

Flintshire Local Health Board

FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

Statutory background

The Local Health Board was one of 22 which came into existence on 1st April 2003. As a statutory body governed by Acts of Parliament the LHB is responsible for :

- agreeing the action which is necessary to improve the health and health care of the population of [Flintshire](#).
- supporting and financing General Practitioner-led purchasing of the services needed to meet agreed priorities, including charter standards and guarantees;
- supporting and funding the contractor professions;
- the commissioning of health promotion, emergency planning and other regulatory tasks;
- the stewardship of resources including the financial management and monitoring of performance in critical areas;
- eliciting and responding to the views of local people and organisations and changing and developing services at a pace and in ways that they will accept.

Performance Management and Financial Results

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result the Primary Statement of in-year income and expenditure is the Operating Cost Statement, which shows the net operating cost incurred by the LHB which is funded by the Assembly. This funding is allocated on receipt directly to the General Fund in the Balance Sheet.

The statutory duty for Local Health Boards is enacted in the 2002 NHS Reform and Health Care Professionals Act. Net Operating Costs incurred by Local Health Boards should not exceed their allocated Resource Limit.

The primary performance measure for Local Health Boards is note 2.1 Achievement of Operational Financial Balance on page 13. This note compares net operating costs expended against Resource Limits allocated by the Assembly and measures whether operational financial balance has been achieved in year.

OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Note	Total £000	2006-07 Total £000
Expenditure	4.1,4.2,4.3, 4.4	181,770	172,628
Miscellaneous income	3.1	2,170	2,268
Net operating costs		<u>179,600</u>	<u>170,360</u>

**STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2008**

	£000	£000
Unrealised surplus on revaluation / indexations of fixed assets	0	0
Net increases / reductions in General Fund due to transfers of assets	0	0
Fixed asset impairment losses	0	0
Recognised gain / (loss) for the year	<u>0</u>	<u>0</u>

BALANCE SHEET AS AT 31 MARCH 2008

	Note	£000	31 March 2007 £000
TOTAL FIXED ASSETS			
Intangible fixed assets	5.1	0	0
Tangible fixed assets	5.2	0	66
CURRENT ASSETS			
Debtors	6.1	491	844
Cash at bank and in hand		1,535	63
Total Current Assets		2,026	907
Creditors: amounts falling due within one year	6.2	12,565	12,020
Net current assets / (liabilities)		(10,539)	(11,113)
Creditors: amounts falling due after more than one year	6.3	0	0
Provisions for liabilities and charges	6.4	639	583
TOTAL NET ASSETS		(11,178)	(11,630)
FINANCED BY:			
General fund	6.5	(11,178)	(11,630)
Donated Assets Reserve	6.6	0	0
Revaluation Reserve	6.7	0	0
TOTAL		(11,178)	(11,630)

Signed for and on behalf of the Board

Director of Finance Chief Executive

Date 18th June 2008

Date 18th June 2008

Adopted by the Board on 18th June 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	£000	2006-07 £000
Net operating costs	(179,600)	(170,360)
Adjust for non-cash transactions	(125)	(171)
Adjust for movements in working capital other than cash	898	495
Utilisation of provisions	(180)	(873)
	<hr/>	<hr/>
Net cash outflow from operating activities	(179,007)	(170,909)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT:		
Payments to acquire fixed assets	0	0
Receipts from the sale of fixed assets	0	0
	<hr/>	<hr/>
Net cash inflow / (outflow) from investing activities	0	0
	<hr/>	<hr/>
Net cash inflow / (outflow) before financing	(179,007)	(170,909)
FINANCING:		
Net Assembly funding (including capital)	180,479	170,932
Surrender of income from sale of fixed assets	0	0
Donations	0	0
Capital element of finance lease rental payments	0	0
	<hr/>	<hr/>
Net cash inflow / (outflow) from financing	180,479	170,932
	<hr/>	<hr/>
Increase / (decrease) in cash	1,472	23

Notes to the cash flow statement

Adjust for non-cash transactions

	£000	2006-07 £000
Depreciation and other write-offs	19	20
Impairment of fixed assets	47	0
(Profit) / Loss on disposal of fixed assets	0	0
Non-cash provisions	236	220
Capital charge interest	(427)	(411)
	<u>(125)</u>	<u>(171)</u>

Adjust for movements in working capital other than cash

	£000	2006-07 £000
(Increase)/decrease in debtors	353	(348)
Increase/(decrease) in creditors	545	843
	<u>898</u>	<u>495</u>

Reconciliation of net cash flow to movement in net debt

	£000
Increase/(decrease) in cash in the period	1,472
Cash outflow from debt repaid and finance lease capital payments	0
Change in net debt resulting from cash flows	<u>1,472</u>
Non cash changes in debt	0
Net debt at 1 April 2007	<u>63</u>
Net debt at 31 March 2008	<u>1,535</u>

Analysis of changes in net debt

	As at 1 April 2007	Cash flows	Other changes	As at 31 March 2008
	£000	£000	£000	£000
Cash at bank and in hand	63	1,472	0	1,535
Bank overdraft	0	0	0	0
Debt due within one year	0	0	0	0
Debt due after one year	0	0	0	0
Total	<u>63</u>	<u>1,472</u>	<u>0</u>	<u>1,535</u>

Amount held in Office of Paymaster General bank accounts as at 31 March 2008 was £1,534,368

Analysis of capital expenditure, financial investments and associated receipts

	Capital		Loans		Net Total
	Additions £'000	Disposals £'000	Issues £'000	Repayments £'000	£'000
Total cash payment and receipts	0	0	0	0	0

Reconciliation of loan issues and repayments to cash movements

	Issues £'000	2007-08	Net Movement £'000
		Repayments £'000	
Total issues and repayments (per creditors note 6.3)	0	0	0
Accrued movement in loan capital	0	0	0
Non-cash adjustments	0	0	0
Total financial investment and associated receipts	0	0	0

Reconciliation of fixed assets and disposals

	Additions £'000	2007-08	Net Movement £'000
		Disposals £'000	
Total assets and disposals (per fixed assets note 5.1 5.2)	0	0	0
Accrued movement in fixed asset additions	0	0	0
Non-cash adjustments	0	0	0
Total cash movement on asset additions and disposals	0	0	0

Notes to the Account

1. Accounting Policies

1.1 The financial statements have been prepared in accordance with the Financial Reporting Manual (FReM) issued by HM Treasury to the extent that the National Assembly for Wales has directed as being appropriate to LHB'S. The particular accounting policies adopted by the Local Health Board (LHB) are described below. They have been applied in dealing with items considered material in relation to the accounts.

These accounts have been prepared under the historical cost convention, modified by the application of current cost principles to tangible fixed assets, and in accordance with directions issued by the National Assembly for Wales (the Assembly) and approved by Treasury.

LHB's are not required to provide a reconciliation between current cost and historical cost surpluses and deficits.

Acquisitions and Discontinued Operations

Activities are considered to be "acquired" and disclosed as such, only if they are acquired from outside the public sector. Activities are considered to be "discontinued" and disclosed as such, only if they cease entirely or are transferred outside the public sector.

1.2 Income and funding

The main source of funding for the LHB is resource allocations from the Assembly within an approved cash limit, which is credited to the general fund when the associated cash is received. Income disclosed in the Operating Cost Statement reflects only the amounts other than Assembly Funding.

Miscellaneous income is income which relates directly to the operating activities of the LHB. It comprises principally of fees and charges for services provided on a full cost basis to external customers, (or any other other material types of income if this disclosure would not be sufficient).

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.

Income is accounted for by applying the accruals convention. Income is recognised in the period in which services are provided.

1.3 Taxation

The LHB 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 Intangible fixed assets

Intangible assets which can be valued, are capable of being used in a LHB's activities for more than one year and have a cost equal to or greater than £5,000;

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred. They are amortised over the shorter of the term of the licence and their useful economic lives.

1.5 Tangible fixed assets

a. Capitalisation

Tangible fixed assets are capitalised if they are capable of being used for a period which exceeds one year and:

- individually have a cost equal to or greater than £5,000; or
- collectively have a cost equal to or greater than £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates and are anticipated to have simultaneous disposal dates; and are under single managerial control; or
- form part of the initial setting - up cost of a new building, irrespective of their individual or collective cost.
- form part of an IT network which collectively has a cost more than £5,000 and individually have a cost of more than £250,000

b. Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at costs (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Land and Buildings

Land and buildings are restated at current cost using professional valuations every five years and appropriate indices in intervening years. The buildings indexation is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS). The land index is based on the residential building and land values reported in the Property Market Report published by the Valuation Office. Valuations are carried out by the District Valuers of the Inland Revenue Government Department at five - yearly intervals. A five - yearly revaluation was carried out as at 1 April 2007.

The valuations have been carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non - specialised operational property.

In respect of non - operational properties, including surplus land, the valuations have been carried out at Open Market Value. The value of land for existing use purposes is assessed to Existing Use Value. Land and buildings held under finance leases are capitalised at inception at the fair value of the asset but may be subsequently revalued by the District

Valuer. The valuations do not include notional directly attributable acquisition costs nor have selling costs been deducted, since they are regarded as not material.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All impairments resulting from price changes are charged to the Statement of Recognised Gains and Losses where there is a credit balance for that impaired asset in the revaluation reserve, otherwise ordinarily they will be charged to the Operating Cost Statement. Falls in value when newly constructed assets are charged to the revaluation reserve even when there is no credit balance.

Equipment

Equipment surplus to requirements is valued at net recoverable amount and assets held under finance leases are capitalised at the fair value of the assets. With those exceptions, equipment is valued at Depreciated Replacement Cost.

Assets in the course of construction

Assets in the course of construction are valued at current cost as for land and buildings. These assets include any existing land or buildings under the control of a contractor.

c. Depreciation, amortisation and impairments

Depreciation is charged on a straight - line basis on each main class of fixed asset as follows:

Freehold land and land and buildings surplus to requirements are not depreciated. Assets in the course of construction and residual interests in off - balance sheet Private Finance Initiative contract assets are not depreciated until the asset is brought into use or reverts to the LHB, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer.

Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of £5,000 is incurred. They are amortised over the shorter of the term of the licence and their useful economic lives

1.6 Donated assets

Donated tangible fixed assets are capitalised at their valuation on receipt and are valued and depreciated as described above for purchased assets.

The value of donated tangible fixed assets and the donated element of part - donated assets are reflected in a donated asset reserve. This reserve is credited with the value of the original donation and any subsequent revaluation and indexation; an amount equal to the depreciation charge is released from this reserve each year to the Operating Cost Statement.

1.7 Research and development

Research and development expenditure is charged to the Operating Cost Statement in the year in which it is incurred, except insofar as it is separately identifiable development expenditure relating to a clearly defined project and benefits therefrom can reasonably be regarded as assured.

Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Operating Cost Statement on a systematic basis over the period expected to benefit from the project.

1.8 Pension Costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State in England and Wales. As a consequence it is not possible for the LHB to identify its share of the underlying scheme assets and liabilities. 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 a defined contribution scheme: the cost to the NHS body participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

The Scheme is subject to a full actuarial investigation every four years. The main purpose of which 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 to be paid by employers and scheme members. The last such investigation, on the conclusions of which scheme contribution rates are currently based, had an effective date of valuation on this basis took place as at 31 March 2004 and covered the period from 1 April 1999 to that date. Between the full actuarial valuations, the Government Actuary provides an annual update of the scheme liabilities for FRS 17 purposes. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the Business Service Authority - Pensions Division website at www.nhspa.gov.uk. Copies can also be obtained from The Stationery Office.

The conclusion of the 2004 investigation was that the scheme had accumulated a notional deficit of £3.3 billion against notional assets as at 31 March 2004. This is after making some allowance for the one-off effective of pay modernisation, but before taking into account any of the scheme changes which come into effect on 1 April 2008. Taking into account the changes in the benefit and contribution structure effective from 1 April 2008, employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008 employees paid contributions of 6% (manual staff 5%) of their pensionable pay. From 1 April 2008, employees will pay contributions according to a tiered scale from 5% up to 8.5% of their pensionable pay.

The scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. 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. On death, a pension of 50% of the members pension is normally payable to the surviving spouse.

Early payments 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 the final year's pensionable pay for death in service, and up to five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump for those who die after retirement is, payable.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVC's) provided by an approved panel of life companies. Under the arrangement the LHB can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

Additional pension liabilities arising from early retirements are not funded by the scheme, which except where the retirement is due to ill-health. For early retirements not funded by the scheme, the full amount of the liability for the additional costs is charged to the Operating Cost Statement at the time the LHB commits itself to the retirement, regardless of the method of payment.

1.9 Foreign currency

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions. Resulting exchange gains and losses are taken to the Operating Cost Statement.

1.10 Cost of Capital

The cost of capital applies to all the assets and liabilities of the LHB, less cash balances held at the OPG and donated assets. The interest rate applied to capital charges in the 2007/08 financial year was 3.5%.

1.11 Provisions

The LHB provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 2.2% in real terms. Provisions are only recognised where the amount of economic benefit is probable, and the amount of the transfer can reasonably be estimated.

1.12 Liquid resources

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cashflow statement. The LHB does not hold any investments with maturity dates exceeding one year from the date of purchase.

1.13 Leases

Where substantially all the risks and rewards of ownership of a leased asset are borne by the LHB, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the OCS over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the OCS on a straight line basis.

1.14 Contingent liabilities

- a possible obligation arising from past events whose existence will be confirmed by the occurrence of future events not wholly within the LHB's control;
 - a present obligation arising from past events for which it is not probable that a transfer of economic benefits will be required to settle the obligation; or
 - a present obligation where the amount of the obligation cannot be measured with sufficient accuracy.
- Contingent liabilities are not disclosed where the probability of them becoming liabilities is considered to be remote.

Contingent assets are disclosed where a possible asset exists as a result of past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the LHB's control. Contingent assets are disclosed only where the future outflow of economic benefit is considered to be probable.

1.15 Deferred Income

Deferred income is recognised where income has been received with an obligation to use the monies for a specific purpose, but these monies have not yet been spent. Only third party income between non-government bodies may be recognised.

1.16 Expenditure

Interest payable arises from the unwinding of discount on provisions, as the value is restated to reflect the present value of the provision at the closing balance sheet date. Interest payable also arises on bank overdrafts and finance leases and is recognised on the accruals basis. Interest payable is not shown separately on the face of the Operating Cost Statement, but is included within expenditure.

Certain expenditure relating to reimbursement of General Practitioners for the provision of Family Health Services is defined by the National Assembly as "non-discretionary" and is deducted from net operating costs for the purposes of assessing outturn against revenue resource limit in note 2.1.

Programme expenditure is defined as costs relating directly to the provision of healthcare, social care and other services relating to the LHB's functions provided directly to the public. All other expenditure is classified as administration expenditure.

1.17 New Dental Contract

On 1 April 2006 a new dental contract was introduced in England and Wales. LHB's are now responsible for commissioning dental services and organising payment through the Dental Practice Division of the Business Services Authority.

Contractors who underperformed against their contracted level of Units of Dental Activity, (UDA's) by a margin of 5% or less, are contractually allowed to retain their payments for the year and deliver the underperformance of UDA's within the new financial year 2008-09.

The valuation in the annual accounts is based on an estimate provided by the Dental Practice Division in May 2008. The final outturn will not be available until after the publication of the annual accounts, and any variance will be recognised in the accounts for 2008-09.

The LHB's superannuation liability is contingent upon :
the actual UDA performance against the annual contracted target to arrive at a final gross earnings for the year;
the declared split of the gross final earnings over the performers registered on each individual contract.

To calculate the LHB's liability in respect of year end under or over performance, the baseline financial value of any under or over achievement against contracted activity is multiplied by a factor of 0.439, (the standard superannuation assumption for the profit element of gross earnings within the dental sector) and 0.14. (the superannuation employee contribution rate.)

2.1 Achievement of Operational Financial Balance

	£000	2006-07 £000
Net operating costs for the financial year	179,600	170,360
Non-discretionary expenditure	1,069	785
Operating costs less non-discretionary expenditure	178,531	169,575
Revenue Resource Limit	178,545	169,601
Under / (over) spend against Revenue Resource Limit	14	26
Unplanned resource brokerage received	0	0
Operational Financial Balance	14	26

Detailed below are resource brokerage and cash brokerage brought and carried forward.

	Cash £ 000	Resource £ 000
Cash and Resource surpluses brokered by WAG from 2006/07	5,335	735
In Year Resource surplus brokered to Carmarthenshire LHB	0	-1,400
In Year Cash surplus brokered to Swansea LHB	-4,000	0
In Year late Resource Allocation for Continuing Care brokered to Powys LHB	0	-1,030
Net Effect of In Year Brokerages	1,335	-1,695

Local Health Boards are required to achieve a breakeven financial position each and every year except where a Service Change and Efficiency Plan (SCEP) has been approved by the Welsh Assembly Government in accordance with WHC (2004) 34, statutory Financial Duties of NHS Trusts and Local Health Boards. Where an approved SCEP is in place achievement of the breakeven duty will be measured over the life of the plan.

Flintshire LHB is within 2 Health Economy areas, namely North East Wales and Conwy & Denbighshire.

The North East Wales and Conwy & Denbighshire Health Economy SCEPs have been agreed by the Welsh Assembly Government subject to some conditions outlined in a letter to the Health Economy Chief Executives on 27 March 2007.

Negotiations in respect of the Annual Operating Framework within the health economies are still continuing in relation to the financial gap for the Access 2009 targets.

The LHB is currently forecasting breakeven in 2008/2009 (excluding Grogan growth and Lucentis).

3.1 Miscellaneous income

	£000	2006-07 £000
Fees & Charges	0	0
Prescription charge income	394	1,043
Dental fee income	1,408	872
Income for trust impairments	0	0
Deferred Income released to revenue	0	0
Other	368	353
Total	2,170	2,268

Other

Patient prescription charges were abolished in Wales from 1st April 2007. However, the LHB has continued to receive income for prescriptions in 2007/08 due to the following:

	£ 000
NHS Prescriptions for non Welsh patients	36
FP10 recharges to Welsh Hospitals for the cost of drugs prescribed by hospitals but dispensed by community pharmacists	334
NHS patient prescription charges for Welsh patients up to 31st March 2007 but received after the 2006/07 Accounts were closed	24
TOTAL PRESCRIPTION CHARGE INCOME	394

Other Miscellaneous Income is broken down as follows:

	£ 000
Flintshire County Council Grants	159
Parkinson's Disease Society Grant	40
Recharges to Other LHBs	51
Recharges to Trusts	65
Recharges to Primary Care Contractors	50
Fraud Recovery	2
LHB Admin Services recharges	1
Total Other Miscellaneous Income	368

Expenditure:
4.1 Primary health care

	Cash limited	Non cash limited	Total	2006-07 Total
	£000	£000	£000	£000
General Medical services	20,879	0	20,879	20,463
Pharmaceutical services	4,253	(40)	4,213	3,839
General Dental services	6,868	0	6,868	5,332
General Ophthalmic services	0	1,109	1,109	889
Other Primary health care expenditure	1,909	0	1,909	2,207
Prescribed drugs and appliances	21,040	0	21,040	20,526
Total	54,949	1,069	56,018	53,256

4.2 Secondary and Community health care

	Total	2006-07 Total
	£000	£000
NHS Trusts:		
Provider 1 - .. North East Wales	61,373	58,881
Provider 2 - .. Conwy and Denbighshire	26,012	25,346
Provider 3 - .. Countess of Chester	17,608	16,571
Provider 4 - .. Robert Jones and Agnes Hunt Orthopaedic	2,111	1,980
Provider 5 - .. Mental Health Care Group (Private)	909	706
Provider 6 - .. Coed Du Hall Ltd (Private)	877	608
Provider 7 - .. North West Wales	538	549
Provider 8 - .. Royal Liverpool and Broadgreen	556	571
Provider 9 - .. Wirral Hospitals	446	428
Provider 10 - Greencroft Nursing Home (Private)	463	265
Other Welsh NHS trusts	245	234
Other non Welsh NHS trusts	1,162	1,498
Local Authorities	105	0
Voluntary Organisations	186	221
NHS Funded Nursing Care	1,102	1,104
Continuing Care	5,530	4,441
Private providers	624	694
Specific projects funded by Welsh Assembly Government	0	0
Other	198	0
Total	120,045	114,097

Footnote to Note 4.1

£66,000 of expenditure under Cash limited General Medical Services relates to Capital charges (depreciation and impairment) on fixed assets purchased by the Local Health Board for the Local Health Board run General Medical Service Out of Hours Service. A breakdown of the fixed asset movements for the year is shown in Note 5.2 on page 23.

Footnote to Note 4.2

£105,000 of expenditure for Local Authorities is funding to Flintshire County Council to avoid Delayed Transfers of Care. £198,000 of "Other" Expenditure is funding to Denbighshire Local Health Board for the North Wales Cancer Network.

4.3 Other programme expenditure

	2006-07
	£000
Salaries and wages	1,593
National Public Health Service	820
Losses, special payments and irrecoverable debts	0
Research and development	0
Other	1,422
Total	3,835

2006-07
£000
1,570
792
0
0
1,035
3,397

4.4 Administration expenditure

	2006-07
	£000
Non-officer members' remuneration	101
Other salaries and wages	1,113
Consultancy services	110
Establishment expenses	132
Transport and moveable plant	2
Premises and fixed plant	57
External contractors	11
Auditors' remuneration - audit fee	74
Auditors' remuneration - other fees	0
Business Services Centre and Business Support Partnership recharge	696
Interest payable- unwinding of discount	0
Interest payable -other	0
Capital - depreciation	0
Amortisation	0
Capital charge interest	(428)
Impairment	0
(Profit) / loss on disposal of fixed assets	0
Other	4
Total	1,872

2006-07
£000
103
1,023
0
185
2
45
26
72
0
828
0
0
0
0
(414)
0
0
8
1,878

Consultancy services is a new note to the Accounts for 2007/08. Prior to 2007/08, Consultancy services were included within Establishment expenses.

The expenditure for Consultancy Services for the year is broken down as follows:

Legal Advice	£89,000
Welsh Ambulance Services NHS Trust - emergency planning advice	£4,000
Contribution to management consultancy advice to the North East Wales health economy Service Change and Efficiency Plans	£14,000
Specialist financial consultancy advice	£3,000
TOTAL CONSULTANCY SERVICES EXPENDITURE	£110,000

**4.5 Losses, special payments and irrecoverable debts:
charges to operating expenses**

	Total	2006-07 Total
	£000	£000
Clinical negligence	0	0
Personal injury	0	0
All other losses and special payments	0	0
Defence legal fees and other administrative costs	0	0
	<hr/>	<hr/>
Gross increase / decrease in provision for future payments	0	0
Contributions to Welsh Risk Pool/insurance premiums	0	0
Irrecoverable debts	0	0
Less: income received/due from Welsh Risk Pool	0	0
	<hr/>	<hr/>
Total	0	0
	<hr/>	<hr/>

Personal injury includes £ nil in respect of permanent injury benefits

4.6 Hire and operating lease rentals

	£000	2006-07 £000
Hire of plant and machinery	0	0
Other operating leases	13	12
Total	13	12

Commitments under non-cancellable operating leases:

	Land and Buildings £000	Other Leases £000	2006-07 Land and Buildings £000	2006-07 Other Leases £000
Operating leases which expire:				
Within 1 year	0	4	0	5
Between 1 and 5 years	0	9	0	10
After 5 years	0	0	0	0

4.7 Executive Directors and staff costs

	Total £000	2006-07 Total £000
Salaries and wages	3,362	2,769
Social security costs	225	224
Employer contributions to NHSPA	383	366
Other pension costs	0	0
Agency / seconded staff	0	320
Total	3,970	3,679

The total Executive Director and staff costs of £3,970,000 are engaged within the Administrative, Programme and Primary Care functions of the Local Health Board as disclosed in Notes 4.1 (on Page 15) and Notes 4.3 and 4.4 on page 16, as follows:

	£000	2006-07 £000
Note 4.1 Primary Health care - (part of) General Medical Services	1,251	1,086
Note 4.1 Primary Health care - (part of) Dental	13	0
Note 4.3 Other programme Expenditure - Salaries & Wages	1,593	1,570
Note 4.4 Administration Expenditure - Other Salaries & Wages	1,113	1,023
Total LHB Executive Directors and staff costs	3,970	3,679

The LHB staff costs within Primary Health care services (Note 4.1 - page 15) of £1,251,000 and £13,000 are for doctors, nurses and administrative staff engaged within the LHB provided GP Out of Hours Service and the LHB Dental Contract Administrator, respectively. There are other staff employed within Primary Health Care but as these are directly employed by the Practitioners they are not included within Note 4.7 above.

4.8 Board Directors' remuneration

	£000	2006-07 £000
Non-officer members' remuneration	101	96
Executive Directors' remuneration:		
basic salaries	248	230
benefits	2	1
performance related bonuses	0	0
pension contributions	36	37
Compensation for loss of office	0	0
Pensions to former directors (early retirees)	0	0
Total	387	364

	Chief Chairman	Chief Executive
	£000	£000
Basic Salary	34	79
Benefits	0	0
Compensation for loss of office	0	0
Performance related bonuses	0	0
Pension contributions	0	11
Total	34	90

Remuneration waived by directors and allowances paid in lieu:		
	Number	£000
Directors' remuneration waived	0	0
Allowances paid in lieu of remuneration	0	0

The basis on which performance related bonuses are calculated is as follows:

NOT APPLICABLE

4.9 Average number of employees

The average number of employees during the year was:

	Permanent staff	Agency, temporary and contract staff	Staff on inward secondment	Total	2006-07
	Number	Number	Number	Number	Number
Executive Board Members	5	0	0	5	3
Other Local Health Board Staff	72	2	8	82	86
Recharged staff	0	0	0	0	0
Total	77	2	8	87	89

The average number of employees is calculated as the total number of employees under contract of service in each week in the financial year divided by the number of weeks in the financial year.

Expenditure on staff benefits

	£	£
Nature of expenditure:		
a.	0	0
b.	0	0
c.	0	0
d.	0	0
Total	0	0

There was no expenditure on staff benefits during the year.

4.10 Retirements due to ill-health

During 2007-08 there were NIL early retirements from the LHB agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements (calculated on an average basis and borne by the NHS Pension Scheme) will be £nil.

4.11 Public Sector Payment Policy - Measure of Compliance

The National Assembly for Wales requires LHB's to pay non-NHS trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The target is to pay all trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.

	Number	£000	2006-07 £000
Non- NHS			
Total bills paid 2007-2008	3,455	12,547	12,022
Total bills paid within target	3,369	12,350	11,927
Percentage of bills paid within target	97.5%	98.4%	99.2%

In addition, the National Assembly for Wales require LHB's to pay other NHS bodies in accordance with Government Accounting rules. The target is to pay all other NHS bodies within 30 days of receipt of goods or a valid invoice by the authority (whichever is the later) unless other payment terms have been agreed with the NHS body.

	Number	£000	2006-07 £000
NHS			
Total bills paid 2007-2008	796	114,902	102,101
Total bills paid within target	771	114,808	102,076
Percentage of bills paid within target	96.9%	99.9%	100.0%

	Number	£000	2006-07 £000
Total			
Total bills paid 2007-2008	4,251	127,449	114,123
Total bills paid within target	4,140	127,158	114,003
Percentage of bills paid within target	97.4%	99.8%	99.9%

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

	£	2006-07 £
Amounts included within Interest Payable arising from claims made by small businesses under this legislation (see note 4.4).	0	0
Compensation payable to cover debt recovery costs	0	0

5.1 Intangible Fixed Assets

	Software licences £000	Licenses and trademarks £000	Patents £000	Development expenditure £000	Total £000
Gross cost at 1 April 2007	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Gross replacement cost at 31 March 2008	0	0	0	0	0
Accumulated amortisation at 1 April 2007	0	0	0	0	0
Provided during the year	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Accumulated amortisation at 31 March 2008	0	0	0	0	0
Net book value at 1 April 2007	0	0	0	0	0
Net book value at 31 March 2008	0	0	0	0	0

Tangible fixed assets

5.2 Tangible assets at the balance sheet date:

Cost or valuation	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
At 1 April 2007	0	0	0	0	0	0	0	96	96
Additions - purchased	0	0	0	0	0	0	0	0	0
Additions - donated government granted	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	(47)	(47)
Other in-year revaluations	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2008	0	0	0	0	0	0	0	49	49
Depreciation									
At 1 April 2007	0	0	0	0	0	0	0	30	30
Additions - purchased	0	0	0	0	0	0	0	0	0
Additions - donated government granted	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Other in-year revaluations	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	19	19
At 31 March 2008	0	0	0	0	0	0	0	49	49
Net book value									
at 1 April 2007	0	0	0	0	0	0	0	66	66
Net book value									
at 31 March 2008	0	0	0	0	0	0	0	0	0
Net book value of assets held under finance leases and hire purchase contracts									
Total	0	0	0	0	0	0	0	0	0
The total amount of depreciation charged in the Operating Cost Statement in respect of assets held under finance leases and hire purchase contracts:									
Total	0	0	0	0	0	0	0	0	0
Value of assets held at open market value	0	0	0	0	0	0	0	0	0

Tangible Fixed Assets (continued)

The net book value of land and buildings at 31 March 2008 comprises:

	£000	2006-07 £000
Freehold	0	0
Long leasehold	0	0
Short leasehold	0	0
	<hr/>	<hr/>
Total	0	0
	<hr/>	<hr/>

Net profit/(loss) on disposal of fixed assets

	£000	2006-07 £000
During the year the LHB disposed of fixed assets with the net book value of,	0	0
The gross proceeds from the sale(s) were	0	0
giving a net profit/(loss) on disposal of	<hr/> 0	<hr/> 0
The LHB paid over to the National Assembly for Wales the net proceeds from disposal of and retained the costs of disposal, met of,	0	0
	0	0

6.1 Debtors

Amounts falling due within one year:	£000	2006-07 £000
National Assembly for Wales	0	222
Health Commission Wales	0	0
Local Health Boards	61	29
Primary Care Trusts	0	0
NHS Trusts	212	72
Welsh Risk Pool	0	0
Capital debtors	0	0
Other debtors	100	401
Provision for irrecoverable debts	(16)	0
Pension Prepayments:	0	0
Other prepayments and accrued income	134	120
Sub total	491	844
Amounts falling due after more than one year:	£000	£000
National Assembly for Wales	0	0
Health Commission Wales	0	0
Local Health Boards	0	0
Primary Care Trusts	0	0
NHS Trusts	0	0
Welsh Risk Pool	0	0
Capital debtors	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments	0	0
Other prepayments and accrued income	0	0
Sub total	0	0
Total	491	844

6.2 Creditors

Amounts falling due within one year:	2006-07	
	£000	£000
National Assembly for Wales	4	0
Health Commission Wales	67	0
Local Health Boards	48	26
NHS Trusts	993	713
Primary Care Trusts	0	0
Income tax and social security	85	75
Non-NHS creditors	3,551	6,448
Capital Creditors	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases and HP contracts	0	0
GPFH savings	0	0
Pensions: staff	0	0
Accruals	7,790	4,758
Deferred Income	27	0
Other creditors	0	0
Total	12,565	12,020

6.3 Creditors

Amounts falling due after more than one year:	2006-07	
	Total £000	Total £000
Obligations under finance leases and HP contracts	0	0
NHS creditors	0	0
Assembly loans	0	0
Pensions: staff	0	0
Other	0	0
Total	0	0

6.4 Provisions for liabilities and charges

	At 1 April 2007	Structured settlement cases trans- ferred to WRP	Transfer of prov- isions to creditors	Arising during the year	Reversed unused	Utilised during the year	Unwind- ing of discount	At 31 March 2008
	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0
Defence legal fees and other administration costs.	0	0	0	0	0	0		0
Sub-total	0	0	0	0	0	0	0	0
Pensions	0			0	0	0	0	0
Other	583			236	0	(180)		639
Total	583	0	0	236	0	(180)	0	639

Expected timing of cash flows:

	Within 1 year £000	Between 2 and 5 years £000	After 5 years £000	Total £000
Clinical negligence	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	0	0	0	0
Defence legal fees and other administration costs	0	0	0	0
Pensions	0	0	0	0
Other	639	0	0	639
Total	639	0	0	639

The LHB estimates that in 2008-09 it will receive £nil, and in 2009-10 and beyond £nil from the Welsh Risk Pool in respect of losses and special payments.

Other provisions of £639,000 relate to Continuing Healthcare costs subject to further review. No provisions in the accounts have yet been made for the financial implications of the "Grogan" High Court Judgement of January 2006 as advised by the Welsh Assembly Government in Welsh Health Circular (2006) 046 as no healthcare assessments and hence no evaluation of individual patient costs have yet been made. No actual costs during 2007/08 can be directly attributed to the Grogan judgement alone and no provision has been made in these accounts in respect of unknown cases arising specifically from the Grogan judgement. The LHB has limited knowledge of the value or extent of potential cases.

Although the LHB is aware that additional costs have arisen elsewhere in Wales as a consequence of the Grogan judgement, it is not possible for a reliable estimate to be made of the financial impact of the judgement for this LHB.

In February 2003 the report by the Ombudsmen on NHS funding for long term care concluded that departmental guidance on who should receive financial support for nursing care had been misinterpreted and misapplied by Health Authorities. As a consequence claims for recompense are expected and where following a full examination of the facts it is accepted that someone had been wrongly denied care and incurred costs as a result recompense may be due.

The provision for claims for continuing care of £639,000 included in the accounts relates only to those costs for continuing care occurring after 1st April 2003. All costs for which a provision has been established relating to periods pre 1st April 2003 will be accounted for elsewhere in the Wales health economy (in accordance with National Assembly requirements) as although they relate to residents in the Flintshire LHB area, they were incurred before Flintshire LHB was established.

6.5 General fund

The movement on the General fund in the year comprised:

	£000
At 1 April 2007	(11,630)
Net operating cost for the financial year	(179,600)
Net Assembly funding (including capital)	180,479
Capital charge interest	(427)
Transfers to NHS bodies	0
Transfer to general fund of realised elements of the revaluation reserve	0
	<hr/>
Balance at 31 March 2008	<u>(11,178)</u>

6.6 Donated asset reserve

The movement on the donated asset reserve in the year comprised:

	£000
Balance at 1 April 2007	0
Additions	0
Impairments	0
Revaluation and indexation	0
Disposals and write-offs	0
Depreciation	0
	<hr/>
Balance at 31 March 2008	<u>0</u>

6.7 Revaluation reserve

The movement on the revaluation reserve in the year comprised:

	£000
Balance at 1 April 2007	0
Revaluation	0
Indexation	0
Transfer to general fund - realised revaluation	0
	<hr/>
Balance at 31 March 2008	<u>0</u>

6.8 Contingent liabilities -

The following contingent losses/gains have not been included in the accounts

Nature:	£000	2006-07 £000
Legal claims for third parties liabilities	0	0
Doubtful debts	0	0
Other	0	0
Total	0	0

Uncertainties affecting outcome:

In January 2006 the High Court concluded that if, following a health care assessment, a person's health care needs formed the primary reason for their residence in a nursing home the NHS should fund the totality of their care (Grogan v Bexley NHS PCT). The judgement will also apply to retrospective views where requested.

No provision has been made in these accounts in respect of unknown cases arising specifically from the Grogan judgement. The LHB has limited knowledge of the value or extent of potential cases. This means that, at this stage, it is not possible for a reliable estimate to be made of the financial impact of the judgement. See also Note 6.4, p.27.

6.9 Intra Government balances

	Debtors: Amounts falling due within one year £000	Debtors: Amounts falling due after more than one year £000	Creditors: Amounts falling due within one year £000	Creditors: Amounts falling due after more than one year £000
Balances with other central government bodies	19	0	250	0
Balances with local authorities	39	0	239	0
Balances with NHS trusts and Foundation trusts	212	0	993	0
Balances with Local Health Boards	61	0	48	0
Balances with public corporations and trading funds	0	0	0	0
Balances with bodies external to government	160	0	11,035	0
Total at 31 March 2008	491	0	12,565	0
Balances with other central government bodies	239	0	114	0
Balances with local authorities	123	0	0	0
Balances with NHS trusts and Foundation trusts	72	0	713	0
Balances with Local Health Boards	29	0	26	0
Balances with public corporations and trading funds	0	0	0	0
Balances with bodies external to government	381	0	11,167	0
Total at 31 March 2007	844	0	12,020	0

6.10 Post balance sheet events

Post balance sheet events having a material effect on the accounts are:

1.	There were no material post balance sheet events.		0
		
2.		0
		
Total			0

6.11 Capital commitments

The Local Health Board has the following capital commitments:

		2006-07	
Contracted	0	0	0
Authorised but not contracted	0	0	0
Total		0	0

6.12 Related Party transactions

£000

Total value of transactions with Board members and key senior staff in 2007-2008 **0**

Flintshire LHB is a body corporate established by order of the National Assembly.

The Assembly is regarded as a related party. During the year Flintshire LHB has had a significant number of material transactions with the Assembly and with other entities for which the Assembly, together with the Department of Health for England, is regarded as the parent body.

NHS providers with which the LHB has had material transactions are disclosed in note 4.2 to the accounts. Transactions with the All Wales Risk Pool are outlined in note 4.5.

Other related entities with which the LHB has had material transactions include:

	Income £'000	Expenditure £'000
Powys LHB	0	599
Velindre NHS Trust	1	829
Flintshire County Council	159	2,848

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Interests
Dr J Fells	Medical Director	GP - Queensferry Medical Practice
Dr A Tinkler	Associate Director of Public Health	Employee of National Public Health Service (Velindre NHS Trust)
Mr R B Harrison,	LHB Chairman	Locum Pharmacist
Cllr D Wilkes	Non Officer Board Member	Flintshire County Councillor
Cllr A Aldridge	Non Officer Board Member	Flintshire County Councillor
Mrs H McGuill	Non Officer Board Member	Flintshire County Councillor
Mrs S Lewis	Non Officer Board Member	Director of Adult Social Services, Flintshire CC
Mrs C Salmon	Non Officer Board Member	Head of Children's Services, Flintshire CC
Mr M Horton	Non Officer Board Member	Dental Practitioner, Caergwrle
Dr E Beckett	Non Officer Board Member	GP - Grosvenor Street Practice, Mold
Mr J Smith	Non Officer Board Member	Optician, Mold
Mr H Crook	Non Officer Board Member	Pharmacist, Shotton
Mr N Bradshaw	Non Officer Board Member	Director of Planning, North East Wales NHS Trust
Mr I Bellingham	Non Officer Board Member	Executive Head of Operations, Conwy and Denbighshire NHS Trust
Mrs E Holland	Non Officer Board Member	Chair of Homestart (Flintshire) and Board Member of Flintshire Local Voluntary Council

Continued on next page

6.12 Related Party transactions

Name	Details	Interests
Dr P Rutherford*	Non Officer Board Member	Medical Director, North East Wales NHS Trust
Mr G Evans	Non Officer Board Member	Therapy Services Manager, North East Wales NHS Trust
Mrs E Prestidge	Non Officer Board Member	Clwyd Community Health Council member
Mrs V Coleman**	Non Officer Board Member	Community Sister, North East Wales NHS Trust
Dr D Muckle Jones	Non Officer Board Member	GP - Pendre Surgery, Mold
Dr R Neal	Non Officer Board Member	Senior Lecturer, North Wales Clinical School
Dr M Scriven***	Non Officer Board Member	Medical Director, North East Wales NHS Trust

*resigned from LHB Board August 2007

**resigned from LHB Board October 2007

***appointed to the LHB Board October 2007

The General Practitioners who are Local Health Board Members are also practising GPs within the county of Flintshire and some Nurse members are NHS Trust employees. The Ophthalmic and Pharmaceutical Local Health Board members receive reimbursement for the provision of services from the Board whilst Dental Members receive reimbursement via the Dental Practice Division of the NHS Business Services Authority for the LHB.

6.13 Losses and special payments

Losses and special payments are transactions that the National Assembly for Wales would not have contemplated when it allocated and distributed funding for the National Health Service. By their nature they items that should not arise. They are therefore subject to special control procedures compared with the generality of payments and special notation in the accounts to draw them to the attention of the National Assembly for Wales. They are divided into different categories, which govern the way each individual case is handled. These payments are charged to the Operating Cost Statement in accordance with UK GAAP but are recorded in the losses and special payments register when payment is made. Therefore, this note is compiled on a cash basis.

	Number of cases	Value of cases £
Personal injury	0	0
Fraud cases	0	0
All other losses and special payments	207	5,238
Total losses and special payments	207	5,238

Analysis of cases which exceed £250,000 and all other cases

	Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
Cases exceeding £250,000			
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
.....	0	0	0
Sub-total	0	0	0
All other cases	5,238	0	5,238
Total cases	5,238	0	5,238

6.14 Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Due to the way that LHB's in Wales are financed, they are not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The LHB's have no power to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB's in undertaking their activities.

Liquidity Risk

The LHB's income allocations and capital expenditure are financed from resources voted annually by Parliament. Therefore, they are not exposed to significant liquidity risks.

Interest-rate Risk

All the LHB's financial assets and financial liabilities carry nil or fixed rates of interest. Therefore, they are not exposed to interest-rate risk.

Foreign Currency Risk

The LHB's have negligible foreign currency income or expenditure. Therefore, they are not exposed to significant foreign currency risk.

6.15 Finance lease obligations

The future minimum lease payments under finance leases to which the Local Health Board was committed at the balance sheet date were as follows:

	£000	2006-07 £000
Within 1 year	0	0
Between 1 and 5 years	0	0
After 5 years	0	0
	<hr/>	<hr/>
Subtotal	0	0
	<hr/>	<hr/>
Less finance charges allocated to future periods	0	0
	<hr/>	<hr/>
Total	0	0

The total net obligation under finance leases can be analysed as follows:

Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	0	0

6.16 Pooled Budgets

The LHB had no pooled budget arrangements during the year.

7 Additional Information

Under Note 4.4 Administration expenditure on page 16, the Welsh Assembly Government now require Local Health Boards to separately disclose their expenditure for the year on consultancy services. Consultancy services are defined by HM Treasury under PES (2007) 08 and include professional services for:

- *General Management Consultancy*
- *Legal*
- *Human Resources*
- *Financial*
- *IT Consultancy*
- *Property Services/Estates*

Due to the nature and variety of services provided and commissioned by the Local Health Board, some consultancy services are charged to headings other than Administration.

In addition to the consultancy services of £110,000 reported against Note 4.4 on page 16, the Local Health Board also incurred consultancy services expenditure against the following other headings:

Note 4.1 - part of Primary health care, General Medical Services

- Legal advice to Local Health Board GP Out of Hours Service

Total Consultancy Services charged to other headings

£5,000

£5,000

**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES
AS ACCOUNTABLE OFFICER OF THE LOCAL HEALTH BOARD**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the LHB. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Assembly.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Date: June 18th 2008

..... Chief Executive

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

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the LHB and of the income and expenditure of the LHB for that period. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Welsh Ministers with the approval of the Treasury.
- make judgements and estimates which are responsible and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Chairman: Dated: June 18th 2008

Chief Executive: Dated: June 18th 2008

Director of Finance: Dated: June 18th 2008

STATEMENT ON INTERNAL CONTROL

1. Scope of responsibility

The Board is accountable for internal control. As Accountable Officer and Chief Executive for this Board, I have the responsibility for maintaining a sound system of internal control that supports achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and this organisation's assets for which I am personally responsible, in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

The performance of Flintshire Local Health Board is held to account via the Welsh Assembly Government Local Health Economy, and organisation specific reviews. Routine performance reporting is provided to the Welsh Assembly Government through the Balanced Scorecard, Health Care Standards for Wales Improvement Plan and Financial Monitoring Returns.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the organisation for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts, and accords with Welsh Assembly Government guidance.

3. Capacity to handle risk

Flintshire Local Health Board has developed arrangements to implement the Welsh Assembly Government risk management and Healthcare Standards for Wales. The WAG guidance identifies the standards which effectively define the governance framework required by a Local Health Board to manage its overall business.

The Governance Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisations activities (both clinical and non clinical), that supports the achievement of the organisations objectives. Within that role, the committee reviews; the risk and control statements, ensures there are assurance processes in place to indicate compliance with objectives and management of principal risks, promotes learning and training, ensures appropriate structures are in place to manage risks, reviews the adequacy of policies and monitors the compliance with Healthcare Standards and the implementation of the Healthcare Standards Improvement Plan.

The Director of Finance has delegated responsibility and all managers and staff have key operational and day to day responsibility for the management of risks.

The LHB has a Risk Management Strategy which embraces the Risk management framework and sets out the responsibilities of the Board, Committees, Executive Directors, managers and staff. Training is provided to staff groups to ensure risk management is embedded across the LHB.

A top down and systematic approach to the identification of principal risks which threaten the achievement of primary objectives is adopted. Controls are in place to evaluate and mitigate risks and ensure systems operate effectively. The Healthcare Standards for Wales underpin the process and the assurance framework. A risk management collection and reporting tool is in place and is to be further developed to enable risk management decisions to occur near to the source and to escalate actions and responses to an appropriate level.

4. The risk and control framework

The risk management framework is set out in a comprehensive Risk Management Strategy and is underpinned by other relevant policies including the Incident Reporting Policy and Health and Safety Policy. These policies are reviewed annually and endorsed by the Board members. The Strategy:

- Defines the objectives of Risk Management and the process and structure by which it is undertaken
- Sets out lead responsibility and organisational arrangements
- Relates to key policies, procedures and risk management practices
- Sets the approach to the identification, assessment, scoring, treatment and monitoring of risk
- Defines acceptable risk

Healthcare Standards for Wales Self Assessment

Following the first self assessment and Health Inspectorate review, within the development year 2007/2008, an analysis of the assessments was provided and an Improvement Plan was prepared which addressed all aware and responding level actions. The plan was monitored within the risk management structure and framework and progress reported to the Regional Office of the Welsh Assembly Government. The improvements are monitored using a traffic light system of reporting achievements. The Governance Committee has delegated powers from the Board to monitor progress against the Healthcare Standards for Wales Improvement Plan. The Board approved the Improvement Plan in November 2007 and received reports detailing progress against the plan and a comparison of performance with the previous year's scores in May 2008.

- The latest self assessment was signed off by the Chief Executive Officer in May 2008.
- The Board and Management Team will be involved in the analysis of the latest scores and preparation of an updated Improvement Plan during July 2008.
- Health Inspectorate Wales have an agreed date of review and a planned assessment response is expected for 31st July 2008.
- The LHB is to submit a draft updated Improvement Plan to the Regional Office of the Welsh Assembly Government on 31st July 2008 setting out all current aware and responding assessments and actions.
- The final approved Improvement Plan for 2008/2009 will be agreed by 31st October 2008.

The LHB's performance, which is based on the average number of standards scoring at each of the maturity levels, for the Healthcare Standards for Wales self assessment across the four domains for 2007/8 was:

Domain	Maturity Level				
	Aware	Responding	Developing	Practising	Leading
Patient Experience (Standards 1- 10)	0	0	6	4	0
Clinical Outcomes (Standards 11 – 13)	0	0	3	0	0
Healthcare Governance	0	0	11	4	0
Public Health (Standards 29 – 32 – one of which has been identified as not applicable by HIW)	0	0	1	2	0

In compliance with guidance received from the Regional Office, any Criterion within the specific Standards which were self assessed as Aware (Score of 1) or Responding (Score of 2) will be included within the LHB's Healthcare Standards for Wales Improvement Plan for 2008/9.

In particular the LHB's performance across those standards which underpin the management of risk, compared to last year, was as follows:

	2006 – 2007 HIW Validated Score	2007 – 2008 LHB Self Assessment
Standard 14- Safety & Health	Responding	Developing
Standard 16- Patient Safety	Developing	Developing
Standard 27- Governance Arrangements	Practising	Practising
Standard 28- Clinical Governance & Audit	Practising	Practising

The risk and assurance framework is regularly assessed, updated and monitored at Corporate and departmental level and reported at the Governance Committee.

As an employer with staff entitled to membership of the NHS Pension Scheme control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. Public stakeholders are involved in managing risks which impact on them via Board membership and as Members on the Governance Committee.

5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Director of Internal Audit's opinion provides me with an opinion on the overall arrangements for gaining assurance through the Risk Management Framework and on the controls reviewed as part of the internal audit work.

The Internal Auditor also provided an Opinion on the process in respect of the organisations self assessment for the Healthcare Standards for Wales. This provided an assurance on the utilisation of robust systems and processes to underpin the conclusions within the self assessment. Objectives covered include; roles and responsibilities are clearly defined, awareness raising is undertaken, standards are mapped to the organisation's objectives, sound processes underpin the production of the assessment and provision of evidence and there is a sound approach to identify the Boards assurance. The process also considered the response to actions within the Improvement Plan. A "significant" assurance was issued that there is generally a sound system of control designed to meet the review objectives.

The LHB has considered Information Governance risks in relation to patient and data security and access and is in the process of planning a review and liaising with the BSC / BSP.

The Director of Internal Audit's opinion provides me with an opinion on the overall arrangements for gaining assurance through the Risk Management Framework and on the controls reviewed as part of the internal audit work.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

The Risk Management Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principle objectives have been reviewed. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by receiving the minutes of the key functions for promoting risk management, for example Audit Committee and The Governance Committee (which includes Risk Management and Complaints). The process provides that:

- The Audit Committee, as part of an integrated committee structure, is pivotal in advising the Board on the effectiveness of the system of internal control.
- The Governance Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control , as detailed in section 3 of this Statement of Internal Control.

6. Significant internal control problems

Any significant internal control issues would be reported to the Board via the Audit Committee. There had been no significant internal control issues identified during 2007/08. Support was provided by Internal Audit in relation to Dental exception Reports and risks related to how Wanless schemes are monitored.

Signed:.....

Chief Executive
(on behalf of board)

Date: 18th June 2008

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of Flintshire Local Health Board for the year ended 31 March 2008 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the remuneration report that is required to be audited.

Respective responsibilities of Directors, the Chief Executive and the Auditor

The Directors and the Chief Executive are responsible for preparing the annual report, the remuneration report and the financial statements in accordance with paragraph 3 of schedule 9 to the National Health Service (Wales) Act 2006 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statements of Directors' and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report my opinion to you as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with paragraph 3 of schedule 9 of the National Health Service (Wales) Act 2006 and Welsh Ministers' directions made there under. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition I report to you if in my opinion, Flintshire Local Health Board has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects Flintshire Local Health Board's compliance with HM Treasury's and Welsh Ministers' guidance and report if it does not. I am not required to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of Flintshire Local Health Board's corporate governance procedures or its risk and control procedures.

I have been unable to read other information contained in the Annual Report because it was not available at the time of my audit.

Basis of audit opinions

I conducted my audit in accordance with the Public Audit Wales Act 2004 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and that part of the remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors and the Chief Executive in the

preparation of the financial statements, and of whether the accounting policies are most appropriate to Flintshire Local Health Board's circumstances, and are consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error and that in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and that part of the remuneration report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view in accordance with the National Health Service (Wales) Act 2006 and directions made thereunder by Welsh Ministers of the state of affairs of Flintshire Local Health Board as at 31 March 2008 and of its net operating costs, recognised gains and losses and cash flows for the year then ended; and
- the financial statements and that part of the remuneration report to be audited have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on Regularity

In my opinion in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

My conclusion on Flintshire Local Health Board's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2008 will be reported separately in the published Annual Audit Letter.

Jeremy Colman
Auditor General for Wales
27 June 2008

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

ACCOUNT OF - 2007-2008

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2008 and subsequent financial years in respect of the Local Health Boards (LHB). The basis of preparation and the form and content shall be as set out in the following paragraphs and Schedules.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

- (a) generally accepted accounting practice in the United Kingdom (UK GAAP);
- (b) the accounting and disclosure requirements of the Companies Act;
- (c) all relevant accounting standards issued or adopted by the Accounting Standards Board, in so far as they are appropriate to the NHS and are in force for the financial year for which the accounts are to be prepared;
- (d) accounting guidance approved by the FRAB and contained in the Financial Reporting Manual (FReM), as detailed in the LHB Manual for Accounts, but specifically excluding schedules 1 and 5;
- (e) the historical cost convention modified by the inclusion of fixed assets at their value to the business by reference to current costs; and stocks at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2008 and subsequent years shall comprise an operating cost statement, a balance sheet, a cash flow statement and a statement of recognised gains and losses as long as these statements are required by FRAB, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2008 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, recognised gains and losses and cashflows during the year.

5. The balance sheet shall be signed by the chief executive and the director of finance of the LHB and dated.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.
7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.
8. Notes providing further explanations of figures in the accounts shall be made where it is considered appropriate for a proper understanding of the accounts.

Signed by the authority of Welsh Ministers

Signed :

Dated :

ACCOUNT OF - 2007-2008

SCHEDULE 1

APPLICATION OF THE ACCOUNTING AND DISCLOSURE REQUIREMENTS OF THE COMPANIES ACT AND ACCOUNTING STANDARDS

Companies Act

1. The disclosure exemptions permitted by the Companies Act shall not apply to the NHS unless specifically approved by the Treasury.
2. The Companies Act requires certain information to be disclosed in the Director's Report. To the extent that it is appropriate, the information relating to NHS bodies shall be contained in the foreword.
3. The operating cost statement, balance sheet and cashflow statement shall have regard to the format prescribed in the Financial Reporting Manual.
5. NHS bodies are not required to provide the historical cost information described in paragraph (33) of Schedule 4 to the Companies Act.

Accounting Standards

6. NHS bodies are not required to include a note showing historical cost profits and losses as described in FRS 3.

SCHEDULE 2

ADDITIONAL REQUIREMENTS

1. The foreword shall include a statement that the account has been prepared to comply with a Direction given by the National Assembly for Wales in accordance with schedule 9 of the NHS (Wales) Act 2006.
2. The foreword shall also contain a description of the statutory background and main functions of the LHB together with a fair review of their operational and financial activities and a summary of their performance against targets.

ANALYSIS OF EXPENDITURE BY TYPE**(A) Revenue - Salaries and Wages****£000**

Executive Board Members and Senior Managers	950
Medical (including locums)	139
Medical Locums	0
Dental (including locums)	0
Dental Locums	0
Nursing, Midwifery and Health Visiting	882
Professions Allied to Medicine (excl. speech therapy)	91
Professional & Scientific Staff (excl. PAMs)	0
Professional and Technical - PTB	46
Opticians	0
Pharmacists	98
Administrative and Clerical	390
Ancillary Staff	0
Maintenance Staff	0
Ambulance Staff	0
Health Care Assistants	0
	<hr/>
TOTAL NHS STAFF SALARIES AND WAGES	2,596
	<hr/>
Non NHS Staff (agency etc)	110
Chairman's and Non Officer Members' Remuneration	101
	<hr/>
TOTAL SALARIES AND WAGES	2,807
	<hr/>

NOTE: Consultant Distinction Awards - amount included in Medical & Dental consultants, is for NHS staff £ 0 and for honorary contract holders £ 0 . The line for Administrative and clerical includes £ 0 for pay supplements representing 0.0 % of that total.

ANALYSIS OF EXPENDITURE BY TYPE**(B) Revenue - Non-pay expenditure****£000**

Supplies and Services - clinical	108
Supplies and Services - general	25
Establishment Expenses	357
Transport and Movable Plant	3
Premises and Fixed Plant	128
Capital	0
Purchase of Health Care from Non-NHS Bodies -	9,776
External Contract Staffing and Consultancy Service	108
Miscellaneous Expenditure	2,171

TOTAL NON-PAY EXPENDITURE**12,676**

TOTAL Salaries and Wages	2,807
TOTAL Non-pay Revenue Expenditure	12,676
NHS Services (not recharges)	0

NET REVENUE EXPENDITURE**15,483****(C) - CAPITAL - SALARIES AND WAGES****£000**

Professional and Technical - PTB	0
Administrative and Clerical	0
Maintenance Staff	0
Non-NHS Staff (agency etc)	0
Professional Design Consultant Fees	0

TOTAL SALARIES AND WAGES**0**

Administrative and clerical includes £ 0 for pay supplements
representing 0.0 % of that total.

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

	£000
Global Sum	7,089
MPIG Correction Factor	2,068
TOTAL GLOBAL SUM & MPIG	<u>9,157</u>
Quality Aspiration Payments	1,665
Quality Achievement Payments	1,189
TOTAL QUALITY	<u>2,854</u>
Direct Enhanced Services	988
National Enhanced Services	250
Local Enhanced Services	315
TOTAL ENHANCED SERVICES	<u>1,553</u>
LHB Administered	454
Premises	1,012
IM & T	371
Out of Hours	1,680
Cost of Drugs and Appliances After Discounts and Plus Container Allowances	
Dispensing Doctors	2,519
Prescribing Medical Practitioners - Personal Administration	359
Professional Fees	
Dispensing Doctors	794
Prescribing Medical Practitioners - Personal Administration	126
Dispensing Doctors Prescribing Incentive schemes	0
TOTAL DISPENSING	<u>3,798</u>
TOTAL NEW GMS CONTRACT	<u>20,879</u>
Residuals: Cash Limited	0
Residuals: Non Cash Limited	0
TOTAL RESIDUALS	<u>0</u>
TOTAL	<u>20,879</u>

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT**£000****Directed Enhanced Services**

Improved Access Scheme	235
Learning Disabilities	4
Childhood Immunisation Scheme (Target payments)	291
Childhood Imm (Boosters- 5 yrs, Pneumococcal Catch-up & Campaign)	35
Mental Health	1
Influenza & Pneumococcal Immunisations Scheme	206
Additional Access	0
Services for Violent Patients	2
Information Management and Technology	0
Minor Surgery Fees	214

TOTAL DIRECTED ENHANCED SERVICES**988****National Enhanced Services**

INR Monitoring	152
Shared Care Drug Monitoring (near patient testing)	51
Drug Misuse	9
IUCD	38
Alcohol Misuse	0
Depression	0
MS	0
Sexual Health	0
Minor Injury Services	0
First Response Services	0
Services to the Homeless	0
Intra Partum Care	0

TOTAL NATIONAL ENHANCED SERVICES**250****Analysis of Local Enhanced Services**

Asylum Seekers	0
Chiropody	0
Counselling	0
Depo - Provera	0
Dermatology	12
Drugs Misuse	0
Extended Minor Surgery	0
Methadone	7
Minor Injuries	0
MMR	0
Nursing Homes	0
Osteopathy	0
Phlebotomy	0
Physiotherapy	15
Quality Information Preparation Scheme (QUIPS)	0
Sexual Health Services	0
Substance Misuse	0
Suturing	0
Wound Care Management	0
Zoladex	23
Nurse Triage	83
HIB Catch up	2
Depo-Provera	34
Implanon	14
Prescribing Incentive Scheme	125

TOTAL LOCAL ENHANCED SERVICES**315****TOTAL ENHANCED SERVICES****1,553****Memorandum item**

Enhanced Services included above but in dispute with LMC (TOTAL)	0
Enhanced Services included above but not yet formally agreed LMC	0

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

£000

LHB Administered

Seniority	273
Doctors Retainer Scheme Payments	35
Locum Allowances: consists of adoptive, paternity & maternity	0
Locum Allowances: cover for sick leave	6
Locum Allowances: cover for suspended doctors	0
Prolonged Study Leave	0
Recruitment and Retention (including Golden Hello)	0
Appraisal - appraiser costs	0
Primary Care Development Scheme	0
Designated Area Allowance	0
Initial Practice Allowance	0
Assistant's Allowance	0
Associate Allowance	0
Supply of syringes and needles	0
Other (please detail below)	140

TOTAL LHB ADMINISTERED

454

Analysis of Other Payments

GP Locums Employers Superannuation	11
Training	0
Stationery & Distribution	66
Additional Managed Practice costs (costs in excess of Global Sum/MPIG)	60
Managing Practice costs (LHB employed staff working in GP practices to improve GP services)	0
Primary Care initiatives	1
GMS Practice staff	2
Other Locum Costs	0
GMS Support staff	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0

TOTAL OTHER PAYMENTS

140

GENERAL MEDICAL SERVICES - NEW GMS CONTRACT

£000

Premises

Notional Rents	255
Actual Rents: health centres	16
Actual Rents: others	130
Cost Rent	206
Clinical Waste	75
Borrowing Costs	0
Rates, water, sewerage etc	170
Health Centre Charges	0
Improvement Grants	157
N/Contract Premises Items	0
All Other Premises (please detail below)	3

TOTAL PREMISES

1,012

Analysis of Other Premises

District Valuer Fees	3
External Consultants Primary Care	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0

TOTAL OTHER PREMISES

3

PHARMACEUTICAL SERVICES EXPENDITURE

	£000
New Pharmacy Contract	
Professional fees (pharmacists & appliance contractors)	2,205
Special fees and allowances	169
Essential Services	
Establishment payment	670
Practice payment	790
Protected professional allowance	24
Repeat dispensing setup	42
Repeat dispensing transition payment	101
ETP Allowance	76
Protected additional professional payment	0
Advanced Services	
Medicine Usage review (MUR)	70
Other advanced services	0
Enhanced Services	
Additional Hours Service (including Rotas)	14
Essential Small Pharmacy Service	13
Payments to Pharmacists Advice to Care Homes (nursing and residential)	11
Payments to Pharmacists for Patient Medical Records Set-ups Fees	0
Other Payments (Please detail below)	16
	<hr/>
Total Pharmacy Contract Expenditure	<u>4,201</u>
Analysis of Other Payments	
Smoking Cessation	8
Clinical Waste	7
Palliative Care	1
.....	0
.....	0
.....	0
	<hr/>
Total Other Payments	<u>16</u>
Pharmacy - Non contractually funded expenditure	
Clinical Waste	0
LHB funded staff	0
Emergency Hormonal Contraception scheme	35
Needle Exchange	17
Supervised consumption Methadone	0
Smoking Cessation	0
.....	0
.....	0
.....	0
	<hr/>
Total "Non Contractually funded items" expenditure	<u>52</u>
TOTAL PHARMACEUTICAL SERVICES EXPENDITURE	<u>4,253</u>
NON CASH LIMITED	
Appliance Contractor Costs	0
Difference Between Dispensing and Prescribing	(40)
Oxygen Cylinder service: Transitional payments	0
	<hr/>
TOTAL NON CASH LIMITED	<u>(40)</u>

DENTAL CONTRACT EXPENDITURE**£000**

Gross Contract Value	5,643
Emergency Dental Services (inc Out of Hours)	120
Business Rates	60
Employers Superannuation	324
Dental Access	0
Seniority	45
Clinical Audit & Peer Review costs	0
Vocational Training payments	137
Maternity/Paternity/Sickness etc.	0
Other (Please detail below)	539

TOTAL DENTAL SERVICES EXPENDITURE**6,868****Analysis of Other Payments**

Ad hoc grants	525
Admin support	14
	0
	0
	0
	0

TOTAL OTHER PAYMENTS**539****Receipts**

Patient Charges	1,408
Emergency Dental Treatment	0

TOTAL DENTAL SERVICES INCOME**1,408**

GENERAL OPHTHALMIC SERVICES EXPENDITURE**£000**

Ophthalmic Medical Practitioner Sight Test Fees - Gross payments	0
Ophthalmic Medical Practitioner Domiciliary Visit Fees - Gross payments	0
Employers Superannuation Contributions (including Reg 79 optant payments)	0
Ophthalmic Optician Sight Test Fees	590
Ophthalmic Optician Domiciliary Visit Fees	21
Payment for HC 3 Holders Towards Cost of Private Sight Test and Domiciliary Visit Fees	1
Grants to Supervisors of Ophthalmic Opticians Trainees	0
Replacement and Repair of Children's and Handicapped Adults' Glasses	41
Cost of Vouchers for Supply of Spectacles	445
Superannuation	0
Continuing Education Allowance	4
Other Payments (Please detail below)	7

TOTAL OPHTHALMIC SERVICES EXPENDITURE**1,109****Analysis of Other Payments**

Welsh Eye Care Examination	7
	0
	0
	0
	0
	0
	0
	0

TOTAL OTHER PAYMENTS**7****INCOME:**

Incorrect Voucher Payments Recovered from Patients and Suppliers and Incorrect NHS Sight Test Fees Recovered from Patients	0
---	---

Analysis of Impairments

	Impairment £000	(Reversal) £000	Total £000
Intangible assets			
Loss or damage from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Abandonment of assets in course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Over specification of assets	0	0	0
Other	0	0	0
Changes in Market prices	0	0	0
Total	0	0	0
Tangible assets			
Loss or damage from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Abandonment of assets in course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Over specification of assets	0	0	0
Other	0	0	0
Changes in Market prices	0	0	0
Total	0	0	0
Investments			
Loss or damage from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Abandonment of assets in course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Over specification of assets	0	0	0
Other	0	0	0
Changes in Market prices	0	0	0
Total	0	0	0
Total			
Loss or damage from normal operations	0	0	0
Loss as a result of catastrophe	0	0	0
Abandonment of assets in course of construction	0	0	0
Unforeseen obsolescence	0	0	0
Over specification of assets	0	0	0
Other	0	0	0
Changes in Market prices	0	0	0
Total	0	0	0

LHB MEMORANDUM STATEMENT

	Creditors (Due to)		Debtors (Due from)	
	Total	Over	Total	Over
	12 months £000	12 months £000	12 months £000	12 months £000
Balances with the National Assembly, Local Health Boards and NHS trusts:				
Summary Sheet:				
National Assembly for Wales	4	0	0	0
Health Commission Wales	67	0	0	0
Local Health Boards	48	0	61	0
Welsh NHS trusts	229	0	197	0
All English NHS bodies	410	0	0	0
All N. Ireland NHS bodies	0	0	0	0
All Scottish NHS bodies	1	0	2	0
Miscellaneous	0	0	0	0
Credit note provision	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Sub Total	759	0	260	0
Other Central Government Bodies				
Other Government Departments *	94	0	0	0
HM Revenue & Customs	85	0	19	0
Local Authorities	239	0	39	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to Government	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	1,177	0	318	0
	<hr/>	<hr/>	<hr/>	<hr/>

*** Other Government Departments**

Please specify :

NHS Pensions Agency	51,014
WAO	43,113

LHB MEMORANDUM STATEMENT

	Creditors (Due to)		Debtors (Due from)	
	Total	Over 12 months	Total	Over 12 months
	£000	£000	£000	£000
Balances with Local Health Boards, National Assembly and Health Commission Wales :				
Local Health Boards :				
Anglesey	0	0	5	0
Blaenau Gwent	0	0	0	0
Bridgend	0	0	0	0
Caerphilly	0	0	0	0
Cardiff	0	0	0	0
Carmarthen	0	0	0	0
Ceredigion	0	0	0	0
Conwy	14	0	3	0
Denbighshire	0	0	31	0
Flintshire	0	0	0	0
Gwynedd	0	0	3	0
Merthyr Tydfil	0	0	0	0
Monmouthshire	0	0	0	0
Neath Port Talbot	0	0	0	0
Newport	0	0	0	0
Pembrokeshire	0	0	0	0
Powys	24	0	0	0
Rhondda Cynon Taff	0	0	0	0
Swansea	0	0	0	0
Torfaen	0	0	0	0
Vale of Glamorgan	0	0	0	0
Wrexham	10	0	19	0
	<hr/>	<hr/>	<hr/>	<hr/>
Sub Total	48	0	61	0
National Assembly	4	0	0	0
Health Commission Wales	67	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	119	0	61	0
	<hr/>	<hr/>	<hr/>	<hr/>

LHB MEMORANDUM STATEMENT

	Creditors (Due to)		Debtors (Due from)	
	Total	Over 12 months	Total	Over 12 months
	£000	£000	£000	£000
Balances with NHS trusts:				
Welsh NHS Trusts				
Bro Morgannwg	0	0	3	0
Cardiff & Vale	10	0	0	0
Carmarthenshire	0	0	0	0
Ceredigion and Mid Wales	0	0	0	0
Conwy & Denbighshire	99	0	35	0
Gwent Healthcare	0	0	0	0
North East Wales	91	0	118	0
North Glamorgan	0	0	0	0
North West Wales	20	0	41	0
Pembrokeshire & Derwen	1	0	0	0
Pontypridd & Rhondda	0	0	0	0
Swansea	0	0	0	0
Velindre	2	0	0	0
Welsh Ambulance Services	6	0	0	0
Welsh Risk Pool (claims submitted but not yet paid by WRP)	0	0	0	0
Welsh Risk Pool (expenses incurred but not yet claimed from WRP)	0	0	0	0
Other	0	0	0	0
Adjustment for roundings	0	0	0	0
TOTAL	229	0	197	0

LHB MEMORANDUM STATEMENT

	Expenditure (Due from) Total	Income (Due from) Total
	£000	£000
Balances with Local Health Boards, National Assembly and Health Commission Wales :		
Local Health Boards :		
Anglesey	0	10
Blaenau Gwent	0	0
Bridgend	0	0
Caerphilly	0	0
Cardiff	0	0
Carmarthen	0	0
Ceredigion	0	0
Conwy	26	14
Denbighshire	206	42
Flintshire	0	0
Gwynedd	13	11
Merthyr Tydfil	0	0
Monmouthshire	0	0
Neath Port Talbot	0	0
Newport	0	0
Pembrokeshire	0	0
Powys	599	0
Rhondda Cynon Taff	0	0
Swansea	0	0
Torfaen	0	0
Vale of Glamorgan	0	0
Wrexham	48	133
	<hr/>	<hr/>
Sub Total	892	210
National Assembly	0	112
Health Commission Wales	0	0
	<hr/>	<hr/>
	892	322
	<hr/>	<hr/>

LHB MEMORANDUM STATEMENT

	Expenditure (Due from) Total	Income (Due from) Total
	£000	£000
Balances with NHS trusts:		
Welsh NHS Trusts		
Bro Morgannwg	10	73
Cardiff & Vale	70	0
Carmarthenshire	13	0
Ceredigion and Mid Wales	6	0
Conwy & Denbighshire	26,885	0
Gwent Healthcare	6	0
North East Wales	62,912	0
North Glamorgan	3	0
North West Wales	628	0
Pembrokeshire & Derwen	12	0
Pontypridd & Rhondda	0	0
Swansea	5	0
Velindre	829	0
Welsh Ambulance Services	350	0
Welsh Risk Pool (claims submitted but not yet paid by WRP)	0	0
Welsh Risk Pool (expenses incurred but not yet claimed from WRP)	0	0
Other	0	0
Adjustment for roundings	0	1
TOTAL	91,729	74

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR4**Part 1a:**

Analysis of losses and special payments where approval for case write off has been received in financial year (including cash and non-cash write offs).

Cash written off may include amounts paid in previous years.

		Number of cases	Amount of loss or payment
		Number	£
LOSSES:			
1	Losses of cash due to:		
1a	Theft, Fraud, etc.	0	0
1b	Overpayment of salaries, wages, fees, allowances	0	0
1c	Other causes	0	0
2	Fruitless payments	1	2,635
3	Bad debts and claims abandoned:		
3a	Private Patients	0	0
3b	Overseas visitors	0	0
3c	Other	167	3,409
4	Damage to buildings, property etc:		
4a	Theft, Fraud, etc.	0	0
4b	Other	0	0
SPECIAL PAYMENTS:			
5	Compensation under legal obligation		
5(a)	Directed by the Courts	0	0
5(b)	Directed by the NHS Pension Agency	0	0
5(c)	Other compensation payments made under legal obligation	0	0
6	Extra contractual to contractors	0	0
7	Ex gratia payments:		
7a	Loss of personal effects	0	0
7b	Clinical negligence with advice	0	0
7c	Personal injury with advice	0	0
7d	Other clinical negligence and personal injury	0	0
7e	Other	0	0
7f	Maladministration, no financial loss by claimant	0	0
7g	Patient referrals outside UK & EEA guidelines	0	0
8	Extra statutory and regulatory	0	0
TOTAL LOSSES AND SPECIAL PAYMENTS		168	6,044
Of which, cases of £250,000 or more:			
1a/4a	Fraud Cases	0	0
2	Fruitless payments	0	0
4	Damage to buildings, property, etc.	0	0
5(a)	Directed by the Courts	0	0
5(b)	Directed by NHS Pension Agency	0	0
5(c)	Other compensation payments made under legal obligation	0	0
7b	Clinical negligence with advice	0	0
7c	Personal injury with advice	0	0
	All other cases	0	0

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN**FR4****PART 1b:**

Analysis of losses and special payments in respect of Family Practitioner Services/Contractors where approval for case write off has been received in financial year (including cash and non-cash write offs).

Cash written off may include amounts paid in previous financial years.

		Number of cases	Amount of loss or payment
		Number	£
LOSSES:			
9	Losses due to overpayment of fees, salary, allowances :		
9(a)i	Fraud	0	0
9(a)ii	Other	0	0
9b	Unvouched/incompletely vouched payments	0	0
10	Claims Abandoned	0	0
SPECIAL PAYMENTS:			
11	Ex Gratia Payments	0	0
12	Extra statutory & extra regulatory payments:		
12a	To chemist contractors for forged /false prescription forms	0	0
12b	Excusal of statutory charges for replacement dentures	0	0
12c	Other	0	0
TOTAL LOSSES AND SPECIAL PAYMENTS		0	0
	Of which, cases of £250,000 or more:		
9	Losses due to overpayment of fees, salary, allowances	0	0
10	Claims Abandoned	0	0
11	Ex Gratia Payments	0	0
12	Extra statutory & extra regulatory payments	0	0

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN

FR4

CASES WITHIN HEALTH BODY'S DELEGATED LIMITS

PART 2a:

Analysis of losses and special payments cases managed within health body's delegated limit where approval for case write-off was necessary and has been obtained in the financial year.

Case Reference	Type of loss or payment (items 1(a) to 12(c))	Date of Approval to Write-off Case	Total Amount Approved £	Case Status
	2 Fruitless Payment	29 Nov 2007	2,635	

TOTAL CASES

2,635

PART 2b:

Analysis of losses and special payments cases managed within health body's delegated limit where approval for case write-off is necessary and is either awaited or has been obtained in the financial year.

Case Reference	Type of loss or payment (items 1(a) to 12(c))	Date of Claim	Actual/ Estimated Case Settlement Date	Amount Paid out in Financial Year £	Amount paid to date £	Case Status
	2 Fruitless Payment	29 Nov 2007		0	2,635	

TOTAL CASES

0 2,635

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR4

CASES EXCEEDING HEALTH BODY'S DELEGATED LIMITS

PART 3a :

Analysis of losses and special payments cases managed outside health body's delegated limit for which Welsh Assembly Government approval for case write-off was necessary and has been obtained in the financial year.

Case Reference	Type of loss or payment (items 1(a) to 12(c))	Date of Approval to Offer Settlement	Limit of the Amount of Settlement to be Offered £	Date of Approval to Write-off Case	Total Amount Case Approved Status £
----------------	---	--------------------------------------	--	------------------------------------	--

TOTAL APPROVED CASES

PART 3b:

Analysis of losses and special payments cases managed outside health body's delegated limit for which Welsh Assembly Government approval for case write-off is necessary and is either awaited or has been obtained in the financial year.

Case Reference	Type of loss or payment (items 1(a) to 12(c))	Date of Claim	Actual/ Estimated Case Settlement Date	Amount Paid out in Financial Year £	Amount Case paid to Status date £
----------------	---	---------------	--	--	--------------------------------------

TOTAL UNAPPROVED

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR5

c: Analysis of all other losses and special payments provisio	Number of cases	Excess met by Health Body	Settlement from Risk Pool	Total
	Number	£	£	£
(i) All other loss or special payment provisions				
At 1st April 2006				0
Structured settlement cases transferred to the Welsh Risk Pool				0
Transfer of provisions to creditors				0
Arising during the year				5,238
Utilised during the year				-5,238
Reversed unused				0
Unwinding of discount				0
At 31st March 2007				0
(ii) All other defence costs provisions				
At 1st April 2006				0
Structured settlement cases transferred to the Welsh Risk Pool				0
Transfer of provisions to creditors				0
Arising during the year				0
Utilised during the year				0
Reversed unused				0
Unwinding of discount				0
At 31st March 2007				0
(iii) Total all other losses and special payments provisions				
At 1st April 2006	56	0	0	0
Structured settlement cases transferred to the Welsh Risk Pool	0	0	0	0
Transfer of provisions to creditors	0	0	0	0
Arising during the year	207	5,238	0	5,238
Utilised during the year (a)	(168)	-5,238	0	-5,238
Reversed unused (b)	0	0	0	0
Unwinding of discount	0	0	0	0
At 31st March 2007	95	0	0	0
Expected timing of cash flows				
Within 1 year		0	0	0
Between 1 and 5 years		0	0	0
After 5 years		0	0	0

(a) Number of cases column only includes cases that were utilised and closed during the financial year

(b) Number of cases column only includes cases that were cancelled during the financial year

LOSSES AND SPECIAL PAYMENTS FINANCIAL RETURN FR5

d: Analysis of total provisions	Number of cases	Excess met by Health Body	Settlement from Risk Pool	Total
	Number	£	£	£
(i). Total loss or special payment provisions				
At 1st April 2006				0
Structured settlement cases transferred to the Welsh Risk Pool				0
Transfer of provisions to creditors				0
Arising during the year				5,238
Utilised during the year				-5,238
Reversed unused				0
Unwinding of discount				0
At 31st March 2007				0
(ii) Total defence costs provisions				
At 1st April 2006				0
Structured settlement cases transferred to the Welsh Risk Pool				0
Transfer of provisions to creditors				0
Arising during the year				0
Utilised during the year				0
Reversed unused				0
Unwinding of discount				0
At 31st March 2007				0
(iii) Total losses and special payments provisions				
At 1st April 2006	56	0	0	0
Structured settlement cases transferred to the Welsh Risk Pool	0	0	0	0
Transfer of provisions to creditors	0	0	0	0
Arising during the year	207	5,238	0	5,238
Utilised during the year (a)	(168)	-5,238	0	-5,238
Reversed unused (b)	0	0	0	0
Unwinding of discount	0	0	0	0
At 31st March 2007	95	0	0	0
Expected timing of cash flows				
Within 1 year		0	0	0
Between 1 and 5 years		0	0	0
After 5 years		0	0	0

(a) Number of cases column only includes cases that were utilised and closed during the financial year

(b) Number of cases column only includes cases that were cancelled during the financial year