Department of Health

NHS

Bury Primary Care Trust

2012-13 Annual Report and Accounts

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Bury Primary Care Trust

2012-13 Annual Report

Bury Primary Care Trust

Annual Report and Accounts

2012/2013

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Chapter 1 ~ Message from Chairman and Chief Executive

Welcome to our Annual Report for 2012/13

This will be the final annual report for Primary Care Trusts, as the Health and Social Care Bill was implemented on 1 April 2013. For the ten Primary Care Trusts this was the concluding year for organisations that were established in 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.

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Further into this report you will read about the local achievements made by Bury PCT in 2012/13, which has 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 Bury PCT were:

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

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

'*' Denotes member of the Audit Committee

'+' non voting member

Chapter 3 ~ Our Readiness for Organisational Change

During the year we worked in shadow form, alongside Bury PCT, as we prepared to take over the leadership of the local NHS.

After a period of financial uncertainty for Bury PCT, we worked together to ensure that when we took over the reins, we did this not only with a healthy financial position, but with plans in place to generate efficiencies in some areas, invest in other priority areas and to achieve a healthier Bury in the process.

Many key steps were taken on our journey through our shadow year which will set us in good stead for the future. We made some key appointments, and to all intents and purposes we took over responsibility for arranging healthcare services for local people a year ahead, a dry run if you like before we fully took over in April this year.

We saw some service changes and improvements during the year including, following a period of public engagement, the introduction of 'Any Qualified Provider' for diagnostic services. Any Qualified Provider means that when a patient is referred by their GP to a specific type of service, in this case, diagnostics services such as a scan, they are able to choose from a list of qualified providers who meet NHS quality requirements. This gives patients more choice of where they are treated.

Working with our providers during the year we also launched an integrated care pilot for adults and children living in Radcliffe. This new way of working offers integrated, co-ordinated care for adults with long term conditions and to families by signposting them in the direction of local services to meet their health and social care needs.

Another success during the year was regarding the implementation NHS Health Checks. The average uptake rate in Bury was 60% during 2012/13, well above the national average of 51%. This is a fantastic achievement and it thanks to a lot of hard work and determination from colleagues in primary care. This puts Bury in a strong position to continue delivering a high quality service in the year ahead.

One of the biggest tasks for us during the year was to navigate our way through the CCG authorisation process. In order for us to be handed full statutory responsibilities, we needed to go through a rigorous scrutiny process to assure the NHS Commissioning Board (NHS England) that we were fit for purpose and ready for this organisational change. This five month long assessment checked our ability to plan and commission (buy) hospital, community health and mental health services on behalf of local people. Experts checked and scrutinised 119 sets

of criteria, reviewed policies, carried out site visits, interviewed key stakeholders and assessed both our leadership capability and financial stability.

We were initially authorised in February 2013, and we were fully authorised with no conditions ready for the 1st April 2013. This was a significant milestone in the development of NHS Bury CCG. Authorisation recognised the hard work and dedication of the health community of Bury. It was a long and arduous process but at the same time it should assure the people of Bury that we were well prepared to take on the responsibility.

The new system of clinical commissioning is a major shift in statutory responsibilities and organisational accountability, but we are poised to face the challenges and opportunities that lie ahead. Delivering improved outcomes, providing quality services, ensuring better access, reducing health inequalities and ensuring services are more joined up are just some of our aspirations. We also want to ensure that we give local health professionals the freedom to respond, innovate and develop services in a way that best meets the needs and wishes of local people. Most importantly, we want to make sure the people of Bury have a greater say in how health services are organised so that we can make a genuine difference to the health and wellbeing of local people.

Dr. Kiran Patel, Chair
Stuart North, Chief Officer

NHS Bury Clinical Commissioning Group (CCG)

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Chapter 4 ~ Our Performance

Performance against plan

The performance review of 2012/13 highlights achievements and ongoing management of all key performance outcome measures, including:

Targets achieved:

- 18 week referral to treatment times - achieved
- Cancer: all key targets - achieved
- Diagnostics: 6 week waiting time - achieved
- Mixed sex accommodation: Target achieved and continued monitoring of the contract performance reports is ongoing
- Category A, Ambulance Calls: 8 and 19 minute targets at a North West level were achieved; however, challenges exist at a Greater Manchester and locality level. We are working closely with local hospitals to improve turnaround times and to model capacity to demand
- Healthcare Associated Infections: C. Difficile - Achieved

Targets with challenges:

- Healthcare Associated Infections: MRSA - Continued implementation of recovery plan with particular focus on antibiotic prescribing and case management
- Health Checks – ongoing recovery plan in place – please refer to chapter two regarding implementation during the year, uptake rates in Bury were well above the national average

Chapter 5 ~ Sustainability Report

Having an up to date Sustainable Development Management plan is a good way to ensure that we fulfil our commitment to give full consideration to sustainability, whilst ensuring high quality; responsive services are available for local patients.

We have continuously and actively considered all issues relating to sustainability to ensure that we meet our obligations in this area and sustainability is not considered a risk to the organisation.

We have a lead Director for issues relating to sustainability and this ensures that sustainability issues have visibility and ownership at the most senior level.

Although sustainability issues, such as carbon reduction, are not currently included in the job descriptions of staff, we are committed to, and recognise the benefits of, enlisting the support of all staff in our efforts to be a good corporate citizen.

In addition to our focus on carbon, we are also committed to reducing wider environmental and social impacts associated with the procurement of goods and services. This is set out within our policies on sustainable procurement.

Carbon reduction commitment and climate change

The NHS aims to reduce its carbon footprint by 10% by 2015 and we are actively working towards reducing our carbon emissions and improving our environmental sustainability.

Although we have not yet quantified our plans to reduce carbon emissions and improve our environmental sustainability, and our gross expenditure during the year was zero, we are committed to reducing our carbon footprint.

The CRC (Carbon Reduction Commitment) Efficiency Scheme is aimed at improving energy efficiency and cutting emissions in large public and private sector organsiations.

Although renewable energy didn't represent any of our total energy used during the year, and we do not generate any energy, this is something that we are keen to explore in the future.

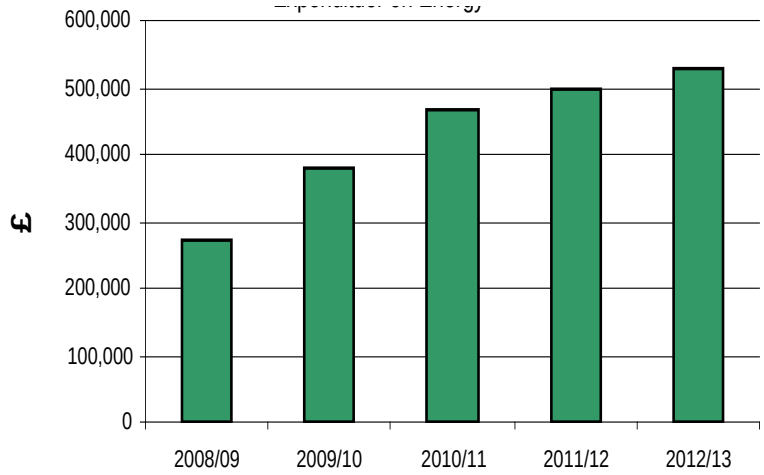
NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations. Adaptation to climate change will pose challenges in the future, and we will consider this fully when planning how we will best serve patients in the future.

As an organisation it is important that we consider what steps are appropriate to reduce or change travel patterns and the impact this has on air quality and greenhouse gas emissions. Transport plans have been prepared in relation to Bury's recently built Primary Care Centres and we actively consider transport issues in our decision making. During 2012/13 our total expenditure on business travel was £115,328.

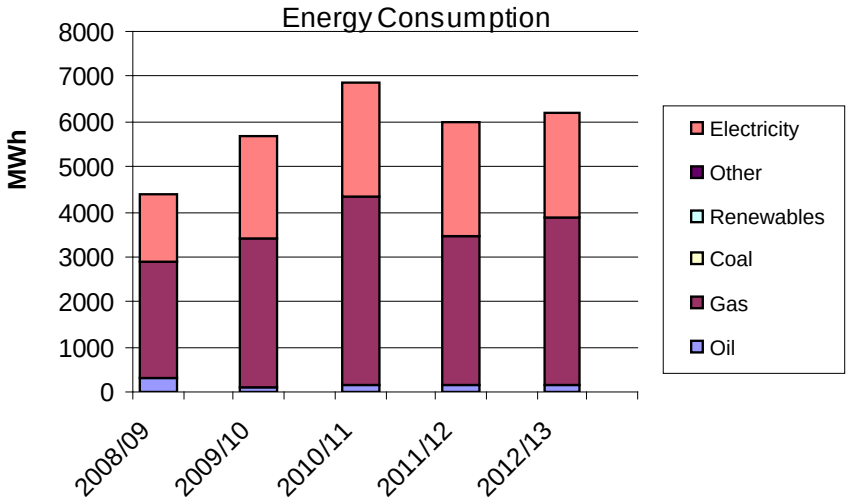
Energy cost and consumption, water and waste

Our energy costs increased by 5% during the year.

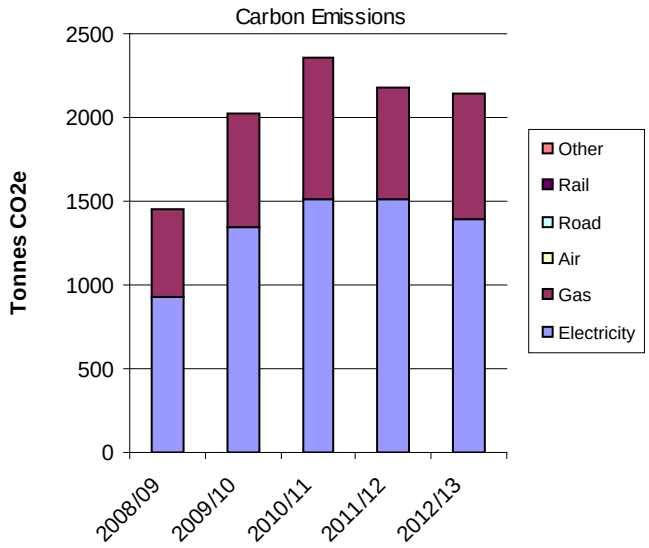
Expenditure on energy



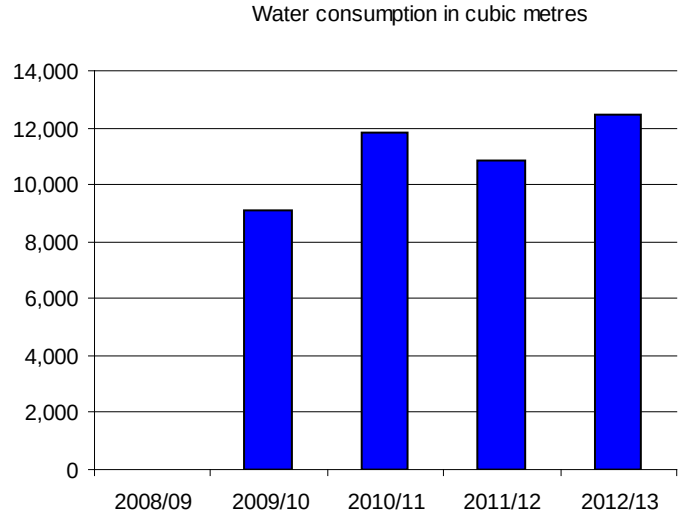
Our total energy consumption has risen during the year from 5,993 to 6,200 MWh. Our relative energy consumption has changed during the year, from 0.23 to 0.25 MWh/square meter.



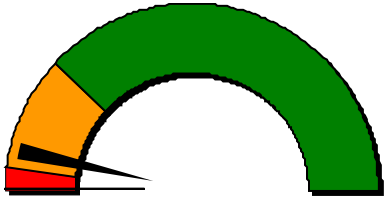
During the year, our measured greenhouse gas emissions reduced by 0,037 tonnes. We do not currently collect data on our annual Scope 3 emissions.



Our water consumption has increased by 1,573 cubic meters during the year and we spent £56,435 on water.

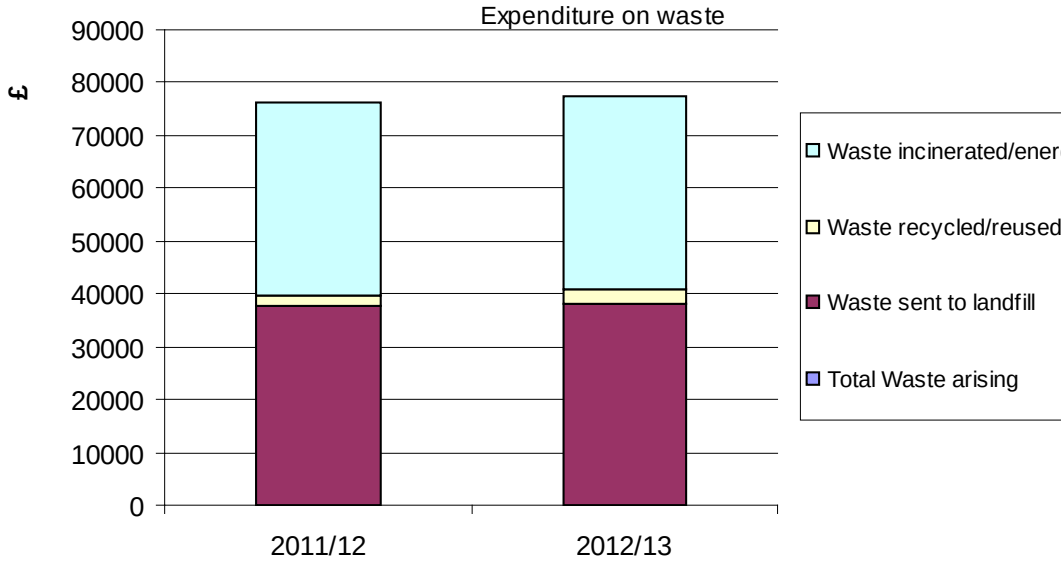


We recovered or recycled 8 tonnes of waste, which is 5% of the total waste we produced.



Percentage of Waste Recycled

Our estimated expenditure on waste in the last two years is highlighted in the chart below.



Chapter 6 ~ Financial Review

Achievement of financial duties - Summary of Results of Bury PCT, Annual Accounts for the year ended 31st March 2013

The organisation has 4 key financial targets:

1. Achievement of Operational Financial Balance

For 2012/13 the PCT were able to satisfy this target by achieving a £757,000 under spend against the Revenue Resource Limit.

2. Achievement of Capital Resource Limit

For 2012/13 the PCT did not meet its break even target against the Capital Resource Limit and underspent by £172,000. In context this is a 23% underspend against resource.

3. Financing Limit

The PCT should live within a defined level of cash for each year, this was achieved by Bury PCT in 2012/13.

4. Better payment practice code

	2012/13 Number	2012/13 £000	2011/12 Number	2011/12 £000
Non-NHS Payables				
Total Non-NHS trade invoices paid in the year	**15,064**	**59,190**	15,049	45,076
Total Non-NHS trade invoices paid within target	**14,807**	**58,423**	14,695	44,181
Percentage of Non-NHS Trade Invoices Paid Within Target	98.29%	98.70%	97.65%	98.01%
NHS Payables				
Total NHS trade invoices paid in the year	**3,619**	**224,059**	3,137	210,778
Total NHS trade invoices paid within target	**3,363**	**221,589**	3,069	210,298
Percentage of NHS Trade Invoices Paid Within Target	92.93%	98.90%	97.83%	99.77%

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.

5. Off Payroll Engagements

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

	Total
Number in place on 31 January 2012	5
Of which number that have since come onto the organisations payroll	0
Of which number 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
Number 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
Number that have come to an end	-1
Total	4

Table 2: For all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

	Total
Number of new engagements	4
Of which number of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0
Number of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	0
Of which number for whom assurance has been accepted and received	0
Of which number for whom assurance has been accepted and received	0
Of which number for whom assurance has been accepted and not received	0
Of which number that have been terminated as a result of assurance not being received	-1
Total	3

6. Sickness Absence Figures

	2012/13 Number	2011/12 Number
Total days lost	1,725	1,620
Total staff years	188	180
Average working days lost	9.2	9.07
Number of persons retired early on ill health grounds	-	1

	2012/13 £000	2011/12 £000
Total additional pensions liabilities accrued In the year	0	44

Chapter 7 ~ Remuneration Report

Salaries and allowances

			Total GM remuneration	Total GM remuneration	Total GM remuneration	Total GM remuneration		PCT Share of GM remuneration	PCT Share of GM remuneration	PCT Share of GM remuneration	PCT Share of GM remuneration				
			2012-13	2012-13	2012-13	2012-13		2012-13	2012-13	2012-13	2012-13	2011-12	2011-12	2011-12	2011-12
			Salary	Other Payments	Bonus Payments	Benefits in kind		Salary	Other Payments	Bonus Payments	Benefits in kind	Salary	Other Payments	Bonus Payments	Benefits in kind
Name	Title	Period in post	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100	% entity share	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100	bands of £5,000	bands of £5,000	bands of £5,000	bands of £100
Prof Eileen Fairhurst	Chairman	01/04/12-31/03/13	40-45	0	0	0	6.50%	0-5	-	-	-	35-40	-	-	-
Dr Mike Burrows	Chief Executive	01/04/12-31/03/13	154,500	0	0	0	6.50%	10-15	-	-	-	135-140	-	-	-
Mrs Claire Yarwood	Director of Finance	01/04/12-31/03/13	115-120	0	0	0	6.50%	5-10	-	-	-	100-105	-	-	-
Dr Julie Higgins	Director of Commissioning Development	01/04/12-31/08/12	65-70	0	0	0	6.50%	0-5	-	-	-	115 - 120	-	-	-
Mrs Hilary Garratt	Director of Nursing, Quality and Performance	01/04/12-30/06/12	20-25	0	0	0	6.50%	0-5	-	-	-	105 - 110	-	-	-
Mrs Anita Rolfe^	Director of Nursing, Quality and Performance	01/07/12-31/10/12	25-30	0	0	0	6.50%	0-5	-	-	-	N/A	N/A	N/A	N/A
Mrs Patricia Bennett^	Director of Nursing, Quality and Performance	01/10/12-31/03/13	0-5	0	0	0	6.50%	0-5	-	-	-	N/A	N/A	N/A	N/A
Dr Raj Patel	Medical Director	01/04/12-31/03/13	20-25	0	0	0	6.50%	0-5	-	-	-	20 - 25	50 - 55	-	-
Ms Melanie Sirotkin^	Lead Director of Public Health	01/04/12-31/03/13	115-120	0	0	0	6.50%	5-10	-	-	-	N/A	N/A	N/A	N/A
Mr Rob Bellingham	Board Secretary	01/04/12-31/03/13	90-95	0	0	0	6.50%	5-10	-	-	-	45 - 50	-	-	-
Mr Warren Heppolette	Director of Policy and External Relations	01/04/12-31/03/13	90-95	0	0	0	6.50%	5-10	-	-	-	70-75	-	-	-
Ms Leila Williams	Director of Service Transformation	01/04/12-31/03/13	90 - 95	0	0	0	6.50%	5-10	-	-	-	75 - 80	-	-	0 - 1
Mr Kevin Moynes^	Director of HR and OD	01/04/12-31/03/13	65-70	0	0	0	6.50%	0-5	-	-	-	N/A	N/A	N/A	N/A
Mrs Andrea Anderson	Director of HR and OD	on maternity leave during period	25 - 30	0	0	0	6.50%	0-5				65 - 70	-	-	-
Mr Terry Atherton+	Non-Executive Director	01/04/12-31/03/13	30-35	-	-	-	6.50%	0-5	-	-	-	30 - 35	-	-	-
Mr Riaz Ahmad*+	Non-Executive Director	01/04/12-31/03/13	35-40	-	-	-	6.50%	0-5	-	-	-	30 - 35	-	-	-
Dr Kailash Chand+	Associate Non-Executive Director	01/04/12-31/03/13	30-35	0	0	0	6.50%	0-5	-	-	-	30 - 35	-	-	-
Mr David Edwards+	Non-Executive Director	01/04/12-31/03/13	35-40	0	0	0	6.50%	0-5	-	-	-	30 - 35	-	-	-
Mr Alan Stephenson*+	Non-Executive Director	01/04/12-31/03/13	35 - 40	0	0	0	6.50%	0-5	-	-	-	30 - 35	-	-	-
Ms Evelyn Asante-Mensah*+	Non-Executive Director	01/04/12-31/03/13	35 - 40	-	-	-	6.50%	0-5	-	-	-	40 - 45	-	-	-
Mr Michael Greenwood+	Non-Executive Director	01/04/12-31/03/13	30-35	0	0	0	6.50%	0-5	-	-	-	30 - 35	-	-	-
Mr Paul Horrocks+	Non-Executive Director	01/04/12-31/03/13	35 - 40	0	0	0	6.50%	0-5	-	-	-	30 - 35	-	-	-
Mrs Pam Senior+	Non-Executive Director (to Jan 12)	Left in 2011	N/A	N/A	N/A	N/A	6.50%	N/A	N/A	N/A	N/A	25 - 30	-	-	-

* Audit Committee Members

+ Remuneration of Terms of Service Committee members

^ Not in post 2011/2-12

Pay multiples

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

The banded remuneration of the highest paid director in Bury PCT in the financial year 2012/13 was in the range £140,000 to £145,000. This was 4.5 times the median remuneration of the workforce, which was £31,454.04.

Previous year comparative figures for 2011/12 are the banded remuneration of the highest paid Director in Bury PCT was in the range £140,000 to £145,000. This was 5 times the median remuneration of the workforce, which was £27,835.25.

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

The median pay has increased due to the workforce reducing from 265 employees as at 31.03.2012, to 188 employees as at 31.03.2013 with more lower paid employees than higher paid employees having left. In addition, at the end of 2012/13 there were more GPs engaged by the PCT for CCG set up, and when annualised, their earnings are higher than the rest of the workforce, thereby increasing the median.

Pension Benefits

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.

Department of Health

NHS

Bury Primary Care Trust

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FOREWORD TO THE ACCOUNTS

NHS BURY

These accounts for the year ended 31 March 2013 have been prepared by Bury PCT 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 PCT's 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. Bury PCT remained a statutory body until it was abolished on 1 April 2013.

INDEPENDENT AUDITOR'S REPORT TO THE RESPONSIBLE OFFICER OF BURY PCT

We have audited the financial statements of Bury PCT comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity, Statement of Cash Flows and related notes for the year ended 31 March 2013. 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 Bury 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 him 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 The Responsibilities of the Signing Officer of the Primary Care Trust, 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 Bury 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 Bury 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.

Ian Carrie

Jon Gorrie
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St James' Square
Manchester
M2 6DS

6 June 2013

NHS Bury

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

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

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

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

Signed.....Designated Signing Officer

Name: Mike Burrows

Date: 6 June 2013

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

- make judgements and estimates which are reasonable and prudent;

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

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

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

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

By order of the Permanent Secretary.

6 June 2013.....  .....Signing Officer (Mike Burrows)

6 June 2013.....  .....Finance Signing Officer (Claire Yarwood)

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	**9,930**	9,588
Other costs	5.1	**329,753**	324,525
Income	4	**(9,611)**	(11,996)
Net operating costs before interest		**330,072**	322,117
Investment income	9	**(34)**	(34)
Other (Gains)/Losses	10	**(99)**	232
Finance costs	11	**901**	913
Net operating costs for the financial year		**330,840**	323,228
Transfers by absorption -(gains)		**0**	0
Transfers by absorption - losses		**0**	0
Net (gain)/loss on transfers by absorption		**0**	0
Net Operating Costs for the Financial Year including absorption transfers		**330,840**	**323,228**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**8,612**	7,734
Other costs	5.1	**2,980**	6,704
Income	4	**(2,446)**	(2,763)
Net administration costs before interest		**9,146**	**11,675**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	0
Net administration costs for the financial year		**9,146**	**11,675**
Programme Expenditure			
Gross employee benefits	7.1	**1,318**	1,854
Other costs	5.1	**326,773**	317,821
Income	4	**(7,165)**	(9,233)
Net programme expenditure before interest		**320,926**	**310,442**
Investment income	9	**(34)**	(34)
Other (Gains)/Losses	10	**(99)**	232
Finance costs	11	**901**	913
Net programme expenditure for the financial year		**321,694**	**311,553**

Other Comprehensive Net Expenditure		2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	12.1	**5,780**	1,423
Net (gain) on revaluation of property, plant & equipment	12.1	**(8,014)**	(70)
Total comprehensive net expenditure for the year*		**328,606**	**324,581**

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 5 to 35 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	**22,280**	23,845
Intangible assets	13	**100**	120
Other financial assets	19	**438**	438
Total non-current assets		**22,818**	24,403
Current assets:			
Trade and other receivables	17	**2,027**	5,200
Cash and cash equivalents	20	**12**	5
Total current assets		**2,039**	5,205
Non-current assets held for sale	21	**611**	811
Total current assets		**2,650**	6,016
Total assets		**25,468**	30,419
Current liabilities			
Trade and other payables	22	**(15,056)**	(20,164)
Provisions	28	**(3,501)**	(1,885)
Borrowings	23	**(860)**	0
Total current liabilities		**(19,417)**	(22,049)
Non-current assets plus/less net current assets/liabilities		**6,051**	8,370
Non-current liabilities			
Trade and other payables	22	0	(5)
Provisions	28	(773)	(2,463)
Borrowings	23	(15,023)	(15,885)
Total non-current liabilities		**(15,796)**	(18,353)
Total Assets Employed:		**(9,745)**	(9,983)
Financed by taxpayers' equity:			
General fund		(15,838)	(14,020)
Revaluation reserve	12.1	6,093	4,037
Total taxpayers' equity:		**(9,745)**	(9,983)

The notes on pages 5 to 35 form part of this account.

The financial statements on pages 1 to 35 were approved by the Board on 6 June 2013 and signed on its behalf by

Chief Executive:  Date: 6/6/13

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	**(14,020)**	**4,037**	**(9,983)**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(330,840)	0	**(330,840)**
Net gain on revaluation of property, plant, equipment	0	8,014	**8,014**
Impairments and reversals	0	(5,780)	**(5,780)**
Transfers between reserves*	178	(178)	**0**
Total recognised income and expense for 2012-13	**(330,662)**	**2,056**	**(328,606)**
Net Parliamentary funding	328,844		**328,844**
Balance at 31 March 2013	**(15,838)**	**6,093**	**(9,745)**
Balance at 1 April 2011	**(14,541)**	**6213**	**(8,328)**
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(323,228)	0	(323,228)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	70	70
Impairments and Reversals	0	(1,423)	(1,423)
Transfers between reserves	823	(823)	0
Total recognised income and expense for 2011-12	(322,405)	(2,176)	(324,581)
Net Parliamentary funding	322,926		322,926
Balance at 31 March 2012	**(14,020)**	**4,037**	**(9,983)**

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	**(330,072)**	(322,117)
Depreciation and Amortisation	**1,329**	1,225
Impairments and Reversals	**3,261**	(650)
Interest Paid	**(859)**	(862)
Release of PFI/deferred credit	**0**	74
(Increase)/Decrease in Trade and Other Receivables	**3,173**	471
Increase/(Decrease) in Trade and Other Payables	**(5,140)**	323
Provisions Utilised	**(2,890)**	(1,364)
Increase/(Decrease) in Provisions	**2,753**	697
Net Cash Inflow/(Outflow) from Operating Activities	**(328,445)**	**(322,203)**
Cash flows from investing activities		
Interest Received	**34**	34
(Payments) for Property, Plant and Equipment	**(682)**	(1,084)
(Payments) for Intangible Assets	**(41)**	(6)
Proceeds of disposal of assets held for sale (PPE)	**299**	333
Net Cash Inflow/(Outflow) from Investing Activities	**(390)**	**(723)**
Net cash inflow/(outflow) before financing	**(328,835)**	**(322,926)**
Cash flows from financing activities		
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(2)**	0
Net Parliamentary Funding	**328,844**	322,926
Net Cash Inflow/(Outflow) from Financing Activities	**328,842**	**322,926**
Net increase/(decrease) in cash and cash equivalents	**7**	**0**
Cash and Cash Equivalents at Beginning of the Year	**5**	**5**
Cash and Cash Equivalents at Year End	**12**	**5**

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.

Going Concern
As a consequence of the Health and Social Care Act 2012, the Bury PCT will be dissolved on 31 March 2013. Its functions will be transferred to various new or existing public sector entities.

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

As a result, the Bury CCG shadow board have prepared these financial statements on a going concern basis.

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
All critical accounting judgements, apart from those involving estimations (see below), are disclosed as appropriate within the notes to the accounts.

Key sources of estimation uncertainty
The following are 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

1. Accounting policies (continued)

Partially completed spells - the PCT has accounted for the total charge of £349k from information provided by each provider. The PCT relies on this information from each provider.

Prescribing creditor - prescribing expenditure data is received from the Prescribing Pricing Division (PPD) of the NHS Business Services Authority one month in arrears. Therefore at the end of the financial year, the PCT needed to take an accrual for the likely prescribing costs for March. This amounted to £2,266k. The accrual is based on the PPD's forecast spend for the PCT for the financial year 2012-13.

All other key sources of estimation uncertainty are disclosed as appropriate within the notes to the financial accounts.

1.2 Revenue and Funding

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

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

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

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

1.3 Taxation

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

1.4 Administration and Programme Costs

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).
From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme"
For PCTs, the Department has defined "admin and programme" in terms of running costs.
The broad definition of running costs includes any cost incurred that is not a direct payment for the provision of healthcare or healthcare related services.
Expense incurred under NHS transition redundancy programmes is however classed as "programme" under Treasury budgetary control arrangements and so is recorded as such in the financial statements.

1.5 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

1. Accounting policies (continued)

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.

1.6 Intangible Assets

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

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

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

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

1. Accounting policies (continued)

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

1.7 Depreciation, amortisation and impairments

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

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

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

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

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.
AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.8 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.

1.9 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. Accounting policies (continued)

1.10 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).

1.11 Clinical Negligence Costs

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

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

1.12 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.

1.13 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.

1.14 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.

1.15 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. Accounting policies (continued)

1.16 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.

1.17 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.

1.18 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 published current discount rates.

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 arsing from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.19 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.

1. Accounting policies (continued)

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
They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset. The fair value of financial assets are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Available for sale financial assets

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

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 generally accepted pricing models based on discounted cash flow analysis

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.

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

Financial liabilities are initially recognised at fair value.

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

Financial liabilities at fair value through profit and loss
They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset. The fair value of financial assets are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

1. Accounting policies (continued)

1.20 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 accordance with the principles of IAS 16.

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

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

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.

1. Accounting policies (continued)

1.21 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
IFRS 10 Consolidated Financial Statements - subject to consultation
IFRS 11 Joint Arrangements - subject to consultation
IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
IFRS 13 Fair Value Measurement - subject to consultation
IPSAS 32 - Service Concession Arrangement - subject to consultation

2. Operating segments

On 1st April 2011, Bury PCT transferred its Community Services segment to Pennine Care Foundation Trust. As a result the PCT has only one reportable segment. All income, expenses, assets and liabilities are attributed to that segment [IFRS8.16].

During the year 2012/2013, Bury Primary Care Trust received its funding from one major source within the UK, the Department of Health (DH). The PCT relies solely on its funding from this source and the Department is regarded as the parent department. The PCT also has a significant number of material transactions with other entities for whom the DH is regarded as a parent. The total value of transactions, where material is provided in Note 37.

The PCT will not present segmental information on assets as all assets are deemed to be owned by the Commissioner.

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	**330,840**	323,228
Revenue Resource Limit	**331,597**	323,481
Under spend Against Revenue Resource Limit (RRL)	757	253

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	**743**	935
Charge to Capital Resource Limit	**571**	935
Underspend Against CRL	**172**	**0**

3.3 Provider full cost recovery duty

The PCT provider function transferred over to Pennine Care NHS Foundation Trust on 1 April 2011. Subsequently the cost is now part of the health care contract.

3.4 Under spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**328,845**	322,926
Cash Limit	**331,445**	323,152
Under spend Against Cash Limit	**2,600**	**226**

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

	2012-13 £000
Total cash received from DH (Gross)	285,620
Plus: cost of Dentistry Schemes (central charge to cash limits)	7,502
Plus: drugs reimbursement (central charge to cash limits)	35,722
Parliamentary funding credited to General Fund	**328,844**

4. Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Dental Charge income from Contractor-Led GDS & PDS	**2,451**	0	2,451	2,307
Prescription Charge income	**1,732**	0	1,732	1,673
Strategic Health Authorities	**427**	12	415	195
NHS Trusts	**42**	0	42	94
NHS Foundation Trusts	**1,209**	1,209	0	297
Primary Care Trusts - Other	**517**	73	444	3,933
Primary Care Trusts - Lead Commissioning	**1,460**	0	1,460	374
Department of Health - Other	**1**	0	1	0
Local Authorities	**53**	1	52	624
Education, Training and Research	**200**	0	200	215
NHS Injury Costs Recovery	**0**	0	0	3
Other Non-NHS Patient Care Services	**335**	0	335	0
Charitable and Other Contributions to Expenditure	**33**	0	33	44
Rental revenue from operating leases	**1,151**	1,151	0	1,048
Other revenue	**0**	0	0	1,189
Total miscellaneous revenue	**9,611**	**2,446**	**7,165**	**11,996**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Goods and Services from Other PCTs				
Healthcare	**33,179**		33,179	31,665
Non-Healthcare	**1,827**	631	1,196	1,809
Total	**35,006**	**631**	**34,375**	**33,474**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**95,662**	0	95,662	97,502
Goods and services (other, excl Trusts, FT and PCT))	**88**	28	60	331
Total	**95,750**	**28**	**95,722**	**97,833**
Goods and Services from Foundation Trusts	**85,134**	0	85,134	80,109
Purchase of Healthcare from Non-NHS bodies	**20,448**	0	20,448	25,486
Non-GMS Services from GPs	**591**	0	591	422
Contractor Led GDS & PDS (excluding employee benefits)	**10,172**	0	10,172	10,335
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**1,297**	0	1,297	612
Chair, Non-executive Directors & PEC remuneration	**91**	91	0	79
Executive committee members costs	**210**	210	0	228
Consultancy Services	**1,009**	462	547	1,350
Prescribing Costs	**29,693**	0	29,693	31,454
G/PMS, APMS and PCTMS (excluding employee benefits)	**25,409**	0	25,409	25,083
New Pharmacy Contract	**8,095**	0	8,095	8,910
General Ophthalmic Services	**1,872**	0	1,872	1,713
Supplies and Services - Clinical	**1,172**	0	1,172	1,891
Supplies and Services - General	**355**	192	163	244
Establishment	**578**	398	180	1,045
Transport	**30**	27	3	55
Premises	**3,789**	792	2,997	1,078
Impairments & Reversals of Property, plant and equipment	**3,261**	0	3,261	(650)
Depreciation	**1,269**	0	1,269	1,176
Amortisation	**60**	0	60	49
Impairment of Receivables	**0**	0	0	983
Audit Fees	**105**	105	0	128
Other Auditors Remuneration	**0**	0	0	30
Clinical Negligence Costs	**29**	29	0	45
Education and Training	**74**	68	6	221
Grants for capital purposes	**671**	0	671	0
Other	**3,583**	(53)	3,636	1,142
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**329,753**	**2,980**	**326,773**	**324,525**
Employee Benefits (excluding capitalised costs)				
Trust led PDS and PCT DS	**0**	0	0	2
NHS Greater Manchester Board members	**309**	309	0	524
Other Employee Benefits	**9,621**	8,303	1,318	9,062
Total Employee Benefits charged to SOCNE	**9,930**	**8,612**	**1,318**	**9,588**
Total Operating Costs	**339,683**	**11,592**	**328,091**	**334,113**
Analysis of grants reported in total operating costs				
For capital purposes				
Grants to fund Capital Projects - GMS	**145**	0	145	0
Grants to Fund Capital Projects - Other	**526**	0	526	0
Total Capital Grants	**671**	**0**	**671**	**0**
Total Grants	**671**	**0**	**671**	**0**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**8,979**	7,808	1,171
Weighted population (number in units)*	**192,630**	192,630	192,630
Running costs per head of population (£ per head)	**47**	**41**	**6**
PCT Running Costs 2011-12			
Running costs (£000s)	**11,673**	10,736	937
Weighted population (number in units)	**192,630**	192,630	192,630
Running costs per head of population (£ per head)	**61**	**56**	**5**

* 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	25,409	25,083
Prescribing costs	29,693	31,454
Contractor led GDS & PDS	10,172	10,947
Trust led GDS & PDS	1,297	0
General Ophthalmic Services	1,872	1,713
New Pharmacy Contract	8,095	8,910
Non-GMS Services from GPs	445	422
Total Primary Healthcare purchased	**76,983**	78,529
Purchase of Secondary Healthcare		
Learning Difficulties	2,461	3,326
Mental Illness	31,902	29,899
Maternity	8,182	8,639
General and Acute	149,538	149,538
Accident and emergency	6,002	5,550
Community Health Services	24,565	27,738
Other Contractual	6,406	7,092
Total Secondary Healthcare Purchased	**229,056**	231,782
Grant Funding		
Grants for capital purposes	671	0
Total Healthcare Purchased by PCT	**306,710**	**310,311**
Included above:		
Healthcare from NHS FTs	82,044	79,728

6. Operating Leases

6.1 PCT as lessee

	2012-13 Total £000	2011-12 £000
Payments recognised as an expense:		
Minimum lease payments	**2,524**	2,679
Total	**2,524**	**2,679**

	Land £000	Buildings £000	Other £000		
Payable:					
No later than one year	**0**	**2,169**	**178**	**2,347**	2,462
Between one and five years	**0**	**8,323**	**85**	**8,408**	8,285
After five years	**0**	**22,050**	**0**	**22,050**	23,025
Total	**0**	**32,542**	**263**	**32,805**	**33,772**

Leases include a number of short term leases occupied by administration and community services Bury staff plus two significant leases used as medical centres. The leases are for 20 years and are re-priced according to the RPI. One lease ends 30 August 2028 and the other 25 February 2030. There were no contingent rents or sub-lease payments in either the current or prior years.

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

i) IAS17 Leases
ii) SIC27 Evaluating the substance of transactions involving the legal form of a lease, and
iii) IFRIC 4 Determining if an arrangement contains a lease;

the PCT recognises that there is an embedded lease within the GMS and PMS arrangements. As there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. As GP practices move into new Primary Care Centre buildings they will move to formal lease contracts.

6.2 PCT as lessor

The PCT provides premises on a leased basis to GP practices and service providers, with lease periods ranging from 3 to 10 years:

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**741**	729
Contingent rents	**410**	319
Total	**1,151**	1,048
Receivable:		
No later than one year	**1,143**	1,001
Between one and five years	**5,508**	3,958
After five years	**433**	2,241
Total	**7,084**	7,200

7. Employee benefits and staff numbers

7.1 Employee benefits

	2012-13 All Permanently employed		
	Total £000	**Admin £000**	**Programme £000**
Employee Benefits - Gross Expenditure			
Salaries and wages	**6,955**	5,844	1,111
Social security costs	**611**	530	81
Employer Contributions to NHS BSA - Pensions Division	**947**	821	126
Termination benefits	**1,417**	1,417	0
Total employee benefits	**9,930**	**8,612**	**1,318**
Recognised as:			
Commissioning employee benefits	**9,930**		
Gross Employee Benefits excluding capitalised costs	**9,930**		

Employee Benefits - Prior- year

	Total £000	**Permanently employed £000**	**Other £000**
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**8,094**	7,793	301
Social security costs	**583**	583	0
Employer Contributions to NHS BSA - Pensions Division	**911**	911	0
Total gross employee benefits	**9,588**	**9,287**	**301**
Recognised as:			
Commissioning employee benefits	**9,588**		
Gross Employee Benefits excluding capitalised costs	**9,588**		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	**Permanently employed Number**	**Other Number**	**Total Number**	**Permanently employed Number**	**Other Number**
Average Staff Numbers						
Medical and dental	**11**	1	10	**9**	1	8
Administration and estates	**171**	158	13	**215**	196	19
Healthcare assistants and other support staff	**4**	2	2	**4**	2	2
Nursing, midwifery and health visiting staff	**8**	7	1	**7**	7	0
Scientific, therapeutic and technical staff	**5**	5	0	**10**	10	0
TOTAL	**199**	**173**	**26**	**245**	**216**	**29**

There were no staff engaged on capital projects in the current or prior years.

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	(Restated) **2011-12 Number**
Total Days Lost	**1,725**	**1,620**
Total Staff Years	**188**	**180**
Average working Days Lost	9.18	9.07

	2012-13 Number	**2011-12 Number**
Number of persons retired early on ill health grounds	**0**	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	44

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	**0**	**6**	**6**	0	4	**4**
£10,001-£25,000	**0**	**8**	**8**	0	7	**7**
£25,001-£50,000	**3**	**4**	**7**	0	4	**4**
£50,001-£100,000	**0**	**5**	**5**	0	2	**2**
£100,001 - £150,000	**1**	**2**	**3**	0	1	**1**
£150,001 - £200,000	**1**	**0**	**1**	0	1	**1**
Total number of exit packages by type (total cost	**5**	**25**	**30**	**0**	**19**	**19**
	£	**£**	**£**	**£**	**£**	**£**
Total resource cost	416,046	990,104	**1,406,150**	0	763,000	**763,000**

This note provides an analysis of exit packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Redundancy Scheme. Exit costs for redundancies planned after year end have been included in provisions. All other exit costs in this note are accounted for in net operating costs. 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.

7.5 Pensions Costs

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

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

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

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

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

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

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

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

c) Scheme provisions
The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:
The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.
With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".
Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**15,064**	**59,190**	15,049	45,076
Total Non-NHS Trade Invoices Paid Within Target	**14,807**	**58,423**	14,695	44,181
Percentage of NHS Trade Invoices Paid Within Target	98.29%	98.70%	97.65%	98.01%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,619**	**224,059**	3,137	210,778
Total NHS Trade Invoices Paid Within Target	**3,363**	**221,589**	3,069	210,298
Percentage of NHS Trade Invoices Paid Within Target	92.93%	98.90%	97.83%	99.77%

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

There were no amounts included in finance costs or compensation paid to cover debt recovery costs from claims made under this legislation in the current and prior years.

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest Income				
LIFT: loan interest receivable	**34**	**0**	**34**	34
Total investment income	**34**	**0**	**34**	34

10. Other Gains and Losses

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Loss on disposal of assets other than by sale (PPE)	**0**	**0**	**0**	(232)
Gain on disposal of assets held for sale	**99**	**0**	**99**	0
Total	**99**	**0**	**99**	(232)

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest on obligations under LIFT contracts:				
- main finance cost	**859**	**0**	**859**	859
Total interest expense	**859**	**0**	**859**	**859**
Provisions - unwinding of discount	**42**		**42**	54
Total	**901**	**0**	**901**	**913**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 April 2012	**8,329**	**39,011**	**0**	**1,408**	**24**	**1,631**	**1,332**	**51,735**
Additions Purchased	0	595	0	33	0	103	0	**731**
Reclassifications	0	286	0	(286)	0	0	0	**0**
Upward revaluation/positive indexation	(3,705)	(17,134)	0	0	0	0	(21)	**(20,860)**
Impairments/negative indexation	(2,256)	(5,594)	0	0	0	0	0	**(7,850)**
Reversal of Impairments	1,369	701	0	0	0	0	0	**2,070**
At 31 March 2013	**3,737**	**17,865**	**0**	**1,155**	**24**	**1,734**	**1,311**	**25,826**
Depreciation								
At 1 April 2012	**1,115**	**24,780**	**0**	**778**	**14**	**819**	**384**	**27,890**
Reclassifications	0	28	0	(28)	0	0	0	**0**
Upward revaluation/positive indexation	(4,452)	(24,401)	0	0	0	0	(21)	**(28,874)**
Impairments	3,388	910	0	0	0	0	0	**4,298**
Reversal of Impairments	(2)	(1,035)	0	0	0	0	0	**(1,037)**
Charged During the Year	0	733	0	128	4	270	134	**1,269**
At 31 March 2013	**49**	**1,015**	**0**	**878**	**18**	**1,089**	**497**	**3,546**
Net Book Value at 31 March 2013	**3,688**	**16,850**	**0**	**277**	**6**	**645**	**814**	**22,280**
Purchased	3,688	16,850	0	277	6	645	814	**22,280**
Total at 31 March 2013	**3,688**	**16,850**	**0**	**277**	**6**	**645**	**814**	**22,280**
Asset financing:								
Owned	3,148	4,526	0	277	6	645	814	**9,416**
On-SOFP PFI contracts	540	12,324	0	0	0	0	0	**12,864**
Total at 31 March 2013	**3,688**	**16,850**	**0**	**277**	**6**	**645**	**814**	**22,280**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**2,207**	**1,847**	**0**	**(11)**	**(1)**	**(4)**	**(1)**	**4,037**
Movements*	(173)	2,198	0	21	1	8	1	**2,056**
At 31 March 2013	**2,034**	**4,045**	**0**	**10**	**0**	**4**	**0**	**6,093**

***Movements on reserves relate to the following:**	£000
Revaluations	8,014
Impairments	(5,780)
Historic cost adjustment from General Fund	(178)
Total movements	**2,056**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 April 2011	**8,633**	**37,808**	**41**	**1,076**	**24**	**1,120**	**1,332**	**50,034**
Additions - purchased	0	419	0	332	0	511	0	**1,262**
Disposals other than by sale	0	(30)	(41)	0	0	0	0	**(71)**
Revaluation & indexation gains	494	1,439	0	0	0	0	0	**1,933**
Impairments	(881)	(631)	0	0	0	0	0	**(1,512)**
Reversals of impairments	83	6	0	0	0	0	0	**89**
At 31 March 2012	**8,329**	**39,011**	**0**	**1,408**	**24**	**1,631**	**1,332**	**51,735**
Depreciation								
At 1 April 2011	**804**	**23,182**	**41**	**680**	**11**	**604**	**250**	**25,572**
Disposals other than for sale	0	(30)	(41)	0	0	0	0	**(71)**
Upward revaluation/positive indexation	454	1,409	0	0	0	0	0	**1,863**
Impairments	14	0	0	0	0	0	0	**14**
Reversal of Impairments	(157)	(507)	0	0	0	0	0	**(664)**
Charged During the Year	0	726	0	98	3	215	134	**1,176**
At 31 March 2012	**1,115**	**24,780**	**0**	**778**	**14**	**819**	**384**	**27,890**
Net Book Value at 31 March 2012	**7,214**	**14,231**	**0**	**630**	**10**	**812**	**948**	**23,845**
Purchased	7,214	14,231	0	630	10	812	948	**23,845**
At 31 March 2012	**7,214**	**14,231**	**0**	**630**	**10**	**812**	**948**	**23,845**
Asset financing:								
Owned	1,525	4,811	0	630	10	812	948	**8,736**
On-SOFP PFI contracts	5,689	9,420	0	0	0	0	0	**15,109**
At 31 March 2012	**7,214**	**14,231**	**0**	**630**	**10**	**812**	**948**	**23,845**

12.3 Property, plant and equipment

Bury PCT has not received any donated assets.

The property assets of the PCT have been subject to revaluation during 2012-2013 using the Modern Equivalent Asset rate of valuation.

Valuations for 9 properties have been carried out by an independent valuer at the end of 2012-13. The remaining asset was revalued at the end of 2012-2013 using an independent valuation that was carried out at the end of June 2012 which was subsequently indexed using current regional property prices indices to reflect current prices. Fair values have been based on market values for existing use, with depreciated replacement cost used for properties considered to be of a specialised nature.

The effect on asset lives as a result of the valuations has been minimal and the table below shows the economic lives of tangible non current assets.

	Min life Years	Max Life Years
Property, Plant and Equipment		
Building excl. Dwellings	0	79
Dwellings	0	0
Plant & Machinery	0	8
Transport Equipment	0	2
Information Technology	0	5
Furniture and Fittings	0	7

The gross carrying amount of fully depreciated non-current tangible assets still in use at the end of 2012-2013 was £583k.

13.1 Intangible non-current assets

2012-13	Software purchased £000	Total £000
At 1 April 2012	**218**	**218**
Additions - purchased	40	**40**
At 31 March 2013	**258**	**258**
Amortisation		
At 1 April 2012	**98**	**98**
Charged during the year	60	**60**
At 31 March 2013	**158**	**158**
Net Book Value at 31 March 2013	**100**	**100**
Net Book Value at 31 March 2013 comprises		
Purchased	100	**100**
Total at 31 March 2013	**100**	**100**

13.2 Intangible non-current assets

2011-12	Software purchased £000	Total £000
At 1 April 2011	**212**	**212**
Additions - purchased	6	**6**
At 31 March 2012	**218**	**218**
Amortisation		
At 1 April 2011	**49**	**49**
Charged during the year	49	**49**
At 31 March 2012	**98**	**98**
Net Book Value at 31 March 2012	**120**	**120**
Net Book Value at 31 March 2012 comprises		
Purchased	120	**120**
Total at 31 March 2012	**120**	**120**

13.3 Intangible non-current assets

Intangible non-current assets are not revalued. The carrying amounts are at cost as a proxy for fair value and have not been indexed for relevant price increases on the grounds of non materiality.

The table below shows the economic lives of intangible non current assets.

	Min life Years	Max Life Years
Intangible non-current assets		
Software Licences	0	2
Licences and Trademarks	0	0
Patents	0	0
Development Expenditure	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Other	474	0	474
Changes in market price	2,787	0	2,787
Total charged to Annually Managed Expenditure	**3,261**	**0**	**3,261**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Other	52		
Changes in market price	5,728		
Total impairments for PPE charged to reserves	**5,780**		
Total Impairments of Property, Plant and Equipment	**9,041**	**0**	**3,261**
Total Impairments charged to Revaluation Reserve	5,780		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	3,261	0	3,261
Overall Total Impairments	**9,041**	**0**	**3,261**

Radcliffe Primary Care Centre was revalued at year end by external professional valuers and impaired by a total of £6.7m due to fluctuations in market prices. This was offset by a number of smaller gains on other assets revalued at year end.

15. Commitments

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

	31 March 2013	31 March 2012
	£000	£000
Property, plant and equipment	**0**	74
Total	**0**	74

16. Intra-Government and other balances

There were no non-current receivables or payables in the current or prior years.

	Current receivables £000s	**Current payables £000s**
Balances with other Central Government Bodies	184	262
Balances with Local Authorities	21	204
Balances with NHS Trusts and Foundation Trusts	244	1,575
Balances with bodies external to government	1,578	13,015
At 31 March 2013	**2,027**	**15,056**
prior period:		
Balances with other Central Government Bodies	1,413	1,641
Balances with Local Authorities	771	0
Balances with NHS Trusts and Foundation Trusts	474	2,198
Balances with bodies external to government	2,542	16,325
At 31 March 2012	**5,200**	**20,164**

17.1 Trade and other receivables

There were no non-current trade and other receivables during the current or prior years.

	Current	
	31 March 2013	31 March 2012
	£000	£000
NHS receivables - revenue	**428**	1,887
Non-NHS receivables - revenue	**34**	1,419
Non-NHS prepayments and accrued income	**1,419**	2,604
Provision for the impairment of receivables	**0**	(992)
VAT	**105**	230
Other receivables	**41**	52
Total	**2,027**	5,200
Total current and non current	**2,027**	5,200

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.

17.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**240**	1,911
By three to six months	**1**	71
By more than six months	**(13)**	1,104
Total	**228**	3,086

17.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	**(992)**	(9)
Amount written off during the year	**992**	0
(Increase)/decrease in receivables impaired	**0**	(983)
Balance at 31 March 2013	**0**	(992)

£750k of amounts written off during the year related to non recoverable resourcing of the NHS Lorenzo Regional Care project. All amounts written off were unenforceable regards collection, no collateral was held and, because of the short term nature of the receivable, equated to fair value.

18. NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**388**	**50**	**438**
Revaluations	**1**	**0**	**1**
Balance at 31 March 2013	**389**	**50**	**439**
Balance at 1 April 2011	386	50	436
Revaluations	2	0	2
Balance at 31 March 2012	**388**	**50**	**438**

19 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**438**	438
Total Other Financial Assets - Non Current	**438**	438

There were no current other financial assets in the current or prior years.

20. Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**5**	5
Net change in year	**7**	0
Closing balance	**12**	5
Made up of		
Cash with Government Banking Service	**12**	5
Cash and cash equivalents as in statement of financial position	**12**	5
Cash and cash equivalents as in statement of cash flows	**12**	5

No patients' money was held by the PCT in either the current or prior years.

21. Non-current assets held for sale

	Land	Buildings, excl. dwellings	Total
	£000	£000	£000
Balance at 1 April 2012	651	160	**811**
Less assets sold in the year	(40)	(160)	**(200)**
Balance at 31 March 2013	**611**	**0**	**611**
Liabilities associated with assets held for sale at 31 March 2013	**0**	**0**	**0**
			0
Balance at 1 April 2011	888	487	**1,375**
Less assets sold in the year	(237)	(96)	**(333)**
Less impairment of assets held for sale	0	(231)	**(231)**
Balance at 31 March 2012	**651**	**160**	**811**
Liabilities associated with assets held for sale at 31 March 2012	0	0	**0**

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

At 31 March 2012	0
At 31 March 2013	0

Peel Health Centre has been sold during the period. The gain on the sale was £99k.
Ramsbottom Cottage Hospital is the remaining asset held for sale which has been transferred on 1 April 2013 to NHS Property Services Ltd, as the recipient organisation, upon Bury PCT's closure .
Both of these buildings had been vacated as part of a continuing business plan to rationalise the PCT's estate by the introduction in prior years of a LIFT building (Radcliffe Primary Care Centre) and Moorgate Primary Care Centre.

22. Trade and other payables

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
NHS payables - revenue	**1,837**	3,839	**0**	0
Family Health Services (FHS) payables	**5,841**	5,963	**0**	0
Non-NHS payables - revenue	**1,274**	3,183	**0**	5
Non-NHS payables - capital	**204**	177	**0**	0
Non_NHS accruals and deferred income	**4,228**	6,804	**0**	0
Social security costs	**1**	0	**0**	0
Tax	**309**	0	**0**	0
Payments received on account	**1**	0	**0**	0
Other	1,361	198	**0**	0
Total	**15,056**	20,164	**0**	5
Total payables (current and non-current)	**15,056**	**20,169**		

23. Borrowings

	Current		Non-current	
	31 March 2013	31 March 2012	**31 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Main liability	**860**	0	**15,023**	15,885
Total	**860**	**0**	**15,023**	**15,885**
Total other liabilities (current and non-current)	**15,883**	**15,885**		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH	Other	Total
	£000s	£000s	£000s
0 - 1 Years	0	1	**1**
Over 5 Years	0	15,882	**15,882**
TOTAL	**0**	**15,883**	**15,883**

24. Deferred income

	Current	
	31 March 2013	31 March 2012
	£000	£000
Opening balance at1 April 2012	**0**	418
Transfer of deferred income	**0**	(418)
Current deferred Income at 31 March 2013	**0**	**0**

There was no non-current deferred income in the current or prior years.

25. Finance lease obligations

The PCT has no material finance lease obligations.

26. Finance lease receivables as lessor

The PCT has no finance lease receivables as lessor.

27. Contingencies

	31 March 2013	31 March 2012
	£000	£000
Contingent liabilities		
Other	**(3,314)**	(15)
Amounts Recoverable Against Contingent Liabilities	**0**	12
Net Value of Contingent Liabilities	**(3,314)**	(3)
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

Other contingent liabilities consist of 156 continuing healthcare claims that have not been provided for in the accounts due to their level of uncertainty as no period of claim has been identified. These are estimated at a total of £3,314k using the average period of claim multiplied by the average weekly cost and the probability of occurrence for those cases that were provided for in the accounts.

28. Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Continuing Care £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	**4,348**	0	768	1,594	1,004	656	326
Arising During the Year	**3,422**	0	37	301	2,368	515	201
Utilised During the Year	**(2,890)**	0	(89)	(1,595)	(1,004)	(202)	0
Reversed Unused	**(669)**	0	(12)	(21)	0	(310)	(326)
Unwinding of Discount	**42**	0	18	24	0	0	0
Change in Discount Rate	**21**	0	21	0	0	0	0
Balance at 31 March 2013	**4,274**	**0**	**743**	**303**	**2,368**	**659**	**201**
Expected Timing of Cash Flows:							
No Later than One Year	**3,501**	**0**	**65**	**303**	**2,368**	**564**	**201**
Later than One Year and not later than Five Years	**392**	**0**	**297**	**0**	**0**	**95**	**0**
Later than Five Years	**381**	**0**	**381**	**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	202,283
As at 31 March 2012	180,206

Pensions relating to other staff
The current timing of quarterly payments is set to continue and the amounts are based on the evidence available at the time of completion.

Legal claims
All of the timings of payments are based on evidence available at the time of completion.

Continuing healthcare provision
The amount provided for in the accounts of £2,368k was calculated by estimating the probability of incurring a charge for all known periods of continuing healthcare claims. This provision is particularly volatile to estimation techniques because of the nature of the claims. The provision is based on claim periods stated by the claimants and an assessment by PCT management of likely probability that the claim will be incurred. The claim periods are not agreed by the PCT until the claims are settled and after the provision has been made. There are also a material number of claims where the period of claim is unidentified. These are unquantifiable for which no provision is made and are therefore a contingent liabilities.

Other provisions consist of:
Dilapidation repairs relating to the future termination of operating leases for premises.

Redundancy
Consists of planned redundancies occurring in the new financial year.

All provisions were transferred to their recipient organisations within the NHS upon the PCT's closure on 31 March 2013.

29. PFI and LIFT - additional information

The PCT has no off Statement of Financial Position (SOFP) PFI or NHS LIFT assets. The PCT only has on SOFP NHS LIFT assets.

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	**292**	361
Total	**292**	361

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

	31 March 2013	31 March 2012
LIFT Scheme Expiry Date:	**£000**	£000
No Later than One Year	**257**	257
Later than One Year, No Later than Five Years	**1,028**	1,028
Later than Five Years	**4,047**	4,304
Total	**5,332**	5,589

The estimated annual payments in future years are not expected to be materially different from those which the NHS Trust is committed to make during the next year.

During 2008/2009 the PCT entered into a concession arrangement with LIFT Co to procure an NHS LIFT medical centre. The unitary payments made by the PCT are increased annually by the retail price index. The concession agreement lasts for 25 years at which point the PCT can exercise the option to purchase the assets at fair value less a contractual discount which varies with the fair value of the asset. Included within the unitary payment is an amount for the servicing of the building. The PCT accounts for the concession as a non-current asset (land and buildings), reflecting an interest bearing liability. The unitary payment (net of service costs) is split between imputed interest and a reduction in the capital obligation.

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**31 March 2013**	31 March 2012
	£000	£000
No Later than One Year	**860**	861
Later than One Year, No Later than Five Years	**3,263**	3,371
Later than Five Years	**30,791**	31,539
Subtotal	**34,914**	35,771
Less: Interest Element	**(19,031)**	(19,886)
Total	**15,883**	15,885

30. 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	**393**	0	393
Interest Expense	**859**	0	859
Impairment charge - AME	**3,060**	0	3,060
Other Expenditure	**247**	0	247
Revenue Receivable from subleasing	**(410)**	0	(410)
Total IFRS Expenditure (IFRIC12)	**4,149**	**0**	**4,149**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**(163)**	0	(163)
Net IFRS change (IFRIC12)	**3,986**	**0**	**3,986**

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

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

31 Financial Instruments

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

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

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

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

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.

31.1 Financial Assets	**At 'fair value through profit and loss'**	**Loans and receivables**	**Total**
	£000	**£000**	**£000**
Receivables - NHS	0	204	**204**
Receivables - non-NHS	0	1,493	**1,493**
Cash at bank and in hand	0	12	**12**
Other financial assets	50	389	**439**
Total at 31 March 2013	**50**	**2,098**	**2,148**
Receivables - non-NHS	0	388	388
Cash at bank and in hand	0	5	5
Other financial assets	50	0	50
Total at 31 March 2012	50	393	443

31.2 Financial Liabilities	**At 'fair value through profit and loss'**	**Other**	**Total**
	£000	**£000**	**£000**
NHS payables	0	1,619	**1,619**
Non-NHS payables	0	12,106	**12,106**
Other borrowings	0	15,883	**15,883**
Total at 31 March 2013	**0**	**29,608**	**29,608**
Other borrowings	0	15,885	15,885
Other financial liabilities	2,998	0	2,998
Total at 31 March 2012	**2,998**	15,885	18,883

Borrowings are carried at the amount prescribed by IAS 17.
Shares are carried at par value. Management believe this is a good approximation of their fair value.
All other assets or liabilities are evaluated using the effective interest rate as per IAS 39.
All assets are subject to an impairment review.

32. Related party transactions

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

During the year none of the Department of Health Ministers, CCG shadow board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Bury Primary Care Trust.

The following GP's were members of the CCG shadow board and the figures shown below relate to the practice income and not individual GP income.

	Payments to Related Partv £000
Dr K Patel (Greenmount)	973

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

	Transactions with Related Parties 2012/13			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Pennine Acute Hospitals NHS Trust	94,033	7	0	46
Central Manchester University Hospitals NHS Foundation Trust	11,542	0	186	0
Western Cheshire PCT	25,182	125	1	0
Pennine Care NHS Foundation Trust	43,660	2,357	0	62
Salford Royal NHS Foundation Trust	9,682	0	354	0
Bolton Hospital NHS Foundation Trust	8,707	0	629	0
Blackpool PCT	6,389	0	0	0
Christie Hospital NHS Foundation Trust	5,313	3	0	0
University Hospital Of South Manchester NHS Foundation Trust	3,204	0	68	21
Trafford PCT	1,196	78	0	0

	Transactions with Related Parties 2011/212			
	Payments to Related Party £000s	Receipts from Related Party £000s	Amounts owed to Related Party £000s	Amounts due from Related Party £000s
Pennine Acute Hospitals NHS Trust	92,744	0	518	0
Central Manchester University Hospitals NHS Foundation Trust	9,294	0	18	0
Western Cheshire PCT	18,455	444	1	0
Pennine Care NHS Foundation Trust	45,895	210	164	38
Salford Royal NHS Foundation Trust	7,796	142	390	193
Bolton Hospital NHS Foundation Trust	7,256	0	571	0
Blackpool PCT	6,104	2	14	1
Christie Hospital NHS Foundation Trust	6,806	0	0	19
University Hospital Of South Manchester NHS Foundation Trust	2,916	0	0	10
Trafford PCT	5	128	1	25

In addition, the Primary Care Trust has had a significant number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Bury Metropolitan Borough Council where the PCT had £7m expenditure in 2012/13 (£6m in 2011/12). The majority of this expenditure was in the form of recharges from other non NHS joint initiatives.

The PCT holds a 10% share in Bury, Tameside & Glossop Community Solutions Ltd (BTGCS). BTGCS Ltd is a partnership set up to provide new healthcare premises. The Chief Operating Officer of the Bury CCG shadow board is a member of the boards of Bury, Tameside & Glossop Community Solutions Ltd.

Bury PCT has not received revenue payments from its own charitable funds. These funds are administered on behalf of the PCT by Pennine Acute NHS Trust.

32. Related party transactions (continued)

The Greater Manchester Board's related party relationships include:

Name	Other interests	Commissioning Board	Clinical Cabinet Board	Members of Greater Manchester Clinical Strategy Board
Chris Wild	Mr Wild is a member of the senior management team within the Corporate Banking function of the Co-operative Bank Plc and has various indirect stakeholder interests in a broad range of organisations across the healthcare sector and associated sectors.	√		
Karen Richardson	Karen Richardson is a Lay Nurse at Stockport PCT and a Programme Manager at Greater Manchester Commissioning Business Unit.	√		
Dr Kiran Patel	GP Principal at Greenmount Medical Centre. Medical Director at Lasercare Bolton and a Medical Advisor at ABL Health. Dr Patel's wife is shareholder at Lasercare Bolton and a shareholder at ABL Healthcare.		√	√
Dr Audrey Gibson	Dr Gibson is a Partner at Rock Health Care, and a partner at Minden Family Practice.		√	
Dr Cathy Fines	Dr Fines is a GP in a member practice of Bury CCG. Dr Fines' husband is a consultant at Royal Marsden Foundation trust.		√	
Howard Hughes	Dr Hughs is a director of Prestwich Pharmacy Ltd and a director of St Peters Pharmacy (Burnley) Ltd and a Chair of Bury & Rochdale LPC.		√	
Dr Peter Elton	Dr Elton is the Chair of Outreach Community and Residential Services.		√	
Paul Horrocks	Mr Horrocks is a Director of Essential Communications (Bury), a Director of Gordon Burns Partnership, a Non Executive Director of Tatton Trust, Knutsford, a Non Executive Director of GM Poverty Commission, a Trustee of Royal Manchester Childrens Hospital fund raising board, a Non Executive Director of NHS Greater Manchester and a Deputy Lieutenant of Greater Manchester		√	
Ruth Fairhurst	Ruth Fairhurst works at Bury Council with responsibility to jointly commission/provide a range of health and social care services for children and young people and vulnerable adults.		√	
Dr Robert Queenborough	Dr Queenborough is a GP at Blackford House, a Clinical Associate at KPMG LLP, a GP at SSP Health Bolton and a Biomedical Council Member at Gerson Lehrman Group Healthcare		√	
Dr Alan Dow	Dr Dows wife works as an anaesthetist at Tameside Care Trust.			√
Dr Anne Talbot	Dr Talbot is a Clinical Director of Bolton Community Practice. Mrs Talbots' husband is a consultant at Salford Royal Foundation Trust and Stockport Foundation Trust.			√
Dr Bill Tamkin	Dr Tamkins wife is a partner in Springfield House practice and also works as the care lead for Salford Clinical Commissioning Group.			√
Dr Chris Duffy	Dr Duffys' wife is a Consultant at Pennine Acute Hospitals Trust.			√
Mrs Claire Yarwood	Mrs Yarwoods sister is a General Practitioner at Regents Park Medical Practice, Ordsall and receives contract payments from Salford PCT in respect of the provision of healthcare to patients.			√
Mrs Gaynor Mullins	Mrs Mullins husband is an employee of Edmund Bell (part of Redwood High Performance Fabrics who supply specialist mattress covers and mattresses). Mrs Mullins brother is an employee at Dr Schar UK Ltd (supply gluten free food)			√
Dr Hamish Stedman	Dr Steadmans' wife works at Salford Royal Foundation Trust who receive contract payments from Greater Manchester PCT's in respect of the provision of healthcare to patients.			√
Dr Ian Williamson	Dr Williamson's wife works for Central Manchester Foundation Trust as Programme Director for Integrating Care.			√
Dr Martin Whiting	Dr Whitings' wife is a partner in the Specsavers franchise in Stockport which contracts with CCGs.			√
Ms Melanie Sirotkin	Ms Sirotkins' husband is contracted by Salford PCT and also by Social Marketing Gateway based in Glasgow.			√
Dr Mike Burrows	Dr M Burrows' Brother and Sister in Law work at Central Manchester NHS Foundation Trust and Pennine Acute Hospitals NHS Trust respectively. Both organisations receive contract payments from Greater Manchester PCT's in respect of the provision of healthcare to patients.			√
Dr Raj Patel	Dr Patels' partner, Nina Saparia works for ASDA HQ in Leeds. ASDA provides pharmacy & optometry services from many of its UK stores.			√
Dr Ranjit Gill	Dr Gill is a partner at Edgeley Medical Group, Stockport			√
Mrs Trish Anderson	Mrs Andersons' husband is a consultant at Mersey Care Trust.			√
Dr Wirin Bhatiani	Dr Bhatiani is a Managing Partner at Unsworth Group Practice. Dr Bhatianis' wife was also a partner at the same Practice until the end of 2012.			√

33. Losses and special payments

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

	Total Value of Cases £	Total No. of Cases
Losses - PCT management costs	924,844	11
Special payments - PCT management costs	10,845	5
Total losses and special payments	935,689	16

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

	Total Value	Total No.
Total losses and special payments	1,353	14

During 2012-13 a total of £750k of losses were written off which related to non recoverable resourcing of the NHS Lorenzo Regional Care project. This was unenforceable regards collection as no formal contracts were in place with funding providers.

34. Third party assets

The PCT held no cash and cash equivalents at 31 March 2013 on behalf of patients (£nil at 31 March 2012).

35. Pooled budgets

The PCT has no pooled budget arrangements in place.

36. Cashflows relating to exceptional items

The PCT has no exceptional items.

37. Events after the end of the reporting period

As a consequence of the Health and Social Care Act 2012, Bury PCT was dissolved on 1 April 2013. Its functions were transferred to various new or existing public sector entities.

Assets have transferred to NHS Property Services, Community Health Partnerships, Pennine Care NHS Foundation Trust and various other organisations in small quantities on 1 April 2013. These were considered operational at the year end, and so have not been impaired in the PCT/SHA books.
It is for the successor body to consider whether, in 2013-14, it is necessary to review these for impairment.

NHS Bury

NHS Bury
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Annual Governance Statement 2012-2013

Scope of Responsibility

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

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

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

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

Key working relationships are with:

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

- Department of Health;
- Care Quality Commission;
- Monitor.

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

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

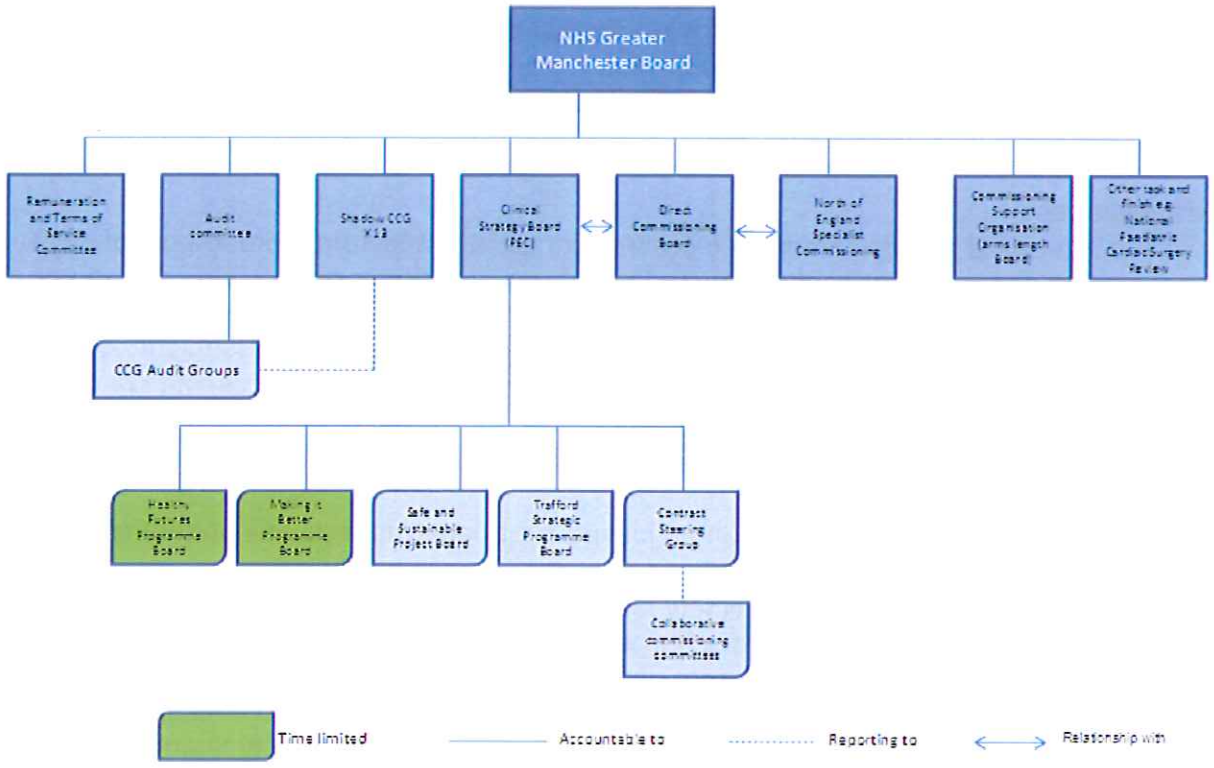
Governance Framework

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

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

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

NHS Greater Manchester committee structure from April 2012 – March 2013



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

- The Clinical Commissioning Board and Service Transformation Board to merge into a Clinical Strategy Board
- The establishment of an arms-length Commissioning Support Service Development Board
- The establishment of a Direct Commissioning Board to take responsibility for those functions that will ultimately become part of NHS England
- Other amendments to reflect changing governance structures for 2012-13, i.e. 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, (e.g. patients, public, partner organisations), based on the mutual respect and a commitment to effective communication and engagement. The board as a whole has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place.
- The AGMs of the ten Greater Manchester PCTs, together with a wide range of other initiatives, are used to communicate with stakeholders and to encourage their participation. AGMs were held in 2012-13 in respect of the 2011-12 accounts and achievements, however due to the demise of PCTs on 31.3.13, no further AGMs will be held.

Arrangements for managing the transition

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

The Transition Programme Board undertakes the following functions:

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

- Provides assurance of the Transition Programme through review of the following for each receiving organisation and enabler programme:
    - Delivery plans, key milestones and inter-dependencies
    - Resources and budget controls
    - Reviewing and resolving key risks & issues, escalating as required
    - Stakeholder engagement and communications activities for the programme

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

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

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

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

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

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

Arrangements for accounts scrutiny and sign off

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

Risk assessment

NHS Bury takes the widest approach to identify as many risks as possible. Identified risks are collated and logged at a Directorate level and Service level using a risk register. All proposals for significant developments include an identification and assessment of risk. Risk is prioritised using a risk assessment tool which enables assessment of the risk based upon the likelihood and consequence of the occurrence. This prioritisation tool is based upon the National Patient Safety Agency guidance and the Australian and New Zealand Risk Management Risk Management Standard (AS/NZ 4360:1999). This determines a risk category (i.e. severity score) for each risk identified and allows prioritisation and appropriate use of resources in managing that risk.

There were a number of significant risks identified in year using. These are as follow:

- The highest risk to the organisation was increased employee turnover due to the NHS reorganisation. The final quarter of 2012-13 saw a number of key staff leave the organisation. This was mitigated by the use of consultant and agency cover both within the organisation and across Greater Manchester. As a result of this Bury PCT has managed to meet all targets and also closedown its affairs in line with national targets.
- The second risk was the potential loss of organisational memory and knowledge due to transition. Work on transition has been ongoing since July, the senior team have worked together to ensure that the necessary measures are in place to ensure data is captured and archived as necessary.
- PCT Close-down has a number of risks in addition to the above two. These risks are related to ensuring that the closedown was completed on time and that the Transfer Orders would be produced by the deadline. There is further detail on how this was managed in the following paragraph.

In addition to the organisation risks there were two major clinical risks identified:

- The number of eligible babies receiving the neonatal BCG was also a high risk due to decommissioning of maternity inpatient services at Fairfield General Hospital where neonatal BCG was delivered at the bedside. Babies are now delivered at North Manchester or Royal Bolton where bedside neonatal BCG is not delivered. Non deliverance of the neonatal BCG for eligible babies could result in increased prevalence of Tuberculosis resulting in increased mortality and morbidity rates. All eligible babies have been identified and letters inviting parents to uptake the neonatal BCG are being sent out. Pennine Acute are putting on extra clinics and paediatricians are immunising babies. A pathway has been developed for babies born at Pennine Acute and Bolton sites for identification of eligibility and a failsafe pathway has been developed for babies born in other hospitals/settings. Midwifes are now being vigilant on identifying eligibility and sourcing further information around eligibility due to the diversity of the population.
- There is a risk that Clinical services provision on the Uplands Health Centre site (GP and Community elements) will no longer be able to continue because an element of the existing building fabric or infrastructure (most likely the roof or boiler system) will deteriorate to such an extent that the building environment will no longer be fit or able to support delivery of clinical services resulting in lack of service provision and absence of any robust contingency plans to provide this elsewhere locally. Continued development of emergency and interim contingency plans to address any building failure prior to agreement of longer term plan (February 2013). This scheme has been highlighted in capital plans as priority; however practice / commissioners need to confirm scope of scheme to enable development of business case.

PCT Closedown

In respect of closedown, Bury PCT established a robust process. Public Health went through a rigorous transfer to the Bury MBC and has been working in shadow form in 2012/13. NHS Property Services Limited transfer process was less rigorous and there are risks around property issues moving forward. However due to the lift and shift arrangements put in place all the Estates team transferring to the new company will remain located in Bury so the risk is lower that it was first envisaged.

The PCT closedown went smoothly and all deadlines were met where risks exist they will transfer to the receiver organisation and the staff within these functions are aware of their

responsibilities. There is also a Department of Health legacy team picking up residual issues i.e. corrections in respect of errors or omissions in transfer orders.

Information Governance

There is an effective system of information governance in place to manage information and data security risks in Bury PCT.

The risk and control framework

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

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

Review of the effectiveness of risk management and internal control

NHS Bury regularly review the effectiveness of the system of internal control, this is informed in a number of ways.

- Regular reports are received from the Head of Internal Audit providing an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the Internal Audit Programme.
- Executive Managers within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide assurance.
- The Assurance Framework provides evidence that the effectiveness of controls, that manage the risks to the organisation in achieving its principal objectives, have been reviewed.
- Comments made in patient and staff satisfaction surveys and reviews by our external and internal auditors and independent bodies provide objective feedback.

The Shadow Clinical Commissioning Group Board, Quality and Risk Committee, and the Local Audit Group advise on the implications of risk and the effectiveness of the system of internal control. Plans are in place to improve weaknesses and ensure continuous improvement, and are reflected in the organisational objectives.

The following are some of the key methods the shadow CCG uses to be assured that its system of internal control is effective.

- **The CCG Shadow Board** receives reports on a monthly basis as the primary document for assessing compliance with national and local targets, and also oversees all major operational and governance issues. It also receives and endorses key internal and external reports that demonstrate the adequacy of the internal control function.
- **The CCG Shadow Quality and Risk Committee** monitors the performance of the internal control functions and reviews the Assurance Framework and Risk Register, prior to its oversight by the Shadow Board.
- **The Local Audit Group** endorses and monitors the financial and corporate governance performance of the PCT/shadow CCG.
- **The Finance, Information and Performance Group** considers and approves the PCT financial, informatics and operational plans and monitors performance against those plans.
- **Internal Audit** reviews the corporate governance performance of the PCT through the review of the Assurance Framework and risk based reviews. The Head of Internal Audit opinion gives an overall assurance at year end.
- **External Audit** review value for money and the conduct of public service business as well as the audit of financial statements.
- **Executive and Senior Managers** have delegated responsibility for the achievement of organisational objectives and risk minimisation, and for the management of risks generated within clinical and non-clinical areas.

Significant Issues

There have been no significant issues during 2012/2013.

Accountable Officer : Dr Mike Burrows

Organisation: NHS Bury

Signature 

Date 6/6/13