



Department
of Health



Salford Primary Care Trust

2012-13 Annual Report and Accounts

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Salford Primary Care Trust

2012-13 Annual Report

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

Contents

Chapter 1 ~ Message from Chairman and Chief Executive	3
Chapter 2 ~ Details of the Directors	6
Chapter 3 ~ Our Readiness for Organisational Change	8
Chapter 4 ~ Our Performance	9
Chapter 5 ~ Sustainability Report.....	11
Chapter 6 ~ Financial Review	14
Chapter 7 ~ Remuneration Report	16

Chapter 1 ~ Message from Chairman and Chief Executive

Welcome to our Annual Report for 2012/13

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

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

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

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

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

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

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



Chapter 2 ~ Details of the Directors

The NHS Greater Manchester Board

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

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

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

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

Ms Mel Sirotkin
Ms Leila Williams+
Mrs Claire Yarwood

Director of Public Health
Director of Service Transformation
Director of Finance

** Denotes member of the Audit Committee
'+' non voting member

Chapter 3 ~ Our Readiness for Organisational Change

Over the last decade, local health budgets and health decisions in Salford have been controlled by Salford Primary Care Trust. In April 2013, following the Health and Social Care Act, all Primary Care Trusts (PCTs) across the country ceased to exist and were replaced by Clinical Commissioning Groups.

Salford Clinical Commissioning Group (CCG) emerged from Salford's Practice Based Commissioning Consortium, which established a five-year plan with the PCT in 2008 to take increasing responsibility for commissioning services for the local population.

Salford CCG was approved by the Department of Health as one of the first group of 'Pathfinder' GP Commissioning Consortia. Pathfinder status recognised the progress Salford had made to date in the development of clinically led commissioning.

Throughout 2012/2013 Salford PCT worked with Salford CCG, who operated in shadow format, in order to complete an authorisation process for Salford CCG to become the statutory commissioning organisation in Salford. Salford CCG has now taken control of the majority of Salford's NHS budget and it is Salford CCG's job to make the decisions on how this money should be spent in order to provide the best possible levels of healthcare for the people of Salford.

As part of this move towards clinical commissioning every GP in Salford agreed to be part of Salford CCG by signing the organisation's constitution. Salford CCG is managed on a consortium basis and consists of eight 'Neighbourhood Groups', which reflect the neighbourhoods adopted by Salford City Council.

Salford CCG Vision: The people of Salford will live longer, healthier lives

Salford CCG strategic objectives (2012/13):

- Improve health and wellbeing outcomes achieved by our patients
- Reduce health inequalities and improve equity of services available
- Optimise the delivery of quality healthcare services in the most appropriate setting
- Develop Salford CCG as a competent commissioning body
- Progress transition work, to support local delivery of the Health and Social Care Act

Chapter 4 ~ Our Performance

The table below outlines Salford's performance against the measures set nationally by the Department of Health.

Salford PCT performance 2012/13	Actual performance
Domain 1 Preventing people from dying prematurely	
Percentage of category A ambulance calls responded to in 8 minutes	● 76.6% (Year to date at Feb 2013)
Percentage of patients receiving treatment within 31 days of cancer diagnosis	● 98.7% (Year to date at Jan 2013)
Percentage of patients receiving treatment within 62 days of an urgent cancer referral	● 87.3% (Year to date at Jan 2013)
Domain 2 Enhancing quality of life for people with long term conditions	
Number of new cases of psychosis served by the early intervention team	● 47 cases (Year to date at Q3)
Number of crisis resolution home treatment episodes and admissions gatekept	● 535 (Year to date at Q3)
Patients on Care Pathway Approach discharged from inpatient care followed up in 7 days	● 97.9% (Year to date at Q3)
Improving Access to Psychological Therapies (People entering treatment)	● 9.2% (Year to date at Q3)
Improving Access to Psychological Therapies (People moving to recovery)	● 42.9% (Year to date at Q3)
Domain 4 Ensuring that people have a positive experience of care	
Percentage of referral to treatment pathways within 18 weeks (admitted adjusted)	● 94.95% (Year to date at Feb 2013)
Percentage of referral to treatment pathways within 18 weeks (non-admitted)	● 97.67% (Year to date at Feb 2013)
Percentage of referral to treatment pathways within 18 weeks (incomplete)	● 96.49% (Year to date at Feb 2013)
Percentage of patients waiting less than 6 weeks for a diagnostic test	● 99.54% (Year to date at Feb 2013)
Percentage of patients who spent four hours or less in A&E	● 95.39% (Year to date at Feb 2013)
Percentage of patients seen within two weeks following an urgent cancer referral	● 98.3% (Year to date at Jan 2013)
Percentage of patients seen within two weeks following breast cancer symptoms	● 98% (Year to date at Jan 2013)
Mixed-sex accommodation breaches	● 13 (Year to date end March 2013)
Domain 5 Treating and caring for people in a safe environment and protecting them from avoidable harm	

Incidence of MRSA: primary care organisation	●	8 (Year to date end March 2013)
Incidence of MRSA: Salford Royal	●	3 (Year to date end March 2013)
Incidence of <i>C. difficile</i> : primary care organisation	●	74 (Year to date end March 2013)
Incidence of <i>C. difficile</i> : Salford Royal	●	37 (Year to date end March 2013)
Percentage of patients receiving venous thromboembolism (VTE) risk assessment on admission	●	Achieved April 12 to January 13
Public Health		
Number of four week smoking quitters	●	1420 (Year to date at Q3)
Percentage of eligible people offered a health check	●	16.2% (Year to date at Q3)
Percentage of eligible people who have received a health check	●	6.8% (Year to date at Q3)

Targets with no data or no level of achievement set

- Proportion of people feeling supported to manage their condition
- Unplanned hospitalisation for chronic ambulatory care sensitive conditions (adults)
- Emergency admissions for acute conditions that should not usually require hospital admission
- Patient experience of hospital care

Chapter 5 ~ Sustainability Report

GREENHOUSE GAS OMISSIONS		2009-10	2010-11	2011-12	2012-13	Graphical Analysis
Non Financial Indicators (1,000 tCO2e)	Total Gross Emissions	2	2	10	10	<p>Greenhouse Gas Omissions</p> <p>Financial Year</p>
	Total Net Emissions	0	0	0	0	
	Gross emissions Scope 1 (direct)	2	2	3	3	
	Gross emissions Scope 2 & 3 (in-direct)	0	0	0	0	
Related Energy Consumption (million KWh)	Electricity: Non-Renew able	3	2	18	18	
	Electricity: Renew able	0	0	0	0	
	Gas	1	5	4	4	
	LPG	0	0	0	0	
	Other	0	0	0	0	
Financial Indicators (£ million)	Expenditure on Energy	1	1	1	1	
	CRC License Expenditure (2010 onwards)	0	0	0	0	
	Expenditure on Accredited Offsets (e.g. GCOF)	0	0	0	0	
	Expenditure on Official Business Travel	1	1	0	0	
PERFORMANCE COMMENTARY (INCL MEASURES)						
CONTROLLABLE IMPACTS COMMENTARY						
OVERVIEW OF INFLUENCED IMPACTS						

WASTE		2009-10	2010-11	2011-12	2012-13	Graphical Analysis																
Non Financial Indicators (tonnes)	Total waste	70	75	76	75	<p>Total Waste</p> <table border="1"> <caption>Total Waste Data</caption> <thead> <tr> <th>Financial Year</th> <th>Hazardous (tonnes)</th> <th>Non-Hazardous (tonnes)</th> </tr> </thead> <tbody> <tr> <td>2009-10</td> <td>26</td> <td>44</td> </tr> <tr> <td>2010-11</td> <td>21</td> <td>54</td> </tr> <tr> <td>2011-12</td> <td>26</td> <td>50</td> </tr> <tr> <td>2012-13</td> <td>25</td> <td>50</td> </tr> </tbody> </table>		Financial Year	Hazardous (tonnes)	Non-Hazardous (tonnes)	2009-10	26	44	2010-11	21	54	2011-12	26	50	2012-13	25	50
	Financial Year	Hazardous (tonnes)	Non-Hazardous (tonnes)																			
	2009-10	26	44																			
	2010-11	21	54																			
	2011-12	26	50																			
	2012-13	25	50																			
Hazardous waste	Total	26	21	26	25																	
Non hazardous waste	Landfill	44	54	5	4																	
	Re-used/Recycled	0	0	45	46																	
	Composted	0	0	0	0																	
	Incinerated with energy recovery	0	0	0	0																	
	Incinerated without energy recovery	0	0	0	0																	
Financial Indicators (£k)	Total disposal cost	87	85	209	211	<p>Non-Hazardous waste volumes and disposal routes</p> <table border="1"> <caption>Non-Hazardous waste disposal routes</caption> <thead> <tr> <th>Financial Year</th> <th>Landfill (tonnes)</th> <th>Re-used/Recycled (tonnes)</th> </tr> </thead> <tbody> <tr> <td>2009-10</td> <td>44</td> <td>26</td> </tr> <tr> <td>2010-11</td> <td>54</td> <td>21</td> </tr> <tr> <td>2011-12</td> <td>5</td> <td>45</td> </tr> <tr> <td>2012-13</td> <td>4</td> <td>46</td> </tr> </tbody> </table>		Financial Year	Landfill (tonnes)	Re-used/Recycled (tonnes)	2009-10	44	26	2010-11	54	21	2011-12	5	45	2012-13	4	46
	Financial Year	Landfill (tonnes)	Re-used/Recycled (tonnes)																			
	2009-10	44	26																			
	2010-11	54	21																			
	2011-12	5	45																			
	2012-13	4	46																			
Hazardous waste	Total	54	43	171	172																	
Non hazardous waste	Landfill	33	42	4	3																	
	Re-used/Recycled	0	0	34	36																	
	Composted	0	0	0	0																	
	Incinerated with energy recovery	0	0	0	0																	
	Incinerated without energy recovery	0	0	0	0																	
PERFORMANCE COMMENTARY (INCL MEASURES)																						
A lack of accurate performance data is available for years prior to 2011/12. New reporting systems are now in place which will enable targets to be set and monitored in subsequent years																						
CONTROLLABLE IMPACTS COMMENTARY																						
OVERVIEW OF INFLUENCED IMPACTS																						

FINITE RESOURCE CONSUMPTION			2009-10	2010-11	2011-12	2012-13	Graphical Analysis										
Non Financial Indicators (000 m3)	Water consumption (Office Estate)	Supplied	11	11	18	11	<p style="text-align: center;">Water Usage</p> <table border="1"> <caption>Water Usage Data</caption> <thead> <tr> <th>Financial Year</th> <th>Water Usage (M3)</th> </tr> </thead> <tbody> <tr> <td>2009-10</td> <td>11</td> </tr> <tr> <td>2010-11</td> <td>11</td> </tr> <tr> <td>2011-12</td> <td>18</td> </tr> <tr> <td>2012-13</td> <td>11</td> </tr> </tbody> </table>	Financial Year	Water Usage (M3)	2009-10	11	2010-11	11	2011-12	18	2012-13	11
		Financial Year	Water Usage (M3)														
		2009-10	11														
	2010-11	11															
	2011-12	18															
	2012-13	11															
Abstracted	0	0	0	0													
Per FTE	0	0	0	0													
Water consumption (Non-Office Estate)	Supplied	0	0	0	0												
	Abstracted	0	0	0	0												
Financial Indicators (£k)	Water supply costs (Office Estate)		77	76	116	76											
	Water supply costs (Non Office Estate)		0	0	0	0											
PERFORMANCE COMMENTARY (INCL MEASURES)																	
CONTROLLABLE IMPACTS COMMENTARY																	
OVERVIEW OF INFLUENCED IMPACTS																	

Chapter 6 ~ Financial Review

Value for Money Conclusion

The Code of Audit Practice requires Grant Thornton UK LLP, as external auditors to Salford PCT, to issue a conclusion on whether the PCT has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money conclusion.

For 2012-13 the Audit Commission has introduced a revised approach to the value for money conclusion for PCTs. Auditors are required to consider the risks relating to PCT abolition and the transition to new local commissioning arrangements, rather than giving their conclusion based on specific criteria.

Transition issues reviewed included:

- Governance arrangements
- Financial management
- Assets and information management
- Management of workforce

Grant Thornton concluded that Salford PCT has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

Financial Performance

As a statutory organisation, the PCT is obliged under public sector financial management guidelines to deliver against a number of financial statutory duties.

The Revenue Resource allocation for 2012-13 was £513m against which a £3.7m surplus was achieved.

The Cash allocation was £500m, with nil remaining in the account at the end of the year.

The Capital resource of £4.9m was fully expended to maintain and improve capital assets.

FINANCIAL STATUTORY DUTY	Final Outturn
Achieve financial balance (surplus) with no unplanned borrowing	√
Operate within Cash Limit (within acceptable tolerance of £1.5m)	√
Operate within Capital Resource Limit	√
Achieve compliance with Public Sector Payment Policy (PSPP) - 95% target	√

The Better Payment Practice Code requires organisations to aim to pay 95% of valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. Salford PCT is also required to pay its trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules. Both of these standards on prompt payment were achieved in 2012/13.

	2012-13 Number	2012-13 £000
Non-NHS Payables		
Total Non-NHS Trade Invoices Paid in the Year	15,761	95,269
Total Non-NHS Trade Invoices Paid Within Target	15,551	93,723
% NHS Trade Invoices Paid Within 30 days	98.7%	98.4%
NHS Payables		
Total NHS Trade Invoices Paid in the Year	4,144	349,453
Total NHS Trade Invoices Paid Within Target	4,068	348,087
% NHS Trade Invoices Paid within 30 days	98.2%	99.6%

Chapter 7 ~ Remuneration Report

The definition of senior managers for the purpose of this report and disclosures has been determined as executives and non-executives of the NHS Greater Manchester Board.

Remuneration and terms of services committee.

Remuneration and terms of service in 2012-13 for the Executive Directors of the NHS Greater Manchester Board were determined by the NHS Greater Manchester Remuneration Committee.

Remuneration and terms of services in 2012-13 for the Non Executive Directors of the NHS Greater Manchester Board were determined externally.

Remuneration Policy

The Pay Framework for Very Senior Managers in Strategic and Special HAs, PCTs and Ambulance Trusts was implemented in July 2006 (updated October 2008). The basic salary (spot rate) of the Chief Executive is determined according to organisation weighting factor. The pay of other very senior managers is then pegged to the chief executive's by a predetermined percentage dependent on role.

The framework is applicable to chief executives, executive directors (except medical directors) and those with board level responsibilities.

The remuneration committee should ensure that the appropriate spot rate is applied to individual posts and the decision ratified by the Board. The proposed salary is then submitted to the NHS North West remuneration committee for approval.

			Total GM remuneration	Total GM remuneration	Total GM remuneration	Total GM remuneration	PCT Share of GM remuneration	PCT Share of GM remuneration	PCT Share of GM remuneration	PCT Share of GM remuneration				
			2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2011-12	2011-12	2011-12	2011-12
			Salary	Other Payments	Bonus Payments	Benefits in kind	Salary	Other Payments	Bonus Payments	Benefits in kind	Salary	Other Payments	Bonus Payments	Benefits in kind
Name	Title	Period in post	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100
Prof Eileen Fairhurst	Chairman	01/04/12-31/03/13	40-45	0	0	0	0-5	-	-	-	35-40	-	-	-
Dr Mike Burrows	Chief Executive	01/04/12-31/03/13	150-155	0	0	0	10-15	-	-	-	135-140	-	-	-
Mrs Claire Yarwood	Director of Finance	01/04/12-31/03/13	115-120	0	0	0	10-15	-	-	-	100-105	-	-	-
Dr Julie Higgins	Director of Commissioning Development	01/04/12-31/08/12	65-70	0	0	0	5-10	-	-	-	115 - 120	-	-	-
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	01/04/12-30/06/12	20-25	0	0	0	0-5	-	-	-	105 - 110	-	-	-
Mrs Anita Rolfe^	Director of Nursing, Quality and Performance	01/07/12-31/10/12	25-30	0	0	0	0-5	-	-	-	N/A	N/A	N/A	N/A
Mrs Patricia Bennett^	Director of Nursing, Quality and Performance	01/10/12-31/03/13	0-5	0	0	0	0-5	-	-	-	N/A	N/A	N/A	N/A
Dr Raj Patel	Medical Director	01/04/12-31/03/13	20-25	0	0	0	0-5	-	-	-	20 - 25	50 - 55	-	-
Ms Melanie Sirotkin^	Lead Director of Public Health	01/04/12-31/03/13	115-120	0	0	0	10-15	-	-	-	N/A	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	01/04/12-31/03/13	80-85	0	0	0	5-10	-	-	-	45 - 50	-	-	-
Mr Warren Heppollette	Director of Policy and External Relations	01/04/12-31/03/13	90-95	0	0	0	5-10	-	-	-	70-75	-	-	-
Ms Leila Williams	Director of Service Transformation	01/04/12-31/03/13	90 - 95	0	0	0	5-10	-	-	-	75 - 80	-	-	0 - 1
Mr Kevin Moynes^	Director of HR and OD	01/04/12-31/03/13	65-70	0	0	0	5-10	-	-	-	N/A	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	on maternity leave during period	25 - 30	0	0	0	0-5	-	-	-	65 - 70	-	-	-
Mr Terry Atherton+	Non-Executive Director	01/04/12-31/03/13	30-35	-	-	-	0-5	-	-	-	30 - 35	-	-	-
Mr Riaz Ahmad**	Non-Executive Director	01/04/12-31/03/13	35-40	-	-	-	0-5	-	-	-	30 - 35	-	-	-
Dr Kailash Chand+	Associate Non-Executive Director	01/04/12-31/03/13	30-35	0	0	0	0-5	-	-	-	30 - 35	-	-	-
Mr David Edwards+	Non-Executive Director	01/04/12-31/03/13	35-40	0	0	0	0-5	-	-	-	30 - 35	-	-	-
Mr Alan Stephenson**	Non-Executive Director	01/04/12-31/03/13	35 - 40	0	0	0	0-5	-	-	-	30 - 35	-	-	-
Ms Evelyn Asante-Mensah**	Non-Executive Director	01/04/12-31/03/13	35 - 40	-	-	-	0-5	-	-	-	40 - 45	-	-	-
Mr Michael Greenwood+	Non-Executive Director	01/04/12-31/03/13	30-35	0	0	0	0-5	-	-	-	30 - 35	-	-	-
Mr Paul Horrocks+	Non-Executive Director	01/04/12-31/03/13	35 - 40	0	0	0	0-5	-	-	-	30 - 35	-	-	-
Mrs Pam Senior	Non-Executive Director (to Dec11)	Left 31/12/11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25 - 30	-	-	-
* Audit Committee Members														
+ Remuneration of Terms of Service Committee members														
^ Not in post 2011/12														

Name	Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (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's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
Dr Mike Burrows	Chief Executive	0-2.5	0-2.5	45-50	145-150	900	842	14	N/A
Mrs Claire Yarwood	Director of Finance	0-2.5	0-2.5	35-40	105-110	623	578	15	N/A
Dr Julie Higgins	Director of Commissioning Development	0-2.5	0-2.5	25-30	85-90	502	455	23	N/A
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	0-2.5	0-2.5	15-20	50-55	301	271	16	N/A
Mrs Anita Rolfe	Director of Nursing, Quality and Performance	N/A	N/A	20-25	70-75	383	N/A	N/A	N/A
Mrs Patricia Bennett	Director of Nursing, Quality and Performance	N/A	N/A	20-25	65-70	388	N/A	N/A	N/A
Dr Raj Patel	Medical Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms Melanie Sirotkin	Lead Director of Public Health	N/A	N/A	35-40	105-110	706	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	0-2.5	0-2.5	20-25	65-70	359	334	8	N/A
Mr Warren Heppollette	Director of Policy and External Relations	0-2.5	0-2.5	20-25	0-5	223	193	20	N/A
Ms Leila Williams	Director of Service Transformation	0-2.5	0-2.5	25-30	80-85	491	452	15	N/A
Mr Kevin Moynes	Director of HR and OD	N/A	N/A	20-25	60-65	410	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	12.5-15	0-2.5	15-20	0-5	150	32	116	N/A

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

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.

Pay Multiples

Primary Care Trusts are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisations workforce.

The banded remuneration of the highest paid director in Salford PCT in the financial year 2012/13 was £10k to £15k (2011/12 £25k to £30k). This was 0.6 times (2011/12 1.2 times) the median remuneration of the workforce, which was £23,150 (2011/12 £23,859).

The midpoint banded remuneration of the highest paid director is a partial share of the GM Cluster Chief Executive. On a whole time equivalent basis the value would be £150k which would be 3.75 times the median remuneration of the workforce.

Total remuneration includes salary and all payments made to employees in respect of their employment. It excludes employer pension contributions and cash equivalent transfer value of pensions. In calculating the above, the full time equivalent and the annualised salary has been used for every member of staff in post at the end of the reporting period.

Sickness Absence Data

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

Average Sickness	Full Time Equivalent Staff	Full time Staff Days Available	Days Lost to Sickness Absence	Average Sick Days per Full Time Equivalent
3.1%	351	78,923	2,443	7.0

Off Payroll Engagement

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



Department
of Health



Salford Primary Care Trust

2012-13 Accounts

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Salford Primary Care Trust

2012-13 Accounts

FOREWORD TO THE ACCOUNTS

NHS Salford

These accounts for the year ended 31 March 2013 have been prepared by NHS Salford under section 98 (2) of the National Health Service Act 2006 in the form which the Secretary of State has, with the approval of the Treasury, directed.

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

2012-13 Annual Accounts of Salford Primary Care Trust

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

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

By order of the Permanent Secretary.

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

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

2012-13 Annual Accounts of Salford Primary Care Trust

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

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

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

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

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

Name:

Date...6th June 2013.....

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

We have audited the financial statements of Salford 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 on page 16;
- the table of pension benefits of senior managers and related narrative notes on pages 17 and 18; and
- the pay multiples narrative notes on page 18.

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

Opinion on other matters

In our opinion:

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

Matters on which we report by exception

We report to you if:

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

We have nothing to report in these respects.

Other matters on which we are required to conclude

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

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

- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work on the transition arrangements for the demising Primary Care Trust.

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

Certificate

We certify that we have completed the audit of the financial statements of Salford 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.

 10 June 2013

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

Grant Thornton UK LLP
4 Hardman Square
Manchester
M3 3EB

**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	6.1	15,380	15,083
Other costs	4.1	506,570	487,779
Income	3	(15,060)	(14,483)
Net operating costs before interest		506,890	488,379
Investment income	8	(98)	(95)
Other (Gains)/Losses	9	0	2
Finance costs	10	2,005	1,951
Net operating costs for the financial year		508,797	490,237
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
Net (gain)/loss on transfers by absorption		0	
Net Operating Costs for the Financial Year including absorption transfers		508,797	490,237
Of which:			
Administration Costs			
Gross employee benefits	6.1	8,319	8,664
Other costs	4.1	6,002	6,165
Income	3	(835)	(1,106)
Net administration costs before interest		13,486	13,723
Investment income	8	0	0
Other (Gains)/Losses	9	0	0
Finance costs	10	0	23
Net administration costs for the financial year		13,486	13,746
Programme Expenditure			
Gross employee benefits	6.1	7,061	6,419
Other costs	4.1	500,568	481,614
Income	3	(14,225)	(13,377)
Net programme expenditure before interest		493,404	474,656
Investment income	8	(98)	(95)
Other (Gains)/Losses	9	0	2
Finance costs	10	2,005	1,928
Net programme expenditure for the financial year		495,311	476,491
Other Comprehensive Net Expenditure			
		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve		601	279
Net (gain) on revaluation of property, plant & equipment		(56)	(1,029)
Net (gain) on revaluation of intangibles		0	0
Net (gain) on revaluation of financial assets		0	0
Net (gain)/loss on other reserves		0	0
Net (gain)/loss on available for sale financial assets		0	0
Net (gain) /loss on Assets Held for Sale		0	
Release of Reserves to Statement of Comprehensive Net Expenditure		0	
Net actuarial (gain)/loss on pension schemes		0	0
Reclassification Adjustments			
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive net expenditure for the year*		509,342	489,487

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 17 to 47 form part of this account.

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

		31 March 2013	31 March 2012
	NOTE	£000	£000
Non-current assets:			
Property, plant and equipment	11	44,174	44,525
Intangible assets	12	599	1,108
investment property	14	1,529	1,443
Other financial assets	20	833	822
Trade and other receivables	18	0	118
Total non-current assets		47,135	48,016
Current assets:			
Inventories	17	0	0
Trade and other receivables	18	5,470	14,080
Cash and cash equivalents	22	48	27
Total current assets		5,518	14,107
Non-current assets held for sale	23	319	200
Total current assets		5,837	14,307
Total assets		52,972	62,323
Current liabilities			
Trade and other payables	24	(25,928)	(29,018)
Other liabilities	25	0	0
Provisions	30	(2,845)	(1,591)
Borrowings	26	(93)	(52)
Other financial liabilities	27	0	0
Total current liabilities		(28,866)	(30,661)
Non-current assets plus/less net current assets/liabilities		24,106	31,662
Non-current liabilities			
Trade and other payables	24	0	0
Other Liabilities	25	0	0
Provisions	30	(355)	(782)
Borrowings	26	(36,941)	(35,038)
Other financial liabilities	27	0	0
Total non-current liabilities		(37,296)	(35,820)
Total Assets Employed:		(13,190)	(4,158)
Financed by taxpayers' equity:			
General fund		(17,397)	(9,477)
Revaluation reserve		4,207	5,319
Other reserves		0	0
Total taxpayers' equity:		(13,190)	(4,158)

The notes on pages 17 to 47 form part of this account.

The financial statements on pages [3 to 47] were approved by the Board on [date] and signed on its behalf by

Chief Executive:

6th June 2013

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	(9,477)	5,319	0	(4,158)
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(508,797)			(508,797)
Net gain on revaluation of property, plant, equipment		56		56
Net gain on revaluation of intangible assets		0		0
Net gain on revaluation of financial assets		0		0
Net gain on revaluation of assets held for sale		0		0
Impairments and reversals		(601)		(601)
Movements in other reserves			0	0
Transfers between reserves*	567	(567)		0
Release of Reserves to SOCNE		0		0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2012-13	(508,230)	(1,112)	0	(509,342)
Net Parliamentary funding	500,310			500,310
Balance at 31 March 2013	(17,397)	4,207	0	(13,190)
Balance at 1 April 2011	(14,922)	5160	0	(9,762)
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(490,237)			(490,237)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment		1,029		1,029
Net Gain / (loss) on Revaluation of Intangible Assets		0		0
Net Gain / (loss) on Revaluation of Financial Assets		0		0
Net Gain / (loss) on Assets Held for Sale		0		0
Impairments and Reversals		(279)		(279)
Movements in other reserves			0	0
Transfers between reserves*	591	(591)		0
Release of Reserves to Statement of Comprehensive Net Expenditure		0		0
Reclassification Adjustments				
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0
On disposal of available for sale financial assets	0	0	0	0
Net actuarial gain/(loss) on pensions	0		0	0
Total recognised income and expense for 2011-12	(489,646)	159	0	(489,487)
Net Parliamentary funding	495,091			495,091
Balance at 31 March 2012	(9,477)	5,319	0	(4,158)

**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		(506,890)	(488,379)
Depreciation and Amortisation		3,247	2,760
Impairments and Reversals		1,895	852
Other Gains / (Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		0	0
Government Granted Assets received credited to revenue but non-cash		0	(328)
Interest Paid		(1,993)	(1,929)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		0	0
(Increase)/Decrease in Trade and Other Receivables		8,728	(5,267)
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(3,324)	(2,311)
Provisions Utilised		(441)	(91)
Increase/(Decrease) in Provisions		1,256	983
Net Cash Inflow/(Outflow) from Operating Activities		(497,522)	(493,710)
Cash flows from investing activities			
Interest Received		87	375
(Payments) for Property, Plant and Equipment		(2,872)	(1,763)
(Payments) for Intangible Assets		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		180	150
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Proceeds from the disposal of Financial Assets (LIFT)		0	0
Loans Made in Respect of LIFT		0	0
Loans Repaid in Respect of LIFT		0	0
Rental Revenue		0	0
Net Cash Inflow/(Outflow) from Investing Activities		(2,605)	(1,238)
Net cash inflow/(outflow) before financing		(500,127)	(494,948)
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(162)	(132)
Net Parliamentary Funding		500,310	495,091
Capital Receipts Surrendered		0	0
Capital grants and other capital receipts		0	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		0	0
Net Cash Inflow/(Outflow) from Financing Activities		500,148	494,959
Net increase/(decrease) in cash and cash equivalents		21	11
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		27	16
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		48	27

1. Accounting policies

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

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

The PCT does not have NHS charitable funds.

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

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

Acquisitions and Discontinued Operations

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

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.

All critical accounting judgements are disclosed as appropriate within the notes to the financial accounts.

Critical judgements in applying accounting policies

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

In accounting for the LIFT schemes as concession agreements the PCT has made assumptions about the amount it will pay for the assets under a terminal option to purchase the asset within the lease agreement. The amount is advised to the PCT by professional independent valuers. If the estimates result in a terminal valuation 10% less than forecast the impact on the Statement of Comprehensive Net Expenditure will be a £22k decrease in costs with a corresponding decrease in the borrowings amount from £35,039k to £35,017k. If the estimates result in a terminal valuation 10% greater than forecast the impact on the Statement of Comprehensive Net Expenditure will be a £17k increase in costs with a corresponding increase in the borrowings amount from £35,039k to £35,056k. All other key sources of estimation and uncertainty are disclosed as appropriate within the notes to the financial accounts.

The LIFT buildings have been valued by the District Valuation Office using the most appropriate forecasting methodology to determine the value in 25 years time. The terminal value applied to the LIFT buildings has therefore a high level of subjectivity and is underpinned by a number of assumptions. With the LIFT buildings now being accounted for on the Statement of Financial Position under IFRS, this could potentially lead to future impairments, given the current economic climate. This could have a material impact on the Statement of Comprehensive Net Expenditure on a year on year basis, given the material value of the LIFT buildings and the subjective nature of forecasting building terminal values.

The new provision brought into the accounts for 2012/13 equates to £2.105m as shown in note 30. The review and resolution of restitution claims is anticipated to take up to two years. The following notes give an indication of the sensitivity of the estimated provision to changes in the key assumptions adopted:

- a difference of +/- 10% on the assumed cost per week would have an impact on the operating costs statement of +0.2m/-0.2m
- a difference of +/- 10% on the assumed number of weeks paid out for would have an impact of +0.2/-0.2m on the operating cost statement.

Such impact would need to be absorbed in the accounts at the point when either the whole of the provision had been exhausted or all of the cases have been reviewed and resolved.

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The PCT has entered into a pooled budget with Salford City Council Local Authority. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Learning Disabilities, Integrated Equipment services, Intermediate Care and Drug and Alcohol Treatment. A memorandum note to the accounts provides details of the joint income and expenditure.

The pools are hosted by Salford City Council. As a commissioner of healthcare services, the PCT makes contributions to the pools, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pools as determined by the pooled budget agreements.

1.4 Taxation

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

1.5 Administration and Programme Costs

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

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

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

1. Accounting policies (continued)

1.6 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.7 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

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

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

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

1. Accounting policies (continued)

1.9 Donated assets

The PCT does not have any donated assets.

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 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 PCTs.

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

1. Accounting policies (continued)

1.13 Employee benefits

Short-term employee benefits

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

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

Retirement benefit costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

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

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

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

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

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

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

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

1. Accounting policies (continued)

1.14 Research and Development

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

1.15 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.

1.16 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.

1.17 EU Emissions Trading Scheme

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

1.18 Contingencies

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

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

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

1.19 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.20 Foreign exchange

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

1. Accounting policies (continued)

1.21 Provisions

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

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

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

The PCT currently provides for the following:

- Injury benefit pensions relating to former employees
- Legal Claims
- Redundancies
- Building Decommissioning
- Lease Dilapidations
- Continuing Care
- Onerous Contracts

1.22 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

The PCT does not have any financial assets valued at 'fair value through profit and loss'.

Held to maturity investments

The PCT does not have any 'held to maturity assets'.

Available for sale financial assets

The PCT does not have any 'available for sale' financial assets.

Loans and receivables

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

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

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

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

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

1. Accounting policies (continued)

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss

The PCT does not have any financial liabilities at fair value through profit and loss

Other financial liabilities

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

1.23 NHS LIFT transactions

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

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

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

a) Services received

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

b) LIFT assets, liabilities, and finance costs

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

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

1. Accounting policies (continued)

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

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

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

c) Lifecycle replacement

The element of the annual lease plus payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. The total amount under each LIFT agreement have been allocated evenly over the life of the contract. These amounts are charged to the Statement of Comprehensive Net Expenditure. The amount charged in 2012/13 is £292k

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

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

Other assets contributed by the PCT to the operator

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

1.24 Going Concern

As a consequence of the Health and Social Care Act 2012, Salford PCT was dissolved on 31 March 2013. Its functions were transferred to various new or existing public sector entities which are detailed in Note 41.1.

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

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

1.25 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. Financial Performance Targets

2.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year	508,797	490,237
Net operating cost plus (gain)/loss on transfers by absorption		
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	<u>512,525</u>	<u>492,417</u>
Under/(Over)spend Against Revenue Resource Limit (RRL)	<u>3,728</u>	<u>2,180</u>

2.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	4,946	1,835
Charge to Capital Resource Limit	<u>4,946</u>	<u>1,833</u>
(Over)/Underspend Against CRL	<u>0</u>	<u>2</u>

2.3 Provider full cost recovery duty

	2012-13 £000	2011-12 £000
The PCT is required to recover full costs in relation to its provider functions.		
Provider gross operating costs	0	525
Provider Operating Revenue	<u>0</u>	<u>(60)</u>
Net Provider Operating Costs	<u>0</u>	<u>465</u>
Costs Met Within PCTs Own Allocation	<u>0</u>	<u>(465)</u>
Under/(Over) Recovery of Costs	<u>0</u>	<u>0</u>

No provider costs are applicable in 2012/13. The costs relating to 2011/12 relate to services transferred to providers under TCS where the transfe

2.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	500,310	495,091
Cash Limit	<u>500,310</u>	<u>497,042</u>
Under/(Over)spend Against Cash Limit	<u>0</u>	<u>1,951</u>

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

	2012-13 £000
Total cash received from DH (Gross)	441,376
Less: Trade Income from DH	(1,527)
Less/(Plus): movement in DH working balances	<u>0</u>
Sub total: net advances	<u>439,849</u>
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	13,464
Plus: drugs reimbursement (central charge to cash limits)	46,997
Parliamentary funding credited to General Fund	<u>500,310</u>

3 Miscellaneous Revenue

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Fees and Charges	0	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	2,895	0	2,895	2,640
Dental Charge income from Trust-Led GDS & PDS	0	0	0	0
Prescription Charge income	2,755	0	2,755	2,638
Strategic Health Authorities	36	19	17	974
NHS Trusts	14	12	2	2
NHS Foundation Trusts	572	164	408	131
Primary Care Trusts Contributions to DATs	0	0	0	0
Primary Care Trusts - Other	1,570	603	967	2,920
Primary Care Trusts - Lead Commissioning	0	0	0	0
English RAB Special Health Authorities	0	0	0	0
NDPBs and Others (CGA)	0	0	0	66
Department of Health - Other	1,524	0	1,524	0
Recoveries in respect of employee benefits	0	0	0	0
Local Authorities	219	0	219	660
Patient Transport Services	0	0	0	0
Education, Training and Research	1,303	0	1,303	408
Non-NHS: Private Patients	0	0	0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	0	0	0	0
NHS Injury Costs Recovery	0	0	0	0
Other Non-NHS Patient Care Services	0	0	0	0
Charitable and Other Contributions to Expenditure	0	0	0	0
Receipt of donated assets	0	0	0	0
Receipt of Government granted assets	0	0	0	328
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	3,929	0	3,929	3,091
Other revenue	243	37	206	625
Total miscellaneous revenue	15,060	835	14,225	14,483

4. Operating Costs

4.1 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	50,196		50,196	46,879
Non-Healthcare	1,661	701	960	1,400
Total	51,857	701	51,156	48,279
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	14,028	55	13,973	15,995
Goods and services (other, excl Trusts, FT and PCT))	185	0	185	4,649
Total	14,213	55	14,158	20,644
Goods and Services from Foundation Trusts	264,559	146	264,413	253,680
Purchase of Healthcare from Non-NHS bodies	42,627	0	42,627	38,157
Social Care from Independent Providers	0	0	0	0
Expenditure on Drugs Action Teams	4,801	0	4,801	3,996
Non-GMS Services from GPs	0	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	17,181	0	17,181	16,140
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	0	0	0	1,245
Chair, Non-executive Directors & PEC remuneration	190	190	0	101
Executive committee members costs	0	0	0	0
Consultancy Services	658	421	237	458
Prescribing Costs	38,768	0	38,768	39,254
G/PMS, APMS and PCTMS (excluding employee benefits)	35,316	678	34,638	35,457
Pharmaceutical Services	0	0	0	0
Local Pharmaceutical Services Pilots	275	0	275	254
New Pharmacy Contract	12,479	0	12,479	12,083
General Ophthalmic Services	2,544	0	2,544	2,480
Supplies and Services - Clinical	43	0	43	236
Supplies and Services - General	76	0	76	124
Establishment	1,444	457	987	1,241
Transport	233	22	211	252
Premises	6,258	666	5,592	5,859
Impairments & Reversals of Property, plant and equipment	1,825	0	1,825	852
Impairments and Reversals of non-current assets held for sale	70	0	70	0
Depreciation	2,738	604	2,134	2,464
Amortisation	509	25	484	296
Impairment & Reversals Intangible non-current assets	0	0	0	0
Impairment and Reversals of Financial Assets	0	0	0	0
Impairment of Receivables	0	0	0	4
Inventory write offs	0	0	0	0
Research and Development Expenditure	244	0	244	195
Audit Fees	85	85	0	131
Other Auditors Remuneration	26	26	0	37
Clinical Negligence Costs	91	28	63	62
Education and Training	88	25	63	284
Grants for capital purposes	0	0	0	0
Grants for revenue purposes	0	0	0	0
Impairments and reversals for investment properties	1,873	1,873	0	0
Other	5,499	0	5,499	3,514
Total Operating costs charged to Statement of Comprehensive Net Expenditure	506,570	6,002	500,568	487,779
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	180	0	180	520
Trust led PDS and PCT DS	337	0	337	747
PCT Officer Board Members	493	493	0	805
Other Employee Benefits	14,370	7,826	6,544	13,011
Total Employee Benefits charged to SOCNE	15,380	8,319	7,061	15,083
Total Operating Costs	521,950	14,321	507,629	502,862

Analysis of grants reported in total operating costs

For capital purposes

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

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	13,931	12,919	1,012
Weighted population (number in units)*	284,119	284,119	284,119
Running costs per head of population (£ per head)	49	45	4
PCT Running Costs 2011-12			
Running costs (£000s)	14,034	12,885	1,149
Weighted population (number in units)	284,119	284,119	284,119
Running costs per head of population (£ per head)	49	45	4

* 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

4.2 Analysis of operating expenditure by expenditure classification	2012-13	2011-12
	£000	£000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	35,506	35,457
Prescribing costs	38,768	39,254
Contractor led GDS & PDS	17,181	16,140
Trust led GDS & PDS	0	1,992
General Ophthalmic Services	2,544	2,480
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	275	254
New Pharmacy Contract	12,479	12,083
Non-GMS Services from GPs	0	0
Other	0	0
Total Primary Healthcare purchased	106,753	107,660
Purchase of Secondary Healthcare		
Learning Difficulties	3,766	3,807
Mental Illness	53,966	50,116
Maternity	16,342	14,805
General and Acute	215,275	211,729
Accident and emergency	13,899	9,558
Community Health Services	56,647	57,456
Other Contractual	14,274	17,287
Total Secondary Healthcare Purchased	374,169	364,758
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	480,922	472,418
PCT self-provided secondary healthcare included above	0	465
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	256,271	244,005

5. Operating Leases

5.1 PCT as lessee				2012-13	2011-12
	Land £000	Buildings £000	Other £000	Total £000	£000
Payments recognised as an expense					
Minimum lease payments				1,891	2,178
Contingent rents				1,116	1,094
Sub-lease payments				0	0
Total				3,007	3,272
Payable:					
No later than one year	0	597	24	621	702
Between one and five years	0	1,888	17	1,905	1,811
After five years	0	490	0	490	546
Total	0	2,975	41	3,016	3,059
Total future sublease payments expected to be received				0	0

Leases include a number of short term leases occupied by both administration staff and for the provision of community health services, Salford PCT has entered into certain financial arrangements involving the use of GP premises. Under:

IAS17 Leases

SIC27 Evaluating the substance of transactions involving the legal form of a lease

IFRIC4 Determining whether an arrangement contains a lease

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

The financial values included in the Statement of Comprehensive Net Expenditure for 2012/13 are:

Minimum lease payments £1,277k (£1,277k in 2011/12)

Contingent Rent £1,067k (£1,029k in 2011/12)

All inflationary increases during the year have been classified as contingent rents. Lease renewals are negotiated based on requirement and open market value as an when required. The PCT comply with any restrictions imposed by lease arrangements .

5.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	3,468	2,726
Contingent rents	461	365
Total	3,929	3,091
Receivable:		
No later than one year	1,385	1,300
Between one and five years	2,035	2,667
After five years	9,493	8,942
Total	12,913	12,909

The PCT provides premises to GPs, Salford Royal Foundation Trust and a Pharmacy under lease arrangements. These leases range from 30 years to tenancy at will. Where the PCT makes a payment under LIFT purchase arrangements and then subleases an element the PCT provides the same terms and conditions (with the exception of any option to purchase) to the sub-lessors, with the exception of Salford Royal Foundation Trust which are 3 year leases.

Where the lease arrangements are tenancy at will no estimate of future amounts receivable can be made and therefore no amounts have been included in the maturity note. The amount received in 2012/13 included in 'recognised as income' above is £2,544k (£1,624k in 2011/12).

6. Employee benefits and staff numbers**6.1 Employee benefits**

	2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	12,268	6,731	5,537	11,190	6,065	5,125	1,078	666	412
Social security costs	1,044	646	398	956	592	364	88	54	34
Employer Contributions to NHS BSA - Pensions Division	1,523	942	581	1,395	863	532	128	79	49
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	545	0	545	545	0	545	0	0	0
Total employee benefits	15,380	8,319	7,061	14,086	7,520	6,566	1,294	799	495
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	15,380	8,319	7,061	14,086	7,520	6,566	1,294	799	495
Recognised as:									
Commissioning employee benefits	15,380			14,086			1,294		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	15,380			14,086			1,294		

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	11,674	11,525	149
Social security costs	965	950	15
Employer Contributions to NHS BSA - Pensions Division	1,469	1,446	23
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	975	975	0
Total gross employee benefits	15,083	14,896	187
Less recoveries in respect of employee benefits	0	0	0
Total - Net Employee Benefits including capitalised costs	15,083	14,896	187
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	15,083	14,896	187
Recognised as:			
Commissioning employee benefits	14,780		
Provider employee benefits	303		
Gross Employee Benefits excluding capitalised costs	15,083		

6.2 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	8	7	1	8	8	0
Ambulance staff	0	0	0	0	0	0
Administration and estates	328	278	50	249	242	7
Healthcare assistants and other support staff	0	0	0	67	67	0
Nursing, midwifery and health visiting staff	19	19	0	29	28	1
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and technical staff	9	9	0	19	19	0
Social Care Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	364	313	51	372	364	8
Of the above - staff engaged on capital projects	0	0	0	0	0	0

6.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	2,443	4,910
Total Staff Years	351	665
Average working Days Lost	7	7

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	1
Total additional pensions liabilities accrued in the year	£000s 0	£000s 414

6.4 Exit Packages agreed during 2012-13

Exit package cost band (including any special payment element)	2012-13			2011-12		
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Lees than £10,000	5	4	9	11	0	11
£10,001-£25,000	4	4	8	0	0	0
£25,001-£50,000	4	8	12	3	0	3
£50,001-£100,000	4	2	6	1	0	1
£100,001 - £150,000	0	1	1	0	0	0
£150,001 - £200,000	1	0	1	2	0	2
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	18	19	37	17	0	17
	£s	£s	£s	£s	£s	£s
Total resource cost	666,511	648,823	1,315,334	559,000	0	559,000

7. Better Payment Practice Code**7.1 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	15,761	95,269	17,478	85,427
Total Non-NHS Trade Invoices Paid Within Target	15,551	93,723	17,275	84,600
Percentage of NHS Trade Invoices Paid Within Target	98.67%	98.38%	98.84%	99.03%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,144	349,453	3,148	342,474
Total NHS Trade Invoices Paid Within Target	4,068	348,087	3,093	341,879
Percentage of NHS Trade Invoices Paid Within Target	98.17%	99.61%	98.25%	99.83%

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.

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

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

7.3 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 as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

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

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

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation". Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

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

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

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

8. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
PFI finance lease revenue (planned)	0	0	0	0
PFI finance lease revenue (contingent)	0	0	0	0
Other finance lease revenue	0	0	0	0
Subtotal	0	0	0	0
Interest Income				
LIFT: equity dividends receivable	0	0	0	0
LIFT: loan interest receivable	98	0	98	95
Bank interest	0	0	0	0
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	0	0
Subtotal	98	0	98	95
Total investment income	98	0	98	95

9. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Gain/(Loss) on disposal of assets other than by sale (PPE)	0	0	0	(2)
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0	0	0
Gain/(Loss) on disposal of Financial Assets - other than held for sale	0	0	0	0
Gain (Loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets carried at fair value through the SoCNE	0	0	0	0
Change in fair value of financial liabilities carried at fair value through the SoCNE	0	0	0	0
Change in fair value of investment property	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	0	0	0	(2)

10. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	69	0	69	0
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	1,924	0	1,924	1,928
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	1,993	0	1,993	1,928
Other finance costs	0	0	0	0
Provisions - unwinding of discount	12		12	23
Total	2,005	0	2,005	1,951

11.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account £000	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2012-13									
Cost or valuation:									
At 1 April 2012	3,310	39,174	0	0	1,719	0	3,888	2,267	50,358
Additions of Assets Under Construction				0					0
Additions Purchased	0	2,441	0		0	0	2,685	0	5,126
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	(319)	0	0	0	0	0	0	0	(319)
Disposals other than for sale	(50)	0	0	0	0	0	0	0	(50)
Upward revaluation/positive indexation	0	56	0	0	0	0	0	0	56
Impairments/negative indexation	(9)	(592)	0	0	0	0	0	0	(601)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Cumulative dep'n adjustment following revaluation	120	(2,369)	0	0	0	0	0	0	(2,249)
At 31 March 2013	3,052	38,710	0	0	1,719	0	6,573	2,267	52,321
Depreciation									
At 1 April 2012	0	1,389	0	0	1,141	0	2,048	1,255	5,833
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	38	1,457	0	0	2	0	487	16	2,000
Reversal of Impairments	(158)	(17)	0	0	0	0	0	0	(175)
Charged During the Year	0	1,474	0		249	0	762	253	2,738
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
Cumulative dep'n adjustment following revaluation	120	(2,369)	0	0	0	0	0	0	(2,249)
At 31 March 2013	0	1,934	0	0	1,392	0	3,297	1,524	8,147
Net Book Value at 31 March 2013	3,052	36,776	0	0	327	0	3,276	743	44,174
Purchased	3,052	35,289	0	0	327	0	3,276	743	42,687
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	1,487	0	0	0	0	0	0	1,487
Total at 31 March 2013	3,052	36,776	0	0	327	0	3,276	743	44,174
Asset financing:									
Owned	1,509	12,068	0	0	327	0	3,276	743	17,923
Held on finance lease	420	1,995	0	0	0	0	0	0	2,415
On-SOFP PFI contracts	1,123	22,713	0	0	0	0	0	0	23,836
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,052	36,776	0	0	327	0	3,276	743	44,174

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account £000's	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	497	4,657	0	0	50	0	19	91	5,314
Movements (specify)	(10)	(1,098)	0	0	(1)	0	0	(3)	(1,112)
At 31 March 2013	487	3,559	0	0	49	0	19	88	4,202

Additions to Assets Under Construction in 2012-13

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

11.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011-12									
Cost or valuation:									
At 1 April 2011	3,223	39,009	0	0	2,047	0	4,083	2,233	50,595
Additions - purchased	0	1,144	0	0	0	0	807	34	1,985
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	350	0	0	0	0	0	0	0	350
Disposals other than by sale	0	(9)	0	0	(328)	0	(1,002)	0	(1,339)
Revaluation & indexation gains	10	1,020	0	0	0	0	0	0	1,030
Impairments	(97)	(182)	0	0	0	0	0	0	(279)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatic	(176)	(1,808)	0	0	0	0	0	0	(1,984)
At 31 March 2012	3,310	39,174	0	0	1,719	0	3,888	2,267	50,358
Depreciation									
At 1 April 2011	126	1,045	0		1,151	0	2,487	1,029	5,838
Reclassifications		0	0		0	0	0	0	0
Reclassifications as Held for Sale	0	0	0		0	0	0	0	0
Disposals other than for sale	0	(9)	0		(326)	0	(1,002)	0	(1,337)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	50	927	0	0	0	0	0	0	977
Reversal of Impairments	0	(125)	0	0	0	0	0	0	(125)
Charged During the Year	0	1,359	0		316	0	563	226	2,464
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatic	(176)	(1,808)	0	0	0	0	0	0	(1,984)
At 31 March 2012	0	1,389	0	0	1,141	0	2,048	1,255	5,833
Net Book Value at 31 March 2012	3,310	37,785	0	0	578	0	1,840	1,012	44,525
Purchased	3,222	36,266	0	0	578	0	1,840	1,012	42,918
Donated	0	0	0	0	0	0	0	0	0
Government Granted	88	1,519	0	0	0	0	0	0	1,607
At 31 March 2012	3,310	37,785	0	0	578	0	1,840	1,012	44,525
Asset financing:									
Owned	2,174	13,692	0	0	578	0	1,840	1,012	19,296
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	1,136	24,093	0	0	0	0	0	0	25,229
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,310	37,785	0	0	578	0	1,840	1,012	44,525

11.3 Property, plant and equipment

The PCT does not hold any donated assets.

Land and Buildings are held at revalued amounts.

The PCT obtained valuations for its Land & Buildings as at 1 April 2013 from Sarah Brydon (MRICS), Senior Valuer, Valuation Office Agency

The PCT has had an allocation increase of £1,895k (£852k 2011/12) to reflect the additional amount charged to the Statement of Comprehensive Net Expenditure during the year relating to impairment and reversals.

A small number of properties have been valued by the District Valuer at existing use value, this is not materially different from their open market value.

The PCT holds assets with a gross carrying amount of £3,007k (£1,255k 2011/12) which are fully depreciated but still in use.

12.1 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2012-13						
At 1 April 2012	0	178	0	0	1,457	1,635
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	178	0	0	1,457	1,635
Amortisation						
At 1 April 2012	0	144	0	0	383	527
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	34	0	0	475	509
In-year transfers to NHS bodies	0	0	0	0	0	0
At 31 March 2013	0	178	0	0	858	1,036
Net Book Value at 31 March 2013	0	0	0	0	599	599
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	599	599
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	0	0	0	599	599

||Revaluation reserve balance for intangible non-current assets

	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
At 1 April 2012	0	5	0	0	0	5
Movements (specify)	0	0	0	0	0	0
At 31 March 2013	0	5	0	0	0	5

12.2 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2011-12						
At 1 April 2011	0	273	0	0	1,129	1,402
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	328	328
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(95)	0	0	0	(95)
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	178	0	0	1,457	1,635
Amortisation						
At 1 April 2011	0	202	0	0	124	326
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	(95)	0	0	0	(95)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	37	0	0	259	296
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	144	0	0	383	527
Net Book Value at 31 March 2012	0	34	0	0	1,074	1,108
Net Book Value at 31 March 2012 comprises						
Purchased	0	34	0	0	0	34
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	1,074	1,074
Total at 31 March 2012	0	34	0	0	1,074	1,108

12.3 Intangible non-current assets

Intangible Assets are carried at amortised replacement cost and are not revalued.

The intangible assets classified as 'Development expenditure' relates to North West eHealth which is a collaboration with Salford Royal NHS Foundation Trust and the University of Manchester. This asset is funded through a government grant.

The PCT has no fully amortised assets still in use.

Economic Lives of Non-Current Assets

	Min Life Years	Max Life Years
Intangible Assets		
Software Licences	5	5
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	5	5
Property, Plant and Equipment		
Buildings exc Dwellings	15	80
Dwellings	0	0
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	3	8
Furniture and Fittings	7	10

The PCT does not obtain Open Market Values for its assets, except for those it holds for sale.

13.1 Analysis of impairments and reversals recognised in 2012-13

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	486		486
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	1,339		1,339
Total charged to Annually Managed Expenditure	1,825		1,825
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	601		
Total impairments for PPE charged to reserves	601		
Total Impairments of Property, Plant and Equipment	2,426	0	1,825
Intangible assets impairments and reversals charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Over-specification of assets	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	0		0
Intangible Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Over-specification of assets	0		
Abandonment of assets in the course of construction	0		
Unforeseen obsolescence	0		
Loss as a result of catastrophe	0		
Other	0		
Changes in market price	0		
Total impairments for Intangible Assets charged to Reserves	0		
Total Impairments of Intangibles	0	0	0

13.2 Analysis of impairments and reversals recognised in 2012-13

	2012-13 Total	2012-13 Admin	2012-13 Programme
Financial Assets charged to SoCNE			
Loss or damage resulting from normal operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Loss as a result of catastrophe	0		0
Other	0		0
Total charged to Annually Managed Expenditure	0		0
Financial Assets impairments and reversals charged to the Revaluation Reserve			
Loss or damage resulting from normal operations	0		
Loss as a result of catastrophe	0		
Other	0		
TOTAL impairments for Financial Assets charged to reserves	0		
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Loss or damage resulting from normal operations	0	0	0
Abandonment of assets in the course of construction	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen obsolescence	0		0
Loss as a result of catastrophe	0		0
Other	0		0
Changes in market price	70		70
Total charged to Annually Managed Expenditure	70		70
Total impairments of non-current assets held for sale	70	0	70
Inventories - impairments and reversals charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total impairments of Inventories	0	0	0
Investment Property impairments charged to SoCNE			
Loss or Damage Resulting from Normal Operations	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0
Unforeseen Obsolescence	0		0
Loss as a Result of a Catastrophe	0		0
Other (Free text note required)*	0		0
Changes in Market Price	0		0
Total charged to Annually Managed Expenditure	0		0
Total Investment Property impairments charged to SoCNE	0	0	0
Investment Property impairments and reversals charged to the Revaluation Reserve			
Loss or Damage Resulting from Normal Operations	0		
Over Specification of Assets	0		
Abandonment of Assets in the Course of Construction	0		
Unforeseen Obsolescence	0		
Loss as a Result of a Catastrophe	0		
Other (Free text note required)*	0		
Changes in Market Price	0		
TOTAL impairments for Investment Property charged to Reserves	0		
Total Investment Property Impairments	0	0	0
Total Impairments charged to Revaluation Reserve	601		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	1,895		1,895
Overall Total Impairments	2,496	0	1,895
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	0	0	0
Donated and Gov Granted Assets, included above			
Donated Asset Impairments: amount charged to SOCNE - DEL	0	0	0
Donated Asset Impairments: amount charged to SOCNE - AME	0	0	0
Donated Asset Impairments: amount charged to revaluation reserve	0	0	0
Total Donated Asset Impairments	0	0	0
Government Granted Asset Impairments: amount charged to SoCNE - DEL	0	0	0
Government Granted Asset Impairments: amount charged to SoCNE - AME	0	0	0
Government Granted Asset Impairments: amount charged to revaluation reserve	0	0	0
Total Gov Granted asset Impairments.	0	0	0
TOTAL DONATED/GOVERNMENT GRANTED ASSET IMPAIRMENTS	0	0	0

14 Investment property

	31 March 2013	31 March 2012
	£000	£000
At fair value		
Balance at 1 April 2012	1,443	1,361
Additions Through Subsequent Expenditure	0	0
Other Acquisitions	0	0
Disposals	0	0
Property Reclassified as Held for Sale	0	0
Loss from Fair Value Adjustments - Impairments	0	0
Gain from Fair Value Adjustments - Reversal of Impairments	0	0
Gain from Fair Value Adjustments	0	0
Transfers (to)/from Other Public Sector Bodies	0	0
Other Changes	86	82
Balance at 31 March 2013	1,529	1,443
Investment property capital transactions in 2012-13		
Capital expenditure	0	0
Capital income	0	0
	0	0

The Investment Assets above relate to the portion of the LIFT Pendleton and Walkden Gateway centres currently occupied by Salford City Council which the PCT has the option to purchase at the end of the lease period. These assets have been accounted for as Investment Assets in line with IAS40 as these are being held purely for investment purposes, the PCT currently receives no economic benefit from these assets.

15 Commitments**15.1 Capital commitments**

The PCT does not have any capital commitments.

15.2 Other financial commitments

There are no non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements)

16 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	2,517	0	645	0
Balances with Local Authorities	416	0	329	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	567	0	2,401	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,970	0	22,553	0
At 31 March 2013	5,470	0	25,928	0
prior period:				
Balances with other Central Government Bodies	1,225	6	2,455	0
Balances with Local Authorities	3,908	63	867	0
Balances with NHS Trusts and Foundation Trusts	6,314	0	4,483	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,633	49	21,213	0
At 31 March 2012	14,080	118	29,018	0

17 Inventories

The PCT does not hold any inventories on 2012/13 or 2011/12

18.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	1,829	7,047	0	6
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	42	323	0	0
Non-NHS receivables - revenue	730	2,865	0	112
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	1,656	3,669	0	0
Provision for the impairment of receivables	(2)	(5)	0	0
VAT	1,213	169	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	2	12	0	0
Total	5,470	14,080	0	118
Total current and non current	5,470	14,198		
Included above:				
Prepaid pensions contributions	0	0		

18.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	2,547	5,525
By three to six months	2	52
By more than six months	24	200
Total	2,573	5,777

18.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(5)	(10)
Amount written off during the year	3	9
Amount recovered during the year	0	1
(Increase)/decrease in receivables impaired	0	(5)
Balance at 31 March 2013	(2)	(5)

19 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	822	0	822
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(87)	0	(87)
Revaluations	98	0	98
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	833	0	833
Balance at 1 April 2011	1,102	0	1,102
Additions	0	0	0
Disposals	0	0	0
Loan repayments	(375)	0	(375)
Revaluations	95	0	95
Loans repayable within 12 months	0	0	0
Balance at 31 March 2012	822	0	822

20.1 Other financial assets - Current

The PCT has no other financial assets - current

20.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	822	1,102
Additions	0	0
Revaluation	98	95
Impairments	0	0
Loan repayments	(87)	(375)
Impairment Reversals	0	0
Transferred to current financial assets	0	0
Disposals	0	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Total Other Financial Assets - Non Current	833	822

20.3 Other Financial Assets - Capital Analysis

	31 March 2013 £000	31 March 2012 £000
Capital Expenditure	11	0
Capital Income	0	0

21 Other current assets

The PCT has no other current assets.

22 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	27	16
Net change in year	21	11
Closing balance	48	27
Made up of		
Cash with Government Banking Service	47	23
Commercial banks	0	0
Cash in hand	1	4
Current investments	0	0
Cash and cash equivalents as in statement of financial position	48	27
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	48	27
Patients' money held by the PCT, not included above	0	0

23 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2012	200	0	0	0	0	0	0	0	0	200
Plus assets classified as held for sale in the year	319	0	0	0	0	0	0	0	0	319
Less assets sold in the year	(130)	0	0	0	0	0	0	0	0	(130)
Less impairment of assets held for sale	(70)	0	0	0	0	0	0	0	0	(70)
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	319	0	0	0	0	0	0	0	0	319
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2011	700	0	0	0	0	0	0	0	0	700
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	(150)	0	0	0	0	0	0	0	0	(150)
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	(350)	0	0	0	0	0	0	0	0	(350)
Balance at 31 March 2012	200	0	0	0	0	0	0	0	0	200
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0

Revaluation reserve balances in respect of non-current assets held for sale were:

At 31 March 2012	83
At 31 March 2013	83

The following asset is held for sale:

Pendleton Medical Centre £135k
Dr Ganvir Surgery £184k

This asset is surplus to the PCTs requirements and disposal is planned during 2013/14. The net loss on recognising this asset held for sale from property assets is £nil.

24 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Interest payable	0	0		
NHS payables - revenue	134	5,077	0	0
NHS payables - capital	0	25	0	0
NHS accruals and deferred income	2,762	490	0	0
Family Health Services (FHS) payables	9,501	9,694		
Non-NHS payables - revenue	849	1,717	0	0
Non-NHS payables - capital	869	610	0	0
Non_NHS accruals and deferred income	10,812	10,910	0	0
Social security costs	4	147		
VAT	0	0	0	0
Tax	146	173		
Payments received on account	0	0	0	0
Other	851	175		
Total payables (current and non-current)	25,928	29,018		

25 Other liabilities

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
PFI/LIFT deferred credit	0	0	0	0
Lease incentives	0	0	0	0
Other <i>[specify]</i>	0	0	0	0
Total	0	0	0	0
Total other liabilities (current and non-current)	0	0		

26 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	51	52	34,988	35,038
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	42	0	1,953	0
Other (describe)	0	0	0	0
Total	93	52	36,941	35,038
Total other liabilities (current and non-current)	37,034	35,090		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	Other £000s	Total £000s
0 - 1 Years	0	0	0
1 - 2 Years	0	0	0
2 - 5 Years	0	0	0
Over 5 Years	0	37,034	37,034
TOTAL	0	37,034	37,034

27 Other financial liabilities

The PCT has no other financial liabilities

28 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at 1 April 2012	1,125	1,147	0	0
Deferred income addition	0	0	0	0
Transfer of deferred income	(23)	(22)	0	0
Current deferred Income at 31 March 2013	1,102	1,125	0	0
Total other liabilities (current and non-current)	1,102	1,125		

This relates to a Government Grant received towards the construction of Langworthy Cornerstone. The grant was received with the condition that it was used for this specific purpose so has been deferred in line with IAS20.

29 Finance lease obligations

Amounts payable under finance leases (Buildings)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Within one year	150	0	42	0
Between one and five years	602	0	192	0
After five years	2,841	0	1,761	0
Less future finance charges	(1,598)	0		
Present value of minimum lease payments	1,995	0	1,995	0
Included in:				
Current borrowings			42	0
Non-current borrowings			1,953	0
			1,995	0

30 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	2,373	0	730	145	0	0	0	0	566	932
Arising During the Year	2,451	0	0	76	0	2,105	0	0	100	170
Utilised During the Year	(441)	0	(29)	(43)	0	0	0	0	(88)	(281)
Reversed Unused	(1,218)	0	(358)	(13)	0	0	0	0	(196)	(651)
Unwinding of Discount	12	0	12	0	0	0	0	0	0	0
Change in Discount Rate	23	0	23	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	3,200	0	378	165	0	2,105	0	0	382	170
Expected Timing of Cash Flows:										
No Later than One Year	2,845	0	23	165	0	2,105	0	0	382	170
Later than One Year and not later than Five Years	88	0	88	0	0	0	0	0	0	0
Later than Five Years	267	0	267	0	0	0	0	0	0	0
Balance at 31 March 2013	3,200	0	378	165	0	2,105	0	0	382	170

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

As at 31 March 2013	0
As at 31 March 2012	1,675

The 'Other' provisions relate to Building Decommissioning and Lease dilapidations..

31 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Legal claims	(12)	(188)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(12)	(188)

The amounts included as a contingent liability relate to the element of outstanding legal claims not included in Provisions at note 30.

32 LIFT - additional information

The PCT currently has five on-Statement of Financial Position LIFT schemes but no PFI schemes.

Lower Kersal and Douglas Green are 25 year schemes, with the PCT having the option to purchase both at the end of the scheme.

Management currently believe that these will be purchased at a discount from their fair value at the end of the scheme.

Walkden, Pendleton & Eccles Gateways are 30 year schemes, jointly occupied with Salford City Council.

The PCT has the option to buy Walkden & Pendleton and the Council the option to buy Eccles at the end of the schemes.

Management currently believe that their two schemes will be purchased at a discount from their fair value at the end of the scheme.

The PCT has accounted for all five of the above as service concession agreements in line with DH guidance.

There are services attached to each scheme, the cost of these are expensed in the year they occur.

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

	31 March 2013 £000	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	483	464
Total	483	464

	31 March 2013 £000	31 March 2012 £000
--	-----------------------	-----------------------

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

LIFT Scheme Expiry Date:

No Later than One Year	498	478
Later than One Year, No Later than Five Years	2,141	2,056
Later than Five Years	15,182	15,558
Total	17,821	18,092

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

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

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

	31 March 2013 £000	31 March 2012 £000
No Later than One Year	2,059	2,061
Later than One Year, No Later than Five Years	8,220	8,227
Later than Five Years	68,717	70,683
Subtotal	78,996	80,971
Less: Interest Element	(43,957)	(45,881)
Total	35,039	35,090

33 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	613	0	613
Interest Expense	1,924	0	1,924
Impairment charge - AME	0		0
Impairment charge - DEL	255	0	255
Other Expenditure	1,088	0	1,088
Revenue Receivable from subleasing	(120)	0	(120)
Total IFRS Expenditure (IFRIC12)	3,760	0	3,760
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	(3,030)	0	(3,030)
Net IFRS change (IFRIC12)	730	0	730

34 Financial Instruments

Financial risk management

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

Currency risk

The PCT/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

The LIFT lease liability has a fixed interest rate. This is in part offset by an asset to the same party which also has a fixed rate of interest.

The net exposure is shown below:

	Amount £000	Rate
Douglas Green LIFT	2,341	6%
Lower Kersal LIFT	3,826	6%
Walkden LIFT	7,220	5%
Pendleton LIFT	13,279	7%
Eccles LIFT	6,844	4%
Loan to LIFTCo	(833)	
Net exposure	32,677	

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.

34.1 Financial Assets

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			0
Receivables - NHS		1,829		1,829
Receivables - non-NHS		730		730
Cash at bank and in hand		48		48
Other financial assets	0	833	0	833
Total at 31 March 2013	0	3,440	0	3,440
Embedded derivatives	0			0
Receivables - NHS		7,053		7,053
Receivables - non-NHS		2,977		2,977
Cash at bank and in hand		27		27
Other financial assets	0	822	0	822
Total at 31 March 2012	0	10,879	0	10,879

34.2 Financial Liabilities

	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		0
NHS payables		134	134
Non-NHS payables		12,070	12,070
Other borrowings		35,039	35,039
PFI & finance lease obligations		1,995	1,995
Other financial liabilities	0	13,574	13,574
Total at 31 March 2013	0	62,812	62,812
Embedded derivatives	0		0
NHS payables		5,102	5,102
Non-NHS payables		12,021	12,021
Other borrowings		35,090	35,090
PFI & finance lease obligations		0	0
Other financial liabilities	0	11,544	11,544
Total at 31 March 2012	0	63,757	63,757

The fair value of financial assets or financial liabilities do not differ from their carrying amount.

35 Related party transactions

Salford PCT is a body corporate established by order of the Secretary of State for Health. During the Year none of the members of the Trust Board, Cluster Board, Clinical Strategy Board or members of the key management staff or parties related to them has undertaken any material transactions with Salford PCT other than as set out below

	Payments to Related Party	Amounts owed to Related Party
	£	£
M Burrows - Chief Executive (Brother, Clinical Scientist at Central Manchester NHS Foundation Trust)	31,948,126	253,786
(Sister in Law, Medical Secretary at Pennine Acute Hospitals NHS Trust)	12,514,006	21,279
C Yarwood - Director of Finance (Sister - Dr K Saxby)	724,015	37,719
Dr Hamish Stedman - GP, PBC Representative (Wife - Manager of SRFT Community Diabetes Team)	166,009,355	775,504

Dr M Burrows' Brother and Sister in Law work at the above NHS organisations. Both organisations receive contract payments from Salford PCT in respect of the provision of healthcare to patients.

Dr K Saxby is a General Practitioner at Regents Park practice, Ordsall and receives contract payments from Salford PCT in respect of the provision of healthcare to patients.

Dr H Stedmans' wife works for Salford Royal Foundation Trust as Manager of the Community Diabetes Team. The Trust receives contract payments from Salford PCT in respect of provision of healthcare to patients.

Below are the GP members of the PCT Board whose practices are independent contractors and receive remuneration in respect of the provision of healthcare and attendance at meetings.

	Payments to Related Party	Amounts owed to Related Party
	£	£
Dr B Hope (resigned August 2012)	1,161,948	62,328
Dr P Budden	488,112	15,320
Dr C Boyce	903,068	38,013
Dr H Stedman *	832,131	51,928
Dr C Malcolmson	533,810	9,179
Dr J Tankel	928,793	25,230
Dr P Bishop	715,434	44,427
Dr A Johnson	922,272	63,431
Dr O Thomas	1,503,658	36,015
Dr B Farooq	321,546	14,921
Dr E Tamkin	901,916	33,168
Dr G Patel	1,212,836	82,897

* Dr H Stedman is also a member of the Greater Manchester Clinical Strategy Board.

The Department of Health is regarded as a related party. During the year Salford PCT has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Payments to Related Party	Amounts owed to Related Party
	£	£
Bolton Hospitals NHS Trust	15,916,262	0
Central Manchester NHS Foundation Trust	31,948,126	253,786
Christie Hospital NHS Trust	6,255,602	0
Greater Manchester West MH NHS Foundation Trust	36,762,832	688,111
The Pennine Acute Hospitals NHS Trust	12,514,006	21,279
South Manchester Univ Hosp NHS Trust	6,599,236	80,514
Blackpool Primary Care Trust	7,915,728	0
Salford Royal Hosp NHS Foundation Trust	166,009,355	775,504
NW Special Service Commissioning Team	39,419,173	0

35 cont.

In addition, the PCT has had a number of significant transactions with other government departments and other central and local government bodies. Most of these transactions have been with Salford City Council and the University of Manchester.

The PCT has also made payments during the year to MAST LIFTCo. The Department of Health and other PCTs own 40% of the paid up share capital of MAST LIFTCo. Disclosures relating to transactions with LIFTCo can be found in Note 19 and Note 32.

Related party transactions were made on terms equivalent to those that prevail in arms length transactions.

During the year none of the members of the Cluster Board, Clinical Strategy Board or parties related to them has undertaken any material transactions with Salford PCT other than as set out below, and not already disclosed earlier:

	Payments to Related Party	Amounts Owed to Related Party
	£	
Dr Ian Williamson (Member of the Greater Manchester Clinical Strategy Board)	31,948,126	253,786
Dr Shikha Pitalia (Member of the Greater Manchester Clinical Strategy Board)		
SSP Health / Ashton Medical Centre	370,576	0
spaMedica	206,541	0
B Tamkin (Member of the Greater Manchester Clinical Strategy Board)	901,916	33,168
A Talbot (Member of the Greater Manchester Clinical Strategy Board)	166,009,355	790,551
Dr K Patel (Member of the Greater Manchester Clinical Strategy Board)	711,438	0
C Duffy (Member of the Greater Manchester Clinical Strategy Board)	12,514,006	21,279

Dr Williamsons' wife is contracted by CMFT who receive contract payments from the PCT in respect of the provision of healthcare to patients.

Dr Pitalia is a Director and shareholder at SSP Health and a non-executive Director at Trustech. Dr Pitalias' father in law is a GP partner at Ashton Medical Centre and receives contract payments in respect of the provision of healthcare to patients. She also has a brother in law who is a Consultant Ophthalmologist with spaMedica and a sister in law who is an Optometrist with spaMedica.

B Tamkin's wife is a partner in Springfield House practice and unscheduled lead for Salford CCG

A Talbot's is clinical Director of Bolton Community Practice Community Interest Company. Husband is a consultant neurologist specialising in MS at Salford Royal Foundation Trust and Stockport foundation Trust

Dr K Patel's wife is a shareholder of ABL Healthcare which provides Specialist Weight Management Service for Salford, Oldham and Manchester PCTs. Dr Patel is also a medical consultant for the ABL Healthcare

C Duffy's wife is a chest Consultant at Pennine Acute based mainly in the Clinical Assessment Unit on the Rochdale infirmary site

35b (2011/12 prior year) Related Party Transactions

Salford PCT is a body corporate established by order of the Secretary of State for Health. During the Year none of the

	Payments to Related Party	Amounts owed to Related Party
	£	£
M Burrows - Chief Executive (Brother, Clinical Scientist at Central Manchester NHS Foundation Trust)	22,212,488	1,638,000
(Sister in Law, Medical Secretary at Pennine Acute Hospitals NHS Trust)	11,712,865	231,000
C Yarwood - Director of Finance (Sister - Dr K Saxby)	740,034	23,739
Dr Hamish Stedman - GP, PBC Representative (Wife - Manager of SRFT Community Diabetes Team)	179,746,446	0

Dr M Burrows' Brother and Sister in Law work at the above NHS organisations. Both organisations receive contract payments from Salford PCT in respect of the provision of healthcare to patients.

Dr H Stedmans' wife works for Salford Royal Foundation Trust as Manager of the Community Diabetes Team. The Trust receives contract payments from Salford PCT in respect of provision of healthcare to patients.

During 2011/12 there have been changes to the PCTs' governance arrangements. The Commissioning Board ceased on 31 August and Hundreds Health Salford Operations Board was established on 1 November.

Below are the GP members of the Commissioning Board and Hundreds Health Board whose practices are independent contractors and receive remuneration in respect of the provision of healthcare and attendance at meetings.

	Payments to Related Party	Amounts owed to Related Party
	£	£
Dr B Hope	1,258,929	45,786
Dr P Budden	449,743	24,798
Dr C Boyce	962,378	24,064
Dr H Stedman *	952,124	18,616
Dr C Malcolmson	533,963	16,449
Dr J Tankel	1,102,626	51,433
Dr P Bishop	807,368	30,751
Dr A Johnson	979,547	37,643
Dr O Thomas	1,577,633	65,728
Dr B Farooq	225,203	4,703
Dr E Tamkin	882,860	39,837
Dr G Patel	1,393,255	48,116
Dr Larah	631,399	24,354
Dr Haber	1,560,513	65,728
Dr Khan	195,342	5,335

Dr H Stedman is also a member of the Greater Manchester Clinical Strategy Board.

35b Cont. (2011/12 prior year) Related Party Transactions

The Department of Health is regarded as a related party. During the year Salford PCT has had a significant number of material transactions with the Department, and with other entries for which the Department is regarded as the parent Department. These entries are listed below:

	Payments to Related Party	Amounts Owed to Related Party
	£	£
Bolton Hospitals NHS Trust	13,210,332	408,000
Central Manchester NHS Foundation Trust	22,212,488	1,638,000
Christie Hospital NHS Trust	7,867,662	51,000
Greater Manchester West MH NHS Foundation Trust	33,483,149	903,000
The Pennine Acute Hospitals NHS Trust	11,712,865	231,000
South Manchester Univ Hosp NHS Trust	5,829,480	3,000
Blackpool Primary Care Trust	8,095,250	0
Stockport Primary Care Trust	7,371,194	47,000
Salford Royal Hosp NHS Foundation Trust	179,746,446	0
NW Special Service Commissioning Team	30,541,333	0

In addition, the PCT has had a number of significant transactions with other government departments and other central and local government bodies. Most of these transactions have been with Salford City Council and the University of Manchester.

The PCT has also received revenue payments from a number of charitable funds, certain of the trustees for which are also members of the PCT board. The summary financial statements of the Funds Held on Trust will be published separately in December.

The PCT has also made payments during the year to MAST LIFTCo. The Department of Health and other PCTs own 40% of the paid up share capital of MAST LIFTCo. Disclosures relating to transactions with LIFTCo can be found in Note 19 and Note 32.

Related party transactions were made on terms equivalent to those that prevail in arms length transactions.

NHS Greater Manchester Cluster was established on 3 May 2011.

During the year none of the members of the Board or parties related to them has undertaken any material transactions with Salford PCT other than as set out below, and not already disclosed earlier:

	Payments to Related Party	Amounts Owed to Related Party
	£	
Mr David Edwards (GM PCT Cluster Non-Executive Director)	258,738	4,000
Mr Alan Stephenson (GM PCT Cluster Non-Executive Director)	34,870	0
Dr Ian Williamson (Member of the Greater Manchester Clinical Strategy Board)	22,212,488	1,638,000
Dr Shikha Pitalia (Member of the Greater Manchester Clinical Strategy Board)		
SSP Health / Ashton Medical Centre	602,465	198,225
spaMedica	88,846	0

Mr David Edwards works as a patient advocate with Manchester Mental Health & Social Care Trust with regards to issues relating to patients under the mental health act.

Mr Stephenson is a North West nominee on the PCT Network Board of the NHS Confederation.

Dr Williamsons' wife is contracted by CMFT who receive contract payments from the PCT in respect of the provision of healthcare to patients.

Dr Pitalia is a Director and shareholder at SSP Health and a non-executive Director at Trustech. Dr Pitalias' father in law is a GP partner at Ashton Medical Centre and receives contract payments in respect of the provision of healthcare to patients. She also has a brother in law who is a Consultant Ophthalmologist with spaMedica and a sister in law who is an Optometrist with spaMedica.

36 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	15,032	13
Special payments - PCT management costs	34,236	6
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	<u>15,032</u>	<u>6</u>
Total special payments	<u>34,236</u>	<u>13</u>
Total losses and special payments	<u>49,268</u>	<u>19</u>

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	12,885	24
Special payments - PCT management costs	(16,244)	8
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of the provision of family practitioner services	0	0
Total losses	<u>12,885</u>	<u>24</u>
Total special payments	<u>(16,244)</u>	<u>8</u>
Total losses and special payments	<u>(3,359)</u>	<u>32</u>

There were no individual cases over £250,000

37 Third party assets

The PCT holds no third party assets.

38 Pooled budgets

As described in the accounting policies the PCT has pooled budget arrangements with Salford City Council. Salford City Council are the hosts.

	PCT % contribution
Learning Disabilities	17%
Integrated Equipment Store	60%
Drugs & Alcohol Treatment	84%
Intermediate Care	73%

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

	2012/13 Income £000	2012/13 Expenditure £000	2011/12 Income £000	2011/12 Expenditure £000
Learning Disabilities	730	4,617	761	4,523
Integrated Equipment Store	38	1,455	46	1,556
Drugs & Alcohol Treatment	445	2,990	268	3,175
Intermediate Care	0	6,035	0	6,244

39 Cashflows relating to exceptional items

The PCT has no exceptional items (none in 2011/12).

41.1 Events after the end of the reporting period

Events after the end of the reporting period. The assets and liabilities of the PCT were transferred to successor bodies on 1 April 2013. The main functions carried out by Salford PCT/SHA in 2012-13 are to be carried out in 2013-14 by the following successor organisations:

NHS Salford Clinical Commissioning Group (CCG)

Responsible for managing the local health budget in Salford.

NHS Property Services Ltd

Day to day running of the NHS, managing and developing around 3,600 NHS facilities, from GP Practices to administrative buildings (ex Lift properties)

Community Health Partnerships (CHP)

CHP will take over PCTs' responsibilities in the LIFT programme and for the LIFT estate

NHS England

Provision of primary and specialist commissioning support, including offender health and the provision of some non clinical support functions to some CCGs - for example the Greater Manchester Commissioning support unit provides a number of CCGs within finance, procurement & contract monitoring support

Salford City Council

Public Health responsibility from 1 April 2013

Certain assets have transferred to NHS Property Services and other entities on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT/SHA books. It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.

Salford PCT (5F5)

Governance Statement

Scope of Responsibility

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

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

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

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

Key working relationships are with:

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

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

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

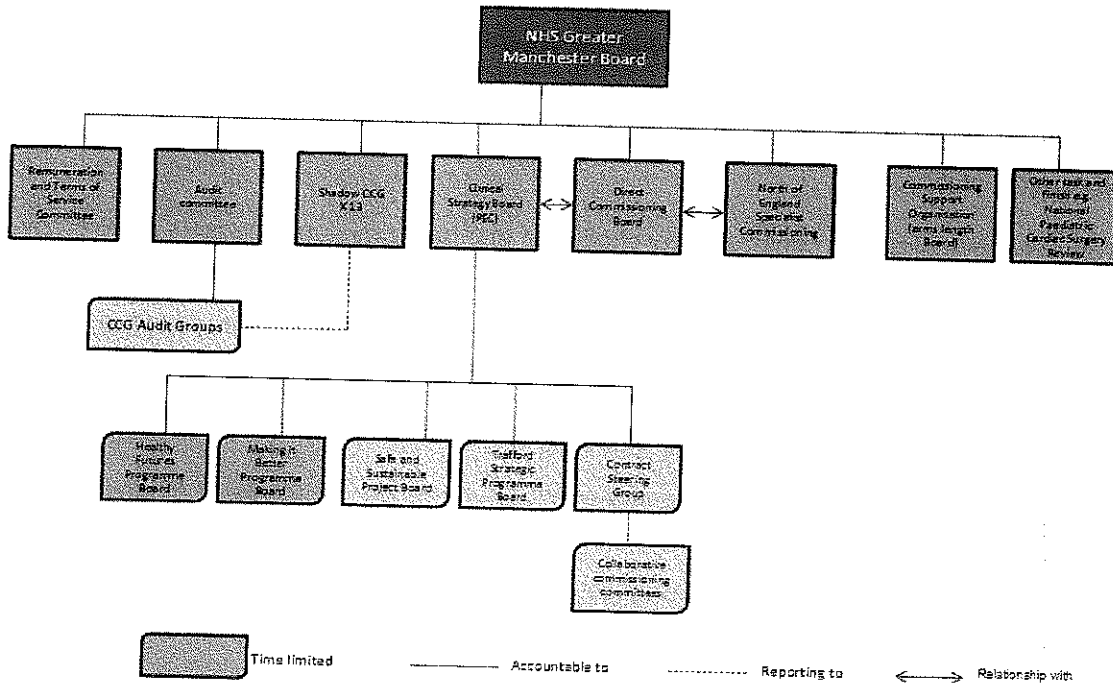
The Governance Framework of the Organisation

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

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

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

NHS Greater Manchester committee structure from April 2012 – March 2013



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

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

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

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

Leadership

- A Board is in place which is collectively responsible for the success of the Greater

Manchester PCTs and for overseeing the transition to the new organisational arrangements.

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

Effectiveness

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

Accountability

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

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

Remuneration

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

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

- There is a dialogue with stakeholders, (eg patients, public, partner organisations), based on the mutual respect and a commitment to effective communication and engagement. The board as a whole has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place.
- The Annual General Meetings (AGM) of the ten Greater Manchester PCTs, together with a wide range of other initiatives, are used to communicate with stakeholders and to encourage their participation. AGMs were held in 2012-13 in respect of the 2011-12 accounts and achievements, however due to the demise of PCTs on 31 March 2013, no further AGMs will be held.

Arrangements for Managing the Transition

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

The Transition Programme Board undertakes the following functions:

- Provides assurance, monitors progress and authorises / assures programme activities through monitoring progress reporting from the sub-programmes and Professional Leads on delivery of:
 - The NHS Greater Manchester transition programme;
 - The Sub-Programmes to create the four main receiving organisations in NHS Greater Manchester (NHS England, CCGs, CSS and Local Authority Public Health);
 - Transfer of Estates and Facilities Management functions to NHS Prop Co;
 - Enabling work streams in support of the Transition Programme.
- Provides assurance of the Transition Programme through review of the following for each

receiving organisation and enabler programme:

- Delivery plans, key milestones and inter-dependencies;
- Resources and budget controls;
- Reviewing and resolving key risks & issues, escalating as required;
- Stakeholder engagement and communications activities for the programme.

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

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

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

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

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

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

Arrangements for Accounts Scrutiny and Sign Off

The NHS Greater Manchester Audit and Integrated Governance Committee demised on 31 March 2013. Accordingly, in accordance with Department of Health guidance issued in Gateway reference 18561, NHS Greater Manchester has nominated five former non executives for membership of a sub-committee of the Department of Health Audit and Risk Committee. This sub-committee reviewed the draft accounts and analytical reviews in detail with the PCT Locality Director of Finance at a meeting on 16 May 2013, and a further meeting to approve the final audited accounts was held on 7 June 2013. The accounts are signed by the Local Area Team Director as Accountable Officer, and the Area Team Director of Finance.

Risk Assessment

A risk management culture is embedded within the organisation and there are processes defined to systematically identify, record, assess, analyse and review risks on a continuous basis for the assurance framework, corporate and operational risks. These processes are outlined in the Risk Management Strategy / Policy. This Strategy is reviewed by the CCG Shadow Board on an annual basis. As part of authorisation the CCG's Risk Management Strategy and Policy were assessed and no issues identified.

Risk assessments are used to populate the Corporate Risk Register / Assurance Framework which is held electronically on eBMS (electronic Business Management System); this includes risks relating to targets and objectives which are identified during the annual business planning process. Risks are classified using the risk evaluation model which is based on a grading of impact and likelihood. Risks are then scored against impact and likelihood and either managed locally or raised to the strategic Corporate Risk Register/Assurance Framework. Risks are re-assessed by the assigned risk owner and the evaluation recorded within the Corporate Risk Register / Assurance Framework.

The Information Governance Team of Salford PCT through the Information Governance Steering Group, invests time and effort in improving information governance. The Information Governance Steering Group performs audits to check across the spectrum of data usage and transfer and improving new policy and procedure.

Salford PCT has implemented the recommended information risk arrangements, with the appointment of the Senior Information Risk Officer and Information Asset Owners. The approach has been to encourage the reporting of data incidents and information risks through the existing risk management arrangements. The goal is to ensure that there is a holistic picture of organisational risk for Salford PCT.

The PCT had no data security issues during 2012/13.

The Risk and Control Framework

During 2012-13, NHS Greater Manchester has continued with a risk management approach to complement the work being done in localities. A key element of this approach has been the development of a NHS Greater Manchester Assurance Framework. Each NHS Greater Manchester Board meeting receives a single page summary of the top risks from the Assurance Framework, with a locality based depiction of the position (or a single GM indicator where the risk is held at GM level). The Audit Committee receives the full Assurance Framework at each meeting.

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

Review of the Effectiveness of Risk Management and Internal Control

The Head of Internal Audit provides an opinion on the overall arrangements for gaining assurance through the Corporate Risk Register/Assurance Framework and on the controls

reviewed as part of the internal audit work. The overall opinion for Salford PCT is significant assurance, reported in the Director of Audit Opinion and Annual Report 2012/13. Six of the seven Internal Audit reviews carried out in 2012/13 received an opinion of significant assurance. One review (Information Governance Toolkit Review) received an opinion of limited assurance and the specific issues raised in this review are being addressed by the Information Management Team.

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

The effectiveness of risk management and internal control is also informed by reports received from external auditors.

Executives have been advised on the implications of the result of review of the effectiveness of the system of internal control by the Locality Audit Group reporting to CCG Shadow Board.

There are effective governance arrangements in place, underpinned by a committee structure that provides routine assurances to the CCG Shadow Board that significant risks to the PCT are being managed.

The committee and reporting structures provide the framework and process that maintains monitors and reviews the effectiveness of the system of internal control and risk management. The governance structure and sub-committees comprise of a mix of senior managers, clinical professionals, independent contractors and internal audit representation.

The CCG Shadow Board's role is to provide active leadership of the trust within a framework of prudent and effective controls that enable risk to be assessed and managed. The Assurance Framework is agreed annually, with extreme risks being reported at each Board to identify gaps in controls and assurances and to agree and review actions:

- Bi-monthly reports provide assurance, these include finance, performance and clinical governance;
- The annual reports as set out in assurance standards and mandatory reports;
- External assurances, audit letter and end of year accounts, and the risk management scheme for PCTs.

The Locality Audit Group is pivotal in advising the CCG Shadow Board on the effectiveness of the system of internal control by review of the internal audit report; external audit report and; the Assurance Framework. Any significant internal control issues would be reported to the CCG Shadow Board via the Locality Audit Group.

The Quality Standards and Patient Experience Committee monitors the PCT's performance in relation to risk management and quality systems and processes and agrees key indicators to ensure appropriate systems are in place. This committee also reviews key action plans and reports including infection prevention and control, adult and child safeguarding, serious untoward incidents and providers performance against agreed quality indicators.

The Health and Safety and Risk Committee monitors compliance with health and safety

legislation, reviews significant events and ensures lessons learnt are disseminated.

Significant Issues

There are three significant issues (Serious Incidents Requiring Investigation) that the PCT reported during 2012/13. These incidents were entered onto the national reporting system (STEIS) and reported to the CCG Shadow Board.

Issue
Brief Description: Uncompleted TB screening of students undertaking clinical placements
Action planned or taken: Detailed action plan developed and implemented by university to ensure all outstanding students were screened as soon as possible and processes put in place to ensure all future students are screening in a timely way.

Issue
Brief Description: Delayed diagnosis
Action planned or taken: Incident still under investigation

Issue
Brief Description: Delayed diagnosis
Action planned or taken: Incident still under investigation

Accountable Officer : Mike Burrows

Organisation:

Signature



Date

6/6/13