Department of Health

NHS

Bolton Teaching Primary Care Trust

2012-13 Annual Report and Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Bolton Teaching Primary Care Trust

2012-13 Annual Report

Bolton Primary Care Trust
Annual Report and Accounts
2012/2013

Contents

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 Bolton 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 Raiz Ahmad*	Non-Executive Director (Audit Committee Chairman)
Ms Evelyn Asante-Mensah*	Non-Executive Director
Dr Kailash Chand+	Associate Non-Executive Director
Mr Paul Horrocks*	Non-Executive Director
Mr Alan Stephenson*	Non-Executive Director

Dr Julie Higgins	Director of Commissioning & Development
Ms Andrea Anderson+	Director of HR & OD
Mr Rob Bellingham+	Board Secretary
Mrs Hilary Garratt	Director of Nursing, Quality & Performance
Mr Warren Heppolette+	Director of Policy & External Relations
Ms Jan Hutchinson	Director of Public Health
Ms Leila Willaims+	Director of Service Transformation
Mrs Claire Yarwood	Director of Finance

'*' Denotes member of the Audit Committee

'+' non voting member

The Directors have stated that all possible steps have been taken and, as far as they can distinguish, the PCT's auditors are aware of all relevant audit information.

Chapter 3 ~ Our Readiness for Organisational Change

During 2012/ 2013, Bolton PCT focused on ensuring its functions transferred to a number of different receiving organisations, and the smooth closedown of the organisation.

Bolton CCG shadow board was the lead commissioner in Bolton in 2012/13. They were authorised in March 2013 as a wave 4 CCG. The authorisation panel complimented the shadow CCG on having a very strong leadership team. They were particularly impressed with overall governance, the engagement with partners and members. The panel also highlighted their engagement and communications with the public and stakeholders.

CCG shadow board is led by a governing Board which includes a chair, chief officer, chief finance officer, 3 executive GPs, 5 non-executive GPs, a nurse member, a secondary member and 2 lay members. The chief officer, supported by chief finance officer and clinical directors, manages the organisation on a day to day basis.

The shadow CCG had some early successes in urgent care, prescribing, integrated services and QIPP savings in NHS estates. Bolton people are fortunate to have a strong, committed CCG taking over from the PCT.

Bolton constantly achieved 4 hour A&E target since April 2012. This was achieved by strong partnership working across Bolton, and
.

specific actions within Bolton FT. The shadow CCG contribution to this included: decommissioning the walk in centre, investing £900k in a clinician decisions unit at Royal Bolton Hospital and running a targeted public education campaign to reduce public confusion in access to urgent care and promote use of primary care. This puts the health economy in a good position for 2013/14

Savings of £1.9m were achieved in prescribing through close engagement with GP practices.

Bolton shadow CCG has worked closely with Bolton Council on integrated commissioning across health and social care which included a review of intermediate care and they are now in the early stages of remodelling services across Bolton.

Bolton shadow CCG along with Bolton Council and Bolton NHS Foundation Trust, faces big challenges in 2013/ 14 due to limited NHS resources and rising demand. The CCG has set a Quality, Innovation, Productivity and Prevention (known as QIPP) target of £18 million. Delivering QIPP is its number one priority for the coming year and should allow the CCG to have a £6 million investment fund to spend on its priority areas of primary care, community services and mental health. This will ensure the CCG is in a good financial position in future years, and provide sustainable, safe, high quality care for Bolton people

Chapter 4 ~ Our Performance

Year-end performance shows sustained improvement on the following key targets:

- 95% target for A&E 4 hour waits
- 95% risk assessment of Venous Thrombo Embolism (VTE)
- Mixed sex accommodation
- Percentage of stroke patients spending 90% of time on stroke unit.

The key areas where targets were not met, specifically related to performance at Bolton NHS FT, are:

- Infection rates: C difficile and MRSA,
- 18 week target for referral to treatment in each specialty
- TIA: Transient Ischaemic Attack

18 week referral to treatment target for each specialty: Due to the large volume of patients waiting beyond 18 weeks in orthopaedics and general surgery, Bolton FT representatives reported to the CCG Board in October 2012 that treating this backlog of long waiting patients will cause the FT and CCG to fail the overall 18 week target in quarter 4 (January – March 2013).

TIA. Bolton FT only commenced reporting against this target last in 2012/13 and the target is not being met. However, the Bolton FT are working to improve processes and have given assurance to the CCG of sustained performance to ensure target delivery in 2013/14.

In response to poor performance in **C Difficile**, Bolton shadow CCG commissioned an external review into infection control. The report has now been received and shared with the Chief Executive at Bolton FT and joint actions are to be agreed.

Bolton CCG is committed to working closely with the trust to achieve improvements in indicators of performance, quality and patient experiences and seeking assurance on all areas of concern raised.

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

- Achieved ‘operational financial balance’ and reported a revenue under-spend of £1m.
- Operated within our approved cash limit
- Managed overall capital expenditure within available funding, in accordance with NHS Northwest capital policy
- Paid 99% of invoices (by value) and 95% (by volume) within 30 days in accordance with the Better Payment Practice Code (BPPC).

Chapter 5 ~ Sustainability Report

Information provided below indicates Bolton Primary Care Trust's key sustainability data for the last three years.

GREENHOUSE GAS EMISSIONS		2012-13	2011-12	2010-11
Non-financial indicators (1,000 tCO2e)	Total gross emissions	2369.45	2054.94	1899.32
	Total net emissions			
Related energy consumption (million KWh)	Electricity: non-renewable	3,001,045	1,972,868	1,941,217
	Electricity: renewable	0	0	0
	Gas	3,703,286	5,379,249	4,624,812
	LPG	0	0	0
	Other	0	0	0
Financial indicators (£million)	Expenditure on energy	£0.556	£0.608	£0.39
	CRC License expenditure	£0	£0	£0
	Expenditure on accredited offsets (e.g. GCOF)	£0	£0	£0
	Expenditure on official business travel	£0.17	£0.47	£1.3

WASTE			2012-13	2011-12	2010-11
Non-financial indicators (tones)	Total waste				
	Hazardous waste	Total	0	29	31
	Non hazardous waste	Landfill	154	0	341
		Incinerated with energy recovery			
Financial indicators (£k)	Total disposal cost		£112.6	£93.9	£82.4
	Hazardous waste		£48.4	£40.1	£36.1
	Non hazardous waste	Landfill	0	0	0
		Reused/ recycled	0	0	0
		Incinerated with energy recovery	0	£53.8	£49.3
		Incinerated without energy recovery	0	0	0

FINITE RESOURCE CONSUMPTION		2012-13	2011-12	2010-11
Non-financial indicators (000m3)	Waste consumption	27,080	14,169	14,942
Financial indicators (£k)	Water supply costs	£70.5	£42.1	£47.1

Progress on reducing our carbon omissions and energy usage is shown in the tables above.

Gas consumption fell due to boiler replacement programmes across the estate. Electricity consumption has risen, in part explained by the opening of Bolton One, which provided an additional 5,000m^2 health care building for the local economy. Business travel continued to fall in 2012/13.

Chapter 6 ~ Financial Review

2012/13 was a challenging year for Bolton CCG shadow board, however we delivered all financial duties (as outlined on page 8).

Bolton had significant pressures in relation to continuing health care (CHC) including increase in demand and restitution cases, and pressures in secondary care. We used £2 million of surplus to offset against unexpected increase in cost. There had been successes in prescribing budgets being under spent by £1.9m which had contributed to the delivery of the final financial position.

Despite our difficulties we invested in our priority areas. We invested:

- In a new memory assessment centre for dementia
- £1,962k in improving community and primary care facilities in Bolton, with significant investment in Halliwell Health Centre, Farnworth Health Centre and Lever Chambers Centre for Health.
- £800k in a clinical decisions unit at Royal Bolton Hospital to improve A&E performance.
- £1m to clear backlog of 18 week waiters.

Chapter 7 ~ Remuneration Report

Name	Title	Employing PCT	Period in post	Salary bands of £5,000	Other Payments bands of £5,000	Bonus payments bands of £5,000	Benefits in kind bands of £100	% entity share	Salary bands of £5,000	Other Payments bands of £5,000	Bonus payments bands of £5,000	Benefits in kind bands of £100	Salary bands of £5,000	Other Payments bands of £5,000	Bonus payments bands of £5,000	Benefits in kind bands of £100
Prof Eileen Fairhurst	Chairman	Salford	01/04/12-31/03/13	40-45	0	0	0	10.04%	0-5	-	-	-				
Dr Mike Burrows	Chief Executive	Salford	01/04/12-31/03/13	150-155	0	0	0	10.04%	15-20	-	-	-	135-140	-	-	-
Mrs Claire Yarwood	Director of Finance	Salford	01/04/12-31/03/13	115-120	0	0	0	10.04%	10-15	-	-	-	100-105	-	-	-
Dr Julie Higgins	Director of Commissioning Development	HMR	01/04/12-31/08/12	65-70	0	0	0	10.04%	5-10	-	-	-	115 - 120	-	-	-
Mrs Hilary Garratt	Director of Nursing, Quality & Performance	Tameside	01/04/12-30/06/12	20-25	0	0	0	10.04%	0-5	-	-	-	105 - 110	-	-	-
Mrs Anita Rolfe^	Director of Nursing, Quality & Performance	Oldham	01/07/12-31/10/12	25-30	0	0	0	10.04%	0-5	-	-	-	N/A	N/A	N/A	N/A
Mrs Patricia Bennett^	Director of Nursing, Quality & Performance	Liverpool	01/10/12-31/03/13	0-5	0	0	0	10.04%	0-5	-	-	-	N/A	N/A	N/A	N/A
Dr Raj Patel	Medical Director	Tameside	01/04/12-31/03/13	20-25	0	0	0	10.04%	0-5	-	-	-	20 - 25	50 - 55	-	-
Ms Melanie Sirotkin^	Lead Director of Public Health	Salford	01/04/12-31/03/13	115-120	0	0	0	10.04%	10-15	-	-	-	N/A	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	Bury	01/04/12-31/03/13	80-85	0	0	0	10.04%	5-10	-	-	-	45 - 50	-	-	-
Mr Warren Heppolette	Director of Policy and External Relations	Salford	01/04/12-31/03/13	90-95	0	0	0	10.04%	5-10	-	-	-	70-75	-	-	-
Ms Leila Williams	Director of Service Transformation	ALW	01/04/12-31/03/13	90 - 95	0	0	0	10.04%	5-10	-	-	-	75 - 80	-	-	0 - 1
Mr Kevin Moynes^	Director of HR and OD	SHA	01/04/12-31/03/13	65-70	0	0	0	10.04%	5-10	-	-	-	N/A	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	Bury	On maternity leave during period	25 - 30	0	0	0	10.04%	0-5	-	-	-				
Mr Terry Atherton+	Non-Executive Director	Trafford	01/04/12-31/03/13	30-35	-	-	-	10.04%	0-5	-	-	-				
Mr Riaz Ahmad*+	Non-Executive Director	Oldham	01/04/12-31/03/13	35-40	-	-	-	10.04%	0-5	-	-	-	30 - 35	-	-	-
Dr Kailash Chand+	Assocaited Non-Executive Director	Tameside	01/04/12-31/03/13	30-35	0	0	0	10.04%	0-5	-	-	-	30 - 35	-	-	-
Mr David Edwards+	Non-Executive Director	HMR	01/04/12-31/03/13	35-40	0	0	0	10.04%	0-5	-	-	-	30 - 35	-	-	-
Mr Alan Stephenson*+	Non-Executive Director	ALW	01/04/12-31/03/13	35 - 40	0	0	0	10.04%	0-5	-	-	-	30 - 35	-	-	-
Ms Evelyn Asante-Mensah*+	Non-Executive Director	Manchester	01/04/12-31/03/13	35 - 40	-	-	-	10.04%	0-5				40 - 45	-	-	-
Mr Michael Greenwood+	Non-Executive Director	Stockport	01/04/12-31/03/13	30-35	0	0	0	10.04%	0-5	-	-	-	30 - 35	-	-	-
Mr Paul Horrocks+	Non-Executive Director	Bury	01/04/12-31/03/13	35 - 40	0	0	0	10.04%	0-5	-	-	-	30 - 35	-	-	-
Mrs Pam Senior	Non-Executive Director (to Dec11)	Bolton	Left 31/12/11	N/A	N/A	N/A	N/A	10.04%	N/A	-	-	-	25 - 30	-	-	-

* Audit Committee Members

* Audit Committee Members
+ Remuneration of Terms of Service Committee members
^ Not in post 2011/2-12

Pensions Report

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 Heppolette	Director of Policy and External Relations	0-2.5	0-2.5	20-25	0-5	223	193	20	N/A
Ms Leila Williams	Director of Service Transformation	0-2.5	0-2.5	25-30	80-85	491	452	15	N/A
Mr Kevin Moynes	Director of HR and OD	N/A	N/A	20-25	60-65	410	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	12.5-15	0-2.5	15-20	0-5	150	32	116	N/A

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

Dr Raj Patel is not a member of the NHS Pension scheme and his employer makes no contributions to any other scheme

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.

(The real increase in CETV figures have increased significantly compared to last year's values. This is due to a change in the factors used to calculate the CETV which came into force on 1 October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations.)

Pay multiples

	2012-13	2011-12
	£	£
Salary	154,500	136,585
Midpoint of banded remuneration	88,753	137,500
Median remuneration	31,454	30,460
Ratio	4.9	4.5

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

The annualised banded remuneration of the highest paid director in NHS Bolton in the financial year 2012-13 was £154 (2011-12 was £137.5) for salary. The salary was 4.9 times (2011-12, 4.5) the median remuneration of the workforce, which was £31k (2011-12, £30k).

In 2012-13 and 2011-12 no employees received remuneration in excess of the highest paid director. Remuneration ranged from £7.5k to 103k (2010-11, £7k to £97k).

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

Off-payroll engagements at a cost of over £58,200 per annum that were in place

	Shadow Bolton CCG board members as at 31-1-12	Shadow Bolton CCG board members between 22-8-12 and 31-3-13
No. In place on 31 January 2012	**8**	**0**
Of which:		
No. that have since come onto the Organisation's payroll	**0**	**0**
Of which:		
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	**0**	**0**
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	**0**	**0**
No that have come to an end	**0**	**0**
Total	**8**	**0**

Payments are made to GP Practices not individual GPs.

Staff Sickness absence and ill health retirements		
	2012-13	**2011-12**
	Number	**Number**
Total Days Lost	**2,367**	**16,078**
Total Staff Years	**210**	**1,310**
Average working Days Lost	11.27	12.27
Note: figures are based on a calendar year from January 2012 to December 2012		

Department of Health

NHS

Bolton Teaching Primary Care Trust

2012-13 Accounts

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Bolton Teaching Primary Care Trust

2012-13 Accounts

Bolton Teaching Primary Care NHS Trust

Annual Accounts

For the year ended 31st March 2013

Index

Foreword to the Accounts

Auditors statements

Bolton PCT Certificates and Statements

Annual Accounts 2012-13

FOREWORD TO THE ACCOUNTS

Bolton Teaching Primary Care Trust

These accounts for the year ended 31 March 2013 have been prepared by Bolton Teaching Primary Care NHS Trust 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. Bolton PCT remains a statutory body until it is abolished by 1st April 2013.

Auditors' Statements

INDEPENDENT AUDITOR'S REPORT TO THE RESPONSIBLE OFFICER OF BOLTON TEACHING PCT

We have audited the financial statements of Bolton Teaching PCT for the year ended 31 March 2013 on pages 1 to 43. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

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

Respective responsibilities of Responsible Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Bolton Teaching PCT as at 31 March 2013 and of its expenditure and income for the year then ended; and

- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

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

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

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

In our opinion:

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

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

Matters on which we are required to report by exception

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

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

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

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

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

- our review of the Governance Statement; and

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

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

Certificate

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

Timothy Cutler for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St James' Square
Manchester
M2 6DS

7 June 2013

Bolton PCT Certificates and Statements

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

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

Signed.....Designated Signing Officer

Name: Mike Burrows

Date 6th June 2013

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

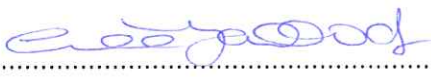
Primary Care Trusts as NHS bodies are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the primary care trust and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

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

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

By order of the Permanent Secretary.

6th June .....  .....Signing Officer (Mike Burrows)

6th June.....  .....Finance Signing Officer (Claire Yarwood)

Bolton Teaching Primary Care Trust

Code: 5HQ

Governance Statement 2012/13

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 shadow 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;

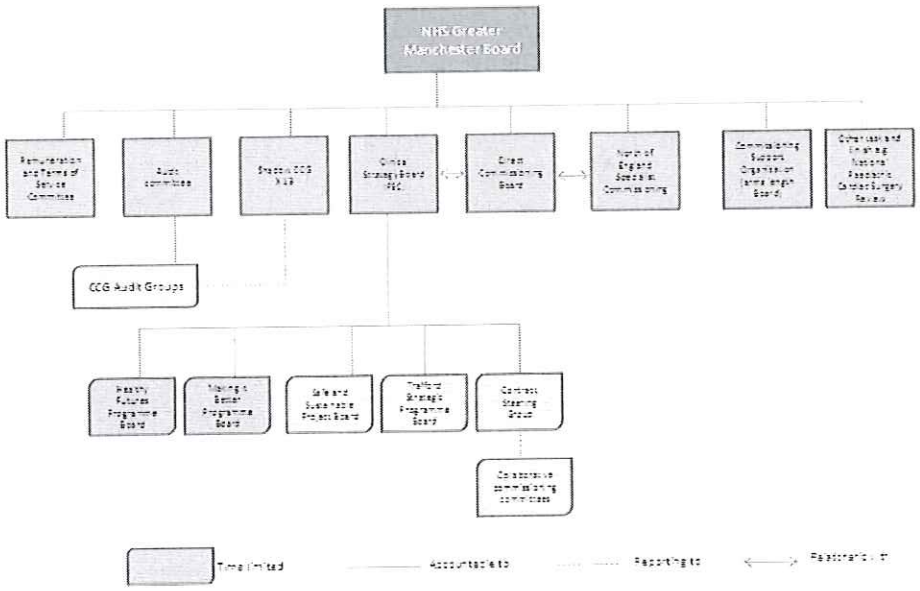
Governance framework of the organisation

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

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

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

NHS Greater Manchester committee structure from April 2012 – March 2013



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

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

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

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

Leadership

- A Board is in place, which is collectively responsible for the success of the Greater Manchester PCTs and for overseeing the transition to the new organisational arrangements.
- There is a clear division of responsibilities between the running of the board and the executive responsibility for the running of the organisation. No one individual has unfettered powers of decision.
- The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role.
- Non-executive directors constructively challenge and help develop proposals on strategy.

Effectiveness

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

Accountability

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

reporting to the main Board and a regular ongoing dialogue in place between the PCTs and their internal and external auditors.

Remuneration

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

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

- There is a dialogue with stakeholders, (eg patients, public, partner organisations), based on the mutual respect and a commitment to effective communication and engagement. The board as a whole has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place.
- The AGMs of the ten Greater Manchester PCTs, together with a wide range of other initiatives, are used to communicate with stakeholders and to encourage their participation. AGMs were held in 2012-13 in respect of the 2011-12 accounts and achievements, however due to the demise of PCTs on 1 April 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 1 April 2013.

At 1 April 2013 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)
- Shadow Commissioning Support Unit to Greater Manchester 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 1 April 2013. Accordingly, in accordance with Department of Health guidance issued in Gateway reference 18561, NHS Greater Manchester has nominated five former non-executives for membership of a sub-committee of the Department of Health Audit and

Risk Committee. This sub-committee reviewed the draft accounts and analytical reviews in detail with the PCT Locality Director of Finance at a meeting on 16 May 2013, and a further meeting to approve the final audited accounts was held on 6 June 2013. The accounts are signed by the Local Area Team Director as Accountable Officer, and the Area Team Director of Finance.

Risk Assessment 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 and the assessment of key risks for Bolton PCT is shown below.

NHS Greater Manchester – Bolton PCT

Board Report Self Assessment, February 2013

Ref	Risk Management Area	Red	Amber	Green
1	Failure to deliver key operating framework standards, eg 18-week referral to treatment, A&E 95%, Cancer 62-day, C-Diff, MRSA, Ambulance Wait, IG, summary care record	●	○	○
2	Failure to deliver required levels of health improvement across Greater Manchester and the associated reductions in health inequalities	○	○	○
3	Failure to ensure robust provider management arrangements are in place	○	○	○
4	Failure of ensure the provision of delivery of quality patient care in light of Francis review	○	○	○
5	Failure to deliver plans for Quality, Innovation, Productivity and Prevention (QIPP)	●	○	○
6	Failure to deliver the transition of Public Health to local authorities by April 2013	○	○	○
7	Failure to support Clinical Commissioning Groups to achieve authorisation with minimum conditions	○	○	○
8	Failure to ensure PCT closedown in line with national guidance	○	○	○

A local Assurance Framework is designed and operating to provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation.

All incidents, complaints, enquiries made to the Patient Advice & Liaison Service (PALS) and claims were reported via the Bolton Safeguard Incident Reporting System and risks contained within the Risk Register are scored using a specific risk rating.

In 2012/13, reporting of these learning points and the outcomes of improvements has been achieved by the production of a monthly Quality and Safety Report to the shadow Bolton CCG Board which is presented by the Assistant Director of Clinical Governance.

A Clinical Governance Quality and Safety Sub-Committee received regular reports from Commissioned Providers and Independent Contractors on themes from SUIs, incidents, complaints, and risks and lessons learned are also shared with Clinical Governance Leads from shadow CCG member practices.

Through the proactive and reactive management of risks, Bolton shadow CCG was able to provide a continuous quality improvement process for the systematic identification and analysis of risks. The level of all risks is scored as per the criteria contained within the risk evaluation table by staff when completing risk assessments. This is reached by considering the likelihood of that risk occurring, and the consequences should it occur and a risk assessment tool is available to inform this process. Relevant stakeholders are made aware of 'significant risks'. Significant risks are prioritised according to their numeric score.

The risk register records all risks identified in the organisation, their risk rating and the actions being taken in mitigation. Risks were reviewed by the shadow CCG Bolton Executive Committee and the Governance and Risk Committee during 2012/13. Risks rated 15 or above are reported to and Locality Audit Group and the shadow CCG Board via the Assurance Framework in 2012/13.

A revised local Risk Management Strategy was approved by the Bolton Governance and Risk Committee and the shadow CCG Board in November 2012 setting out responsibilities of the shadow Board, sub-committees and key postholders appointed by Bolton CCG with effect from 1 April 2013. Moving forward, NHS Bolton CCG Board members will agree corporate and strategic objectives and assess any risks associated with those new objectives, following receipt of external advice.

Review of the effectiveness of risk management and internal control

Internal audit reviews of Bolton PCT risk management arrangements and assurance framework were undertaken in March 2013 and significant assurance was given that there is a generally sound system of internal control, designed to meet the organisations objectives at the time of audit. Although there were some weaknesses identified in the design and operation of controls, these were unlikely to impact upon the achievement of organisations objectives. A management plan to address issues identified by the audit has been agreed with Internal Audit.

The overall opinion of the Head of Internal Audit Opinion following reviews undertaken in 2012/13 is that significant assurance can be given that there is a generally sound system of control, designed to meet the organisations objectives, and that controls are generally being applied consistently.

There were a small number of issues where limited assurance was given and these related to:

- Recommendations made in the IT Asset Management reports issued in 2011/12 which all provided limited assurance opinions. The results of follow up work found that many of the recommendations had not been fully actioned. Responses to the follow up reports were provided by Bolton PCT with assurances that the outstanding actions would be implemented by the end of March 2013 and any outstanding actions on these reports will be transferred to the Greater Manchester Commissioning Support Unit with effect from 1 April 2013.

- Key areas of concern raised around the management and monitoring of the QIPP and an overall limited assurance opinion was provided on the review of Bolton PCT's QIPP processes. There is currently work ongoing to implement a Programme Management office which should address the concerns raised.

- The review of Accounts Payable identified a number of areas of concern around segregation of duties, the authorised signatory list and procedures resulting in an overall limited assurance opinion being provided. Some of these concerns arose from the implementation of the new ledger from 1 April 2012 and are currently being addressed.

Information Governance

An audit report issued in March 2012 gave limited assurance on the adequacy and operating effectiveness of controls in place over the Information Governance Toolkit and 8 out of 36 requirements did not achieve the mandatory attainment of level 2. An action plan was implemented with mandatory IG training undertaken by staff and in October 2012 a score of 100% was achieved by Bolton PCT.

There were no untoward significant incidents of date security lapses reported by the PCT that required referring to the Information Commissioner's Office, although it performance managed data security breaches of its integrated provider.

Significant Issues – Bolton Primary Care Trust

In October 2012, Dr Foster Intelligence highlighted particularly high rates of sepsis coding at Bolton NHS FT: higher than at any other Trust in England. Bolton shadow CCG commissioned a coding audit by Dr Foster Intelligence which reported in February 2013 and raised concerns on sepsis coding. An independent clinical review was then jointly launched by Bolton shadow CCG and Bolton NHS FT with support from NHS

England.

The review provided assurance that clinical care had not been compromised and raised questions for local debate on the clinical and coding definitions of sepsis. Bolton shadow CCG continues to work with Bolton NHS FT to ensure learning is taken from this review.

The following incidents were reported to NHS Northwest SHA by Bolton PCT as serious untoward incidents in 2012/13.

Incident No	Description	Actions
2012/10228	Safeguarding (child death)	Safeguarding review undertaken
2012/20701	Unexpected death	Mental health suicide review undertaken
2013/6612	Safeguarding concern	Safeguarding review undertaken

Signing Officer

Organisation: Bolton PCT

Signature 

Date 6/6/13

Annual Accounts 2012-13

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	**12,509**	10,522
Other costs	5.1	**514,418**	501,870
Income	4	**(16,121)**	(16,150)
Net operating costs before interest		**510,806**	496,242
Investment income	9	**(65)**	(58)
Finance costs	10	**1,847**	1,075
Net operating costs for the financial year		**512,588**	497,259
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		**512,588**	**497,259**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**7,382**	6,554
Other costs	5.1	**5,961**	5,870
Income	4	**(955)**	(736)
Net administration costs before interest		**12,388**	**11,688**
Investment income	9	**(65)**	(58)
Finance costs	10	**0**	20
Net administration costs for the financial year		**12,323**	**11,650**
Programme Expenditure			
Gross employee benefits	7.1	**5,127**	3,968
Other costs	5.1	**508,457**	496,000
Income	4	**(15,166)**	(15,414)
Net programme expenditure before interest		**498,418**	**484,554**
Investment income	9	**0**	0
Finance costs	10	**1,847**	1,055
Net programme expenditure for the financial year		**500,265**	**485,609**

Other Comprehensive Net Expenditure		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	13	**593**	396
Net (gain) on revaluation of property, plant & equipment	11	**(11)**	(14)
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*		**513,170**	**497,641**

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	11.1	**41,931**	44,051
Intangible assets	12.1	**55**	81
Other financial assets	18	**405**	405
Total non-current assets		**42,391**	44,537
Current assets:			
Trade and other receivables	16.1	**4,034**	6,479
Cash and cash equivalents	19	**4,132**	2
Total current assets		**8,166**	6,481
Non-current assets held for sale	20	**325**	0
Total current assets		**8,491**	6,481
Total assets		**50,882**	51,018
Current liabilities			
Trade and other payables	21	**(26,999)**	(26,723)
Provisions	23	**(3,263)**	(1,445)
Borrowings	22	**(578)**	(570)
Total current liabilities		**(30,840)**	(28,738)
Non-current assets plus/less net current assets/liabilities		**20,042**	22,280
Non-current liabilities			
Trade and other payables	21	(178)	(201)
Provisions	23	(2,622)	(1,275)
Borrowings	22	(22,701)	(23,319)
Total non-current liabilities		**(25,501)**	(24,795)
Total Assets Employed:		**(5,459)**	(2,515)
Financed by taxpayers' equity:			
General fund		(9,652)	(7,319)
Revaluation reserve		4,193	4,804
Other reserves		0	0
Total taxpayers' equity:		**(5,459)**	(2,515)

The notes on pages 5 to 42 form part of this account.

The financial statements on pages 1 to 4 were approved by the NHS Greater Manchester sub-committee of the Department of Health Audit and Risk Committee on 6th June and signed on its behalf by

Signing Officer: Date:

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

	General fund	Revaluation reserve	Total reserves
	£000	£000	£000
Balance at 1 April 2012	**(7,319)**	**4,804**	**(2,515)**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(512,588)	0	**(512,588)**
Net gain on revaluation of property, plant, equipment	0	11	**11**
Impairments and reversals	0	(593)	**(593)**
Transfers between reserves*	29	(29)	**0**
Total recognised income and expense for 2012-13	**(512,559)**	**(611)**	**(513,170)**
Net Parliamentary funding	510,226	0	**510,226**
Balance at 31 March 2013	**(9,652)**	**4,193**	**(5,459)**

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		**(510,806)**	(496,242)
Depreciation and Amortisation		**1,932**	1,695
Impairments and Reversals	13	**1,268**	1,178
Interest Paid	10	**(1,847)**	(1,075)
(Increase)/Decrease in Inventories		**0**	243
(Increase)/Decrease in Trade and Other Receivables	16.1	**2,445**	(635)
Increase/(Decrease) in Trade and Other Payables	21	**465**	1,598
Provisions Utilised	23	**(555)**	(303)
Increase/(Decrease) in Provisions	23	**3,720**	1,082
Net Cash Inflow/(Outflow) from Operating Activities		**(503,378)**	**(492,459)**
Cash flows from investing activities			
Interest Received	9	**65**	58
(Payments) for Property, Plant and Equipment		**(2,173)**	(2,050)
Net Cash Inflow/(Outflow) from Investing Activities		**(2,108)**	**(1,992)**
Net cash inflow/(outflow) before financing		**(505,486)**	**(494,451)**
Cash flows from financing activities			
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(610)**	(456)
Net Parliamentary Funding		**510,226**	494,903
Net Cash Inflow/(Outflow) from Financing Activities		**509,616**	**494,447**
Net increase/(decrease) in cash and cash equivalents		**4,130**	**(4)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**2**	**6**
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	19	**4,132**	**2**

1. Accounting policies

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

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

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

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Name PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 30 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.

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

1.1 Accounting Conventions

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

Transforming Community Services (TCS) transactions

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

Acquisitions and Discontinued Operations

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

1. Accounting policies (continued)

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

a) Bolton PCT receives financial information from NHS Prescription Services (previously known as the Prescription Pricing Division or PPD) who process prescription items to reimburse and remunerate pharmacy contractors. In addition they supply the PCT with information relating to the cost of drugs prescribed by Bolton PCT's prescribers (Independent GP's, PCT run Practices and other PCT Services). The information available for actual drug costs is to January 2012 only, therefore estimates for February and March are required totalling For Pharmacy contractor payments, data is available to December 2012, and so estimates for January, February and March are required totalling £1,934k

b) The Quality and Outcomes Framework (QOF) is a voluntary annual reward and incentive programme for all GP surgeries in England, detailing practice achievement results.
There are two elements to the payment made to GPs. The Aspiration element, this is an upfront payment, paid in equal installments during the financial year, based on 70% of previous years total payment and is paid as an incentive for practices to adhere to QOF. The second element is 'Achievement.' This payment is the difference between what the practices should actually receive and the payment already made through the 'Aspiration' element. This payment is made in a lump sum at the beginning of the subsequent financial year.
The qualifying period for QOF runs from 1st April to 31st March. As a consequence of this time period final QOF information is not known until May/June. For the purposes of Annual Accounts an estimation of the projected QOF outturn is required. The difference between the projected outturn and the payments made in
c) Dental - The PCT receives financial information from NHS Dental Services who process prescription and remunerate dental contractors. Each dental contractor has a contract to perform a certain amount of activity (Units of Dental Activity (UDA's)) at an agreed price per UDA. The dental contractors are then paid 1/12 of the total contract value each month.
If dental practices under perform against their activity target the practice will be asked to either make up the under performance in the preceding financial year or repay the PCT. This is dependant on the actual level of Due to the introduction of the e-reporting system, information is available for the amounts actually paid to contractors up to and including March and is therefore included in the accounts. Dentists have until end of May to submit actual year-end activity information. Therefore final positions will not be known until mid June. The latest activity reports (February 2013) have been used along with estimates for the remaining activity. This

d) Continuing Health Care Provisions
Continuing healthcare provisions are made in respect of claims submitted to the PCT by individuals or their representatives requesting a review of continuing care eligibility and potential refund of costs incurred by the individuals or their families.

During the year Bolton PCT received a total of 301 claims. Following a review of these claims, 70 cases were deemed not eligible and an estimated cost of £4.4m for the remaining 231 cases has been accounted for. This estimate is based on past experience of 1 in 5 claims becoming successful. Note 23 refers

e)Assumptions made when calculating the accounting entries for the Breightmet Health Centre and Bolton One
-assets are brought into use in line with the phases as set out within the FA schedule of the bidders model
-the asset and liability are recorded at the NPV of the minimum lease payments
-balances are inflated using the inflation rates set out within the bidders model (inflation 2.5%)
-service costs are estimated from those within the bidders model

-the unitary payment is taken from The bidders model. Any change to this payment is assessed for the appropriate accounting treatment.
-the unitary payment, operating costs and lifecycle costs have been taken directly from the models provided by the operator on the assumption that they are the current costs when determining the original accounting treatment.

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 Bolton Council. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for Drug and Alcohol services and a memorandum note to the accounts provides details of the joint income and expenditure.

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

1.4 Taxation

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

1.5 Administration and Programme Costs

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

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

1. Accounting policies (continued)

1.6 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the PCT;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- 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

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

1.10 Government grants

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

1.11 Non-current assets held for sale

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

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

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

1.12 Inventories

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

1.13 Cash and cash equivalents

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

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

1.14 Losses and Special Payments

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

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

1.15 Clinical Negligence Costs

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

The NHSLA operates a risk pooling scheme under which the PCT pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure in the year that it is due. The total value of clinical negligence provisions carried by the NHSLA on behalf of the PCT is disclosed at Note 22.

1. Accounting policies (continued)

1.16 Employee benefits

Short-term employee benefits

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

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

Retirement benefit costs

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

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

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1.20EU Emissions Trading Scheme

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

1. Accounting policies (continued)

1.21 Contingencies

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

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

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

1.22 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.23 Foreign exchange

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

1.24 Provisions

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

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

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

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

1. Accounting policies (continued)

1.25 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

Loans and receivables

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

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

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

At the Statement of Financial Position date, the 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

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

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

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

1.26 Private Finance Initiative (PFI) and NHS LIFT transactions

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

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:
a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

a) Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.
b) PFI and LIFT assets, liabilities, and finance costs
The PFI 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

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

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

1. Accounting policies (continued)

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

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

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

c) Lifecycle replacement

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

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

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

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

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

Other assets contributed by the PCT to the operator

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

1. Accounting policies (continued)

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

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

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

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		497,259
Net operating cost plus (gain)/loss on transfers by absorption	**512,588**	
Adjusted for prior period adjustments in respect of errors	**0**	0
Revenue Resource Limit	**513,588**	498,251
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,000	992

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	**1,962**	14,180
Charge to Capital Resource Limit	**1,961**	14,050
(Over)/Underspend Against CRL	**1**	**130**

3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**510,226**	494,903
Cash Limit	**510,226**	496,533
Under/(Over)spend Against Cash Limit	**0**	**1,630**

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

	2012-13 £000
Total cash received from DH (Gross)	436,916
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub total: net advances	**436,916**
(Less)/plus: transfers (to)/from other resource account bodies (free text note required)	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	11,663
Plus: drugs reimbursement (central charge to cash limits)	61,647
Parliamentary funding credited to General Fund	**510,226**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**0**	0	0	0
Dental Charge income from Contractor-Led GDS & PDS	**2,862**		2,862	2,836
Dental Charge income from Trust-Led GDS & PDS	**0**		0	0
Prescription Charge income	**2,864**		2,864	2,821
Strategic Health Authorities	**1,969**	3	1,966	1,688
NHS Trusts	**0**	0	0	52
NHS Foundation Trusts	**5,415**	68	5,347	5,517
Primary Care Trusts Contributions to DATs	**0**		0	0
Primary Care Trusts - Other	**684**	128	556	1,268
Primary Care Trusts - Lead Commissioning	**648**	648	0	440
English RAB Special Health Authorities	**0**	0	0	0
NDPBs and Others (CGA)	**0**	0	0	0
Department of Health - SMPTB	**0**	0	0	0
Department of Health - Other	**0**	0	0	1
Recoveries in respect of employee benefits	**0**	0	0	0
Local Authorities	**180**	0	180	91
Patient Transport Services	**0**		0	0
Education, Training and Research	**400**	1	399	265
Non-NHS: Private Patients	**0**		0	0
Non-NHS: Overseas Patients (Non-Reciprocal)	**0**		0	0
NHS Injury Costs Recovery	**0**		0	0
Other Non-NHS Patient Care Services	**0**	0	0	0
Charitable and Other Contributions to Expenditure	**0**		0	8
Receipt of donated assets	**0**		0	0
Receipt of Government granted assets	**0**		0	0
Rental revenue from finance leases	**0**	0	0	0
Rental revenue from operating leases	**490**	0	490	503
Other revenue	**609**	107	502	660
Total miscellaneous revenue	**16,121**	**955**	**15,166**	**16,150**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	**51,614**		51,614	48,723
Non-Healthcare	**2,230**	2,230	0	1,340
Total	**53,844**	**2,230**	**51,614**	**50,063**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**9,958**	0	9,958	9,644
Goods and services (other, excl Trusts, FT and PCT))	**82**	82	0	0
Total	**10,040**	**82**	**9,958**	**9,644**
Goods and Services from Foundation Trusts	**267,744**	880	266,864	261,083
Purchase of Healthcare from Non-NHS bodies	**48,364**		48,364	42,946
Social Care from Independent Providers	**0**		0	0
Expenditure on Drugs Action Teams	**0**		0	0
Non-GMS Services from GPs	**0**	0	0	0
Contractor Led GDS & PDS (excluding employee benefits)	**14,745**		14,745	14,607
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**774**		774	792
Chair, Non-executive Directors & PEC remuneration	**38**	38	0	45
Executive committee members costs	**0**	0	0	4
Consultancy Services	**42**	24	18	15
Prescribing Costs	**50,810**		50,810	53,346
G/PMS, APMS and PCTMS (excluding employee benefits)	**37,429**	0	37,429	36,799
Pharmaceutical Services	**0**		0	0
Local Pharmaceutical Services Pilots	**0**		0	0
New Pharmacy Contract	**13,987**		13,987	13,756
General Ophthalmic Services	**2,800**		2,800	2,772
Supplies and Services - Clinical	**79**	0	79	67
Supplies and Services - General	**316**	40	276	536
Establishment	**1,157**	490	667	1,080
Transport	**0**	0	0	0
Premises	**6,431**	1,546	4,885	6,417
Impairments & Reversals of Property, plant and equipment	**1,268**	0	1,268	1,178
Impairments and Reversals of non-current assets held for sale	**0**	0	0	0
Depreciation	**1,906**	435	1,471	1,661
Amortisation	**26**	26	0	34
Impairment & Reversals Intangible non-current assets	**0**	0	0	0
Impairment and Reversals of Financial Assets	**0**	0	0	0
Impairment of Receivables	**49**	0	49	80
Inventory write offs	**0**	0	0	0
Research and Development Expenditure	**0**	0	0	0
Audit Fees	**95**	95	0	173
Other Auditors Remuneration	**8**	8	0	66
Clinical Negligence Costs	**94**	0	94	22
Education and Training	**237**	49	188	483
Grants for capital purposes	**599**	0	599	505
Grants for revenue purposes	**0**	0	0	0
Impairments and reversals for investment properties	**0**	0	0	0
Other	**1,536**	18	1,518	3,696
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**514,418**	**5,961**	**508,457**	**501,870**
Employee Benefits (excluding capitalised costs)				
Employee Benefits associated with PCTMS	**0**	0	0	199
Trust led PDS and PCT DS	**0**	0	0	3
PCT Officer Board Members	**0**	0	0	78
Other Employee Benefits	**12,509**	7,382	5,127	10,242
Total Employee Benefits charged to SOCNE	**12,509**	**7,382**	**5,127**	**10,522**
Total Operating Costs	**526,927**	**13,343**	**513,584**	**512,392**
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**599**	0	599	505
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	**599**	**0**	**599**	**505**
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	**599**	**0**	**599**	**505**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**12,412**	11,045	1,367
Weighted population (number in units)*	**297,652**	297,652	297,652
Running costs per head of population (£ per head)	**41.70**	**37.11**	**4.59**
PCT Running Costs 2011-12			
Running costs (£000s)	**11,860**	10,477	1,383
Weighted population (number in units)	**297,652**	297,652	297,652
Running costs per head of population (£ per head)	**39.85**	**35.20**	**4.65**

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	37,429	36,998
Prescribing costs	50,810	53,346
Contractor led GDS & PDS	14,745	14,607
Trust led GDS & PDS	774	795
General Ophthalmic Services	2,800	2,772
Department of Health Initiative Funding	0	0
Pharmaceutical services	0	0
Local Pharmaceutical Services Pilots	0	0
New Pharmacy Contract	13,987	13,756
Non-GMS Services from GPs	0	0
Other	0	0
Total Primary Healthcare purchased	**120,545**	122,274
Purchase of Secondary Healthcare		
Learning Difficulties	5,904	4,672
Mental Illness	31,640	35,289
Maternity	16,483	14,416
General and Acute	222,837	222,423
Accident and emergency	10,185	7,934
Community Health Services	85,154	75,193
Other Contractual	4,597	3,810
Total Secondary Healthcare Purchased	**376,800**	363,737
Grant Funding		
Grants for capital purposes	599	505
Grants for revenue purposes	0	0
Total Healthcare Purchased by PCT	**497,944**	**486,516**
PCT self-provided secondary healthcare included above	0	0
Social Care from Independent Providers	0	0
Healthcare from NHS FTs included above	266,864	260,126

6. Operating Leases

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				**2,070**	2,035
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**2,070**	**2,035**
Payable:					
No later than one year	**17**	**1,855**	**8**	**1,880**	1,905
Between one and five years	**67**	**7,239**	**0**	**7,306**	6,954
After five years	**319**	**14,503**	**0**	**14,822**	15,600
Total	**403**	**23,597**	**8**	**24,008**	**24,459**
Total future sublease payments expected to be received				0	0

The PCT has significant operating lease arrangements for Watersmeeting and Crompton Way Health Centers. These leases have 15 years remaining with an annual cost of £1,065k

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

IAS17 Leases

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

IFRIC4 Determining whether an arrangement contains a lease.

The PCT has determined that those operating leases must be recognised but as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the Operating Cost Statement for 2012-13 is £1,498 (2011-12 is £1,432k).

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**490**	503
Contingent rents	**0**	0
Total	**490**	503
Receivable:		
No later than one year	**497**	502
Between one and five years	**1,522**	1,539
After five years	**4,065**	4,364
Total	**6,084**	6,405

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13								
				Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	**9,608**	6,524	3,084	**7,183**	4,170	3,013	**2,425**	2,354	71
Social security costs	**572**	332	240	**572**	332	240	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**907**	526	381	**907**	526	381	**0**	0	0
Other pension costs	**0**	0	0	**0**	0	0	**0**	0	0
Other post-employment benefits	**0**	0	0	**0**	0	0	**0**	0	0
Other employment benefits	**0**	0	0	**0**	0	0	**0**	0	0
Termination benefits	**1,422**	0	1,422	**1,422**	0	1,422	**0**	0	0
Total employee benefits	**12,509**	**7,382**	**5,127**	**10,084**	**5,028**	**5,056**	**2,425**	**2,354**	**71**
Employee costs capitalised	**0**	0	0	**0**	0	0	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**12,509**	**7,382**	**5,127**	**10,084**	**5,028**	**5,056**	**2,425**	**2,354**	**71**
Recognised as:									
Commissioning employee benefits	**12,509**			**10,084**			**2,425**		
Provider employee benefits	**0**			**0**			**0**		
Gross Employee Benefits excluding capitalised costs	**12,509**			**10,084**			**2,425**		

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**8,684**	7,658	1,026
Social security costs	**584**	582	2
Employer Contributions to NHS BSA - Pensions Division	**930**	930	0
Other pension costs	**0**	0	0
Other post-employment benefits	**0**	0	0
Other employment benefits	**0**	0	0
Termination benefits	**324**	324	0
Total gross employee benefits	**10,522**	**9,494**	**1,028**
Less recoveries in respect of employee benefits	**0**	0	0
Total - Net Employee Benefits including capitalised costs	**10,522**	**9,494**	**1,028**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**10,522**	**9,494**	**1,028**
Recognised as:			
Commissioning employee benefits	**10,522**		
Provider employee benefits	**0**		
Gross Employee Benefits excluding capitalised costs	**10,522**		

7.2 Staff Numbers

	2012-13 Total Number	2012-13 Permanently employed Number	2012-13 Other Number	2011-12 Total Number	2011-12 Permanently employed Number	2011-12 Other Number
Average Staff Numbers						
Medical and dental	**1**	1	0	**2**	1	1
Ambulance staff	**0**	0	0	**0**	0	0
Administration and estates	**216**	179	37	**208**	178	30
Healthcare assistants and other support staff	**0**	0	0	**0**	0	0
Nursing, midwifery and health visiting staff	**5**	5	0	**6**	6	0
Nursing, midwifery and health visiting learners	**0**	0	0	**0**	0	0
Scientific, therapeutic and technical staff	**12**	12	0	**11**	11	0
Social Care Staff	**0**	0	0	**0**	0	0
Other	**0**	0	0	**0**	0	0
TOTAL	**234**	**197**	**37**	**227.00**	**196.00**	**31.00**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	**2,367**	**16,078**
Total Staff Years	**210**	**1,310**
Average working Days Lost	11.27	12.27

note: figures are based on a calender year from January 2012 to December 2012

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**0**	0
	£000s	£000s
Total additional pensions liabilities accrued in the year	**3**	129

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**
	Number	**Number**	**Number**	**Number**	**Number**	**Number**
Lees than £10,000	**1**	**2**	**3**	0	0	**0**
£10,001-£25,000	**2**	**9**	**11**	0	0	**0**
£25,001-£50,000	**1**	**7**	**8**	0	0	**0**
£50,001-£100,000	**1**	**5**	**6**	0	0	**0**
£100,001 - £150,000	**0**	**1**	**1**	0	0	**0**
£150,001 - £200,000	**0**	**2**	**2**	0	0	**0**
>£200,000	**0**	**0**	**0**	1	0	**1**
Total number of exit packages by type (total cost	**5**	**26**	**31**	**1**	**0**	**1**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Total resource cost	149	1,273	**1,422**	324	0	**324**

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

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

7.5 Pension costs

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

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".

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

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

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

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

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

c) Scheme provisions

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

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

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

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

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

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

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**12,981**	**104,080**	16,084	75,595
Total Non-NHS Trade Invoices Paid Within Target	**12,287**	**102,498**	15,827	74,677
Percentage of NHS Trade Invoices Paid Within Target	94.65%	98.48%	98.40%	98.79%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,389**	**344,770**	3,104	365,543
Total NHS Trade Invoices Paid Within Target	**3,211**	**342,408**	3,019	363,455
Percentage of NHS Trade Invoices Paid Within Target	94.75%	99.31%	97.26%	99.43%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Rental Income				
Interest Income				
LIFT: loan interest receivable	**65**	**65**	**0**	58
Total investment income	**65**	**65**	**0**	**58**

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	**0**	**0**	**0**	20
Interest on obligations under LIFT contracts:				
- main finance cost	**1,614**	**0**	**1,614**	925
- contingent finance cost	**233**	**0**	**233**	130
Total interest expense	**1,847**	**0**	**1,847**	**1,075**
Other finance costs	**0**	**0**	**0**	0
Total	**1,847**	**0**	**1,847**	**1,075**

11.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation:						
At 1 April 2012	**5,406**	**46,243**	**1,635**	**2,214**	**477**	**55,975**
Additions of Assets Under Construction						**0**
Additions Purchased	0	1,961	0	0	0	**1,961**
Reclassifications as Held for Sale	(350)	(286)	0	0	0	**(636)**
Disposals other than for sale	0	(675)	(18)	0	0	**(693)**
Upward revaluation/positive indexation	11	0	0	0	0	**11**
Impairments/negative indexation	0	(593)	0	0	0	**(593)**
At 31 March 2013	**5,067**	**46,650**	**1,617**	**2,214**	**477**	**56,025**
Depreciation						
At 1 April 2012	**241**	**9,311**	**1,024**	**1,227**	**121**	**11,924**
Reclassifications as Held for Sale	(220)	(91)	0	0	0	**(311)**
Disposals other than for sale	0	(675)	(18)	0	0	**(693)**
Impairments	0	1,268	0	0	0	**1,268**
Charged During the Year	11	1,336	124	396	39	**1,906**
At 31 March 2013	**32**	**11,149**	**1,130**	**1,623**	**160**	**14,094**
Net Book Value at 31 March 2013	**5,035**	**35,501**	**487**	**591**	**317**	**41,931**
Purchased	5,035	35,501	487	591	317	**41,931**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**5,035**	**35,501**	**487**	**591**	**317**	**41,931**
Asset financing:						
Owned	4,040	13,887	487	591	317	**19,322**
On-SOFP PFI contracts	995	21,614	0	0	0	**22,609**
Total at 31 March 2013	**5,035**	**35,501**	**487**	**591**	**317**	**41,931**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**2,330**	**2,447**	**22**	**0**	**5**	**4,804**
Movements (specify)	11	(673)	(2)	0	0	**(664)**
At 31 March 2013	**2,341**	**1,774**	**20**	**0**	**5**	**4,140**

11.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	**£000**
Cost or valuation:						
At 1 April 2011	**5,549**	**32,887**	**1,180**	**2,214**	**477**	**42,307**
Additions - purchased	0	13,595	455	0	0	**14,050**
Revaluation & indexation gains	11	3	0	0	0	**14**
Impairments	(154)	(485)	0	0	0	**(639)**
Reversals of impairments	0	243	0	0	0	**243**
At 31 March 2012	**5,406**	**46,243**	**1,635**	**2,214**	**477**	**55,975**
Depreciation						
At 1 April 2011	**225**	**7,047**	**974**	**753**	**86**	**9,085**
Impairments	4	1,568	0	0	0	**1,572**
Reversal of Impairments	0	(394)	0	0	0	**(394)**
Charged During the Year	12	1,090	50	474	35	**1,661**
At 31 March 2012	**241**	**9,311**	**1,024**	**1,227**	**121**	**11,924**
Net Book Value at 31 March 2012	**5,165**	**36,932**	**611**	**987**	**356**	**44,051**
Purchased	5,165	36,932	611	987	356	**44,051**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
At 31 March 2012	**5,165**	**36,932**	**611**	**987**	**356**	**44,051**
Asset financing:						
Owned	4,170	14,599	611	987	356	**20,723**
Held on finance lease	0	0	0	0	0	**0**
On-SOFP PFI contracts	995	22,333	0	0	0	**23,328**
PFI residual: interests	0	0	0	0	0	**0**
At 31 March 2012	**5,165**	**36,932**	**611**	**987**	**356**	**44,051**

12.1 Intangible non-current assets

2012-13	Software purchased £000	Total £000
At 1 April 2012	**629**	**629**
Additions - purchased	0	**0**
At 31 March 2013	**629**	**629**
Amortisation		
At 1 April 2012	**548**	**548**
Charged during the year	26	**26**
At 31 March 2013	**574**	**574**
Net Book Value at 31 March 2013	**55**	**55**
Net Book Value at 31 March 2013 comprises		
Purchased	55	**55**
Donated	0	**0**
Government Granted	0	**0**
Total at 31 March 2013	**55**	**55**

Revaluation reserve balance for intangible non-current assets

	Software purchased £000's	Total £000's
At 1 April 2012	**0**	**0**
Movements (specify)	0	**0**
At 31 March 2013	**0**	**0**

12.2 Intangible non-current assets

2011-12	Software purchased £000	Total £000
At 1 April 2011	**629**	**629**
Additions - purchased	0	**0**
At 31 March 2012	**629**	**629**
Amortisation		
At 1 April 2011	**514**	**514**
Charged during the year	34	**34**
At 31 March 2012	**548**	**548**
Net Book Value at 31 March 2012	**81**	**81**
Net Book Value at 31 March 2012 comprises		
Purchased	81	**81**
Donated	0	**0**
Government Granted	0	**0**
Total at 31 March 2012	**81**	**81**

13. 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			
Changes in market price	1,268		1,268
Total charged to Annually Managed Expenditure	**1,268**		**1,268**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Changes in market price	593		
Total impairments for PPE charged to reserves	**593**		
Total Impairments of Property, Plant and Equipment	**1,861**	**0**	**1,268**
Total Impairments charged to Revaluation Reserve	593		
Total Impairments charged to SoCNE - AME	1,268		1,268
Overall Total Impairments	**1,861**	**0**	**1,268**

Of which:

At the end of the year the PCT carried out an impairment review which identified impairments since the start of the year of £1,861k, of which £1760k were notified by the independent valuer DVS Property Specialists and a £101k impairment to assets that were excluded from the DVS review, based on the movement in BCIS indices from 1st April 2012 to 31 March 2013.

14 Other financial commitments

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

	31 March 2013 £000	31 March 2012 £000
Not later than one year		
Later than one year and not later than five year	**6,566**	8,920
Later than five years		
Total	**6,566**	8,920

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

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

15 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	152	0	269	0
Balances with Local Authorities	0	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	860	0	6,845	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	3,022	0	19,885	178
At 31 March 2013	**4,034**	**0**	**26,999**	**178**
prior period:				
Balances with other Central Government Bodies	383	0	540	0
Balances with Local Authorities	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	3,125	0	5,379	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,971	0	20,804	201
At 31 March 2012	**6,479**	**0**	**26,723**	**201**

16.1 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	**943**	2,964	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**69**	544	**0**	0
Non-NHS receivables - revenue	**411**	570	**0**	0
Non-NHS receivables - capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**2,229**	2,120	**0**	0
Provision for the impairment of receivables	**(105)**	(80)	**0**	0
VAT	**344**	91	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**0**	0
Interest receivables	**0**	132	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**143**	138	**0**	0
Total	**4,034**	6,479	**0**	0
Total current and non current	**4,034**	6,479		
Included above:				
Prepaid pensions contributions	**0**	0		

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

16.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**774**	1,117
By three to six months	**157**	34
By more than six months	**152**	366
Total	**1,083**	1,517

16.3 Provision for impairment of receivables

	2012-13 £000	**2011-12 £000**
Balance at 1 April 2012	**(80)**	0
Amount written off during the year	**24**	0
Amount recovered during the year	**(49)**	0
(Increase)/decrease in receivables impaired	**0**	(80)
Balance at 31 March 2013	**(105)**	(80)

17 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**404**	**1**	**405**
Balance at 31 March 2013	**404**	**1**	**405**
Balance at 1 April 2011	404	1	405
Balance at 31 March 2012	**404**	**1**	**405**

The investments relate to Breightmet Health Centre £206k and Bolton One £199k.

18 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**405**	405
Total Other Financial Assets - Non Current	**405**	405

19 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**2**	6
Net change in year	**4,130**	(4)
Closing balance	**4,132**	2
Made up of		
Cash with Government Banking Service	**4,132**	0
Cash in hand	**0**	2
Cash and cash equivalents as in statement of financial position	**4,132**	2
Cash and cash equivalents as in statement of cash flows	**4,132**	2

20 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Total
	£000	£000	£000
Balance at 1 April 2012	0	0	**0**
Plus assets classified as held for sale in the year	130	195	**325**
Balance at 31 March 2013	**130**	**195**	**325**
Liabilities associated with assets held for sale at 31 March 2013	**0**	**0**	**0**
			0

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

At 31 March 2012	0
At 31 March 2013	53

Dunstan Medical was re-classified as an asset held for sale during the year.

21 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Interest payable	**0**	0		
NHS payables - revenue	**3,117**	96	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**3,997**	5,823	**0**	0
Family Health Services (FHS) payables	**14,863**	12,592		
Non-NHS payables - revenue	**44**	0	**0**	0
Non-NHS payables - capital	**124**	336	**0**	0
Non-NHS accruals and deferred income	**3,995**	7,851	**0**	0
Social security costs	**3**	0		
VAT	**0**	0	**0**	0
Tax	**110**	0		
Payments received on account	**0**	0	**0**	0
Other	746	25	178	201
Total	**26,999**	26,723	**178**	201
Total payables (current and non-current)	**27,177**	**26,924**		

22 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
LIFT liabilities:				
Main liability	**578**	570	**22,701**	23,319
Total	**578**	**570**	**22,701**	**23,319**
Total other liabilities (current and non-current)	**23,279**	**23,889**		

23 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	**2,720**	0	979	620	0	709	0	0	412	0
Arising During the Year	**4,496**	0	0	53	0	4,404	0	0	15	24
Utilised During the Year	**(555)**	0	(92)	(146)	0	(155)	0	0	(162)	0
Reversed Unused	**(776)**	0	(47)	(172)	0	(302)	0	0	(255)	0
Unwinding of Discount	**0**	0	0	0	0	0	0	0	0	0
Change in Discount Rate	**0**	0	0	0	0	0	0	0	0	0
Transferred (to)/from other Public Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**5,885**	**0**	**840**	**355**	**0**	**4,656**	**0**	**0**	**10**	**24**
Expected Timing of Cash Flows:										
No Later than One Year	**3,263**	**0**	**70**	**55**	**0**	**3,104**	**0**	**0**	**10**	**24**
Later than One Year and not later than Five Years	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Later than Five Years	**2,622**	**0**	**770**	**300**	**0**	**1,552**	**0**	**0**	**0**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	1,363
As at 31 March 2012	1,008

Continuing healthcare provisions are made in respect of claims submitted to the PCT by individuals or their representatives requesting a review of continuing care eligibility and potential refund of costs incurred by the individuals or their families.

Guidance issued by the Department of Health placed time limits on individuals or their families and representatives to request reviews of these claims. Individuals or representatives had until 30th September 2012 to lodge claims for periods from 1st April 2004. A further deadline of 31st March 2013 was announced for previously un-assessed periods of care that took place from 1st April 2011 to 31st March 2012.

During the year Bolton PCT received a total of 301 claims. Following a review of these claims, 70 cases were deemed not eligible and an estimated cost of £4.4m for the remaining 231 cases has been accounted for. This estimate is based on past experience of 1 in 5 claims becoming successful.

Other Provisions of £10k relates to 2 judcial reviews regarding PCT policy.

23.1 Contingencies

Contingent liabilities

The PCT has a contingent liability in respect of continuing healthcare cases for 4 out of 5 claims where a provision has not been made. The estimated value of individual claims range from £1k to £260k.

24 PFI and LIFT - additional information

Breightmet Health Centre and Bolton One are provided by a Local Investment Finance Trust (LIFT), BRAHM LIFT Company. The capital values of the schemes at inception and the contract durations are:

	Capital value
	£000
Breightmet Health Centre, contract start 1st January 2009 until 1st January 2034	**£13,017**
Bolton One, contract start 18th February 2012 until 18th February 2037	**£11,725**

Breightmet Health Centre is host to a number of GP practices, a range of community services, dental services and facilities for use by Bolton Council, whilst Bolton One hosts a range of secondary health services provided by Bolton NHS Foundation Trust.

Under IFRIC 12, the assets are treated as assets of Bolton PCT; the substance of the transactions are that the PCT has finance leases, and payments

Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	**31 March 2013**	31 March 2012
	£000	£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	**750**	317
Total	**750**	317

	31 March 2013	31 March 2012
	£000	£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	**731**	692
Later than One Year, No Later than Five Years	**3,210**	3,065
Later than Five Years	**20,752**	22,051
Total	**24,693**	25,808

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	31 March 2012
	£000	£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**	31 March 2012
	£000	£000
No Later than One Year	**2,151**	2,166
Later than One Year, No Later than Five Years	**8,231**	8,347
Later than Five Years	**36,329**	38,363
Subtotal	**46,711**	48,876
Less: Interest Element	**(23,432)**	(24,987)
Total	**23,279**	23,889

25 Impact of IFRS treatment - 2012-13

	Total	Admin	Programme
	£000	£000	£000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g. LIFT/PFI)			
Depreciation charges	**669**	0	669
Interest Expense	**1,849**	0	1,849
Impairment charge - AME	**132**		132
Impairment charge - DEL	**0**	0	0
Other Expenditure	**783**	0	783
Revenue Receivable from subleasing	**0**	0	0
Total IFRS Expenditure (IFRIC12)	**3,433**	**0**	**3,433**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**(3,210)**	0	(3,210)
Net IFRS change (IFRIC12)	**223**	**0**	**223**

26 Financial Instruments

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

Currency risk

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

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

Credit Risk

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

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

26.1 Financial Assets	**At 'fair value through profit and loss' £000**	**Loans and receivables £000**	**Available for sale £000**	**Total £000**
Receivables - NHS		943		**943**
Receivables - non-NHS		411		**411**
Cash at bank and in hand		4,132		**4,132**
Total at 31 March 2013	**0**	**5,486**	**0**	**5,486**
Embedded derivatives	0			0
Receivables - NHS		2,964		2,964
Receivables - non-NHS		570		570
Cash at bank and in hand		2		2
Total at 31 March 2012	0	3,536	0	3,536

26.2 Financial Liabilities	**At 'fair value through profit and loss' £000**	**Other £000**	**Total £000**
NHS payables		3,117	**3,117**
Non-NHS payables		44	**44**
Other borrowings		23,279	**23,279**
Total at 31 March 2013	**0**	**26,440**	**26,440**
Embedded derivatives	0		0
NHS payables		96	96
Non-NHS payables		0	0
Other borrowings		23,889	23,889
Total at 31 March 2012	**0**	23,985	23,985

27.1 Related party transactions

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

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Bolton Primary Care Trust except for those listed below:

		Nature of Relationship	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
			£	£	£	£
Board Members						
Alan Stephenson	NHS Confederation	PCT Network Board nominee				
Dr Mike Burrows	Central Manchester Foundation Trust	Brother employee	10,639,000		242,000	
	Pennine Acute Hospitals NHS Trust	Sister in Law employee	3,693,000		107,000	
Dr Ian Williamson	Central Manchester Foundation Trust	Spouse is a contractor	10,639,000		242,000	
Shadow Bolton Clinical Commissioning Group Members						
Dr Liversedge	Dr Liversedge and Partner	Senior Partner	588,203	27,869		
	Royal Bolton Hospital FT	Spouse employee	208,163,000	5,503,000	4,548,000	807,000
	East Lancs PCT	Son employee	1,144,000			
Dr George Varghese	Dr Agarwal & Partners	Partner	573,436	33,593		
Wirin Bhatiani	Dr Nagle & Partners	Partner	2,179,388			
Anne Benn	GMW Mental Health FT	Employee	20,181,000		3,000	14,000
Charles Hendy	Drs Woods & Hendy	Partner	492,416			
	Royal Bolton Hospital FT	Spouse employee	208,163,000	5,503,000	4,548,000	807,000
Charlotte Mackinnon	Cornerstone Surgery	Partner	537,807			
	Royal Bolton Hospital FT	Spouse employee	208,163,000	5,503,000	4,548,000	807,000
Colin Mercer	Fletcher & Partners	Partner	986,263			
Joe Leigh	Springhill Hospice	Honorary Vice-President				
Dr Barry Silvert	Dr Silvert & Partners	Senior Partner	1,644,813			
Dr Shri Kant	Sr Shri Kant & Partners	Partner	493,503			
Susan Long	Aintree University Hospitals NHST	Spouse is clinician	45,000		2,000	
Dr Terek Bakht	Bolton Community Practice	Partner	491,503			
Locality Assurance Committee Members						
Andrew Taylor	Bolton Wise	Trustee/Director	14,546			
Steven Greenhalgh	Royal Bolton Hospital	Spouse employee & son's fiancee employee	208,163,000	5,503,000	4,548,000	807,000
Staff						
Michael Robinson	Salford Community HealthNHS Trust	Spouse employee	10,441,000		205,000	
Leanne Fane	Royal Bolton Hospital FT	Bank staff	208,163,000	5,503,000	4,548,000	807,000

Bolton PCT is a shareholder of Brahm LIFT Ltd. By virtue of her position of Director of Finance at Bolton PCT Annette Walker is an unpaid public Director of Brahm LIFT Ltd. The PCT has entered into the following Annette Walker, Director of Finance, is a director of the BRAHM LIFT Company, in which the PCT has a fixed asset investment. The PCT has entered into the following transactions with the BRAHM LIFT Company

BRAHM LIFT Company		Bolton PCT is a shareholder	1,791,124	0	0	0
Eric Wright Construction		BRAHM LIFT Shareholder		0		
Heywood Middleton & Rochdale PCT		BRAHM LIFT Shareholder	55,000	74,000	0	0

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

NHS Northwest
Royal Bolton Hospital NHS Foundation Trust
Central Manchester University Hospitals NHS Foundation Trust
Salford Royal NHS Foundation Trust
NHS Bury
Greater Manchester West Mental Health NHS Foundation Trust
The Christie NHS Foundation Trust
Various other NHS Bodies

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

27.1 Related party transactions - Prior Year Comparatives

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

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Bolton Primary Care Trust except for those listed below:

		Nature of Relationship	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
			£	£	£	£
Board Members						
Alan Stephenson	NHS Confederation	PCT Network Board nominee	855	0	0	0
Dr Mike Burrows	Central Manchester Foundation Trust	Brother employee	9,566,673	265,630	8,115	0
	Pennine Acute Hospitals NHS Trust	Sister in Law employee	4,017,768	0	-96,898	0
Dr Ian Williamson	Central Manchester Foundation Trust	Spouse is a contractor	9,566,673	265,630	8,115	0
Dr Hamish Steadman	Salford Royal Foundation Trust	Spouse is a contractor	9,188,505	230,037	-5,423	0
Dr Shikha Pitalia	SSP Health	Director and shareholder	66,156	8,372	0	375
David Edwards	Manchester Mental Health and Social Care	Patient advocate	39,371	0	3,691	0
Shadow Bolton Clinical Commissioning Group Members						
Dr Liversedge	Dr Liversedge and Partner	Senior Partner	530,081	35,090	-27	1,462
	Royal Bolton Hospital FT	Spouse employee	188,280,475	2,729,983	0	2,444,089
	Bolton Metropolitan Borough Council	Chair of Council's Remuneration Committee	16,781,968	1,520,056	15,894	499,932
	East Lancs PCT	Son employee	0	3,811	0	6,413
Dr George Varghese	Dr Agarwal & Partners	Partner	574,344	33,406	0	0
Wirin Bhatiani	Dr Nagle & Partners	Partner	2,128,700	0	0	0
Anne Benn	GMW Mental Health FT	Employee	19,588,785	32,176	0	48,263
Charles Hendy	Drs Woods & Hendy	Partner	494,528	1,282	0	45
	Royal Bolton Hospital FT	Spouse employee	188,280,475	2,729,983	0	2,444,089
Charlotte Mackinnon	Cornerstone Surgery	Partner	512,134	1,170	0	0
	Royal Bolton Hospital FT	Spouse employee	188,280,475	2,729,983	0	2,444,089
Colin Mercer	Fletcher & Partners	Partner	958,474	34	0	0
Joe Leigh	Springhill Hospice	Honorary Vice-President	0	0	0	0
Locality Assurance Committee Members						
Andrew Taylor	Bolton Wise	Trustee/Director	0	0	0	0
Steven Greenhalgh	Royal Bolton Hospital	Spouse employee & son's fiancee employee	188,280,475	2,729,983	0	2,444,089
Staff						
Andrew White	Boots the Chemist	Spouse employee	21,401	0	0	0
Michael Robinson	Salford Community HealthNHS Trust	Spouse employee	0	0	0	0
Stephen Woods	Salford University	Contracted Lecturer	7,390	0	0	0

Note: some of these transactions are in relation to the Provider Arm, the income and expenditure of which is reported in the accounts of Bolton NHS Foundation Trust in Accordance with Accounting Policy Note 1.1.
Annette Walker, Director of Finance, is a director of the BRAHM LIFT Company, in which the PCT has a fixed asset investment. The PCT has entered into the following transactions with the BRAHM LIFT Company

BRAHM LIFT Company		Bolton PCT is a shareholder	1,861,684	0	0	21,701
Eric Wright Construction		BRAHM LIFT Shareholder	645,524	0	0	0
Heywood Middleton & Rochdale PCT		BRAHM LIFT Shareholder	76,228	81,158	0	66

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

NHS Northwest
Royal Bolton Hospital NHS Foundation Trust
Central Manchester University Hospitals NHS Foundation Trust
Salford Royal NHS Foundation Trust
NHS Bury
Greater Manchester West Mental Health NHS Foundation Trust
The Christie NHS Foundation Trust
Various other NHS Bodies

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

28 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	24,085	1
Total losses	24,085	1

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	6,734	27
Special payments - PCT management costs	1900	1
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses and special payments	8,634	28

29 Drug and Alcohol Services pooled budget (optional)

Bolton PCT has a pooled budget arrangement with Bolton Council. Bolton Council is the host.

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

	2012-13 £000	2011-12 £000
Expenditure	1,153	1,527

30 Events after the reporting period

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

Bolton Clinical Commissioning Group - Secondary Care Commissioning
NHS Commissioning Board - Primary Care Commissioning
Bolton Council - Public Health

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