Department of Health

NHS

Bassetlaw Primary Care Trust

2012-13 Annual Report and Accounts

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Bassetlaw Primary Care Trust

2012-13 Annual Report

NHS Bassetlaw

NHS Bassetlaw Annual Report 2012/13

Welcome

This annual report for NHS Bassetlaw covers the 12 months from 1st April 2012 to 31st March 2013.

It was a year of further transition for health services as the national NHS started to implement new organisational changes determined by the Health and Social Care Act. The foundations were laid for the formal creation of Bassetlaw Clinical Commissioning Group (CCG) – the successor to Bassetlaw Primary Care Trust – from 1 April 2013, though the organisation had been running in shadow form prior to that.

I am delighted to say that Bassetlaw was one of the first areas in the country to be given the 'green light' to become a clinical commissioning group and our authorisation was agreed with no conditions attached. This is testimony to the hard work of our local GPs and managers, who were united in their determination to get the organisation off to a flying start and have successfully achieved their objective.

During the year, NHS Bassetlaw staff who were directly involved in providing public health services transferred to their new employer, Nottinghamshire County Council. This has provided a further opportunity to strengthen our ties with a key local authority partner, which is all the more important following the formation of the new Health and Wellbeing Boards, which are bringing health and social care closer together.

At local level 'designate' appointments were made to the CCG senior team, ahead of becoming substantive posts on 1 April 2013.

Looking back, 2012/13 was a year of substantial change as we played our local part in helping to implement the biggest NHS reorganisation for decades. Over the past 12 years, Bassetlaw PCT has helped create effective and efficient health services that are greatly valued by local people, a legacy it has now handed on to Bassetlaw CCG to continue the journey.

All about NHS Bassetlaw

NHS Bassetlaw was formed in 2001 and serves a population of approximately 110,000 people. We commission services from a range of public, private and voluntary providers, including local GPs and other NHS trusts.

The role of NHS Bassetlaw Clinical Commissioning Group (CCG)

The Government's White Paper – Equity and Excellence: Liberating the NHS – published in 2010 set out a fundamental shift in responsibility for the commissioning of NHS healthcare and services to local family doctors. Since April 2010, the PCT has been working alongside NHS Bassetlaw Clinical Commissioning Group (CCG) (formerly known as Bassetlaw Commissioning Organisation (BCO) to increase the engagement of local clinicians in commissioning services alongside the PCT

Over the last two years, the PCT and NHS Bassetlaw CCG have worked in tandem in order to effectively manage the transfer of commissioning responsibilities for local healthcare services from one organisation to the other and have worked closely together to improve services for Bassetlaw patients.

NHS Bassetlaw CCG has been at the forefront of developing safe and effective clinical commissioning and were amongst the first wave of CCG's in the country to be authorised – with no conditions - to become the statutory body responsible from 1st April 2013 for a budget of approximately £140 million.

Authorisation was granted in December 2012 following a five-month assessment where NHS England (formerly known as the NHS Commissioning Board) experts reviewed the CCG's policies, carried out a site visit, interviewed the CCG leads and assessed its work with stakeholders and patients.

During 2012, the organisation was finalist at both the NAPC Vision Awards for the Most Advanced CCG and also the Health Service Journal (HSJ) Awards for Commissioning Organisation of the Year.

NHS Bassetlaw Clinical Commissioning Group (CCG) Mission Statement

The mission of NHS Bassetlaw CCG is to ensure that the people of Bassetlaw have equitable access to local, best possible quality and cost-effective health care and well-being services which meet their assessed health needs.

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 the NHS Commissioning Board. It is at this stage that CCGs will have to be authorised to function fully.

Performance

NHS Bassetlaw has a track record of meeting major performance requirements. Throughout the year we have experienced good results with the number of C-Difficile infections in our local hospitals and community, the number of people who have quit smoking, overall performance against the cancer standards, keeping mixed sex accommodation breaches down to a minimum and ensuring Stroke Services for our patients are of a high quality.

However we have experienced some challenges in certain areas during the course of the year, particularly with MRSA Infections, A&E performance, referral to treatment waiting times, and ambulance performance. These will be the subject to further corrective action in 2013/14, with the Clinical Commissioning Group GP's and managers working closely with the providers to ensure patient safety and the quality of care is kept to a high standard.

We closely monitor our performance against the range of indicators highlighted in the Operating Framework 2012/13, including existing commitments and national priority areas as well as a selection of local and other indicators. We do this in order to both ensure we are on track to meet our targets as well as establish an understanding of how well we are progressing against our strategy.

Engaging with patients and the public

In line with the commitment regarding, **'No decision about me, without me',** NHS Bassetlaw Clinical Commissioning Group (CCG) in shadow form has made a firm commitment to ensure that there are a variety of ways in which we communicate our plans and which people can be involved in influencing decision making about local healthcare. To add further weight to this commitment, two GP's on the Governing Body and a Lay Member act as engagement champions and are directly involved in and oversee the work undertaken as part of our Communications and Engagement Strategy.

During the year our Engagement Team has continued to work alongside commissioning colleagues to ensure that we were actively talking to and listening to members of our local community in relation to shaping and developing local services. As the people who use and pay for the local NHS, it is vital that we constantly listen to their views on the services we provide on their behalf.

Throughout the transition year of 2012/13 and prior to the abolition of the PCT on 31st March 2013, NHS Bassetlaw CCG has continued to develop and implement new structures for patient and public engagement with support and input from local partners.

This has included the development of our **Patient and Public Engagement Assurance Committee (PPEAC)** which brings together patient representatives drawn from GP Practice Patient Participation Groups from across the locality, local partner organisations, and the CCG to influence local priorities in Bassetlaw. The PPEAC has been set up to ensure that commissioning plans and proposals for changes in practice are developed with input from patients and the public. They will hold the Governing Body to account for demonstrating that appropriate engagement with the local community has been carried out.

Following feedback from a workshop held with the local community to gain their views in shaping this, our **Partnership Advisory Forum (PAF)** is currently being developed as a network of key partners with a remit to share best practice, and to co-ordinate wherever appropriate joint engagement opportunities across organisational boundaries working within Bassetlaw.

To help us gain views and feedback, we have also set up a **Membership Scheme** for local residents who care about their local NHS and who would like to be more involved and have their say in making the important decisions about the planning and buying of local health services for the benefit of patients and the public in Bassetlaw. This enables local people to choose their level of involvement from remaining informed by receiving a newsletter to being engaged by actively taking part in a piece of work.

Our **Readers Panel** reviews patient information and literature to ensure that it is user friendly and is made up members of the local community.

We work with representatives from all of our groups regularly, and also as part of a wider audience of key stakeholders, in order to consult and gain their feedback.

During the beginning of 2013 we carried out an eight week communications and engagement exercise which concluded on 8th March on our Commissioning Priorities for 2013/14 whereby a brief feedback document was compiled and distributed in order to give the local community the opportunity to have their say on our proposals.

Our aim in undertaking this was to ensure that, the views and priorities of staff, service users and carers, local partners and members of our community could be taken into account and incorporated where possible into the final version of our commissioning plan for 2013/14.

Partnership Working

We value the contribution made by Community and Voluntary Sector Organisations across Bassetlaw, both in the provision of care, supporting their members and volunteers, and in providing user feedback on the local NHS services that we commission. We work closely with Bassetlaw CVS and the Bassetlaw Action Centre to support the developments in this sector locally.

During 2012/13, we have carried out a number of joint projects and events with a variety of our partners working across the locality. Examples from throughout the year include the following;

Bassetlaw Big Day Out

In association with the Bassetlaw Games Clumber Park events being held as part of the Olympic Celebrations, the Bassetlaw Public Health Team in partnership with Bassetlaw Action Centre held the Bassetlaw Big Day Out at Clumber Park on Saturday 28th July.

Attractions on the day included Jamie's Ministry of Food, Gourmet Cooking Demonstrations, Food Stalls, Health Messages Marquee, Exercise Demonstrations and the Clumber Park Mile Events being organised by the Bassetlaw Games and Worksop Harriers including the Age Group Mile Races and the Mass Participation Mile.

The day was a big success and over 3,000 people attended over the course of the day from across the district and beyond.

Learning Disabilities Big Health Day

The Learning Disabilities Big Health Day held in May 2012, was attended by over 60 people including, people with learning disabilities, carers and service providers.

The event is part of an annual self assessment process in which the CCG rates the standard of services that are available in Bassetlaw for people with a learning disability.

The day is an opportunity for the CCG to present information about local services and to work with the attendees on the day to agree a standard (Red, Green or Amber). Information about existing and planned service developments were presented by representatives from the community learning disability team and Bassetlaw Hospital staff. Service providers used the day as an

opportunity to meet with service users and their carers and discuss future planning of services and discuss issues around existing services.

The outcomes from the day were presented to the Strategic Health Authority leads through a confirm and challenge meeting in order to ensure that the self assessment is valid and can be evidenced by the CCG, and any improvement plans are robust.

The feedback received from people with a learning disability and their carers highlights that they find the day itself very useful and that they feel as though things have really changed as a result of the annual events being held.

Bassetlaw Dementia Summit

We hosted a Dementia Summit in February 2013 which was attended by over 80 people including people living with Dementia, carers and service providers. The aim of the summit was to raise awareness of the condition and to bring together organisations in Bassetlaw to develop a Dementia Friendly Community.

15 organisations working across Bassetlaw including the Fire Service, Police, Health and Social Care signed up to the Dementia pledge and each of the organisations is developing an action plan that will be shared both locally and nationally through the Dementia Action Alliance. The Summit received excellent feedback and following the pledges made on the day local organisations have already planned dementia awareness training for their staff and Boards. The carers that attended the day have been invited to work with the organisations to develop training packages and give their views about existing service provision.

Following the summit representatives from each of the organisations will form a lead group that will work with the Dementia Action Alliance to progress the development of a Dementia Friendly Bassetlaw.

Safeguarding Children

We have seen many challenges and developments in safeguarding children in 2012/13 that have been at a practice level and also at a strategic level. For example, at a practice level we were faced with the evidence of low up take from General Practitioners (GPs) participating in child protection conferences, this was an ongoing issue that had been addressed with very little impact. Working with our GPs in Bassetlaw, the Nottinghamshire Safeguarding Children Board (NSCB) and the Local Authority we can now evidence an increase in participation by our GPs which ultimately improves the safeguarding arrangements that are made for some of our children.

BCCG has responded to and learnt from a number of NSCB serious case reviews and child deaths such as:

- Developing and implementation of specific practice guidance to support health staff in referrals
- Supporting the development of the ASD/Autistic spectrum pathways to be implemented later this year

At the start of this year BCCG did not have a full complement Designated Professionals. We have addressed this and are pleased to be able to report that we have now a full complement of staff to support the safeguarding children agendas. One of the key areas that they support with is the development of child sexual examination (CSE) services. These service have been effectively in place but under review for sometime as we want to ensure our children requiring a CSE are giving access to very best possible service for their needs and requirements, with this in mind this will work continues into 2013/14.

We have continued to worked with our providers to support them in evidencing there safeguarding children assurances to us and we have giving our safeguarding children assurances to both Yorkshire & Humber SHA and the NSCB.

This year we have revised our safeguarding children policy and developed a safeguarding children and vulnerable adults policy and introduced a safeguarding strategy and training strategy for BCCG staff. The first two can be found on our internet site.

We have proactively worked with our partners in the NSCB, South Yorkshire & Bassetlaw Commissioning Cluster and Nottingham & Bassetlaw Commissioning Cluster. We have developed a safeguarding memorandum of understanding across the Nottinghamshire CCGs. Bassetlaw CCG is working with South Yorkshire CCGs to develop specific indicators for safeguarding children (and adults) that will form a dashboard that can be benchmarked across the cluster. We are aiming to keep this to a few meaningful.

An independent safeguarding children audit was carried out during this period by 'East Midlands Internal Audit Services and the final report was produced in February 2013. The findings identified a significant number of areas of good practice and overall were very positive. There were only two areas for improvement, one was identified as a medium risk and one as a low risk. These areas of risk have both been fully addressed.

We move into 2013/14 with some remaining challenges such as the CSE services which continue to be one of our main priorities. We have in place positive relationship with NHS England SY&B through the newly formed safeguarding children forum and the Designated Professionals networks.

Safeguarding Adults

We have seen during 2012/13 a raised emphasis on the care and treatment of Vulnerable Adults. Nationally the publication of the Francis Report (2013) has identified key areas of improvement to safeguard vulnerable people.

We have continued to work with multi-agency partners at the Nottinghamshire Safeguarding Adults Board and its supporting sub-group. This has included providing assurances on local systems and process to the Board as required and the NHS North of England.

During this year an independent audit was undertaken by East Midlands Internal Audit Services to review our local systems and processes in preparation for the changing duties to the CCG on the 1st April 2013. They identify areas of good practice and outstanding areas of improvement actions have now been completed.

As the CCG, moves in 2013/14 we will have a robust system to safeguard adults with our recent Consultant Nurse for safeguarding appointment and a new post to support quality and safeguarding in local care homes.

Developments during the year

Reablement services – helping people to maintain their independence

We have continued to work closely with local partners to redesign and strengthen local services to maximise independent living for the resident of Bassetlaw. The local investment has been managed with our partners at Nottinghamshire County Council, Doncaster and Bassetlaw Hospitals NHS Foundation Trust, Bassetlaw Health Partnership, Nottinghamshire Health Care Trust and the local Voluntary Sector Organisations.

These services are facilitating early discharge from hospital for patients by providing ongoing rehabilitation and assessment in residential facilities or in their own home.

Additional multi-disciplinary team services based in the Accident and Emergency department are providing assessment to prevent unnecessary hospital admission and support to return home.

Throughout 2012/13 there has been ongoing evaluation and review of current investment to monitor patient outcomes, patient and staff satisfaction and value for money.

These services will continue to be developed to ensure they meet the requirements of the CCGs urgent care vision and provide high quality care which meets patient and public expectation.

Assessment and Treatment Centre (ATC) at Bassetlaw Hospital

The new Assessment and Treatment Centre (ATC) at Bassetlaw Hospital is now up and running and proving to be a success with both patients and staff. The ATC is open 365 days per year and new staff have been recruited including doctors, nurses, therapists and pharmacists to ensure that people can be seen and treated quickly and moved onto the best place for their ongoing care.

The unit has been set up to provide rapid assessment and treatment of patients who have been referred by a health professional in the community or from A&E to make sure that they are only admitted to hospital if that is the best place for them to be. A

recent independent review has shown that the number of unnecessary admissions to hospital has reduced compared to last year meaning that beds are freed up for those that really need them.

We know that people generally get better much more quickly in their own environment. Building work will start this year to develop the ambulatory care facility within the ATC where patients can have a range of tests or receive treatment and then come back the next day if required. However, the ATC also has a number of beds for people who need to stay overnight for treatment or for observation.

One of the factors that makes the ATC successful is the multidisciplinary team (MDT) approach. The MDT includes staff from the hospital, from the community and from social care services who all work closely together with patients and their families to agree the best package of care.

Work is underway to improve the safe sharing of patient information electronically where appropriate and we are already seeing a new way of joint working that is making a difference for patients in Bassetlaw. The ATC also works closely with GPs to make sure that they are kept informed about the care that is needed for their patients after discharge from hospital.

The priority over the next year is to set up monitoring and evaluation systems to ensure that the changes we have seen from introducing the ATC are maintained. This will include making sure that patient and public views are sought on an ongoing basis and that we act on the feedback we get to continuously improve the service.

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 Bassetlaw). 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 Bassetlaw, were abolished at the end of March 2013 and the majority of the PCT's public health responsibilities were transferred to Nottinghamshire County 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.

Quality

Throughout 2012/13 quality and safety have been key themes running through all elements of NHS Bassetlaw's commissioning. This is reflected in the development and monitoring of quality schedules within contracts and the incentives offered through CQUINs to providers to move beyond minimum standards in delivering patient care. Some examples of incentives include a focus upon opportunities for carer involvement in hospital based care for individuals with a dementia diagnosis, a reduction in falls in hospital and improved support for clients with learning disability when in hospital.

Safety continued to be scrutinised through the monitoring of serious incidents, never events and complaints and their subsequent action plans. In addition the impact on quality and safety of performance breaches has been a key focus and an integrated approach between commissioners, the National Commissioning Board (NCB) South Yorkshire & Bassetlaw (SY&B) Area Team and providers has ensured local scrutiny and system overview.

Throughout the year in shadow form the CCG has been a member of the NCB SY&B area team's quality committee in addition to the local arrangements of a Quality and Patient Safety committee.

NHS Bassetlaw has increased its participation in 2012/13 in research through the Trent Comprehensive Research Network.

The shadow CCG has a majority clinical membership and this has been reflected in challenge both of poor practice and of performance and enhanced scrutiny of what this means for patients receiving care.

There are a number of areas where the shadow CCG has demonstrated their commitment to commissioning for quality and safety. Examples include:

- Hosting and facilitating a SY&B system wide learning day around lessons from Mid Staffordshire ahead of the Francis report
- Engagement and involvement with the Deanery to support improvement in training doctors
- Joint patient safety visits with providers.
- Development of an MRSA screening and decolonisation programme for nursing homes
- Appointment of a Consultant Nurse for Safeguarding

Equality and Diversity

We are fully committed to ensuring that the public and patients of Bassetlaw receive fair and equitable health care services. This will ensure that we meet the legal and statutory requirements of the Equality Act (2010).

Within the PCT, the Equality and Delivery System (EDS) has been embraced by the organisation, being published in April 2012 and reviewed in March 2013. The four objectives are:

1. Better health outcomes for all
2. Improved patient access and experience
3. Empowered, engaged and included staff
4. Inclusive leadership at all levels

Considerable progress has been made across all four areas in order to be more of an equal and diverse organisation. The progress of the supporting action plan is monitored by the Equality, Diversity and Human Rights Group.

Positive about employing 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.

Environmental, Social and Community Issues

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 with our partners, and have reported no Serious Incidents (SIs) during the year relating to Information Governance

In 2012/13 the Information Governance Toolkit submission (a compulsory web-based self-assessment tool for NHS organisations) was a Cluster submission covering all five constituent PCTs and based on the lowest score across the Cluster.

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

Sustainability

NHS Bassetlaw remains committed to reducing its impact on the environment and although the estate and workforce is relatively small in NHS terms, we are always looking for ways to reduce the use of natural resources. Environmental considerations are always considered when planning the capital programme for the year and this year included specific energy reducing factors in a scheme to refurbish a number of the flat roof areas of Retford Hospital.

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.

Positive Relationships with Suppliers

NHS Bassetlaw is a signatory of the Prompt Payment Code, and is committed to The Better Payment Practice Code.

The Prompt Payment Code is about encouraging and promoting best practice between organisations and their suppliers. Signatories to the Code commit to paying their suppliers within clearly defined terms, and commit also to ensuring there is a proper process for dealing with any issues that may arise. This means that suppliers can build stronger relationships with their customers, safe in the knowledge that they will be paid, and confident that they are working with a business that values the service they deliver.

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. The PCT's performance for 2012/13 is shown in the Annual Accounts.

Workforce

At the end of March 2012, NHS Bassetlaw employed 58 staff within the commissioning arm. Part-time employees currently form 41.4% of the workforce and 77.5% of the total workforce are female. Due to the low number of staff, we are unable to publish figures relating to the ethnicity of the workforce.

The sickness rate for NHS Bassetlaw during 2012/13 was 2.01% with 343 days lost. The figures quoted in the Annual Accounts are based on the Calendar Year 2012 as required by the Department of Health.

Pension Liabilities

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.

Exit Packages

During the year 6 staff left the organisation under redundancy schemes. None of these staff were members of the Cluster Board.

Pay Multiples

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

The Chief Executive and Directors of Bassetlaw PCT are shared across all PCTs within the South Yorkshire and Bassetlaw Cluster. Bassetlaw PCT reports expenditure for its share of these individuals only. The highest paid Director of Bassetlaw PCT in 2012/13 is such a post where costs are shared whereas for part of 2011/12 the PCT had its own, full-time Directors. This change of arrangements has resulted in large movements in the figures reported below.

The banded remuneration of the highest paid director in Bassetlaw PCT in the financial year 2012/13 was £25,000 to £30,000 (2011/12, £80,000 to £85,000). This was 0.8 times (2011/12, 2.6 times) the median remuneration of the workforce which was £35,564 (2011/12, £32,049).

In 2012/13, 53 employees received remuneration in excess of the highest-paid director (none in 2011/12). Remuneration ranged from £7,882 to £127,166 (2011/12, £7,882 to £83,873).

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.

Reporting related to the Review of Tax Arrangements of Public Sector Appointees

In line with the requirement for NHS bodies to disclose any 'off payroll' engagements, Bassetlaw PCT can confirm the following position in respect of such engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012:

No. in place on 31 January 2012	2
Of which:	
No. that have since come onto the organisation's payroll	1
Of which:	
No. that have since been re-negotiated/re-engaged to include contractual clauses allowing the PCT to seek assurance as to their tax obligations	1
No. that have not been successfully re-negotiated and therefore continue without contractual clauses allowing the PCT to seek assurance as to their tax obligations	0
No. that have come to an end	0
Total	2

There have been no new 'off-payroll' engagements between 23 August 2012 and 31 March 2013 for more than £220 per day and more than 6 months.

The Board & Executive

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 (as shown within the Remuneration Report) 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.

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

The 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 2012/13 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*

Remuneration Report

Salaries and Allowances

Name and title		Dates of holding Office where not full year	2012-13 Salary (bands of £5,000)	2012-13 Org. Share (bands of £5,000)	2012-13 Other remuneration (bands of £5,000)	2012-13 Benefits in kind (bands of £100)	2011-12 Salary (bands of £5,000)	2011-12 Org. Share (bands of £5,000)	2011-12 Other remuneration (bands of £5,000)	2011-12 Benefits in kind (bands of £100)
South Yorkshire & Bassetlaw Cluster			**£000**	**£000**	**£000**	**£00**	**£000**	**£000**	**£000**	**£00**
Andrew Buck	Chief Executive		145 - 150	25 - 30	0	22 - 23	145 - 150	25 - 30	0	21-22
Steve Hackett	Director of Finance	From 01/05/11	110 - 115	20 – 25	0	0	100 - 105	20 - 25	0	0
Debbie Hilditch	Director of Human Resources & Governance	From 19/05/11	85 - 90	15 – 20	0	0	40 - 45	5 - 10	0	0
Annette Laban	Director of Commissioning Development	01/05/11 to 31/10/11	Not applicable				65 - 70	10 - 15	0	37-38
Penny Brooks	Nurse Director	01/05/11 to 30/09/11	Not applicable				30 - 35	5 - 10	0	0
Margaret Kitching	Director of Nursing	From 01/10/11	95 - 100	15 – 20	0	0	45 - 50	5 - 10	0	0
Dr. Phil Foster	Medical Director	01/05/11 to 31/01/13	75 - 80	15 – 20	0	0	20 - 25	0 - 5	0	0
David Black	Medical Director	From 01/11/12	50 - 55	10 – 15	0	0	Not applicable			
Tony Pedder	Chairman	01/10/11 to 31/12/11	Not applicable				5 - 10	0 - 5	0	0
Alan Tolhurst	Chairman	From 01/01/12	40 - 45	5 – 10	0	0	10 - 15	0 - 5	0	0
Alan Tolhurst	Non Executive Director	01/10/11 to 31/12/11	Not applicable				5 - 10	0 - 5	0	0
Pat Wade	Non-Executive Director	From 01/10/11	5 - 10	0 – 5	0	0	0 - 5	0 - 5	0	0
Robert Bailey	Non-Executive Director	From 01/10/11	10 - 15	0 – 5	0	0	5 - 10	0 - 5	0	0
Dr. Leslie Ranson	Associate Non Executive Director	From 01/10/11	5 - 10	0 – 5	0	0	0 - 5	0 - 5	0	0
Roger Greenwood	Non Executive Director & Vice Chair	From 01/10/11	35 - 40	5 – 10	0	0	15 - 20	0 - 5	0	0
Melvyn Morris	Associate Non Executive Director	From 01/10/11	5 - 10	0 – 5	0	0	0 - 5	0 - 5	0	0
David Liggins	Non Executive Director & Vice Chair	From 01/10/11	30 - 35	5 - 10	0	0	15 - 20	0 - 5	0	0
Tom Sheard	Non Executive Director & Vice Chair	From 01/10/11	30 - 35	5 - 10	0	0	15 - 20	0 - 5	0	0
Melvyn Lunn	Non Executive Director	From 01/10/11	10 - 15	0 - 5	0	0	5 - 10	0 - 5	0	0

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.

Salaries and Allowances (continued)

Name and title		Dates of holding	2012-13 Salary (bands of £5,000)	2012-13 Org. Share (bands of £5,000)	2012-13 Other remuneration (bands of £5,000)	2012-13 Benefits in kind (bands of £100)	2011-12 Salary (bands of £5,000)	2011-12 Org. Share (bands of £5,000)	2011-12 Other remuneration (bands of £5,000)	2011-12 Benefits in kind (bands of £100)
Bassetlaw Primary Care Trust										
John Bell	Non-Executive Director	To 30/09/11	Not applicable				5 - 10	5 - 10	0	0
Alan Burbanks	Director of Finance	To 30/04/11	Not applicable				5 - 10	5 - 10	0	0
Julie Cotton	Lead Nurse	To 30/09/11	Not applicable				30 - 35	30 - 35	0	0
Debra Fores	Director of Primary Care & Modernisation	To 30/09/11	Not applicable				30 - 35	30 - 35	0	0
Dr. Phil Foster	Clinical Governance Lead/Medical Director	To 30/04/11 (See Note 2)	Not applicable				0 - 5	0 - 5	0	0
Dr. Chris Kenny	Director of Public Health		See note 1				See note 1			
David Liggins	Non-Executive Director/Acting Chairman	To 30/09/11 (See Note 3)	Not applicable				15 - 20	15 - 20	0	0
Phil Mettam	Director of Planning and Commissioning/Chief Operating Officer	To 30/09/11 (See Note 4)	Not applicable				40 - 45	40 - 45	0	28 - 29
Melvyn Morris	Non-Executive Director	To 30/09/11	Not applicable				0 - 5	0 - 5	0	0
Roger Nunn	Non-Executive Director	To 30/09/11	Not applicable				0 - 5	0 - 5	0	0
Mukesh Panchal	Non-Executive Director	To 30/09/11	Not applicable				0 - 5	0 - 5	0	0
Michael Quigley	Non-Executive Director	To 30/09/11	Not applicable				0 - 5	0 - 5	0	0
Penny Spring	Consultant in Public Health		See note 1				See note 1			

Notes:

1. The Director of Public Health and Consultant in Public Health Posts have been part of a Nottinghamshire wide Public Health Service since 1st October 2006 provided by NHS Nottinghamshire County. Dr. Kenny's remuneration information is reflected in full in that organisation's remuneration report.

2. Dr. Foster held the position of Clinical Governance Lead to 31st August 2010 and held the position of Medical Director since 1st September 2010

3. Mr. Liggins held the position of Non-Executive Director to 31st December 2011 and the position of Acting Chairman since 1st January 2011

4. Mr. Mettam held the position of Director of Planning and Commissioning to 30th April 2011 and the position of Chief Operating Officer since 1st May 2011

Pension Benefits

Name and title		Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2012 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2012 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2011	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
South Yorkshire & Bassetlaw Cluster									
Andrew Buck	Chief Executive	0.0 - 2.5	0.0 - 2.5	50 - 55	155 - 160	1,051	969	32	0
Steve Hackett	Director of Finance	5.0 - 7.5	17.5 - 20.0	30 - 35	95 - 100	448	415	90	0
Debbie Hilditch	Director of Human Resource & Governance	0.0 - 2.5	5.0 - 7.5	30 - 35	100 - 105	612	560	52	0
Margaret Kitching	Director of Nursing	12.5 - 15.0	42.5 - 45.0	35 - 40	105 - 110	751	645	226	0
Dr. Phil Foster	Medical Director	0	0	0	0	0	0	0	0
David Black	Medical Director	0.0 - 2.5	0.0 - 2.5	40 - 45	120 - 125	694	641	8	0

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 benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real Increase in CETV

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

Financial and Risk Management

Financial Statements

As required by the Department of Health NHS Bassetlaw has completed a set of Annual Accounts for 2012/13. Full copies of the Annual Accounts are available upon request by writing to Chief Finance Officer at Retford Hospital, North Road, Retford, Nottinghamshire, DN22 7XF or from our website (www.bassetlaw-pct.nhs.uk).

As the Health and Social Care Bill became and Act of Parliament in March 2012, these Annual Accounts will be the last ones produced for NHS Bassetlaw as Primary Care Trusts will no longer exist beyond 31 March 2013. With effect from 1 April 2013 the new NHS infrastructure of NHS England, Public Health England and Clinical Commissioning Groups will take on the commissioning responsibilities that Primary Care Trusts had. In addition some responsibilities for Public Health have transferred to Local Authorities.

These Annual Accounts (along with the associated certificates), therefore, show the final close down financial position for NHS Bassetlaw.

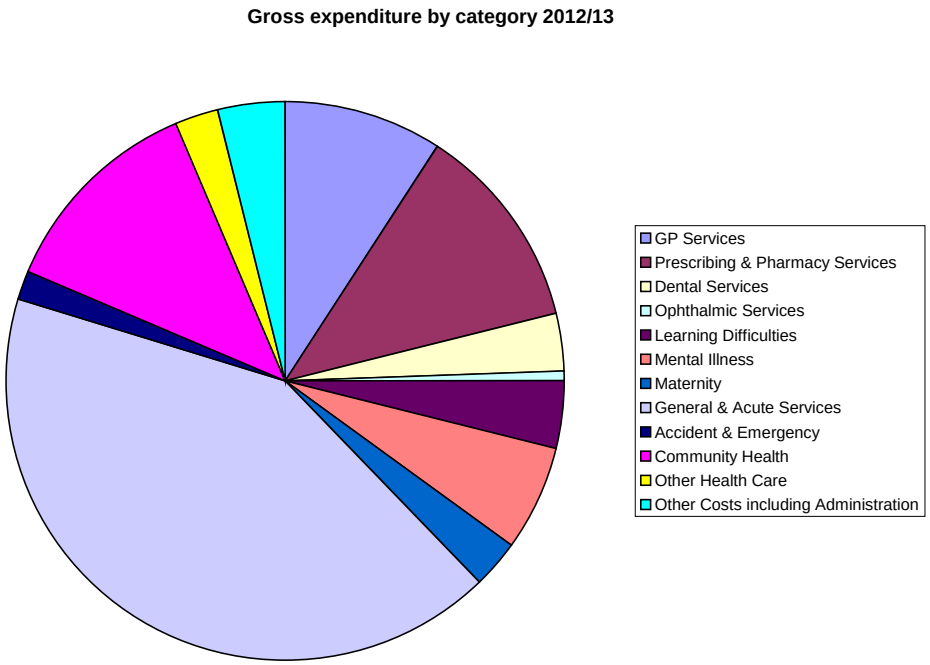
NHS Bassetlaw is pleased to be able to report that at the end of the 2012/13 financial year, the PCT has met all of its statutory financial duties. This is the eleventh successive year that this has been achieved, every year since the inception of the PCT.

The PCT planned for (and delivered) a £1,712,000 surplus in 2012/13 in line with the target agreed with the Strategic Health Authority. These funds will be made available to the new organisations replacing the PCT and utilised in 2013/14. In addition it remained within the Capital Resource Limit and the Overall Cash Limit.

External auditor details

NHS Bassetlaw's external auditor for 2012/13 was the Audit Commission to end of September 2012 and from October 2012, KPMG. The total cost for their services for the year was £91,089 (inclusive of VAT) and related to audit services (i.e. the statutory audit) and services carried out in relation to the audit e.g. reports to the Department of Health.

Where we spent our money



Within its plan for the year, the PCT highlighted a number of risks to its financial position. These mainly centred around the cost of prescribed drugs, the cost of care for patients with continuing needs and over-performance on contracts with acute hospitals, particularly in respect of unplanned care. In order to mitigate the risks, the PCT set aside resources to cover these possible outcomes. We also continued to work closely with GPs to try to constrain the increasing trends in these areas and I am pleased to be able to report that this work has delivered reduced growth in some of these areas.

In summary, the PCT has had a challenging, but ultimately successful, final year in managing its resources whilst continuing to invest and provide for the current and future healthcare needs of Bassetlaw residents.

Annual Governance Statement 2012/13

1. Scope of responsibility

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

The PCT has well developed links within the local health community and wider strategic health communities for the effective commissioning of services, performance management and ensuring compliance with statutory requirements. Partnership working within the health community incorporates both local government (County and District), the voluntary sector and a wide range of patient groups.

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 year of transition towards the new NHS architecture as set out in the government's vision. This Annual Governance Framework therefore reflects the changing assurance processes during the year.

NHS Bassetlaw (legally known as Bassetlaw Primary Care Trust) has remained as the statutory body throughout the period and will remains so until its abolition on 31st March 2013. From April 2011, Primary Care Trusts (PCTs) "clustered" in line with government guidance. Since that date, NHS South Yorkshire & Bassetlaw has operated as a Cluster of 5 constituent PCTs:

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

All constituent PCT's shared an Accountable Officer (Chief Executive), a Director of Finance and a team of Executive Directors and Non Executive Directors. The Directors of Public Health for each PCT also remained individual members of the Trust Board.

The emerging Clinical Commissioning Groups (locally the Bassetlaw Clinical Commissioning Group (CCG)) were established as Sub Committees of the Trust Board under a scheme of delegation and managerial letter of delegation to the Chief Officers.

The Bassetlaw CCG has a Chief Officer, a Chief Finance Officer and an underpinning management governance and committee structure. Formal delegation of responsibilities to NHS Bassetlaw CCG related to the future work of Clinical Commissioning Groups such as Acute, Mental Health and Community healthcare commissioning (accountability was retained by the Trust Board).

The system of internal control has been in place through the above mechanisms in Bassetlaw for the year ended 31st March 2013.

2.2 Structure Performance and Corporate Governance

2.2.1. Overview

Handover and Closedown: The NHS South Yorkshire & Bassetlaw Board and the NHS Bassetlaw 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 when the formal transfer took place. In addition, a Quality Legacy Handover Document with the "softer" intelligence

regarding quality and performance was developed by the PCT and passed to receiving organisations. A Handover Assembly was held on 14th March between the PCT as sender and all local receiving organisations including the CCG 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 CCG'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 Cluster reporting arrangements, and in NHS Bassetlaw CCG via Governance Reports received by the Audit & Risk Group and the NHS Bassetlaw CCG Committee.

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

- *Leadership*: Headed by an effective board 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.

- *Effectiveness*: Comprised of individuals with a range of skills, experience and knowledge. A formal process for appointments. Provided with a range of strategic information covering quality, finance, performance, strategy, policy and risk. Subject to annual evaluation via the Annual Governance Statement.

- *Accountability*: Effective management of conflicts of interest and a robust process for risk management and internal control through regular reporting. Interaction with Internal and External Audit.

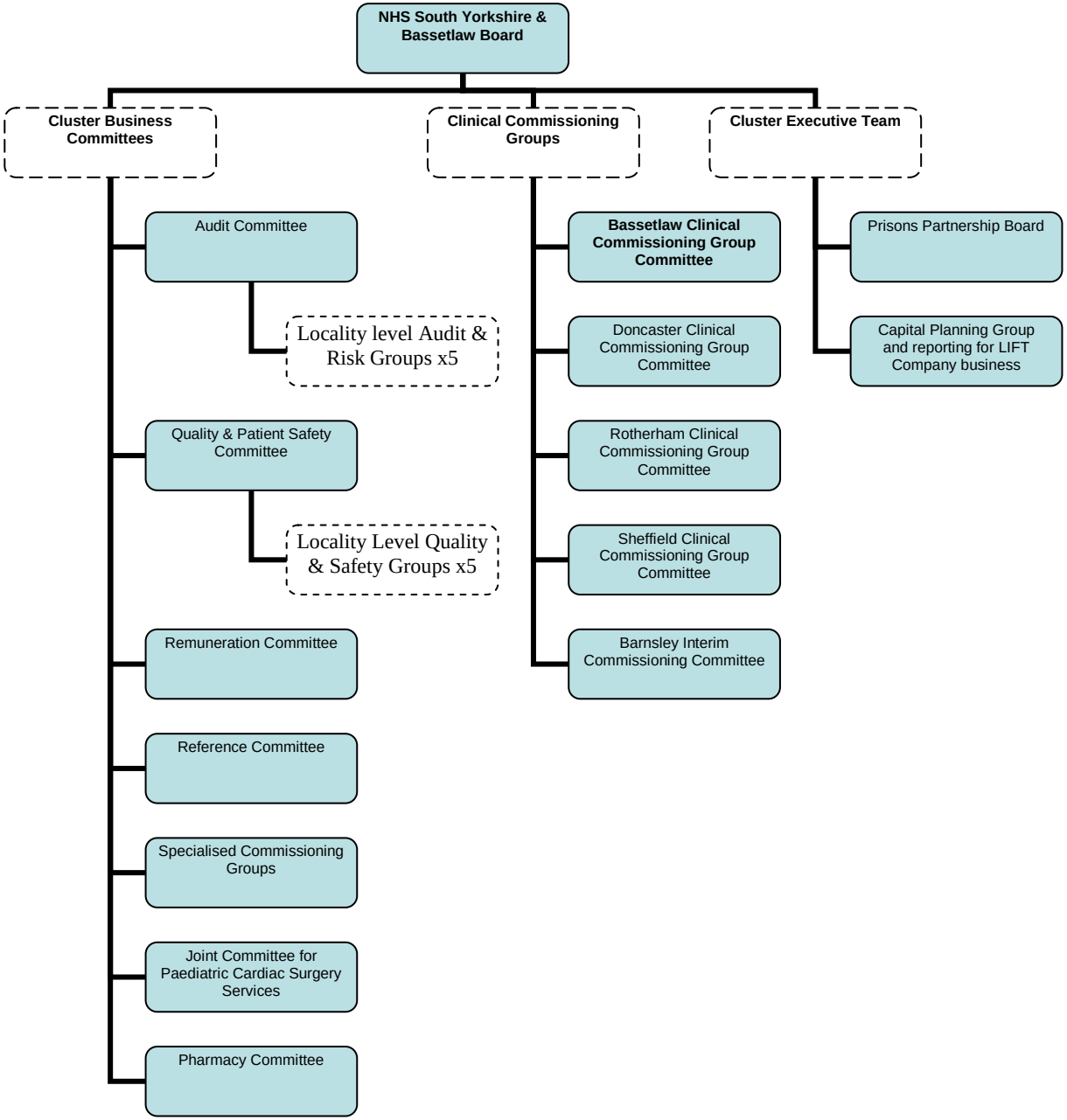
- *Remuneration*: Set by the Remuneration and Terms of Service Committee.

- *Relations with Stakeholders*: Effective partnership arrangements and sharing of information including via an Annual Report.

2.2.2 NHS South Yorkshire & Bassetlaw

Structure: NHS South Yorkshire & Bassetlaw had a Trust Board in place throughout the period 2012/13 which was quorate at each meeting with an overall attendance rate of 89%. 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 formal NHS Bassetlaw CCG 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 high level Governance Structure is shown opposite.



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 Operating Officer and Chief Finance Officer of the CCGs. 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.

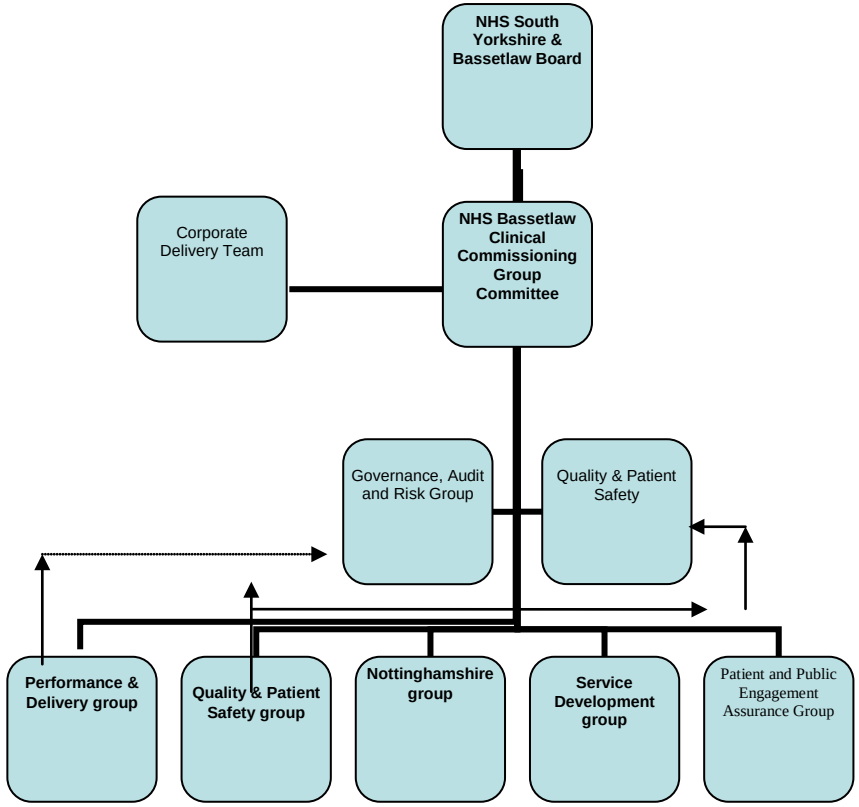
Risk management: A Board Assurance Framework and Risk Register have been maintained throughout the period coordinated by the Governance Leads of the constituent PCTs. The Assurance Framework was received by the Board in January 2012 and by the cluster Audit Committee as closing position in March 2013.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

2.2.3 NHS Bassetlaw Clinical Commissioning Group (CCG)

Structure: The establishment of the Bassetlaw 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. A letter of delegation from the single Board in October 2011 confirmed that the Bassetlaw CCG had been formally established as a Committee of the Board with delegated commissioning responsibility and approved the NHS Bassetlaw 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 Committee was also confirmed as not being responsible for the management of concerns about primary care performers.

The local governance structure is shown below:



As part of the CCG Authorisation process the structure was reviewed and captured in the CCG constitution.

Effectiveness: The delegation confirmed that the Chief Officer and Chief Finance Officer would continue to hold responsibility for managerial, operational and financial matters. The delegation of additional budgetary control to the Chief Finance Officer was covered in a separate letter of delegation from the Director of Finance covering both pay and non-pay elements. Monitoring of the effectiveness of the delegated arrangements was undertaken by the Chief Executive and Director of Finance respectively. As part of this delegation, NHS Bassetlaw CCG was required to ensure that they met all financial statutory and administrative duties.

Risk Management: An Assurance Framework and Risk Register have been maintained throughout the period. The Assurance Framework was received regularly by the NHS Bassetlaw CCG Governing Body. NHS Bassetlaw CCG maintained throughout the period:

- A formally approved governance structure comprising Governance, Audit & Risk Group, Quality & Patient Safety Group, Patient & Public Engagement Assurance Group, Performance and Delivery Group and Nottinghamshire Group. There was continuity of the meetings aligned underneath the formal groups.

- The 5x5 risk matrix with 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 were scored at or in excess of a score of 16.

- A NHS Bassetlaw CCG Assurance Framework.

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. The Assurance Framework takes into account the accountabilities and responsibilities referenced in the following:

- Objectives from the *Cluster Implementation Guidance* (January 2011) and the *Shared Operating Model for PCT Clusters* (July 2011);
- NHS Commissioning Board duties (e.g. offender healthcare military healthcare, primary care contracting, emergency planning);
- Escalating Clinical Commissioning Group issues based on *Functions of GP Commissioning Consortia: A Working Document* (March 2011).

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 agreed to assess risk which incorporates both consequence and likelihood. The Cluster 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 CCG's Assurance Frameworks. Local Clinical Commissioning Group Assurance Framework risks which are scored at or in excess of a score of 16 were escalated to the Cluster Assurance Framework. All new risks scoring 16-20 were 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 PCTs' principal risks with the Cluster principal risks. All PCT Assurance Framework risks which were not

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

Until such a time as the NHS Commissioning Board takes 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 has been developed which captures risks associated with these directly commissioned services. The Risk Register was presented to the January 2012 Single Board alongside the Assurance Framework Action Plan and has continued to be updated outside 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. 6 of these risks were scored in excess of 11 and 6 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 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

Ref	Principal Risk	Current Risk			Action Plan
		C	L	CxL	
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	10	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. Bassetlaw Clinical Commissioning Group

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

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	6	8	10
	(3) Moderate	3	6	9	12	15
	(4) Major	4	8	12	16	20
	(5) Extreme	5	10	15	20	25

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

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 adopted by NHS Bassetlaw CCG.

The transferring Assurance Framework to the CCG Committee has been reviewed on a regular basis and has been to the Governance, Audit and Risk Group on 3 occasions up to March 2013. At the close of the year there were 29 risks on the Assurance Framework. There were 2 risks above toleration level.

Ref	Principal Risk	Current Risk			Action Plan
		C	L	CxL	
AF28	Increased pressure ulcer prevalence across healthcare organisations in Bassetlaw – Bassetlaw Hospital	4	4	16	Action plan agreed with Trust and being monitored

Ref	Principal Risk	Current Risk			Action Plan
		C	L	CxL	
AF29	Risk of increased comparative HSMR when admitted during weekend periods to Doncaster/Bassetlaw Hospitals	4	4	16	Commissioner involvement in mortality reviews and proactive approach by Trust to understanding issues and taking action

4. The Risk and Control Framework

The Board endorsed Risk Management Strategy as the focal point for the risk framework of the organisation and have been in place throughout 2012/13. In terms of the Risk management strategy it outlines the PCT's statement of Intent, Scope, Definitions, Responsibility and Accountability, Organisational Framework, Aims and Objectives, the actual Risk Management System, Assurance Framework, Induction and Training, Reporting Arrangements and Communications, the role of Independent Assurance, Monitoring and Review and links the strategy to key related policies.

Staff are trained to identify and report risk using the Risk Assessment Framework. In addition to their day-to-day workings, risks become apparent to staff when dealing with adverse events or near misses, complaints, medical negligence or personal injury claims. All these eventualities are backed up by separate policies. As new initiatives or service changes are introduced following agreement with partners and stakeholders, consideration of risk issues will have formed an integral part of the corporate planning process.

Identified risks are reported through line management procedures in accordance with the Risk Assessment Framework. They are assessed, graded and reported in line with the policy on Risk Assessment to the Head of Assurance. Risks identified are placed onto the PCT's Assurance Framework/Risk Register as appropriate.

The Risk Registers and Assurance Framework are reviewed regularly by the Governance Audit and Risk Group and the CCG Committee, moderate risks are managed at senior management level, and low risks are regarded as acceptable and managed locally through routine procedures.

The Assurance Framework identifies the principal objectives, the principal risks associated with these key objectives, identifies the key controls and assurances that are in place and evidences the positive assurances that are available to the Board to support the Annual Governance Statement. In addition the framework also has provision for the identification of gaps in control and gaps in assurance. Action plans are developed to address gaps in controls and assurances and are subject to review by the Governance, Audit & Risk Group and the Governing Body.

Gaps in both control and assurance were identified in respect of some of the corporate objectives with mitigating actions being incorporated into the Assurance Framework. Examples of these being the measurement of efficiency savings, reduction in staffing levels, and ensuring the child protection arrangements are robust.

The CCG manages and controls its risks relating to information through a separate Information Governance Group which reported to the Corporate Delivery Team. Incidents relating to information and data security are considered by this group, with principal risks being included on the CCG's Assurance Framework. A suite of policies is in place and relevant audits undertaken. The CCG has completed an Information Governance Statement of Compliance, and an assessment against the Information Governance Toolkit has been undertaken and submitted.

A Counter Fraud report is received at each Governance, Audit and Risk Group. The aim is to apprise the Governance Audit and Risk 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 NHS Counter Fraud Manual (version 3) outlining where relevant activity has taken place across the 7 generic areas of counter fraud work:

- Anti-Fraud culture (including mandatory 3 yearly staff training)
- Deterrence (including policy reviews and patient fraud checks)
- 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 Drugs and the National Fraud Initiative)
- Investigations
- Sanctions
- Redress

5. Review of effectiveness of Risk Management and Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of 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 Internal Audit's work. The level of Head of Internal Audit Opinion for 2012/13 was one of significant assurance. Directors and managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself 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:

- KPMG provide progress reports to the Audit Committee, the Annual Management Letter and overview of cost effectiveness within NHS Bassetlaw
- Internal Audit reviews of systems of internal control and progress reports to the Audit Committee, especially the annual Assurance Framework Internal Audit Report.
- Assurance reports on risk and governance received from the Audit Committee and Governance, Audit & Risk Group.
- Performance management systems.
- Internal Committee structure with delegated responsibility for risk identification, evaluation, control, review and assurance.
- Review of the Assurance Framework.
- Risk Registers.
- Self-assessment undertaken by the Audit Committee to ensure adherence to the principles contained within the NHS Audit Committee Handbook.
- The Single Integrated Plan which captures the clinical and QIPP (Quality, Innovation, Productivity & Prevention) priorities and key risks.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the NHS Bassetlaw CCG Committee and the Governance, Audit & Risk Group. Action plans to address any identified weaknesses and ensure continuous improvement of the system is in place via the Assurance Framework action plan and embedded Risk Registers.

In maintaining and reviewing the effectiveness of the system of internal control:

- Any need to change priorities or controls is clearly recorded and either actioned, or reported to those with authority to take action.
- Lessons which can be learned from both successes and failures are identified and disseminated to those who can gain from them.
- An appropriate level of independent assurance is provided on the whole process of risk identification, evaluation and control.
- Each level of management, including the Board, reviews the risks and controls for which they are responsible.
- An embedded and fully operational governance and risk management structure is in place which clearly defines the roles and responsibilities of the Board and Sub Committees.
- The Single Integrated Plan which captures 5 clear clinical priorities and QIPP (Quality, Innovation, Productivity & Prevention) priorities and key risks.

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 Internal and External Audits. The Cluster Audit Committee is mirrored in the NHS Bassetlaw CCG structure by a Governance, Audit & Risk Group. Local assurance flows up from the Governance, 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 Bassetlaw CCG structure by a Quality & Patient Safety Group. Local assurance flows up from the Quality & Patient Safety Group to the Cluster Quality & Patient Safety Committee.

NHS Bassetlaw CCG Committee: The Committee with overarching responsibility for commissioning delegated services for the population of Bassetlaw from October 2011.

Chief Officer: As Senior Responsible Officer for the whole of NHS Bassetlaw and NHS Bassetlaw CCG, the Chief Officer 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 Bassetlaw and NHS Bassetlaw CCG, the Chief Finance Officer 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. Each Director has the expectation of owning some of the main risks in their Directorate and personally addressing them, thus setting the tone for risk management in their areas of responsibility. Directors also play a crucial role in ensuring that risk-related issues are adequately dealt with when policies are being prepared or revised in their work areas.

Head of Internal Audit: The Head of Internal Audit has a central role in the process of securing this Annual Governance Statement, and in advising the Chief Executive and the Audit Committee on the “health” of NHS Bassetlaw’s 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 weaknesses of the approach adopted by NHS Bassetlaw, and advise on where improvements are necessary and desirable for the good governance of the organisation.

Significant Issues

NHS South Yorkshire and Bassetlaw significant issues are those captured in Section 3.1. Those which faced NHS Bassetlaw/Bassetlaw CCG in 2012/13 relate to those in Section 3.2 plus:-

- Transition to the new NHS architecture including authorisation of the CCG and the successful completion of the legacy documentation.
- Performance target issues in a number of acute care areas, for example A&E waiting times and Referral to Treatment times.

Action plans relating to these have been put into place and are being monitored by the CCG in conjunction with providers.

6. Conclusion

My review confirms that Bassetlaw Primary Care Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Signed …….. Date …….

Eleri De Gilbert
Chief Executive (on behalf of the Board)

Appendix A South Yorkshire and Bassetlaw Trust Board and Senior Officers Register of Interests

Name	Title	Declaration
Alan Tolhurst	Chairman	• Director of ACT Consultancy • Chairman of Robin Hood Airport 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 • Independent Chair of Doncaster Community Solutions Ltd (Doncaster LiftCo) and Barnsley Community Solutions Ltd (Barnsley LiftCo) • Member of Doncaster Strategic Partnering Board • Volunteer Tutor, Expert Patient Programme, Retford Action Centre • Non-executive Director and Trustee of Bassetlaw Action Centre • Partner Governor, Nottinghamshire Healthcare Trust
Tom Sheard	Vice Chair and Locality Chair	• Company Secretary, Barnsley TUC Training Ltd • Non-Executive Director of Barnsley Premier Leisure • Chairman, Unite Barnsley No 1 Branch • Elected Member of Barnsley MBC Kingstone Ward (Labour Party) • Elected Member of Barnsley Chamber of Commerce • Trustee Shawlands Charitable Trust, Barnsley
Roger Greenwood	Vice Chair and Locality Chair	• Chairman Braithwell with Micklebring Parish Council
Pat Wade	Non- Executive	• Parish Councillor of Aston-cum-Aughton

	Director	
Les Ranson	Associate Non- Executive Director	• Chairman of Governors at Wadworth Primary School
Mel Morris	Associate Non- Executive Director	• Senior Partner of MAA Associates
Melvyn Lunn	Audit Committee Chair	• 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 (Barnsley LIFTco) • Public Sector Director Doncaster Community Solutions Ltd (Doncaster LiFTco) • Public Sector Director Community First Sheffield Ltd
Dr Phil Foster	Medical Director (until January 2013)	• Shareholder, Retford Health • Medical Director Bassetlaw Hospice • Medical Director, NHS Bassetlaw • Parish Councillor, Babworth Parish Council
Dr David Black	Medical Director (From November 2012)	• None
Margaret Kitching	Executive Nurse Director	• None
Debbie Hilditch	Executive Director of HR and	• None

	Governance	
Tony Baxter	Director of Public Health, NHS Doncaster	• Parent Governor and Vice Chair of Board of Governors at Doncaster School for the Deaf
Jeremy Wight	Director of Public Health, NHS Sheffield	• None
John Radford	Director of Public Health, NHS Rotherham	• None
Elizabeth Shassere	Director of Public Health, NHS Barnsley (until July 2012)	• None
Sharon Stoltz	Acting Director of Public Health, NHS Barnsley (from August 2012)	• None
Chris Kenny	Director of Public Health, NHS Bassetlaw	• None

Department of Health

NHS

Bassetlaw Primary Care Trust

2012-13 Accounts

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Bassetlaw 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 PCTs in England, an officer of the Department of Health, to discharge the following responsibilities for the Department, to ensure that for the year ended 31 March 2013:

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

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

Signed.....Designated Signing Officer

Name: ELERI de GILBERT

Date.....6.6.13

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

- make judgements and estimates which are reasonable and prudent;

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

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

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

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

By order of the Permanent Secretary.

6.6.13 Date ..... Signing Officer

6.6.13 Date ..... Finance Signing Officer

INDEPENDENT AUDITORS' REPORT TO THE SIGNING OFFICERS OF BASSETLAW PRIMARY CARE TRUST

We have audited the financial statements of Bassetlaw Primary Care Trust for the year ended 31 March 2013 on pages 1 to 36. 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 Bassetlaw Primary Care Trust 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 auditors' 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 Bassetlaw Primary Care Trust 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 Annual 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 Annual 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 Bassetlaw Primary Care Trust 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.

John Graham Prentice, for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

6 June 2013

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	**3,027**	2,698
Other costs	5.1	**203,104**	197,152
Income	4	**(7,304)**	(8,019)
Net operating costs before interest		**198,827**	191,831
Investment income	9	**(52)**	(51)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,646**	1,588
Net operating costs for the financial year		**200,421**	193,368
Transfers by absorption -(gains)		**0**	0
Transfers by absorption - losses		**0**	0
Net (gain)/loss on transfers by absorption		**0**	0
Net Operating Costs for the Financial Year including absorption transfers		**200,421**	**193,368**
Of which:			
Administration Costs			
Gross employee benefits	7.1	**2,895**	2,675
Other costs	5.1	**2,757**	3,317
Income	4	**(228)**	(407)
Net administration costs before interest		**5,424**	**5,585**
Investment income	9	**0**	0
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**0**	0
Net administration costs for the financial year		**5,424**	**5,585**
Programme Expenditure			
Gross employee benefits	7.1	**132**	23
Other costs	5.1	**200,347**	193,835
Income	4	**(7,076)**	(7,612)
Net programme expenditure before interest		**193,403**	**186,246**
Investment income	9	**(52)**	(51)
Other (Gains)/Losses	10	**0**	0
Finance costs	11	**1,646**	1,588
Net programme expenditure for the financial year		**194,997**	**187,783**

Other Comprehensive Net Expenditure	2012-13 £000	2011-12 £000
Impairments and reversals put to the Revaluation Reserve	**323**	45
Net (gain) on revaluation of property, plant & equipment	**(8)**	(751)
Net (gain) on revaluation of intangibles	**0**	0
Net (gain) on revaluation of financial assets	**0**	0
Net (gain)/loss on other reserves	**0**	0
Net (gain)/loss on available for sale financial assets	**0**	0
Net (gain) /loss on Assets Held for Sale	**0**	0
Release of Reserves to Statement of Comprehensive Net Expenditure	**0**	0
Net actuarial (gain)/loss on pension schemes	**0**	0
Reclassification Adjustments	**0**	0
Reclassification adjustment on disposal of available for sale financial assets	**0**	0
Total comprehensive net expenditure for the year*	**200,736**	**192,662**

*This is the sum of the rows above plus net operating costs for the financial year after absorption accounting adjustments.
The notes on pages 5 to 36 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	**18,923**	20,065
Intangible assets	13	**0**	0
investment property	15	**0**	0
Other financial assets	21	**350**	350
Trade and other receivables	19	**0**	0
Total non-current assets		**19,273**	20,415
Current assets:			
Inventories	18	**0**	0
Trade and other receivables	19	**1,438**	1,304
Other financial assets	36	**0**	0
Other current assets	22	**0**	0
Cash and cash equivalents	23	**314**	183
Total current assets		**1,752**	1,487
Non-current assets held for sale	24	**0**	0
Total current assets		**1,752**	1,487
Total assets		**21,025**	21,902
Current liabilities			
Trade and other payables	25	**(10,025)**	(10,366)
Other liabilities	26,28	**0**	0
Provisions	32	**(2,165)**	(1,815)
Borrowings	27	**(166)**	(205)
Other financial liabilities	36.2	**0**	0
Total current liabilities		**(12,356)**	(12,386)
Non-current assets plus/less net current assets/liabilities		**8,669**	9,516
Non-current liabilities			
Trade and other payables	25	0	0
Other Liabilities	28	0	0
Provisions	32	(4,671)	(379)
Borrowings	27	(16,548)	(16,709)
Other financial liabilities	36.2	0	0
Total non-current liabilities		**(21,219)**	(17,088)
Total Assets Employed:		**(12,550)**	(7,572)
Financed by taxpayers' equity:			
General fund		(13,832)	(9,169)
Revaluation reserve		1,282	1,597
Total taxpayers' equity:		**(12,550)**	(7,572)

The notes on pages 5 to 36 form part of this account.

The financial statements on pages 1 to 4 were approved by the Designated Signing Officer on 6th June and are signed below

Designated Signing Officer Date: 06.06.13

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

	General fund	Revaluation reserve	Total reserves
	£000	£000	£000
Balance at 1 April 2012	**(9,169)**	**1,597**	**(7,572)**
Changes in taxpayers' equity for 2012-13			
Net operating cost for the year	(200,421)	0	**(200,421)**
Net gain on revaluation of property, plant, equipment	0	8	**8**
Impairments and reversals	0	(323)	**(323)**
Total recognised income and expense for 2012-13	**(200,421)**	**(315)**	**(200,736)**
Net Parliamentary funding	195,758	0	**195,758**
Balance at 31 March 2013	**(13,832)**	**1,282**	**(12,550)**
Balance at 1 April 2011	**(9,323)**	**891**	**(8,432)**
Changes in taxpayers' equity for 2011-12			
Net operating cost for the year	(193,368)	0	(193,368)
Net Gain / (loss) on Revaluation of Property, Plant and Equipment	0	751	751
Impairments and Reversals	0	(45)	(45)
Total recognised income and expense for 2011-12	(193,368)	706	(192,662)
Net Parliamentary funding	193,522	0	193,522
Balance at 31 March 2012	**(9,169)**	**1,597**	**(7,572)**

Statement of cash flows for the year ended 31 March 2013

	NOTE	2012-13 £000	2011-12 £000
Cash Flows from Operating Activities			
Net Operating Cost Before Interest		**(198,827)**	(191,831)
Depreciation and Amortisation		**480**	459
Impairments and Reversals		**596**	(924)
Interest Paid		**(1,634)**	(1,588)
(Increase)/Decrease in Trade and Other Receivables		**(134)**	(112)
Increase/(Decrease) in Trade and Other Payables		**(609)**	(287)
Provisions Utilised		**(255)**	(828)
Increase/(Decrease) in Provisions		**4,885**	1,857
Net Cash Inflow/(Outflow) from Operating Activities		**(195,498)**	**(193,254)**
Cash flows from investing activities			
Interest Received		**52**	51
(Payments) for Property, Plant and Equipment		**(181)**	(230)
(Payments) for Financial Assets (LIFT)		**0**	(1)
Loans Repaid in Respect of LIFT		**0**	(199)
Net Cash Inflow/(Outflow) from Investing Activities		**(129)**	**(379)**
Net cash inflow/(outflow) before financing		**(195,627)**	**(193,633)**
Cash flows from financing activities			
Net Parliamentary Funding		**195,758**	193,522
Capital Receipts Surrendered		**0**	0
Capital grants and other capital receipts		**0**	0
Cash Transferred (to)/from Other NHS Bodies (free text note required)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**195,758**	**193,522**
Net increase/(decrease) in cash and cash equivalents		**131**	**(111)**
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**183**	**294**
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		**314**	**183**

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.

For 2011-12, in accordance with the directed accounting policy from the Secretary of State, the PCT does not consolidate the NHS charitable funds for which it is the corporate trustee. For 2012-13 the PCT had no NHS charitable funds to manage.

1.1 Accounting Conventions

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

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

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

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

Critical judgements in applying accounting policies
The following critical judgement has been made in addition to those involving estimations (see below) that management has made in the process of applying the entity"s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

As a consequence of the Health and Social Care Act 2012, the Bassetlaw PCT was dissolved on 31 March 2013. Its functions will be transferred to various new or existing public sector entities. The Secretary of State has directed that, where Parliamentary funding continues to be voted to permit the relevant services to be carried out elsewhere in the public sector, this is normally sufficient evidence of going concern. As a result, the Board of the Bassetlaw PCT have prepared these financial statements on a going concern basis.

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

1. Accounting policies (continued)

a) Property valuations
The valuations will be undertaken by an independent external valuer. Valuations will be based on "Fair Value"

Where the buildings are specialised in terms of fit-out and use, the valuation basis will generally be based upon a Depreciated Replacement Cost with this cost based on a Modern Equivalent Building. As a consequence these values may vary as the costs of the replacement vary, i.e. as build costs (material prices etc.) and labour costs change. The values will also reflect changes in land prices which will be stated separately.

For non specialised buildings these will be valued to "Fair Value". However for those non specialised assets, valuations will be based on their Market Values within their existing use. For example, an office building would be valued as an office with reference to prevailing market values, but on the assumption that it will continue to be used as an office. These values will therefore be subject to changes in market conditions and market values.

b) Asset lives
Estimated asset lives and residual values are reviewed each year.

c) Accruals
Accruals included within the accounts are based on the best available information. This is applied in conjunction with historical experience and based on individual circumstances.

d) Provisions
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

1.2 Revenue and Funding

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

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

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

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

1.3 Pooled budgets

The PCT has entered into a pooled budget with Nottinghamshire County Council (Local Authority). Under the arrangement funds are pooled under S75 of the NHS Act 2006 for provision of community equipment and a memorandum note to the accounts provides details of the joint income and expenditure.

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

1.4 Taxation

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

1.5 Administration and Programme Costs

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

1. Accounting policies (continued)

1.6 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. HM Treasury had agreed that PCTs must apply these new valuation requirements by 1 April 2010. Bassetlaw PCT moved to accounting on a MEA basis on 1 April 2009.

The PCT has obtained a valuation of all its properties as at 31 March 2013 (on a MEA basis). The PCT will carry out an impairment review on an annual basis and have a professional revaluation on an MEA basis every 3 years.

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

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

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

Subsequent expenditure

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

1. Accounting policies (continued)

1.7 Intangible Assets

The PCT has no Intangible Assets

1.8 Depreciation, amortisation and impairments

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

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

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

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

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

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

1.9 Donated assets

The PCT has no Donated Assets.

1.10 Government grants

The PCT has no Government Grants.

1.11 Non-current assets held for sale

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

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

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

1. Accounting policies (continued)

1.12 Inventories

The PCT does not hold any inventories.

1.13 Cash and cash equivalents

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

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

1.14 Losses and Special Payments

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

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

1.15 Clinical Negligence Costs

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

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

1.16 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

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

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

1. Accounting policies (continued)

1.17 Research and Development

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

1.18 Other expenses

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

1.19 Grant making

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

1.20 EU Emissions Trading Scheme

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

1.21 Contingencies

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

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

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

1.22 Leases

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

The PCT as lessee

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

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

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

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

1. Accounting policies (continued)

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

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

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

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

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

A restructuring provision is recognised when the PCT has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures 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.

1.24 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.

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.

1. Accounting policies (continued)

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 in line with IAS 39: Financial Instruments - Recognition and Measurement.

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

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

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

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

Financial liabilities
Financial liabilities are recognised on the Statement of Financial Position when the PCT becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired. Financial liabilities are initially recognised at fair value. Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

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

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

1.25 Private Finance Initiative (PFI) and NHS LIFT transactions

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

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

a) Services received
The fair value of services received in the year is recorded under the relevant expenditure headings within „operating expenses".

1. Accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IAS 27 Separate Financial Statements - subject to consultation
IAS 28 Investments in Associates and Joint Ventures - subject to consultation
IFRS 9 Financial Instruments - subject to consultation - subject to consultation
IFRS 10 Consolidated Financial Statements - subject to consultation
IFRS 11 Joint Arrangements - subject to consultation
IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
IFRS 13 Fair Value Measurement - subject to consultation
IPSAS 32 - Service Concession Arrangement - subject to consultation

2 Operating segments

Under Transforming Community Services ("TCS") the PCT divested its Provider activities to other bodies. Under merger accounting principles, it did not, therefore, account for any of this Provider activity in its 2011/12 accounts. There was, therefore, no segmental reporting in 2011/12, nor is there any in 2012/13.

The transfer date for the majority of the Community Services under TCS was 1 November 2011. However, under merger accounting principles the effective transfer date was 1 April 2011.

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		193,368
Net operating cost plus (gain)/loss on transfers by absorption	**200,421**	
Revenue Resource Limit	**202,133**	195,048
Under/(Over)spend Against Revenue Resource Limit (RRL)	1,712	1,680

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	**281**	215
Charge to Capital Resource Limit	**249**	211
(Over)/Underspend Against CRL	**32**	**4**

3.3 Provider full cost recovery duty

Not applicable following transfer of provider functions during 2011/12

3.4 Under/(Over)spend against cash limit

	2012-13 £000	2011-12 £000
Total Charge to Cash Limit	**195,758**	193,522
Cash Limit	**197,358**	195,281
Under/(Over)spend Against Cash Limit	**1,600**	**1,759**

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

	2012-13 £000	2011-12 £000
Total cash received from DH (Gross)	170,348	168,028
Sub total: net advances	**170,348**	**168,028**
Plus: cost of Dentistry Schemes (central charge to cash limits)	5,077	4,667
Plus: drugs reimbursement (central charge to cash limits)	20,333	20,827
Parliamentary funding credited to General Fund	**195,758**	**193,522**

4 Miscellaneous Revenue

	2012-13 Total	2012-13 Admin	2012-13 Programme	2011-12
	£000	£000	£000	£000
Dental Charge income from Contractor-Led GDS & PDS	**1,712**	0	1,712	1,653
Dental Charge income from Trust-Led GDS & PDS	**1**	0	1	7
Prescription Charge income	**1,062**	0	1,062	1,023
Strategic Health Authorities	**0**	0	0	1
NHS Trusts	**3**	0	3	1,238
NHS Foundation Trusts	**48**	0	48	232
Primary Care Trusts - Other	**429**	1	428	509
Recoveries in respect of employee benefits	**212**	212	0	153
Local Authorities	**0**	0	0	6
Education, Training and Research	**934**	0	934	822
Rental revenue from operating leases	**2,775**	0	2,775	2,182
Other revenue	**128**	15	113	193
Total miscellaneous revenue	**7,304**	**228**	**7,076**	**8,019**

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	**14,425**	0	14,425	12,127
Non-Healthcare	**714**	683	31	1,218
Total	**15,139**	**683**	**14,456**	**13,345**
Goods and Services from Other NHS Bodies other than FTs				
Goods and services from NHS Trusts	**33,700**	174	33,526	34,743
Goods and services (other, excl Trusts, FT and PCT))	**0**	0	0	72
Total	**33,700**	**174**	**33,526**	**34,815**
Goods and Services from Foundation Trusts	**77,005**	93	76,912	77,149
Purchase of Healthcare from Non-NHS bodies	**21,711**	0	21,711	16,943
Non-GMS Services from GPs	**856**	0	856	832
Contractor Led GDS & PDS (excluding employee benefits)	**6,554**	0	6,554	6,225
Salaried Trust-Led PDS & PCT DS (excluding employee benefits)	**185**	0	185	41
Chair, Non-executive Directors & PEC remuneration	**43**	43	0	74
Consultancy Services	**313**	313	0	165
Prescribing Costs	**17,692**	0	17,692	18,671
G/PMS, APMS and PCTMS (excluding employee benefits)	**17,031**	0	17,031	17,108
Pharmaceutical Services	**452**	0	452	488
New Pharmacy Contract	**4,892**	0	4,892	4,877
General Ophthalmic Services	**1,323**	0	1,323	1,246
Supplies and Services - Clinical	**902**	0	902	873
Supplies and Services - General	**215**	15	200	178
Establishment	**223**	138	85	218
Transport	**20**	0	20	20
Premises	**1,151**	50	1,101	1,404
Impairments & Reversals of Property, plant and equipment	**596**	0	596	(924)
Depreciation	**480**	0	480	459
Audit Fees	**91**	91	0	147
Clinical Negligence Costs	**13**	0	13	13
Education and Training	**996**	25	971	857
Other	**1,521**	1,132	389	1,928
Total Operating costs charged to Statement of Comprehensive Net Expenditure	**203,104**	**2,757**	**200,347**	**197,152**
Employee Benefits (excluding capitalised costs)				
PCT Officer Board Members	**184**	184	0	310
Other Employee Benefits	**2,843**	2,711	132	2,388
Total Employee Benefits charged to SOCNE	**3,027**	**2,895**	**132**	**2,698**
Total Operating Costs	**206,131**	**5,652**	**200,479**	**199,850**

	Total	Commissioning Services	Public Health
PCT Running Costs 2012-13			
Running costs (£000s)	**5,424**	4,848	576
Weighted population (number in units)*	**119,508**	119,508	119,508
Running costs per head of population (£ per head)	**45**	**41**	**5**
PCT Running Costs 2011-12			
Running costs (£000s)	**5,585**	4,971	614
Weighted population (number in units)	**119,508**	119,508	119,508
Running costs per head of population (£ per head)	**47**	**42**	**5**

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

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

5.2 Analysis of operating expenditure by expenditure classification	2012-13 £000	2011-12 £000
Purchase of Primary Health Care		
GMS / PMS/ APMS / PCTMS	17,965	17,931
Prescribing costs	17,692	18,671
Contractor led GDS & PDS	6,554	6,224
Trust led GDS & PDS	185	8
General Ophthalmic Services	1,323	1,246
Pharmaceutical services	452	488
New Pharmacy Contract	4,892	4,877
Non-GMS Services from GPs	738	713
Other	7,117	6,467
Total Primary Healthcare purchased	**56,918**	56,625
Purchase of Secondary Healthcare		
Learning Difficulties	7,542	6,936
Mental Illness	11,614	11,643
Maternity	5,503	5,401
General and Acute	82,186	80,399
Accident and emergency	2,950	2,992
Community Health Services	23,867	20,681
Other Contractual	4,903	4,608
Total Secondary Healthcare Purchased	**138,565**	132,660
Total Healthcare Purchased by PCT	**195,483**	**189,285**
Healthcare from NHS FTs included above	75,832	75,236

6. Operating Leases

In line with the provisions of IAS 17: Leases, Bassetlaw PCT has 11 operating lease arrangements in place for premises. As a whole these arrangements constitute £156,302 (2011/12 £131,193) of the expenditure detailed below

Bassetlaw PCT also undertakes operating lease obligations in relation to its lease car scheme for staff. This scheme constitutes £8,360 (2011/12 £9,733) of the expenditure detailed below.

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				**165**	141
Total				**165**	**141**
Payable:					
No later than one year	**0**	**118**	**6**	**124**	132
Between one and five years	**0**	**184**	**0**	**184**	245
After five years	**0**	**31**	**0**	**31**	43
Total	**0**	**333**	**6**	**339**	**420**

Bassetlaw PCT has also entered into financial arrangements for the use of vehicles by a number of staff all of whom pay a contribution to the costs incurred.

6.2 PCT as lessor

	2012-13 £000	2011-12 £000
Recognised as income		
Rental Revenue	**2,775**	2,182
Total	**2775**	2,182
Receivable:		
No later than one year	**2,775**	2,180
Between one and five years	**5,556**	3,009
After five years	**1,723**	166
Total	**10,054**	5,355

Under Transferring Community Services Bassetlaw PCT granted Nottinghamshire Healthcare NHS Trust (Bassetlaw Health Partnerships) on and from the Effective Date (1 November 2011), a non-exclusive, non-transferable licence to use any or all of the Licensed Assets which are required for the purpose of enabling the Trust to carry on the business of the PCT's former Provider Function with effect from the effective date for the duration of the commissioning contract (to March 2014).

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	**2,620**	2,503	117	**1,914**	1,799	115	**706**	704	2
Social security costs	**179**	174	5	**179**	174	5	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**226**	218	8	**226**	218	8	**0**	0	0
Termination benefits (see Explanatory Note)	**2**	0	2	**2**	0	2	**0**	0	0
Total employee benefits	**3,027**	**2,895**	**132**	**2,321**	**2,191**	**130**	**706**	**704**	**2**
Less recoveries in respect of employee benefits (table below)	**(212)**	(212)	0	**(212)**	**(212)**	**0**	**0**	**0**	**0**
Total - Net Employee Benefits including capitalised costs	**2,815**	**2,683**	**132**	**2,109**	**1,979**	**130**	**706**	**704**	**2**
Gross Employee Benefits excluding capitalised costs	**3,027**	**2,895**	**132**	**2,321**	**2,191**	**130**	**706**	**704**	**2**
Recognised as:									
Commissioning employee benefits	**3,027**			**2,321**			**706**		
Gross Employee Benefits excluding capitalised costs	**3,027**			**2,321**			**706**		

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	**175**	175	0	**175**	175	0	**0**	0	0
Social Security costs	**22**	22	0	**22**	22	0	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**15**	15	0	**15**	15	0	**0**	0	0
TOTAL excluding capitalised costs	**212**	**212**	**0**	**212**	**212**	**0**	**0**	**0**	**0**

Explanatory Note

Termination Benefits in this note are shown Net of a redundancy provision reversed unused (see Note 32), and differ to the disclosure in Note 7.4 Exit Packages which states Termination costs on a Gross basis.

	Total £000	Permanently employed £000	Other £000
Employee Benefits Gross Expenditure 2011-12			
Salaries and wages	**2,286**	2,016	270
Social security costs	**187**	187	0
Employer Contributions to NHS BSA - Pensions Division	**225**	225	0
Total gross employee benefits	**2,698**	**2,428**	**270**
Less recoveries in respect of employee benefits	**(153)**	(153)	0
Total - Net Employee Benefits including capitalised costs	**2,545**	**2,275**	**270**
Gross Employee Benefits excluding capitalised costs	**2,698**	**2,428**	**270**
Recognised as:			
Commissioning employee benefits	**2,698**		
Gross Employee Benefits excluding capitalised costs	**2,698**		

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						
Administration and estates	**55**	41	13	**52**	49	3
Nursing, midwifery and health visiting staff	**1**	1	0	**1**	0	1
Scientific, therapeutic and technical staff	**1**	1	0	**1**	1	0
Other	**1**	1	0	**0**	0	0
TOTAL	**57**	**44**	**13**	**54**	**50**	**4**
Of the above - staff engaged on capital projects	**0**	0	0	**0**	0	0

7.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	**526**	**3,167**
Total Staff Years	**95**	**365**
Average working Days Lost	6	9

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	**0**	2

	£000s	£000s
Total additional pensions liabilities accrued in the year	**0**	121

The staff sickness and absence figures for 2011/12 relate to the calendar year 2011. In addition both categories (staff sickness absence and ill health retirements) for 2011/12 include figures for the provider function subsequently transferred under Transforming Community Services.

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**
Less than £10,000	**0**	**2**	**2**	0	3	**3**
£10,001-£25,000	**0**	**3**	**3**	0	2	**2**
£25,001-£50,000	**0**	**0**	**0**	0	2	**2**
£50,001-£100,000	**1**	**0**	**1**	0	2	**2**
£100,001 - £150,000	**0**	**0**	**0**	0	3	**3**
£150,001 - £200,000	**0**	**0**	**0**	0	0	**0**
>£200,000	**0**	**0**	**0**	0	0	**0**
Total number of exit packages by type (total cost	**1**	**5**	**6**	**0**	**12**	**12**
	£	**£**	**£**	**£**	**£**	**£**
Total resource cost	77,700	55,986	**133,686**	0	713,000	**713,000**

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Redundancy and other departure costs have been paid in accordance with the provisions of Agenda for Change. Exit costs in this note are accounted for in full in the year of departure. 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.

The total number of other departures were agreed as part of a local Voluntary Redundancy sheme in both 2012/13 and 2011/12, and include in 2012/13 a proportionate share of those staff leaving the NHS across South Yorkshire and Bassetlaw as a consequence of the transition to the new NHS structure associated with the development of a Commissioning Support Unit.

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

7.5 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the 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 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 at 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, relevant FReM interpretations, and the discount rate prescribed by MH Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

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

c) Scheme provisions

The NHS Pension Scheme provides 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 Price 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	**5,977**	**27,283**	5,060	24,740
Total Non-NHS Trade Invoices Paid Within Target	**5,774**	**26,774**	4,905	24,076
Percentage of NHS Trade Invoices Paid Within Target	96.60%	98.13%	96.94%	97.32%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**2,227**	**143,917**	2,155	140,562
Total NHS Trade Invoices Paid Within Target	**2,140**	**142,783**	2,064	140,319
Percentage of NHS Trade Invoices Paid Within Target	96.09%	99.21%	95.78%	99.83%

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

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

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

9. Investment Income

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest Income				
LIFT: loan interest receivable	**52**	**0**	**52**	51
Subtotal	**52**	**0**	**52**	51
Total investment income	**52**	**0**	**52**	51

10. Other Gains and Losses

In 2012/13 Bassetlaw PCT had no other gains or losses (2011/12: nil).

11. Finance Costs

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000	2011-12 £000
Interest on obligations under LIFT contracts:				
- main finance cost	**1,634**	**0**	**1,634**	1,588
Total interest expense	**1,634**	**0**	**1,634**	**1,588**
Provisions - unwinding of discount	**12**	**0**	**12**	0
Total	**1,646**	**0**	**1,646**	**1,588**

12.1 Property, plant and equipment

2012-13	Land	Buildings excluding dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation:						
At 1 April 2012	**2,910**	**18,574**	**186**	**184**	**204**	**22,058**
Additions of Assets Under Construction						**0**
Additions Purchased	0	287	0	(38)	0	**249**
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	10	0	0	(10)	**0**
Reclassifications as Held for Sale	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	8	0	0	0	**8**
Impairments/negative indexation	(20)	(303)	0	0	0	**(323)**
Reversal of Impairments	0	0	0	0	0	**0**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	**0**
At 31 March 2013	**2,890**	**18,576**	**186**	**146**	**194**	**21,992**
Depreciation						
At 1 April 2012	**180**	**1,295**	**141**	**184**	**193**	**1,993**
Reclassifications	0	0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	**0**
Impairments	285	349	0	0	0	**634**
Reversal of Impairments	0	0	0	(38)	0	**(38)**
Charged During the Year	0	470	9	0	1	**480**
Transfers (to)/from Other Public Sector Bodies	0	0	0	0	0	**0**
At 31 March 2013	**465**	**2,114**	**150**	**146**	**194**	**3,069**
Net Book Value at 31 March 2013	**2,425**	**16,462**	**36**	**0**	**0**	**18,923**
Purchased	2,425	16,462	36	0	0	**18,923**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
Total at 31 March 2013	**2,425**	**16,462**	**36**	**0**	**0**	**18,923**
Asset financing:						
Owned	1,125	4,134	36	0	0	**5,295**
Held on finance lease	0	0	0	0	0	**0**
On-SOFP PFI contracts	1,300	12,328	0	0	0	**13,628**
PFI residual: interests	0	0	0	0	0	**0**
Total at 31 March 2013	**2,425**	**16,462**	**36**	**0**	**0**	**18,923**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	**62**	**1,535**	**0**	**0**	**0**	**1,597**
Movements (specify)	(20)	(295)	0	0	0	**(315)**
At 31 March 2013	**42**	**1,240**	**0**	**0**	**0**	**1,282**

12.2 Property, plant and equipment

2011-12	Land	Buildings excluding dwellings	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	**£000**
Cost or valuation:						
At 1 April 2011	**2,955**	**17,667**	**141**	**184**	**194**	**21,141**
Additions - purchased	0	156	45	0	10	**211**
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	751	0	0	0	**751**
Impairments	(45)	0	0	0	0	**(45)**
Reversals 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 revaluatio	0	0	0	0	0	**0**
At 31 March 2012	**2,910**	**18,574**	**186**	**184**	**204**	**22,058**
Depreciation						
At 1 April 2011	**0**	**1,941**	**141**	**184**	**192**	**2,458**
Reclassifications		0	0	0	0	**0**
Reclassifications as Held for Sale	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	**0**
Impairments	180	0	0	0	0	**180**
Reversal of Impairments	0	(1,104)	0	0	0	**(1,104)**
Charged During the Year	0	458	0	0	1	**459**
In-year transfers to/from NHS bodies	0	0	0	0	0	**0**
Cumulative dep netted off cost following revaluatio	0	0	0	0	0	**0**
At 31 March 2012	**180**	**1,295**	**141**	**184**	**193**	**1,993**
Net Book Value at 31 March 2012	**2,730**	**17,279**	**45**	**0**	**11**	**20,065**
Purchased	2,730	17,279	45	0	11	**20,065**
Donated	0	0	0	0	0	**0**
Government Granted	0	0	0	0	0	**0**
At 31 March 2012	**2,730**	**17,279**	**45**	**0**	**11**	**20,065**
Asset financing:						
Owned	1,295	4,395	45	0	11	**5,746**
Held on finance lease	0	0	0	0	0	**0**
On-SOFP PFI contracts	1,435	12,884	0	0	0	**14,319**
PFI residual: interests	0	0	0	0	0	**0**
At 31 March 2012	**2,730**	**17,279**	**45**	**0**	**11**	**20,065**

12.3 Property, plant and equipment

The PCT Building and Land assets are held at revalued amounts. The PCT estate is normally revalued every three years and an impairment review conducted annually.

For 2012/13 the assets held were subject to an impairment review with an effective date of 31 March 2013. The work was carried out by the District Valuer.

The Modern Equivalent Asset (MEA) revaluation methodology was applied for the valuation.

The valuations have been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 6th Edition.

The valuation of each property is on the basis of Market Value subject to the following:

The RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions:

a) the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation (effectively EUV) ; or
b) the Market Value on the assumption that the property is sold following a cessation of the existing operations (in effect the traditional understanding of Market Value).

The asset lives for each class of asset are:

Asset Type	Years
Buildings exc. Dwellings	4-68
Land	n/a
Furniture and Fittings	10
Plant and Machinery	5

Impairments

The PCT has not received any compensation from Third Parties in relation to assets impaired or given up.

As part of the revaluation exercise the PCT has recognised impairments during 2012/13

13 Intangible non-current assets

In 2012/13, Bassetlaw PCT held no intangible non-current assets (2011/12: nil).

14. Analysis of impairments and reversals recognised in

	2012-13 Total £000	2012-13 Admin £000	2012-13 Programme £000
Property, Plant and Equipment impairments and reversals taken to SoCNE			
Over-specification of assets	(38)	0	(38)
Total charged to Departmental Expenditure Limit	**(38)**	**0**	**(38)**
Changes in market price	634	0	634
Total charged to Annually Managed Expenditure	**634**	**0**	**634**
Total Impairments charged to Revaluation Reserve	323	0	323
Total Impairments charged to SoCNE - DEL	(38)	0	(38)
Total Impairments charged to SoCNE - AME	634	0	634
Overall Total Impairments	**919**	**0**	**919**

15 Investment property

In 2012/13, Bassetlaw PCT held no investment property (2011/12: nil).

16 Commitments

16.1 Capital commitments

Commitments under capital expenditure at the balance sheet date were £nil (2011/12: nil)

16.2 Other financial commitments

The trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), for the Integrated Community Equipment Scheme, the purchase of Healthcare with the Nations Independent Sector Treatment Centre, the purchase of non-emergency patient transport and the provision of Family Health Services from Shared Business Services.The payments to which the trust is committed are as follows:

	31 March 2013 £000	31 March 2012 £000
Not later than one year	**1,415**	1,470
Later than one year and not later than five year	**2,826**	4,233
Later than five years	**0**	0
Total	**4,241**	5,703

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	317	0	246	0
Balances with Local Authorities	0	0	355	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	555	0	782	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	566	0	8,642	0
At 31 March 2013	**1,438**	**0**	**10,025**	**0**
prior period:				
Balances with other Central Government Bodies	393	0	338	0
Balances with Local Authorities	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	498	0	1,316	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	413	0	8,712	0
At 31 March 2012	**1,304**	**0**	**10,366**	**0**

18 Inventories

In accordance with IAS 2: Inventories, Bassetlaw PCT held no inventory during 2012/13 (2011/12: nil)

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	**872**	823	**0**	0
Non-NHS receivables - revenue	**362**	210	**0**	0
Non-NHS prepayments and accrued income	**66**	185	**0**	0
Provision for the impairment of receivables	**0**	0	**0**	0
VAT	**127**	68	**0**	0
Other receivables	**11**	18	**0**	0
Total	**1,438**	1,304	**0**	0
Total current and non current	**1,438**	1,304		

19.2 Receivables past their due date but not impaired

	31 March 2013 £000	31 March 2012 £000
By up to three months	**4**	7
By three to six months	**8**	2
By more than six months	**5**	4
Total	**17**	13

19.3 Provision for impairment of receivables

In 2012/13, Bassetlaw PCT held no Provision for Impairment of receivables (2011/12: nil).

20 NHS LIFT investments

	Loan £000	Share capital £000	Total £000
Balance at 1 April 2012	**351**	**1**	**352**
Balance at 31 March 2013	**351**	**1**	**352**
Balance at 1 April 2011	351	1	352
Balance at 31 March 2012	**351**	**1**	**352**

21.1 Other financial assets - Current

In 2012/13, Bassetlaw PCT had no other current financial assets (2011/12: nil).

21.2 Other Financial Assets - Non Current

	31 March 2013 £000	31 March 2012 £000
Opening balance 1 April	**350**	351
Disposals	0	(1)
Total Other Financial Assets - Non Current	**350**	350

22 Other current assets

In 2012/13, Bassetlaw PCT had no other current assets (2011/12: nil).

23 Cash and Cash Equivalents

	31 March 2013 £000	31 March 2012 £000
Opening balance	**183**	18
Net change in year	**131**	165
Closing balance	**314**	183
Made up of		
Cash with Government Banking Service	**314**	183
Cash and cash equivalents as in statement of financial position	**314**	183
Cash and cash equivalents as in statement of cash flows	**314**	183

24 Non-current assets held for sale

In 2012/13, Bassetlaw PCT had no non-current assets held for sale (2011/12: nil).

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	**1,028**	1,606	0	0
Family Health Services (FHS) payables	**3,907**	4,371	0	0
Non-NHS payables - revenue	**306**	481	0	0
Non-NHS payables - capital	**132**	64	0	0
Non_NHS accruals and deferred income	**4,565**	3,757	0	0
Social security costs	**23**	1	0	0
VAT	**0**	44	0	0
Tax	**27**	4	0	0
Payments received on account	**0**	36	0	0
Other	37	2	0	0
Total	**10,025**	10,366	0	0
Total payables (current and non-current)	**10,025**	10,366	0	**0**

Other payables include £34,160 in respect of outstanding pensions contributions at 31 March 2013 (31 March 2012: £3,830).

26 Other liabilities

In 2012/13, Bassetlaw PCT had no other liabilities (2011/12: nil).

27 Borrowings

	Current		Non-current	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
LIFT liabilities:				
Main liability	**163**	201	**16,544**	16,706
Finance lease liabilities	**3**	4	**4**	3
Total	**166**	205	**16,548**	**16,709**
Total other liabilities (current and non-current)	**16,714**	16,914		

Borrowings/Loans - Payment of Principal Falling Due in:

	DH £000s	**Other £000s**	**Total £000s**
0 - 1 Years	0	166	**166**
1 - 2 Years	0	192	**192**
2 - 5 Years	0	599	**599**
Over 5 Years	0	15,757	**15,757**
TOTAL	**0**	16,714	**16,714**

28 Other financial liabilities

In 2012/13, Bassetlaw PCT had no other financial liabilities (2011/12: nil)

29 Deferred income

In 2012/13, Bassetlaw PCT did not defer any income (2011/12: nil)

30 Finance lease obligations

Under IFRS, Bassetlaw PCT has recognised a finance lease obligation in respect of the Nations independent Sector Treatment centre, Nottingham. The lease is over 5 years and will end on the 31 March 2014. At the end of the lease period the asset will be transferred back to Nottingham City PCT. Bassetlaw PCT does not have a purchase option at the end of the lease. The total future minimum lease payments are £8,111 which reconciles to the outstanding creditor of £7,411 and the future interest charges of £700.

In 2012/13, Bassetlaw PCT had no finance lease obligations in relation to leases for land or other (non building) assets (2011/12: nil).

Amounts payable under finance leases (Buildings)	**Minimum lease payments**		**Present value of minimum lease payments**	
	31 March 2013 £000	31 March 2012 £000	**31 March 2013 £000**	31 March 2012 £000
Within one year	**4**	4	**4**	4
Between one and five years	**3**	3	**3**	3
After five years	**0**	0	**0**	0
Present value of minimum lease payments	**7**	7	**7**	7
Included in:				
Current borrowings			**3**	4
Non-current borrowings			**4**	3
			7	7

31 Finance lease receivables as lessor

In 2012/13, Bassetlaw PCT had no finance lease receivables as lessor (2011/12: nil)

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	**2,194**	0	0	70	0	1,481	0	0	441	202
Arising During the Year	**5,058**	0	0	0	0	5,033	0	0	25	0
Utilised During the Year	**(255)**	0	0	(4)	0	(187)	0	0	(64)	0
Reversed Unused	**(268)**	0	0	(66)	0	0	0	0	0	(202)
Unwinding of Discount	**12**	0	0	0	0	0	0	0	12	0
Change in Discount Rate	**95**	0	0	0	0	0	0	0	95	0
Transferred (to)/from otherPublic Sector bodies	**0**	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	**6,836**	**0**	**0**	**0**	**0**	**6,327**	**0**	**0**	**509**	**0**
Expected Timing of Cash Flows:										
No Later than One Year	**2,165**	**0**	**0**	**0**	**0**	**2,113**	**0**	**0**	**52**	**0**
Later than One Year and not later than Five Years	**4,422**	**0**	**0**	**0**	**0**	**4,214**	**0**	**0**	**208**	**0**
Later than Five Years	**249**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**249**	**0**

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:	
As at 31 March 2013	1,122
As at 31 March 2012	1,499

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. Bassetlaw PCT received 233 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 £6.3m. The value above also includes an element for the estimated liability of £0.3m arising from the requirement of the PCT to cover the clinical and administrative time related to the process of assessing all the claims received in respect of CH eligibility.

The other provisions disclosed above is in respect of injury benefit payments to a dentist on the PCT's performers list.
The increase in provisions relates primarily to the continuing care provision detailed above.
The Redundancy Provision reversed unused relates to a former employee of the PCT who was seconded to another NHS organisation but still employed by the PCT. As the employee concerned has secured a new position from 1st April 2013

33 Contingencies

	31 March 2013 £000	31 March 2012 £000
Contingent liabilities		
Equal Pay	**0**	0
Other (see below)	**(9,537)**	0
Amounts Recoverable Against Contingent Liabilities	**0**	0
Net Value of Contingent Liabilities	**(9,537)**	0
Contingent Assets		
Contingent Assets	**0**	0
Net Value of Contingent Assets	**0**	0

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. Bassetlaw PCT received 233 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 £6.0m (excluding assessment costs). The estimated total value of the claims submitted is £22.2m, which has been reduced following initial screening to £15.5m. The difference between the liability should the remaining claims be successful and the sum provided in note 32 is £9.5m, which is disclosed above.

34 PFI and LIFT - additional information

34.1 Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI

In 2012/13, Bassetlaw PCT had no PFI schemes deemed to be either on-SOFP or off-SOFP (2011/12: nil)

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

Bassetlaw PCT has 2 lease plus arrangements with North Nottinghamshire LIFT Project Company (no.1) Limited. The lease plus contracts are for the provision of healthcare facilities. The lease plus contract payments are increased each year by applying the February RPI index. The contract payments are made on receipt of an invoice on a monthly basis. The lease plus contracts are for a 25 year period and terminate in 2030. The LIFT Co. are responsible for all hard FM services including the structure and fabric of the building, maintenance and grounds maintenance. During the last 6 months of the lease the PCT has the option to purchase the facilities at open market value as at the date the option is exercised. Bassetlaw PCT do not hold the right to renew the lease. There have been no changes to this arrangement in the accounting period.

The PCT has applied the provisions of IFRIC12, and the 2 assets have been treated as assets of the trust and the substance of the contract is that the PCT has a finance lease and payments comprise 2 elements - imputed finance lease charges and service charges.

	31 March 2013 £000	31 March 2012 £000
Total Charge to Operating Expenses in year - OFF SOFP LIFT	**0**	0
Service element of on SOFP LIFT charged to operating expenses in year	**325**	337
Total	**325**	337

	31 March 2013 £000	31 March 2012 £000
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.		
LIFT Scheme Expiry Date:		
No Later than One Year	**365**	321
Later than One Year, No Later than Five Years	**1,557**	1,496
Later than Five Years	**7,540**	7,852
Total	**9,462**	9,669

Imputed "finance lease" obligations for on SOFP LIFT Contracts due	**31 March 2013 £000**	31 March 2012 £000
No Later than One Year	**1,501**	1,553
Later than One Year, No Later than Five Years	**5,995**	6,002
Later than Five Years	**31,451**	32,945
Subtotal	**38,947**	40,500
Less: Interest Element	**(22,240)**	(23,593)
Total	**16,707**	16,907

35 Impact of IFRS treatment - 2012-13

	Total £000	Admin £000	Programme £000
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g LIFT/PFI)			
Depreciation charges	**301**	0	301
Interest Expense	**1,634**	0	1,634
Other Expenditure	**822**	0	822
Revenue Receivable from subleasing	**(1,491)**	0	(1,491)
Total IFRS Expenditure (IFRIC12)	**1,266**	**0**	**1,266**
Revenue consequences of LIFT/PFI schemes under UK GAAP / ESA95 (net of any sublease income)	**(1,309)**	0	(1,309)
Net IFRS change (IFRIC12)	**(43)**	**0**	**(43)**

Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12	
Capital expenditure 2012-13	0
UK GAAP capital expenditure 2012-13 (Reversionary Interest)	0

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

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

Credit Risk
Because the majority of the PCT"s income comes from funds voted by Parliament the PCT has low exposure to 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
Receivables - NHS	0	872	0	**872**
Receivables - non-NHS	0	362	0	**362**
Cash at bank and in hand	0	314	0	**314**
Other financial assets	0	11	0	**11**
Total at 31 March 2013	**0**	**1,559**	**0**	**1,559**
Receivables - NHS	0	462	0	462
Receivables - non-NHS	0	210	0	210
Cash at bank and in hand	0	183	0	183
Other financial assets	0	350	0	350
Total at 31 March 2012	0	1,205	0	1,205

36.2 Financial Liabilities	At 'fair value through profit and loss' £000	Other £000	Total £000
Embedded derivatives	0		**0**
NHS payables	0	1,028	**1,028**
Non-NHS payables	0	4,382	**4,382**
PFI & finance lease obligations		16,714	**16,714**
Other financial liabilities	0	50	**50**
Total at 31 March 2013	**0**	**22,174**	**22,174**
Embedded derivatives	0		0
NHS payables	0	1,557	1,557
Non-NHS payables	0	4,642	4,642
PFI & finance lease obligations	0	16,914	16,914
Other financial liabilities	0	44	44
Total at 31 March 2012	**0**	23,157	23,157

37 Related party transactions

Details of related party transactions with individuals are as follows:

	2012/13 Payments to Related Party £	2012/13 Receipts from Related Party £	2012/13 Amounts owed to Related Party £	2012/13 Amounts due from Related Party £	2011/12 Payments to Related Party £	2011/12 Receipts from Related Party £	2011/12 Amounts owed to Related Party £	2011/12 Amounts due from Related Party £
Mr David Liggins (Cluster Non-Executive Director & Vice Chair) has been an unpaid Non-Executive Director and Trustee of Bassetlaw Action Centre since 1 January 2012. Payments made by Bassetlaw PCT to Bassetlaw Action Centre relate to service contracts including stroke advice, community transport and long term conditions training.	90,662		1,003		94,005			
Mr Melvyn Morris (Cluster Non-Executive Director) is a Senior Partner of MAA Associates, who undertook a single tendered project on the cost effectiveness of the In-House Capital Design Team for Doncaster & Bassetlaw NHS Foundation Trust. Interest declared 12 March 2012. Payments to MAA by the Foundation Trust.					11,175			
Mr Michael Quigley (Non-Executive Director to 31 December 2012) also Chairman of Bassetlaw Hospice. Payments from the Hospice to Bassetlaw PCT for extension to the Palliative Care Outreach and Hospice at Home.		67,038				126,921		
Dr Phillip Foster (Medical Director of Bassetlaw PCT and (to 31 January 2013) the Cluster). Also Medical Director of Bassetlaw Hospice to January 2012. Payments by Hospice to PCT as above. Daughter is a Cancer Services Manager at The Rotherham NHS Foundation Trust, however there are no transactions in respect of this for which an interest needs to be declared.								

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

	2012/13 Payments to Related Party £000	2012/13 Receipts from Related Party £000	2012/13 Amounts owed to Related Party £000	2012/13 Amounts due from Related Party £000	2011/12 Payments to Related Party £000	2011/12 Receipts from Related Party £000	2011/12 Amounts owed to Related Party £000	2011/12 Amounts due from Related Party £000
Doncaster & Bassetlaw Hospitals NHS Foundation Trust	64,975	379	221	102	64,880	405	911	4
Nottinghamshire Healthcare NHS Trust	27,723	1,075	57	333	27,741	1,900	187	284
Barnsley Primary Care Trust	12,192	19	0	61	216	0	0	0
Sheffield Teaching Hospitals NHS Foundation Trust	7,577	0	206	0	7,528	0	0	41
East Midlands Ambulance Service NHS Trust	3,831	0	60	0	4,299	0	48	0
Leicester County & Rutland Primary Care Trust	2,499	136	172	14	12,315	137	0	174
Sheffield Chidren's Hospital NHS Foundation Trust	1,402	4	100	4	1,421	0	4	0
Sherwood Forest Hospitals NHS Foundation Trust	1,107	0	0	33	1,670	0	0	30
Nottinghamshire County Teaching Primary Care Trust	418	419	54	23	811	506	206	0

In addition, the PCT has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Nottinghamshire County Council and relate to the provision of care for continuing care patients, contribution to a pooled budget for the provision of community equipment and social care support.

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	4,831	4
Total losses	4,831	4
Total special payments	0	0
Total losses and special payments	4,831	4

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	1,250	6
Special payments - PCT management costs	10	1
Total losses	1,250	6
Total special payments	10	1
Total losses and special payments	1,260	7

39 Third party assets

In 2012/13, Bassetlaw PCT has no third party assets to report (2011/12: nil).

40 Integrated Community Equipment Service pooled budget

Under Section 31 of the Health Act 1999, Bassetlaw PCT has entered into a Pooled Budget arrangement with the partners set out below in respect of an Integrated Community Equipment Service (ICES). Nottinghamshire County Council is the host authority and has responsibility for its financial management. The details are set out below:

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

	2012-13 £000	2011-12 £000 (Restated)
Income		
Nottingham City Council	**949**	926
Nottinghamshire County Council	**1,737**	1,655
Nottingham City Care Trust	**1,478**	804
Nottinghamshire County Teaching Primary Care Trust	**2,993**	2,144
Bassetlaw Primary Care Trust	**497**	288
Other	**331**	0
	7,985	5,817
Expenditure		
Staffing	**0**	
Premises	**0**	
Travel/Transport	**0**	
Supplies and Services	**0**	
Third Party Payments	**0**	
Contract Management Fee	**1,076**	799
Partnership Management & Administrative Costs	**292**	328
ICES Equipment	**5,506**	4,106
Continuing Healthcare Speicialist Equipment	**225**	
Minor Adaptations	**634**	498
	7,733	5,731
Carried Forward	**252**	86

Categorisation of expenditure was amended in 2012/13 to aid understanding and analysis. The 2011/12 values have been restat
The balance is carried forward by the host authority, Nottinghamshire County Council.

41 Cashflows relating to exceptional items

In 2012/13, Bassetlaw PCT recorded no cashflows relating to exceptional items (2011/12: nil).

42 Events after the end of the reporting period

42.1 Arrangements for Successor Bodies

Transfer of functions as a result of PCT disestablishment

Following the introduction of the Health and Social Care Act 2012, Bassetlaw PCT will cease to exist from 1 April 2013. The main functions carried out by Bassetlaw PCT in 2012/13 are to be carried out in 2013/14 by the following public sector bodies:

NHS Bassetlaw Clinical Commissioning Group
- Commissioning of acute and community services
- GP Prescribing
- Other functions as advised by the NHS Commissioning Board

NHS England
- Commissioning of specialised services
- Commissioning of secondary dental health services
- Commissioning of core contract healthcare services from Primary Care Contractors
- Commissioning of certain public health services

Nottinghamshire County Council
- Commissioning of certain public health functions

Public Health England
- Commissioning of certain public health functions

NHS Property Services Ltd.
- Provision of estate management services on properties owned or leased by Bassetlaw PCT up to 31 March 2013
- Ownership of 3 freehold properties
- Management of 4 short term leasehold properties
- Management of 2 LIFT properties (transferred to CHP Ltd)

Transfer of assets as a result of PCT disestablishment

Following the introduction of the Health and Social Care Act 2012, Bassetlaw PCT will cease to exist from 1 April 2013. Certain assets have transferred to NHS Property Services Ltd. Community Health Partnerships Ltd and to Nottinghamshire Healthcare NHS Trust.

These were considered to be operational at 31 March 2013, and so have not been impaired in the PCT's books. It is for the successor bodies to consider whether, in 2013/14, it is necessary to review these for impairment.