneth Hockey	Non Executive Director	0-5	0	0	0
Mr Glyn Smith	Non Executive Director and Audit Committee Chairman	5-10	0	0	0
Miss Elizabeth Stevens	Non-Executive Director	0-5	0	0	0
Ms Amanda Gallaher	Non-Executive Director *(NHS Dorset only to 1 September 2011, now Board Advisor to Cluster)*	0	0	0	0
Mr Gary Hepburn	Non-Executive Director *(NHS Dorset only to 1 September 2011, now Board Advisor to Cluster)*	0	0	0	0
Mrs Angela Schofield	Chair of the Board *(NHS Bournemouth and Poole only to 16 May 2011)*	0	0	0	0
Dr Charlotte Seymour-Smith	Non Executive Director *(NHS Bournemouth and Poole only to 30 June 2011)*	0	0	0	0
Ms Clare Sutton	Non-Executive Director *(NHS Dorset only to 1 September 2011, then Board Advisor to Cluster to 31 January 2012)*	0	0	0	0

NHS Dorset 1 April 2012 to 31 March 2013				Total 1 April 2012 to 31 March 2013				Total 1 April 2011 to 31 March 2012		
Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
15-20	0	0	0	35-40	0	0	0	35-40	0	0
0-5	0	0	0	5-10	0	0	0	15-20	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
5-10	0	0	0	10-15	0	0	0	10-15	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
5-10	0	0	0	10-15	0	0	0	10-15	0	0
0-5	0	0	0	5-10	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	0-5	0	0
0	0	0	0	0	0	0	0	0-5	0	0
0	0	0	0	0	0	0	0	5-10	0	0

NHS Bournemouth and Poole
1 April 2012 to 31 March 2013

Name	Title (as at 31 March 2013)	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
Shadow Clinical Commissioning Group/Locality Chairs					
Dr Jenny Bubb	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Robert Childs	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Colin Davidson	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Richard Jenkinson	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Carol Linnard	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Chris McCall	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Blair Millar	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Andy Rutland	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Patrick Seal	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Rupert Turberville-Smith	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Christian Verrinder	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Piers Wilde	GP - Locality Lead Member *(reimbursement to practice)*	0	0	0	0
Dr Andrew Riddoch	GP - Locality Lead Member *(reimbursement to practice), NHS Dorset only to 31 March 2012)*	0	0	0	0
Other GPs					
Dr Lionel Cartwright	PEC Clinical Member *(NHS Bournemouth and Poole only) & GP Transition Lead (to 21 October 2011)*	0	0	0	0
Dr Jason Clark	GP - Locality Lead Member *(reimbursement to practice, NHS Dorset only to 10 September 2010))*	0	0	0	0
Dr Paul French	PEC Clinical Member *(NHS Bournemouth and Poole only)*	25-30	0	0	0
Dr Richard Holmes	GP Transition Lead *(reimbursement to practice) (from 10 January 2011)*	0	0	0	0
Dr Nick Kennedy	PEC Clinical Member *(NHS Bournemouth & Poole only to 1 September 2011, now GP Advisor)*	10-15	0	0	0

Notes:
1. No directors waived any allowances or remuneration during the period 1 April 2012 to 31 March 2013.
2. Other remuneration and benefits in kind relate to lease car allowance, and also on-call and clinical excellence award for Dr David Phillips and Dr Adrian Dawson.
3. The Trust Board adopted a common board membership with NHS Dorset in September 2011, with the exception of the Professional Executive Committee Chairs and Directors of Public Health who are separate members for both NHS Dorset and NHS Bournemouth and Poole.

NHS Dorset 1 April 2012 to 31 March 2013				Total 1 April 2012 to 31 March 2013				Total 1 April 2011 to 31 March 2012		
Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Bonus payments (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000	Salary (bands of £5,000) £000	Other remuneration (bands of £5,000) £000	Benefits in kind (rounded to the nearest £000) £000
0	0	0	0	0	0	0	0	15-20	0	0
0	0	0	0	0	0	0	0	20-25	0	0
0	0	0	0	0	0	0	0	20-25	0	0
0	0	0	0	0	0	0	0	25-30	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	20-25	0	0
0	0	0	0	0	0	0	0	5-10	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	20-25	0-5	0
0	0	0	0	0	0	0	0	30-35	0	0
0	0	0	0	0	0	0	0	0-5	0	0
0	0	0	0	0	0	0	0	30-35	0	0
0	0	0	0	0	0	0	0	45-50	0	0
0	0	0	0	0	0	0	0	10-15	0	0

4. The remuneration costs of each shared board member have been apportioned on a 50/50 basis from the point at which they undertook their respective responsibilities for both organisations. David Phillips was recharged 10%.
5. During 2012/13, GPs forming the shadow clinical commissioning committee board have received reimbursements for their time paid to their employing practices rather than being remunerated by the PCT Cluster.

Senior managers' remuneration report

SENIOR MANAGER PENSION ENTITLEMENTS (AUDITED)

Name and title (as at 31 March 2013)	Real increase in pension at age 60 (bands of £2,500)	Lump sum at age 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)	Cash equivalent transfer value at 31 March 2013	Cash equivalent transfer value at 31 March 2012	Real increase in cash equivalent transfer value	Employer contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Mrs Suzanne Rastrick Interim Chief Executive *(from 1 February 2012, previously Deputy Chief Executive and Director of Quality)*	2.5-5	10-12.5	35-40	105-110	605	510	58	0
Mr Tim Goodson Chief Accountable Officer Designate *(from 21 November 2012, previously Director of Finance (PCT) and Corporate Finance Officer (CCG Designate))*	0-2.5	2.5-5	20-25	70-75	366	327	22	0
Mr Paul Vater Acting Director of Finance *(from 1 December 2012, previously Deputy Director of Finance)*	10-12.5	62.5-65	10-15	62.5-65	369	0	259	0
Dr Adrian Dawson Director of Public Health *(NHS Bournemouth and Poole only)*	(0-2.5)	(0-2.5)	50-55	150-155	NA	NA	NA	0
Dr David Phillips Director of Public Health *(NHS Dorset only)* & Medical Director for cluster	0-2.5	0-2.5	20-25	65-70	510	476	15	0
Ms Jane Pike Director of Acute and Primary Care Service Improvement	0-2.5	0-2.5	30-35	100-105	619	578	19	0
Mr John Morton Director of Joint Commissioning and Partnerships *(to 31 October 2012)*	(0-2.5)	(0-2.5)	35-40	110-115	788	745	3	0
Mrs Jacqueline Cotgrove Director of Commissioning Development *(to 30 November 2012)*	0-2.5	2.5-5	20-25	60-65	351	290	31	0
Mr Charles Summers Director of Workforce	0-2.5	0-2.5	15-20	50-55	318	291	14	0
Mrs Sally Shead Interim Director of Quality *(from 29 March 2012)*	0-2.5	0-2.5	15-20	50-55	310	287	11	0
Mr Paul Sly Chief Executive *(to 31 January 2012)*	NA	NA	NA	NA	NA	393	NA	NA
Mr Mark Orchard Director of Finance, Information and Performance *(NHS Bournemouth and Poole only to 30 June 2011)*	NA	NA	NA	NA	NA	226	NA	NA

Notes:
1. Non-Executive and Professional Executive Committee Members (including General Practitioners) do not receive pensionable remuneration.
2. Full details of the accounting policy regarding pension costs can be found within Note 1 of the full set of audited financial statements (available separately).
3. As it is not possible to apportion the CETV across organisations, the full value for each senior manager is reported above.

CASH EQUIVALENT TRANSFER VALUES

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

REAL INCREASE IN CETV

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

Glossary of terms

Accruals - an accounting concept. In addition to payments and receipts of cash, adjustment is made for outstanding payments, debts to be collected and stock. This means that the accounts show all of the income and expenditure that related to the financial year.

Assets - an item that has a value in the future. For example, a debtor (someone who owes money) is an asset, as they will in future pay. A building is an asset, because it houses activity that will provide a future income stream.

Audit - the process of validation of the accuracy, completeness and adequacy of disclosure of financial records.

Capital - land, buildings, equipment and other long-term assets owned by the Trust, the cost of which exceeds £5,000 and has an expected life of more than one year.

Cash limit - a limit set by the Department of Health which restricts the amount of cash drawings that the Trust can make in the financial year. There is a combined cash limit for both revenue and capital.

Commissioning - purchase of healthcare from external service providers (NHS, other public sector, private and voluntary) to meet the needs of the population.

Current assets - debtors, stocks, cash or similar, whose value is, or can be converted into, cash within the next twelve months.

Governance - governance is the system by which organisations are directed and controlled. It is concerned with how the organisation is run, how it is structured and how it is led. Corporate governance should underpin all that an organisation does. In the NHS, this means it must encompass clinical, financial and organisational aspects.

Gross operating costs - this is the total revenue expenditure, including accruals and provisions, incurred in the course of performing all aspects of the Trust's functions during the year.

Intangible assets - goodwill, brand value or some other right (for example, a software licence), which although invisible is likely to derive financial benefit for its owner in the future, and for which you might be willing to pay.

Miscellaneous income - income that relates directly to the operating activities of the Trust. This excludes cash voted by Parliament and drawn down by the Trust from the Department of Health, which is credited to the general fund.

Non-current assets - land, buildings, equipment and other long term assets that are expected to have a life of more than one year.

Practice based commissioning - a framework which engages GP practices and other primary care professionals in the redesign of services for the benefit of patients, though the provision of resources, information and support.

Primary care trust - primary care organisations that manage services delivered within the primary and community care sector, as well as commission acute and other services for its population.

Resource limit - expenditure limits are determined for each NHS organisation by the Department of Health for both revenue and capital, which limit the amount that may be expended on revenue purchases, as assessed on an accruals basis (that is, after adjusting for debtors and creditors).

Further information

As a result of the health reform changes to PCTs, services previously provided by Dorset Primary Care Trust and Bournemouth and Poole Teaching Primary Care Trust have become the responsibility of different receiving organisations within the NHS from the 1st April 2013.

Should you wish to know more please contact the Corporate Office via:

Liz Kite
Deputy Director of Engagement and Communication
Bournemouth and Poole Teaching Primary Care Trust
Canford House, Discovery Court
551-553 Wallisdown Road, Poole, BH12 5AG

Email: communications@bp-pct.nhs.uk

Department of Health

NHS

Bournemouth and Poole Teaching Primary Care Trust

2012-13 Accounts

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Bournemouth and Poole Teaching Primary Care Trust

2012-13 Accounts

BOURNEMOUTH AND POOLE TEACHING PRIMARY CARE TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Final - May 2013

CONTENTS

FOREWORD TO THE ACCOUNTS

Bournemouth and Poole Teaching Primary Care Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

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

INDEPENDENT AUDITOR'S REPORT TO THE DEPARTMENT OF HEALTH'S ACCOUNTING OFFICER IN RESPECT OF BOURNEMOUTH AND POOLE TEACHING PRIMARY CARE TRUST

We have audited the financial statements of Bournemouth and Poole Teaching 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 66 to 71;
- the table of pension benefits of senior managers [and related narrative notes] on page 72; and
- the narrative on pay multiples on page 64.

This report is made solely to the Department of Health's accounting officer in respect of Bournemouth and Poole Teaching 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 Bournemouth and Poole Teaching Primary Care Trust as at 31 March 2013 and of its net operating costs for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

· our review of the annual governance statement;

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

· our locally determined risk-based work on transition arrangements.

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

Certificate

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

Simon Garlick
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

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

5 June 2013

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.

D M Fleming
Accountable Officer
30 May 2013

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.

D M Fleming
Accountable Officer
30 May 2013

M Orchard
Finance Signing Officer
30 May 2013

ANNUAL GOVERNANCE STATEMENT

1. Scope of responsibility

1.1 The Trust Board is accountable for internal control. As Accountable Officer of this Trust 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 and in line with changes to HM Treasury guidance.

1.2 From 1 April 2012 until 30 September 2012, Bournemouth and Poole Teaching Primary Care Trust was accountable for the Annual Governance Statement and the provision of assurance. This responsibility passed to NHS England and more specifically the Area Director of the Wessex Area Team from 1 October 2012 until 31 March 2013.

1.3 I was accountable, together with the Trust Board, to the NHS South of England Strategic Health Authority for the delivery of services and the overall performance of Bournemouth and Poole Teaching Primary Care Trust (the Trust) including maintaining a sound system of internal control that supports the achievement of the organisation's aims and objectives, whilst safeguarding public funds.

1.4 The Trust's performance is reviewed through formal performance review meetings with the NHS South of England Strategic Health Authority. The Trust also works closely with local social and health care providers, independent contractors and other NHS organisations to plan and deliver services. Arrangements for monitoring and managing the performance and quality of providers of services commissioned by the Trust against key performance and Quality Indicators are in place through formal monitoring meetings.

2. Governance Framework of Bournemouth and Poole Primary Care Trust

2.1 The Trust Board adopted a common Board membership with NHS Dorset in September 2011, with the exception of the Professional Executive Committee Chairs and Directors of Public Health who are separate members for both NHS Dorset and NHS Bournemouth and Poole. The Common Board meets every two months.

2.2 The Trust Board consists of eight non-executive directors, including the Chair, all of whom were appointed by the Secretary of State for their knowledge of the needs of the local community and their business and managerial acumen. The Interim Chief Executive, Director of Finance and Performance, Director of Public Health, Interim Director of Quality and Director of Commissioning Development are Executive Directors of the Trust Board. There are three other directors who are members of the Trust Board. With the exception of the Director of Public Health, all other Directors were joint appointments across the Cluster. The Chairman of the Shadow Dorset Clinical Commissioning Group is also a member of the Trust Board.

2.3 The first standing agenda item for Trust Board meetings is to ensure compliance with Standing Order 3.11 (l) that states that no business shall be transacted at a meeting unless at least 1/3 of the whole number of the Chairman and members (including at least 1 officer member and 1 non-officer member), is present. During 2012-13 quoracy has been maintained for all Trust Board meetings.

2.4 The Trust Board is supported to carry out its duties by the Joint Integrated Governance Committee and Joint Remuneration Committee.

2.5 The Trust Board received the results of the 2011-12 self assessment in April 2012. The Trust Board has worked with the Dorset Shadow Clinical Commissioning Group to improve its performance and identify development needs throughout the twelve months.

2.6 The Trust Boards agenda covers all areas of financial accountability and governance including the following reports made to every meeting:

- Chair's report;
- Chief Executive report on matters of interest;
- Finance and Performance reports;
- Quality report;
- Shadow Clinical Commissioning Group reports;
- Internal Audit, External Audit and Counter Fraud reports;
- Trust Board Assurance Framework and Risk Register;
- Report on workings of the Joint Integrated Governance Committee and minutes of meetings.

2.7 Other significant reports relating to internal control that have been received by the Trust Board during 2012-13 include:

- Annual review for safeguarding Adults and Children;
- Annual Complaints report;
- Review of Effectiveness of the Audit Committee;
- Report on Governance framework for the Cluster, Standing Financial Instructions, Standing Orders and scheme of delegation and committee structures;
- Update on litigation, medical negligence, inquests and enquires;
- Arrangements for sign off of 2012/2013 accounts.

2.8 In accordance with the Health and Social Care Act 2012 which details the arrangements for clinicians being at the centre of commissioning, frees up providers to innovate, empowers patients and gives a new focus to public health, the PCT as a sending organisation has ensured it adheres to the requirements specified.

The "sending" organisations for the Dorset Cluster are as follows:

- Dorset Primary Care Trust;
- Bournemouth & Poole Teaching Primary Care Trust.

2.9 Although the PCTs are clustered, for legal purposes they are still separate entities and have to be treated as such for the transfer process.

2.10 In accordance with the Health and Social Care Act 2012, which details the requirements to put clinicians at the centre of commissioning, the new receiving organisations relevant to Dorset PCT and Bournemouth & Poole Teaching PCT are as follows:

- Dorset Clinical Commissioning Group;
- Wiltshire Clinical Commissioning Group;
- Dorset County Council (for Public Health)
- NHS England (for Primary Care, Specialised Commissioning, Military and Offender Health);
- Dorset Healthcare University NHS Foundation Trust (for provider property, assets and liabilities);
- NHS Property Services Ltd (for building and estates).

2.11 Since the guidance for handover and close down of Primary Care Trusts was published in October 2012, the PCTs have carried out a stock take of all assets, liabilities and contracts. The PCT's have identified who the new receiving organisation should be. This work has involved each directorate of the PCT Cluster and many contributions have been made to ensure an accurate output.

2.12 The detail of these assets and liabilities are recorded in two Department of Health Annexes: Annex A for property and property related assets and liabilities and Annex 2 for all other assets, contracts and liabilities excluding staff. Annex 2 has been used to draft a further document (Annex 3) and that with Annex A have been used by the Department's lawyers to draft the legal transfer schemes. These transfer schemes are the documents for sign off by Department of Health's sender organisations. These will be the legal basis of the transfer of assets and liabilities. This work excludes staff transfer schemes which have been treated as a separate work-stream.

2.13 There is no legal requirement for new receiving organisations to sign for contracts, assets and liabilities as they will be transferred by the Department of Health under the powers invested in them by the Health and Social Care Act 2012. However, receiver organisations should ensure all internal due diligence and governance policies are followed.

2.14 The content of the transfer schemes has been developed to include:

- Property transfer under Annex A
- IT Hardware & Software
- Plant & Equipment including furniture & fittings
- Motor Vehicles
- Intellectual Property Rights
- Information Assets including data
- Contracts clinical and non-clinical
- Finance
- Governance Records
- Disputes, Litigations & Claims

2.15 The embedded support unit within NHS Dorset Clinical Commissioning Group ensures that sufficient resources are available locally to deliver against the requirements identified within the letter setting out roles for the financial closedown of PCTs (Gateway ref 18561). Within the context of the requirements, separate appointments have been secured in respect of non-executive directors for final audit committee accounts sign-off on the 30 May 2013, which will also be represented by the Wessex Area Team Directors charged with formal sign-off responsibility.

2.16 The Corporate Governance Code is not applicable to the Trust as it pertains to NHS Foundation Trusts and not commissioning Primary Care Trusts. However the Trust does follow the principles detailed in the Code and there have been no departures from this.

2.17 The Trust Board has arrangements in place via its Governance Framework and structures to ensure that it discharges its statutory functions and I can confirm that they are legally compliant.

3. Risk Assessment

3.1 Leadership is provided for the risk management process within the Trust via the Trust Board. The Trust Board receives regular assurance on the management of internal risks and assurance both directly via six monthly reports including the full Board Assurance Framework/Risk Register and via assurance from the Joint Integrated Governance Committee. The Joint Integrated Governance Committee reviews the full Board Assurance Framework/Risk Register on a quarterly basis.

3.2 Reports are also received on a monthly basis by Directors summarising the top risks to the organisation (those scoring over twelve), new risks, closed risk and any key risk issues. Directors also review the full Board Assurance Framework/Risk Register every quarter.

3.3 As Interim Chief Executive, I have overall accountability to the Trust Board for the effectiveness of the risk management process. The organisational structure has been established in order to assist with this process and is described in the following paragraphs.

3.4 The Interim Director of Quality has been nominated as the lead Director for Risk Management activity falling within the remit of the Cluster.

3.5 All Directors are responsible for compliance with the Risk Management Strategy to ensure that remedial actions are identified and taken wherever key risks are identified within their area of responsibility.

3.6 All Managers, Team Leaders and Staff are responsible for compliance with the Risk Management Strategy for ensuring that remedial actions that remedial actions are identified and taken wherever key risks are identified within their area of responsibility.

3.7 A Risk Management Team within the Cluster supports the consistent identification and assessment and management of risk across the service and is central to the dissemination of best practice. The Team administer the key systems, act as a central resource and advisory function, advise upon and deliver key training and education programmes, ensure compliance with policies, procedures and management of risk support lead officers, groups and committees in undertaking the requirements of their roles.

3.8 The Head of Patient Safety supported by the Patient Safety and Risk Manager has been appointed to monitor risk management and patient safety within commissioned and corporate services for the Trust, which involves engagement with the Directors and Directorate risk leads to maintain the Assurance Framework/Risk Register.

3.9 There were 111 new risks identified for Bournemouth and Poole PCT between 1 April 2012 and 31 March 2013. Most of these risks were related to one of four areas. These were Clinical Commissioning Group Authorisation, Public Health Transition, Commissioning Board Transition and development of Commissioning Support Unit.

3.10 One risk relates to the red governance rating that Dorset Healthcare University NHS Foundation Trust has acquired due to Care Quality Commission visits. As Bournemouth and Poole Teaching PCT commission this service, they continue to monitor this area very closely to ensure action is taken to raise the rating.

3.11 As of 31 March 2013, 14 risks were transferred to the Wessex Area Team, NHS England, 10 transferred to the Local Authorities for Public Health England and 27 were closed due to the transition having taken place and the risks managed. The Dorset Clinical Commissioning Group has retained 50 risks. A number of these have been mitigated following transition.

3.12 There have been no lapses of data security which have been reported to the Information Commissioner.

4. The Risk and Control Framework

4.1 The Trust is committed to minimising risks to which the Trust is exposed, strategically and corporately. The overriding aim is to reduce the potential for loss of services due to adverse events, financial management or performance and quality management of commissioned services that could ultimately be of detriment to the population we serve. In order to achieve this aim, Risk Management has become part of the culture of the organisation, and become a primary concern of all our staff and stakeholders. The Risk Management Strategy was approved and endorsed by the Trust Board on the 26 June 2012 to reflect the Clusters Risk Management requirements.

The Strategy:

• sets out the organisation's objective to identify, treat and mitigate risk;

• defines the role and objectives of the Trusts Committees and groups. The supporting strategies, policies and procedures that determine the management and ownership of risk and the management of situations in which control failure leads to material realisation of risks;

• specifies the way in which risk issues are to be considered at each level of planning, ranging from the corporate objectives set out in the Operational Plan to the individual objectives within Directorates;

• specifies risk assessment and identification processes for new and existing activities and the resultant risk action plans and how these are captured within the Risk Registers for the organisation;

• standardises and clarifies the terminology of risk management and establishes clear, consistent and effective risk scoring systems;

• explains the Assurance Frameworks and assesses the risk and the impact of failure, identifies the control mechanisms to monitor these objectives and clarifies the assurances that are present to review and monitor the implementation of objectives;

• explains the risk scoring system that enables the organisation to impartially assess risk and identify high risk areas.

4.2 The Trust operates a Board Assurance Framework/Risk Register which identifies the systems of internal control in place to efficiently, effectively, and economically manage these risks and provide assurance to the Trust Board and the organisation's stakeholders that these systems are present.

4.3 All risks identified in the Board Assurance Framework/Risk Register require the formulation of an action plan. A member of the Patient Safety Team meets with risk leads on a monthly basis to record progress against action plans and documents the effect these are having on the residual risk score. All action plans are formally reported via the Board Assurance Framework/Risk Register. The document includes all risks that may impact on the achievement of the Corporate Objectives.

5. Review of the effectiveness of Risk Management and Internal Control

5.1 As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework/Risk Register and on the controls reviewed as part of the internal audit work.

5.2 Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Board Assurance Framework/Risk Register itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

5.3 A plan to address weaknesses and ensure continuous improvement of the systems is in place via formal groups and committees described in this statement.

5.4 The Head of Internal Audit provides the Joint Integrated Governance Committee with an annual report detailing the audit coverage for the year and assessment of the adequacy of the control environment through his annual statement: significant assurance can be given that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

6. Significant Issues

6.1 For the purpose of this statement, a "significant internal control issue" is considered to include:

- an issue that could prejudice achievement of effective transition or other priorities;
- an issue which may undermine the integrity or reputation of the NHS;
- an issue regarded by the external auditor as having a material impact on the accounts;
- an issue identified by the Integrated Governance Committee, as significant and their view;
- an issue identified by the Head of Internal Audit as significant in his annual opinion on the whole of risk, control and governance and what their advice or opinion is;
- delivery of standards expected of the Accountable Officer may be at risk;
- an issue which has made it harder to resist fraud or other misuse of resources;
- an issue which may divert resources from another significant aspect of the business;
- an issue which may have a material impact on the accounts;
- an issue which might put national security or data integrity be put at risk.

6.2 My review has not identified any significant internal control issues for the Trust.

D M Fleming
Accountable Officer
30 May 2013

HEAD OF INTERNAL AUDIT OPINION ON THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL

Roles and responsibilities

The whole Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

* how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;

* the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process;

* the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's Assurance Framework should bring together all of the evidence required to support the Annual Governance Statement requirements.

In accordance with NHS Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes i.e. the organisation's system of internal control. This is achieved through a risk-based plan of work, agreed with management and approved by the Integrated Governance Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that Internal Audit have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led Assurance Framework. As such, it is one component that the Board takes into account in making its Annual Governance Statement.

The Head of Internal Audit Opinion

The purpose of my annual Head of Internal Audit Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will in turn assist the Board in the completion of its Annual Governance Statement.

My opinion is set out as follows:

1. Overall opinion;
2. Basis for the opinion;
3. Commentary on the Assurance Framework.

My overall opinion is that:

* Significant assurance can be given that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

The basis for forming my opinion is as follows:

1. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and

2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

Internal audit has concluded that an Assurance Framework has been established for NHS Bournemouth and Poole which is designed and operating to meet the requirements of the 2012/13 Annual Governance Statement.

The results of internal audit assignments undertaken as part of the 2012/13 internal audit plan have been reported to the Integrated Governance Committee throughout the year.

Justine Turner

Justine Turner
Head of Internal Audit
30 May 2013

THE PRIMARY STATEMENTS

Statement of Comprehensive Net Expenditure

Statement of Financial Position

Statement of Changes in Taxpayers' Equity

Statement of Cash Flows

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	Note	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**6,873**	6,698
Other costs	5.1	**586,948**	570,446
Income	4	**(10,012)**	(11,238)
Net operating costs before interest		**583,809**	565,906
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**82**	64
Net Operating Costs for the Financial Year		**583,891**	565,970
Of which:			
Administration Costs			
Gross employee benefits	7.1	**5,796**	5,366
Other costs	5.1	**4,099**	4,770
Income	4	**(246)**	(336)
Net administration costs before interest		**9,649**	9,800
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	0
Net administration costs for the financial year		**9,649**	9,800
Programme Expenditure			
Gross employee benefits	7.1	**1,077**	1,332
Other costs	5.1	**582,849**	565,676
Income	4	**(9,766)**	(10,902)
Net programme expenditure before interest		**574,160**	556,106
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**82**	64
Net programme expenditure for the financial year		**574,242**	556,170

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**318**	0
Net (loss) on revaluation of property, plant & equipment	**(96)**	0
Total comprehensive net expenditure for the year	**584,113**	565,970

The notes on pages 18 to 49 form part of this account.

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

Statement of Financial Position at 31 March 2013

	Note	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**6,581**	7,583
Intangible assets	13	**0**	127
Total non-current assets		**6,581**	7,710
Current assets:			
Inventories	18	**290**	236
Trade and other receivables	19	**2,055**	2,902
Cash and cash equivalents	23	**38**	32
Total current assets		**2,383**	3,170
Non-current assets held for sale	24	**0**	0
Total current assets		**2,383**	3,170
Total assets		**8,964**	10,880
Current liabilities			
Trade and other payables	25	**(31,398)**	(31,518)
Provisions	32	**(6,084)**	(4,358)
Total current liabilities		**(37,482)**	(35,876)
Non-current assets plus/less net current assets/liabilities		**(28,518)**	(24,996)
Non-current liabilities			
Provisions	32	(6,502)	(2,535)
Total non-current liabilities		**(6,502)**	(2,535)
Total Assets Employed:		**(35,020)**	(27,531)
Financed by taxpayers' equity:			
General fund		(36,077)	(28,818)
Revaluation reserve		1,057	1,287
Total taxpayers' equity:		**(35,020)**	(27,531)

The notes on pages 18 to 49 form part of this account.

The financial statements (comprising the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, Statement of Cash Flows and related notes) were approved by the PCT Board on 30 May 2013 and signed on its behalf by:

D M Fleming
Accountable Officer
30 May 2013

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

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

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

	General fund £000	Revaluation reserve £000	Total reserves £000
Balance at 1 April 2012	**(28,818)**	**1,287**	**(27,531)**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(583,891)	0	**(583,891)**
Net gain on revaluation of property, plant, equipment	0	96	**96**
Impairments and reversals	0	(318)	**(318)**
Transfers between reserves	8	(8)	**0**
Total recognised income and expense for 2012-13	**(583,883)**	**(230)**	**(584,113)**
Net Parliamentary funding	576,624	0	**576,624**
Balance at 31 March 2013	**(36,077)**	**1,057**	**(35,020)**
Balance at 1 April 2011	(23,609)	1,302	(22,307)
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(565,970)	0	(565,970)
Transfers between reserves	15	(15)	0
Total recognised income and expense for 2011-12	(565,955)	(15)	(565,970)
Net Parliamentary funding	560,746	0	560,746
Balance at 31 March 2012	(28,818)	1,287	(27,531)

Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period.
The Statement has been interpreted to include figures for net operating cost for the year and net Parliamentary funding for the year.

Statement of Cash Flows for the year ended 31 March 2013

	Note	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		**(583,809)**	(565,906)
Depreciation and Amortisation	5.1	**740**	693
Impairments and Reversals	14	**1,026**	0
(Increase)/Decrease in Inventories	18	**(54)**	46
(Increase)/Decrease in Trade and Other Receivables	19	**847**	(403)
Increase/(Decrease) in Trade and Other Payables	25	**41**	6,197
Provisions Utilised	32	**(2,492)**	(1,747)
Increase/(Decrease) in Provisions	32	**8,103**	1,151
Net Cash Inflow/(Outflow) from Operating Activities		**(575,598)**	(559,969)
Cash Flows from Investing Activities			
(Payments) for Property, Plant and Equipment		**(1,014)**	(795)
(Payments) for Intangible Assets		**(6)**	(34)
Net Cash Inflow/(Outflow) from Investing Activities		**(1,020)**	(829)
Net cash inflow/(outflow) before financing		**(576,618)**	(560,798)
Cash flows from financing activities			
Net Parliamentary Funding		**576,624**	560,746
Net Cash Inflow/(Outflow) from Financing Activities		**576,624**	560,746
Net increase/(decrease) in cash and cash equivalents		**6**	(52)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**32**	84
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		**38**	32

NOTES TO THE ACCOUNTS

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

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

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

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Bournemouth and Poole Teaching PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities were transferred to other public sector entities as outlined in Note 42 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The Statement of Financial Position has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.1 Accounting Conventions

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of non-current assets; inventories where material; and current asset investments at their value to the business by reference to current costs.

1.1.1 Transforming Community Services (TCS) Transactions

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

1.1.2 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.

1.1.3 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.

Details of the critical judgements and 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 are contained within relevant disclosure notes to these Financial Statements (most notably Note 32 Provisions).

1.2 Revenue and Funding

The main source of funding for the Trust is allocations (Parliamentary Funding) from the Department of Health within an approved cash limit, which is credited to the General Fund of the 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 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 income has been received for a specific activity to be delivered in the following financial year, that income will be deferred.

1.3 Pooled Budgets

The PCT has entered into a pooled budget with Bournemouth Borough Council and Borough of Poole. Under the arrangement funds are pooled under Section 75 of the National Health Service Act for the provision of Dorset's Integrated Community Equipment Service and a memorandum note to the accounts provides details of the joint income and expenditure.

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

1.4 Taxation

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

1.5 Administration and Programme Costs

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

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

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

1.6 Non-Current Assets

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

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

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

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

Subsequent Expenditure

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

1.6.2 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. The PCT has no internally-generated intangible assets.

Measurement

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).

1.6.3 Depreciation, Amortisation and Impairments

Freehold land and properties under construction are not depreciated.

Otherwise, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible 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 lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

At each reporting 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.

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.

1.7 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.

However, the PCT does not have any donated assets.

1.8 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.

However, the PCT did not receive any government grants.

1.9 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 on 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.

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula.

1.11 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.

1.12 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).

1.13 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 PCT.

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

1.14 Pension Costs

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

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

a) Accounting Valuation

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

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

b) Full Actuarial (Funding) Valuation

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

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

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

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

c) Scheme Provisions

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

1.14.1 Annual Pensions
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".

1.14.2 Pensions Indexation
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).

1.14.3 Early Retirement
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.

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.

1.14.4 Death Benefits
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.

1.14.5 Additional Voluntary Contributions (AVCs)
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.

1.15 Short-Term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, except for bonuses earned but not yet taken which, like leave earned but not yet taken is not accrued for at the year end, on the grounds of immateriality.

The only exception to this is the cost of leave earned by employees on maternity leave, which has been calculated on an individual basis and recognised at the end of the period.

1.16 Research and Development

The PCT has not capitalised any expenditure on research and development.

1.17 Other Expenses

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

1.18 Grant Making

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

1.19 EU Emissions Trading Scheme

The PCT is not required to be registered with the EU Emissions Trading Scheme.

1.20 Contingencies

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCT. 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.

1.21 Leases

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

1.21.1 The PCT as Lessee

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.

The PCT has no contingent rentals and does not hold any finance leases.

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.

1.21.2 The PCT as a Lessor

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

1.22 Foreign Exchange

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

1.23 Provisions

Provisions are recognised when the PCT has a present legal or constructive obligation as a result of a past event, it is probable that the PCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.35% (2.8% in respect of early staff departures) in real terms.

1.24 Financial Instruments

Financial Assets

The PCT's financial assets are cash at hand or in bank and receivables. In line with the 2012-13 Financial Reporting Manual (FReM) issued by HM Treasury, the fair value of this asset is measured at its carrying value on the statement of financial position.

Due to their nature and purpose, all of the PCT's financial assets are classified as 'loans and receivables'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The fair value of all of the PCT's financial assets is equal to the carrying amounts.

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.

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.

All the PCT's financial liabilities are classified as 'other financial liabilities', and the fair value is equal to the carrying amounts.

1.25 Private Finance Initiative and NHS LIFT Transactions

The PCT has not entered into any Private Finance Initiative schemes or NHS LIFT transactions.

1.26 Non-Clinical Risk Pooling

The PCT participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the PCT pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses as and when they become due.

1.27 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the PCT has no beneficial interest in them. Details of third party assets are given in Note 39 to the accounts.

1.28 Value Added Tax

Most of the activities of the PCT are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.29 Accounting Standards That Have been Issued But Have Not Yet Been Adopted

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

* 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
* 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

Bournemouth and Poole Teaching PCT has only one operating segment, that of commissioning healthcare services for the population of Bournemouth and Poole.

An operating segment is a component of an entity:
* that engages in business activities from which it may earn revenues and incur expenses;
* whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
* for which discrete financial information is available.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13	2011-12
	£000	£000
The PCT's performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year	**583,891**	565,970
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**589,788**	571,326
Under/(Over)spend Against Revenue Resource Limit (RRL)	**5,897**	5,356

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

3.2 Capital Resource Limit

	2012-13	2011-12
	£000	£000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**859**	986
Charge to Capital Resource Limit	**859**	986
(Over)/Underspend Against CRL	**0**	0

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

3.3 Under/(Over)spend Against Cash Limit

	2012-13	2011-12
	£000	£000
Total Charge to Cash Limit	**576,624**	560,746
Cash Limit	**576,624**	566,516
Under/(Over)spend Against Cash Limit	**0**	5,770

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

3.4 Reconciliation of Cash Drawings to Parliamentary Funding (Current Year)

	2012-13
	£000
Total cash received from DH (Gross)	504,582
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**504,582**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	15,879
Plus: drugs reimbursement (central charge to cash limits)	56,163
Parliamentary funding credited to General Fund	**576,624**

This note identifies the elements which go to make up the Parliamentary funding identified on the Statement of Changes in Taxpayers' Equity.

4. Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12 Total
	£000	£000	£000	£000
Dental Charge income from Contractor-Led GDS & PDS	**5,254**	0	5,254	5,049
Dental Charge income from Trust-Led GDS & PDS	**39**	0	39	18
Prescription Charge income	**2,738**	0	2,738	2,617
Strategic Health Authorities	**0**	0	0	0
NHS Foundation Trusts	**708**	139	569	863
Primary Care Trusts - Other	**115**	107	8	139
Primary Care Trusts - Lead Commissioning	**729**	0	729	1,790
Local Authorities	**19**	0	19	231
Education, Training and Research	**183**	0	183	320
Other revenue	**227**	0	227	211
Total miscellaneous revenue	**10,012**	**246**	**9,766**	11,238

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

5. Operating Costs

5.1 Analysis of Operating Costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	**50,675**	0	50,675	30,724
Non-Healthcare	**96**	58	38	414
Total	**50,771**	**58**	**50,713**	31,138
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**3,072**	0	3,072	6,837
Goods and services (other, excl Trusts, FT and PCT)	**1**	0	1	36
Total	**3,073**	**0**	**3,073**	6,873
Goods and Services from Foundation Trusts	**341,075**	826	340,249	348,633
Purchase of Healthcare from Non-NHS bodies	**46,118**	0	46,118	37,099
Expenditure on Drugs Action Teams	**3,468**	0	3,468	3,275
Non-GMS Services from GPs	**414**	8	406	1,650
Contractor Led GDS & PDS (excluding employee benefits)	**20,881**	0	20,881	21,128
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**128**	0	128	107
Chair, Non-executive Directors & PEC remuneration	**38**	38	0	55
Executive committee members costs	**152**	152	0	242
Consultancy Services	**17**	7	10	11
Prescribing Costs	**47,230**	0	47,230	49,454
G/PMS, APMS and PCTMS (excluding employee benefits)	**46,768**	7	46,761	44,537
Pharmaceutical Services	**570**	0	570	540
New Pharmacy Contract	**12,713**	0	12,713	12,595
General Ophthalmic Services	**2,990**	0	2,990	3,079
Supplies and Services - Clinical	**1,602**	0	1,602	1,693
Supplies and Services - General	**102**	20	82	443
Establishment	**487**	393	94	480
Transport	**1**	1	0	4
Premises	**1,305**	704	601	1,152
Impairments & Reversals of Property, plant and equipment	**921**	0	921	0
Depreciation	**712**	526	186	669
Amortisation	**28**	21	7	24
Impairment & Reversals Intangible non-current assets	**105**	0	105	0
Impairment of Receivables	**(128)**	0	(128)	128
Audit Fees	**95**	95	0	157
Other Auditors Remuneration	**26**	26	0	31
Education and Training	**97**	48	49	167
Grants for capital purposes	**2,325**	0	2,325	1,000
Other	**2,864**	1,169	1,695	4,082
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**586,948**	**4,099**	**582,849**	570,446
Employee Benefits (excluding capitalised costs)				
PCT Officer Board Members	**325**	181	144	406
Other Employee Benefits	**6,548**	5,615	933	6,292
Total Employee Benefits charged to SOCNE	**6,873**	**5,796**	**1,077**	6,698
Total Operating Costs	**593,821**	**9,895**	**583,926**	577,144

Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**1,188**	0	1,188	490
Grants to Local Authorities to Fund Capital Projects	**650**	0	650	510
Grants to Private Sector to Fund Capital Projects	**250**	0	250	0
Grants to Fund Capital Projects - Dental	**237**	0	237	0
Total Capital Grants	**2,325**	**0**	**2,325**	1,000
Grants to fund revenue expenditure				
To Local Authorities	**0**	0	0	0
To Private Sector	**0**	0	0	0
To Other	**0**	0	0	0
Total Revenue Grants	**0**	**0**	**0**	0
Total Grants	**2,325**	**0**	**2,325**	1,000

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**9,649**	9,019	630
Weighted population (number in units)*	**338,349**	338,349	338,349
Running costs per head of population (£ per head)	**28.52**	**26.66**	**1.86**
PCT Running Costs 2011-12			
Running costs (£000s)	9,800	9,194	606
Weighted population (number in units)	338,349	338,349	338,349
Running costs per head of population (£ per head)	28.96	27.17	1.79

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

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

This note provides an analysis of the PCT's gross operating costs for the year. The total equals the sum of gross operating costs shown on the Statement of Comprehensive Net Expenditure.

The Operating Framework for the NHS in England 2012/13 stated the broad definition of running costs as any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services. The running costs definition also includes non-staff costs such as buildings and support service contracts.

5.2 Analysis of Operating Expenditure by Expenditure Classification

	2012-13	2011-12
	£000	£000
Purchase of Primary Healthcare		
GMS / PMS/ APMS / PCTMS	46,768	44,490
Prescribing costs	47,230	49,454
Contractor led GDS & PDS	20,318	20,621
Trust led GDS & PDS	128	107
General Ophthalmic Services	2,990	3,079
Pharmaceutical services	570	540
New Pharmacy Contract	12,713	12,595
Non-GMS Services from GPs	414	1,206
Total Primary Healthcare purchased	**131,131**	132,092
Purchase of Secondary Healthcare		
Learning Difficulties	18,450	19,329
Mental Illness	56,719	55,233
Maternity	19,326	17,748
General and Acute	254,243	245,284
Accident and Emergency	17,894	17,954
Community Health Services	71,847	64,240
Other Contractual	1,775	1,337
Total Secondary Healthcare Purchased	**440,254**	421,125
Grant Funding		
Grants for capital purposes	2,325	1,000
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**573,710**	554,217
Healthcare from NHS FTs included above	373,557	367,551

The purpose of this note is to analyse the PCT's total expenditure on patient treatment for its own patients only. The note provides details of both primary and secondary health care commissioned by the PCT for its patients. All of the items included in this note will also have been recorded under various lines on Note 5.1 but the total expenditure on this note will be less than the total expenditure on Note 5.1.

6. Operating Leases

The PCT currently is lessee in respect of property leases and equipment rental. The most significant rents are for Trust Headquarters and related buildings across the county. The PCT does not have any contractual option to buy these properties.

6.1 PCT as Lessee

	2012-13	2011-12
	£000	£000
Payments recognised as an expense		
Minimum lease payments	**294**	269
Total	**294**	269
Analysis of annual operating lease payments:		
Canford House, Discovery Court, Wallisdown Road, Poole (Trust headquarters)	**226**	202
Boots, The Dolphin Centre, Poole (clinic)	**33**	33
Moordown Clinic, 844 Wimborne Road, Moordown, Bournemouth (clinic)	**21**	21
Over the Rainbow, 25-27 St Michaels Road (clinic)	**10**	9
Mansfield Road, Parkstone, Poole (car park)	**4**	4
Total	**294**	269
Payable:		
No later than one year	**140**	258
Between one and five years	**89**	230
After five years	**0**	0
Total	**229**	488

In addition, the PCT pays a notional rent to 42 GP practices for their premises, the financial value included in the Statement of Comprehensive Net Expenditure for 2012/13 is £3,038,287 (£3,021,163 in 2011/12 for 42 GP practices). As there is no defined term in the arrangements entered into, it is not possible to analyse the value over future periods.

This note identifies the amount included in operating expenses in respect of operating lease agreements. It also highlights the amounts the PCT is liable for under non-cancellable leases over the next five years.
All operating leases relating to items with a purchase cost above the capitalisation limit are regarded as non-cancellable.

6.2 PCT as Lessor

The PCT has not entered into any lease arrangements as a lessor.

7. Employee Benefits and Staff Numbers

7.1 Employee Benefits

	Total			Permanently employed			Other		
Employee Benefits - Gross Expenditure 2012/13	**Total £000**	**Admin £000**	**Programme £000**	**Total £000**	**Admin £000**	**Programm £000**	**Total £000**	**Admin £000**	**Programme £000**
Salaries and wages	**5,604**	4,850	754	**4,669**	4,267	402	**935**	583	352
Social security costs	**425**	389	36	**404**	369	35	**21**	20	1
Employer Contributions to NHS BSA - Pensions Division	**607**	557	50	**585**	536	49	**22**	21	1
Termination benefits	**237**	0	237	**237**	0	237	**0**	0	0
Total employee benefits	**6,873**	**5,796**	**1,077**	**5,895**	**5,172**	**723**	**978**	**624**	**354**
Recognised as:									
Commissioning employee benefits	**6,873**			**5,895**			**978**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**6,873**			**5,895**			**978**		

Employee Benefits - Gross Expenditure 2011-12	**Total £000**	**Permanently employed £000**	**Other £000**
Salaries and wages	5,621	4,779	842
Social security costs	431	407	24
Employer Contributions to NHS BSA - Pensions Division	642	616	26
Termination benefits	4	0	4
Total gross employee benefits	6,698	5,802	896
Recognised as:			
Commissioning employee benefits	6,698		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	6,698		

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

7.2 Staff Numbers

	2012-13 Total Number	**2012-13 Permanently employed Number**	**2012-13 Other Number**	2011-12 Total Number	2011-12 Permanently employed Number	2011-12 Other Number
Average Staff Numbers						
Medical and dental	**2**	2	0	**3**	2	1
Administration and estates	**123**	108	15	**118**	107	11
Healthcare assistants and other support staff	**1**	1	0	**2**	2	0
Nursing, midwifery and health visiting staff	**12**	9	3	**14**	10	4
Scientific, therapeutic and technical staff	**5**	5	0	**5**	4	1
TOTAL	**143**	**125**	**18**	**142**	**125**	**17**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

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

7.3 Staff Sickness Absence and Ill Health Retirements

	2012-13 Number	2011-12 Number
Total Days Lost	1,341	6,719
Total Staff Years	244	850
Average working Days Lost	**5.50**	7.90

The average working days lost noted above are provided by the Department of Health and are based on calendar year ending 31 December 2012, and equates to a sickness absence rate of 2.43%.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**0**	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	124

The first part of this note identifies the days lost due to both long term and short term sickness. The second part discloses the number and average additional pension liabilities of individuals who retired early on ill health grounds during the year (this information is supplied by NHS Pensions).

7.4 Exit Packages Agreed During 2012-13

		2012-13			2011-12	
Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	**Number**	**Number**	Number	Number	Number
Less than £10,000	**1**	**0**	**1**	0	1	1
£10,001-£25,000	**3**	**0**	**3**	0	0	0
£25,001-£50,000	**3**	**0**	**3**	0	0	0
£50,001-£100,000	**1**	**0**	**1**	0	0	0
£100,001 - £150,000	**0**	**0**	**0**	0	0	0
£150,001 - £200,000	**0**	**0**	**0**	0	0	0
>£200,000	**0**	**0**	**0**	0	0	0
Total number of exit packages by type (total cost	**8**	**0**	**8**	0	1	1
	£	**£**	**£**	£	£	£
Total resource cost	237,448	0	**237,448**	0	4,000	4,000

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

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

8. Better Payment Practice Code

8.1 Measure of Compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	8,968	57,829	9,457	48,575
Total Non-NHS Trade Invoices Paid Within Target	8,786	56,643	9,116	47,412
Percentage of NHS Trade Invoices Paid Within Target	**97.97%**	**97.95%**	96.39%	97.61%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,650	447,089	3,074	401,695
Total NHS Trade Invoices Paid Within Target	3,605	446,570	2,990	400,720
Percentage of NHS Trade Invoices Paid Within Target	**98.77%**	**99.88%**	97.27%	99.76%

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

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

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

There have been no amounts included in finance costs relating from claims or compensation under the Late Payment of Commercial Debts Act 1998 in either 2011/12 or 2012/13.

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

9. Investment Income

The PCT has had no investment income in 2012/13 (2011/12 nil).

This note discloses the interest earned on investments.

10. Other Gains and Losses

The PCT had no gains or losses in 2012/13 (2011/12 nil).

The total in this note equals the amounted figure (charged)/ credited to the Statement of Comprehensive Net Expenditure.

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	**0**	0	0	0
Interest on late payment of commercial debt	**0**	0	0	0
Provisions - unwinding of discount	**82**	0	82	64
Total	**82**	**0**	**82**	**64**

This note identifies the PCTs interest costs, including the unwinding of discounts on provisions, and corresponds with the amount shown on the Statement of Comprehensive Net Expenditure.

12.1 Property, Plant and Equipment

2012-13	Land	Buildings excluding dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:							
At 1 April 2012	**1,618**	**4,476**	**4,858**	**17**	**4,570**	**600**	**16,139**
Additions Purchased	0	561	213	0	79	0	**853**
Reclassifications	0	290	(284)	0	(6)	0	**0**
Disposals other than for sale	(10)	0	(4,787)	(17)	(4,643)	(600)	**(10,057)**
Upward revaluation/positive indexation	96	(132)	0	0	0	0	**(36)**
Impairments/negative indexation	0	(318)	0	0	0	0	**(318)**
At 31 March 2013	**1,704**	**4,877**	**0**	**0**	**0**	**0**	**6,581**
Depreciation							
At 1 April 2012	**0**	**0**	**4,406**	**17**	**3,653**	**480**	**8,556**
Disposals other than for sale	(10)	0	(4,787)	(17)	(4,643)	(600)	**(10,057)**
Upward revaluation/positive indexation	0	(132)	0	0	0	0	**(132)**
Impairments	10	0	331	0	538	42	**921**
Charged During the Year	0	132	50	0	452	78	**712**
At 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013	**1,704**	**4,877**	**0**	**0**	**0**	**0**	**6,581**
Purchased	1,704	4,877	0	0	0	0	**6,581**
Total at 31 March 2013	**1,704**	**4,877**	**0**	**0**	**0**	**0**	**6,581**
Asset financing:							
Owned	1,704	4,877	0	0	0	0	**6,581**
Total at 31 March 2013	**1,704**	**4,877**	**0**	**0**	**0**	**0**	**6,581**

Revaluation reserve balance for property, plant & equipment

	Land	Buildings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**594**	**691**	**0**	**0**	**0**	**2**	**1,287**
Movements	96	(324)	0	0	0	(2)	**(230)**
At 31 March 2013	**690**	**367**	**0**	**0**	**0**	**0**	**1,057**

The movements recorded in the revaluation reserve for property, plant and equipment, relate to revaluations provided by the District Valuer, Sharon Short MRICS, and excess depreciation in the normal course of business. The District Valuer's valuation was as at 31 March 2013, utilising BCIS indices and location factors. The previous full valuation by a District Valuer was as at 31 March 2010.

Of the totals at 31 March 2013, no land was valued at open market value and no buildings, installations and fittings were valued at open market value.
There were also no assets classified as held for sale, and no depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets

Property, plant and equipment is a sub-classification of the total non-current assets recorded on the PCT's Statement of Financial Position, and are
* Land: PCT sites (Parkstone, Upton, Pelham's, West Howe and Palmerston Road). Land is not depreciated, because it is considered to have an
* Buildings: the structure of a site as well as the fabric of the building and will include, internal and external walls, roofs and windows;
* Plant and machinery: assets include medical items supporting the delivery of healthcare;
* Information technology: personal computers held within GP surgeries and within PCT administrative buildings, network servers and communication
* Furniture and fittings: assets include office furniture (desks, chairs), general furniture (sofas, chairs and wardrobes) and soft furniture (curtains,

12.2 Property, Plant and Equipment

2011-12	Land	Buildings excluding dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:							
At 1 April 2011	1,618	4,762	4,487	17	4,107	600	15,591
Additions - purchased	0	118	371	0	463	0	952
At 31 March 2012	1,618	4,880	4,858	17	4,570	600	16,543
Depreciation							
At 1 April 2011	0	284	4,385	17	3,232	373	8,291
Charged During the Year	0	120	21	0	421	107	669
At 31 March 2012	0	404	4,406	17	3,653	480	8,960
Net Book Value at 31 March 2012	1,618	4,476	452	0	917	120	7,583
Purchased	1,618	4,476	452	0	917	120	7,583
At 31 March 2012	1,618	4,476	452	0	917	120	7,583
Asset financing:							
Owned	1,618	4,476	452	0	917	120	7,583
At 31 March 2012	1,618	4,476	452	0	917	120	7,583

12.3 Economic Lives of Property, Plant and Equipment

	Minimum Life (Years)	**Maximum Life (Years)**
Buildings	5	88

Under modern equivalent asset valuation techniques, 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. As a result some components of a building were deemed by the District Valuer to have a remaining useful economic life of five years.

The PCT holds all land and non-specialist buildings at market value for existing use.

Other plant and equipment assets have been fully impaired as at 31 March 2013, with depreciation in year calculated on the basis of minimum and maximum lives reported at 31 March 2012. These were between three and seven years for plant and machinery, one and three years for information technology and one and six years for furniture and fittings.

This note records the range of remaining useful economic lives of property, plant and equipment employed by the PCT.

13.1 Intangible Non-Current Assets

2012-13	Software purchased	Licences & trademarks	Total
	£000	£000	£000
At 1 April 2012	**6**	**270**	**276**
Additions - purchased	0	6	**6**
Disposals other than by sale	(6)	(276)	**(282)**
At 31 March 2013	**0**	**0**	**0**
Amortisation			
At 1 April 2012	**2**	**147**	**149**
Disposals other than by sale	(6)	(276)	**(282)**
Impairments charged to operating expenses	4	101	**105**
Charged during the year	0	28	**28**
At 31 March 2013	**0**	**0**	**0**
Net Book Value at 31 March 2013	**0**	**0**	**0**

Revaluation reserve balance for intangible non-current assets

	Software purchased	Licences & trademarks	Total
	£000's	£000's	£000's
At 1 April 2012	**0**	**0**	**0**
Movements	0	0	**0**
At 31 March 2013	**0**	**0**	**0**

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

13.2 Intangible Non-Current Assets

2011-12	Software purchased	Licences & trademarks	Total
	£000	£000	£000
At 1 April 2011	6	236	242
Additions - purchased	0	34	34
At 31 March 2012	6	270	276
Amortisation			
At 1 April 2011	1	124	125
Charged during the year	1	23	24
At 31 March 2012	2	147	149
Net Book Value at 31 March 2012	4	123	127
Net Book Value at 31 March 2012 comprises			
Purchased	4	123	127
Total at 31 March 2012	4	123	127

14. Analysis of Impairments and Reversals Recognised in 2012-13

	2012-13 Total £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE		
Changes in market price	921	921
Total charged to Annually Managed Expenditure	**921**	**921**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve		
Changes in market price	318	
Total impairments for PPE charged to reserves	**318**	
Total Impairments of Property, Plant and Equipment	**1,239**	**921**
Intangible assets impairments and reversals charged to SoCNE		
Changes in market price	105	105
Total charged to Annually Managed Expenditure	**105**	**105**
Total Impairments of Intangibles	**105**	**105**
Total Impairments charged to Revaluation Reserve	318	
Total Impairments charged to SoCNE - DEL	0	0
Total Impairments charged to SoCNE - AME	1,026	1,026
Overall Total Impairments	**1,344**	**1,026**

Following a review of tangible and intangible assets of the PCT, it was determined that control of a number of assets with third parties no longer rested with the PCT and therefore these assets should be impaired.

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

15. Investment Property

The PCT does not have any investment property (2011/12 nil).

16. Commitments

16.1 Capital commitments

The PCT had no contracted capital commitments at 31 March 2013 (31 March 2012 nil).

16.2 Other financial commitments

The PCT has not entered into any non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), in 2012/13 (2011/12, nil).

17. Intra-Government and Other Balances

	Current receivables £000s	Current payables £000s
Balances with other Central Government Bodies	**659**	**2,313**
Balances with Local Authorities	**498**	**4,306**
Balances with NHS bodies outside the Departmental Group	**0**	**0**
Balances with NHS Trusts and Foundation Trusts	**124**	**2,594**
Balances with Public Corporations and Trading Funds	**0**	**0**
Balances with bodies external to government	**774**	**22,185**
At 31 March 2013	**2,055**	**31,398**
prior period:		
Balances with other Central Government Bodies	829	1,323
Balances with Local Authorities	443	2,188
Balances with NHS Trusts and Foundation Trusts	1,190	3,312
Balances with Public Corporations and Trading Funds	0	0
Balances with bodies external to government	440	24,695
At 31 March 2012	2,902	31,518

Intra-Government balances are defined as balances between the reporting entity and other bodies within the boundary set for the Whole of Government Accounts.

18. Inventories

	Total
	£000
Balance at 1 April 2012	**236**
Additions	**1,163**
Inventories recognised as an expense in the period	**(1,109)**
Write-down of inventories (including losses)	**0**
Reversal of write-down previously taken to SoCNE	**0**
Transfers (to)/from other public sector bodies	**0**
Balance at 31 March 2013	**290**

The inventories identified above relate solely to equipment and apparatus provided to patients in the community by an Integrated Community Equipment Service. Further financial information regarding the service is available at Note 40. Pooled Budgets.

The total value of inventories corresponds with the amount shown on the face of the Statement of Financial Position.
Finished processed goods is the value of stocks after completion of manufacture or processing and where the goods concerned are to be sold or consumed in a future accounting period.
This note does not include the provision of health care services under partially completed contracts; or assets in the course of construction.

19.1 Trade and Other Receivables

	Current	
	31 March 2013	31 March 2012
	£000	£000
NHS receivables - revenue	**671**	1,959
NHS prepayments and accrued income	**0**	46
Non-NHS receivables - revenue	**571**	607
Non-NHS prepayments and accrued income	**701**	400
Provision for the impairment of receivables	**0**	(128)
VAT	**112**	14
Other receivables	**0**	4
Total	**2,055**	2,902
Total current and non current	**2,055**	2,902
Included above:		
Prepaid pensions contributions	**0**	0

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

19.2 Receivables Past Their Due Date But Not Impaired

	31 March 2013	31 March 2012
	£000	£000
By up to three months	**299**	163
By three to six months	**0**	51
By more than six months	**2**	15
Total	**301**	229

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

19.3 Provision for Impairment of Receivables

	2012-13	**2011-12**
	£000	**£000**
Balance at 1 April 2012	**(128)**	0
Amount written off during the year	**0**	0
Amount recovered during the year	**128**	0
(Increase)/decrease in receivables impaired	**0**	(128)
Balance at 31 March 2013	**0**	(128)

Any provision for the impairment of receivables is included based upon non-NHS receivables outstanding as at the 31 March 2012 where following review, the PCT believe there is a risk that payment will not be received.

20. NHS LIFT Investments

The PCT does not have any LIFT investments (2011/12 nil).

21. Other Financial Assets

The PCT does not have any other financial assets (2011/12 nil).

22. Other Current Assets

The PCT does not have any other current assets (2011/12 nil).

23. Cash and Cash Equivalents

	31 March 2013	31 March 2012
	£000	£000
Opening balance	**32**	84
Net change in year	**6**	(52)
Closing balance	**38**	32
Made up of		
Cash with Government Banking Service	**38**	30
Cash in hand	**0**	2
Cash and cash equivalents as in statement of financial position	**38**	32
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**38**	32

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

24. Non-Current Assets Held for Sale

The PCT does not have any non-current assets held for sale (2011/12 nil).

25. Trade and Other Payables

	Current	
	31 March 2013	31 March 2012
	£000	£000
NHS payables - revenue	**4,680**	4,041
NHS payables - capital	**0**	34
NHS accruals and deferred income	**0**	281
Family Health Services (FHS) payables	**15,411**	16,522
Non-NHS payables - revenue	**3,114**	3,596
Non-NHS payables - capital	**179**	306
Non-NHS accruals and deferred income	**7,610**	6,487
Social security costs	**64**	86
Tax	**78**	64
Other	**262**	101
Total payables	**31,398**	31,518

Other payables include £83,714 in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012 £86,940).

This note analyses the amounts owed by the PCT at the Statement of Financial Position date.

26. Other Liabilities

The PCT does not have any other liabilities in 2012/13 (2011/12 nil).

27. Borrowings

The PCT had no borrowings in 2012/13 (2011/12 nil).

28. Other Financial Liabilities

The PCT does not have any other financial liabilities in 2012/13 (2011/12 nil).

29. Deferred Income

	Current	
	31 March 2013	31 March 2012
	£000	£000
Opening balance at 1 April 2012	**5**	115
Deferred income addition	**0**	5
Transfer of deferred income	**(5)**	(115)
Current deferred Income at 31 March 2013	**0**	5
Total other liabilities (current and non-current)	**0**	**5**

This note identifies the total amount of deferred income included in Trade and Other Receivables on the Statement of Financial Position.

30. Finance Lease Obligations & 31. Finance Lease Receivables as a Lessor

The PCT does not have any finance lease obligations or receivables in 2012/13 (2011/12 nil).

This note discloses the future minimum lease payments or receivables under existing finance leases.

32. Provisions

	Total	Pensions Relating to Other Staff	Legal Claims	Continuing Care	Other
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2012	**6,893**	2,153	1,052	1,870	1,818
Arising During the Year	**9,716**	1,612	3	7,400	701
Utilised During the Year	**(2,492)**	(279)	(313)	(1,870)	(30)
Reversed Unused	**(1,613)**	0	(75)	0	(1,538)
Unwinding of Discount	**82**	82	0	0	0
Balance at 31 March 2013	**12,586**	**3,568**	**667**	**7,400**	**951**
Expected Timing of Cash Flows:					
No Later than One Year	**6,084**	278	45	4,810	951
Later than One Year and not later than Five Years	**1,220**	1,112	108	0	0
Later than Five Years	**5,282**	2,178	514	2,590	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	£000s
As at 31 March 2013	7
As at 31 March 2012	145

Critical accounting judgments and key sources of estimation uncertainty:

The provisions shown under the heading 'Pensions' have been calculated using figures provided by the NHS Pensions Agency.

The provisions shown under the heading 'Legal claims' relate to public and employer liability claims. The provisions have been calculated using information provided by the NHS Litigation Authority and legal representatives, and are based on the best information available at the Statement of Financial Position date.

The provisions shown under the heading 'Continuing Care' relate to retrospective claims and appeals. A provision has been made against applications for continuing healthcare support where a panel has not yet met to determine whether the application is approved. The provision is calculated on a named basis for the period that continuing healthcare may be eligible, at the probability rate of the application being awarded, which was 15% for Retro Appeals in 2012/13. Retro Appeals are new for 2012/13.

The provisions shown under the heading 'Other' relate to:
- an independent homicide investigation, where uncertainty relates to the time and cost involved in the case, however the investigation itself is certain;
- a contractual obligation to fund the dilapidation costs associated with leases, the costs are uncertain; and
- a contractual obligation regarding the costs to support service change and reconfiguration to change the way clinical and non clinical services are delivered in the future. The uncertainty relates to the final cost of the change. The value provided for is the likely final expenditure.

This note analyses the amounts recorded as provisions by the PCT at the Statement of Financial Position date.

33. Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other	**(34,665)**	(7)
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(34,665)**	(7)
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

The contingent liability above relates to retrospective continuing care claims, and is directly linked with the continuing care provision included in Note 32. An estimation has been made of the value based upon the amounts claimed. The uncertainties relate to the eligibility of the claims. Whilst possible, it has been deemed unlikely that these amounts will be reimbursed. It is not practicable to provide an estimate of the financial effect. The contingent liability is for the remaining 85% of the Retro Appeals; for those applications not included as a provision within Note 32 to these accounts this is £34,665k. Retro Appeals are new for 2012/13.

The purpose of this note is to disclose material contingent liabilities or assets, if there is more than a remote possibility that there will be a transfer of 'economic benefit' as a result of events that existed before the Statement of Financial Position date.

34. PFI and LIFT

The PCT is not part of any Private Finance Initiative or NHS Local Improvement Financial Trust schemes.

The Private Finance Initiative (PFI) is a form of public/private partnership designed to fund major capital investments without immediate recourse to public money. The NHS Local Improvement Finance Trust (LIFT) is a vehicle for improving and developing frontline primary and community care facilities.

35. Impact of IFRS treatment - 2012-13

The PCT has not had any impact resulting from IFRS treatment in the current year.

36. Financial Instruments

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

Only where the PCT is exposed to material risk should the appropriate IFRS 7 disclosures be made. The headings in IFRS 7 should be used to the extent that they are relevant.

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

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

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

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

36.1 Financial Assets	**Loans and receivables**	**Total**
	£000	**£000**
Receivables - NHS	671	**671**
Receivables - non-NHS	628	**628**
Cash at bank and in hand	38	**38**
Total at 31 March 2013	**1,337**	**1,337**
Receivables - NHS	2,004	2,004
Receivables - non-NHS	879	879
Cash at bank and in hand	32	32
Total at 31 March 2012	2,915	2,915

The fair value of each of the PCT's financial assets is equal to the carrying amounts. The receivables figures as at 31 March 2012 included prepayment amounts, which have now been identified as should have been excluded. The comparable figure as 31st March 2012 would therefore be £2,469k.

36.2 Financial Liabilities	**Other**	**Total**
	£000	**£000**
NHS payables	4,680	**4,680**
Non-NHS payables	39,162	**39,162**
Total at 31 March 2013	**43,842**	**43,842**
NHS payables	4,356	4,356
Non-NHS payables	31,371	31,371
Total at 31 March 2012	35,727	35,727

The fair value of each of the PCT's financial liabilities is equal to the carrying amounts. The payables figures as at 31 March 2012 excluded provisions later than one year, which have now been identified as should have been included. The comparable figure as 31st March 2012 would therefore be £38,262k.

Financial instruments are a broad range of assets and liabilities that arise from contracts and result in a financial asset being created in one entity and a financial liability in another.

Note 37. Related Party Transactions

Bournemouth and Poole Teaching Primary Care Trust is a body corporate established by order of the Secretary of State for Health.

Bournemouth and Poole Teaching PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 42. Events after the Reporting Period. During 2012/13 NHS Bournemouth and Poole has been operating under a Cluster Model with NHS Dorset. A Cluster Operating Model maintains the two PCTs as separate legal entities however they operate under the control of one Governing Board. Primary Care Trusts traditionally operated a Professional Executive Committee (PEC) or Clinical Commissioning Committee made up of clinicians. From 1st April 2013 The Dorset Clinical Commissioning Group will be responsible for commissioning healthcare services for the populations of Bournemouth, Poole and Dorset. A shadow committee has operated during 2012/13.

NHS Bournemouth and Poole and NHS Dorset Cluster Board Members

Name:	Role:	Relationship:	**Significant Transactions 2012-13 £000s**	Significant Transactions 2011-12 £000s
NHS Bournemouth and Poole and NHS Dorset Cluster Board Members				
Mrs Jacqueline Swift	Chair	Under Clustering arrangements holds Dorset PCT influence	**2298**	430
Mr Graham Avis	Non Executive Director	Appointed Governor, Poole NHS Foundation Trust	**113,498**	117,566
Mrs Heather Craven	Non Executive Director	Appointed Governor of Dorset Healthcare University NHS Foundation Trust	**93,178**	87,695
Ms Amanda Gallaher	Board Advisor	Appointed Governor, Dorset County Hospital NHS Foundation Trust	**1,389**	1,757
Mr Eugene Gratwick	Non Executive Director	Under Clustering arrangements holds Dorset PCT influence	**2298**	430
Mrs Teresa Hensman	Non Executive Director	Appointed Governor, South West Ambulance NHS Foundation Trust (SWAST), Mental Health Act Manager Associate at Dorset Healthcare University NHS Foundation Trust	**14,161**	13,422
Mr Gary Hepburn	Board Advisor	Appointed Governor of Dorset Healthcare University NHS Foundation Trust	**93,178**	87,695
Mr Ken Hockey	Non Executive Director	Appointed Governor, The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust	**113,026**	112,801
Dr Ros Maycock	PEC Chair	GP and Partner at Evergreen Oak Surgery and under Clustering arrangements holds Dorset PCT influence	**See below**	See below
Mr Glyn Smith	Non Executive Director	Appointed Governor, Poole NHS Foundation Trust	**113,498**	117,566
Miss Elizabeth Stevens	Non Executive Director	Appointed Governor, Salisbury NHS Foundation Trust, Mental Health Act Hospital Manager Associate at Dorset Healthcare University NHS Foundation Trust	**2,151**	2,034
Dr Adrian Dawson	Director of Public Health (NHS BP)	Member of Bournemouth Borough Council Board	**9,965**	8,363
		Member of Poole Borough Council Board	**5,654**	5,110
Dr David Phillips	Medical Director	Member of Dorset County Council Board	**605**	354
Mrs Suzanne Rastrick	Interim Chief Executive - Executive Member	Member, Professional Practice Board of The College of Occupational Therapists, Allied Health Professional/ Healthcare Scientist Representative, Policy Board, NHS Employers. Member of National AHP Agency Board DoH	**N/A**	N/A
Tim Goodson	Chief Operating Officer	HFMA Member, HFMA South West Executive Branch Committee Member, PCT Network and HFMA Finance Directors Group Member (joint HFMA and NHS Confederation)	**N/A**	N/A
Mrs Sally Shead	Interim Director of Quality - Executive Member	Under Clustering arrangements holds Dorset PCT influence	**N/A**	N/A
Mr John Morton	Director of Joint Commissioning	Under Clustering arrangements holds Dorset PCT influence	**N/A**	N/A
Ms Jane Pike	Director of Acute Commissioning	Under Clustering arrangements holds Dorset PCT influence	**N/A**	N/A
Mr Paul Vater	Director of Finance	Under Clustering arrangements holds Dorset PCT influence	**N/A**	N/A
Mr Charles Summers	Director of Workforce	Under Clustering arrangements holds Dorset PCT influence	**N/A**	N/A
Mrs Jacqueline Cotgrove	Director of Commissioning Development	Under Clustering arrangements holds Dorset PCT influence	**N/A**	N/A
Dr Forbes Watson	PEC Chair Dorset PCT	GP and Partner at Lyme Bay Medical Practice & Lyme Regis Medical Centre & Lyme Community Care Unit (Dorset PCT)	**N/A**	N/A
All Directors and Non Executive Directors		Members of Bournemouth and Poole PCT Board, via Clustering arrangements.	**N/A**	N/A
Dorset Shadow Clinical Commissioning Group GP Board Members (SDCCGB)				
Dr Forbes Watson	GP – SDCCGB Chair	GP and Partner at Lyme Bay Medical Practice & Lyme Regis Medical Centre & Lyme Community Care Unit (Dorset PCT)	**N/A**	N/A
Dr Jenny Bubb	GP – SDCCGB Members	GP and Partner at Cerne Abbas Surgery (Dorset PCT)	**N/A**	N/A
Dr Lionel Cartwright	CCP Chair	GP and Partner at Harvey Practice, shareholder in Solutions for Health, medical advisor at Magna Care Centre, bed fund Victoria Hospital Wimborne, wife is a community matron employed by Dorset Healthcare University Foundation Trust	**1,529**	1,317
Dr Rob Childs	GP – SDCCGB Members	GP and Partner at Bute House Practice (Dorset PCT)	**N/A**	N/A
Dr Colin Davidson	GP – SDCCGB Members	GP and Partner at Cranborne Practice (Dorset PCT)	**N/A**	N/A
Dr Paul French	GP – SDCCGB Members	GP and Partner at Marine and Oakridge GP Partnership	**1,292**	1,250
Dr Richard Holmes	CCP Chair	GP and Partner at Talbot Medical Centre, locality representative for Compass Healthcare Commissioning Ltd, wife is Consultant at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, practice is shareholder in Centrepoint, personal shareholder in Solutions for Health	**1,703**	1,526
Dr Richard Jenkinson	GP – SDCCGB Members	GP and Partner at Burton Medical Centre (Dorset PCT)	**N/A**	N/A
Dr Karen Kirkham	GP – SDCCGB Members and CCP Chair	GP and Partner at Bridges Medical Centre (Dorset PCT)	**N/A**	N/A
Dr Carol Linnard	GP – SDCCGB Members	GP and Partner at Alma Partnership, locality lead for North Bournemouth locality, Programme Director for Winchester University/Wessex Deanery	**979**	896
Dr Ros Maycock	PEC Chair and CCP Chair	GP and Partner at Evergreen Oak Surgery and under Clustering arrangements holds Dorset PCT influence	**705**	621
Dr Chris McCall	GP – Locality Lead Member and CCP Chair	GP and Partner at the Hadleigh Practice, locality lead for Poole North locality	**2,313**	2,251
Dr Blair Millar	GP – SDCCGB Members	GP and Partner at Bridport Medical Centre (Dorset PCT)	**N/A**	N/A
Dr Andy Rutland	GP – SDCCGB Members	GP and Partner at Lilliput Surgery, locality lead for Poole Bay locality, shareholder of Solutions for Health	**1,362**	1,272
Dr Patrick Seal	GP – SDCCGB Members	GP and Partner at The Adam Practice, locality lead for Poole Central locality	**3,695**	3,573
		Quay Medical Care Ltd is the Adam Practice's provider vehicle for PCOS and paediatric services	**151**	117
Dr Richa Singh	GP – SDCCGB Members	GP and Partner at Bridport Medical Centre (Dorset PCT)	**N/A**	N/A
Dr Rupert Turberville-Smith	GP – SDCCGB Members	GP and Partner at Bridges Medical Centre, Weymouth (Dorset PCT)	**N/A**	N/A
Dr Christian Verrinder	GP – SDCCGB Members	GP and Partner at Wellbridge Practice, Wool (Dorset PCT)	**N/A**	N/A
Dr Craig Wakeham	CCP Chair	GP at Cerne Abbas Surgery (Dorset PCT)	**N/A**	N/A
Dr Piers Wilde	GP – SDCCGB Members	GP and Partner at Moordown Medical Centre, personal shareholder for Compass Healthcare Commissioning Ltd, Circle, Solutions for Health and Eli Lilly pharmaceuticals	**931**	888
Chris Burton	Secondary Care Member	Member of the Trust Board of North Bristol NHS Trust which provides a small number of specialist services (not commissioned by the CCG) to the population of Dorset. Wife is a GPSI in dermatology in the Bristol region	**N/A**	N/A
Teresa Hensman	Lay Member	Governor of SWAST	**See above**	See above
Mary Monnington	Nurse Member	Council member [UKCCG] United Kingdom Council of Caldecott Guardians. Panel Member Professional Performance Committees Nursing and Midwifery Council [NMC]. Nurse Member Wiltshire CCG. Husband JET Monnington – Senior Solicitor Moore Blatch Resolve LLP Southampton	**N/A**	N/A

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

* Poole Hospital NHS Foundation Trust
* The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
* Dorset HealthCare University NHS Foundation Trust
* University Southampton Hospital NHS Foundation Trust
* South Western Ambulance Services NHS Foundation Trust
* South West Specialist Commissioning Group
* Dorset County Hospitals NHS Foundation Trust
* Salisbury NHS Foundation Trust
* South West Strategic Health Authority
* NHS Litigation Authority
* NHS Pensions

In addition, the Trust has had a significant number of material transactions with Government Departments and other central and local Government bodies. Most of these transactions have been

* Bournemouth Borough Council
* Borough of Poole
* Dorset County Council

This note provides details of any individually significant transactions that Board Members, Executive Committee Members or Senior Managers (or the relatives of these and any companies they may control) have undertaken with the party. Other transactions may have taken place other than those above, however these will not be deemed as individually significant, or the individual in question was not deemed to have control over the party.

38. Losses and Special Payments

The PCT had no losses or special payments during 2012/13 (2011/12 one totalling £30,000).

Losses or special payments are payments that Parliament would not have envisaged healthcare funds being spent on when it originally provided the funds.
The total costs included in this note are on a cash basis and will not reconcile to the amounts shown elsewhere within the accounts which are prepared on an accruals basis.

39. Third Party Assets

The PCT held £nil cash at bank and in hand at 31 March 2013 which relates to monies held on behalf of patients (31 March 2012 £nil).

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

40. Pooled Budget

The Trust has entered into a pooled budget arrangement, hosted by Bournemouth Borough Council, with Bournemouth Borough Council, Borough of Poole, The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust and Poole Hospital NHS Foundation Trust. Under the arrangement, funds are pooled under Section 75 of the National Health Service Act 2006 for the provision of Bournemouth and Poole's Integrated Community Equipment Service.

As a commissioner of health care services, Bournemouth and Poole Teaching Primary Care Trust makes contributions to the pool, which are used to purchase health care services. At 31 March 2013, the Trust had a total payables balance with Bournemouth Borough Council of £109,751.10 made up of £109,751.10 trade payables less £nil cash (as at 31 March 2012, the total payables balance was £nil, made up of £nil trade payables less £nil cash), which related to the trading transactions within the pooled budget arrangements. Within these arrangements the Trust's contribution to income for the pool for 2012/13 was £991,134, being £975,134 partner contribution and £16,000 other funding (2011/12 was £1,129,868, being £1,101,596 partner contribution and £28,272 other funding).

The Memorandum Account for the pooled budget is reproduced below.

Integrated Community Equipment Service
Pooled Fund Memorandum Account for the year ended 31 March 2013

	2012-13	2011-12
	£000	£000
Revenue		
Bournemouth and Poole Teaching Primary Care Trust	**991**	1,130
Borough of Poole	**487**	384
Bournemouth Borough Council	**517**	483
The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust	**250**	84
Poole Hospital NHS Foundation Trust	**112**	82
Other Funding	**128**	167
Total contributions to revenue	**2,485**	2,330
Expenditure		
Integrated Community Equipment Service	**2,485**	2,330
Under/ (over) spend	**0**	**0**

A pooled budget is the term used to describe a project financed by several mutually interested organisations. By definition, pooled funds are flexible, intended to meet local needs and priorities. A pooled budget, such as the Integrated Community Equipment Service, is not an entity in its own right.

41. Cashflows Relating to Exceptional Items

The PCT had no cash flows relating to exceptional items.

42. Events After the End of the Reporting Period

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Bournemouth and Poole Teaching PCT was dissolved on 1st April 2013.

The main functions performed by Bournemouth and Poole Teaching PCT in 2012-13 are to be carried out in 2013-14 by the following public sector bodies:

Local Authority

- Dorset County Council will take over the responsibility for aspects of public health services (which include Sexual Health, Nutrition, Obesity & Physical Activity,Tobacco, Acohol Misuse, School Nursing, NHS Health Checks and Health Improvement and Wellbeing) - the revenue value that has transferred alongside the responsibility for these programmes is £13m.

NHS England

- NHS England will take over the responsibility for aspects of public health services (which include Non-Cancer Screening, Cancer Screening, Children 0-5 (including health visiting), Childhood Immunisations, Seasonal Flu and Pnuemoccocal Immunisation, Prison Public Health) - the revenue value that has transferred alongside the responsibility for these programmes is £7m.
- NHS England will take over the responsibility for Primary Care services (which include GP services, Dental services, Ophthalmic services and Pharmaceutical services) - the revenue value that has transferred alongside the responsibility for these programmes is £72m.
- NHS England will take over the responsibility for Specialist Secondary and Tertiary related services, following a nationally defined dataset to include various complex services, which often have a high cost and low volume (Specific Services include Complex Spinal, Burns, Renal, Cancer and Complex Paediatric) - the revenue value that has transferred alongside the responsibility for these programmes is £68m.
- NHS England will take over the responsibility for Secondary Dental Services - the revenue value that has transferred alongside the responsibility for these programmes is £4m.

Public Health England

- Public Health England will take over the responsibility for supporting the CCG on surveillance and control of infectious diseases, a revenue value has transferred of £1m to cover various national objectives not specifcally in relation to the PCT transfer of responsibility.

NHS Dorset Clinical Commissioning Group

- Dorset Clinical Commissioning Group will take over the responsibility of all other programme areas from Dorset PCT that have not been separately identified above (which include Non Specialist Secondary and Tertiary care services, Mental Health and Learning Disability Services, Community Services, Reablement, Ambulance Services, Prescribing and Local Enhanced Services) - the revenue value that has transferred alongside these responsibilities is £409m and the net non-current assets and liabilities are £8m.

Any PCT surpluses are to be carried over to the public bodies outlined above in proportion to the relative shares of the responsible portfolio in which they were generated. They will then be reinvested into the healthcare needs of the resident population.

Certain non-current assets have transferred to NHS Property Services (£4m) and Dorset HealthCare University NHS Foundation Trust (£2m) on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT financial statements unless otherwise required in the normal course of business. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.

This note discloses the financial consequences of events (both favourable or unfavourable) that occur between the Statement of Financial Position date and the date on which the financial statements are approved by the Board, if appropriate.
Two types of events can be identified:
* those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and
* those that are indicative of conditions that arose after the reporting period (non-adjusting events).

GLOSSARY OF FINANCIAL TERMS

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

Department of Health

NHS

Dorset Primary Care Trust

2012-13 Accounts

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Dorset Primary Care Trust

2012-13 Accounts

DORSET PRIMARY CARE TRUST

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2013

Audited - June 2013

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FOREWORD TO THE ACCOUNTS

Dorset Primary Care Trust

ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

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

INDEPENDENT AUDITOR'S REPORT TO THE SIGNING OFFICER OF DORSET PCT

We have audited the financial statements of Dorset PCT for the year ended 31 March 2013 on pages 16 to 49. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

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

Respective responsibilities of Signing Officer and auditor

As explained more fully in the Statement of Responsibilities set out on page 8, the Signing Officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on regularity prescribed by the Code of Audit Practice 2010 for local NHS bodies

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

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

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Conclusion on the PCT's arrangements for securing economy, efficiency and effectiveness in the use of resources

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

We have undertaken our audit in accordance with the Code of Audit Practice 2010 for local NHS bodies, having regard to the guidance issued by the Audit Commission in November 2012. We have considered the results of the following:

- our review of the Governance Statement; and

- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the PCT.

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

Certificate

We certify that we have completed the audit of the accounts of Dorset PCT in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.

Chris Wilson for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
Arlington Business Park
Reading
RG7 4SD

5 June 2013

2012-13 Annual Accounts of Dorset Primary Care Trust

STATEMENT OF THE RESPONSIBILITIES OF THE SIGNING OFFICER OF THE DORSET 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.....D M Fleming.....Designated Signing Officer

Name: D. M. FLEMING

Date.....30-5-2013

2012-13 Annual Accounts of Dorset Primary Care Trust (non-London)

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

- make judgements and estimates which are reasonable and prudent;

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

- ensure that the PCT kept proper accounting records which disclosed with reasonable accuracy at any time the financial position of the primary care trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

- have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

30-5-2013 Date..... Signing Officer

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

Dorset PCT - Annual Accounts 2012-13

ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

1.1 The Trust Board is accountable for internal control. As Accountable Officer of this Trust 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 and in line with changes to HM Treasury guidance.

1.2 From 1 April 2012 until 30 September 2012, Dorset Primary Care Trust was accountable for the Annual Governance Statement and the provision of assurance. This responsibility passed to NHS England and more specifically the Area Director of the Wessex Area Team from 1 October 2012 until 31 March 2013.

1.3 I was accountable, together with the Trust Board, to NHS England for the delivery of services and the overall performance of Dorset Primary Care Trust (the Trust) including maintaining a sound system of internal control that supports the achievement of the organisation's aims and objectives, whilst safeguarding public funds.

1.4 The Trust's performance was reviewed through formal performance review meetings with NHS South West Strategic Health Authority. The Trust also works closely with local social and health care providers, independent contractors and other NHS organisations to plan and deliver services. Arrangements for monitoring and managing the performance and quality of providers of services commissioned by the Trust against key performance and Quality Indicators are in place through formal monitoring meetings.

2. Governance Framework of Dorset Primary Care Trust

2.1 The Trust Board adopted a common board membership with NHS Bournemouth and Poole in September 2011, with the exception of the Professional Executive Committee Chairs and Directors of Public Health who are separate members for both NHS Dorset and NHS Bournemouth and Poole. The Common Board meets every two months.

2.2 The Trust Board consists of eight non-executive directors, including the Chair, all of whom were appointed by the Secretary of State for their knowledge of the needs of the local community and their business and managerial acumen. The Interim Chief Executive, Director of Finance and Performance, Director of Public Health, Interim Director of Quality and Professional Executive Committee Chair are Executive Directors of the Trust Board. There are four other directors who are members of the Trust Board (with shared voting rights), thus making 7 voting Executive Directors. With the exception of the Director of Public Health, all other Directors were joint appointments across the Cluster. The Chairman of the Shadow Dorset Clinical Commissioning Group is also a member of the Trust Board.

2.3 The first standing agenda item for Trust Board meetings is to ensure compliance with Standing Order 3.11 (I) that states that no business shall be transacted at a meeting unless at least 1/3 of the whole number of the Chairman and members (including at least 1 officer member and 1 non-officer member), is present. During 2012-13 quoracy has been maintained for all Trust Board meetings.

2.4 The Trust Board is supported to carry out its duties by the Joint Integrated Governance Committee and Joint Remuneration Committee.

2.5 The Trust Board received the results of the 2011/2012 self assessment in April 2012. The Trust Board has worked with the Dorset Shadow Clinical Commissioning Group to improve its performance and identify development needs throughout the twelve months.

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2.6 The Trust Board agenda covers all areas of financial accountability and governance including the following reports made to every meeting:

- Chair's report;
- Chief Executive report on matters of interest;
- Finance and Performance reports;
- Quality report;
- Shadow Clinical Commissioning Group reports
- Board Assurance Framework and Risk Register
- Report on workings of the Joint Integrated Governance Committee and minutes of meeting

2.7 Other significant reports relating to internal control that have been received by the Trust Board during 2012-13 include:

- Annual review for safeguarding Adults and Children;
- Annual Complaints report;
- Review of Effectiveness of the Integrated Governance Committee;
- Report on Governance framework for the Cluster, Standing Financial Instructions, Standing Orders and scheme of delegation and committee structures;
- Update on litigation, medical negligence, inquests and enquires;
- Arrangements for sign off of 2012/2013 accounts

2.8 In accordance with the Health and Social Care Act 2012 which details the arrangements for clinicians being at the centre of commissioning, frees up providers to innovate, empowers patients and gives a new focus to public health, the PCT as a sending organisation has ensured it adheres to the requirements specified.

The "sending" organisations for the Dorset Cluster are as follows:

- Dorset Primary Care Trust;
- Bournemouth & Poole Teaching Primary Care Trust.

2.9 Although the PCTs are clustered for management purposes, for legal purposes they are still separate entities and have to be treated as such for the transfer process.

2.10 In accordance with the Health and Social Care Act 2012, which details the requirements to put clinicians at the centre of commissioning, the new receiving organisations relevant to Dorset PCT and Bournemouth & Poole Teaching PCT are as follows:

- Dorset Clinical Commissioning Group;
- Wiltshire Clinical Commissioning Group;
- Dorset County Council (for Public Health);
- NHS England (for Primary Care, Specialised Commissioning, Military and Offender Health);
- Dorset Healthcare University NHS Foundation Trust (for provider property, assets and liabilities);
- NHS Property Services Ltd (for building and estates.)

2.11 Since the guidance for handover and close down of Primary Care Trusts was published in October 2012, the PCTs have carried out a stock take of all assets, liabilities and contracts. The PCTs have identified who the new receiving organisation should be for each of their responsibilities. This work has involved each directorate of the PCT Cluster and many contributions have been made to ensure an accurate output.

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2.12 The detail of these assets and liabilities is recorded in two Department of Health Annexes: the first for property and property related assets and liabilities and the second for all other assets, contracts and liabilities excluding staff. The second Annex has been used to draft a further document and that along with the first annex has been used by the Department's lawyers to draft the legal transfer schemes. These transfer schemes are the documents for sign off by Department of Health's sender organisations.
These will be the legal basis of the transfer of assets and liabilities. This work excludes staff transfer schemes which have been treated as a separate work-stream.

2.13 There is no legal requirement for new receiving organisations to sign for contracts, assets and liabilities as they will be transferred by the Department of Health under the powers invested in them by the Health and Social Care Act 2012. However, receiver organisations should ensure all internal due diligence and governance policies are followed.

2.14 The content of the transfer schemes has been developed to include:

- Property transfer under Annex A
- IT Hardware & Software
- Plant & Equipment including furniture & fittings
- Motor Vehicles
- Intellectual Property Rights
- Information Assets including data
- Contracts clinical and non-clinical
- Finance
- Governance Records
- Disputes, Litigations & Claims

2.15 The embedded support unit within NHS Dorset Clinical Commissioning Group ensures that sufficient resources are available locally to deliver against the requirements identified within the letter setting out roles for the financial closedown of PCTs (Gateway ref 18561). Within the context of the requirements, separate appointments have been secured in respect of non-executive directors for final audit committee accounts sign-off on the 30th May 2013.

2.16 The Corporate Governance Code is not applicable to the Trust as it pertains to NHS Foundation Trusts and not commissioning Primary Care Trusts. However the Trust does follow the principles detailed in the Code and there have been no departures from this.

2.17 The Trust Board has arrangements in place via its Governance Framework and structures to ensure that it discharges its statutory functions and I can confirm that they are legally compliant.

3. Risk Assessment

3.1 Leadership is provided for the risk management process within the Trust via the Trust Board. The Board receives regular assurance on the management of internal risks and assurance both directly via six monthly reports including the full Board Assurance Framework/Risk Register and via assurance from the Joint Integrated Governance Committee. The Joint Integrated Governance Committee reviews the full Board Assurance Framework/Risk Register on a quarterly basis.

3.2 Reports are also received on a monthly basis by Directors summarising the top risks to the organisation (those scoring over twelve), new risks, closed risks and any key risk issues. Directors also review the full Board Assurance Framework/Risk Register every quarter.

3.3 As Accountable Officer, I have overall accountability to the Trust Board for the effectiveness of the risk management process. The organisational structure has been established in order to assist with this process and is described in the following paragraphs.

3.4 The Interim Director of Quality has been nominated as the lead Director for Risk Management activity falling within the remit of the Cluster.

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3.5 All Directors are responsible for compliance with the Risk Management Strategy to ensure that remedial actions are identified and taken wherever key risks are identified within their area of responsibility.

3.6 All Managers, Team Leaders and Staff are responsible for compliance with the Risk Management Strategy for ensuring that remedial actions are identified and taken wherever key risks are identified within their area of responsibility.

3.7 A Risk Management Team within the Cluster supports the consistent identification and assessment and management of risk across the service and is central to the dissemination of best practice. The Team administers the key systems, acts as a central resource and advisory function, advises upon and deliver key training and education programmes, ensures compliance with policies, procedures and manages the risk support lead officers, groups and committees in undertaking the requirements of their roles.

3.8 The Head of Patient Safety supported by the Patient Safety and Risk Manager has been appointed to monitor risk management and patient safety within commissioned and corporate services for the Trust, which involves engagement with the Directors and Directorate risk leads to maintain the Cluster Assurance Framework/Risk Register.

3.9 There were 111 new risks identified for Dorset PCT between 1 April 2012 and 31 March 2013. Most of these risks were related to one of four areas. These were Clinical Commissioning Group Authorisation, Public Health Transition, Commissioning Board Transition and the development of the Commissioning Support Unit.

3.10 As of 31 March 2013, 14 risks were transferred to the Wessex Area Team, NHS England, 10 transferred to the Local Authorities for Public Health England and 27 were closed due to the transition having taken place and the risks managed. The Dorset Clinical Commissioning Group has retained 50 risks. A number of these have been mitigated following transition.

3.11 There has been one lapse of data security which has been reported to the Information Commissioner. This is not an NHS Dorset incident as this related to BUPA having laptops stolen with patient identifiable information. These laptops were not encrypted. NHS Dorset led the investigation for the region. Dorset patient's information was on the lap tops along with other PCT's.

4. The Risk and Control Framework

4.1 The Trust is committed to minimising risks to which the Trust is exposed, strategically and corporately. The overriding aim is to reduce the potential for loss of services due to adverse events, financial management or performance and quality management of commissioned services that could ultimately be of detriment to the population we serve. In order to achieve this aim, Risk Management has become part of the culture of the organisation, and become a primary concern of all our staff and stakeholders. The Risk Management Strategy was approved and endorsed by the Trust Board on the 26 June 2012 to reflect the Cluster's Risk Management requirements.

The Strategy:

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- sets out the organisation's objective to identify, treat and mitigate risk;
- defines the role and objectives of the Trust's Committees and groups. The supporting strategies, policies and procedures that determine the management and ownership of risk and the management of situations in which control failure leads to material realisation of risks;
- specifies the way in which risk issues are to be considered at each level of planning, ranging from the corporate objectives set out in the Operational Plan to the individual objectives within Directorates;
- specifies risk assessment and identification processes for new and existing activities and the resultant risk action plans and how these are captured within the Risk Registers for the organisation;
- standardises and clarifies the terminology of risk management and establishes clear, consistent and effective risk scoring systems;
- explains the Assurance Frameworks and assesses the risk and the impact of failure, identifies the control mechanisms to monitor these objectives and clarifies the assurances that are present to review and monitor the implementation of objectives;
- explains the risk scoring system that enables the organisation impartially to assess risk and identify high risk areas.

4.2 The Trust operates a Board Assurance Framework/Risk Register which identifies the systems of internal control in place to manage these risks efficiently, effectively, and economically and provide assurance to the Board and the organisation's stakeholders that these systems are present.

4.3 All risks identified in the Board Assurance Framework/Risk Register require the formulation of an action plan. A member of the Patient Safety Team meets with risk leads on a monthly basis to record progress against action plans and documents the effect these are having on the residual risk score. All action plans are formally reported via the Board Assurance Framework/Risk Register. The document includes all risks that may impact on the achievement of the Corporate Objectives.

4.4 The PCT has submitted a Pension Assurance Statement 2012/13 to the NHS Pensions Agency for the Dorset PCT payroll to confirm compliance with the NHS Pension Scheme Regulations.

5. Review of the effectiveness of Risk Management and Internal Control

5.1 As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework/Risk Register and on the controls reviewed as part of the internal audit work.

5.2 Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Board Assurance Framework/Risk Register itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

5.3 A plan to address weaknesses and ensure continuous improvement of the systems is in place via formal groups and committees described in this statement.

5.4 The Head of Internal Audit provides the Joint Integrated Governance Committee with an annual report detailing the audit coverage for the year and assessment of the adequacy of the control environment through his annual statement: significant assurance can be given that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

6. Significant Issues

6.1 For the purpose of this statement, a "significant internal control issue" is considered to include one:

- that could prejudice achievement of effective transition or other priorities;
- which may undermine the integrity or reputation of the NHS;
- regarded by the external auditor as having a material impact on the accounts;
- identified by the Joint Integrated Governance Committee, as significant in their view;
- identified by the Head of Internal Audit as significant in his annual opinion on the whole of risk, control and governance;
- where delivery of standards expected of the Accountable Officer may be at risk;
- which has made it harder to resist fraud or other misuse of resources;
- which may divert resources from another significant aspect of the business;
- which may have a material impact on the accounts;
- which might put national security or data integrity at risk;

6.2 My review has not identified any significant internal control issues for the Trust.

Accountable Officer : Debbie Fleming

Organisation: NHS Dorset

Signature 

Date 30-5-2013

HEAD OF INTERNAL AUDIT OPINION ON THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL AT DORSET PRIMARY CARE TRUST FOR THE YEAR ENDED 31 MARCH 2013

The whole Board is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process;
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's Assurance Framework should bring together all of the evidence required to support the Annual Governance Statement requirements.

In accordance with NHS Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes i.e. the organisation's system of internal control. This is achieved through a risk-based plan of work, agreed with management and approved by the Integrated Governance Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led Assurance Framework. As such, it is one component that the Board takes into account in making its Annual Governance Statement.

The Head of Internal Audit Opinion

The purpose of my annual Head of Internal Audit Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will in turn assist the Board in the completion of its Annual Governance Statement.

My opinion is set out as follows:

1. Overall opinion;
2. Basis for the opinion;
3. Commentary on the Assurance Framework.

My overall opinion is that:

- Significant assurance can be given that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

The basis for forming my opinion is as follows:

1. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and

2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

An appropriate disclosure has been made in the Annual Governance Statement regarding a data lapse that has been reported to the Information Commissioner's Office.

Internal audit has concluded that an Assurance Framework has been established for NHS Dorset which is designed and operating to meet the requirements of the 2012/13 Annual Governance Statement.

The results of internal audit assignments undertaken as part of the 2012/13 internal audit plan have been reported to the Integrated Governance Committee throughout the year.

Justine Turner

JUSTINE TURNER
HEAD OF INTERNAL AUDIT
30-May-2013

THE PRIMARY STATEMENTS

Statement of Comprehensive Net Expenditure

Statement of Financial Position

Statement of Changes in Taxpayers' Equity

Statement of Cash Flows

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**10,984**	13,927
Other costs	5.1	**706,456**	675,115
Income	4	**(28,657)**	(25,952)
Net operating costs before interest		**688,783**	663,090
Investment income	9	**0**	(4)
Other (Gains)/Losses	10	**160**	3
Finance costs	11	**150**	123
Net operating costs for the financial year		**689,093**	663,212
Net Operating Costs for the Financial Year including absorption transfers		**689,093**	663,212
Of which:			
Administration Costs			
Gross employee benefits	7.1	**8,857**	11,031
Other costs	5.1	**5,633**	8,199
Income	4	**(1,118)**	(2,525)
Net administration costs before interest		**13,372**	16,705
Finance costs	11	**64**	123
Net administration costs for the financial year		**13,436**	16,828
Programme Expenditure			
Gross employee benefits	7.1	**2,127**	2,896
Other costs	5.1	**700,823**	666,916
Income	4	**(27,539)**	(23,427)
Net programme expenditure before interest		**675,411**	646,385
Investment income	9	**0**	(4)
Other (Gains)/Losses	10	**160**	3
Finance costs	11	**86**	0
Net programme expenditure for the financial year		**675,657**	646,384

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**0**	593
Net (gain)/loss on revaluation of property, plant & equipment	**(489)**	592
Release of Reserves to Statement of Comprehensive Net Expenditure	**87**	0
Total comprehensive net expenditure for the year	**688,691**	664,397

The notes on pages 22 to 49 form part of this account.

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

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**77,841**	82,300
Intangible assets	13	**0**	58
Trade and other receivables	19	**0**	0
Total non-current assets		**77,841**	82,358
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**5,842**	3,652
Cash and cash equivalents	23	**2**	25
Total current assets		**5,844**	3,677
Non-current assets held for sale	24	**0**	372
Total current assets		**5,844**	4,049
Total assets		**83,685**	86,407
Current liabilities			
Trade and other payables	25	**(39,777)**	(41,536)
Provisions	32	**(5,752)**	(6,147)
Borrowings	27	**(69)**	(6)
Total current liabilities		**(45,598)**	(47,689)
Non-current assets plus/less net current assets/liabilities		**38,087**	38,718
Non-current liabilities			
Provisions	32	**(7,662)**	(3,834)
Borrowings	27	**(432)**	(655)
Total non-current liabilities		**(8,094)**	(4,489)
Total Assets Employed:		**29,993**	34,229
Financed by taxpayers' equity:			
General fund		**6,529**	11,167
Revaluation reserve		**23,464**	23,062
Total taxpayers' equity:		**29,993**	34,229

The notes on pages 22 to 49 form part of this account.

The financial statements (comprising the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, Statement of Cash Flows and related notes) were approved by the PCT Board on 30 May 2013 and signed on its behalf by:

D M Fleming
Accountable Officer
30 May 2013

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

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

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

	General fund £000	Revaluation reserve £000	Total reserves £000
Balance at 1 April 2012	**11,167**	**23,062**	**34,229**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	**(689,093)**	**0**	**(689,093)**
Net gain on revaluation of property, plant, equipment	**0**	**489**	**489**
Net gain on revaluation of financial assets	**0**	**0**	**0**
Release of Reserves to SOCNE	**0**	**(87)**	**(87)**
Reclassification Adjustments	**0**	**0**	
Total recognised income and expense for 2012-13	**(689,093)**	**402**	**(688,691)**
Net Parliamentary funding	**684,455**	**0**	**684,455**
Balance at 31 March 2013	**6,529**	**23,464**	**29,993**
Balance at 1 April 2011	22,448	24,029	46,474
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(663,212)	0	(663,212)
Impairments and Reversals	0	(592)	(592)
Transfers between reserves*	375	(375)	0
Total recognised income and expense for 2011-12	(662,837)	(967)	(663,804)
Net Parliamentary funding	651,556	0	651,556
Balance at 31 March 2012	11,167	23,062	34,226

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

The Statement has been interpreted to include figures for net operating cost for the year and net Parliamentary funding for the year.

Statement of Cash Flows for the year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest	5.1	**(688,783)**	(663,090)
Depreciation and Amortisation	5.1	**4,912**	4,261
Impairments and Reversals	14	**3,474**	1,080
Donated Assets received credited to revenue but non-cash	12.1	**(25)**	0
Interest Paid		**(42)**	(284)
(Increase)/Decrease in Inventories	18	**0**	194
(Increase)/Decrease in Trade and Other Receivables	19.1	**(2,193)**	3,525
Increase/(Decrease) in Trade and Other Payables	25	**(2,013)**	2,917
Provisions Utilised	32	**(4,173)**	(517)
Increase/(Decrease) in Provisions	32	**7,596**	2,600
Net Cash Inflow/(Outflow) from Operating Activities		**(681,247)**	(649,314)
Cash flows from investing activities			
(Payments) for Property, Plant and Equipment		**(3,606)**	(3,116)
(Payments) for Intangible Assets		**0**	(9)
Proceeds of disposal of assets held for sale (PPE)		**350**	775
Net Cash Inflow/(Outflow) from Investing Activities		**(3,256)**	(2,350)
Net cash inflow/(outflow) before financing		**(684,503)**	(651,664)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**0**	(6)
Net Parliamentary Funding		**684,455**	651,556
Capital grants and other capital receipts		**25**	73
Net Cash Inflow/(Outflow) from Financing Activities		**684,480**	651,623
Net increase/(decrease) in cash and cash equivalents		**(23)**	(41)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**25**	66
Cash and Cash Equivalents (and Bank Overdraft) at year end		**2**	25

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

NOTES TO THE ACCOUNTS

The notes to the accounts provide additional details on the entries on the primary statements as well as additional disclosures, such as the accounting policies that the organisation follows when preparing its accounts.

1. Accounting Policies

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

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

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

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Dorset PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities were transferred to other public sector entities as outlined in Note 42. Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

The Statement of Financial Position has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.1 Accounting Conventions

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of non-current assets; inventories where material; and current asset investments at their value to the business by reference to current costs.

1.1.1 Transforming Community Services (TCS) transactions

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

1.1.2 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.

1.1.3 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.

Details of the critical judgements and 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 are contained within relevant disclosure notes to these Financial Statements (most notably Note 32. Provisions).

Within Note 32, a provision has been made against applications for continuing healthcare support where a panel has not yet met to determine whether the application is approved. The provision is calculated on a named basis for the period that continuing healthcare may be eligible, at the probability rate of the application being awarded. Retro Appeals are new this financial year.

A Contingent Liability is shown at Note 33 for the remainder of the risk, for those applications not included as a provision within Note 32 to these accounts.

1.2 Revenue and Funding

The main source of funding for the PCT is allocations (Parliamentary Funding) from the Department of Health within an approved cash limit, which is credited to the General Fund of the PCT. 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 PCT. 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.

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

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

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

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

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

1.6 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.

1.8 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.

However, the PCT did not receive any government grants.

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

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula.

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 32.

1.15 Pension costs

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

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

a) Accounting Valuation

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

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

b) Full Actuarial (funding) Valuation

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

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

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

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

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

1.15.1 Annual Pensions
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".

1.15.2 Pensions Indexation
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).

1.15.3 Early Retirement
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.

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 Statement of Comprehensive Net Expenditure at the time the PCT commits itself to the retirement, regardless of the method of payment.

1.15.4 Death Benefits
A death gratuity of twice their final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

1.15.5 Additional Voluntary Contributions (AVC's)
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.

1.16 Employee Benefits

Short-term Employee Benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, except for bonuses earned but not yet taken which, like leave earned but not yet taken is not accrued for at the year end, on the grounds of immateriality.

The only exception to this is the cost of leave earned by employees on maternity leave, which has been calculated on an individual basis and recognised at the end of the 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.

1.17 Research and Development

The PCT has not capitalised any expenditure on research and development.

1.18 Other Expenses

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

1.19 Grant Making

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

1.20 EU Emissions Trading Scheme

The PCT is not required to be registered with the EU Emissions Trading Scheme.

1.21 Contingencies

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

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

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

1.22 Leases

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

The PCT as Lessee

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

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

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

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

The PCT as Lessor

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

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

1.23 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Resulting exchange gains and losses are taken to the Statement of Comprehensive Net Expenditure.

1.24 Provisions

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

1.25 Financial Instruments

Financial Assets

The PCT's only financial asset is cash at hand or in bank. In line with the 2012/13 Financial Reporting Manual (FReM) issued by HM Treasury, the fair value of this asset is measured at its carrying value on the statement of financial position.

Due to their nature and purpose, all of the PCT's financial assets are classified as 'loans and receivables'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The fair value of all of the PCT's financial assets is equal to the carrying amounts.

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.

All the PCT's financial liabilities are classified as 'other financial liabilities', and the fair value is equal to the carrying amounts.

1.26 Private Finance Initiative (PFI) and NHS LIFT Transactions
The PCT has not entered into any Private Finance Initiative schemes or NHS LIFT transactions.

1.27 Non-Clinical Risk Pooling
The PCT participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the PCT pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses as and when they become due.

1.28 Third Party Assets
Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the PCT has no beneficial interest in them. Details of third party assets are given in Note 39 to the accounts.

1.29 Value Added Tax
Most of the activities of the PCT are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.30 Accounting Standards that have been Issued but have not yet been Adopted

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

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

2. Operating Segments

Dorset PCT has only one operating segment, that of commissioning healthcare services for the population of Dorset, excluding Bournemouth and Poole.

An operating segment is a component of an entity:
* that engages in business activities from which it may earn revenues and incur expenses;
* whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
* for which discrete financial information is available.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13	2011-12
	£000	£000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year	**689,093**	663,212
Revenue Resource Limit	**695,810**	669,345
Under/(Over)spend Against Revenue Resource Limit (RRL)	**6,717**	6,133

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

3.2 Capital Resource Limit

	2012-13	2011-12
	£000	£000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**3,209**	2,358
Charge to Capital Resource Limit	**2,983**	2,282
(Over)/Underspend Against CRL	**226**	76

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

3.3 Under/(Over)spend against cash limit

	2012-13	2011-12
	£000	£000
Total Charge to Cash Limit	**684,455**	651,557
Cash Limit	**684,455**	656,209
Under/(Over)spend Against Cash Limit	**0**	4,652

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

	2012-13
	£000
Total cash received from DH (Gross)	**608,368**
Sub total: net advances	**608,368**
Plus: cost of Dentistry Schemes (central charge to cash limits)	**13,839**
Plus: drugs reimbursement (central charge to cash limits)	**62,248**
Parliamentary funding credited to General Fund	**684,455**

This note identifies the elements which go to make up the Parliamentary funding identified on the Statement of Changes in Taxpayers' Equity.

4. Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**6**	0	6	0
Dental Charge income from Contractor-Led GDS & PDS	**5,952**	0	5,952	6,052
Dental Charge income from Trust-Led GDS & PDS	**8**	0	8	10
Prescription Charge income	**3,810**	0	3,810	3,501
Strategic Health Authorities	**4,585**	36	4,549	4,292
NHS Trusts	**25**	0	25	259
NHS Foundation Trusts	**2,920**	310	2,610	2,340
Primary Care Trusts Contributions to DATs	**0**	0	0	5
Primary Care Trusts - Other	**0**	0	0	1,012
Primary Care Trusts - Lead Commissioning	**2,473**	137	2,336	1,161
Department of Health - Other	**59**	0	59	59
Local Authorities	**3,533**	66	3,467	2,718
Education, Training and Research	**793**	0	793	852
Non-NHS: Private Patients	**1**	0	1	0
Charitable and Other Contributions to Expenditure	**76**	0	76	0
Receipt of donated assets	**25**	0	25	73
Rental revenue from finance leases	**0**	0	0	4
Rental revenue from operating leases	**3,448**	71	3,377	2,450
Other revenue	**943**	498	445	1,164
Total Miscellaneous Revenue	**28,657**	1,118	27,539	25,952

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

5. Operating Costs

5.1 Analysis of Operating Costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	**48,401**	0	48,401	31,422
Non-Healthcare	**680**	249	431	2,637
Total	**49,081**	249	48,832	34,059
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**2,983**	0	2,983	7,918
Goods and services (other, excl Trusts, FT and PCT))	**8**	0	8	51
Total	**2,991**	0	2,991	7,969
Goods and Services from Foundation Trusts	**394,919**	0	394,919	387,647
Purchase of Healthcare from Non-NHS bodies	**70,542**	0	70,542	53,928
Expenditure on Drugs Action Teams	**2,178**	0	2,178	2,013
Non-GMS Services from GPs	**9,555**	765	8,790	8,433
Contractor Led GDS & PDS (excluding employee benefits)	**18,445**	0	18,445	19,239
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**891**	0	891	573
Chair, Non-executive Directors & PEC remuneration	**169**	169	0	260
Executive committee members costs	**5**	5	0	51
Consultancy Services	**154**	12	142	663
Prescribing Costs	**55,966**	0	55,966	60,357
G/PMS, APMS and PCTMS (excluding employee benefits)	**59,950**	0	59,950	58,442
Pharmaceutical Services	**996**	0	996	1,074
New Pharmacy Contract	**16,128**	0	16,128	15,152
General Ophthalmic Services	**3,125**	0	3,125	3,110
Supplies and Services - Clinical	**1,781**	238	1,543	993
Supplies and Services - General	**837**	582	255	267
Establishment	**1,445**	864	581	2,239
Transport	**37**	21	16	168
Premises	**2,293**	1,406	887	3,757
Impairments & Reversals of Property, plant and equipment	**3,447**	0	3,447	1,080
Depreciation	**4,881**	451	4,430	4,213
Amortisation	**31**	0	31	48
Impairment & Reversals Intangible non-current assets	**27**	0	27	0
Audit Fees	**244**	140	104	210
Clinical Negligence Costs	**131**	131	0	64
Education and Training	**476**	356	120	356
Grants for capital purposes	**2,306**	0	2,306	1,089
Other	**3,425**	244	3,181	7,661
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**706,456**	5,633	700,823	675,115
Employee Benefits (excluding capitalised costs)				
PCT Officer Board Members	**500**	500	0	939
Other Employee Benefits	**10,484**	8,357	2,127	12,988
Total Employee Benefits charged to SOCNE	**10,984**	8,857	2,127	13,927
Total Operating Costs	**717,440**	14,490	702,950	689,042
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**0**	0	0	239
Grants to Local Authorities to Fund Capital Projects	**711**	0	711	611
Grants to Private Sector to Fund Capital Projects	**1,166**	0	1,166	0
Grants to Fund Capital Projects - Dental	**429**	0	429	0
Grants to Fund Capital Projects - Other	**0**	0	0	239
Total Capital Grants	**2,306**	0	2,306	1,089
Grants to fund revenue expenditure				
Total Revenue Grants	**0**	0	0	0
Total Grants	**2,306**	0	2,306	1,089

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**13,436**	12,531	905
Weighted population (number in units)*	**388,619**	388,619	388,619
Running costs per head of population (£ per head)	**34.57**	32.24	2.33
PCT Running Costs 2011-12			
Running costs (£000s)	**16,828**	15,901	927
Weighted population (number in units)*	**388,619**	388,619	388,619
Running costs per head of population (£ per head)	**43.30**	40.92	2.39

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

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

This note provides an analysis of the PCT's gross operating costs for the year. The total equals the sum of gross operating costs shown on the Statement of Comprehensive Net Expenditure.
The Operating Framework for the NHS in England 2012/13 stated the broad definition of running costs as any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services. The running costs definition also includes non-staff costs such as buildings and support service contracts.

5.2 Analysis of Operating Expenditure by Expenditure Classification

	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	**59,950**	58,442
Prescribing costs	**55,966**	60,357
Contractor led GDS & PDS	**18,445**	19,239
Trust led GDS & PDS	**891**	573
General Ophthalmic Services	**3,125**	3,110
Pharmaceutical services	**996**	1,074
New Pharmacy Contract	**16,128**	15,152
Non-GMS Services from GPs	**9,555**	8,433
Total Primary Healthcare purchased	**165,056**	166,380
Purchase of Secondary Healthcare		
Learning Difficulties	**12,446**	12,582
Mental Illness	**55,335**	52,563
Maternity	**13,407**	12,387
General and Acute	**341,437**	320,010
Accident and emergency	**10,659**	11,022
Community Health Services	**34,741**	34,732
Other Contractual	**55,078**	51,069
Total Secondary Healthcare Purchased	**523,103**	494,365
Grant Funding		
Grants for capital purposes	**2,306**	1,089
Total Healthcare Purchased by PCT	**690,465**	661,834
Healthcare from NHS FTs included above	**394,919**	387,647

The purpose of this note is to analyse the PCT's total expenditure on patient treatment for its own patients only. The note provides details of both primary and secondary health care c ommissioned by the PCT for its patients. All of the items included in this note will also have been recorded under various lines on Note 5.1 but the total expenditure on this note will be less than the total expenditure on Note 5.1.

6. Operating Leases

The PCT currently is lessee in respect of property leases and equipment rental. The most significant rents are for Trust Headquarters and related buildings across the county. The PCT does not have any contractual option to buy these properties.

6.1 PCT as Lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an Expense					
Minimum lease payments				**1,000**	1,260
Total				**1,000**	1,260
Payable:					
No later than one year	**9**	**575**	**41**	**625**	998
Between one and five years	**35**	**1,413**	**162**	**1,610**	1,619
After five years	**150**	**1,652**	**0**	**1,802**	1,839
Total	**194**	**3,640**	**203**	**4,037**	4,456

The PCT pays rental amounts to GP Practices for the use of GP Practices in accordance with the GMS Statement of Financial Entitlements. The PCT has determined those payments as operating leases, but as there is no defined end term in the arrangement it is not possible to analyse the arrangement over financial years. The financial value included in the Operating Cost Statement for 2012/13 is £2,353,725 (2011/12 is £2,432,128).

This note identifies the amount included in operating expenses in respect of operating lease agreements. It also highlights the amounts the PCT is liable for under non-cancellable leases over the next five years.
All operating leases relating to items with a purchase cost above the capitalisation limit are regarded as non-cancellable.

6.2 PCT as Lessor

This relates to sub leases, mainly to healthcare contractors, with medium term leases.

	2012-13 £000	2011-12 £000
Recognised as Income		
Rental Revenue	**3,448**	2,450
Total	**3,448**	2,450
Receivable:		
No later than one year	**239**	2,453
Between one and five years	**957**	141
After five years	**177**	177
Total	**1,373**	2,771

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

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

7. Employee Benefits and Staff Numbers

7.1 Employee Benefits

	2012-13								
	TOTAL			Permanently employed			Other		
Employee Benefits - Gross Expenditure	**Total**	**Admin**	**Programme**	**Total**	**Admin**	**Programme**	**Total**	**Admin**	**Programme**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Salaries and wages	**8,454**	**7,477**	**977**	**7,337**	**6,544**	**793**	**1,117**	**933**	**184**
Social security costs	**781**	**575**	**206**	**779**	**575**	**204**	**2**	**0**	**2**
Employer Contributions to NHS BSA - Pensions Division	**1,091**	**805**	**286**	**1,091**	**805**	**286**	**0**	**0**	**0**
Other pension costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other employment benefits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Termination benefits	**658**	**0**	**658**	**658**	**0**	**658**	**0**	**0**	**0**
Total employee benefits	**10,984**	**8,857**	**2,127**	**9,865**	**7,924**	**1,941**	**1,119**	**933**	**186**
Less recoveries in respect of employee benefits (table below)	**0**	0	0	**0**	**0**	**0**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**10,984**	**8,857**	**2,127**	**9,865**	**7,924**	**1,941**	**1,119**	**933**	**186**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**10,984**	**8,857**	**2,127**	**9,865**	**7,924**	**1,941**	**1,119**	**933**	**186**
Recognised as:									
Commissioning employee benefits	**10,984**			**9,865**			**1,119**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**10,984**			**9,865**			**1,119**		

	2012-13								
	TOTAL			Permanently employed			Other		
Employee Benefits - Revenue	**Total**	**Admin**	**Programme**	**Total**	**Admin**	**Programme**	**Total**	**Admin**	**Programme**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
TOTAL excluding capitalised costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Employee Benefits - Prior- year	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	11,737	10,799	938
Social security costs	929	926	3
Employer Contributions to NHS BSA - Pensions Division	1,261	1,261	0
Total gross employee benefits	13,927	12,986	941
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	13,927	12,986	941
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	13,927	12,986	941
Recognised as:			
Commissioning employee benefits	13,927		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	13,927		

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

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	**Permanently employed Number**	**Other Number**	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	**4**	**4**	**0**	5	5	0
Administration and estates	**187**	**165**	**22**	217	201	16
Healthcare assistants and other support staff	**2**	**0**	**2**	1	0	1
Nursing, midwifery and health visiting staff	**19**	**16**	**3**	21	17	4
Scientific, therapeutic and technical staff	**11**	**7**	**4**	11	8	3
Other	**3**	**3**	**0**	10	10	0
TOTAL	**226**	**195**	**31**	265	241	24
Of the above - staff engaged on capital projects	**0**	**0**	**0**	0	0	0

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

7.3 Staff Sickness Absence and Ill Health Retirements

	2012-13 Number	2011-12 Number		Restated 2011-12 Number
Total Days Lost	**3,231**	21,741	2011-12 figures included data for the Provider Arm, so has been restated to aid comparrison.	1,603
Total Staff Years	**522**	2,210		231
Average working Days Lost	**6.19**	9.84		6.93
	2012-13 Number	2011-12 Number		
Number of persons retired early on ill health grounds	**2**	6		
	£000s	£000s		
Total additional pensions liabilities accrued in the year	**119**	319		

The first part of this note identifies the days lost due to both long term and short term sickness. The second part discloses the number and average additional pension liabilities of individuals who retired early on ill health grounds during the year (this information is supplied by NHS Pensions).

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies Number**	***Number of other departures agreed Number**	**Total number of exit packages by cost band Number**	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number
Lees than £10,000	**5**	**0**	**5**	5	0	5
£10,001-£25,000	**7**	**0**	**7**	6	0	6
£25,001-£50,000	**4**	**0**	**4**	2	0	2
£50,001-£100,000	**2**	**0**	**2**	3	0	3
£100,001 - £150,000	**0**	**0**	**0**	0	0	0
£150,001 - £200,000	**0**	**0**	**0**	3	0	3
>£200,000	**1**	**0**	**1**	1	0	1
Total number of exit packages by type (total cost	**19**	**0**	**19**	20	0	20
	£s	**£s**	**£s**	£s	£s	£s
Total resource cost	**658,224**	**0**	**658,224**	1,105,000	0	1,105,000

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme. Exit costs in this note are accounted for in full in the year of departure. 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, where this relates to less than five employees the number is not disclosed.

8. Better Payment Practice Code

8.1 Measure of Compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**21,463**	**86,263**	28,576	85,684
Total Non-NHS Trade Invoices Paid Within Target	**20,811**	**83,933**	26,919	80,522
Percentage of NHS Trade Invoices Paid Within Target	**96.96%**	**97.30%**	94.20%	93.98%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**4,555**	**466,034**	3,923	393,947
Total NHS Trade Invoices Paid Within Target	**4,487**	**465,667**	3,375	389,933
Percentage of NHS Trade Invoices Paid Within Target	**98.51%**	**99.92%**	86.03%	98.98%

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

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

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	**1**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**1**	0

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
Other finance lease revenue	**0**	**0**	**0**	4
Subtotal	**0**	**0**	**0**	4
Interest Income				
Subtotal	**0**	**0**	**0**	0
Total investment income	**0**	**0**	**0**	4

This note discloses the interest earned on investments.

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)	**(597)**	**0**	**(597)**	(3)
Gain (Loss) on disposal of assets held for sale	**437**	**0**	**437**	0
Total	**(160)**	**0**	**(160)**	(3)

The total in this note equals the amounted figure (charged)/ credited to the Statement of Comprehensive Net Expenditure.

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	**63**	**63**	**0**	62
Interest on late payment of commercial debt	**1**	**1**	**0**	0
Total interest expense	**64**	**64**	**0**	62
Provisions - unwinding of discount	**86**	**0**	**86**	61
Total	**150**	**64**	**86**	123

This note identifies the PCTs interest costs, including the unwinding of discounts on provisions, and corresponds with the amount shown on the Statement of Comprehensive Net Expenditure.

12.1 Property, Plant and Equipment

	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
2012-13								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or valuation:								
At 1 April 2012	**17,125**	**57,686**	**718**	**9,767**	**319**	**11,367**	**3,016**	**99,998**
Additions Purchased	0	2,070	0	615	0	862	34	**3,581**
Additions Donated	0	15	0	10	0	0	0	**25**
Reclassifications	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	(1,647)	0	0	(594)	**(2,241)**
Upward revaluation/positive indexation	(85)	(3,560)	(28)	0	0	0	0	**(3,673)**
At 31 March 2013	**17,040**	**56,211**	**690**	**8,745**	**319**	**12,229**	**2,456**	**97,690**
Depreciation								
At 1 April 2012	**0**	**0**	**0**	**7,107**	**300**	**7,811**	**2,480**	**17,698**
Disposals other than for sale	0	0	0	(1,447)	0	0	(568)	**(2,015)**
Upward revaluation/positive indexation	0	(4,141)	(21)	0	0	0	0	**(4,162)**
Impairments	0	855	0	81	10	2,475	26	**3,447**
Charged During the Year	0	3,286	21	628	9	796	141	**4,881**
At 31 March 2013	**0**	**0**	**0**	**6,369**	**319**	**11,082**	**2,079**	**19,849**
Net Book Value at 31 March 2013	**17,040**	**56,211**	**690**	**2,376**	**0**	**1,147**	**377**	**77,841**
Purchased	17,040	50,434	690	1,934	0	1,147	340	**71,585**
Donated	0	5,777	0	442	0	0	37	**6,256**
Total at 31 March 2013	**17,040**	**56,211**	**690**	**2,376**	**0**	**1,147**	**377**	**77,841**
Asset financing:								
Owned	17,040	56,211	0	2,376	0	1,147	377	**77,151**
Held on finance lease	0	0	690	0	0	0	0	**690**
Total at 31 March 2013	**17,040**	**56,211**	**690**	**2,376**	**0**	**1,147**	**377**	**77,841**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	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**
At 1 April 2012	**6,369**	**16,506**	**187**	**0**	**0**	**0**	**0**	**23,062**
Movements	(85)	511	(24)	0	0	0	0	**402**
At 31 March 2013	**6,284**	**17,017**	**163**	**0**	**0**	**0**	**0**	**23,464**

The PCT incurred capital expenditure of £52,500 on the conversion of three shower rooms to wet rooms at Swanage Hospital. The League of Friends at Swanage generously donated £18,812 towards this expenditure. The Department of Health also donated New Born Hearing Equipment to the value of £5,925.

Property, plant and equipment is a sub-classification of the total non-current assets recorded on the PCT's Statement of Financial Position, and are analysed as
* Land: PCT have various sites across the county. Land is not depreciated, because it is considered to have an infinite life;
* Buildings: the structure of a site as well as the fabric of the building and will include, internal and external walls, roofs and windows;
* Plant and machinery: assets include medical items supporting the delivery of healthcare;
* Information technology: personal computers held within GP surgeries and within PCT administrative buildings, network servers and communication equipment;
* Furniture and fittings: assets include office furniture (desks, chairs), general furniture (sofas, chairs and wardrobes) and soft furniture (curtains, blinds).

12.2 Property, Plant and Equipment

	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
2011-12								
	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation:								
At 1 April 2011	**17,473**	**65,179**	**781**	**9,593**	**319**	**10,031**	**3,045**	**106,421**
Additions - purchased	0	1,113	0	461	0	1,425	45	**3,044**
Additions - donated	0	0	0	72	0	0	0	**72**
Reclassifications	0	71	0	(92)	0	26	(5)	**0**
Reclassified as held for sale	(115)	(250)	0	(5)	0	0	(10)	**(380)**
Disposals other than by sale	(180)	(380)	0	(262)	0	(115)	(59)	**(996)**
Revaluation & indexation gains	0	0	17	0	0	0	0	**17**
Impairments	(23)	(570)	0	0	0	0	0	**(593)**
At 31 March 2012	**17,155**	**65,163**	**798**	**9,767**	**319**	**11,367**	**3,016**	**107,585**
Depreciation								
At 1 April 2011	**30**	**3,972**	**37**	**6,627**	**288**	**6,914**	**2,358**	**20,226**
Reclassifications	0	14	0	(13)	0	2	(3)	**0**
Reclassifications as Held for Sale	0	0	0	(2)	0	0	(6)	**(8)**
Disposals other than for sale	0	(6)	0	(140)	0	(52)	(28)	**(226)**
Impairments	0	1,080	0	0	0	0	0	**1,080**
Charged During the Year	0	2,417	43	635	12	947	159	**4,213**
At 31 March 2012	**30**	**7,477**	**80**	**7,107**	**300**	**7,811**	**2,480**	**25,285**
Net Book Value at 31 March 2012	**17,125**	**57,686**	**718**	**2,660**	**19**	**3,556**	**536**	**82,300**
Purchased	17,125	51,354	129	2,634	13	3,556	484	**75,295**
Donated	0	6,332	589	26	6	0	52	**7,005**
At 31 March 2012	**17,125**	**57,686**	**718**	**2,660**	**19**	**3,556**	**536**	**82,300**
Asset financing:								
Owned	17,125	57,686	0	2,660	19	3,556	536	**81,582**
Held on finance lease	0	0	718	0	0	0	0	**718**
At 31 March 2012	**17,125**	**57,686**	**718**	**2,660**	**19**	**3,556**	**536**	**82,300**

12.3 Property, Plant and Equipment

The PCT obtained an independent full revaluation of its property interests which have been identified as capital assets and which form the estate of Dorset PCT, as at 1 April 2013, through District Valuer Services (Health Sector).

12.4 Economic Lives of Property, Plant and Equipment

	Minimum Life (Years)	Maximum Life (Years)
Buildings exc Dwellings	4	99
Dwellings	10	43
Plant & Machinery	5	25
Transport Equipment	1	7
Information Technology	3	10
Furniture and Fittings	2	15

Under modern equivalent asset valuation techniques, 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. As a result some components of a building were deemed by the District Valuer to have a remaining useful economic life of one year.

The PCT holds all land and non-specialist buildings at market value for existing use.

This note records the range of remaining useful economic lives of property, plant and equipment employed by the PCT.

13.1 Intangible Non-Current Assets

2012-13	Software purchased	Total
	£000	£000
At 1 April 2012	**573**	**573**
Reclassified as held for sale	0	**0**
At 31 March 2013	**573**	**573**
Amortisation		
At 1 April 2012	**515**	**515**
Impairments charged to operating expenses	**27**	**27**
Charged during the year	**31**	**31**
At 31 March 2013	**573**	**573**
Net Book Value at 31 March 2013	**0**	**0**
Net Book Value at 31 March 2013 comprises		
Total at 31 March 2013	**0**	**0**

Revaluation reserve balance for intangible non-current assets

	Software purchased	**Total**
	£000	**£000**
At 1 April 2012	0	**0**
Movements (specify)	0	**0**
At 31 March 2013	0	**0**

13.2 Intangible Non-Current Assets

2011-12	Software purchased	Total
	£000	£000
At 1 April 2011	564	564
Additions - purchased	9	9
At 31 March 2012	573	573
Amortisation		
At 1 April 2011	467	467
Charged during the year	48	48
At 31 March 2012	515	515
Net Book Value at 31 March 2012	58	58
Net Book Value at 31 March 2012 comprises		
Purchased	58	58
Total at 31 March 2012	58	58

13.3 Intangible Non-Current Assets

Intangible assets are capitalised at cost and depreciated on the basis of historic cost. The economic lives used are in the range 5-7 years. All assets are currently in use.

This note records the range of remaining useful economic lives of intangible non-current employed by the PCT.

14. Analysis of Impairments and Reversals Recognised in 2012-13

	2012-13 Total £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE		
Total charged to Departmental Expenditure Limit	**0**	0
Loss as a result of catastrophe	**0**	0
Changes in market price	**3,447**	3,447
Total charged to Annually Managed Expenditure	**3,447**	3,447
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve		
Total impairments for PPE charged to reserves	**0**	0
Total Impairments of Property, Plant and Equipment	**3,447**	3,447
Changes in market price	**27**	27
Total charged to Annually Managed Expenditure	**27**	27
Total Impairments of Intangibles	**27**	27
Total Impairments charged to SoCNE - AME	**3,474**	3,474
Overall Total Impairments	**3,474**	3,474

The PCT undertook a review of its headquarter based IT and equipment assets and impaired these values where applicable, due to the impact of forthcoming restructuring to the value of £2,618,666. Impairments also occurred following a desktop revaluation by the PCT's Valuers. This resulted in a fall in building values of £616,456. A final review identified £238,882, in respect of leased property assets that were also impaired.

15. Investment Property

The PCT does not hold any investment property.

16. Commitments

The PCT does not have any capital or other financial commitments.

17. Intra-Government and Other Balances

	Current Receivables £000s	Current Payables £000s
Balances with other Central Government Bodies	**2,528**	**892**
Balances with Local Authorities	**394**	**271**
Balances with NHS Trusts and Foundation Trusts	**195**	**3,774**
Balances with bodies external to government	**2,725**	**34,840**
At 31 March 2013	**5,842**	**39,777**
prior period:		
Balances with other Central Government Bodies	1,455	639
Balances with Local Authorities	916	2,766
Balances with NHS Trusts and Foundation Trusts	652	5,111
Balances with bodies external to government	626	33,020
At 31 March 2012	**3,649**	**41,536**

Intra-Government balances are defined as balances between the reporting entity and other bodies within the boundary set for the Whole of Government Accounts.

18. Inventories

The PCT does not hold any Inventory.

The total value of inventories corresponds with the amount shown on the face of the Statement of Financial Position.

Finished processed goods is the value of stocks after completion of manufacture or processing and where the goods concerned are to be sold or consumed in a future accounting period.

This note does not include the provision of health care services under partially completed contracts; or assets in the course of construction.

19.1 Trade and Other Receivables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
NHS receivables - revenue	**2,719**	2,107	**0**	0
Non-NHS receivables - revenue	**510**	880	**0**	0
Non-NHS prepayments and accrued income	**2,326**	446	**0**	0
VAT	**275**	219	**0**	0
Other receivables	**12**	0	**0**	0
Total	**5,842**	3,652	**0**	0
Total current and non current	**5,842**	3,652		

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

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

19.2 Receivables Past Their Due Date But Not Impaired

	31 March 2013	31 March 2012
	£000	£000
By up to three months	**332**	1,514
By three to six months	**40**	461
By more than six months	**(3)**	194
Total	**369**	2,169

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

19.3 Provision For Impairment of Receivables

The PCT has no provision for the impairment of receivables.

A provision for the impairment of receivables is where there is a risk of debt not being collected.

20 . NHS LIFT investments

The PCT has no NHS LIFT investments.

21 Other Financial Assets

The PCT has no other financial assets.

22. Other Current Assets

The PCT has no other current assets.

23. Cash and Cash Equivalents

	31 March 2013	31 March 2012
	£000	£000
Opening balance	**25**	66
Net change in year	**(23)**	(41)
Closing balance	**2**	25
Made up of		
Cash with Government Banking Service	**17**	24
Commercial banks	**0**	0
Cash in hand	**(15)**	1
Cash and cash equivalents as in statement of financial position	**2**	25
Cash and cash equivalents as in statement of cash flows	**2**	25
Patients' money held by the PCT, not included above	**0**	0

24. Non-Current Assets Held for Sale

	Land	Buildings, excl. dwellings	Total
	£000	£000	£000
Balance at 1 April 2012	**115**	**257**	**372**
Plus assets classified as held for sale in the year	**0**	**0**	**0**
Less assets sold in the year	**(115)**	**(257)**	**(372)**
Revaluation	0	0	**0**
Balance at 31 March 2013	**0**	**0**	**0**
Balance at 1 April 2011	0	0	**0**
Plus assets classified as held for sale in the year	115	257	**372**
Balance at 31 March 2012	**115**	**257**	**372**

Revaluation reserve balances in respect of non-current assets held for sale were:

At 31 March 2012	0
At 31 March 2013	0

The one asset held for sale at the beginning of the year, has now been sold. The asset was a local property which was no longer required by the PCT, receiver of our Provider Arm or any other NHS organisation via the NHS Property Disposal register process.

The sale led to an overall gain of £56K.

25. Trade and Other Payables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Interest payable	**0**	0	**0**	0
NHS payables - revenue	**4,605**	5,746	**0**	0
NHS payables - capital	**61**	2	**0**	0
NHS accruals and deferred income	**0**	0	**0**	0
Family Health Services (FHS) payables	**13,426**	14,484	**0**	0
Non-NHS payables - revenue	**5,461**	4,524	**0**	0
Non-NHS payables - capital	**1,069**	874	**0**	0
Non_NHS accruals and deferred income	**14,442**	14,860	**0**	0
Social security costs	**103**	0	**0**	0
VAT	**0**	0	**0**	0
Tax	**113**	2	**0**	0
Payments received on account	**0**	0	**0**	0
Other	**497**	1,044	**0**	0
Total	**39,777**	41,536	**0**	0
Total payables (current and non-current)	**39,777**	41,536		

This note analyses the amounts owed by the PCT at the Statement of Financial Position date.

Other payables include £133,416 in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012 £ 154,122).

26. Other Liabilities

The PCT has no other liabilities.

27. Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Finance lease liabilities	**69**	6	**432**	655
Total	**69**	6	**432**	655
Total other liabilities (current and non-current)	**501**	661		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH	**Other**	**Total**
	£000s	**£000s**	**£000s**
0 - 1 Years	0	69	**69**
1 - 2 Years	0	138	**138**
2 - 5 Years	0	138	**138**
Over 5 Years	0	156	**156**
TOTAL	**0**	**501**	**501**

28. Other Financial liabilities

The PCT has no other financial liabilities.

29. Deferred Income

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Opening balance at1 April 2012	**1,895**	1,895	**0**	0
Deferred income addition	**0**	0	**0**	0
Transfer of deferred income	**(76)**	0	**0**	0
Current deferred Income at 31 March 2013	**1,819**	1,895	**0**	0
Total other liabilities (current and non-current)	**1,819**	1,895		

30. Finance Lease Obligations

The PCT has a finance lease in respect of accommodation for healthcare staff at Coburg Court, and staff pay rent on a short term basis. The finance lease is for a period of 120 years, which has 101 years remaining.

Amounts payable under finance leases (Buildings)	**Minimum lease payments**		**Present value of minimum lease payments**	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Within one year	**69**	68	**69**	68
Between one and five years	**271**	271	**271**	271
After five years	**6,502**	6,571	**161**	322
Less future finance charges	**(6,341)**	(6,249)		
Present value of minimum lease payments	**501**	661	**501**	661
Included in:				
Current borrowings			**69**	68
Non-current borrowings			**432**	593
			501	661

This note discloses the future minimum lease payments or receivables under existing finance leases.

31. Finance Lease Receivables as Lessor

The PCT does not act as lessor for any finance leases. The rental income now goes to Dorset Healthcare University NHS Foundation Trust, via the TCS transfer.

Rental Income	**31 March 2013**	31 March 2012
	£000	£000
Contingent rent	**0**	0
Other	**0**	4
Total rental income	**0**	4

32. Provisions

Comprising:

	Total	Pensions Relating to Other Staff	Legal Claims	Continuing Care
	£000s	£000s	£000s	£000s
Balance at 1 April 2012	**9,981**	3,176	4,272	2,533
Arising During the Year	**7,813**	2,841	447	4,525
Utilised During the Year	**(4,173)**	(383)	(3,634)	(156)
Reversed Unused	**(217)**	0	(217)	0
Unwinding of Discount	**86**	86	0	0
Change in Discount Rate	**(76)**	(76)	0	0
Transferred (to)/from other Public Sector bodies	**0**	0	0	0
Balance at 31 March 2013	**13,414**	**5,644**	**868**	**6,902**
Expected Timing of Cash Flows:				
No Later than One Year	**5,752**	**384**	**868**	**4,500**
Later than One Year and not later than Five Years	**3,938**	**1,536**	**0**	**2,402**
Later than Five Years	**3,724**	**3,724**	**0**	**0**

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

As at 31 March 2013	**7**
As at 31 March 2012	12

Critical accounting judgments and key sources of estimation uncertainty:

The provisions shown under the heading 'Pensions' have been calculated using figures provided by the NHS Pensions Agency.

The provisions shown under the heading 'Legal claims' relate to public and employer liability claims. The provisions have been calculated using information provided by the NHS Litigation Authority and legal representatives, and are based on the best information available at the Statement of Financial Position date. Also where a contractual obligation to fund the dilapidation costs associated with leases, and the costs are uncertain.

A provision has been made against applications for continuing healthcare support where a panel has not yet met to determine whether the application is approved. The provision is calculated on a named basis for the period that continuing healthcare may be eligible, at the probability rate of the application being awarded, which was 49% for Appeals and 15% for Retro Appeals in 2012/13 (2011/12 43%). The provision is calculated at £1,283,401 for Appeals and £5,618,685 for Retro Appeals, (2011/12 £2,533,105). Retro Appeals are new for 2012/13.

This note analyses the amounts recorded as provisions by the PCT at the Statement of Financial Position date.

33. Contingencies

	l **March 2013**	31 March 2012
	£000	£000
Contingent liabilities		
Other - Continuing Healthcare	**(33,191)**	(3,294)
Net Value of Contingent Liabilities	**(33,191)**	(3,294)

There are no contingent Assets

The contingent liability above relates to retrospective continuing care claims, and is directly linked with the continuing care provision included in Note 32. An estimation has been made of the value based upon the amounts claimed. The uncertainties relate to the eligibility of the claims. Whilst possible, it has been deemed unlikely that these amounts will be reimbursed. It is not practicable to provide an estimate of the financial effect.

This contingent liability is for the remainder of the risk of 51% for Appeals and 85% for Retro Appeals (2011/12 57%), for those applications not included as a provision within Note 32 to these accounts is £1,351,919 for Appeals and £31,839,214 for Retro Appeals (2011/12 £3,294,000). Retro Appeals are new for 2012/13.

The purpose of this note is to disclose material contingent liabilities or assets, if there is more than a remote possibility that there will be a transfer of 'economic benefit' as a result of events that existed before the Statement of Financial Position date.

34. PFI and LIFT - Additional Information

The PCT has no PFI or LIFT investments.

The Private Finance Initiative (PFI) is a form of public/ private partnership designed to fund major capital investments without immediate recourse to public money. The NHS Local Improvement Finance Trust (LIFT) is a is a vehicle for improving and developing frontline primary and community care facilities.

35. Impact of IFRS treatment - 2012-13

There was no significant impact due to IFRS accounting treatment.

36. Financial Instruments

Financial Risk Management

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

Only where the PCT is exposed to material risk should the appropriate IFRS 7 disclosures be made. The headings in IFRS 7 should be used to the extent that they are relevant.

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	**Loans and receivables**	**Total**
	£000	**£000**
Embedded derivatives	**0**	**0**
Receivables - NHS	**2,719**	**2,719**
Receivables - non-NHS	**3,123**	**3,123**
Cash at bank and in hand	**17**	**17**
Total at 31 March 2013	**5,859**	**5,859**
Receivables - NHS	2,107	2,107
Receivables - non-NHS	877	877
Cash at bank and in hand	25	25
Total at 31 March 2012	3,009	3,009

36.2 Financial Liabilities	**Other**	**Total**
	£000	**£000**
NHS payables	**18,092**	**18,092**
Non-NHS payables	**21,685**	**21,685**
PFI & finance lease obligations	**501**	**501**
Other financial liabilities	**13,414**	**13,414**
Total at 31 March 2013	**53,692**	**53,692**
NHS payables	20,232	20,232
Non-NHS payables	21,148	21,148
PFI & finance lease obligations	661	661
Other financial liabilities	9,981	9,981
Total at 31 March 2012	52,022	52,022

Due to the short-term nature of these transactions, the fair value of these financial assets and liabilities approximate the carrying amounts at the balance sheet date.

Financial instruments are a broad range of assets and liabilities that arise from contracts and result in a financial asset being created in one entity and a financial liability in another. This note discloses the interest rate risks arising from the PCT's financial assets and liabilities, which largely comprise items due after more than one year, such as long-term debtors and creditors, and provisions made under contract.

37. Related Party Transactions

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

Primary Care Trusts will cease to function from 31/3/13 when Clinical Commissioning Groups will take commissioning responsibility for the local populations. During 2012/13 Dorset PCT has been operating under a Cluster Model with Bournemouth & Poole PCT. A Cluster Operating Model maintains the two PCTs as separate legal entities however they operate under the control of one Governing Board. Primary Care Trusts traditionally operated a Professional Executive Committee (PEC) or Clinical Commissioning Committee made up of clinicians. From 1/4/13 The Dorset Clinical Commissioning Group will exist which covers the populations of Bournemouth, Poole and Dorset. A shadow committee has operated during 2012/13 which has made managerial decisions. As a result of the in-year changes some individuals who were on the Clinical Commissioning Group which had managerial control for 2012/13 are shown below, even though they are not on the current Dorset Shadow Clinical Commissioning Group.

Name	Role	Relationship	**Significant Transactions 2012-13**	Significant Transactions 2011-12
NHS Bournemouth and Poole and NHS Dorset Cluster Board Members			**£000**	£000
Mrs Jacqueline Swift	Chair	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	1,939
Mr Graham Avis	Non Executive Director	Appointed Governor, Poole NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**45,588**	45,955
Mrs Heather Craven	Non Executive Director	Appointed Governor of Dorset Healthcare NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**112,582**	103,693
Ms Amanda Gallaher	Board Advisor	Appointed Governor, Dorset County Hospital NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**119,543**	115,028
Mr Eugene Gratwick	Non Executive Director	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Mrs Teresa Hensman	Non Executive Director	Appointed Governor, South West Ambulance NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**17,472**	15,720
Mr Ken Hockey	Non Executive Director	Appointed Governor, The Royal Bournemouth and Christchurch Hospital. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**65,903**	65,643
Mr Gary Hepburn	Board Advisor	Appointed Governor of Dorset Healthcare NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**112,582**	103,693
Mr Glyn Smith	Non Executive Director	Appointed Governor, Poole NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**45,588**	45,955
Miss Elizabeth Stevens	Non Executive Director	Appointed Governor, Salisbury NHS Foundation Trust. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**19,081**	20,252
Dr Forbes Watson	PEC Chair	GP Lyme Regis Medical Practice and Lyme Bay Surgery. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**See below**	See below
Dr Adrian Dawson	Director of Public Health (NHS BP)	Member of Bournemouth Borough Council Board.	**215**	99
		Member of Poole Borough Council Board. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**49**	38
Dr David Phillips	Medical Director	Member of Dorset County Council Board. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**18,414**	19,362
Suzanne Rastrick	Interim Chief Executive - Executive Member	Member, Professional Practice Board of The College of Occupational Therapists, Allied Health Professional/ Healthcare Scientist Representative, Policy Board, NHS Employers. Member of National AHP Agency Board DoH. Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Tim Goodson	Chief Operating Officer	HFMA Member, HFMA South West Executive Branch Committee Member, PCT Network and HFMA Finance Directors Group Member (joint HFMA and NHS Confederation). Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Sally Shead	Interim Director of Quality - Executive Member	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Mr John Morton	Director of Joint Commissioning	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Ms Jane Pike	Director of Acute Commissioning	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Mr Paul Vater	Director of Finance	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Mr Charles Summers	Director of Workforce	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Mrs Jacqueline Cotgrove	Director of Commissioning Development	Under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
Dr Ros Maycock	PEC Chair Bournemouth & Poole PCT	Partner, Evergreen Oak GP Surgery and under Clustering arrangements holds Bournemouth & Poole PCT influence.	**N/A**	N/A
All Directors and Non Executive Directors		Members of Bournemouth & Poole PCT Board, via Clustering arrangements.	**N/A**	N/A
			557,017	537,377
Dorset Shadow Clinical Commissioning Group GP Board Members (SDCCGB)				
Dr Forbes Watson	GP – SDCCGB Chair	GP Lyme Bay Medical Practice & Lyme Regis Medical Centre & Lyme Community Care Unit	**2,338**	1,084
Dr Jenny Bubb	GP – SDCCGB Members	GP and Partner at Cerne Abbas Surgery.	**948**	928
Dr Lionel Cartwright	CCP Chair	Partner, Harvey Practice	**N/A**	N/A
Dr Rob Childs	GP – SDCCGB Members	GP and Partner at Bute House Practice, LMC Representative North Dorset, Clinical Assistant in Endoscopy at Yeovil District Hospital, Dorset PCT Representative on Yeovil District Hospital board of Governors, Member of Yeatman Hospital Management Group.	**799**	800
Dr Colin Davidson	GP – SDCCGB Members	GP and Partner at Cranborne Practice - PMS Dispensing and Training, Clinical PbC lead for East Dorset Locality, Director at Dorset Diagnostics Ltd, Clinical Lead for Endoscopy - Victoria Hospital in Wimborne, Trustee at Phillip Green Memorial School Cranborne. Wife is a GP at Eagle House Surgery.	**1,304**	1,328
Dr Paul French	GP – SDCCGB Members	GP Marine & Oakridge Partnership (B&PPCT)	**N/A**	N/A
Dr Richard Holmes	CCP Chair	GP at Talbot Medical Centre	**N/A**	N/A
Dr Richard Jenkinson	GP – SDCCGB Members	GP Partner, Burton Medical Centre and Chair Christchurch Locality Commissioning Group. GPwSI in ENT, employed by NHS Dorset & NHS Bournemouth & Poole. Director, Wessex Aviation Medical Services Ltd. Employed by Dorset Healthcare University NHS Foundation Trust for GPwSI role.	**1,080**	1,100
Dr Karen Kirkham	GP – SDCCGB Members and CCP Chair	GP and Partner at Bridges Medical Centre	**1,712**	N/A
Dr Carole Linnard	GP – SDCCGB Members	GP Alma Practice (B&PPCT	**N/A**	N/A
Dr Ros Maycock	PEC Chair and CCP Chair	Listed above as Board Member	**See above**	N/A
Dr Blair Millar	GP – SDCCGB Members	GP and Partner at Bridport Medical Centre. Chair role as been taken over by Dr Richa Singh	**2,473**	665
Dr Chris McCall	GP – Locality Lead Member and CCP Chair	Partner at the Hadleigh GP Practice	**N/A**	N/A
Dr Andy Rutland	GP – SDCCGB Members	GP Lilliput Surgery (B&PPCT)	**N/A**	N/A
Dr Patrick Seal	GP – SDCCGB Members	GP Adam Practice (B&PPCT)	**N/A**	N/A
Dr Richa Singh	GP – SDCCGB Members	GP and Partner at Bridport Medical Centre	**2,473**	N/A
Dr Rupert Turberville-Smith	GP – SDCCGB Members	GP and Partner at Bridges Medical Centre, Weymouth. Chairman for Weymouth and Portland PBC locality consortium. Chair role has been taken over by Dr Karen Kirkham.	**1,712**	1,718
Dr Christian Verrinder	GP – SDCCGB Members	GP and Partner at Wellbridge Practice, Wool (Dispensing Practice also hold contract to provide medical inpatient care for Wareham and Blandford hospitals), Employed by Orthopaedic Medical Services (OMS) former Bournemouth & Poole PCT, Dorset Healthcare University NHS Foundation Trust from April 2011.	**1,135**	1,098
Dr Craig Wakeham	CCP Chair	GP at Cerne Abbas Surgery	**934**	929
Dr Piers Wilde	GP – SDCCGB Members	GP Moordown Medical Centre (B&PPCT)	**N/A**	N/A
Chris Burton	Secondary Care Member	Member of the Trust Board of North Bristol NHS Trust which provides a small number of specialist services (not commissioned by the CCG) to the population of Dorset. Wife is a GPSI in dermatology in the Bristol region.		N/A
Teresa Hensman	Lay Member	Governor of SWAST	**See above**	N/A
Mary Monnington	Nurse Member	Council member [UKCCG] United Kingdom Council of Caldecott Guardians. Panel Member Professional Performance Committees Nursing and Midwifery Council [NMC]. Nurse Member Wiltshire CCG. Husband JET Monnington – Senior Solicitor Moore Blatch Resolve LLP Southampton.	**236**	N/A
			17,144	9,650

Indications of Extent of other transactions:

Other less significant payments may have been made to the above organisations through the normal course of business.

This note provides details of any individually significant transactions that Board Members, Executive Committee Members or Senior Managers (or the relatives of these and any companies they may control) have undertaken with the party. Other transactions may have taken place other than those above, however these will not be deemed as individually significant, or the individual in question was not deemed to have control over the party.

38. Losses and Special Payments

The total number of losses cases in 2012-13 and their total value was as follows:	**Total Value of Cases £s**	**Total Number of Cases**
Losses - PCT management costs	**10,699**	**20**
Total losses	**10,699**	**20**
Total special payments	**0**	**0**
Total losses and special payments	**10,699**	**20**

The total number of losses cases in 2011-12 and their total value was as follows:	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	2,313	11
Special payments - PCT management costs	4,514	2
Total losses	2,313	11
Total special payments	4,514	2
Total losses and special payments	6,827	13

Details of cases individually over £250,000
There were no cases over £250,000.

Losses or special payments are payments that Parliament would not have envisaged healthcare funds being spent on when it originally provided the funds.
The total costs included in this note are on a cash basis and will not reconcile to the amounts shown elsewhere within the accounts which are prepared on an accruals basis.

39. Third Party Assets

The PCT held no third party assets at 31 March 2013.

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

40. Pooled Budget

The PCT does not have a Pooled Budget. The Pooled Budget for Integrated Community Equipment Service the PCT held in previous years was transferred to Dorset Healthcare University NHS Foundation Trust as part of the transfer of community services.

41. Cashflows Relating to Exceptional Items

The PCT had no cashflows relating to exceptional items.

42. Events after the end of the Reporting Period

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Dorset PCT was dissolved on 1st April 2013.

The main functions carried out by Dorset PCT in 2012/13 are to be carried out in 2013-14 by the following public sector bodies:

Local Authority
Dorset County Council will take over the responsibility for aspects of public health services (which include Sexual Health, Nutrition, Obesity & Physical Activity, Tobacco, Alcohol Misuse, School Nursing, NHS Health Checks and Health Improvement and Wellbeing) - the revenue value that has transferred alongside the responsibility for these programmes is £12m.

NHS England
NHS England will take over the responsibility for aspects of public health services (which include Non-Cancer Screening, Cancer Screening, Children 0-5 (including health visiting), Childhood Immunisations, Seasonal Flu and Pnuemoccocal Immunisation, Prison Public Health) - the revenue value that has transferred alongside the responsibility for these programmes is £9m.

NHS England will take over the responsibility for Primary Care services (which include GP services, Dental services, Ophthalmic services and Pharmaceutical services) - the revenue value that has transferred alongside the responsibility for these programmes is £78m.

NHS England will take over the responsibility for Specialist Secondary and Tertiary related services, following a nationally defined dataset to include various complex services, which often have a high cost and low volume (Specific Services include Complex Spinal, Burns, Renal, Cancer and Complex Paediatric) - the revenue value that has transferred alongside the responsibility for these programmes is £69m.

NHS England will take over the responsibility for Prison and Offender Health - the revenue value that has transferred alongside the responsibility for these programmes is £2m.

NHS England will take over the responsibility for Secondary Dental Services - the revenue value that has transferred alongside the responsibility for these programmes is £7m.

Public Health England
Public Health England will take over the responsibility for supporting the CCG on surveillance and control of infectious diseases, a revenue value has transferred of £1m to cover various national objectives not specifically in relation to the PCT transfer of responsibility.

Dorset Clinical Commissioning Group
Dorset Clinical Commissioning Group will take over the responsibility of all other programme areas from Dorset PCT that have not been separately identified above (which include Non Specialist Secondary and Tertiary care services, Mental Health and Learning Disability Services, Community Services, Reablement, Ambulance Services, Prescribing and Local Enhanced Services) - the revenue value that has transferred alongside these responsibilities is £468m.

Any PCT surpluses are to be carried over to the public bodies outlined above in proportion to the relative shares of the responsible portfolio in which they were generated. They will then be reinvested into the healthcare needs of the resident population.

PCT Property Plant & Equipment will be split between Dorset Healthcare University NHS Foundation Trust and NHS Property Services, with effect from 1 April 2013.

The PCT's Provision for Continuing Care will be transferred to Dorset Clinical Commissioning Group.

This note discloses the financial consequences of events (both favourable or unfavourable) that occur between the Statement of Financial Position date and the date on which the financial statements are approved by the Board, if appropriate.
Two types of events can be identified:
* those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and
* those that are indicative of conditions that arose after the reporting period (non-adjusting events).

GLOSSARY OF FINANCIAL TERMS

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