

## **FOREWORD TO THE ACCOUNTS**

### **NHS ROTHERHAM CLINICAL COMMISSIONING GROUP**

The Clinical Commissioning Group was licenced from the 1 April 2013 under provisions enacted in the Health and Social Act 2012, which amended the National Health Service Act 2006.

These accounts for the year ended 31 March 2020 have been prepared by NHS Rotherham Clinical Commissioning Group under section 17 of schedule 1A of the National Health Service Act 2006 (as amended by the Health and Social Act 2012) in the form which the Secretary of State has, with the approval of the Treasury, directed.

The National Health Service Act 2006 (as amended by the Health and Social Act 2012) requires Clinical Commissioning Groups to prepare their Annual Accounts in accordance with directions issued by NHS England with approval of the Secretary of State.



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# STATEMENT OF COMPREHENSIVE NET EXPENDITURE

31 March 2020

	Note	2019-20 £'000	2018-19 £'000
Income from sale of goods and services	2	(223)	(215)
Other operating income	2	(3)	(3)
<b>Total operating income</b>		<b>(226)</b>	<b>(218)</b>
Staff costs	4	7,028	5,673
Purchase of goods and services	5	427,396	404,138
Depreciation and impairment charges	5	0	85
Provision expense	5	258	415
Other Operating Expenditure	5	436	450
<b>Total operating expenditure</b>		<b>435,118</b>	<b>410,761</b>
<b>Net Operating Expenditure</b>		<b>434,892</b>	<b>410,543</b>
<b>Total Net expenditure for the year</b>		<b>434,892</b>	<b>410,543</b>
<b>Comprehensive Expenditure for the year ended 31 March 2020</b>		<b>434,892</b>	<b>410,543</b>



# STATEMENT OF FINANCIAL POSITION

31 March 2020

		2019-20	2018-19
	Note	£'000	£'000
<b>Non-current assets:</b>	8	0	0
<b>Total non-current assets</b>		0	0
<b>Current assets:</b>			
Trade and other receivables	9	2,907	3,041
Cash and cash equivalents	10	21	24
<b>Total current assets</b>		2,928	3,065
<b>Total assets</b>		2,928	3,065
<b>Current liabilities</b>			
Trade and other payables	11	(30,585)	(27,343)
Provisions	12	(414)	(341)
<b>Total current liabilities</b>		(30,999)	(27,684)
<b>Total Assets less Current Liabilities</b>		(28,071)	(24,619)
<b>Non-current liabilities</b>			
Provisions	11	(900)	(788)
<b>Total non-current liabilities</b>		(900)	(788)
<b>Total Assets Employed</b>		(28,971)	(25,407)
<b>Financed by Taxpayers' Equity</b>			
General fund		(28,981)	(25,417)
Revaluation reserve		10	10
<b>Total taxpayers' equity:</b>		(28,971)	(25,407)

The notes on pages 5 to 21 form part of this statement

The financial statements on pages 1 to 4 were approved by the Governing Body on 17 June 2020 and signed on its behalf by:

Chief Officer

*[Signature]* 17/6/2020

## STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR THE YEAR ENDED

31 March 2020

	General fund £'000	Revaluation reserve £'000	Total reserves £'000
<b>Changes in taxpayers' equity for 2019-20</b>			
Balance as 1 April 2019	(25,417)	10	(25,407)
Adjusted NHS Clinical Commissioning Group balance at 31 March 2019	(25,417)	10	(25,407)
<b>Changes in NHS Clinical Commissioning Group taxpayers' equity for 2019-20</b>			
Net operating expenditure for the financial year	(434,892)	0	(434,892)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(434,892)	0	(434,892)
Net funding	431,328	0	431,328
Balance at 31 March 2020	(28,981)	10	(28,971)
	General fund £'000	Revaluation reserve £'000	Total reserves £'000
<b>Changes in taxpayers' equity for 2018-19</b>			
Balance as 1 April 2018	(25,717)	10	(25,707)
Impact of applying IFRS 9 to Opening Balances	(12)	0	(12)
Net operating costs for the financial year	(25,729)	10	(25,719)
<b>Changes in NHS Clinical Commissioning Group taxpayers' equity for 2019-20</b>			
Net operating expenditure for the financial year	(410,543)	0	(410,543)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(410,543)	0	(410,543)
Net funding	410,855	0	410,855
Balance at 31 March 2019	(25,417)	10	(25,407)

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED

31 March 2020

	Note	2019-20 £'000	2018-19 £'000
<b>Cash Flows from Operating Activities</b>			
Net operating expenditure for the financial year		(434,892)	(410,543)
Depreciation and amortisation	5	0	85
Non-cash movements arising on application of new accounting standards		0	(12)
Finance Costs		0	8
(Increase)/decrease in trade & other receivables	9	134	(405)
Increase/(decrease) in trade & other payables	11	3,327	(245)
Provisions utilised	12	(72)	(152)
Increase/(decrease) in provisions	12	258	408
<b>Net Cash Inflow (Outflow) from Operating Activities</b>		<b>(431,245)</b>	<b>(410,856)</b>
<b>Cash Flows from Investing Activities</b>			
(Payments) for property, plant and equipment		(85)	0
<b>Net Cash Inflow (Outflow) from Investing Activities</b>		<b>(85)</b>	<b>0</b>
<b>Net Cash Inflow (Outflow) before Financing</b>		<b>(431,330)</b>	<b>(410,856)</b>
Grant in Aid Funding Received		431,327	410,855
<b>Net Cash Inflow (Outflow) from Financing Activities</b>		<b>431,327</b>	<b>410,855</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	10	<b>(3)</b>	<b>(1)</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Financial Year</b>		<b>24</b>	<b>25</b>
<b>Cash &amp; Cash Equivalents (including bank overdrafts) at the End of the Financial Year</b>		<b>21</b>	<b>24</b>

The notes on pages 5 to 21 form part of this statement

**Notes to the financial statements.**

**Note 1. Accounting Policies**

NHS England/ has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the Group Accounting Manual issued by the Department of Health and Social Care. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 2019-20 issued by the Department of Health and Social Care. The accounting policies contained in the Group Accounting Manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Group Accounting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

**Note 1.1. Going Concern**

These accounts have been prepared on a going concern basis.

Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

Where a clinical commissioning group ceases to exist, it considers whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern for the final set of financial statements. If services will continue to be provided the financial statements are prepared on the going concern basis.

In 2020/21, in response to the Covid-19 pandemic, all detailed financial planning was suspended and the requirement for CCGs to agree annual contracts with providers was removed. Instead, all CCGs are currently making regular 'block' payments to NHS providers in line with guidance. This mechanism is currently confirmed to the end of July 2020.

The Government has issued a mandate to NHS England for the continued provision of services in England in 2020/21 and CCG allocations have been set for the remainder of 2020/21. While these allocations may be subject to minor revision as a result of the COVID-19 financial framework, the guidance has been clarified to inform CCGs that they will be provided with sufficient funding for the year. DHSC guidance confirms that it is reasonable to assume funding will continue to flow on the same basis for 2021/22.

Based on this position, the CCG believes that it remains appropriate to prepare the accounts on a going concern basis.

**Note 1.2. Accounting Convention**

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.

**Note 1.3. Pooled Budgets**

The clinical commissioning group has entered into a pooled budget arrangement with Rotherham Metropolitan Borough Council (RMBC). See note 17 (page 19). Under the arrangement, funds are pooled under section 75 of the National Health Service Act 2006, a memorandum note to the accounts provides detail of contributions to the pools as well as values commissioned from the pools.

The clinical commissioning group accounts for its share of assets, liabilities, income and expenditure of the pools as determined by the pooled budget agreement.

**Note 1.4. Revenue**

In the application of IFRS 15 a number of practical expedients offered in the standard have been employed. These are as follows;

- As per paragraph 121 of the standard the clinical commissioning group will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- The clinical commissioning group is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the standard that requires the clinical commissioning group to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of funding for the clinical commissioning group is from NHS England. This is drawn down and credited to the general fund. Funding is recognised in the period in which it is received.

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

The value of the benefit received when the clinical commissioning group accesses funds from the government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for government grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

**Note 1.5. Employee Benefits**

**Note 1.5.1 Short-term Employee Benefits**

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including bonuses earned but not yet taken.

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.

**Note 1.5.2 Retirement Benefit Costs**

Past and present employees are covered by the provisions of the NHS pensions schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are 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 schemes are accounted for as though they were defined contribution schemes: the cost to the clinical commissioning group of participating in a 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 clinical commissioning group commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

**Note 1.6. 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.



**Notes to the financial statements continued:**

**Note 1.7. Property, Plant & Equipment**

**Note 1.7.1 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 clinical commissioning group;
- 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 a 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.

**Note 1.7.2 Measurement**

All property, plant and equipment is 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.

**Note 1.7.3 Depreciation, Amortisation & Impairments**

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 clinical commissioning group expects to obtain economic benefits or service potential from the asset. This is specific to the clinical commissioning group 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.

**Note 1.8. 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.

**Note 1.9. Cash & 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 clinical commissioning group's cash management. Cash, bank and overdraft balances are recorded at current value.

**Note 1.10. Provisions**

Provisions are recognised when the clinical commissioning group has a present legal or constructive obligation as a result of a past event, it is probable that the clinical commissioning group 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 as follows:

- A nominal short-term rate of 0.51% (2018-19: 0.76%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 0.55% (2018-19: 1.14%) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.
- A nominal long-term rate of 1.99% (2018-19: 1.99%) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.
- A nominal very long-term rate of 1.99% (2018-19: 1.99%) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.

**Note 1.11. Contingent liabilities**

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 clinical commissioning group, 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.

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

**Note 1.12. Financial Assets**

Financial assets are recognised when the clinical commissioning group 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 classified into the following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income and ;
- Financial assets at fair value through profit and loss.

The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

**Notes to the financial statements continued:**

**Note 1.12.1 Financial Assets at Amortised cost**

Financial assets measured at amortised cost are those held within a business model whose objective is achieved by collecting contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables and other simple debt instruments. After initial recognition these financial assets are measured at amortised cost using the effective interest method less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

**Note 1.12.2. Impairment**

For all financial assets measured at amortised cost through other comprehensive income, the clinical commissioning group recognises a loss allowance representing the expected credit losses on the financial asset.

The clinical commissioning group adopts the simplified approach to impairment in accordance with IFRS 9, and measures the loss allowance for trade receivables, lease receivables and contract assets at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2) and otherwise at an amount equal to 12 month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds and Exchequer Funds assets where repayment is ensured by primary legislation. The clinical commissioning group therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's lengths bodies and NHS bodies and the clinical commissioning group does not recognise allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

**Note 1.13. Financial Liabilities**

Financial liabilities are recognised on the statement of financial position when the clinical commissioning group 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 de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

**Note 1.14. Value Added Tax**

Most of the activities of the clinical commissioning group are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**Note 1.15. Losses & 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 that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the clinical commissioning group not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

**Note 1.16. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the clinical commissioning group 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 and 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.



**Notes to the financial statements continued:**

**Note 1.16.1 Critical accounting judgements in applying accounting policies**

The following are the judgements, apart from those involving estimations, that management has made in the process of applying the clinical commissioning group accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Operating lease commitments - the clinical commissioning group has in substance a property lease arrangement with NHS Property Services Ltd relating to the headquarters site. As it has been determined that the clinical commissioning group has not obtained substantially all the risk and rewards of ownership of this property, the lease has been classified as an operating lease and accounted for accordingly.

**Note 1.16.2 Key Sources of Estimation Uncertainty**

The following are the key estimations that management has made in the process of applying the clinical commissioning group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

The clinical commissioning group has included certain accruals within the financial statements which are estimates. The key accruals being healthcare contracts, continuing healthcare and prescribing for which the basis of the estimation of the accruals was approved by the Chief Finance Officer.

**Note 1.17. Clinical Negligence Costs**

NHS Resolution (previously NHS Litigation Authority) operates a risk pooling scheme under which the clinical commissioning group pays an annual contribution to the NHS Litigation Authority which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the clinical commissioning group.

**Note 1.18. Non-clinical Risk Pooling**

The clinical commissioning group participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the clinical commissioning group pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

**Note 1.19. Operating Segments**

Income and expenditure are analysed in the operating segments note (note 16, page 19) and are reported in line with management information used within the clinical commissioning group.

**Note 1.20. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted**

The Department of Health and Social Care GAM does not require the following IFRS Standards and Interpretations to be applied in 2019-20. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 now being deferred for implementation until 2021-22, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases - The CCG has commenced the assessment of the application of IFRS 16 to its financial statements. This commenced with work to identify leases which are currently operating leases and should be reclassified as finance leases as well as a broader review of recurring expenditure streams where right to use assets may be embedded in contracting arrangements. The work had progressed to March 2020, when a national decision to defer the implementation of IFRS16 in the NHS to the 1st April 2021 was taken due to the COVID19 pandemic. The work to identify the impact of this standard is expected to recommence in Autumn 2020.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income tax treatments – Application required for accounting periods beginning on or after 1 January 2019.

**Note 2. Other Operating Revenue**

	2019-20 Total £'000	2019-20 Admin £'000	2019-20 Programme £'000	2018-19 Total £'000
<b>Income from sale of goods and services (contracts)</b>				
Non-patient care services to other bodies	23	23	0	22
Other Contract income	6	0	6	6
Recoveries in respect of employee benefits	194	108	86	187
<b>Total Income from sale of goods and services</b>	<b>223</b>	<b>131</b>	<b>92</b>	<b>215</b>
<b>Other operating income</b>				
Non cash apprenticeship training grants revenue	3	3	0	3
<b>Total Other operating income</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total Operating Income</b>	<b>226</b>	<b>134</b>	<b>92</b>	<b>218</b>

Revenue in this note does not include cash received from NHS England for Healthcare and other service contracts, this is drawn down directly into the bank account of the CCG and credited to the General Fund.

**Note 3. Disaggregation of Income - Income from sale of good and services (contracts)**

	2019-20 Total £'000	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000	2018-19 Total £'000
<b>Source of Revenue</b>					
NHS	130	23	0	107	129
Non NHS	93	0	6	87	86
<b>Total</b>	<b>223</b>	<b>23</b>	<b>6</b>	<b>194</b>	<b>215</b>
<b>Timing of Revenue</b>					
Point in time	0	0	0	0	0
Over time	223	23	6	194	215
<b>Total</b>	<b>223</b>	<b>23</b>	<b>6</b>	<b>194</b>	<b>215</b>

**Note 4. Employee benefits and staff numbers****Note 4.1.1 Employee benefits**

	2019-20			2018-19		
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000
<b>Employee Benefits</b>						
Salaries and wages	5,831	4,074	1,757	4,724	3,787	937
Social security costs	418	418	0	410	410	0
Employer Contributions to NHS Pension scheme	771	771	0	532	532	0
Apprenticeship Levy	8	8	0	7	7	0
<b>Gross employee benefits expenditure</b>	<b>7,028</b>	<b>5,271</b>	<b>1,757</b>	<b>5,673</b>	<b>4,736</b>	<b>937</b>
Less recoveries in respect of employee benefits (note 4.1.2)	(194)	(194)	0	(187)	(187)	0
<b>Total - Net admin employee benefits including capitalised costs</b>	<b>6,834</b>	<b>5,077</b>	<b>1,757</b>	<b>5,486</b>	<b>4,549</b>	<b>937</b>
Less: Employee costs capitalised	0	0	0	0	0	0
<b>Net employee benefits excluding capitalised costs</b>	<b>6,834</b>	<b>5,077</b>	<b>1,757</b>	<b>5,486</b>	<b>4,549</b>	<b>937</b>

**Note 4.1.2 Recoveries in respect of employee benefits**

	2019-20			2018-19		
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000
<b>Employee Benefits - Revenue</b>						
Salaries and wages	(156)	(156)	0	(149)		
Social security costs	(16)	(16)	0	(17)		
Employer contributions to the NHS Pension Scheme	(22)	(22)	0	(21)		
<b>Total recoveries in respect of employee benefits</b>	<b>(194)</b>	<b>(194)</b>	<b>0</b>	<b>(187)</b>		

**Note 4.2 Average number of people employed**

	2019-20			2018-19		
	Total Number	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number
<b>Total</b>	<b>113</b>	<b>87</b>	<b>26</b>	<b>104</b>	<b>86</b>	<b>18</b>

Of the figure above, number of whole time equivalents people engaged on capital projects was nil (2018-19, 0)

**Note 4.2.1. Exit packages agreed in the financial year**

The clinical commissioning group had no exit packages agreed in 2019-20 and 2018-19.

#### **Note 4.3 Pension costs**

Past and present employees are covered by the provisions of the two NHS pension schemes. Details of the benefits payable and rules of the schemes can be found on the NHS pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are 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, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

##### **Note 4.4.1 Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS pension scheme accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from the stationery office.

##### **Note 4.4.2 Full actuarial (funding) valuation**

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

The latest actuarial valuation undertaken for the NHS pension scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the scheme regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the court of appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

The employer contribution rate for NHS Pensions increased from 14.38% to 20.68% (including 0.08% pension levy) from 1st April 2019. For 2019-20, employers' contributions of £530,144 (£508,777 excluding staffing recharges) (2018-19: £531,802 excluding staffing recharges £510,856) were payable to the NHS Pensions Scheme by the CCG at the former rate of 14.38% of pensionable pay. The balance to the 20.68% actual rate for 2019-20 was paid by NHS England on the CCG's behalf. The full cost and related funding of £240,957 has been recognised in these accounts

**Note 5. Operating expenses**

	2019-20 Admin £'000	2019-20 Programme £'000	2019-20 Total £'000	2018-19 Total £'000
<b>Purchase of goods and services</b>				
Services from other CCGs and NHS England	104	727	831	565
Services from foundation trusts	0	260,258	260,258	250,229
Services from other NHS trusts	0	12,578	12,578	11,475
Purchase of healthcare from non-NHS bodies	0	51,858	51,858	45,268
Purchase of social care	0	6,332	6,332	6,318
Prescribing costs	0	47,495	47,495	45,544
General Ophthalmic services	0	10	10	12
GPMS/APMS and PCTMS	0	42,222	42,222	38,889
Supplies and services – clinical	0	4	4	59
Supplies and services – general	252	868	1,120	549
Consultancy services	17	0	17	50
Establishment	379	1,594	1,973	1,699
Transport	0	667	667	604
Premises	229	1,318	1,547	2,098
Audit fees	44	0	44	44
Other non statutory audit expenditure				
Other services *	4	0	4	13
Other professional fees	338	0	338	542
Legal fees	35	16	51	40
Education, training and conferences	30	14	44	141
Non cash apprenticeship training grants	3	0	3	3
<b>Total Purchase of goods and services</b>	<b>1,435</b>	<b>425,961</b>	<b>427,396</b>	<b>404,141</b>
<b>Depreciation and impairment charges</b>				
Depreciation	0	0	0	85
<b>Total Depreciation and impairment charges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85</b>
<b>Provision expense</b>				
Change in discount rate	0	0	0	8
Provisions	0	258	258	407
<b>Total Provision expense</b>	<b>0</b>	<b>258</b>	<b>258</b>	<b>415</b>
<b>Other Operating Expenditure</b>				
Chair and Non Executive Members	266	164	430	452
Clinical negligence	5	0	5	6
Expected credit loss on receivables	0	0	0	(11)
Other expenditure	0	1	1	0
<b>Total Other Operating Expenditure</b>	<b>271</b>	<b>165</b>	<b>436</b>	<b>447</b>
<b>Total operating expenditure</b>	<b>1,706</b>	<b>426,384</b>	<b>428,090</b>	<b>405,088</b>

Admin expenditure is expenditure incurred that is not a direct payment for the provision of healthcare services.

\* For 2019-20 Other Audit services represents review costs in relation to the Mental Health Investment standard. The value relates to £4K for the completion of the 2018-19 review

Auditor liability - The total aggregate liability of KPMG is limited per the contract to £2.0m for all defaults, claims, losses or damages where arising from breach of contract, misrepresentation, tort, breach of statutory duty or otherwise.



# Note 6.1 Better Payment Practice Code

Measure of compliance	2019-20 Number	2019-20 £'000	2018-19 Number	2018-19 £'000
<b>Non-NHS Payables</b>				
Total Non-NHS Trade invoices paid in the Year	20,193	108,205	19,891	99,492
Total Non-NHS Trade Invoices paid within target	20,191	107,854	19,890	99,442
<b>Percentage of Non-NHS Trade invoices paid within target</b>	<b>99.99%</b>	<b>99.68%</b>	<b>99.99%</b>	<b>99.95%</b>
<b>NHS Payables</b>				
Total NHS Trade Invoices Paid in the Year	2,711	277,609	2,815	266,916
Total NHS Trade Invoices Paid within target	2,711	277,609	2,814	266,916
<b>Percentage of NHS Trade Invoices paid within target</b>	<b>100.00%</b>	<b>100.00%</b>	<b>99.96%</b>	<b>100.00%</b>

The Better Payment Practice Code requires the clinical commissioning group to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. The target has been set at 95% for all of the above criteria and has been achieved.

# Note 6.2 The Late Payment of Commercial Debts (Interest) Act 1998

The clinical commissioning group did not incur any costs associated with the Late Payment of Commercial Debts (Interest) Act 1998 in 2019-20 and 2018-19.

# Note 7. Operating Leases

The clinical commissioning group has in substance a property lease arrangement with NHS Property Services Ltd relating to the headquarters site at Oak House. As it has been determined that the clinical commissioning group has not obtained substantially all the risks and rewards of the ownership of this property, the lease has been classified as an operating lease and accounted for accordingly.

## Note 7.1. Payments recognised as an Expense

	Buildings £'000	2019-20 Other £'000	Total £'000	Buildings £'000	2018-19 Other £'000	Total £'000
<b>Payments recognised as an expense</b>						
Minimum lease payments	117	2	119	2,027	1	2,028
<b>Total</b>	<b>117</b>	<b>2</b>	<b>119</b>	<b>2,027</b>	<b>1</b>	<b>2,028</b>

The amount paid to NHS Property Services Ltd in this financial year relating to the occupancy of Oak House (the CCG's Headquarters) was £117,074. As in previous years further payments have been made in relation to void space and subsidy costs for health centres and community housing that were transferred to the lessor on the abolition of the PCT. However, in readiness for the implementation of IFRS 16 in 2021-22, these costs have been deemed to not meet the definition of a right to use asset and for the purpose of this note are now

The costs recognised in Other, relate to photocopier leases held by the CCG.

## Note 7.2. As lessor

The clinical commissioning group was not a lessor in 2019-20 and 2018-19.

## Note 7.3. Rental revenue

The clinical commissioning group had no rental revenue in 2019-20 and 2018-19.

## Note 7.4. Future minimum rental value

The clinical commissioning group had no future minimum rental values for 2019-20 and 2018-19.



# Note 8. Property, plant and equipment

## 2019-20

Cost or valuation at 1 April 2019

Cost/Valuation at 31 March 2020

Depreciation 1 April 2019

Depreciation at 31 March 2020

Net Book Value at 31 March 2020

Information technology £'000	Furniture & fittings £'000	Total £'000
187	4	191
<b>187</b>	<b>4</b>	<b>191</b>
187	4	191
<b>187</b>	<b>4</b>	<b>191</b>
<b>0</b>	<b>0</b>	<b>0</b>

Revaluation Reserve Balance for Property, Plant & Equipment

Balance at 1 April 2019

Balance at 31 March 2020

Information technology £'000	Total £'000
10	10
<b>10</b>	<b>10</b>

## Note 8.1 Cost or valuation of fully depreciated assets

The cost or valuation of fully depreciated assets still in use was as follows:

Information technology

Furniture & fittings

Total

2019-20 £'000	2018-19 £'000
383	383
<b>11</b>	<b>11</b>
<b>394</b>	<b>394</b>

## Note 8.2 Economic lives

Information technology

Minimum Life (years)	Maximum Life (Years)
2	10

**Note 9. Trade and other receivables**

	Current 2019-20 £'000	Non-current 2019-20 £'000	Current 2018-19 £'000	Non-current 2018-19 £'000
NHS receivables: Revenue	120	0	219	0
NHS prepayments	1,408	0	1,308	0
NHS accrued income	16	0	52	0
NHS Contract Receivable not yet invoiced/non-invoice	8	0	424	0
NHS Non Contract trade receivable (i.e pass through funding)	841	0	685	0
Non-NHS and Other WGA receivables: Revenue	4	0	22	0
Non-NHS and Other WGA prepayments	108	0	177	0
Non-NHS and Other WGA Contract Receivable not yet invoiced/non-invoice	162	0	45	0
Non-NHS and Other WGA Non Contract trade receivable (i.e pass through funding)	93	0	85	0
Expected credit loss allowance-receivables	(1)	0	(1)	0
VAT	148	0	24	0
Other receivables and accruals	0	0	1	0
<b>Total Trade &amp; other receivables</b>	<b>2,907</b>	<b>0</b>	<b>3,041</b>	<b>0</b>
<b>Total current and non current</b>	<b>2,907</b>		<b>3,041</b>	
Included above:				
Prepaid pensions contributions	0		0	

**Not 9.2 Receivables past their due date but not impaired**

	2019-20 DHSC Group Bodies £'000	2019-20 Non DHSC Group Bodies £'000	2018-19 DHSC Group Bodies £'000	2018-19 Non DHSC Group Bodies £'000
By up to three months	332	44	546	45
By three to six months	0	0	0	0
By more than six months	0	0	0	0
<b>Total</b>	<b>332</b>	<b>44</b>	<b>546</b>	<b>45</b>

£16k of the amount above has subsequently been recovered post the statement of financial position date.

The clinical commissioning group did not hold any collateral against receivables outstanding at 31 March 2020.

**Note 9.3 Loss allowance on asset classes**

	Trade and other receivables - Non DHSC Group Bodies £'000	Other financial assets £'000	Total £'000
Balance at 1 April 2019	(1)	0	(1)
Financial assets that have been derecognised	0	0	0
<b>Balance at 31 March 2020</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>

**Note 10. Cash and cash equivalents**

	2019-20 £'000	2018-19 £'000
Balance at 1 April 2019	24	25
Net change in year	(3)	(1)
Balance at 31 March 2020	21	24
Made up of:		
Cash with the Government Banking Service	21	24
Cash and cash equivalents as in statement of financial position	21	24
Balance at 31 March 2020	21	24

No Patients' money held by the clinical commissioning group.

**Note 11. Trade and other payables**

	Current 2019-20 £'000	Non-current 2019-20 £'000	Current 2018-19 £'000	Non-current 2018-19 £'000
NHS payables: Revenue	2,580	0	1,914	0
NHS payables: Capital	0	0	85	0
NHS accruals	2,831	0	3,829	0
Non-NHS and Other WGA payables: Revenue	4,935	0	4,095	0
Non-NHS and Other WGA accruals	19,692	0	16,831	0
Social security costs	71	0	67	0
Tax	62	0	74	0
Other payables and accruals	414	0	448	0
<b>Total Trade &amp; Other Payables</b>	<b>30,585</b>	<b>0</b>	<b>27,343</b>	<b>0</b>
<b>Total current and non-current</b>	<b>30,585</b>		<b>27,343</b>	

Included in payables are no liabilities due in future years under arrangements to buy out the liability for early retirement over 5 years.

Other payables include £339,005 outstanding pension contributions as at 31 March 2020 (2018-19 - £342,592), within this amount £259,330 relates to GP pensions that the clinical commissioning group now collects and pays over to the NHS Pensions Agency on behalf of the GP's.

**Note 12. Provisions**

	Current 2019-20 £'000	Non-current 2019-20 £'000	Current 2018-19 £'000	Non-current 2018-19 £'000
Continuing care	414	900	341	788
<b>Total</b>	<b>414</b>	<b>900</b>	<b>341</b>	<b>788</b>
<b>Total current and non-current</b>	<b>1,314</b>		<b>1,129</b>	

	Continuing Care £'000	Total £'000
Balance at 1 April 2019	1,128	1,128
Arising during the year	821	821
Utilised during the year	(72)	(72)
Reversed unused	(563)	(563)
Balance at 31 March 2020	1,314	1,314
Expected timing of cash flows:		
Within one year	414	414
Between one and five years	900	900
Balance at 31 March 2020	1,314	1,314

**Note 12. Provisions (Continued).****Continuing Care**

Following the refresh and updating of the previous guidance for "retrospective continuing care funding and redress", issued in March 2007, the clinical commissioning group has identified a number of claims that are currently held by the continuing care assessment team where eligibility criteria is being challenged and financial redress being requested. These claims vary in length of time and financial value.

A methodology has been established for estimating the level of likely financial liability arising from the claims submitted. This provides the basis of the provision included in these accounts of £1,110k (2018-19 - £987k)

During the financial year a number of new clients awaiting assessment for continuing health packages of care have been recognised, the likely financial liability has been calculated at £204k (2018-19 - £142k).

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before establishment of the clinical commissioning group. However, the legal liability remains with the clinical commissioning group. The total value of NHS Continuing Healthcare provisions accounted for by NHS England and on behalf of this clinical commissioning group at 31 March 2020 was £626k. (2018-19 - £36k) under this arrangement

**Note 13. Contingencies**

	2019-20 £'000	2018-19 £'000
<b>Contingent liabilities</b>		
Continuing Healthcare	189	444
<b>Net value of contingent liabilities</b>	<b>189</b>	<b>444</b>

**Continuing healthcare new retrospective claims:** (£189k) The clinical commissioning group has recognised a number of claims as a provision in its accounts due to the likelihood of success in financial redress being made (Note 12 Page 16). The remaining claims which are unlikely to materialise in terms of financial redress and that are more uncertain in terms of length of claim have been deemed to be a contingent liability. Whilst no cost has been applied to the operating cost statement of the clinical commissioning group (Page 12), a value has been recognised in this note.

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before the establishment of the CCG. However, the legal liability remains with the CCG. All claims have now reached an eligibility decision, however as a number of these have been appealed a contingency has been provided for by NHS England on behalf of the CCG. The value of this contingency is £1,262k (2018-19 £1,234k).

**Contingent assets**

The clinical commissioning group had no contingent assets as at 31 March 2020 and as at 31 March 2019.

**Note 14. Commitments****Note 14.1. Capital commitments**

There are no capital commitments for the clinical commissioning group as at 31 March 2020.

**Note 15. Financial instruments****Note 15.1. 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.

Because the clinical commissioning group is financed through parliamentary funding, it is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The clinical commissioning group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the clinical commissioning group in undertaking its activities.

Treasury management operations are carried out by the finance department, within parameters defined formally within the clinical commissioning group standing financial instructions and policies agreed by the Governing Body. Treasury activity is subject to review by the clinical commissioning group and internal auditors.

**Note 15.1.1 Currency risk**

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

**Note 15.1.2 Interest rate risk**

The clinical commissioning group borrows from government for capital expenditure, subject to affordability as confirmed by NHS England. The borrowings are for 1 to 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The clinical commissioning group therefore has low exposure to interest rate fluctuations.

**Note 15.1.3. Credit risk**

Because the majority of the clinical commissioning group and revenue comes parliamentary funding, the clinical commissioning group has low exposure to credit risk. The maximum exposure as at the end of the financial year are in receivables from customers, as disclosed in the trade and other receivables note.

**Note 15.1.4. Liquidity risk**

The clinical commissioning group is required to operate within revenue and capital resource limits, which are financed from resources voted annually by Parliament. The clinical commissioning group draws down cash to cover expenditure, as the need arises. The clinical commissioning group is not, therefore, exposed to significant liquidity risks.

**Note 15.2 Financial Instruments**

As the cash requirements of NHS England are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NHS England's expected purchase and usage requirements and NHS England is therefore exposed to little credit, liquidity or market risk.

**Note 15.2.1 Financial assets**

	Financial Assets measured at amortised cost 2019-20 £'000	Total 2019-20 £'000
Trade and other receivables with other DHSC group bodies	985	985
Trade and other receivables with external bodies	259	259
Cash and cash equivalents	21	21
<b>Total at 31 March 2020</b>	<b>1,265</b>	<b>1,265</b>



**Note 15.3. Financial liabilities**

	Financial Liabilities measured at 2019-20 £'000	Total 2019-20 £'000
Trade and other payables with NHSE bodies	466	466
Trade and other payables with other DHSC group bodies	16,308	16,308
Trade and other payables with external bodies	13,677	13,677
<b>Total at 31 March 2020</b>	<b>30,451</b>	<b>30,451</b>

**Note 15.4 Maturity of financial liabilities**

The clinical commissioning group has a financial liability of £30,451k as at 31 March 2020 (31 March 2019 - £27,202k). All of this liability will be settled within the financial year ended 31 March 2020.

**Note 15.5 Maturity of financial liabilities**

The clinical commissioning group does not have any significant exposure to credit risk as at 31 March 2020.

**Note 16. Operating segments**

The clinical commissioning group considers that it has only one segment in terms of operating segments: commissioning of healthcare services.

	2019-20 £'000	2018-19 £'000
Total Gross Expenditure (as per Statement of Comprehensive Net Expenditure, page 1)	435,118	410,761
Total Gross Income (as per Statement of Comprehensive Net Expenditure, page 1)	(226)	(218)
<b>Total Net Expenditure as at 31 March</b>	<b>434,892</b>	<b>410,543</b>
Total Assets (as per Statement of Financial Position, page 2)	2,928	3,065
Total Liabilities (as per Statement of Financial Position, page 2)	(31,899)	(28,472)
<b>Total Net Assets as at 31 March</b>	<b>(28,971)</b>	<b>(25,407)</b>

During the year, the clinical commissioning group spent £430,463k on the commissioning of healthcare and other services, this represents 97% of the clinical commissioning group's total available resource. 49.19% of our resources were transacted with the clinical commissioning group's two main local providers: £185,854k (41.89%) to The Rotherham Hospitals NHS Foundation Trust, and £32,395k (7.3%) to Rotherham, Doncaster and South Humber NHS Foundation Trust.

**Note 17. Joint arrangements**

The clinical commissioning group has entered into a pooled budget arrangement with Rotherham Metropolitan Borough Council (RMBC), under section 75 of the Health Act 2006. The clinical commissioning group and Rotherham Metropolitan Borough Council contribute funds to a pooled commissioning budget that covers the Better Care Fund (BCF), the Population Health Scheme and CAMHS Tier 3 service, in part. The pools are managed through the Health and Wellbeing Board (BCF) and the Partnership Board for the Population Health Scheme. These boards allocate and agree funds for the commissioning of health and social care services for the people of Rotherham.

	Joint Arrangement funding		
	RMBC £'000	RCCG £'000	Total £'000
<b>Contributions to pooled commissioning budget</b>			
Opening Balance as at 1 April 2019	509	0	509
Contributions to fund Pool - RMBC Revenue Grant	15,788	50	15,838
Contributions to fund Pool - RMBC Capital Grant	2,700	0	2,700
Contributions to fund Pool - RCCG	10,812	14,709	25,521
<b>Total Gross Contributions to Pool</b>	<b>29,809</b>	<b>14,759</b>	<b>44,568</b>
<b>Total utilisation of funding</b>			
Services commissioned from pooled budgets Revenue	26,704	14,603	41,307



Services commissioned from pooled budgets Capital	2,700	0	2,700
Over / (Under) spend	0	0	0
Transfer / use of balances	(156)	156	0
<b>Total Utilisation of Funding</b>	<b>29,248</b>	<b>14,759</b>	<b>44,007</b>
<b>Net Balance</b>	<b>(561)</b>	<b>0</b>	<b>(561)</b>
<b>Balance as at 31 March 2020</b>	<b>(561)</b>	<b>0</b>	<b>(561)</b>

**Note:**

Any shortfall in the pool is addressed by the relevant organisations at the year end in line with IAS 31 interests in joint ventures and is based on each organisation's contribution to the pool and statutory obligations.

# Note 18. Related party transactions

GP's are appointed to the Strategic Clinical Executive. During 2019-20 the following doctors have been present -

Dr Cullen, Page, Birks, Brynes, Gunasekera, Clitherow, Barmade and Holden. Drs Avery and MacKeown are the chair and vice-chair of the GP Members Committee.

The Department of Health is regarded as a related party. During the year the clinical commissioning group has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department. The transactions with these entities, listed below, are the disclosed within the table:

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

In addition, the clinical commissioning group has had a significant number of material transactions with other government departments and other central and local Government bodies. The transactions with these entities, listed below, are disclosed within the table:

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

Whilst the majority of material transactions are considered to be within the Department of Health's parent umbrella or with other central and local government bodies, the clinical commissioning group has a small number of transactions with other private or voluntary sector organisations, some of these are deemed in value terms to be material. The two main providers are Connect Healthcare Rotherham Limited and Rotherham Hospice. The values transacted with these organisations for 2019-20 were £2,620,746 and £4,032,795 respectively (2018-19 £1,758,141 and £3,471,528).

During 2019/20 staff were asked to complete a Declaration of Business or Commercial Interests form. These forms have been reviewed and they are considered to contain no material disclosures to be included in the accounts.

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£'000	£'000	£'000	£'000
The Rotherham NHS Foundation Trust	185,281	0	1,822	(1,249)
Rotherham Doncaster and South Humber NHS Foundation Trust	32,196	0	199	0
Sheffield Teaching Hospitals NHS Foundation Trust	25,449	0	1,571	(131)
Rotherham Metropolitan Borough Council	15,137	(86)	4,637	0
Doncaster and Bassetlaw Hospitals NHS Foundation Trust	9,910	0	113	(50)
Yorkshire Ambulance Service NHS Trust	11,383	0	60	(18)
NHS Pension Scheme	4,052	0	339	0
Sheffield Children's NHS Foundation Trust	2,234	0	27	0
NHS Property Services	555	0	543	0
National Insurance Fund	772	0	71	0
HM Revenue and Customs (PAYE)	599	0	62	0
Dinnington Group Practice - (Dr Birks)	3,218	0	202	0
St Anns Medical Centre - (Dr MacKeown)	2,735	0	146	0
Broom Lane Medical Centre - (Dr Cullen)	1,724	0	165	0
Stag Medical Centre - (Dr Clitherow)	1,687	0	107	0
Woodstock Bower Group Practice - (Dr Brynes - Left 25.09.19)	739	0	0	0
Market Surgery - (Dr Holden)	1,560	0	103	0
Thurcroft Village Surgery - (Dr Gunasekera)	1,018	0	66	0
Parkgate Medical Centre - (Dr Barmade)	840	0	50	0
Blyth Road Medical Centre - (Dr Avery)	848	0	51	0
Thorpe Hesley Surgery - (Dr Page)	786	0	66	0

In regard to outstanding balances for both payables and receivables the clinical commissioning group's terms are 30 days. These values are not secured and no guarantees are given or received but amounts are to be settled in cash.

None of the above are classified as bad or doubtful debts in the clinical commissioning group's accounts.

The majority of GP payments relate to the monthly contract values paid to the practices for GMS (General Medical Services) and PMS (Personal Medical Services). These values vary between practices based on the patient list size.

**Note 19. Events after the end of the reporting period**

There are no post balance sheet events which will have a material effect on the financial statements of the clinical commissioning group.

**Note 20. Losses and special payments**

The clinical commissioning group has recognised one loss in 2019-20. The amount was for £987.38 and related to an employee that was overpaid. An agreement was reached with the individual where 50% of the amount owing would be recovered.

**Note 21. Financial performance targets**

NHS Act		2019-20	2019-20	Duty	2018-19	2018-19	Duty
Section	Duty	Target £'000	Performance £'000	Achieved	Target £'000	Performance £'000	Achieved
223H (1)	Expenditure not to exceed income*	436,118	435,118	Yes	412,761	410,761	Yes
223I (2)	Capital resource use does not exceed the amount specified in Directions	0	0	n/a	98	85	Yes
223I (3)	Revenue resource use does not exceed the amount specified in Directions*	435,892	434,892	Yes	412,543	410,543	Yes
223J (1)	Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	n/a	98	85	Yes
223J (2)	Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	Yes	0	0	Yes
223J (3)	Revenue administration resource use does not exceed the amount specified in Directions	5,738	4,521	Yes	5,534	4,903	Yes

\*Financial performance targets for 2019-20 represents the in year position. The clinical commissioning groups historic surplus brought forward from 2018-19 into 2019-20 was £17,501k, £4.0m of the historic surplus was drawdown and utilised non recurrently in year, leaving a historical surplus balance of £13,501k. The actual performance for 2019-20 was a surplus of £1.0m, which means that the carried forward surplus into 2020-21 is £14,501k.

