Department of Health

NHS

Rotherham Primary Care Trust

2012-13 Annual Report and Accounts

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Rotherham Primary Care Trust

2012-13 Annual Report

NHS Rotherham

Annual Report 2012-13

Foreword

Welcome to the Annual Report for NHS Rotherham for the period 1 April 2012 to 31 March 2013 and our last as a PCT. This year has been a transitional year as we work to ensure that the local NHS is ready for new structures that will take place in April 2013 as a result of the Health and Social Care Act 2012. This year has seen us working closely with our local clinical partners to develop a Clinical Commissioning Group, who have worked in shadow form during the year to ensure they are able to take over buying of health services from April 2013.

With the Health and Social Care Bill becoming an Act of Parliament in March 2012, this year has been one of the most challenging years yet for the NHS. In the face of this we must thank our staff for their dedication and hard work they have continued to show during the transition. It is undoubtedly down to them that the people of Rotherham have continued to receive the highest quality care and healthcare services.

With the transition as a back-drop it is extremely pleasing that we can announce we have met our statutory financial obligations. This would not have been possible without outstanding commitment and hard work of our staff and health providers, especially when set against the challenging economic climate we currently face. Although we have experienced a significant period of change we have met our key performance targets and remained committed to delivering our local and national priorities with our Rotherham Clinical Commissioning Group (RCCG) colleagues to improve local services and reduce health inequalities across the borough.
We would like to thank all those staff and board members of the PCT over the years who have helped to ensure that patients of Rotherham received high quality, safe and effective health services and care within ever increasingly tight budgets.

About NHS Rotherham

We are Rotherham's local leader for health, guardian of public health and custodian of the borough's multi-million pound NHS budget.

In 2012/13 we operated with a resource allocation of £468 million. Our role, alongside the newly emerging Clinical Commissioning Group, is to make sure health services are available to our patients when and where they are needed.

The Trust is responsible for identifying and buying health services for our patients and making sure those services are of high quality and perform well.

Rotherham Clinical Commissioning Group

Rotherham Clinical Commissioning Group (RCCG) is a committee of the NHS South Yorkshire and Bassetlaw Board. It is a clinically-led committee that works, in shadow form, alongside us to effectively and efficiently commission health services. The group came together as a result of the Government health reforms and although it doesn't exist as a legal body has delegated responsibility for some of Rotherham's health budget during the financial year. RCCG was in the first wave of the national authorisation process for Clinical Commissioning Groups and have been granted authorisation, meaning they will be able to operate as a statutory body responsible for a £329 million commissioning budget from April 2013.

NHS South Yorkshire and Bassetlaw

NHS South Yorkshire and Bassetlaw Cluster is made up of NHS Sheffield, NHS Rotherham, NHS Barnsley, NHS Doncaster and NHS Bassetlaw.

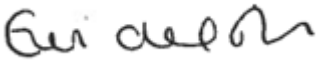
The South Yorkshire and Bassetlaw Board has continued to ensure that our primary care trusts continued to meet their legal, financial and performance responsibilities and obligations throughout 2012/13, until Clinical Commissioning Groups assume full responsibility for budgets in April 2013.

Whilst each PCT remained the statutory organisation, the five PCTs shared a Chief Executive and a number of director posts. During this year we continued to operate as a single trust board which meant that the boards of each PCT in a cluster met jointly on a monthly basis. NHS South Yorkshire and Bassetlaw Cluster Board members are from each of the constituent PCTs and the meetings were held monthly, in public, throughout the year.

As well as ensuring the continuation of statutory responsibilities by each of the constituent PCTs, the cluster has supported the transition to the new commissioning and public health arrangements set out in the Health and Social Care Act 2012.

All five Clinical Commissioning Groups (CCGs) in South Yorkshire and Bassetlaw have been established in shadow form as committees of the Cluster Board during the year. Under a scheme of delegation, the CCGs have managed delegated budgets and functions. The CCGs are accountable to the Cluster Board until 1 April 2013 when that accountability transfers to NHS England. It is at this stage that CCGs will have to be authorised to function fully.

Mrs Eleri De Gilbert
Interim Managing Director, NHS England
South Yorkshire and Bassetlaw Local Area Team



Mr Chris Edwards
Chief Operating Officer,
NHS Rotherham

The changing face of the NHS

Different organisations have come into being as a result of the reforms embodied in the Health and Social Care Act 2012. These include clinical commissioning groups, NHS England and Health and Wellbeing Boards, as well as the transition of public health responsibilities to local authorities.

Here you will find a guide to the key elements of these changes:

GP practices have come together into **Clinical Commissioning Groups** (CCGs) and from April 2013 they take over the majority of the commissioning responsibilities which have been carried out by the local PCT (NHS Rotherham). Other health professionals and lay members are included on the boards of the CCGs.

Strategic Health Authorities (SHAs) were created to manage the local NHS on behalf of the Secretary of State for Health. They were abolished in March 2013.

Primary Care Trusts (PCTs), including NHS Bradford and Airedale, were abolished at the end of March 2013 and the majority of the PCT's public health responsibilities were transferred to Rotherham Metropolitan Borough Council.

Commissioning Support Units (CSUs): These new NHS organisations provide specialist commissioning support which is available to CCGs if required. The PCT's approach to developing commissioning support has been to work in partnership with our CCGs to understand what they will need and whether they will want to build their own capacity, buy it in or share with other organisations. A key decision has been to develop a CSU across West and South Yorkshire.

Local Involvement Networks (LINks) have transformed into **HealthWatch** and aim to ensure that the views and feedback from patients and carers are an integral part of local commissioning across health and social care.

Health and Wellbeing Boards bring together key decision makers to set a clear direction for the commissioning of healthcare, social care and public health, and to drive the integration of services across communities. CCG representatives are members of these boards, and each has already been working in shadow form, building on existing relationships and developing their joint agenda.

Who's Who

The board

Throughout 2012/13 the board of NHS South Yorkshire and Bassetlaw has met in public regularly. Through those meetings, the board has been responsible for taking key strategic decisions about the organisation, how it uses resources and agreeing key priorities and overseeing the delegated functions and budgets to clinical commissioning groups.

Board members of NHS South Yorkshire and Bassetlaw are a mixture of executive directors, who are full-time officers, and non-executive directors, who are local

people interested in the work of the NHS and appointed by the national NHS Appointments Commission (now abolished).

During the financial year April 2012 to March 2013, all meetings were recorded as fully quorate, with each meeting attended by at least one third of the board including one non-executive director, one executive director, the chair and the chief executive.

NHS South Yorkshire and Bassetlaw Cluster Board and Senior Officers Register of Interests

Names	Title	Declaration
Alan Tolhurst	Chairman	• Director of ACT Consultancy • Chairman of RobinHoodAirport Consultative Committee • Chairman St Leger Homes, Doncaster • Member Rotherham Health and Wellbeing Board • Member of Sheffield Teaching Hospitals FT, Rotherham FT and Nottinghamshire Healthcare FT • Deputy Lieutenant of South Yorkshire
Andy Buck	Chief Executive	• None
David Liggins	Vice Chair and Locality Chair	• Director and 50 per cent shareholder of S and L Properties, 30-34 Watson Road, Worksop – main tenant is Nottinghamshire Police who sublet to NHS Drugs and Alcohol Team (DAT) • Member of the Steering Group of Rural Bassetlaw Befriending • Chair of Doncaster Community Solutions Ltd (Doncaster Lift Co) • Member of Doncaster Strategic Partnering Board • Volunteer Tutor, Expert Patient Programme, Retford Action Centre • Partner Governor, Nottinghamshire Healthcare Trust
Tom Sheard	Vice Chair and Locality Chair	• Company Secretary, Barnsley TUC Training Ltd • Chairman, Unite Barnsley No 1 Branch; Elected Member of Barnsley Chamber of Commerce • Elected Member of Barnsley MBC Kingstone Ward (Labour Party) • Member of the Labour Party • Trustee Shawlands Charitable Trust, Barnsley
Roger Greenwood	Vice Chair and Locality Chair	• Chairman Braithwell with Micklebring Parish Council

Pat Wade	Non- Executive Director	• Parish Councillor of Aston-cum-Aughton
Les Ranson	Associate Non- Executive Director	• Chairman of Governors at Wadworth Primary School
Mel Morris	Associate Non- Executive Director	• MAA Associates
Melvyn Lunn	Audit Committee Chair	• Co-opted Member, Barnsley Metropolitan Borough Council Audit Committee; • Non-Executive Director of Berneslai Homes Ltd and Chair of Audit Committee; • Non-Executive Director/Trustee, Barnsley Community Build; • Director/Trustee of Priory Campus.
Robert Bailey	Audit Committee Vice Chair	• Financial Director Emmaus Sheffield Ltd • Director of Muir Wood Properties • Chairman of ACCEA Advisory Committee for Clinical Excellence Awards for Y&H • Panel Member for ACCEA National Review Panel for Platinum Awards
Steve Hackett	Executive Director of Finance	• Public Sector Director Barnsley Community Service Ltd (BarnsleyLIFTco) • Public Sector Director Doncaster Community Solutions Ltd (Doncaster LiFTco) • Public Sector Director Community First Sheffield Ltd
Dr Phil Foster	Medical Director (until December 2012)	• Shareholder, Retford Health • Medical Director Bassetlaw Hospice • Medical Director, NHS Bassetlaw • Parish Councillor, Babworth Parish Council
Dr David Black	Medical Director (From December 2012)	• None
Margaret Kitching	Executive Nurse Director	• None
Debbie Hilditch	Executive Director of HR and Governance	• None

Brian Hughes	Director of Performance and Accountability	• None
Tony Baxter	Director of Public Health, NHS Doncaster	• Parent Governor and Vice Chair of Board of Governors at DoncasterSchool for the Deaf
Jeremy Wight	Director of Public Health, NHS Sheffield	• None
John Radford	Director of Public Health, NHS Rotherham	• Unpaid GP for 1 session per week
Elizabeth Shassere	Director of Public Health, NHS Barnsley (until November 2012)	• None
Chris Kenny	Director of Public Health, NHS Bassetlaw	• Chair of Trustees Nottinghamshire Hospice

Pension Liabilities

NHS Rotherham follows the NHS Pension Scheme which is open to all its employees. Details of how pension liabilities are treated within NHS Rotherham can be found in the Accounting Policies in the statement of accounts.

Audit Committee

As a committee of the NHS South Yorkshire and Bassetlaw Board the committee is responsible for:

- Reviewing the establishment and maintenance of an effective system of governance, risk management and internal control, across the whole of the organisation's activities that supports the achievement of the organisation's objectives.
- Monitoring the implementation of agreed control improvements, largely through the work of external and internal audit, both of which are represented at committee meetings.
- Ensuring there is an effective internal and external audit function.

- Reviewing the accounting policies and the draft annual financial statements prior to submission to the Board. Monitoring compliance with Standing Orders and Standing Financial Instructions

Our audit committee members are:

Mr M Lunn Audit Committee Chairman
Dr L Ranson Associate Non-Executive Director
Mr M Morris Associate Non-Executive Director
Mrs P Wade Non-Executive Director
Mr R Bailey Audit Committee Vice Chairman

Remuneration and Terms of Service Committee

As a committee of the NHS South Yorkshire and Bassetlaw Board the committee is responsible for advising about the appropriate remuneration and terms of service for the Chief Executive, executive directors and other senior managers, as well as monitoring and evaluating their performance.

For the purpose of this report senior managers are defined as:
'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. This means those who influence the decisions of the organisation as a whole rather than the decisions of individual directorates or departments.'

The salaries and relevant pension details of the most senior managers, and the Non-Executive members of the Board, who had control over the major activities of the Primary Care Trust in 20012/13 can be found in the Summary Financial Statement. There were no early termination issues for senior officers to report in the year.
The committee members consist of:

Mr Alan Tolhurst *Chairman*
Mr Andy Buck *Chief Executive*
Mr Roger Greenwood *Non-Executive Director, Vice Chair & Locality Chair*
Mr Steve Hackett *Director of Finance*
Mrs Debbie Hilditch *Director of Human Resources & Governance*
Mr David Liggins *Non-Executive Director, Vice Chair & Locality Chair*
Mr Tom Sheard *Non-Executive Director, Vice Chair & Locality Chair*

Where we spend our money

NHS Rotherham receives the NHS budget for the local population and is responsible for planning and delivering health services and ensuring that local hospital services and specialist treatment are available for local patients who need them.

Local health services commissioned by NHS Rotherham are broadly provided in four ways:

- Primary care services provided through national contracts with GPs, pharmacists, opticians and dentists.

- Community services provided locally by Rotherham Community Health Services, which are part of Rotherham NHS Foundation Trust.

- Hospital services provided by the Rotherham NHS Foundation Trust, Rotherham, Doncaster and South Humber NHS Foundation Trust, Sheffield Teaching Hospitals NHS Foundation Trust and Sheffield Children's NHS Foundation Trust.

- Specific services provided by voluntary or non-statutory agencies with NHS funding, such as Rotherham Hospice.

Workforce

We recognise our staff as our biggest asset and work in partnership with them and their representatives from recognised trade unions and staff organisations to continuously develop and improve communication and consultation arrangements.

We have carried forward into NHS Rotherham, as a commissioner only organisation, well established partnership working practices, including the Joint Staff Consultative and Negotiation Committee (JSCNC), which provides a forum for detailed discussion and debate on organisational strategy, performance, operational issues and policy, procedural development and, increasingly, transfer and transition issues. Unison has recruited additional representatives to work within NHS Rotherham.

NHS Rotherham has monthly 'all staff' meetings which all staff, managers, senior managers and directors attend to discuss issues and receive feedback particularly about transition arrangements.

We recognise that the importance of effective staff communication and involvement is especially critical during organisational change. The arrangements described above help to keep staff informed about developments in the changes to the structure of the NHS as outlined in the Health and Social Care Act, particularly the arrangements for the transition to Clinical Commissioning Groups, the NHS Commissioning Board, local authority, Public Health England and others and the planned abolition of primary care trusts in 2013.Both the Head of Human Resources and the staff representatives are members of the South Yorkshire and Bassetlaw Social Partnership Forum which includes all the HR leads from the constituent PCTs in the NHS South Yorkshire and Bassetlaw cluster along with local representatives and full time officers of trade unions. The Forum maintains resilience in partnership working arrangements and develops a consistent approach to transition issues affecting all staff across the cluster, including standard policies and procedures.

Staff Sickness absence

	2012-13 Number	2011-12 Number
Total Days Lost	**915**	**2,441**
Total Staff Years	**155**	**452**
Average working Days Lost	5.90	5.40

The figures for staff sickness absence are in calendar years

Equal opportunities

We are committed to ensuring equal opportunities in employment and have appropriate policies in place to provide guidance, including in specific areas such as Maternity Leave and Retirement, and via our Equality Strategy and Single Equality Scheme which covers six equality strands.

Positive about disabled people

All job applicants who meet the minimum criteria for a post are shortlisted for interview in accordance with our commitment to the disability symbol.

Valuing Equality and Diversity

Equality and Diversity is central to the work of NHS Rotherham to ensure there is equality of access and treatment within the services that are commissioned. The promotion of equality, diversity and human rights is central to the NHS Constitution and your life, your health and other national drives to reduce health inequalities and increase the health and well-being of the population. NHS Rotherham is committed to embedding equality and diversity values in to its policies, procedures, employment and commissioning processes that secure health and social care for people.
NHS Rotherham used the NHS Equality Delivery System (EDS) toolkit to them in meeting their duties.

NHS Rotherham four equality objectives are:

- Make effective use of equality data within the commissioning cycle to prioritise commissioning of services and embed equality within Provider contracts.
- Ensure appropriate and accessible targeted communication with local communities to facilitate improved access and patient experience.
- Develop consistency of Equality approaches across the South Yorkshire and Bassetlaw Clinical commissioning Groups in respect of equality leadership, staff empowerment and access to development.
- Demonstrate leadership in advancing the equality agenda internally and with partners and providers to ensure inequalities are addressed within a partnership approach to ensure equity of access experience and outcomes for patients.

Listening to you

Comments and Complaints

We welcome comments and complaints as an important way to improve standards of care. Under the NHS Complaints Procedure, the trust, GPs, dentists, pharmacists and opticians must all have their own procedures for dealing with complaints.
All complaints received by the trust were acknowledged within two working days with final responses determined by the provider of the service. During the year, NHS Rotherham received 33 formal complaints. Of these, 19 related to GPs, 3 to dentists, 3 to pharmacists, 0 to opticians, 5 to Care UK and 3 to commissioning. During the same period 201 written compliments were formally received for commissioning services. Many of them commented on the quality of staff and services and praised individuals and teams for their compassion and understanding.

The number of formal complaints against GPs and dental practices remains low and the trust works closely with GPs, dentists, pharmacists and opticians to ensure that complaints are dealt with swiftly, appropriately and as close to the source of the problem as possible to provide the fullest opportunity for investigation and resolution of the complaint.

We adhere to the Parliamentary and Health Services Ombudsman's 'Principles of Good Complaint Handling and Principles for Remedy', when dealing with complaints.

Engaging with you – Duty to involve

All primary care trusts have had a duty to produce an annual report on consultations about commissioning and other relevant decisions, as set out in section 242A (1) of the NHS Act 2006. This is where consultations have informed the commissioning of changes to services. These are **'commissioning decisions', and includes decisions about primary care, secondary care and community health services**. As well as information collected by the PCT, the reports can include information collected by partners or providers, or other trusts from which we have commissioned services.

Consulting in the sense of the report is the act of asking a person for their views on a proposal or issue, before a decision is taken. Consultations must have the following four elements:

- It must take place when a proposal is at a formative stage;
- The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
- Adequate time must be given for consideration and response;
- The outcomes of consultation must be conscientiously taken into account in finalising any statutory proposals.

However, NHS Rotherham has interpreted this wording in the context of the Department of Health Statutory Guidance, Real Involvement, (2008 p16), which widens this to cover a wider spectrum of activity, information giving, engagement, participation and other involvement activity.

This is the last year of a legal duty placed on Primary Care Trusts (PCTs) to report annually on consultations with patients and the public that have an impact on commissioning decisions. PCTs will be abolished in April 2013, and local health service commissioning will become the responsibility of Clinical Commissioning Groups (CCG), which will have statutory duties to involve local people in the commissioning process.

In the examples quoted, the NHS Rotherham would like to acknowledge the active involvement of local people as individual patients and through groups for their generosity in sharing their views and experiences of local health services.

Completed Consultations

Reinforcing our approach to sharing information, we aim to hold information on consultations openly on our website. To ensure access to maximum information within this report, we have linked the report to this information.

- **Consultations completed by NHS Rotherham** (both formal consultations and informal information gathering, where this has been used to influence commissioning)
- **End of Life Care Pathway** Between May and July 2012; NHS Rotherham sought the views of patients, the public and staff and stakeholders on care at the end of life. This included semi-structured interviews, survey questions, information from these was fed into discussions at stakeholder event, which has informed planning for end of like care.
- **Urgent Care** A substantial amount of work has taken place around urgent care; including
  - Focus groups carried out by Rotherham LINks
  - Surveys completed in A&E
  - Touch screen surveys completed in the Walk-in- Centre
  - Engagement exercises carried out at two community events (Magna Fair's Fayre, October 2012, and Carer's Rights Day, Dec 2012)

These will be used to inform a formal consultation process that will be carried out by NHS Rotherham CCG. To date, the information received has demonstrated limited knowledge about alternatives to A & E, and some confusion around available alternatives.

Engagement on CCG Annual Commissioning Plan - As an emergent organisation, NHS Rotherham CCG has felt it imperative to instigate a series of activities focused on communicating the changes in health structures, on introducing the CCG, and communicating the main plans and priorities of the new body. This has included presentations to and discussions with a variety of community organisations; a stakeholder event (June 2012); presentations to Scrutiny and the local Health and Wellbeing Board, and to Voluntary Action Rotherham members, and circulation of draft plans for comments at different stages.

Outcome - The work has already informed the existing plan, and will both establish the foundation for discussion in successive years and inform future processes.

Other – service specific consultation and engagement

- Open day – gluten free prescribing
- Long term conditions – regional series of events
- 111Service
- Case management pilot –Base line survey at start of project will be repeated at the end to determine projects effectiveness and to inform commissioning
- Service user involvement on the autism working group

The Duty requires the PCT to be responsible for reporting on consultations undertaken by **NHS trusts** or **NHS foundation trusts** that are independent of the PCT, but the outcome will influence the commissioning decisions of the PCT.

- Rotherham Hospital Foundation Trust has
  - held a review on the Park Rehabilitation Centre – http://www.therotherhamft.nhs.uk/Park_Rehab/Park_Rehabilitation_Centre_Update/
  - has also covered a variety of topics as part of our We asked, You said, We did series; the latest one asked members how we could make our membership more meaningful.
  - Is holding a 'Collective Consultation' on workforce restructuring. http://www.therotherhamft.nhs.uk/News/Current/Collective_Consultation_Update/

- Report on consultations undertaken by the **Yorkshire and Humber Specialist Commissioning Group**, which will have an impact on the commissioning decisions of the PCT.
  - No reports have been received

- Report on national consultations
  - Locally, people were invited to contribute to the national consultation on developing local Healthwatch**http://www.opinionsuite.com/nhsrotherham/nhs-rotherham/healthwatch/consult_view**

- The Duty requires the PCT to be responsible for reporting on consultations undertaken **jointly with another organisation through an integrated management arrangement**, such as with a local authority, on commissioning decisions by the PCT.

Patient Advice and Liaison Service

The Patient Advice and Liaison Service (PALS) had another busy year in supporting service users with concerns, health information and advice.

PALS handle concerns impartially and liaises with health professionals, on behalf of the service user, to work towards a satisfactory outcome. PALS continued to receive positive feedback about commissioning services.

The PALS comment card is a useful tool for people to feedback their experiences on services received. Any feedback is dealt with appropriately and helps to inform developments about service delivery.

The service has continued to operate as a telephone, letter and email information service and face-to-face appointments are available for anyone who would like to speak to a PALS officer directly.

Looking after personal information

We have a clear Information Governance Strategy and Policy, and this is supported by a Cluster Information Governance Strategy. We have a Senior Information Risk Owner and Caldicott Guardian both locally and at Board level.

We have undertaken various initiatives to ensure good information governance within the organisation and in our work without partners, including:

- A full review and update of the information asset register and patient identifiable dataflows in and out of the organisation.
- Reviewing incidents that relate to information governance issues and ensuring that where applicable remedial action is completed.
- Undertaking IG risk assessments on NHS Rotherham premises to ensure compliance with the Data Protection Act and Confidentiality Code of Conduct.
- Ensuring safe records management arrangements continue to be in place.
- Providing support for staff in their completion of annual Information Governance training.

NHS Rotherham reported no Serious Incidents (SIs) relating to Information Governance in 2012/13.

The Information Governance Toolkit is a compulsory web-based self-assessment tool for NHS Trusts which is governed by Connecting for Health. The toolkit covers:

- Information Governance Management
- Confidentiality and Data Protection Assurance
- Information Security Assurance
- Clinical Information Assurance
- Secondary Use Assurance
- Corporate Information Assurance

In 2012/13 the Information Governance Toolkit submission was a Cluster submission covering all five constituent PCTs and based on the lowest score across the Cluster.

NHS Rotherham has complied with Treasury Guidance on setting charges for processing of information.

Being prepared for an emergency

We have a Major Incident Plan that is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005 and all associated guidance. During the year, our emergency planning staff attended major incident training exercises.

Sustainability Report

Our facilities management team lead have this year led on energy efficiency within the trust, taking over this role from the public health directorate. We have a Vital Sign to reduce our carbon footprint with our baseline for energy usage reported through our annual ERIC (Estates Return Information Collection) Return, which is available on request. We are always looking for ways to reduce the use of natural resources. Where water meters are fitted, we have systems in place to monitor the use of water and reduce its usage.

Throughout the year we have continued to work with the local voluntary sector and RMBC to promote Fuel Poverty, Health and Wellbeing promotions and the expert patient programme to encourage self-care in the community.

Audit

The external auditor for NHS Rotherham is KPMG. KPMG audits the financial statements and gives its opinion including:

- Whether the statements give a true and fair view of the financial position of NHS Rotherham and its expenditure and income for the year.
- Whether accounts have been prepared properly in accordance with relevant legislation and applicable accounting standards.
- The regularity of NHS Rotherham's expenditure and income.

KPMG also has responsibility to satisfy itself that NHS Rotherham has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

The audit fee in relation to the statutory audit for 2012/13 was £104,686.

INDEPENDENT AUDITORS' REPORT TO THE SIGNING OFFICERS OF ROTHERHAM PCT

We have audited the financial statements of Rotherham PCT for the year ended 31 March 2013 on pages 1 to 46. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the signing officers of Rotherham PCT in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the signing officers of the PCT those matters we are

required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the signing officers of the PCT for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Signing Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

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

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

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

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

In our opinion:

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

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

Matters on which we are required to report by exception

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

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

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

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

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

- our review of the Governance Statement;

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

- our locally determined risk-based work on a more detailed risk assessment of the demise of the PCT.

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

Certificate

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

Damian Murray for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1, The Embankment
Neville Street
Leeds
West Yorkshire
LS1 4DW

6 June 2013

Annual Governance Statement

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. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- Evaluate the likelihood of those risks being realised and the impact should be realised, and to manage them effectively, efficiently and economically.

NHS South Yorkshire and Bassetlaw, for which Rotherham was a part of, had a Trust Board in place throughout the period 1 October 2012 to 31 March 2013 which was quorate at each meeting with an overall attendance rate of 89 per cent. The Board considered a range of governance documents, strategies and quality / financial / performance assurance reports. The Board also received both the public and private minutes of the shadow Rotherham Clinical Commissioning Group Committee to which responsibility for commissioning the majority of local healthcare was delegated (whilst accountability was retained by the Board). The Board was supported in its assurance responsibilities by a formal sub-structure of meetings including an Audit Committee, Quality and Patient Safety Committee and Reference Committee.

The Board-endorsed Risk Management Strategy, Policy and Procedure formed part of the system of internal control in NHS Rotherham and set out the organisational attitude to and appetite for risk. It clearly defined leadership and accountability across the organisation, including the Chief Executive responsibilities and the responsibilities of Directors, local managers and individual staff in supporting the delivery of the Strategy and in the identification and assessment of risk. Overall accountability for risk within NHS Rotherham lay with the Accountable Officer (Chief Executive). The Chief Executive had overall responsibility for establishing and maintaining an effective risk management system within the organisation, for meeting all statutory requirements and for adhering to guidance issued by the Department of Health in respect of Governance. The Chief Executive was

responsible for ensuring that a sound system of internal control was maintained that supported the achievement of NHS Rotherham's aims and objectives.

During the year our Assurance Framework was reviewed at least quarterly and formally received within the organisation to ensure that the strategic risks to the objectives and priorities of the organisation were captured and any gaps in either control or assurance identified and treated.

The Annual Governance Statement records the stewardship of our organisation, providing an overview of the internal systems of control within NHS Rotherham, NHS South Yorkshire and Bassetlaw Cluster and Rotherham Clinical Commissioning Group.

Salary and Pension Entitlements of Senior Managers

	2012-13				2011-12			
	Total Salary (bands of £5k) £000	**Organisation share (bands of £5k) £000**	**Other remuneration (bands of £5k) £000**	**Benefits in kind (bands of £100 £00**	Total Salary (bands of £5k) £000	Organisation share (bands of £5k) £000	Other remuneration (bands of £5k) £000	Benefits in kind (bands of £100 £00
Directors Remunerations for South Yorkshire and Bassetlaw Cluster **Name and title**								
A Buck Chief Executive South Yorkshire and Bassetlaw Cluster	**145 - 150**	**25 - 30**	**0**	**22-23**	145 - 150	25 - 30	0	21 - 22
P. Foster (to Jan' 13) Medical Director South Yorkshire and Bassetlaw Cluster	**75 - 80**	**15 -20**	**0**	**0**	20 - 25	0 - 5	0	0
D Black (Commenced Nov' 12) Medical Director South Yorkshire and Bassetlaw Cluster	**50 - 55**	**10 - 15**	**0**	**0**	N/A	N/A	N/A	N/A
S.Hackett Director of Finance South Yorkshire and Bassetlaw Cluster	**110 - 115**	**20 - 25**	**0**	**0**	100 - 105	20 - 25	0	0
M.Kitching Nurse Director South Yorkshire and Bassetlaw Cluster	**95 - 100**	**15 -20**	**0**	**0**	45 - 50	5 - 10	0	0
D Hilditch Director of Human Resources and Governance South Yorkshire and Bassetlaw Cluster	**85-90**	**15-20**	**0**	**0**	40 - 45	5-10	0	0
J.Radford Director of Public Health (Rotherham Primary Care Trust) South Yorkshire and Bassetlaw Cluster	**120-125**	**120-125**	**0**	**0**	120-125	120-125	0	0
A Tolhurst Chairman for South Yorkshire and Bassetlaw Cluster	**40 - 45**	**5 - 10**	**0**	**0**	10 - 15	0 - 5	0	0
R. Greenwood Non Executive & Vice Chair for South Yorkshire and Bassetlaw Cluster	**35-40**	**5 - 10**	**0**	**0**	15-20	0 - 5	0	0
P. Wade Non Executive for South Yorkshire and Bassetlaw Cluster	**5 - 10**	**0 - 5**	**0**	**0**	0 - 5	0 - 5	0	0

R.Bailey Non Executive for South Yorkshire and Bassetlaw Cluster	**10 - 15**	**0 - 5**	**0**	**0**	5 - 10	0 - 5	0	0
Dr. L Ranson Associate Non Executive for South Yorkshire and Bassetlaw Cluster	**5 - 10**	**0 - 5**	**0**	**0**	0 - 5	0 - 5	0	0
M Morris Associate Non Executive for South Yorkshire and Bassetlaw Cluster	**5 - 10**	**0 - 5**	**0**	**0**	0 - 5	0 - 5	0	0
D Liggins Non Executive & Vice Chair for South Yorkshire and Bassetlaw Cluster	**30 - 35**	**5 - 10**	**0**	**0**	15 - 20	0 - 5	0	0
T.Sheard Non Executive & Vice Chair for South Yorkshire and Bassetlaw Cluster	**30 - 35**	**5 - 10**	**0**	**0**	15 - 20	0 - 5	0	0
M.Lunn Non Executive for South Yorkshire and Bassetlaw Cluster	**10 - 15**	**0 - 5**	**0**	**0**	5 - 10	0 - 5	0	0
A.Laban (May'11 to Oct'11) Director of Commissioning Development South Yorkshire and Bassetlaw Cluster	**0**	**0**	**0**	**0**	65-70	10 - 15	0	43-44
P.Brooks (May'11 to Sep'11) Nurse Director for South Yorkshire and Bassetlaw Cluster	**0**	**0**	**0**	**0**	30-35	5 - 10	0	0
A.Pedder (Oct'11 to Dec'11) Chairman for South Yorkshire and Bassetlaw Cluster	**0**	**0**	**0**	**0**	5 - 10	0 - 5	0	0
A Tolhurst (Apr'11 to Sept'11) Chairman for Rotherham PCT	**0**	**0**	**0**	**0**	0	15-20	0	0
P. Wade (Apr'11 to Sept'11) Non Executive for Rotherham PCT	**0**	**0**	**0**	**0**	0	0-5	0	0
R.Stonebridge (Apr'11 to Sept'11) Non Executive for Rotherham PCT	**0**	**0**	**0**	**0**	0	0-5	0	0
R.Kapoor (Apr'11 to Sept'11) Non Executive for Rotherham PCT	**0**	**0**	**0**	**0**	0	0-5	0	0
J.Gomersall (Apr'11 to Sept'11) Non Executive for Rotherham PCT	**0**	**0**	**0**	**0**	0	5-10	0	0
Dr.P.Drury (Apr'11 to Sept'11) Non Executive for Rotherham PCT	**0**	**0**	**0**	**0**	0	0-5	0	0
C.Edwards (Apr'11 to Sept'11)	**0**	**0**	**0**	**0**	0	45-50	0	0

Chief Operating Officer for Rotherham PCT								
Dr.R.Carlisle (Apr'11 to Sept'11) Deputy Chief Operating Officer for Rotherham PCT	**0**	**0**	**0**	**0**	0	50-55	0	0
K.Firth (Apr'11) Chief Finance Officer for Rotherham PCT	**0**	**0**	**0**	**0**	0	5-10	0	0
S.Whittle (Apr'11 to Sept'11) Assistant Chief Operating Officer for Rotherham PCT	**0**	**0**	**0**	**0**	0	30-35	0	0

* Consent Witheld

'- Information Not Provided

Pay Multiples

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

The banded remuneration of the highest paid director in Rotherham Primary Care Trust in the financial year 2012-13 was £124,861 (2011-12 £124,861). This was 4 times (2011-12, 4 times) the median remuneration of the workforce, which was £31,454. (2011-12, £30,460)

In 2012-13, no employees received remuneration in excess of the highest-paid director (2011-12 Nil). Remuneration ranged from £14,153 to £124,861 (2011-12 £5,084 to £124,861). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The Chief Executive and Directors of Rotherham PCT no longer represent the highest-paid Directors of the PCT due to these posts being shared across all PCTs within the South Yorkshire and Bassetlaw Cluster. Rotherham PCT reports expenditure for its share of these individuals only.

Salary and Pension Entitlements of Senior Managers For the South Yorkshire and Bassetlaw Cluster

Pension entitlements Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2013 £000	Cash Equivalent Transfer Value at 31 March 2012 £000	Real increase in Cash Equivalent Transfer Value £000	Em con stal pe (rou nea
A Buck Chief Executive South Yorkshire and Bassetlaw Cluster	0 - 2.5	0 - 2.5	50 - 55	155 - 160	1,051	969	32	
S Hackett Director of Finance South Yorkshire and Bassetlaw Cluster	5 - 7.5	17.5 - 20	30 - 35	95 - 100	448	415	129	
M.Kitching Nurse Director South Yorkshire and Bassetlaw Cluster	12.5 - 15	42.5 - 45	35 - 40	105 - 110	751	645	322	
P. Foster (to Jan' 13) Medical Director South Yorkshire and Bassetlaw Cluster	0	0	0	0	0	0	0	
D Black (Commenced Nov' 12) Medical Director South Yorkshire and Bassetlaw Cluster	0 - 2.5	0 - 2.5	40 - 45	120 - 125	694	641	8	
D Hilditch Director of Human Resources and Governance South Yorkshire and Bassetlaw Cluster	0 - 2.5	0-2.5	30 - 35	100 - 105	612	560	22	
J Radford Director of Public Health (Rotherham Primary Care Trust) South Yorkshire and Bassetlaw Cluster	(0-2.5)	(0-2.5)	50-55	155-160	1,119	1,037	29	

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figure, and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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

Department of Health

NHS

Rotherham Primary Care Trust

2012-13 Accounts

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Rotherham Primary Care Trust

2012-13 Accounts

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

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

- there were effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money was achieved from the resources available to the Primary Care Trust;

- the expenditure and income of the Primary Care Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems were in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the net operating cost, recognised gains and losses and cash flows for the year.

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

Signed.....Designated Signing Officer

Name.....

Dated.....

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

ii. make judgements and estimates which are reasonable and prudent;

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

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

v. Have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

Dated 6.6.13 Signed ..... Signing Officer

Dated 6.6.13 Signed ..... Finance Signing Officer

1. Scope of responsibility

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

2. The governance framework of the organisation

2.1. Overview

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 the organisation's policies, aims and objectives;
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2012/13 has been a continuation of the transition towards the new NHS architecture as set out in the government's vision. This Annual Governance Statement therefore reflects the changing assurance processes during the year.

NHS Rotherham (legally known as Rotherham Primary Care Trust) has remained as the statutory body throughout the period and will remain so until its planned dissolution from 1st April 2013.

Context of changing Governance Arrangements

From 1st April 2011, Primary Care Trusts (PCT's) "clustered" in line with government guidance. NHS South Yorkshire & Bassetlaw was formed as a Cluster of 5 constituent PCT's:

- NHS Barnsley
- NHS Bassetlaw
- NHS Doncaster
- NHS Rotherham
- NHS Sheffield

From 1st April 2011 to 30th September 2011 all five PCT's shared an Accountable Officer (Chief Executive), Director of Finance and team of Executive Directors. There were five separate Boards for the constituent PCT's with Executive and Non Executive Directors, and each Board was underpinned by five separate management, governance and Committee structures. In Rotherham, this was delivered through NHS Rotherham (legally known as Rotherham Primary Care Trust).

From 1st October 2011 there was one NHS South Yorkshire & Bassetlaw Trust Board with one set of non-executive directors and one set of executive directors. The Directors of Public Health for each PCT also remained individual members of the Trust Board.

From 1st October 2011 emerging Clinical Commissioning Groups were established as Sub Committees of the Trust Board under a scheme of delegation and managerial letter of delegation to Chief Operating Officers.

In December 2012 Rotherham CCG was authorised, as part of the first wave of CCG's, to take on commissioning responsibilities from 1st April 2013.

The Rotherham Clinical Commissioning Group Committee (RCCGC) has a Chief Officer designate, a Chief Finance Officer designate and an underpinning management and governance structure. Formal delegation of responsibilities to the RCCGC related to the future work of Clinical Commissioning Groups such as Acute, Community, Mental Health and Continuing Healthcare Commissioning and Prescribing (whilst accountability was retained by the Trust Board.

NHS Rotherham continued to have responsibility for the governance of non-CCG responsibilities such as primary care (whilst again accountability was retained by the Trust Board).

The system of internal control has been in place through the above mechanisms in Rotherham for the year ended 31st March 2013. The remainder of this document will reflect the internal systems of control within the structure above.

2.2. Structure, performance and highlights of corporate governance.

Corporate Governance Code

The Boards of NHS Rotherham and NHS South Yorkshire & Bassetlaw have complied at all times with the UK Corporate Governance Code in respect of:

- **Leadership**

Headed by an effective Board/Governing body comprised of Executive and Non Executive Directors with a clear division of responsibilities, a clear process for decision-making and a Chair responsible for leadership of the Board/Governing Body. In addition the Board/Governing Body have ensured that there are proper processes in place to meet the organisation's objectives and secure delivery of outcomes. The Board/Governing Body can demonstrate that it has done its reasonable best to achieve its objectives and outcomes, including maintenance of a sound and effective system of internal control.

- **Effectiveness**

Comprised of individuals with a range of skills, experience and knowledge. A formal process for appointments in place and adhered to. They have been provided with a range of strategic information covering quality, finance, performance, strategy, policy and risk which is subject to annual evaluation via the Annual Governance Statement. In addition the organisation learns and improves its performance through continuous monitoring and review of the systems and processes in place for meeting its objectives and delivering appropriate outcomes.

- **Accountability**

There are clear accountability arrangements in place throughout the organisation. There are processes in place for effective management of conflicts of interest and a robust process for risk management and internal control through regular reporting and interaction with Internal and External Audit. The Board/ Governing Body ensures that there are proper and independent assurances given on the soundness and effectiveness of the systems and processes in place for meeting its objectives and delivering appropriate outcomes.

- **Remuneration**

This is set by the Remuneration and Terms of Service Committees.

- **Relations with Shareholders**

The Board/Governing Body identifies the needs of its stakeholders on an ongoing basis and determines a set of key objectives and outcomes for meeting these needs, including how it meets its duty of quality. Effective partnership arrangements are in place and sharing of information via an Annual Report.

- **Handover and Closedown**

The NHS South Yorkshire & Bassetlaw Board and the NHS Rotherham CCG Committee have prepared for transition to the new NHS architecture in line with Department of Health guidelines for closedown of PCTs. A Transfer Scheme was developed by the Board for both Assets and Liabilities and for Staffing, and this was in place by 31st March 2013 when the formal transfer took place. A Handover Assembly was held on 12th March 2013 between the PCT as sender and all local receiving organisations including the Clinical Commissioning Group to ensure an effective legacy handover to receiving organisations.

- **Annual Accounts**

In terms of annual accounts, a clear process has been identified which mirrors arrangements in 2011/12 and which will ensure that PCT accounts are effectively closed down and accounts produced. Accounts scrutiny and sign-off is planned via the Cluster Audit Committee (which will remain for a short period to June 2013), with the accounts having first been reviewed in detail by the Clinical Commissioning Group's Audit Committee to which much of the corporate memory on the accounts will have transferred.

- **Discharge of statutory duties**

Arrangements are in place to ensure effective discharge of statutory duties and this is documented through routine reporting arrangements.

NHS South Yorkshire & Bassetlaw

Structure

NHS South Yorkshire & Bassetlaw had a Trust Board in place throughout the period 1 April 2012 to 31st March 2013 which was quorate at each meeting. The Board considered a range of governance documents, strategies and quality / financial / performance assurance reports. The Board also received both the public and private minutes of the RCCGC to which responsibility for commissioning the majority of local healthcare was delegated (whilst accountability was retained by the Board). The Board was supported in its assurance responsibilities by a formal sub-structure of meetings including an Audit Committee, Quality and Patient Safety Committee and Reference Committee.

Effectiveness

The effectiveness of the Board was last reviewed at a Timeout session on 22nd February 2012 which concluded that the Board was functioning effectively and focusing on the right issues. Due to the abolition of the Board from 31st March 2013, its effectiveness has not been reviewed during 2012/13. A Governance paper was received and approved by the first Trust Board meeting in October 2011 in which:

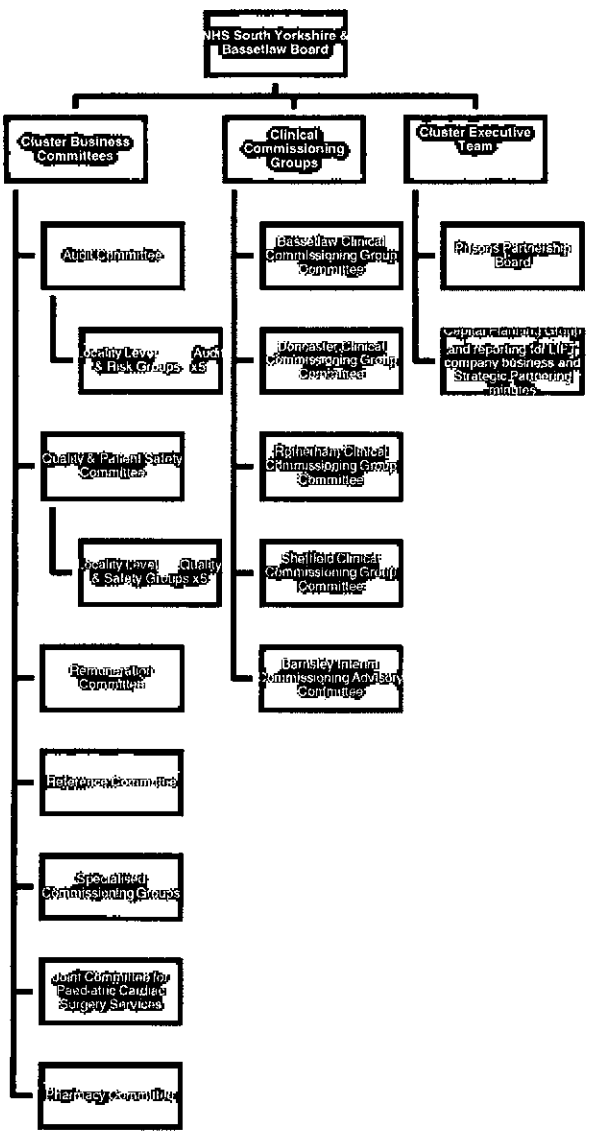
- The Board was advised on the governance structure to support the Single Trust Board of NHS Barnsley, NHS Bassetlaw, NHS Doncaster, NHS Rotherham and NHS Sheffield.
- Approval was given for the terms of reference for the committees of the Trust Board which covered Audit, Quality and Patient Safety, Remuneration, Maintaining High Professional

Standards, Pharmacy applications and Clinical Commissioning Groups. These reflected the movement to a single Trust Board.

- Revised Standing Orders / Standing Financial Instructions and Scheme of Delegation were agreed.
- It was identified where the Chief Executive and Director of Finance sought to delegate further functions to the Chief Officer and Chief Finance Officer. These were then covered in Letters of Delegation to each CCG.
- The Board membership (including Directors) and the accountability arrangements at Board level were noted.

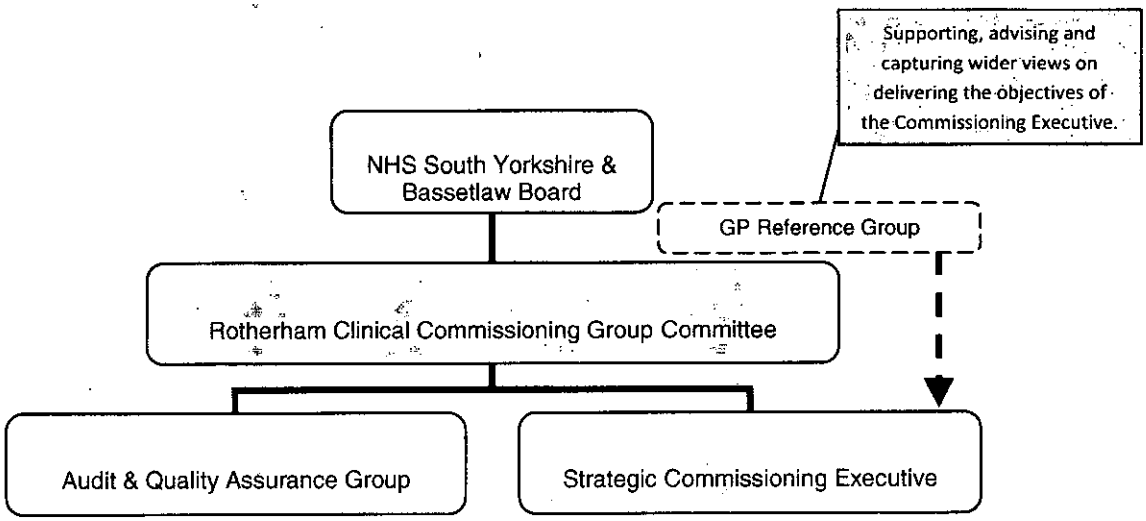
Risk Management

A Board Assurance Framework and Risk Register have been maintained throughout the period, coordinated by the Governance Leads of the constituent PCTs. The Assurance Framework was received by the Board in January 2012 and by the Cluster Audit Committee as a closing position in March 2013. The Risk Register was received by the Board in January 2012 and updated outside of the Board thereafter. The Information Governance Strategy was last received in February 2012. Monthly reports were received on Finance, Quality and Performance.



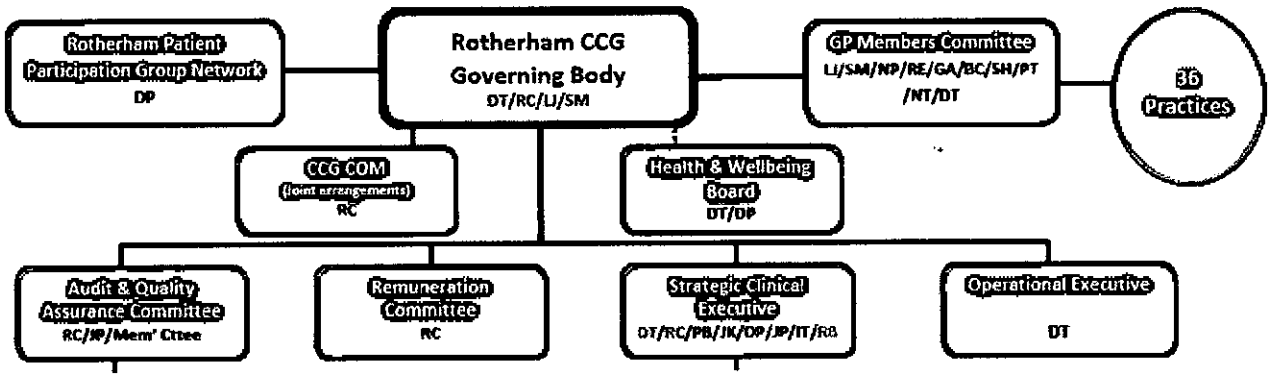
Rotherham Clinical Commissioning Group Committee (RCCGC)

The establishment of the Rotherham Clinical Commissioning Group Committee was formally approved by the NHS South Yorkshire & Bassetlaw Trust Board in October 2011. The Committee was in place throughout the period 2012/13 and was quorate at each meeting– all recommendations from the September meeting were subsequently ratified at the October meeting. A letter of delegation from the single Trust Board in October 2011 confirmed that the NHS Rotherham CCG Committee had been formally established as a Committee of the Board with delegated commissioning responsibility and approved the NHS Rotherham CCG Committee Terms of Reference. The budget for which the Committee received delegated responsibility included the resources for community health services, maternity care, elective hospital services, urgent care, ambulance services, emergency and non-elective hospital services, older people's healthcare, children and young people's healthcare, rehabilitation services, healthcare for people with mental health and learning disabilities, and continuing healthcare. It did not include primary care services, prison health services, public health services or specialised health services. The high-level governance model was developed in consultation with NHS Rotherham CCG members and Chair, local Governance Leads, and the Governance Lead for NHS South Yorkshire & Bassetlaw and is shown below.



As part of the CCG Authorisation process, this structure was reviewed and a new structure was agreed for implementation from 1st April 2013 and captured in the Group's Constitution, which is shown below:

NHS Rotherham Clinical Commissioning Group Governance Structure, with GP representation



On the 10th December 2012 we received notification that Rotherham CCG was authorised to operate from April 2013 with three conditions. Following the NHS CB CCG conditions review sub-committee meeting of 22 March 2013, the NHS CB agreed that the three remaining conditions should be removed and that the CCG was now authorised in full and without any conditions.

Effectiveness

The delegation confirmed that the Chief Officer (Designate) and Chief Finance Officer (Designate) would continue to hold responsibility for managerial, operational and financial matters. As part of this delegation, the NHS Rotherham CCG was required to ensure that they met all financial statutory and administrative duties.

Rotherham CCG Committee

RCCGC Member	Position	From To
R Kapoor	Non Executive	1st April – December 31st 2012
R Stonebridge	Non Executive	1st April – December 31st 2012
P Drury	Non Executive	1st April – December 31st 2012
J Gomersall	Non Executive Lay Member (Designate)	1st April – 1st September 2012 1st September 2012 – 31 March 2013
S Lockwood	Lay Member (Designate)	1st September 2012 – 31 March 2013
J Radford	Director of Public Health	1st April 2012 – 31st March 2013
H Ashurst	Secondary Care Doctor	1st November 2012 – 31st March 2013
C Edwards	Chief Operating Officer Chief Officer Designate	1st April – 1st June 2012 1st June 2012 – 31st March 2013
K Firth	Dep Director of Finance Chief Finance Officer (Designate)	1st April – 1st July 2012 1st July 2012 – 31st March 2013
R Carlisle	Dep Chief Operating Officer Dep Chief Officer (Designate)	1st April – 1st October 2012 1st October 2012 – 31st March 2013
S Cassin	Board Nurse	1st September 2012 – 31st March 2013

The main functions of the Committee were to:

- lead the setting of vision and strategy
- approve consultation arrangements for the Commissioning Plan and approve annual Commissioning Plans
- monitor performance against delivery of the annual Commissioning Plan
- provide assurance of strategic risk
- ensure the public sector equality duty is met
- ensure active membership of Health and Wellbeing Board
- secure public involvement
- promote the NHS Constitution
- delegate assurance of continuous improvement in quality to the Audit and Quality Assurance Committee
- promote improvement in the quality of primary care medical services
- have regard to the need to reduce health inequalities
- promote involvement of patients, their carers and representatives in decisions about their healthcare
- act with a view to enable patients to make choices
- promote innovation
- promote research
- promote education and training
- promote integration of health services where this would improve quality or reduce inequalities
- responsibility for all financial duties

The RCCG Committee considered a range of strategies, policies and quality/financial/performance assurance reports and risk/governance report throughout the year.

The Committee monitored performance on a monthly basis against the key performance indicators, which included the headline and support measures identified in the Operating Framework, as part of the Integrated Performance report. For those indicators assessed as being below target, reasons for current performance was identified and included in the report along with any remedial actions to improve performance.

NHS Rotherham had in place systems and processes to assure the Board that risk is being managed locally and there are reporting structures in place to do this. To support the Board there were governance arrangements and associated committee structures in place for the PCT throughout 2012/13.

The committee ensured that the organisation consistently followed the principles of good governance applicable to NHS organisations. This includes the oversight and development of systems and processes for financial control, organisational control, clinical governance and risk management. The Committee assessed strategic and corporate risks against the Trust's objectives via the Assurance Framework. RCCGC and all its formal sub-committees have actively participated and been involved in the generation of principal risks to the organisation and Assurance Framework process.

The Committee has recently untaken a self assessment of their own effectiveness as a committee and future governing Board.

Results are very encouraging. The responses to the questions below are either strongly agree or agree with comments and suggestions for improvement which the Governing Board will discuss:

- The agenda is set early enough for me to have time to prepare properly for the meeting
- Papers are circulated early enough for me to have sufficient time to consider them properly and seek further advice if required
- Papers/ Reports contain the relevant information for me to effectively participate in debate
- There is appropriate detailed discussion focused on the decisions required
- All members of the committee behave with courtesy and respect, and views of others are respected and heard non-judgementally
- Constructive challenge is done in a professional and civilised manner
- Appropriate deputies attend meetings well briefed and able to effectively participate in the meetings
- Confidentiality is maintained at all times including adherence to the principles of information governance
- There is no discrimination on the basis of sex, race or professional affiliation
- I am happy to receive exception reports because I am comfortable with the operational committees systems and processes for managing issues
- Individuals invited to present to the committee are appropriately briefed by the most relevant committee member
- The Chair promotes good standards of corporate governance
- The Chair controls the conduct of the meeting effectively
- The Chair acts as a link between Board of Directors, and Audit & Assurance Committee in relation to escalation of issues
- The Committee delivers assurance on the effectiveness of internal controls, risk management and governance
- There is appropriate discussion of patient issues at meetings
- There is appropriate discussion of clinical outcomes at meetings

The organisation has a number of Officers and competent advisors with lead responsibilities for Governance and Risk Management.

- The Chief Executive had overall responsibility for establishing and maintaining an effective risk management system within NHS Rotherham, for meeting all statutory requirements and for adhering to guidance issued by the Department of Health in respect of Governance. The Chief Executive was responsible for ensuring that a sound system of internal control was maintained that supported the achievement of NHS Rotherham's aims and objectives.

- The Chief Officer (Designate) was responsible for Commissioning Healthcare services and ensuring that Risk Management processes exist within all commissioning arrangements.

- The Deputy Chief Officer (Designate) has been the responsible director for research governance and risk management. This officer coordinates the NHS Rotherham's approach to Governance, Risk Management and measures/monitors overall Governance and Risk Management performance within the organisation.

- The Head of Quality/Lead Nurse (Designate) is responsible for the management of serious incidents,. The role also has the lead for Clinical Governance and has responsibility for strategic development and operational implementation of Patient Safety, Clinical Risk Management and infection prevention and control.

- The Assistant Chief Operating Officer is responsible for Corporate Governance, complaints, claims and freedom of information.

- The Chief Finance Officer (Designate) has responsibility for the implementation of Financial Risk Management and ensuring strong financial governance processes and procedures are in place.

- Non Executives / Lay members in conjunction with the Executive Team have responsibility for reviewing risk management strategies, processes and risk related issues via reports to the relevant Committees. Individuals have particular responsibilities in relation to their membership and chairmanship of various sub committees.

- All staff undertake a workplace induction which raises awareness of risk management policies and procedures and attend core mandatory fire training.

- A mandatory training needs analysis is in place which clearly identifies the mandatory training requirements for all staff.

Audit and Quality Assurance Committee

The Group's primary role has been to review and report upon the adequacy and effective operation of the organisation's overall governance and Internal Control system, including risk management, financial, operational and compliance controls, together with the related assurances that underpin the delivery of the organisation's objectives contained within the Assurance Framework. This role is set out clearly in the Group's terms of reference which were revised during 2012 to ensure these key functions are embedded within the new Constitution and governance arrangements for the embryonic Clinical Commissioning Group.

The Group reviews the effective local operation of Internal and External Audit, as well as the Counter Fraud Service. In addition, the Group ensures that a professional relationship is maintained between the Trust's External and Internal Auditors, so that reporting lines can be effectively used. In addition the Group examines in detail a number of quality indicators including serious incidents, complaints and clinical audits. Methods of assurance of quality are at the heart of the recent public debate about quality standards and patient care within the modern NHS arising from the publication of the Francis report.

The Group membership during 2012 selected from amongst the former Non-Executive Directors of the Trust Board and also more recently two lay members who will replace the Non Executives on the board of the newly formed Clinical Commissioning Group. In addition, in keeping with the move to involve clinicians more closely in commissioning activity and assurance processes two General Practitioners are full members of the Audit and Quality Group.

AQuA Member	Position	From - To
Mr John Gomersall	Non Exec/Lay member	April 2012 – March 2013
Mrs Rekha Kapoor	Non Exec	April 2012 – Decemeber 2012
Mr Robin Stonebridge	Non Exec	April 2012 – Decemeber 2012
Dr Philip Drury	Non Exec	April 2012 – Decemeber 2012
Dr Richard Cullen	GP Member	April 2012 – March 2013
Dr Jason Page	GP Member	April 2012 – March 2013

Standing invitations to attend Audit and Quality group meetings have been provided to:

- The Chief Finance Officer (Designate)
- The Deputy Chief Officer (Designate)
- The PCT's Internal Auditors - Assure, provided by Rotherham, Doncaster and South Humber NHS Foundation Trust.
- The PCT's External Auditors- the Audit Commission to end August 2012 and KPMG from 1st September 2012
- The Counter Fraud Officer.
- The Head of Clinical Governance
- The Medical director
- Assistant Chief Officer

This year the group has focussed attention upon the assurance and governance processes associated with the proposed changes contained within the Health and Social Care legislation. Specifically the group has sought to ensure good governance processes and minimisation of risk at a time of considerable uncertainty and change within the local health service framework.

This has led to the group examining the risks associated with both the changes in structures and also with the effects of financial constraints across the health system. Close working relationships have been maintained with health providers and the Chair and a GP were invited to attend the local Foundation Trust's Audit committee to observe at first hand their assurance and governance processes.

During the financial year the group has regularly received financial statements relating to the performance of the Trust commencing with an examination of the year end accounts for 2011/12 at an extra meeting held in June 2012. These accounts were then recommended for approval by the Trust Board and also presented for information to the Clinical Commissioning Group Committee.

The Annual Audit letter was discussed fully and the positive outcomes noted.

The Chief of Finance (Designate) reported regularly on any risks to the financial position of the Trust at each meeting and miscellaneous matters such as single tender actions and losses and special payments. The group has also received updates on progress with the agreed efficiency programmes which are integral to the delivery of the medium term financial plan.

Overall the group has been assured by the robustness of the financial arrangements within the Trust and with the actual performance against agreed budgets.

Internal Control and Risk Management Systems

At each meeting the Group has considered reports from its Internal and External Auditors, and has also received updates on the risk management framework operating within the Trust. This has enabled the Audit and Quality Group to examine the effectiveness of the organisation's Assurance Framework, financial performance and the processes for governance. Consideration of these areas by the Group has informed further work to ensure that the Risk Register has been regularly revised to both reflect the rapidly changing backdrop to the work of NHS Rotherham and also to improve the actual maintenance of data within the register itself.

3. Risk assessment

3.1. NHS South Yorkshire & Bassetlaw

To support the work of the Board and its Committees and to provide assurance that the risks across the Cluster were known and understood, a single Assurance Framework covering all constituent PCT areas was developed and has been in use throughout 2012/13.

In developing the NHS South Yorkshire & Bassetlaw Assurance Framework all existing PCT Assurance Framework risks and any new/emerging risks in light of the changing NHS architecture were captured. The Assurance Framework was developed in accordance with guidelines provided by the Department of Health, Internal Audit and the Strategic Health Authority and comprises risks which affect the achievement of Cluster objectives.

A standard 5x5 risk matrix was used to assess risk which incorporates both consequence and likelihood. The risk tolerance (appetite under which risks can be tolerated) is a score of 11 or below where the assessment has been undertaken following the implementation of controls and assurances. This is the same for both the Cluster Assurance Framework and the Clinical Commissioning Groups Assurance Frameworks. Local Clinical Commissioning Group Assurance Framework risks which are scored at or in excess of a score of 16 will be escalated to the Cluster Assurance Framework. All new risks scoring 16-20 are notified to the Board as part of the integrated performance report.

The objectives for PCT Clusters as detailed in the Department of Health *Shared Operating Model for PCT Clusters* (July 2011) were taken as those against which the Cluster Assurance Framework risks were mapped:

- Integrated Finance, Operations and Delivery
- Commissioning Development
- Ensuring Quality (Effectiveness, Experience & Safety)
- Emergency Planning & Resilience
- Commissioning Elements of Provider Development
- Communication and Engagement

All existing risks from the 5 PCT Assurance Frameworks were mapped to the principal risks of the Cluster. There was full alignment of the 5 PCT's principal risks with the Cluster principal risks. All PCT Assurance Framework risks which were not expected to carry forward to the Clinical Commissioning Group Assurance Frameworks were captured on the Cluster Assurance Framework. The ownership of the risks was linked to the Scheme of Delegation with Director / Chief Executive accountability identified.

The format of the Assurance Framework was designed and populated based on the existing Assurance Frameworks in existence across the Cluster and in consideration of Internal Audit feedback on best practice.

The Cluster Assurance Framework was presented to the Audit Committee and the Board in

November 2011. An update to the Board was provided in January 2012 and a closing Assurance Framework was received by the Audit Committee in March 2013.

Until the NHS Commissioning Board formally took over responsibility for the commissioning of FHS/Primary Care, Offender Healthcare, Military Healthcare and Specialised Commissioning, a Risk Register co-produced by the Executive Team and Governance/Commissioning Leads captured risks associated with these directly commissioned services. The Risk Register was presented to the January 2012 Board alongside the Assurance Framework Action Plan and continued to be updated outside of the Board. Specialised Commissioning Groups held their own Assurance Frameworks which continued during transition.

All the risks on the Assurance Framework were newly added from October 2011 as this was the first Assurance Framework of the NHS South Yorkshire & Bassetlaw Cluster. At the close of the year as of 31st March 2013 there were 20 risks on the Cluster Assurance Framework. 5 of these risks were scored in excess of 11 and all 5 were being treated, with 1 risk scored below 11 also being treated.

During the period, gaps in control and assurance were identified, action plans put into place and monitored. There were no lapses of data security reported to the Information Commissioner. The 6 risks being treated at year-end comprised:

Ref	Principal Risk	Current Risk			Action Plan
		C	L	CxL	
1.2	Failure to deliver the financial aspects of the QIPP agenda.	5	3	**15**	Continue to monitor QIPP delivery across the localities
2.2	Failure to directly commission for specialised services during transition: • Specialised Commissioning • FHS and Primary Care Contracting • Offender Health and Military Health Commissioning	5	2		Complete the prison healthcare action plan to mitigate against any potential risks identified in the HM Inspectorate of Prisons report.
2.4	Recent national publication of a call for retrospective Continuing Healthcare claims is expected to lead to a significant increase in claims – impacting on both staffing capacity to review the claims and on finance. The time limits for the process are very short – September 2012.	4	3	**12**	Develop a coordinated approach to Continuing Care retrospective claims reviews
3.5	Failure to effectively safeguard children and vulnerable people in line with statutory requirements leading to potential harm.	5	3	**15**	Monitor through Cluster Risk Register and local arrangements
3.6	Failure to ensure effective workforce planning and capability leading to de-motivation of staff.	4	3	**12**	Undertaken a gap analysis / skills audit to ensure capacity and capability for CSS functions
6.1	Failure to effectively engage staff systematically during transition, resulting in potential de-motivation, lack of productivity and poor staff experience and including potential industrial action	4	3	**12**	Work to align workforce systems and processes across the localities

3.2. Rotherham Clinical Commissioning Group Committee (RCCGC)

The Audit & Quality Assurance Group, on behalf of the Committee, at its meeting in December 2011, adopted the 5x5 risk matrix, the risk tolerance/appetite under which risks can be tolerated as a score of 11 or below, and the escalation to the Cluster Assurance Framework of risks which are scored at or in excess of a score of 16.

In January 2012, the Audit & Quality Assurance Group, received and approved the Clinical Commissioning Group Risk Register with updated controls, assurances, gaps and scoring.

In March 2012, the Audit & Quality Assurance Group, received and approved the Clinical Commissioning Group Assurance Framework with updated controls, assurances, gaps and scoring.

It should be noted that the transition to the RCCGC Assurance Framework had been incremental from September 2011 to ensure effective management and transfer of risks that had been present on the NHS Rotherham Assurance Framework.

The standard 5x5 risk matrix below adopted by the NHS South Yorkshire & Bassetlaw to assess risk was also adopted by the RCCGC.

Risk Matrix		Likelihood				
		(1) Rare	(2) Unlikely	(3) Possible	(4) Likely	(5)Almost certain
Consequence	(1) Negligible	1	2	3	4	5
	(2) Minor	2	4			
	(3) Moderate	3			12	15
	(4) Major	4		12	16	20
	(5) Extreme	5		15	20	25

1-5	Low
6-11	
12-15	High
16-20	Very High
25	Extreme

The RCCGC Risk Register and Assurance Framework were updated on an ongoing basis to reflect any changes to currently identified risks or to add newly identified risks, and were both updated in full every 2 months. The Audit and Quality Assurance Group received both the Risk Register and Assurance Framework at each of its meetings and the CCG Committee received both documents twice during 2012/13.

Additionally, the risks and mitigations associated with The Rotherham Foundation Trust (TRFT) were received by the CCG Committee in March 2013. The Chair of TRFT received a letter and action plan on the 15 February from Monitor. The letter included assurances from CQC that they have no concerns over the trust achieving minimum standards. At a Board to Board meeting on the 13 March, between the CCG and TRFT, the CCG received further assurance that TRFT would deliver on the requirements in the Monitor action plan.

As a result of one of the recommendations from the outcome of the CCG Authorisation process, the standard agenda template was amended to ensure that the identification and escalation of risk is covered at all CCG meetings.

The NHS South Yorkshire & Bassetlaw risk tolerance/appetite under which risks can be tolerated is a score of 11 or below where the assessment has been undertaken following the implementation of

controls and assurances. The same risk appetite was already in place in NHS Rotherham and was adopted by the RCCGC.

Risk Register

As at the 31 March 2013 there were 61 risks on our register, these are categorised as follows:

Score	How many	Category of Risk Rating
25	1	Extreme
20	2	Very High
16	3	Very High
15	1	Very High
12	12	High
9	14	
8	8	
6	10	
5	3	Low
4	2	Low
3	2	Low
2	2	Low

The 9 risks scoring 5 or below were 'retired' and will remain on our records but will no longer be reported upon.

The 7 significantly high risks are:

Risk Number	Risk Description	Risk Score
055	Failure of TRFT IT (EPR) systems potentially leading to patient harm including contact centre	25
031	Failure to deliver efficiency savings in Unscheduled Care	20
073	Adverse impact on patient care due to problems at TRFT evidenced by: leadership change, liquidity pressures and unresolved EPR implementation issues.	20
069	Financial viability of key acute provider	16
070	NHS Commissioning Organisations not successfully picking up all important responsibilities that were previously NHS Rotherham's	16
071	Impacts on quality and safety of the cost improvement plans of our key providers	16
033	Failure to deliver efficiency savings in Planned Care	15

There were 11 new risks added to the Risk Register during 2012/13.

Risk Number	Risk Description	Month added to the Risk Register	Current Score
066	Subcontracted Commissioning services with CSS fail to deliver outcomes	May 2012	12
067	Financial Implications of Metal on Metal Hip replacements	May 2012	12
068	Failure to implement new ledger system, coding structure and new service provider effectively	July 2012	
069	Financial viability of key acute provider	October 2012	16
070	NHS Commissioning Organisations not successfully picking up all important responsibilities that were previously NHS Rotherham's	December 2012	16
071	Impacts on quality and safety of the cost improvement plans of our key providers	February 2013	16
072	Failure to complete local elements of the regional implementation programme for NHS 111.	February 2013	12

073	Adverse impact on patient care due to problems at TRFT evidenced by: leadership change, liquidity pressures and unresolved EPR implementation issues. THIS RISK LINKS RISKS 55, 69 AND 71	February 2013	20
074	Failure of provider IT systems potentially leading to patient harm (excluding TRFT EPR)	February 2013	
075	PbR Mental Health for Older People & Adults (Potential due to transfer from block contract to a PbR mechanism)	February 2013	
076	Financial pressure due to rebasing of ambulance costs across Y&H	February 2013	

Assurance Framework

As at the close of the year 31 March 2013 there were 21 risks on the Assurance Framework, these are categorised as follows:

Score	How many	Category of Risk Rating
25	1	Extreme
20	1	Very High
16	3	Very High
12	9	High
9	2	
8	2	
6	2	
3	1	Low

The 5 significantly high risks are:

AF Number	Risk Description	Risk Score
AF18	Failure of provider IT systems potentially leading to patient harm, including contact centre	25
AF19	Adverse impact on patient care due to problems at TRFT evidenced by: leadership change, liquidity pressures and unresolved EPR implementation issues.	20
AF12	Failure to deliver system wide efficiency programmes for prescribing, planned care and unscheduled care	16
AF05	Failure to ensure effective patient safety and assurance processes are in place in the services we commission (e.g. assurance on impact of CIPs)	16
AF03	Financial viability of key acute provider	16

4. The risk and control framework

NHS Rotherham's Risk Management and Assurance Framework was in place throughout 2011/12, having also been adopted by the RCCGC.

The CCG produced and adopted its own Integrated Risk Management Policy in June 2012. The CCG has a responsibility to ensure that the organisation is properly governed in accordance with best practice corporate, clinical and financial governance. Every activity that the CCG undertakes or commissions others to undertake on its behalf, brings with it some element of risk that has the potential to threaten or prevent the organisation achieving its objectives.

This Integrated Risk Management Policy enables the organisation to have a clear view of the risks affecting each area of its activity; how those risks are being managed, the likelihood of occurrence and their potential impact on the successful achievement of the CCG objectives. This document sets out the policy for the identification and management of risk within the CCG.

The policy applies to all members of the CCG, the Strategic Clinical Executive, Operational Executive and all managers to ensure that risk management is a fundamental part of the CCG approach to the governance of the organisation and all its activities.

The policy:

- Sets out the organisational attitude to and appetite for risk
- Clearly defines the structures for the management and ownership of risk
- Clearly identifies how to manage situations in which a potential risk develops into an actual risk
- Specifies the way in which risk issues are considered at each level of business planning Specifies how new and existing activities are assessed for risk and dependent on the level of risk
- Uses common terminology and scoring in relation to risk issues which is replicated across the Assurance Framework and Risk Register
- Defines the structures for gaining assurance about the management of risk
- Defines the way in which the risk register, assurance framework and risk evaluation criteria will be regularly reviewed
- Is easily available to all staff on the CCG website.

Risk identification, assessment and monitoring is a continuous structured process in ensuring that the CCG works within the legal and regulatory framework, identifying and assessing possible risks facing the organisation, and planning to prevent and respond to these. The process of risk management covers the following 5 steps to risk assessment:

- Step 1 - Identify the Risk
- Step 2 – Assess the Risk
- Step 3 – Evaluate the Risk
- Step 4 – Record the Risk
- Step 5 – Review the Risk

Risk management is embedded in the activity of the organisation through the above measures and also through assessments of specific risks e.g. information governance, equality impact assessment, business continuity.

The Internal Audit Report on Risk Management, February 2013, assessed the process as providing significant assurance. The report identified three recommendations all of which have now been actioned.

NHS Rotherham carried out an Information Governance (IG) work programme and undertakes assessment by the IG Toolkit annually. Delivery of the IG work programme was overseen by the IG Steering Group, which is chaired by the Senior Information Risk Owner (SIRO). An information risk management programme is in place that is used to manage regular risk assessments of IT systems, IT services and key Information Assets. Risk assessments are reported to the IG Steering Group and risks are escalated to the Corporate Risk Management Framework as required. All IG related incidents are managed through the corporate incident reporting process and are routinely reported to the IG Steering Group for review. During 2012/13 all reported IG incidents relating to Rotherham were of minor significance.

A Counter Fraud report is received at each Audit & Quality Assurance Group and aims to inform the Group of the proactive and reactive activity carried out by the Local Counter Fraud Specialist (LCFS). The content of the report is formatted to accord with the requirements of the latest NHS Counter Fraud Manual outlining where relevant activity has taken place across the 7 generic areas of counter fraud work:

- **Anti-Fraud Culture** (details of fraud awareness training, local newsletters and staff and contractor engagement)
- **Deterrence** (including policy reviews and patient fraud checks, specific liaison with UKBA under Op Chamberlain and NHS Fraud Awareness month)
- **Prevention** (including NHS Protect fraud prevention instructions, alerts and intelligence bulletins and local counter fraud alerts)

- **Detection** (including Local Proactive Exercises, the Local Intelligence Network to support the Accountable Officer for Controlled Drug, Overseas Visitors Forum and the National Fraud Initiative (NFI))
- **NFI** - The LCFS has assisted the PCT in this exercise, which was completed within the required timescales set out by the Audit Commission. All recommended matches identified by the Audit Commission were completed along with sample checking of other reports. No concerns were identified involving employees of the PCT
- **Investigations** (accepts and records all referrals of fraud reporting direct to NHS Protect)
- **Sanctions** (recorded via NHS Protect's FIRST system)
- **Redress** (recorded via NHS Protect's FIRST system)

5. Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work which resulted in a level of 'significant assurance'. Directors and Managers within the organisation who have responsibility for the development and maintenance of the system of risk management and internal control provide me with assurance. The Assurance Framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- Head of Internal Audit opinion statement
- Internal and External Audit Reports
- Local Authority Scrutiny process
- NHS Staff Survey
- External Auditors providing progress reports to AquA and, the Annual Governance Letter,
- Performance Management systems
- Internal Committee structure with delegated responsibility for risk identification, evaluation, control, review and assurance.
- Review of the Assurance Framework
- Risk Registers
- Single Integrated Plan
- Quality schedules and Dashboards

I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the:

- South Yorkshire & Bassetlaw Board
- Governance, Risk and Audit Group
- Quality and Patient Safety Group
- NHS Rotherham Clinical Commissioning Group Committee

The Assurance Framework is used as the plan to address weakness and ensure continuous improvement of the system. The Board and NHS Rotherham Clinical Commissioning Group have been involved with the development of the Assurance Framework. The Board and NHS Rotherham Clinical Commissioning Group have maintained an overview of the Assurance Framework, commenting as appropriate and endorsing actions. The Assurance Framework has been approved by the Governance Risk and Audit Group and NHS Rotherham Clinical Commissioning Group Audit Committee.

The Board has overseen the work of the Governance Risk and Audit Group and Quality and Patient Safety Group and NHS Rotherhams Clinical Commissioning Group and its related governance systems and processes. The Board determines the Trust's approach to risk management and ensures that systems of internal control exist and are functioning properly. The Audit Committee

oversee all issues of risk management within the PCT, ensuring that all significant risk management concerns are considered and communicated appropriately to the Board. The Governance systems and Board agreed a process to ensure that the Assurance Framework is monitored and updated as a live document.

The Governance Risk and Audit Group and NHS Rotherham Clinical Commissioning Group Audit Committee review the establishment and maintenance of an effective system of internal control and risk management. As part of this role the Governance Risk and Audit Group and NHS Rotherham Clinical Commissioning Group Audit Committee also received and reviewed the Assurance Framework.

The following Committees and Officers have played a significant part in maintaining and reviewing the effectiveness of the system of internal control in 2012/13 and have managed risks assigned to them.

Trust Board: Responsible for providing clear commitment and direction for Risk Management within the Cluster. The Trust Board delegates responsibility for non-clinical risk management to the Audit Committee and clinical risk management to the Quality & Patient Safety Committee.

Audit Committee: Responsible for providing an independent overview of the arrangements for risk management within the Cluster, with specific responsibilities for financial risk management. It undertakes its own annual self-assessment of its effectiveness and reviews all Internal and External Audits. The Cluster Audit Committee is mirrored in the NHS Rotherham structure by an Audit & Risk Group. Local assurance flows up from the Audit & Risk Group to the Cluster Audit Committee.

Quality & Patient Safety Committee: The Committee with overarching responsibility for clinical risk management. It provides assurance to the Cluster Board that appropriate Clinical Governance and clinical risk management arrangements are in place across the organisations. The Quality & Patient Safety Committee is underpinned by various Sub Groups. The Cluster Quality & Patient Safety Committee is mirrored in the NHS Barnsley's structure by a Quality & Safety Group. Local assurance flows up from the Quality & Safety Group to the Cluster Quality & Patient Safety Committee.

Chief Operating Officer: As Senior Responsible Officer for the whole of NHS Rotherham, the Chief Officer Designate is responsible for achieving the objectives in the context of sound and appropriate business processes and reporting risks to the Cluster Chief Executive as Accountable Officer.

Chief Finance Officer: As Senior Responsible Officer for NHS finances across NHS Rotherham the Chief Finance Officer Designate is responsible for ensuring that the organisation complies with the Standing Financial Instructions to achieve financial balance and reports financial risks to the Cluster Director of Finance.

Executive Directors: Each Director is responsible for ensuring that risks have been properly identified and assessed across all their work areas, paying particular attention to cross-cutting risks. They are responsible for agreeing the risk register entries for their work areas and for ensuring that each departmental/team lead is actively addressing the risks in their area and escalating risks up to Director-level for their attention as appropriate.

Head of Internal Audit: The Head of Internal Audit has a central role in the process of securing this Statement on Internal Control, and in advising the Chief Executive and the Audit Committee on the "health" of NHS Rotherhams risk management processes. As part of Internal Audit work, reviews are carried out to assess the robustness of the implementation of the Risk Management Strategy across the organisation. They provide information on the various strengths and weakness of the approach adopted by NHS Rotherham, and advise on where improvements are necessary and desirable for the good governance of the organisation.

Significant Issues

No significant control weaknesses have been identified during the year. NHS Rotherham has received positive feedback from Internal Audit on the Assurance Framework and this, in conjunction with other sources of assurance, leads the PCT to conclude that it has a robust system of control.

6. Conclusion

My review confirms that NHS Rotherham / the emerging Rotherham Clinical Commissioning Group has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Accountable Officer: Eleri De Gilbert

Accountable organisation: NHS Rotherham

Signature: Eleri De

Date: 6.6.13

INDEPENDENT AUDITORS' REPORT TO THE SIGNING OFFICERS OF ROTHERHAM PCT

We have audited the financial statements of Rotherham PCT for the year ended 31 March 2013 on pages 1 to 46. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

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

Respective responsibilities of Signing Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

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

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

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

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

In our opinion:

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

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

Matters on which we are required to report by exception

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

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

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

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

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

- our review of the Governance Statement;

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

- our locally determined risk-based work on a more detailed risk assessment of the demise of the PCT.

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

Certificate

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

Damian Murray for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
West Yorkshire
LS1 4DW

6 June 2013

INDEPENDENT AUDITORS' REPORT TO THE SIGNING OFFICERS OF ROTHERHAM PCT

We have audited the financial statements of Rotherham PCT for the year ended 31 March 2013 on pages 1 to 46. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

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

Respective responsibilities of Signing Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

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

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

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

In our opinion:

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

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

Matters on which we are required to report by exception

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

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

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

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

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

- our review of the Governance Statement;

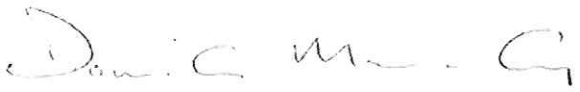
- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the PCT; and

- our locally determined risk-based work on a more detailed risk assessment of the demise of the PCT.

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

Certificate

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



Damian Murray for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
West Yorkshire
LS1 4DW

6 June 2013

Data entered below will be used throughout the workbook:

Entity name:	Rotherham PCT
This year	2012-13
Last year	2011-12
This year ended	31 March 2013
Last year ended	31 March 2012
This year commencing:	1 April 2012
Last year commencing:	1 April 2011

Manual for Accounts 2012-13

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

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

- there were effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money was achieved from the resources available to the Primary Care Trust;

- the expenditure and income of the Primary Care Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems were in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the net operating cost, recognised gains and losses and cash flows for the year.

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

Signed.....Designated Signing Officer

Name.....

Dated.....

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

ii. make judgements and estimates which are reasonable and prudent;

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

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

v. Have taken reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Permanent Secretary.

Dated 6.6.13 Signed ..... Signing Officer

Dated 6.6.13 Signed ..... Finance Signing Officer

FOREWORD TO THE ACCOUNTS

Rotherham Primary Care Trust

These accounts for the year ended 31 March 2013 have been prepared by the Rotherham Primary Care Trust under section 3 (1) of schedule 15 of the National Health Service Act 2006 in the form which the Secretary of State has, with the approval of the Treasury, directed.

Statement of Comprehensive Net Expenditure for year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Administration Costs and Programme Expenditure			
Gross employee benefits	7.1	7,656	9,360
Other costs	5.1	471,401	460,673
Income	4	(13,126)	(12,441)
Net operating costs before interest		465,931	457,592
Investment income	9	0	0
Other (Gains)/Losses	10	0	(12)
Finance costs	11	2	3
Net operating costs for the financial year		465,933	457,583
Transfers by absorption -(gains)		0	
Transfers by absorption - losses		0	
Net (gain)/loss on transfers by absorption		0	
Net Operating Costs for the Financial Year including absorption transfers		465,933	457,583
Of which:			
Administration Costs			
Gross employee benefits	7.1	6,096	6,671
Other costs	5.1	3,418	3,960
Income	4	(539)	(657)
Net administration costs before interest		8,975	9,974
Investment income	9	0	0
Other (Gains)/Losses	10	0	0
Finance costs	11	0	0
Net administration costs for the financial year		8,975	9,974
Programme Expenditure			
Gross employee benefits	7.1	1,560	2,689
Other costs	5.1	467,983	456,713
Income	4	(12,587)	(11,784)
Net programme expenditure before interest		456,956	447,618
Investment income	9	0	0
Other (Gains)/Losses	10	0	(12)
Finance costs	11	2	3
Net programme expenditure for the financial year		456,958	447,609

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	110	527
Net (gain) on revaluation of property, plant & equipment	(74)	46
Net (gain) on revaluation of intangibles	0	0
Net (gain) on revaluation of financial assets	0	0
Net (gain)/loss on other reserves	(3)	0
Net (gain)/loss on available for sale financial assets	0	0
Net (gain) /loss on Assets Held for Sale	0	
Release of Reserves to Statement of Comprehensive Net Expenditure	0	
Net actuarial (gain)/loss on pension schemes	0	0
Reclassification Adjustments		
Reclassification adjustment on disposal of available for sale financial assets	0	0
Total comprehensive net expenditure for the year*	465,966	458,156

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 9 to 46 form part of this account.

Statement of Financial Position at 31 March 2013

	NOTE	31 March 2013 £000	31 March 2012 £000
Non-current assets:			
Property, plant and equipment	12	14,260	14,443
Intangible assets	13	0	0
Investment property	15	0	0
Other financial assets	21	0	0
Trade and other receivables	19	0	0
Total non-current assets		14,260	14,443
Current assets:			
Inventories	18	0	0
Trade and other receivables	19	1,428	3,565
Other financial assets	36	0	0
Other current assets	22	0	0
Cash and cash equivalents	23	3	15
Total current assets		1,431	3,580
Non-current assets held for sale	24	175	321
Total current assets		1,606	3,901
Total assets		15,866	18,344
Current liabilities			
Trade and other payables	25	(18,295)	(21,085)
Other liabilities	26,28	0	0
Provisions	32	(110)	(1,677)
Borrowings	27	0	0
Other financial liabilities	36.2	0	0
Total current liabilities		(18,405)	(22,762)
Net Current Assets/(Liabilities)		(16,799)	(18,861)
Non-current assets plus/less net current assets/liabilities		(2,539)	(4,418)
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(11,887)	(104)
Borrowings	27	0	0
Other financial liabilities	36.2	0	0
Total non-current liabilities		(11,887)	(104)
Total Assets Employed:		(14,426)	(4,522)
Financed by taxpayers' equity:			
General fund		(17,144)	(7,420)
Revaluation reserve		2,715	2,898
Other reserves		3	0
Total taxpayers' equity:		(14,426)	(4,522)

The notes on pages 9 to 46 form part of this account.

The financial statements on pages 5 to 46 were approved by the Designated Signing Officer on 6th June 2013 and are signed below

Designated Signing Officer: Date: 6.6.13

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

	General fund	Revaluation reserve	Other reserves	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	**(7,420)**	**2,898**	**0**	**(4,522)**
Changes in taxpayers' equity for 2012-13				
Net operating cost for the year	(465,933)	0	0	**(465,933)**
Net gain on revaluation of property, plant, equipment	0	74	0	**74**
Impairments and reversals	0	(110)	0	**(110)**
Movements in other reserves	0	0	3	**3**
Transfers between reserves	147	(147)	0	**0**
Total recognised income and expense for 2012-13	**(465,786)**	**(183)**	**3**	**(465,966)**
Net Parliamentary funding	456,062	0	0	**456,062**
Balance at 31 March 2013	**(17,144)**	**2,715**	**3**	**(14,426)**
Balance at 1 April 2011	**(2,074)**	**3159**	**0**	**1,085**
Changes in taxpayers' equity for 2011-12				
Net operating cost for the year	(457,583)	0	0	(457,583)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	(46)	0	(46)
Net Gain / (loss) on Assets Held for Sale	0	(10)	0	(10)
Impairments and Reversals	0	(170)	0	(170)
Transfers between reserves	35	(35)	0	0
Total recognised income and expense for 2011-12	(457,548)	(261)	0	(457,809)
Net Parliamentary funding	452,202	0	0	452,202
Balance at 31 March 2012	**(7,420)**	**2,898**	**0**	**(4,522)**

Statement of cash flows for the year ended 31 March 2013

	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities		
Net Operating Cost Before Interest	(465,931)	(457,592)
Depreciation and Amortisation	1,140	1,246
Impairments and Reversals	296	938
(Increase)/Decrease in Inventories	0	151
(Increase)/Decrease in Trade and Other Receivables	2,137	2,175
Increase/(Decrease) in Trade and Other Payables	(2,787)	236
Provisions Utilised	(511)	(52)
Increase/(Decrease) in Provisions	10,725	1,664
Net Cash Inflow/(Outflow) from Operating Activities	(454,931)	(451,234)
Cash flows from investing activities		
(Payments) for Property, Plant and Equipment	(1,289)	(1,162)
Proceeds of disposal of assets held for sale (PPE)	146	199
Net Cash Inflow/(Outflow) from Investing Activities	(1,143)	(963)
Net cash inflow/(outflow) before financing	(456,074)	(452,197)
Cash flows from financing activities		
Net Parliamentary Funding	456,062	452,202
Net Cash Inflow/(Outflow) from Financing Activities	456,062	452,202
Net increase/(decrease) in cash and cash equivalents	(12)	5
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	15	10
Cash and Cash Equivalents (and Bank Overdraft) at year end	3	15

1. Accounting policies

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

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

Under the provisions of The Health and Social Care Act 2012 (Commencement No.4. Transitional, Savings and Transitory Provisions) Order 2013, Rotherham PCT was dissolved on 1st April 2013. The PCT's functions, assets and liabilities transferred to other public sector entities as outlined in Note 41 Events after the Reporting Period. Where reconfigurations of this nature take place within the public sector, Government accounting requires that the activities concerned are to be considered as continuing operations, and so the closing entity prepares accounts on a "going concern" basis.
The SOFP has therefore been drawn up at 31 March 2013 on the same basis as in previous years, reporting balances on the same basis as would a continuing entity. In particular, there has been no general revaluation of assets or liabilities, and no disclosures have been made under IFRS 5 Non-current Assets Held for Sale and Discontinued Operation.

1.1 Accounting Conventions

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

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

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

Critical judgements in applying accounting policies
Rotherham PCT during the year 2012/13 made critical judgements in the process of applying its accounting policies. This was around the classification of leases as operating leases.

Key sources of estimation uncertainty
As a result of the introduction of deadlines for the assessment of a patient's eligibility for continuing healthcare funding, a significant number of retrospective claims for continuing healthcare funding up to 31 March 2012 have been received by the PCT. A provision has been made for the expected cost of these claims, but actual costs will only be confirmed on completion of in-depth case reviews which will be completed in the following financial year. Actual claim values will differ from the estimates made, but the overall difference is not expected to be material.
All PCT owned land and buildings have been revalued as at 31 March 2013 by the District Valuer.

1. Accounting policies (continued)

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The PCT has entered into pooled budgets with Rotherham Metropolitan Borough Council (RMBC). See Note 42. Under the arrangements funds are pooled under Section 75 of the National Health Service Act 2006 and a memorandum note to the accounts provides details of the joint income and expenditure.

Two pools are hosted by RMBC. As a commissioner of healthcare services, the PCT makes contributions to the pools, which are then used to purchase healthcare services. The PCT accounts for its share of the assets, liabilities, income and expenditure of the pools as determined by the pooled budget agreements. A further pool is hosted by the PCT and this operates in a similar manner.

1.4 Taxation

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

1.5 Administration and Programme Costs

Treasury has set performance targets in respect of non-frontline expenditure (administration expenditure).

From 2011-12, PCTs therefore analyse and report revenue income and expenditure by "admin and programme". For PCTs, the Department has defined "admin and programme" in terms of running costs.

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

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

1. Accounting policies (continued)

1.6 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.7 Intangible Assets

Recognition

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

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

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

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

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

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

1. Accounting policies (continued)

1.9 Non-current assets held for sale

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

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

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

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value using the First in First Out (FIFO) cost formula.

1.11 Cash and cash equivalents

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

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

1.12 Losses and Special Payments

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

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

1.13 Clinical Negligence Costs

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

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

1. Accounting policies (continued)

1.14 Employee benefits

Short-term employee benefits

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

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

Retirement benefit costs

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

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

1.15 Other expenses

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

1.16 Grant making

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

1.17 Contingencies

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

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

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

1. Accounting policies (continued)

1.18 Leases

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

The PCT as lessee

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

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

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

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

The PCT as lessor

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

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

1.19 Foreign exchange

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

1.20 Provisions

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

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

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

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

1. Accounting policies (continued)

1.21 Financial Instruments

Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

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

Loans and receivables

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

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

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

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

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

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

1. Accounting policies (continued)

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

Financial liabilities are initially recognised at fair value.

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

The PCT only holds liabilities classified as other financial liabilities.

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

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

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

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

2. Operating segments

In 2011/12 and 2112/13 the PCT operated just one segment which is for Commissioning Healthcare.

3. Financial Performance Targets

3.1 Revenue Resource Limit

	2012-13 £000	2011-12 £000
The PCTs' performance for the year ended 2012-13 is as follows:		
Total Net Operating Cost for the Financial Year		457,583
Net operating cost plus (gain)/loss on transfers by absorption	465,933	
Adjusted for prior period adjustments in respect of errors	0	0
Revenue Resource Limit	468,116	459,779
Under/(Over)spend Against Revenue Resource Limit (RRL)	2,183	2,196

3.2 Capital Resource Limit

	2012-13 £000	2011-12 £000
The PCT is required to keep within its Capital Resource Limit.		
Capital Resource Limit	1,143	1,000
Charge to Capital Resource Limit	1,143	1,000
(Over)/Underspend Against CRL	0	0

3.3 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	456,062	452,202
Cash Limit	456,062	454,202
Under/(Over)spend Against Cash Limit	0	2,000

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

	2012-13 £000	2011-12 £000
Total cash received from DH (Gross)	395,245	388,886
Less: Trade Income from DH	0	0
Less/(Plus): movement in DH working balances	0	0
Sub total: net advances	395,245	388,886
(Less)/plus: transfers (to)/from other resource account bodies	0	0
Plus: cost of Dentistry Schemes (central charge to cash limits)	11,600	12,934
Plus: drugs reimbursement (central charge to cash limits)	49,217	50,382
Parliamentary funding credited to General Fund	456,062	452,202

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Fees and Charges	**9**	9	0	6
Dental Charge income from Contractor-Led GDS & PDS	**3,546**	0	3,546	3,516
Dental Charge income from Trust-Led GDS & PDS	**0**	0	0	0
Prescription Charge income	**2,689**	0	2,689	2,501
Recoveries in respect of employee benefits	**738**	473	265	679
Education, Training and Research	**2,465**	2	2,463	2,499
Rental revenue from operating leases	**1,112**	0	1,112	580
Other revenue	**2,567**	55	2,512	2,660
Total miscellaneous revenue	**13,126**	**539**	**12,587**	**12,441**

5. Operating Costs

5.1 Analysis of operating costs:

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 Total £000
Goods and Services from Other PCTs				
Healthcare	41,018	0	41,018	35,747
Non-Healthcare	90	90	0	278
Total	41,108	90	41,018	36,025
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	9,840	0	9,840	10,116
Goods and services (other, excl Trusts, FT and PCT)	11	0	11	203
Total	9,851	0	9,851	10,319
Goods and Services from Foundation Trusts	248,361	198	248,163	247,755
Purchase of Healthcare from Non-NHS bodies	48,501	0	48,501	39,105
Expenditure on Drugs Action Teams	2,728	0	2,728	3,027
Non-GMS Services from GPs	4	0	4	218
Contractor Led GDS & PDS (excluding employee benefits)	16,570	0	16,570	16,171
Chair, Non-executive Directors & PEC remuneration	98	98	0	86
Executive committee members costs	278	278	0	275
Consultancy Services	646	356	290	290
Prescribing Costs	41,520	0	41,520	43,745
G/PMS, APMS and PCTMS (excluding employee benefits)	35,215	0	35,215	34,565
Pharmaceutical Services	160	0	160	229
New Pharmacy Contract	12,201	0	12,201	11,826
General Ophthalmic Services	2,092	0	2,092	2,363
Supplies and Services - Clinical	89	0	89	43
Supplies and Services - General	72	9	63	321
Establishment	281	212	69	460
Premises	4,724	1,219	3,505	5,368
Impairments & Reversals of Property, plant and equipment	296	0	296	864
Impairments and Reversals of non-current assets held for sale	0	0	0	74
Depreciation	1,140	0	1,140	1,246
Impairment of Receivables	62	0	62	104
Audit Fees	105	105	0	175
Clinical Negligence Costs	54	0	54	80
Education and Training	101	47	54	294
Grants for revenue purposes	606	0	606	0
Other	4,538	806	3,732	5,645
Total Operating costs charged to Statement of Comprehensive Net Expenditure	471,401	3,418	467,983	460,673
Employee Benefits (excluding capitalised costs)				
PCT Officer Board Members	252	252	0	628
Other Employee Benefits	7,404	5,844	1,560	8,732
Total Employee Benefits charged to SOCNE	7,656	6,096	1,560	9,360
Total Operating Costs	479,057	9,514	469,543	470,033
Analysis of grants reported in total operating costs				
Grants to fund revenue expenditure				
To Local Authorities	0	0	0	0
To Private Sector	0	0	0	0
To Other	606	0	606	0
Total Revenue Grants	606	0	606	0
Total Grants	606	0	606	0

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	8,975	7,219	1,756
Weighted population (number in units)*	277,089	277,089	277,089
Running costs per head of population (£ per head)	32.39	26.05	6.34
PCT Running Costs 2011-12			
Running costs (£000s)	9,974	8,379	1,595
Weighted population (number in units)	277,089	277,089	277,089
Running costs per head of population (£ per head)	36.00	30.24	5.76

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	35,215	34,565
Prescribing costs	41,520	43,745
Contractor led GDS & PDS	15,302	14,899
General Ophthalmic Services	2,092	2,363
Pharmaceutical services	160	229
New Pharmacy Contract	12,201	11,826
Non-GMS Services from GPs	4	218
Other	0	0
Total Primary Healthcare purchased	**106,494**	107,845
Purchase of Secondary Healthcare		
Learning Difficulties	15,957	11,910
Mental Illness	53,426	50,192
Maternity	13,913	14,059
General and Acute	215,231	213,415
Accident and emergency	13,725	13,165
Community Health Services	39,951	40,358
Other Contractual	8,832	6,289
Total Secondary Healthcare Purchased	**361,035**	349,388
Grant Funding		
Grants for capital purposes	0	0
Grants for revenue purposes	606	0
Total Healthcare Purchased by PCT	**468,135**	**457,233**
Healthcare from NHS FTs included above	248,163	247,529

6. Operating Leases

Significant leasing arrangements include:

Oak House is the PCT's headquarters. The lease totalled £487,488 in 2012/13 (£487,488 2011/12) which is determined by a lease agreement with Wm Morrison Supermarket PLC. The term of the lease is 15 years commencing November 2004 with 5 yearly rent reviews. Rotherham PCT has served notice on this lease which explains the movement in future years costs below at note 6.1.

Rotherham Primary Care Centre lease totalled £931,200 in 2012/13 (£913,292 2011/12) which is determined by a lease agreement with Cortonwood Retail Park Limited. The term of the lease is 20 years commencing November 2008 with 5 yearly rent reviews. Rotherham PCT operates a lease car scheme where payments totalled £5,000 in 2012/13.

Rotherham PCT has further lease arrangements with a combined value of £12,000 in 2012/13. (£64,000 in 2011/12)

All the above leases conform to the following criteria:
Ownership does not transfer to the lessee at the end of the lease term.
The lessee is not given the option to purchase the asset at the end of the lease term at less than open market value.

The PCT has arrangements with the Local Authority and Rotherham NHS Foundation Trust whereby buildings are occupied by both organisations but no charge is made.

6.1 PCT as lessee

	Land £000	Buildings £000	Other £000	2012-13 Total £000	2011-12 £000
Payments recognised as an expense					
Minimum lease payments				1,435	1,464
Contingent rents				0	0
Sub-lease payments				0	0
Total				1,435	1,464
Payable:					
No later than one year	0	1,203	0	1,203	1,413
Between one and five years	0	5,134	0	5,134	5,266
After five years	0	11,677	0	11,677	12,736
Total	0	18,014	0	18,014	19,415
Total future sublease payments expected to be received				1,012	1,711

Of this sum payments expected to be received are £1,012,000. These subleases run over the next 3 to 6 years and are with The Rotherham NHS Foundation Trust, Rotherham Doncaster and South Humber NHS Foundation Trust , Care UK and Medics Pharmacy.

Rotherham PCT has entered into certain financial arrangements involving the use of GP Premises. The PCT has determined that those Operating Leases must be recognised, but, as there is no defined term in the arrangements entered into, it is not possible to analyse the arrangements over financial years. The financial value included in the Statement of Comprehensive Net Expenditure 2012/13 is £1,395,000 (2011/12 £1,324,000).

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	1,112	580
Contingent rents	0	0
Total	1112	580
Receivable:		
No later than one year	964	583
Between one and five years	2,783	1,303
After five years	3,224	2,206
Total	6,971	4,092

Leases have been agreed from 1st April 2011 with The Rotherham NHS Foundation Trust and Rotherham Doncaster and South Humber NHS Foundation Trust as part of Transforming Community Services where staff occupy and services are being delivered from Rotherham PCT premises but services have transferred.
Rotherham PCT also has leases with 2 Pharmacies within our Joint Service Centres and Rotherham Metropolitan Borough Council.

The PCT also has leasee and lessor arrangements with no costs attached.

All leases within Notes 6.1 and 6.2 will transfer to NHS Property Services from 1st April 2013.

7. Employee benefits and staff numbers

7.1 Employee benefits

2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Gross Expenditure									
Salaries and wages	6,430	5,125	1,305	5,398	4,708	690	1,032	417	615
Social security costs	673	580	93	673	580	93	0	0	0
Employer Contributions to NHS BSA - Pensions Division	454	391	63	454	391	63	0	0	0
Termination benefits	99	0	99	99	0	99	0	0	0
Total employee benefits	7,656	6,096	1,560	6,624	5,679	945	1,032	417	615
Less recoveries in respect of employee benefits (table below)	(738)	(473)	(265)	(368)	(368)	0	(370)	(105)	(265)
Total - Net Employee Benefits including capitalised costs	6,918	5,623	1,295	6,256	5,311	945	662	312	350
Employee costs capitalised	0	0	0	0	0	0	0	0	0
Gross Employee Benefits excluding capitalised costs	7,656	6,096	1,560	6,624	5,679	945	1,032	417	615
Recognised as:									
Commissioning employee benefits	7,656			6,624			1,032		
Provider employee benefits	0			0			0		
Gross Employee Benefits excluding capitalised costs	7,656			6,624			1,032		

2012-13			Permanently employed			Other		
	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000	Total £000	Admin £000	Programme £000
Employee Benefits - Revenue									
Salaries and wages	738	473	265	368	368	0	370	105	265
TOTAL excluding capitalised costs	738	473	265	368	368	0	370	105	265

Employee Benefits - Prior- year

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	6,988	6,206	782
Social security costs	506	506	0
Employer Contributions to NHS BSA - Pensions Division	797	797	0
Termination benefits	1,069	1,069	0
Total gross employee benefits	9,360	8,578	782
Less recoveries in respect of employee benefits	(679)	(549)	(130)
Total - Net Employee Benefits including capitalised costs	8,681	8,029	652
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	9,360	8,578	782
Recognised as:			
Commissioning employee benefits	9,360		
Provider employee benefits	0		
Gross Employee Benefits excluding capitalised costs	9,360		

7.2 Staff Numbers

	2012-13			2011-12		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
Average Staff Numbers						
Medical and dental	7	4	3	11	4	7
Administration and estates	139	126	13	158	148	10
Nursing, midwifery and health visiting staff	19	10	9	24	11	13
Scientific, therapeutic and technical staff	8	8	0	10	10	0
Social Care Staff	0	0	0	0	0	0
Other	7	0	7	0	0	0
TOTAL	180	148	32	203	173	30
Of the above - staff engaged on capital projects	2	2	0	2	2	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	915	2,441
Total Staff Years	155	452
Average working Days Lost	5.90	5.40

The figures for staff sickness absence are in calendar years.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	0	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	0	92

7.4 Exit Packages agreed during 2012-13

	2012-13			2011-12		
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Lees than £10,000	**2**	**0**	**2**	0	5	**5**
£10,001-£25,000	**1**	**0**	**1**	0	5	**5**
£25,001-£50,000	**1**	**1**	**2**	0	11	**11**
£50,001-£100,000	**0**	**0**	**0**	0	4	**4**
£100,001 - £150,000	**0**	**0**	**0**	0	1	**1**
£150,001 - £200,000	**0**	**0**	**0**	0	1	**1**
>£200,000	**0**	**0**	**0**	0	0	**0**
Total number of exit packages by type (total cost)	**4**	**1**	**5**	**0**	**27**	**27**
	£	£	£	£	£	£
Total resource cost	51,789	46,800	**98,589**	0	1,069,220	**1,069,220**

Redundancy and other departure costs have been paid in accordance with the provisions of the Rotherham PCT Scheme. Exit costs in this note are accounted for in full in the year of agreement. Where the PCT has agreed early retirements, the additional costs are met by the PCT and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages accounted for in the year.

Pensions Costs

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

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

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

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

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

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

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

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

c) Scheme provisions

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

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

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

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

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

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

8. Better Payment Practice Code

8.1 Measure of compliance

	2012-13 Number	2012-13 £000	2011-12 Number	2011-12 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**14,131**	**88,612**	13,626	91,326
Total Non-NHS Trade Invoices Paid Within Target	**14,018**	**88,216**	13,469	90,582
Percentage of NHS Trade Invoices Paid Within Target	99.20%	99.55%	98.85%	99.19%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,169**	**304,488**	3,634	301,690
Total NHS Trade Invoices Paid Within Target	**3,150**	**304,469**	3,619	301,626
Percentage of NHS Trade Invoices Paid Within Target	99.40%	99.99%	99.59%	99.98%

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

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

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

9. Investment Income

The PCT had no investment income in 2012/13 or 2011/12.

10. Other Gains and Losses

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

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest				
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under PFI contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on obligations under LIFT contracts:				
- main finance cost	0	0	0	0
- contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	0	0	0	0
Other finance costs	0	0	0	0
Provisions - unwinding of discount	2		2	3
Total	2	0	2	3

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2012	3,739	9,652	0	0	835	75	3,462	567	18,330
Additions of Assets Under Construction	0	0	0	0	0	0	0	0	0
Additions Purchased	0	1,289	0	0	0	0	0	0	1,289
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	74	0	0	0	0	0	0	74
Impairments/negative indexation	0	(110)	0	0	0	0	0	0	(110)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	3,739	10,905	0	0	835	75	3,462	567	19,583
Depreciation									
At 1 April 2012	19	671	0	0	496	75	2,320	306	3,887
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	321	0	0	0	0	0	0	321
Reversal of Impairments	0	(25)	0	0	0	0	0	0	(25)
Charged During the Year	0	445	0	0	101	0	550	44	1,140
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	0	0	0	0
At 31 March 2013	19	1,412	0	0	597	75	2,870	350	5,323
Net Book Value at 31 March 2013	3,720	9,493	0	0	238	0	592	217	14,260
Purchased	3,720	9,493	0	0	238	0	592	217	14,260
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,720	9,493	0	0	238	0	592	217	14,260
Asset financing:									
Owned	3,720	9,493	0	0	238	0	592	217	14,260
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	3,720	9,493	0	0	238	0	592	217	14,260

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	1,777	901	0	0	0	0	54	10	2,742
Revaluation Movements	0	(36)	0	0	0	0	0	0	(36)
At 31 March 2013	1,777	865	0	0	0	0	54	10	2,706

Additions to Assets Under Construction in 2012-13

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

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2011	4,024	9,134	0	0	1,097	110	4,021	1,106	19,492
Additions - purchased	0	1,171	0	0	0	0	9	0	1,180
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	(772)	0	0	0	0	0	(3)	(775)
Disposals other than by sale	0	0	0	0	(236)	(35)	(553)	(531)	(1,355)
Revaluation & indexation gains	50	265	0	0	0	0	0	0	315
Impairments	(335)	(146)	0	0	(26)	0	(15)	(5)	(527)
Reversals of impairments	0	0	0	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,739	9,652	0	0	835	75	3,462	567	18,330
Depreciation									
At 1 April 2011	0	0	0	0	612	109	2,261	714	3,696
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	(562)	0	0	0	0	0	(2)	(564)
Disposals other than for sale	0	0	0	0	(236)	(35)	(553)	(531)	(1,355)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	19	810	0	0	0	0	0	60	889
Reversal of Impairments	0	(25)	0	0	0	0	0	0	(25)
Charged During the Year	0	448	0	0	120	1	612	65	1,246
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluatio	0	0	0	0	0	0	0	0	0
At 31 March 2012	19	671	0	0	496	75	2,320	306	3,887
Net Book Value at 31 March 2012	3,720	8,981	0	0	339	0	1,142	261	14,443
Purchased	3,720	8,981	0	0	339	0	1,142	261	14,443
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,720	8,981	0	0	339	0	1,142	261	14,443
Asset financing:									
Owned	3,720	8,981	0	0	339	0	1,142	261	14,443
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	3,720	8,981	0	0	339	0	1,142	261	14,443

12.3 Property, plant and equipment

Valuation of Assets

The Department of Health has indicated that for NHS assets it requires the following assumption to be applied for operational assets and can confirm that approach has been followed in the valuation of assets.

"The Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value).

A revaluation was carried out as at 31 March 2013 by District Valuer, Gary Johnson BSc(Hons) MRICS, on a modern equivalent asset basis.
This resulted in an overall reduction in net book value of £332,968.

Rawmarsh Health Centre has been sold in year. Swallownest which was held for sale during 2011/12 is expected to be sold within the next financial year and so is still classed as held for sale as at 31st March 2013.

The Economic lives of Non - Current assets held by the PCT

	Min Life	Max Life
Buildings	25	80
Plant and Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture and Fittings	5	15

Open Market Value of Assets at balance sheet date	Land	Buildings excl. dwellings	Dwellings	Total
	£000s	£000s	£000s	£000s
Open Market Value at 31 March 2013	3,720	9,493	0	13,213
Open Market Value at 31 March 2012	3,720	8,981	0	12,701

13.1 Intangible non-current assets

2012-13	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2012	**0**	**162**	**0**	**0**	**0**	**162**
Additions - purchased	0	0	0	0	0	**0**
Additions - internally generated	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	**0**
Additions Leased	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation & indexation gains	0	0	0	0	0	**0**
Impairments	0	0	0	0	0	**0**
Reversal of impairments	0	0	0	0	0	**0**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**162**	**0**	**0**	**0**	**162**
Amortisation						
At 1 April 2012	**0**	**162**	**0**	**0**	**0**	**162**
Reclassifications	0	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	**0**
Revaluation or indexation gains	0	0	0	0	0	**0**
Impairments charged to operating expenses	0	0	0	0	0	**0**
Reversal of impairments charged to operating expenses	0	0	0	0	0	**0**
Charged during the year	0	0	0	0	0	**0**
In-year transfers to NHS bodies	0	0	0	0	0	**0**
At 31 March 2013	**0**	**162**	**0**	**0**	**0**	**162**
Net Book Value at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Net Book Value at 31 March 2013 comprises						
Purchased	0	0	0	0	0	**0**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

Revaluation reserve balance for intangible non-current assets

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

13.2 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
At 1 April 2011	0	162	0	0	0	162
Additions - purchased	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
In-year transfers to/from NHS bodies	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	0	0	0	0	0
At 31 March 2012	0	162	0	0	0	162
Amortisation						
At 1 April 2011	0	162	0	0	0	162
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	0	0	0	0	0
In-year transfers to NHS bodies	0	0	0	0	0	0
Less cumulative dep written down on revaluation	0	0	0	0	0	0
At 31 March 2012	0	162	0	0	0	162
Net Book Value at 31 March 2012	0	0	0	0	0	0
Net Book Value at 31 March 2012 comprises						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	0	0	0	0	0	0

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

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Other	0		0
Changes in market price	296		296
Total charged to Annually Managed Expenditure	**296**		**296**
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve			
Other	0		
Changes in market price	110		
Total impairments for PPE charged to reserves	**110**		
Total Impairments of Property, Plant and Equipment	**406**	**0**	**296**
Non-current assets held for sale - impairments and reversals charged to SoCNE.			
Other	0		0
Changes in market price	0		0
Total charged to Annually Managed Expenditure	**0**		**0**
Total impairments of non-current assets held for sale	**0**	**0**	**0**
Total Impairments charged to Revaluation Reserve	110		
Total Impairments charged to SoCNE - DEL	0	0	0
Total Impairments charged to SoCNE - AME	296		296
Overall Total Impairments	**406**	**0**	**296**
Of which:			
Impairment on revaluation to "modern equivalent asset" basis	**406**	0	406

There was an overall reduction in the value of land and buildings due to market conditions. The valuation is on the basis of continuation of use.

The total amount of impairments is £406k (Buildings £406k) of which £296k is charged to Operating Costs. The £296k charged to Operating Costs is the net impairment charge after reversing £25k of previous impairments also charged to Operating Costs in previous years. This complies with IAS 16 regulations.

15 Investment property

The PCT had no investment property in 2012/13 or 2011/12.

16 Capital Commitments

The PCT had no capital commitments in 2012/13 or 2011/12.

17 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	928	0	910	0
Balances with Local Authorities	128	0	873	0
Balances with NHS Trusts and Foundation Trusts	67	0	1,795	0
Balances with bodies external to government	305	0	14,717	0
At 31 March 2013	**1,428**	**0**	**18,295**	**0**
prior period:				
Balances with other Central Government Bodies	1,176	0	381	0
Balances with Local Authorities	329	0	793	0
Balances with NHS Trusts and Foundation Trusts	1,513	0	1,819	0
Balances with bodies external to government	547	0	18,092	0
At 31 March 2012	**3,565**	**0**	**21,085**	**0**

18 Inventories

The PCT now holds very small values of stock which are not disclosed at this note as it is included as expenditure at note 5.1 but are still managed internally by the relevant departments. This was also the case in 2011/12.

19.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS receivables - revenue	877	1,733	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	0	697	0	0
Non-NHS receivables - revenue	284	665	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	321	321	0	0
Provision for the impairment of receivables	(172)	(110)	0	0
VAT	118	259	0	0
Total	1,428	3,565	0	0
Total current and non current	1,428	3,565		
Included above:				
Prepaid pensions contributions	0	0		

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

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	14	540
By three to six months	0	3
By more than six months	1	42
Total	15	585

19.3 Provision for impairment of receivables

	2012-13 £000	2011-12 £000
Balance at 1 April 2012	(110)	(6)
Amount written off during the year	0	0
Amount recovered during the year	0	0
(Increase)/decrease in receivables impaired	(62)	(104)
Balance at 31 March 2013	(172)	(110)

Provision for impairment of receivables includes 9 invoices and the amounts are carried at fair value.

20 NHS LIFT investments

Rotherham PCT did not have any LIFT investments in 2012/13 or 2011/12.

21. Other financial assets

Rotherham PCT did not have any Other Financial Assets in 2012/13 or 2011/12.

22 Other current assets

Rotherham PCT did not have any Other Current Assets in 2012/13 or 2011/12.

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**15**	0
Net change in year	**(12)**	0
Closing balance	**3**	0
Made up of		
Cash with Government Banking Service	**3**	13
Commercial banks	**0**	2
Cash in hand	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**3**	15
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - Commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**3**	15
Patients' money held by the PCT, not included above	**0**	0

24 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Furniture and Fittings	Total
	£000	£000	£000	£000
Balance at 1 April 2012	175	145	1	**321**
Plus assets classified as held for sale in the year	0	0	0	**0**
Less assets sold in the year	0	(145)	(1)	**(146)**
Balance at 31 March 2013	**175**	**0**	**0**	**175**
Liabilities associated with assets held for sale at 31 March 2013	**0**	**0**	**0**	**0**
Balance at 1 April 2011	185	180	11	**376**
Plus assets classified as held for sale in the year	0	210	1	**211**
Less assets sold in the year	0	(180)	0	**(180)**
Less impairment of assets held for sale	(10)	(74)	(11)	**(95)**
Plus reversal of impairment of assets held for sale	0	9	0	**9**
Balance at 31 March 2012	**175**	**145**	**1**	**321**
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	**0**

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

At 31 March 2012	156
At 31 March 2013	9

Rawmarsh Health Centre was classified as held for sale in 2011/12 with a net book value of £146k. This asset was sold in year with no profit or loss. Swallownest Health Centre which was classified as held for sale in 2010/11 and remained so during 2012/13.

25 Trade and other payables

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
NHS payables - revenue	1,812	870	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	893	1,294	0	0
Family Health Services (FHS) payables	9,552	10,269		
Non-NHS payables - revenue	1,865	1,239	0	0
Non-NHS payables - capital	19	18	0	0
Non_NHS accruals and deferred income	4,154	7,395	0	0
Social security costs	0	0		
VAT	0	0	0	0
Tax	0	0		
Total	18,295	21,085	0	0
Total payables (current and non-current)	18,295	21,085		

There are no liabilities in respect of payments due in future years under arrangements to buy out the liability for early retirements and there are no outstanding pensions contributions at 31 March 2013.

26 Other liabilities

The PCT had no other liabilities in 2012/13 or 2011/12.

27 Borrowings

The PCT had no borrowings or bank overdrafts in 2012/13 or 2011/12.

28 Other financial liabilities

Rotherham PCT did not have any other financial liabilities in 2012/13 or 2011/12.

29 Deferred income

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Opening balance at1 April 2012	13	0	0	0
Deferred income addition	0	13	0	0
Transfer of deferred income	(13)	0	0	0
Current deferred Income at 31 March 2013	0	13	0	0
Total other liabilities (current and non-current)	0	13		

30 Finance lease obligations

Rotherham PCT has not entered into any contract to lease an asset under a finance lease in 2012/13 or 2011/12.

31 Finance lease receivables as lessor

Rotherham PCT has not entered into any contract to lease an asset under a finance lease in 2012/13 or 2011/12.

32 Provisions

		Comprising:								
	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at 1 April 2012	1,781	0	109	7	0	961	0	0	542	162
Arising During the Year	11,497	0	2	7	0	11,433	0	0	55	0
Utilised During the Year	(511)	0	(5)	(14)	0	0	0	0	(492)	0
Reversed Unused	(772)	0	(5)	0	0	(605)	0	0	0	(162)
Unwinding of Discount	2	0	2	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0	0	0
Transferred (to)/from otherPublic Sector bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	11,997	0	103	0	0	11,789	0	0	105	0
Expected Timing of Cash Flows:										
No Later than One Year	110	0	5	0	0	0	0	0	105	0
Later than One Year and not later than Five Years	11,816	0	27	0	0	11,789	0	0	0	0
Later than Five Years	71	0	71	0	0	0	0	0	0	0

Amount included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	303
As at 31 March 2012	158

Pensions relating to other staff: this relates to legacy injury benefits.

Continuing Care: In March 2012 the Department of Health announced that it was introducing a deadline for individuals (or their representatives) to submit retrospective claims for assessment for Continuing Health Care (CHC) eligibility. The deadline for periods prior to 31 March 2011 was 30 September 2012 and for periods up to 31 March 2012 the deadline was 31 March 2013. The introduction of these deadlines was accompanied by a nationally co-ordinated publicity campaign to inform the public of their right to apply for CHC eligibility and the timescales.
Rotherham PCT received around 334 claims before the deadlines and a detailed assessment process on potential eligibility for CHC funding is underway. A methodology has been developed for estimating the level of financial liability arising from the claims submitted. This provides the basis of the provision included in these accounts of £11.8m.

The estimated total value of the claims submitted is £30.m. The difference between the liability should all these be successful and the sum provided in note 32, is £18.0m which is disclosed below.

Other: The other provisions are in respect of potential PAYE liability related to the treatment of GPs holding clinical commissioning roles within the Clinical Commissioning Group prior to its inception. The estimate of the potential liability to the PCT at the balance sheet date is £105k

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	0	0
Legal Claims	(18,000)	(4)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(18,000)	(4)
Contingent Assets		
Contingent Assets *[give details]*	0	0
Net Value of Contingent Assets	0	0

The estimated total value of the claims submitted is £30m. The difference between the liability should all these be successful and the sum provided in note 32, is £18m which is disclosed above.
7 claims were removed from the process either due to internal checking procedures or withdrawal by the claimant.

34 PFI and LIFT - additional information

The PCT has not committed to make any payment in respect of PFI or LIFT schemes in 2012/13 or 2011/12.

35 Impact of IFRS treatment - 2012-13

There was no impact of IFRS treatment in 2012/13 or 2011/12.

36 Financial Instruments

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

Currency risk

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

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

Credit Risk

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

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

36.1 Financial Assets	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0			**0**
Receivables - NHS		877		**877**
Receivables - non-NHS		284		**284**
Cash at bank and in hand		3		**3**
Other financial assets	0	0	0	**0**
Total at 31 March 2013	**0**	**1,164**	**0**	**1,164**
Embedded derivatives	0			0
Receivables - NHS		1,733		1,733
Receivables - non-NHS		665		665
Cash at bank and in hand		15		15
Other financial assets	0	0	0	0
Total at 31 March 2012	0	2,413	0	2,413

36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		**0**
NHS payables		2,705	**2,705**
Non-NHS payables		15,590	**15,590**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2013	**0**	**18,295**	**18,295**
Embedded derivatives	0		0
NHS payables		2,164	2,164
Non-NHS payables		19,508	19,508
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	0	21,672	21,672

The values recorded above for Financial Assets and Liabilities are current financial values as at 31st March 2013.

37. Related party transactions

Rotherham Primary Care Trust is a body corporate established by order of the Secretary of State for Health.
The Board at its meeting in July 2008 determined that the PCT be called "NHS Rotherham" to identify with its role of leader of the NHS in Rotherham.

Steve Hackett, Director of Finance for Barnsley Primary Care Trust (1st April - 30th April 2011) and Director of Finance for the South Yorkshire and Bassetlaw Cluster (1st May 2011 to present) is a non paid Director for Doncaster, Barnsley and Sheffield Community Solutions. Rotherham PCT made no payments to this body in 2012/13.

Tom Sheard, Chairman for Barnsley Primary Care Trust (1st April - 30th September 2011) and Vice Chair of South Yorkshire and Bassetlaw Cluster (1st October to Present) is company secretary for Barnsley TUC Training Limited, Chairman of UNITE Barnsley 1 Branch and an elected member of Barnsley Chamber of Commerce and Barnsley Metropolitan Borough Council.

Gp's are appointed to the GP Commissioning Executive. During 2012/13 the following doctors have been present;
Drs Tooth, Turner, Kitlowski, Birks, Polkinghorn, Brynes, Page and Cullen. Dr's Jacob and MacKeown are the chair and vice-chair of the GP Reference Committee.

The Department of Health is regarded as a related party. During the year Rotherham Primary Care Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department. The transactions with these entities listed below are disclosed within the table on page 42.

The Rotherham NHS Foundation Trust
Sheffield Teaching Hospitals NHS Foundation Trust
Rotherham Doncaster and South Humber NHS Foundation Trust
Doncaster and Bassetlaw Hospitals NHS Foundation Trust
Yorkshire Ambulance Service NHS Trust
Sheffield Children's NHS Foundation Trust
Barnsley PCT
NHS Pension Scheme

In addition, the Primary Care Trust has had a significant number of material transactions with other Government Departments and other central and local Government bodies. The transactions with these entities listed below are disclosed within the table on page 42.

Rotherham Metropolitan Borough Council
HM Revenue and Customs (PAYE)
National Insurance Fund

During 2012/13 staff were asked to complete a Declaration of Business or Commercial Interests form. These forms have been reviewed and they are considered to contain no material disclosures to be included in the accounts.

The total of employee benefits is shown at Notes 7.1 and 7.4. Significant employee benefits are also shown within the PCT's Annual Report.

Note 37 Related Party Transactions (contd)

2012/13	Receipts from Related Party £000	Payments to Related Party £000	Amounts due from Related Party £000	Amounts owed to Related Party £000
The Rotherham NHS Foundation Trust	1,876	179,811	0	1,047
Sheffield Teaching Hospitals NHS Foundation Trust	79	24,171	36	25
Rotherham Doncaster and South Humber NHS Foundation Trust	346	30,992	0	167
Doncaster and Bassetlaw Hospitals NHS Foundation Trust	0	10,850	0	60
Yorkshire Ambulance Service NHS Trust	0	8,740	0	5
Sheffield Children's NHS Foundation Trust	0	4,097	13	179
Barnsley PCT	103	41,107	11	385
Rotherham Metropolitan Borough Council	538	17,893	125	873
NHS Pension Scheme	0	1,111	0	0
HM Revenue and Customs (PAYE)	0	893	0	0
National Insurance Fund	0	789	0	0

2011/12	Receipts from Related Party £000	Payments to Related Party £000	Amounts due from Related Party £000	Amounts owed to Related Party £000
The Rotherham NHS Foundation Trust	1,444	176,564	844	987
Sheffield Teaching Hospitals NHS Foundation Trust	106	23,793	130	0
Rotherham Doncaster and South Humber NHS Foundation Trust	313	31,627	443	157
Doncaster and Bassetlaw Hospitals NHS Foundation Trust	0	11,642	0	63
Yorkshire Ambulance Service NHS Trust	0	8,370	0	16
Sheffield Children's NHS Foundation Trust	0	5,426	0	360
Barnsley PCT	52	36,109	245	0
Rotherham Metropolitan Borough Council	453	18,368	329	793
NHS Pension Scheme	0	1,189	0	0
HM Revenue and Customs (PAYE)	0	1,160	0	0
National Insurance Fund	0	833	0	0

In regard to outstanding balances for both payables and receivables the PCT's terms are 30 days. These values are not secured and no guarantees are given or received but amounts are to be settled in cash.
None of the above are classified as bad or doubtful debts in the PCT's accounts.

38 Losses and special payments

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	1,554	4
Special payments - PCT management costs	12380	4
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	1,554	4
Total special payments	12,380	4
Total losses and special payments	13,934	8

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

	Total Value of Cases £s	Total Number of Cases
Losses - PCT management costs	7,591	10
Special payments - PCT management costs	80455	7
Losses in respect of the provision of family practitioner services	0	0
Special payments in respect of he provision of family practitioner services	0	0
Total losses	7,591	10
Total special payments	80,455	7
Total losses and special payments	88,046	17

39 Third party assets

There were no assets held on behalf of other bodies in 2012/13 or 2011/12.

40 Cashflows relating to exceptional items

The PCT had no cash flows relating to exceptional items in 2012/13 or 2011/12.

41 Events after the end of the reporting period

Following the introduction of the Health & Social Care Act 2012 the accountability and responsibility of PCT activities, assets and liabilities will pass to a number of bodies on the 1st April 2013. The PCT will cease to exist on the 1st April 2013.

1. Transfer of functions as result of PCT disestablishment

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

NHS Rotherham Clinical Commissioning Group:
- Commissioning of acute and community healthcare services - £288m
- GP Prescribing - £44m

NHS England
- Commissioning of specialised services, secondary dental healthcare services, core contract healthcare services from Primary Care Contractors and selected Public Health services - £120m

NHS Property Services

- Provision of Estate management services on properties owned by Rotherham PCT up to 31 March 2013 - £2m-£3m
- Ownership of 17 freehold properties with NBV at 31 March of £11.9m
- Head Lessee of 8 properties

Rotherham MBC:
- Specified Public Health functions - £13.7m

2. Transfer of assets as a result of PCT disestablishment

Assets have transferred to NHS Property Services, to Rotherham Hospitals NHS Foundation Trust and to Rotherham, Doncaster and South Humber NHS Foundation Trust on 1st April 2013. These were considered operational at the year end, and so have not been impaired in the PCT's books.

Note 42. Pooled Budgets

The PCT operates a pooled budget for the provision of an Integrated Community Equipment Store with Rotherham Metropolitan Borough Council. The PCT acts as host for this budget.

Provision of an Integrated Community Equipment Store

The partnership agreement aims to provide an Integrated Local Community Equipment Service for the people of Rotherham.
Outcomes are:
- Provision of an integrated service.
- Increase in the number of people benefiting from the provision of equipment.
- Increase in the range and type of equipment available.
- Greater involvement of service users in the running of the service.

Pooled budget memorandum account for period 1 April 2012 to 31 March 2013

	2012/13			2011/12		
Gross Funding	Total	Staff	Other	Total	Staff	Other
	£	£	£	£	£	£
Rotherham PCT	995,670	359,209	636,461	1,019,170	359,209	659,961
Rotherham MBC	321,726	47,482	274,244	368,014	47,482	320,532
Total Funding	**1,317,396**	**406,691**	**910,705**	**1,387,184**	**406,691**	**980,493**
Expenditure						
Objective 1	1,317,396	406,691	910,705	1,355,473	406,691	948,782
Total Expenditure	**1,317,396**	**406,691**	**910,705**	**1,355,473**	**406,691**	**948,782**
Net Overspend/ (Underspend)	**0**			**-31,711**		

The over/underspends are separately identified and contained within each partner's own contribution.
The underspend of £31,711 was attributed to Rotherham PCT in 2011/12.

Note 42. Pooled Budgets (Continued)

There is a pooled budget for Intermediate Care services
with Rotherham Metropolitan Borough Council acting as host for this budget.

Intermediate Care Scheme

Services designed to facilitate an early discharge from hospital for individuals who would otherwise undergo assessment and low key rehabilitation within a hospital.
Objectives of the schemes;
To assist in the prevention of avoidable admissions to acute hospital care.
To assist in the prevention of inappropriate admissions to long-term residential and nursing care.
To promote the practice of multi agency teams within the Intermediate Care service to provide a holistic assessment process to assist in timely and appropriate transfers of care.

Pooled budget memorandum account for period 1 April 2012 to 31 March 2013

	2012/13			2011/12		
Gross Funding	Total	Staff	Other	Total	Staff	Other
	£	£	£	£	£	£
Rotherham PCT	2,634,299	1,970,360	663,939	2,346,628	1,784,393	562,235
Rotherham MBC	1,092,623	982,178	110,445	1,053,912	981,676	72,236
Total Funding	**3,726,922**	**2,952,538**	**774,384**	**3,400,540**	**2,766,069**	**634,471**
Total Expenditure	**3,528,948**	**2,882,648**	**646,300**	**3,295,009**	**2,822,216**	**472,793**
Net Underspend	**-197,974**			**-105,531**		

The Partnership Agreement states that utilisation of under/over spends is discussed including any carry over to the following year.
The amount of underspend incurred by Rotherham PCT is £136,602.
This underspend will be accounted for in 2013/14.

Note 42. Pooled Budgets (continued)

There is a pooled budget for Learning Disabilities Services with Rotherham Metropolitan Borough Council acting as host for this budget.

Learning Disabilities

Objectives of the services in 2012/13;
1) To improve the health and well being of people with learning disabilities.
2) To minimise the social exclusion experienced by people with learning disabilities
3) To promote the independence of people with learning disabilities.
4) To involve users of the Services and their carers in planning the Services
both on an individual basis and at a strategic level.
5) To make and improve the effective use of current resources available to facilitate and deliver the Services.

The lead partners strategic objectives which are linked to the Social Care Outcomes Framework :
1) To reduce the problem of crime and antisocial behaviour and make Rotherham's Neighbourhoods safer
2) To promote health and reduce health inequalities by enabling wellbeing and strengthening partnerships
3) Strengthen Neighbourhood Management arrangements through improving partnership involvement in a way which contributes to improve satisfaction with people's neighbourhood as a place to live.
4) Deliver quality, innovation, efficient, value for money services to our customers through commissioning.
5) Help build Sustainable Communities and unique places to live through targeted action as part of a sub-regional approach
6) To enable Independent Living in a way which contributes to increasing the number of people who are helped to live at home
7) Deliver services so that all adults have equality of opportunity, so that they can achieve their full potential which will contribute to the Council achieving Level 5 of the Local Government Equality Standard.

Pooled budget memorandum account for period 1 April 2012 to 31 March 2013

	2012/13			2011/12		
Gross Funding	Total	Staff	Other	Total	Staff	Other
	£	£	£	£	£	£
Rotherham PCT	3,309,884	2,586,311	723,573	3,337,670	2,598,906	738,764
Rotherham MBC	28,220,755	5,889,726	22,331,029	27,273,116	6,005,759	21,267,357
Total Funding	**31,530,639**	**8,476,037**	**23,054,602**	**30,610,786**	**8,604,665**	**22,006,121**
Expenditure						
Strategic Objective 1	8,090,929	724,266	7,366,663	7,249,469	697,858	6,551,611
Strategic Objective 2	10,499,401	2,292,569	8,206,832	9,593,553	2,256,405	7,337,148
Strategic Objective 3	1,132,308	759,638	372,670	1,131,982	760,819	371,163
Strategic Objective 4	3,068,404	2,327,941	740,463	3,071,497	2,319,366	752,131
Strategic Objective 5	3,377,908	359,238	3,018,670	3,171,621	366,550	2,805,071
Strategic Objective 6	4,510,217	1,118,876	3,391,341	4,303,603	1,127,369	3,176,234
Strategic Objective 7	1,604,686	759,639	845,047	1,536,552	760,819	775,733
Total Expenditure	**32,283,853**	**8,342,167**	**23,941,686**	**30,058,277**	**8,289,186**	**21,769,091**
Net Overspend/ (Underspend)	**753,214**			**-552,509**		