NHS

Nottingham North and East

Clinical Commissioning Group

Annual Report and Accounts 2018/19

This is the 2018/19 Annual Report and Accounts for NHS Nottingham North and East Clinical Commissioning Group. It includes information about the organisation and its activities during 2018/19.

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Dr Amanda Sullivan
Accountable Officer
24 May 2019

Performance Overview

Welcome and Introduction from the Accountable Officer

Dr Amanda Sullivan - Accountable Officer

Welcome to the 2018/19 Annual Report and Accounts for NHS Nottingham North and East Clinical Commissioning Group (the CCG). The report aims to be a clear and informative document; outlining the performance of the CCG throughout the year until 31 March 2019. The report describes how we have continued to work closely with our health and social care partners to ensure continuous improvements in the quality of services provided for our patients and citizens. It also explains some of the challenges we have faced over the year and how we have worked to overcome them.

During the financial year, the CCG has undergone a number of changes in order to align commissioning functions with partner organisations in the Nottingham and Nottinghamshire Integrated Care System (ICS). You can read more about the ICS in the Performance Summary section of this report. As part of this process, I took on the role of Accountable Officer for all six CCGs in Nottingham and Nottinghamshire in November 2018 and have since established a single Executive and Senior Leadership Team and aligned working arrangements across the six organisations. This approach will help us to scale up some of the work you will read about in this report and provide clear benefits to patients and citizens, as well as help us to obtain the best value from NHS resources.

This has been a landmark year for the NHS. After celebrating its seventieth anniversary in July 2018, the NHS set out a renewed vision in the Long Term Plan, published in January 2019. The plan puts a greater emphasis on primary, community and mental health services. It also highlights the role of local partnerships to make these services successful. We are well-placed to achieve this vision in Nottingham and Nottinghamshire, where our strong relationships with neighbouring organisations have produced some of our best achievements.

During the year we have continued to achieve many national and local performance targets; however, 2018/19 has been a challenging year for us in terms of delivering against national urgent and emergency care targets and we continue to work with our provider organisations to address the issues faced. In line with previous years, the financial environment within which the CCGs operate has been challenging. Despite this, we have achieved our statutory financial duties to remain within the funding allocated by NHS England.

Looking ahead, the challenge for 2019/20 will be to deliver improvements on a wider scale whilst ensuring that NHS resources are allocated as wisely as possible. We are very proud of our organisation and that our member practices and CCG staff members continue to focus on delivering better services for local patients in an environment that is changing at such a fast pace nationally, as well as locally. I hope that you find that this report gives you a clear and informative account of the work of the CCG.

About us

Clinical commissioning groups (CCGs) were created following the Health and Social Care Act in 2012, and replaced primary care trusts on 1 April 2013. Reporting to NHS England, we are a membership organisation, comprised of local GP practices, and accountable to local people. We maintain our

authorisation by demonstrating to NHS England how we are meeting our responsibilities through a detailed assurance process.

We work from the Civic Centre in Arnot Hill Park. However, the provider organisations delivering the services we commission operate from numerous locations in the area, including GP practices, health centres, community venues, hospitals and in people's own homes.

We commission (plan and buy) healthcare services that meet the needs of local people. To do this well, we have to understand what health problems affect our local population, and commission services that will deliver the most benefit to these people. We are also responsible for making certain that the healthcare provided is of a high standard, delivers quality improvements and offers value for money, and that systems are in place to make sure people are looked after in the best way possible.

The level of funding we receive from NHS England is set by the Government through a comprehensive spending review process. This takes into account all the funding available for allocation across the public sector. A formula is then applied to adjust funding accordingly with the age, gender and health needs of the local population.

Although our GP member practices provide patient care within their practices, as a commissioner we do not directly provide any healthcare or treatment ourselves. As at 31 March 2019, NHS Nottingham North and East CCG has 20 member practices.

Our Governing Body

The Chair of the CCG and Clinical Leader is Dr James Hopkinson. In November 2018, Dr Amanda Sullivan was welcomed to the CCG as our Accountable Officer. Amanda has a joint appointment as Accountable Officer for the four CCGs in Greater Nottingham (NHS Nottingham City CCG, NHS Nottingham North and East CCG, NHS Nottingham West CCG and NHS Rushcliffe CCG) and the two CCGs in Mid Nottinghamshire (Mansfield and Ashfield CCG and Newark and Sherwood CCG). Three further GPs, Dr Caitriona Kennedy and Dr Ian Campbell and the Assistant Clinical Chair Dr Paramjit Panesar, also sit on our Governing Body to ensure clinical leadership. The Governing Body membership also includes the Chief Finance Officer, the Chief Nurse and Director of Quality, an independent secondary care doctor, independent lay members, and expert advisory members.

A full membership list and information on any registered interests are provided in the *Members Report* section of this report.

Our structure

We are a dynamic, clinically-led membership organisation with a proven governance structure to ensure the effective delivery of our strategic objectives. We have a well-established history of commissioning health services in collaboration with our neighbouring CCGs, and towards the end of 2017/18, the extent of this collaborative working was reviewed. This was driven by a range of collective challenges, including the development of new models of care, significantly increasing financial pressures, increased challenges around performance of our health system, and stretched capacity to deliver all our commissioning functions.

As a result, NHS Nottingham City CCG, NHS Nottingham North and East CCG, NHS Nottingham West CCG and NHS Rushcliffe CCG ("**the Greater Nottingham CCGs**") agreed to align their governance arrangements and establish the Greater Nottingham Joint Commissioning Committee. The Committee

took effect on 1 April 2018 to exercise, to the extent permitted under s.14Z3 NHS Act 2006 (as amended), the commissioning functions of the four CCGs. A formal delegation agreement is in place that sets out the functions delegated to the joint committee. These are:

- Arranging for the provision of health services to secure improvement in the physical and mental health of the population; and the prevention, diagnosis and treatment of illness.
- Exercising commissioning related functions, including improving the quality of services, reducing inequalities, patient choice, promoting innovation and integration, and public involvement and consultation.

During 2019/20, we are planning to extend these joint working arrangements to bring together the Greater Nottingham CCGs with NHS Mansfield and Ashfield CCG and NHS Newark and Sherwood CCG ("**the Mid-Nottinghamshire CCGs**"). This is in line with a proposal to create a single, strategic commissioning organisation from April 2020 as part of the emerging Nottingham and Nottinghamshire Integrated Care System (ICS).

Our workforce

At the end of 2018/19, the CCG directly employed 68 staff and the structure (established for the Greater Nottingham CCGs) is divided into a number of directorates that have responsibilities in the areas of: commissioning, finance, quality, contracting and governance. Clinical expertise to commissioning activities is provided from GP Leads who each have a defined remit in line with specific areas of the organisation. Going in to 2019/20, this structure is being revised as part of the work needed to fully integrate the Greater Nottingham CCGs and the Mid-Nottinghamshire CCGs.

In accordance with the size of the local population, our CCG is of sufficient scale to employ most key functions in-house. However, the CCG has a contractual arrangement with Arden and Greater East Midlands Commissioning Support Unit to provide a number of specialist services. During 2018/19, these services included:

- Organisational Development;
- Clinical and non-clinical Procurement; and
- Collaborative contract management.

The CCG commissions IT provision and technical support through the Nottinghamshire Health Informatics Service, hosted by Sherwood Forest Hospitals NHS Foundation Trust

Our principal providers

We commission healthcare from a number of providers. Our main acute (secondary care) provider is Nottingham University Hospitals NHS Trust and for mental health and learning disabilities, our key provider is Nottinghamshire Healthcare NHS Foundation Trust. Nottingham CityCare Partnership provides a range of nursing and healthcare services, including community nursing and home-based rehabilitation services for older people, the NHS Urgent Care Centre, and specialist diabetes services.

We also commission services from NHS organisations outside of our area and from independent and voluntary organisations, for example Nottingham Woodthorpe Hospital, BMI The Park Hospital, Age UK and Self-Help Nottingham.

Our partners

We know that making a difference to the health and wellbeing of local people cannot be done in isolation, and we recognise that working with other organisations can bring opportunities to do things better, on a larger scale, and more efficiently. We continue to build on our well-established networks and relationships with partners and we are active members of the Nottinghamshire County Health and Wellbeing Board.

We are also members of a number of other key partnerships and you can read more about these in the *Governance Statement* within this report.

Nottingham and Nottinghamshire Integrated Care System (ICS)

In Nottinghamshire, we have made great progress in improving people's health and wellbeing. However, with progress comes new challenges, such as the increase prevalence of long-term health conditions. The Greater Nottingham CCGs and the Mid-Nottinghamshire CCGs are part of the Nottingham and Nottinghamshire ICS (formerly known as the Nottingham and Nottinghamshire Sustainability and Transformation Partnership), which brings together the local NHS, councils and the voluntary sector to meet today's needs: bringing care to people's communities and homes, and focusing on the prevention of illnesses not just their treatment. You can read more about the work of the ICS at www.stpnotts.org.uk.

Our local population

We serve the 141,257 people who are registered with our member practices. The population of Nottingham North and East CCG continues to increase. There is a lower proportion of young adults (ages 20 to 40) in the population compared to England, with the proportion aged 50 and older higher than England.

As expected with lower levels of deprivation, NNE displays mostly good health outcomes as compared to the England average, however, numbers for registered patients with a limiting long term illness or disability are high, standing at 19.5% compared to the 17.6% England average (ONS Census, 2011). The incidence rate for new cancers and mortality for all cancers is also higher than the England rate.

Our Strategic Objectives

Our strategic objectives encapsulate our intention and aspirations for local healthcare and provide the basis for prioritisation and decision-making. They enable the development of actionable work programmes that will help us to commission high quality, patient centred services and improve health outcomes for the Greater Nottingham population.

The strategic objectives have been developed during the year as part of the Greater Nottingham Clinical Commissioning Group Partnership arrangements. This work has built upon and synthesised the existing strategies of the constituent organisations, ensuring that the four CCGs are fully aligned in their vision for Greater Nottingham, whilst still recognising the distinct health needs of their local populations. The strategic objectives are:

Strategic Objective	*What do we mean by this?*
Improve health outcomes and healthy life expectancy	• We will actively seek to improve the overall health and wellbeing of our local population through prevention and ensuring best practice management of long term conditions to increase healthy life expectancy (as currently measured) by three years within available resource. • We will move services into community settings where there is a benefit in both quality and value terms. • We will prioritise interventions making sure the right patients are seen by the right provider, in the right setting and at the right time. • We will improve and expand utilisation of information technology, ensuring it is interoperable and accessible to digitally enable the integration of care. • We will help and encourage our population to help themselves through self-management and self-care.
Reduce health inequalities	• We will clearly define the differential physical and mental health needs of the population of Greater Nottingham. • We will use incentives to support providers to develop and deliver services to meet the differential needs of our population. • We will target initiatives at under-engaged populations and those with the worst health. • We will ensure mental health is treated on a par with physical health. • We will improve access to services for our population. • We will bring care close to home, through sustainable, locally based services with shared values. • We will improve the cultural competency of our staff, clinicians and services. • We will seek to add social value to our decision making wherever possible. • We will improve the range and quality of care offered outside hospital.
Achieve defined standards of quality across all commissioned services	• We will define expected quality standards for each commissioned service including: safety, effectiveness, efficiency, timeliness, equity and patient-centredness. • We will develop and implement quality assurance frameworks that enable measurement of national and locally defined standards, and appropriate intervention where standards are not met or are at risk of deterioration. • We will use value based commissioning to incentivise providers to meet or exceed the defined standards. • We will ensure patient and public engagement forms an integral part of commissioning and will actively seek out the patient voice to inform our decision making. • We will ensure patient experience, patient outcomes and shared decision making are at the core of what we do. • We will make evidence informed decisions in the best interests of our patients.

To achieve our strategic objectives, we have also identified two enabling functions that we will need to ensure are in place:

Enabling Function	*What do we mean by this?*
Organise ourselves appropriately for the future	• We will achieve financial balance. • We will actively engage with local people and partners and work collectively as a health system to achieve our strategic objectives. • We will prepare for and transition to a strategic and tactical commissioning model. • We will focus on areas of poor outcome and reduce variation.
Embed a strong organisational culture and competency	• We will develop of a culture of strong leadership and empowered staff (taking responsibility, willing to be accountable, and working with confidence, openness and transparency). • We will be clear of our role and our objectives. • We will encourage and invest in the professional development of our workforce. • We will foster a strong team spirit and pride in the organisation. • We will encourage strong relationships between clinical and professional staff to work together on strategic aims.

The strategic objectives are underpinned by the Greater Nottingham CCGs' Operational Plan 2017/19 and Financial Plan 2018/19. Progress against these objectives is reported via thematic reviews to our Governing Body and Greater Nottingham Joint Commissioning Committee and these can be viewed in the 'Meetings and Papers' sections at http://www.nottinghamnortheastccg.nhs.uk.

Our Performance Summary

Through the mechanisms detailed in the *Performance Analysis* section of this report, we have maintained a robust and consistent focus on our performance during the year. We have continued to achieve many national and local performance targets, including referral to treatment waiting times, and dementia diagnosis rates. However, 2018/19 has been a challenging year for us in terms of delivering against national urgent and emergency care targets and we have not met standards relating to Accident and Emergency waiting times, ambulance response times or patients receiving treatment within 62 days of an urgent GP referral for suspected cancer. Recovery action plans are in place for these areas and we continue to work with our providers to ensure that no harm comes to patients as a result of performance standards being missed.

The CCG has a responsibility to manage our finances carefully to make sure we are able to deliver our everyday commitments, as well as to invest in securing the delivery of continuous improvements in the quality of services provided for our patients and citizens. Many factors can influence how much we have to spend, for example, the national economy, a major incident, unexpected increased demand for local health services, or projects taking longer than planned. It is, therefore, important that we have contingency plans in place to ensure that we can flex our finances accordingly. The CCG achieved all of its statutory financial duties for the 2018/19 year, delivering its agreed surplus whilst remaining within revenue and cash limits.

You can read more about our financial performance in the *Performance Analysis* section of this report. For full details of our accounts please see the *Annual Accounts* section of this report.

Our Principal Risks

We have a clear and integrated approach to risk management, combined with defined ownership of risk at all levels within the organisation. Identifying and assessing risks at both strategic and organisational levels is a well-embedded process within the CCG.

Our Integrated Risk Management Framework clearly sets out how the organisation will identify, manage and monitor its strategic and organisational risks in a consistent, systematic and co-ordinated manner. Organisational risks arising from our day-to-day activities are monitored through the Organisational Risk Register and strategic risks are monitored through our Governing Body Assurance Framework.

The main risks identified by the CCG and monitored through the Organisational Risk Register during 2018/19 related to the potential for non-delivery of our financial plan, the possible impacts of the significant organisational change on our workforce and the reconfiguration work being undertaken in the Nottingham University Hospitals NHS Trust Emergency Department potentially compromising patient safety.

For more information on how we manage risk within the CCG, see the *Governance Statement* contained within this report.

Performance Analysis

Introduction

This section of the report describes our performance measures in more detail, explains how our performance is monitored (both internally and externally) and shows the extent to which we have met our targets and delivered against our priorities during 2018/19.

Monitoring Performance

We are required to report on some key national health targets and performance standards, many of which are drawn from the NHS Constitution, or are derived from national priorities. We also monitor ourselves against local targets that we have established to improve the quality of services and health outcomes for our population. These are delivered through the service contracts we hold with local health organisations providing NHS services. We meet regularly with our providers to review the achievement of national and jointly agreed local measures to help ensure services perform well and meet the health needs of our patients and citizens. Since August 2016, an Accident and Emergency Local Delivery Board has been in place with responsibility for oversight of the urgent and emergency care pathway, with a clear aim of improving performance against the national Accident and Emergency waiting time standard. The Board has been established in line with national guidance and its membership includes senior leaders from across the health and social care community. The Board is chaired by the Chief Executive of Nottingham University Hospitals NHS Trust.

Responsibility for performance management ultimately sits with each Governing Body, however, this has been delegated to the Greater Nottingham Joint Commissioning Committee in line with the Greater Nottingham CCGs' joint arrangements, to ensure monthly oversight and scrutiny. The Governing Body receives an update on performance at each of its quarterly meetings, along with assurance that the Joint Commissioning Committee is effectively discharging this duty. Further information on the CCG's committees and highlights of their work over the year can be found in the *Governance Statement* contained within this report.

NHS England has a statutory duty to conduct performance assessments of CCGs to assess their capability, ensure that they are complying with statutory responsibilities and are also performing in a way that is delivering improvements to patients. Since 2016, this duty has been enacted through the CCG Improvement and Assessment Framework (available at www.england.nhs.uk) and involves a robust and continuous process, using information derived from a variety of sources. As part of this process, NHS England monitors us against a range of indicators across the following four domains:

Domain	Summary description of indicators	Current rating
Better Health	Indicators within this domain look at how the CCG is contributing towards improving the health and wellbeing of its population, and bending the demand curve.	Good
Better Care	Indicators within this domain focus on care redesign, performance of constitutional standards, and outcomes, including in important clinical areas.	Good
Sustainability	Indicators within this domain look at in-year financial performance and being paper-free at the point of care	Good
Leadership	Indicators within this domain assess the quality of the CCG's leadership, the quality of its plans, how the CCG works with its partners, and the governance arrangements that the CCG has in place to ensure it acts with probity, for example in managing conflicts of interest. This domain also includes a comprehensive assessment of patient and public engagement.	Requires improvement

The actions being taken to address the rating for the leadership rating are further explored throughout this report. The latest ratings available for the CCG in relation to the Improvement and Assessment Framework can be found on the My NHS website (www.nhs.uk/mynhs).

Urgent Care

Based on historical performance, the most challenging performance targets for the CCG are the NHS Constitution targets for urgent and emergency care. The vast majority of residents use the Accident and Emergency Department at Nottingham University Hospitals NHS Trust (NUH) when they need to access urgent and emergency care. However, some of these services are also delivered at the Urgent Care Centre in the City. The national standard requires that 95% of attending patients are seen within four hours of their arrival at the Accident and Emergency Department. Performance against the standard is measured in relation to services provided by NUH and the Urgent Care Centre provided by Nottingham CityCare, however, the ability of the Trust to respond depends upon a number of factors across the health and social care community. These include a reliance on social workers and community

health teams to assess and arrange placements or support in the home for people who the hospital discharge who have ongoing health and social care needs.

East Midlands Ambulance Services NHS Trust (EMAS) provides all ambulance services within the Greater Nottingham area. In 2017, changes were made to the way in which ambulance services report data and these changes were introduced to focus on making sure the best, high quality, most appropriate response is provided for each patient first time. Call handlers are now given more time to assess 999 calls that are not immediately life-threatening, which enables them to identify patients' needs better and send the most appropriate response. Category 1 calls are those for people with life-threatening illnesses or injuries; category 2 relates to emergency calls; category 3 relates to urgent calls; and category 4 relates to less urgent calls.

Below is a table summarising the CCG's performance in these areas for 2018/19. More detail in terms of our approach to improve performance can be found in the *Governance Statement* contained within this report. All figures are annualised for 2018/19.

NHS Constitution Standard	Target	2018/19	Commentary
A&E waiting time			
Percentage of patients who spent four hours or less in A&E	**95%**	**80.69%**	This has remained a significant area of focus during 2018/19, as performance against this standard has been consistently below target throughout the year. The main reasons for the target being breached remain consistent and relate to patient flow, bed availability and workforce issues. A system wide recovery action plan is in place, which is being continually reviewed and updated to improve performance. The figure reported is annualised for 2018/19 and reflects the combined performance of NUH and the Urgent Care Centre.
Ambulance clinical quality			
Category 1 Average Response Time	**00:07:00**	**00:07:46**	Performance has been a significant area of focus during 2018/19. Performance at a Trust level against these standards has been consistently below target throughout the year. Reasons for non-performance relate to reduced service capacity and delays in patient Recovery action plans are in place, which are being continually reviewed and updated to improve performance.
Category 1 90th Centile Response Time	**00:15:00**	**00:12:41**	
Category 2 Average Response Time	**00:18:00**	**00:26:48**	
Category 2 90th Centile Response Time	**00:40:00**	**00:52:33**	
Category 3 90th Centile Response Time	**02:00:00**	**02:58:43**	
Category 4 90th Centile Response Time	**03:00:00**	**02:12:13**	

Planned Care – Access to Treatment

Nottingham University Hospitals NHS Trust (NUH) is our main provider of acute services, although many residents in Greater Nottingham also access these services at the Nottingham Treatment Centre. For

certain referrals, patients can also choose to be treated locally by independent providers such as The Park BMI and Ramsey Woodthorpe.

Below is a table summarising the CCG's performance in 2018/19 for key NHS Constitution Standards relating to waiting times for diagnostic tests and planned treatment. Performance for the referral to treatment and diagnostic test waiting times are measured at CCG level. All figures are annualised for 2018/19.

NHS Constitution Standard	Target	2018/19	Commentary
Referral to treatment pathways			
Percentage incomplete patients <18 weeks	**92%**	**94.03%**	This target has been consistently achieved throughout 2018/19.
Number of 52 week referral to treatment pathways	**0**	**25**	This is the cumulative number of breaches reported on a monthly basis in 2018/19. A patient will be reported multiple times if they wait over several months.
Diagnostic test waiting times			
No more than one per cent of patients waiting six weeks or more for a diagnostic test	**1%**	**1.12%**	This target has not been achieved overall for the year end. The non-achievement of this standard relates to a recording issue with DEXA scans at NUH between August and November 2018. The issue has now been cleared and the Trust have sustained monthly achievement from December 2018.

Cancer Care – Access to Treatment

Cancer diagnostics and treatment is primarily provided by Nottingham University Hospitals NHS Trust (NUH). NUH is a regional cancer centre offering specialist cancer diagnostic and treatment services, and as such, it receives a relatively high number of tertiary referrals from surrounding areas, which can in some instances impact on the Trust's performance. Some diagnostic and treatment services are also provided by the Nottingham Treatment Centre. There are eight indicators to meet for access to cancer treatment, depending on the access route, stage of illness and the treatment needed. Sometimes very small numbers of patients go through these pathways and not every target will be met every month.

Below is a table summarising the CCG's performance in these areas for 2018/19. Performance against all of these indicators is measured at CCG level. All data is annualised for 2018/19.

NHS Constitution Standard	Target	2018/19	Commentary
Cancer two week waits			
All cancer two week wait	**93%**	**94.66%**	The all cancer two-week wait target has been achieved overall for 2017/18, as has the two-week wait target for breast symptoms. Performance in-year against both targets has been consistently on target in the second half of the year. The figures are annualised for 2018/19.
Two week wait for breast symptoms (where cancer was not initially suspected)	**93%**	**98.18%**	
Cancer 31 day waits			

NHS Constitution Standard	Target	2018/19	Commentary
Percentage of patients receiving first definitive treatment within one month of a cancer diagnosis	96%	95.18%	The 31 day targets for 2018/19 have not been met. Performance in-year against the targets has been variable, which is mainly due to the small numbers of patients involved, with breaches attributable to clinical reasons, patient initiated delays and some surgical capacity issues. The figures are annualised for 2018/19.
Cancer 62 day waits			
62-day wait for first treatment following an urgent GP referral	85%	85.06%	

Other National Priorities

Additional targets have been set nationally, including targets to improve mental health services, support for people with dementia, and to ensure that children are waiting less than 18 weeks for a wheelchair. To deliver these targets we work closely with our providers and member practices. Below is a table summarising the CCG's performance in these areas for 2018/19. Performance against all of these indicators is measured at CCG level. All figures are annualised for 2018/19, with the exception of IAPT, which is based on data up until February 2019 (the most recent data available).

National Indicator	Target	2017/18	Commentary
Estimated diagnosis rate for people with dementia			
Dementia diagnosis rate	67%	70.74%	
Improved Access to Psychological Therapy (IAPT)			
Percentage of population entering therapy	16.2%	14.73%	This target is based on activity to February 2019 (the most recent data available). The CCG has been working with NHS Improvement and the main local IAPT provider to design an interim pathway to reduce waits. The pathway has been in place from the end of February 2019, with waiting list issues expected to be resolved by the end of May 2019. A recovery action plan is in place, with actions focussed on addressing waits and low referral rates.
Percentage recovery rate	50%	57.09%	
Percentage of people that wait six weeks or less from referral to first treatment	75%	81.97%	
Percentage of people that wait 18 weeks or less from referral to first treatment	95%	99.34%	
First episode of psychosis – referral to treatment pathway			
Percentage of people experiencing a first episode of psychosis treated with a NICE approved care package within two weeks of referral	50%	58.82%	This target has been achieved for 2018/19 for the percentage of people receiving treatment within two week. However, the specialist EIP provision is not currently in line with NICE recommendations. An intensive support team is providing support to the CCG to assess the service and make recommendations to improve service delivery.
Children waiting less than 18 weeks for a wheelchair			

National Indicator	Target	2017/18	Commentary
Percentage of children that received equipment in less than 18 weeks of being referred to the wheelchair service.	**92%**	**92.86%**	

Out of Area Placements and Crisis Resolution and Home Treatment Teams

The Greater Nottingham CCGs and Mid-Nottinghamshire CCGs are measured at a 'system' level with regard to out of Area Placements and Crisis Resolution and Home Treatment Teams. In the 12 month period from October 2017 to October 2018, there were approximately 20,488 inappropriate out of area occupied bed days (OBDs) attributed to patients from Nottinghamshire. We continue to work closely with the Nottinghamshire Healthcare Foundation Trust to improve performance and a recovery action plan has been developed to ensure that all inappropriate out of area placements are eliminated by 2021. Actions implemented during the year include re-specification of the Crisis Resolution and Home Treatment team (CRHT) service model to ensure that CHRTs are developed to deliver a robust service offering an alternative to a hospital admission.

Quality and Safety Standards

We review performance against quality schedules which comprise a range of indicators covering aspects of patient safety, patient experience and clinical effectiveness.

Performance in 2018/19 against some of these key quality indicators is shown in the table below. Performance against all of these indicators is measured at CCG level. For healthcare associated infections this will be the combined performance of Nottingham University Hospitals NHS Trust (NUH) and other community providers. For mixed sex accommodation breaches, this will be the combined performance of NUH and Nottinghamshire Healthcare NHS Foundation Trust.

Quality or Safety Indicator	Target	2018/19	Commentary
Healthcare associated infection – MRSA			
Number of MRSA cases	**0**	**1**	This case was a NUHT Trust assigned bacteraemia in an NNE resident.
Number of c-diff cases	**46**	**24**	All cases are subject to post infection review. In 2018/19 all community cases were considered to be unavoidable. 2 lapses in care were identified.
Number of e.coli cases	**139**	**139**	All cases are subject to post infection review. The 2018/19 Quality Premium 10% reduction plan was achieved.
Mixed sex accommodation breaches			
Number of mixed sex accommodation breaches	**0**	**1**	One breach occurred during 2018/19. A side room was available, however, insufficient staffing to deliver the 1:1 care required. The patient was transferred the following day. A RCA was completed and the lessons shared.

Financial Management: Capability and Performance

In line with previous years, the financial environment within which the CCG operates has been challenging. The CCG had a financial target (Control Total) set by NHS England to deliver an in year breakeven position and maintain the cumulative surplus of £4.1 million brought forward from previous years. In order to achieve this, the CCG had a planned savings (QIPP) target of £13.3 million.

In the context of rising demand in healthcare services and other service pressures that the health and care economy faces, it is pleasing to note that the CCG has delivered the Control Total set and, as a result, also met its statutory duty to remain within the funding (Revenue Resource Limit) allocated by NHS England.

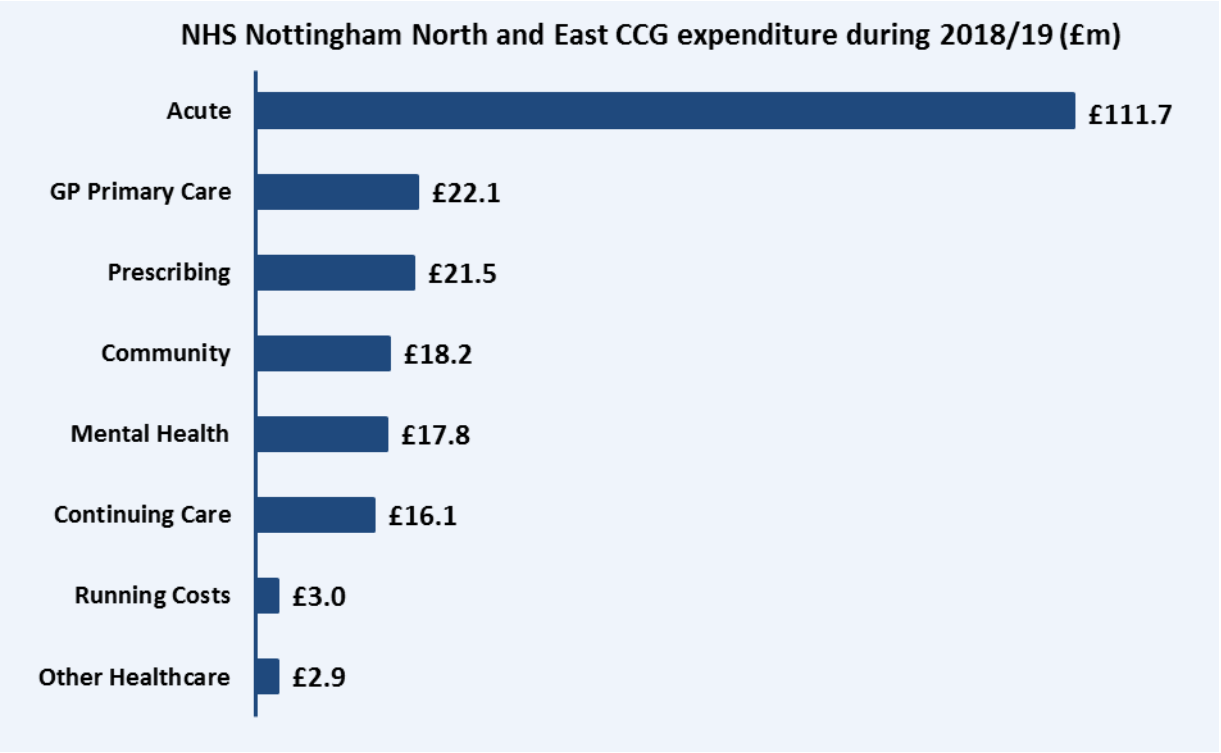
In addition, the CCG has a number of other financial duties to deliver in the year. These have also all been delivered. The duties are to maintain cash balance as at 31 March below a prescribed level, to not incur expenditure on operating costs in excess of the prescribed Running Cost Allowance and also to ensure suppliers are paid within 30 days of receipt of invoices (Better Payment Practice Code – BPPC).

Delivery of 2018/19 Financial Duties

Financial Duty	Target	Delivery
Keep within revenue resource limit	£217,176,000	✓
Achieve Control Total Surplus	£breakeven	✓
Cash balances within agreed limit	<£120,000	✓
Remain within running cost allowance	£3,238,000	✓
Achieve BPPC targets	>95%	✓

In addition, the CCG is required to spend a minimum level on Mental Health services – the Mental Health Investment Standard (MHIS). The level set is based on prior year spend plus a percentage uplift equivalent to the overall CCG programme allocation uplift. This requirement has also been achieved.

In terms of how and where we spend the CCG allocation, the largest area of spend continues to be on acute services. The chart below details the breakdown by programme area.



Savings and QIPP delivery

In 2018/19, the CCG had a Quality, Innovation, Productivity and Prevention (QIPP) Programme to deliver £13.3 million of in-year savings, all of which were required to be cash releasing. The CCG delivered £12.0 million (of which £3.7 million was delivered non-recurrently) through programme savings and the under delivery of £1.3 million is offset by non-recurrent mitigations. The final delivery by programme is as follows:

Programme Area	£000
Planned care (including primary care unwarranted variation) – Services for pre-arranged health care either in a community setting or in hospital, supported by effective clinical management of referrals by GPs	4,370
Prescribing – Services relating to the authorisation and usage of a medicine or treatment	2,190
Internal efficiencies – Internal review of organisation resources	150
Urgent Care – Improved management of non-elective admissions	1,610
Community Care – Services enabling people to remain living in their own homes and to retain as much independence as possible	
Non Recurrent schemes	3,700
Total	**12,020**

2019/20 Financial Plans

The new financial year continues to see a tough financial environment, for the CCG and the integrated care system. The CCG received a £11.2 million (5.7%) increase in its recurrent revenue allocation. This resource uplift is required to finance demographic and other activity growth pressures, national requirements such as the Mental Health Investment Standard, inflation and cost pressures. With these requirements totalling £21.0 million and a recurrent underlying deficit of £4 million, the CCG has a 2019/20 savings target of £13.8 million (6.2% of allocation) in order to deliver the NHS England business rules.

This savings requirement will require the focus by the CCG and wider system in order to deliver, a mixture of internal efficiency and wider system transformation being needed to maintain financial balance. Incorporating this savings target in to the CCG financial plan, the CCG is meeting the planning requirements for the forth-coming year as noted in the table below.

2019/20 Financial Plan Metrics

Metric	Target
Business rules (plan meets all business rule requirements)	
Surplus – deliver Control Total (in year breakeven)	£Breakeven
Running cost allowance	£3,415,000
Contingency – 0.5% requirement	£1,115,000
Mental Health investment Standard met	Yes
£1.50/head investment in to Primary Care	Yes
Resultant plan	
Total Revenue Allocation (excluding carried forward surplus)	£222,942,000
In year Surplus / (Deficit)	£0
Recurrent underlying Surplus / (Deficit)	£106,000
QIPP	£13,790,000

Going in to 2019/2020, the alignment of arrangements between the Greater Nottingham CCGs and Mid-Nottinghamshire CCGs will provide a strong basis for continued delivery and a co-ordinated and strengthened ability to identify further efficiencies and opportunities

Our Strategic Objectives

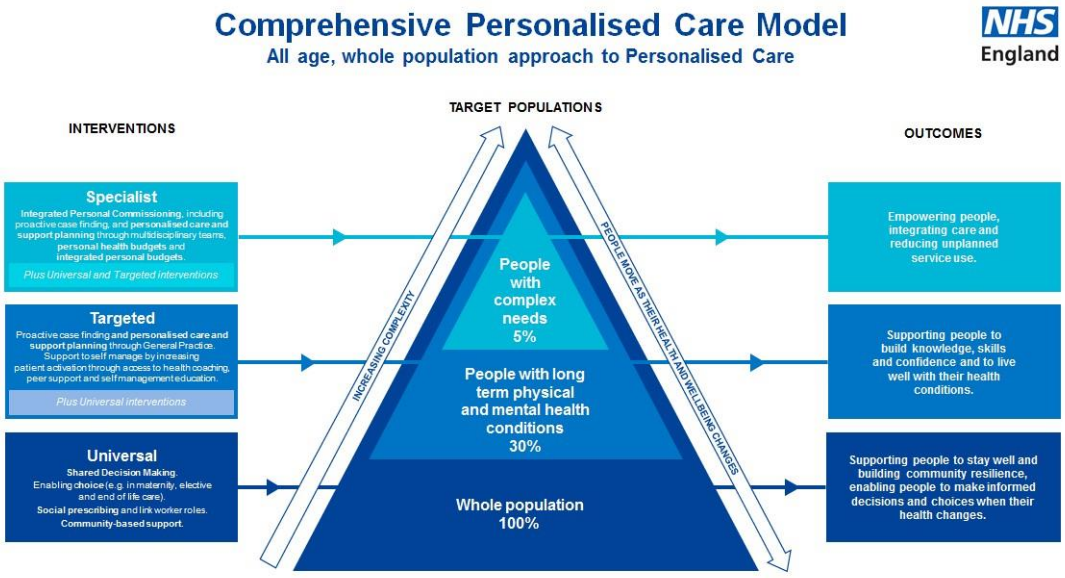
In the *Performance Summary* section of this report, we set out our vision, values and strategic commissioning priorities. We monitor our progress against our commissioning priorities by regularly reporting on achievement against the specific priority objectives to our Governing Body. These reports can be found in the *Governing Body Meetings and Papers* section of our website at http://www.nottinghamnortheastccg.nhs.uk

Over the last year we have continued to make significant inroads into delivering against these areas. Examples of some of the work the CCG has performed are as follows:

Personalised Care and Personal Health Budgets

Nationally, personalised Care will benefit up to 2.5 million people by 2024, giving them the same choice and control over their mental and physical health that they have come to expect in every other aspect of their life. This approach is based on 'what matters' to people and their individual strengths and needs and is aligned to the NHS Long Term Plan (January, 2019) which describes that personalised care will become business as usual across the health and care system

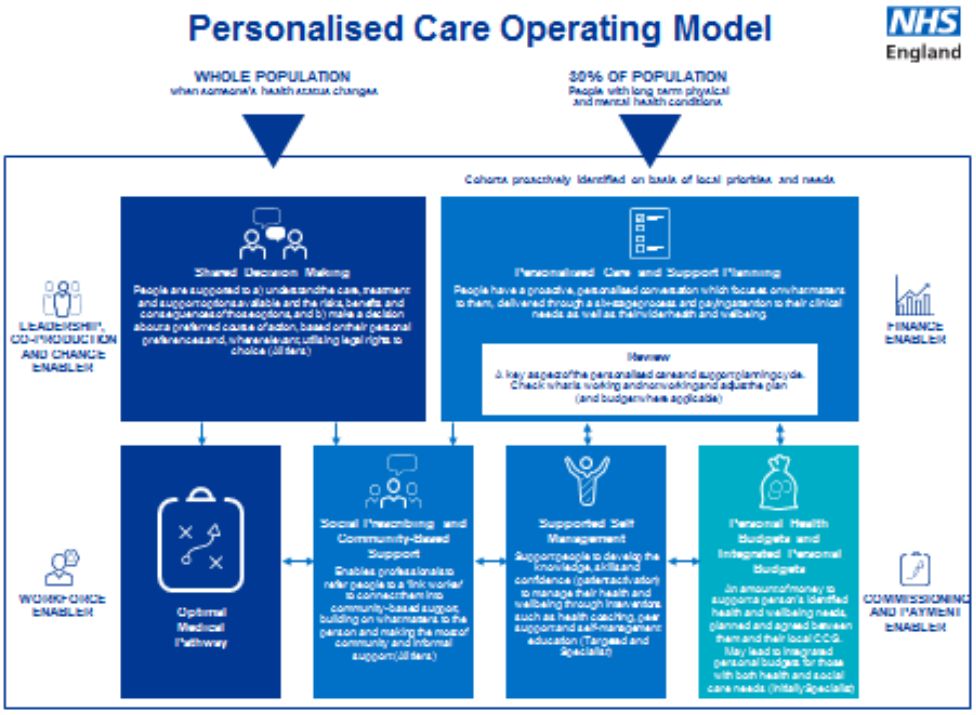
Working with system partners, the Mid-Nottinghamshire CCGs and Greater Nottingham CCGs have signed up to a Memorandum of Understanding (MOU) with NHS England to be a demonstrator site for the Comprehensive Model of Personalised Care.



This personalised approach to commissioning, contracting and payment enables people to access services that are more appropriate for their specific needs. It does this by:

- Designing a health and care system driven by people and communities
- Encouraging and motivating commissioners and providers to shift their approaches to focus on people and the outcomes most important to them
- Incentivising commissioners and providers, including VCSE organisations, to develop personalised care packages for people with the most complex needs
- Successful implementation of IPC and personal health budgets[1]

[1] https://www.england.nhs.uk/wp-content/uploads/2017/06/516_Personalised-commissioning-and-payment_S8.pdf



This approach is fundamental to social care and the changes the NHS is seeking to make over the next few years. The result is better health and wellbeing for individuals, better quality and experience of care that is integrated and tailored around what really matters to them, and more sustainable health and social care services.

Personalised care and support plans

NHS England has set a target nationally to achieve 300,000 personalised care experiences. Within Nottingham and Nottinghamshire, we have worked with partners during the year to deliver over 20,000 personalised care and support plans and 20,000 occurrences of social prescribing, community connection or other type of person and community centred interventions. This is the key enabler to integration on an individual level and to coordination of holistic and person-centred care. A personalised care and support plan starts with a different conversation – "What matters to you?"

This changed relationship means the person:

- Is empowered and builds knowledge, skills and confidence.
- Feels confident that the process and the plan will deliver what matters most to them.
- Is at the centre and will agree who is involved.
- Is seen as a the expert of their own life, including skills, strengths, experience and relationships.
- Is valued as an active participant in conversations and decisions.

This personalised care can be provided in a number of ways from commissioned services, for example through social prescribing, encouraging shared decision making between patients and clinicians and in some cases, the use of personal health budgets.

Personal Health Budgets

The national ambition in the government's mandate is to reach 50,000-100,000 personal health budgets (PHBs) by 2021. The aim is to continue to progress the embedding of personal health budgets for those currently with a legal right to have one while expanding their use in other groups, including wheelchair users, those with learning disabilities, mental health needs and those in end-of-life care.

In Nottinghamshire in 2018/19 we delivered over 2300 PHBs, which as well as improving choice and control for people receiving services reduced the direct care costs for NHS Continuing Healthcare packages by 17. People are empowered to replace traditional care packages with assistive technology or a more cost-effect provision where appropriate alongside the psychological shift from being a passive to an active participant. A national survey on PHBs undertaken in 2018 demonstrated that 97% of people experienced a positive change in their health and wellbeing.

Work currently underway includes looking at how we maximise personalisation through the CCG's contracting and commissioning processes, continuing to increase personalised care across Nottinghamshire by actively looking to increase opportunities to move to a more person-centred approach and exploring the use of PHBs across other areas, such as mental health, neurology and specialised rehabilitation, care homes and children with complex needs.

Faecal Immunochemical Tests (FIT) in Primary Care

Nottingham and Nottinghamshire are leading the way in the use of Faecal Immunochemical Test (FIT) tests to improve early diagnosis of cancer. The kit can tell doctors whether a more invasive and expensive colonoscopy is needed. Clinicians are confident that they can use it to find cancer earlier in people who would not normally be tested for the disease.

Nottingham GPs were the first in England to offer tests to patients with symptoms of bowel cancer other than small spots of blood in their faeces or an obvious lump. The pilot, undertaken in Greater Nottingham during 2017/18, demonstrated that around 60 per cent of patients that would previously have been referred to secondary care had a negative test result and therefore, did not require referral for a colonoscopy. The test, which costs the NHS about £15 per person compared with £400 for a colonoscopy, is currently only offered to people aged 55 or over via the national screening programme, as this is the when bowel cancer is more likely to be present; however, patients in Nottingham and Nottinghamshire can be tested when they are much younger if their GP finds unexplained bowel symptoms.

Virtual Clinic for Brain Cancer Patients

The NHS Long Term Plan states that over the next five years every patient in England will be able to access virtual services alongside face-to-face services via a computer or smart phone. In Nottinghamshire over 1.25% of GP appointments are already carried out using online or video platforms. Almost 7000 patients have an online or video appointment every month. This is one of the highest rates in the country.

Cancer patients in Nottingham could soon be able to have appointments with their consultant via video link following a successful pilot project. A clinic at the Queens Medical Centre has been offering patients with brain tumours the option of appointments via a specialist video platform similar to 'Skype'.

The Virtual Clinic in Nottingham proved highly popular with brain cancer patients who are not able to drive to appointments at the hospital. The aim was to test the remote consultation platform in a setting where patients would most benefit from virtual appointments.

The project, one of a number already using video technology across the NHS in Nottinghamshire, was launched by Nottingham University Hospitals NHS Trust and MacMillan Cancer Research. During the seven-month pilot more than a third of appointments took place using the video interface. Ninety five per cent of patients said they would like to continue using the system in the future and there are now plans to expand the Virtual Clinic to patients receiving chemotherapy or recovering from radiotherapy.

According to national statistics up to a third of the 90million outpatient consultations each year do not require a hospital visit. The NHS aims to drive up efficiency by switching these over to Skype-style video services on smartphones or computers.

Living Well

The Living Well service is a social prescribing scheme which aims to provide interventions that focus on supporting individuals to self-manage their health and independence by:

- Motivating and supporting individuals to identify their own goals through guided conversations.
- Developing self-management strategies to maintain independence.
- Supporting individuals to access community resources to reduce social isolation, identify solutions to their needs, for example, they may be entitled to certain benefits (wellbeing, housing and finance needs).
- Working closely with Multi-Disciplinary teams (MDTs) within GP Practices and other health & social care staff/teams and furthermore to prevent or delay the need for more intensive health and social care support, ensuring safeguarding is in place

The service predominantly supports aged 65 and over who are at risk of unplanned hospital admission or are in frequent contact with the GP surgery; has a diagnosed long term condition(s) or who has experienced a recent change in the circumstances, for example, a newly diagnosed long term health condition, bereavement or reduced social contact.

Vaccination and Antibiotic Prescribing in Patients with Asplenia or Splenic Dysfunction'

In 2016, a young asplenic patient in Nottinghamshire, who had not received all the additional recommended vaccinations following splenectomy, died from pneumococcal septicaemia. Sharing the learning from the incident highlighted that this could have happened in many GP practices.

Medicines safety officers and the CCG's Primary Care Quality Team worked together to co-ordinate a local review of patients and systems. The audit results demonstrated that there were a significant number of patients at risk of harm. These patients have been identified and appropriate steps are now being taken to address these issues. The project won the Patient Safety category of the national PrescQIPP Patient Safety Innovation Awards 2018.

Sustainability Report

The most widely accepted definition for sustainable development comes from the 1992 Rio Earth summit, which defines it as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Sustainability in the NHS context is primarily about the smart and efficient use of natural resources. The cost of natural resources is steadily rising and there is now a better understanding of the health and wellbeing impacts from the use and extraction of non-renewable resources.

The CCG recognises this and understands that the activities associated with commissioning and delivering healthcare services can have an adverse impact on the environment, which in turn can have negative health implications. Therefore, the CCG understands the importance of reducing its environmental footprint and minimising its environmental impact.

From an operational perspective the CCG knows that quality healthcare delivered by sustainable providers at the right time and in the right place reduces the use of resources and improves environmental sustainability. The CCG leads by example in this regard and seeks to work in a way that has a positive effect on the communities for which it commissions services.

The CCG also expects a commitment to the principles of environmental sustainability from the providers, this is because most of the CCGs environmental & social impacts occur through commissioning. For commissioned services the CCG uses the 'sustainability comparator' established by the Sustainable Development Unit to measure the performance of service providers (https://www.sduhealth.org.uk/policy-strategy/reporting/organisational-summaries.aspx).

The mandate for sustainability reporting

For the NHS, sustainable development has been recognised at a national level as an integral part of efficiently delivering high quality healthcare. To this end, the Department of Health Group Accounting Manual (DoH GAM) states that all NHS bodies are required to produce a sustainability report for inclusion in their Annual Report. This sustainability report has been prepared in accordance with HM Treasury's Public Sector Annual Reports: Sustainability Reporting Guidance 2018/19 and guidance from the Sustainable Development Unit (SDU).

Summary of environmental performance

The table below summarises the environmental performance of the CCG for the 2018/19 financial year and the pre-ceding four years across a variety of sustainability metrics. The CCG has been able to

consolidate the improvements made to data in the 2017/18 report and has again published data on electricity and gas consumption (kWh) along with travel data that was not published prior to 2017/18. This new data allows a greater understanding of the CCGs performance and will be reported for all subsequent years.

The CCG occupies a proportion of the Civic Centre and as such data is apportioned based on the occupancy percentage, which for 2018/19 was 9.5%. In addition, due to reporting deadlines the final month of data is extrapolated from the pre-ceding 11 months to produce 12 months of data for the purposes of reporting.

The grand total carbon emissions for the CCG have decreased slightly (41.39 t CO_2e) compared with the 2017/18 financial year (42.44 t CO_2e). In comparison to the earliest year for which data has been reported (2014/15) the CCG has been able to reduce its total carbon emissions by 17.68%.

Sustainability metric		2014/15	2015/16	2016/17	2017/18	2018/19
Grand total GHG emissions (t CO_2e)		50.28	48.29	46.32	42.44	41.39
t CO_2e per WTE		1.12	1.05	1.02	0.81	0.72
Energy in buildings	Electricity consumption (kWh)	Not reported			33,990	30,111
	Gas consumption (kWh)	Not reported			51,657	54,532
	Total building energy consumed (kWh)	80,379	82,370	75,783	85,647	84,643
	Building energy carbon emissions (t CO_2e)	31	30	30	26	25
Water	Water consumption (m^3)	704	702	706	715	689
	Carbon emissions (t CO_2e)	0.64	0.74	0.7	0.65	0.63
	Water consumed (m^3) per WTE	15.68	15.26	15.55	13.60	12.01
Travel	Grey fleet (miles)	Not reported			36,066	32,990
	Taxi travel (miles)	Not reported			171	0
	Train travel (miles)	Not reported			3,927	4,253
	Total distance travelled (miles)	43,805	45,232	44,906	40,164	37,243
	Total expenditure (£)	18,237	25,330	25,147	21,858	24,418
	Carbon emissions (t CO_2e)	16.1	16.4	16.2	13.26	13.23
Waste	Recycling (tonnes)	0.89	1.11	0.67	1.11	1
	Landfill (tonnes)	7.29	7.29	7.29	7.29	7.29
	Carbon emissions (t CO_2e)	1.47	1.474	1.475	2.53	2.53
Headcount	WTE	44.89	45.99	45.41	52.57	57.39

Energy in buildings

Energy consumption within buildings has decreased slightly from 85,647 kWh last year to 84,643 kWh this year, and the associated CO_2e emissions have also decreased from 26 t CO_2e to 25 t CO_2e. This small reduction is entirely due to a reduction in electricity consumption which was 30,111 kWh this year compared with 33,990 kWh in 2017/18. The gas consumption has increased slightly by 5.57% when compared with the 2017/18 figure. The reduction in electricity is likely due in part to a change in the

electricity conversion factor driven by decarbonisation of the electricity grid i.e. more and more electricity is generated from renewables each year. For the purposes of long term trend analysis though the year to year figures are broadly consistent and could have been influenced by the increased staff numbers.

Water consumption

Water consumption has also decreased from 706 m^3 in 2017/18 to 689 m^3 this year. This reduction is also reflected in the normalised water consumption figure which now shows consumption of 12.01 m3 per person. This reduction in water consumption combined with the increased WTE figure indicates improved efficiency in water consumption in addition to a reduction in total consumption. Gedling Borough Council who own the building occupied by the CCG have installed a variety of water saving measures in all of their buildings, which will have benefited the water consumption of the CCG.

Transport

Regarding transport, the total number of miles travelled by CCG staff has decreased by 7.30%, from 40,164 miles in 2017/18 down to 37,243 miles in 2018/19. This is only the second year that the CCG has reported the individual components (grey fleet, taxi & train) to the total miles travelled. From this data it can be seen that grey fleet mileage (business travel where staff use their own car) is the by far the largest contributor to the total number of business miles travelled. The mileage data for train journeys was estimated from expenditure using the Sustainable Development Unit carbon emissions tool. This is because the CCG does not directly collect mileage data for train journeys. There were no Taxi journeys undertaken by the CCG in 2018/19 resulting in zero miles for that specific component. In line with the reduction in total business miles the CO_2e emissions resulting from travel (13.23 t CO_2e) have also reduced when compared with last year (13.26 t CO_2e). The small change in CO_2e emissions resulting from a considerable change in mileage highlights the relatively small amount of CO_2e emitted by modern cars per mile travelled.

Waste

The CCG does not currently monitor waste sent for recycling or to landfill, as such estimates have been used for the purposes of this report.

Scoped emissions

The CCG is required to report its carbon emissions as scope 1, 2 and 3 totals, the table below contains this information. Scope 1 collects together all direct sources of emissions i.e. where the CCGs actions directly result in emissions. Scope 2 is for the emissions sources related to the production of energy consumed by the CCG and scope 3 is for all other indirect emission sources.

<table>
<tr><th rowspan="2">Scope</th><th colspan="2">Total emissions (t CO_2e)</th><th rowspan="2">Carbon sources</th></tr>
<tr><td>2017/18</td><td>2018/19</td></tr>
<tr><td rowspan="2">Scope 1</td><td rowspan="2">11.65</td><td rowspan="2">12.63</td><td>Gas consumption</td></tr>
<tr><td>Water consumption</td></tr>
<tr><td>Scope 2</td><td>15</td><td>13</td><td>Electricity consumption</td></tr>
<tr><td rowspan="4">Scope 3</td><td rowspan="4">15.8</td><td rowspan="4">15.77</td><td>Grey fleet mileage</td></tr>
<tr><td>Taxi travel</td></tr>
<tr><td>Train travel</td></tr>
<tr><td>Waste production</td></tr>
</table>

Our Statutory Duties

The statutory duties and powers of CCGs are set out within NHS England's '*The functions of Clinical Commissioning Groups'* (March 2013). The responsibility for discharging our key statutory duties rests with the Governing Body and, as such, we have established an Annual Reporting Framework which ensures that the appropriate assurances on the delivery of key duties are received in a timely manner. Further assurance is provided through our Governing Body Assurance Framework, which identifies high-level risks with the potential to impact on the delivery of strategic objectives and statutory duties. It also details the controls and actions in place to mitigate such risks.

The governance arrangements for the way in which we manage our key statutory duties are outlined within our Constitution, which is available on our website at http://www.nottinghamnortheastccg.nhs.uk Further details are also provided within the *Governance Statement* contained within this report.

The following sections focus specifically on how we are meeting some of these duties.

Act with a view to securing continuous improvement to the quality of services

The CCG places quality at the heart of its functions and organisations from which we commission services from must meet essential standards of quality and safety as defined by the Care Quality Commission (CQC). We also set our own local standards, which includes reductions in avoidable harms including pressure ulcers, falls (in particular repeat fallers), urinary tract infections and venous thromboembolism.

The Greater Nottingham CCGs have developed a joint Quality Improvement Framework that clearly sets out how the CCGs will be assured on the quality of commissioned services and how continuous improvements in quality outcomes will be secured. We have also developed a joint Primary Care Quality Framework, which sets out our approach to monitoring and assuring quality and improvement in General Practice services. We work closely with our providers throughout the year to ensure that standards are met; providing challenge and support in areas where patient care can be improved.

Continuous quality improvement is promoted and encouraged through a range of mechanisms, which includes the completion of Equality and Quality Impact Assessments (EQIAs) as an essential requirement of the CCG's decision-making processes. We also have robust mechanisms in place to monitor quality standards, including the monitoring of serious incidents, patient and staff feedback, infection prevention and control, safeguarding processes and clinical outcomes.

The Governing Bodies of the four Greater Nottingham CCGs have delegated responsibility for a range of quality functions, including the requirement to improve the quality of commissioned services, to the Greater Nottingham Joint Commissioning Committee. This committee also has delegated responsibility for overseeing and managing performance against the standards set out in the NHS Constitution and any other nationally set, or locally agreed, performance indicators. The CCG's Governing Body includes an independent nurse member and The CCG's Chief Nurse is a member of the Greater Nottingham Joint Commissioning Committee. In addition, both of these roles are members of the Quality and Performance Committee, which ensures a consistent focus on quality in all aspects of the CCG's activity. You can read more about the work of these committees in the *Governance Statement* section of this report.

Have regard to the need to reduce inequalities

Our strategic objectives are developed in line with the needs of the local population in order to reduce health in access to services and outcomes achieved. We work in partnership with the Nottinghamshire County Health and Wellbeing Board to deliver the Joint Health and Wellbeing Strategy and assist Nottinghamshire County Council in maintaining Nottingham's Joint Strategic Needs Assessment. The CCG has established clear decision making principles to be considered when making investment, disinvestment and service change decisions; one of which is to ensure that the duty to reduce inequalities is taken into account. We have also adopted the NHS Equality Delivery System as a tool towards delivering reduced health inequalities.

Engaging People and Communities

The NHS belongs to all of us and we welcome the active participation of patients, carers, community representatives and groups and the public in planning, delivering and evaluating services that we commission. The CCG recognises that to improve local health services we need to involve local people in the work that we do and ensure that we actively seek out the views of those most affected by service change and those in hard to reach communities.

The Greater Nottingham CCG's shared arrangements have been established to ensure the closer alignment of our commissioning activity across Greater Nottingham. This has also meant the closer alignment of our patient and public involvement activity, however, we continue to recognise the specific needs of different patient groups and communities within the distinct Greater Nottingham populations, and we adapt our approach to engagement accordingly. The fundamental principles of our approach to engagement are:

- Being clear about who is being engaged, the possible options, the engagement process, what is being proposed, the scope to influence and the expected costs and benefits of the proposal.
- Ensuring that engagement takes place in a suitable timeframe to allow decisions to be genuinely influenced by feedback received.
- Keeping the burden of engagement to a minimum to retain continued patient and public buy-in to the process.
- Ensuring that responses to engagement exercises are carefully analysed with clear feedback provided to participants, which set out the decision made and the influence the results of the engagement exercise had on the final decision.

The CCG has an established Patients Cabinet to steer our patient and public involvement and provide oversight of engagement plans, ensuring engagement activities are appropriately planned, shaped and delivered. Following a recent independent review of engagement activity across Greater Nottingham, a steering group has been established to build on the findings of the review and develop a new model for patient and public involvement that can further strengthen our approach. Going in to 2019/20, we will work with colleagues in the Mid-Nottinghamshire CCGs to develop this model across the whole of Nottingham and Nottinghamshire. This will ensure that we can utilise our collective experience to draw on best practice, whilst retaining sensitivity to our local populations. We have also established a Patient and Public Involvement (PPI) QIPP Group to ensure that engagement is appropriately embedded in any service changes proposed to help deliver savings, whilst improving

patient care.

We benefit from good links with our local Healthwatch, the health and social care consumer champion, which helps us to further understand and respond to the concerns of our population. We also ensure compliance with the County Council health scrutiny requirements in relation to proposals on service change.

You can read more about how we involve patients, carers, community groups and the public in all stages of our commissioning processes via the Get involved section of our website, which provides more information on how patients, carers, community groups and the public can get involved in shaping NHS services. Our 2018/19 Patient Engagement Report is available at http://www.nottinghamnortheastccg.nhs.uk and this also provides further information as to how the CCG is meeting its statutory duties in relation to patient and public engagement.

Working with the Health and Wellbeing Board

We are active members of the Nottinghamshire County Health and Wellbeing Board; a statutory partnership established to lead and advise on work to improve the health and wellbeing of the population of Nottinghamshire and specifically to reduce health inequalities. This Board brings us together with Nottinghamshire County Council to address county-wide issues where a collaborative approach between partners is essential. Other local organisations include the Nottinghamshire Police Crime Commissioner, Healthwatch Nottinghamshire and NHS England. Further information on the Health and Wellbeing Board can be found in the *Governance Statement* within this report.

The Board carries out and assessment called the Joint Strategic Needs Assessment across the county to find out if there are particular patterns or issues in a certain area. The Joint Health and Wellbeing Strategy was launched in 2018 and has four ambitions, which are:

- To give everyone a good start in life
- To have healthy and sustainable places
- To enable healthier decision making
- To work together to improve health and care services.

Equality, Diversity and Inclusion

The CCG recognises and values the diverse needs of its population and is committed to reducing health inequalities and improving the equality of health outcomes for our population. We are committed to embedding equality and diversity considerations into all aspects of our work and in ensuring the provision of high quality and accessible healthcare; underpinned by a diverse and well-supported workforce which is representative of the population we serve. We recognise that equality is not about treating everyone the same; it is about ensuring that access to opportunities are available to all by taking account of people's differing needs and capabilities. We believe that diversity is about recognising and valuing differences through inclusion, regardless of age, disability, gender re-assignment, marriage or civil partnership status, pregnancy and maternity, race, religion or belief, sex, or sexual orientation. Also, we believe that our employees are essential to the provision of high quality healthcare and we are committed to maintaining a working environment that promotes their health and wellbeing.

The Public Sector Equality Duty of the Equality Act 2010 requires all public sector organisations to analyse and measure their equality performance and prepare associated information for publication each year. It also requires organisations to prepare and publish equality objectives and set out how progress towards achieving the objectives will be measured.

The following is a summary of a report on the work undertaken by the CCG during 2018/19 to ensure that we meet the requirements of the Public Sector Equality Duty.

The NHS Equality Delivery System

The NHS Equality Delivery System (EDS2) was introduced in 2011 to help NHS organisations deliver better outcomes for patients and communities, and better working environments for staff, which are personal, fair and diverse with equality of opportunity and treatment for all. The Equality Delivery System also helps NHS organisations to obtain, analyse and grade the evidence required to demonstrate compliance with the Public Sector Equality Duty. It includes a set of 18 outcomes grouped under four overarching goals.

- Goal 1 - Better health outcomes
- Goal 2 - Improved patient access and experience
- Goal 3 - A representative and supported workforce
- Goal 4 - Inclusive leadership

It is against these outcomes and goals that organisational performance is analysed and graded and further action determined. The grading system encourages organisations to use EDS2 flexibly and selectively, to enable key local health inequalities to be embraced.

The self-assessment process utilises a range of information, including that we have obtained from our provider organisations. The process is also supported and strengthened by involving the CCG's lay and independent members. The full report and outcome of the 2018/19 EDS2 self-assessment can be found in our Governing Body papers at www.nottinghamnortheastccg.nhs.uk

Better health outcomes

We commission and procure services with the aim of meeting the health needs of our local community and work with providers of health services to ensure that individual people's health needs are assessed in appropriate and effective ways. We also commission actions to improve transitions between services and to ensure that all health promotion services reach and benefit our local communities.

As it is essential for us to fully understand the health needs of our population if we are to be successful in addressing health inequalities, we support the production for a Joint Strategic Needs Assessment (JSNA) in conjunction with the Local Authority. This identifies where inequalities exist and describes the future health and wellbeing needs of the CCG's population and each JSNA chapter addresses some of the protected characteristics in terms of health needs and access to services. The JSNAs form a key part of the evidence base on which commissioning decisions are made in order to improve health outcomes and reduce health inequalities.

During 2018/19 the CCG issued commissioning intentions to its main providers for the following year, stating that one of the approaches to commissioning would focus on population health management. This will require a deeper understanding of our communities and the CCG continues to develop its infrastructure and intelligence accordingly.

Equality and Quality Impact Assessments

During 2017 we introduced a process to support the Greater Nottingham CCGs' Financial Recovery Plan that brings together equality and quality impact considerations into a single EQuality Impact Assessment (EQIA). This provides a consistent, pre-defined and streamlined process to ensure that we understand the individual and collective impact of proposed financial recovery schemes prior to any decision-making. It also prevents equality and quality risks from being considered in isolation. The EQIA is an assessment of whether proposed changes could have a positive, negative or neutral impact on people's different protected characteristics, as defined by the Equality Act 2010. It also considers the impacts on people from relevant inclusion health groups (e.g. carers, homeless people, people experiencing economic or social deprivation). The EQIA also assesses impacts in line with the CCGs' duty to maintain and improve the three elements of quality (patient safety, patient experience and clinical effectiveness) and considers access to services. EQIAs are treated as 'live' documents, and are revisited at key stages of scheme development and implementation, particularly following the conclusion of any patient and public engagement and consultation activities to inform decision-making.

Inclusive Leadership and Workforce

The CCG's Governing Body and senior leaders are committed to promoting equality and ensuring that equality-related impacts and risks are identified and managed. All members of the Governing Body and its committees are required to sign declarations of compliance with the Professional Standards Authority for Health & Social Care's Standards for members of NHS Boards and Clinical Commissioning Group Governing Bodies in England. This commits them to promoting equality and human rights in the treatment of patients and service users, their families and carers, the community, colleagues and staff, and in the design and delivery of services for which they are responsible. CCG managers are expected to work to the Code of Conduct for NHS Managers, which requires managers to ensure that no one is unlawfully discriminated against because of their protected characteristics or economic status.

All staff have responsibility for treating everyone with dignity and respect and must not discriminate or encourage others to discriminate. The CCG's leadership team is committed to ensuring that staff are supported to work in culturally competent ways within a work environment that is free from discrimination. All staff are expected to complete mandatory Equality and Diversity Awareness training and pertinent information is often communicated to staff through our internal communication processes. In addition, the CCG has in-house equality, diversity and inclusion expertise to ensure that appropriate advice and support can be accessed.

Promoting Research

During 2018-19 the Greater Nottingham Clinical Commissioning Partnership established a new Research and Evidence Strategy Group. This is chaired by Dr Simon Royal, GP Research Lead at the University of Nottingham Health Service and Primary Care Clinical Specialty Lead for the National Institute for Health Research (NIHR) Clinical Research Network East Midlands. The Group has representation from all four Greater Nottingham CCGs and oversees delivery against our statutory duties to promote research, the use of research evidence and the requirement to follow the Department of Health and Social Care's policy on excess treatment costs for research.

Nottingham North and East CCG has well established research partnerships with the University of Nottingham, NIHR Clinical Research Network East Midlands, NIHR Collaboration for Applied Leadership Health Research and Care East Midlands (CLAHRC EM) and the East Midlands Academic Health Science Network.

During 2018-19, 12 out of 19 member GP practices had recruited into at least one NIHR Clinical Research Network portfolio study recruiting a total of 105 participants. This is 63% of practices, which is above the 45% NIHR national target for the proportion of GP practices recruiting to NIHR studies. Examples of research studies conducted this year in primary care are:

- Trial of physical activity assisted reduction of smoking
- The feasibility and practicality of dementia reduction risk

A research annual report was presented to the Greater Nottingham Clinical Commissioning Partnership Joint Commissioning Committee in April 2019. This can be found at *https://www.rushcliffeccg.nhs.uk/your-ccg/joint-commissioning-committee/*

Emergency Preparedness, Resilience and Response (EPRR)

The NHS needs to plan for and respond to a wide range of emergencies and business continuity incidents that could affect health or patient care. These could be anything from extreme weather conditions to an infectious disease outbreak or a major transport accident or terrorist act. This is underpinned by legislation contained in the Civil Contingencies Act 2004 (CCA 2004) and the NHS Act 2007 (as amended). The CCA 2004 specifies that responders will be either Category 1 (primary) or Category 2 responders (supporting agencies). NHS England, acute and ambulance service providers, Public Health England and Local Authorities are Category 1 responders and CCGs are Category 2 responders.

As a Category 2 responder, the CCG supports Category 1 responders and is part of a wider EPRR framework that includes local health providers, EMAS, NHS England and Public Health which is called the Local Health Resilience Partnership. The CCG also works closely with other agencies and partners including the Local Authorities, police and fire services through the Local Resilience Forum. In order to carry out its responsibilities, the CCG has relevant plans and a 24/7 on call structure in place. A self-assessment is carried out each year by the CCG (as with all NHS Category 1 and Category 2 responders) in order to provide assurance on compliance against core standards for EPRR. For 2018/19 the Level of Compliance for the Nottinghamshire CCGs was 'Compliant'.

EU Brexit

During the year, the Governing Body has been updated on the national expectations on Commissioners related to the United Kingdom leaving the European Union. The CCG has complied with all relevant national requirements as per the EU Exit Operational Readiness Guidance (December 2018) and has actively complied with all planning requirements through the Local Resilience Forum. The Governing Body has reviewed plans and the potential risks across the system and for the CCG in relation to the seven areas of activity, and has concluded that this is not a significant strategic risk for the organisation given the matters being dealt with directly by NHS central bodies and HM Government

Accountability Report

Dr Amanda Sullivan
Accountable Officer
24 May 2019

Corporate Governance Report

Members Report

NHS Nottinghamshire North and East Commissioning Group had 20 member practices. Our member practices are as follows:

1. Apple Tree Medical Practice Burton Joyce
2. Calverton Practice, Calverton
3. Daybrook Medical Practice, Daybrook
4. Giltbrook Surgery, Giltbrook
5. Highcroft Surgery, Arnold
6. Ivy Medical Group, Burton Joyce
7. Jubilee Practice, Lowdham
8. Newthorpe Medical Centre, Eastwood
9. Oakenhall Medical Practice, Hucknall
10. Om Surgery, Hucknall
11. Park House Medical Centre, Carlton
12. Peacock Healthcare, Carlton
13. Plains View Surgery, Mapperley
14. Stenhouse Medical Centre, Arnold
15. Torkard Hill Medical Centre, Hucknall
16. Trentside Medical Group, Colwick
17. Unity Surgery, Mapperley
18. Westdale Lane Surgery, Gedling
19. West Oak Surgery, Mapperley
20. Whyburn Medical Practice, Hucknall

Composition of Governing Body

The Governing Body has responsibility for ensuring that the CCG has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the CCG's principles of good governance (its main function).

The Governing Body is clinically led with Dr James Hopkinson taking the role of Chair and Clinical Leader. The Governing Body is composed of members from our constituent practices who have been selected and elected through a formal process, along with three lay members, a registered nurse and secondary care doctor. The Governing Body may also co-opt observers and attendees with speaking rights to attend meetings as required.

The Governing Body is supported by a committee structure which reports on a regular basis to the Governing Body. You can read more about the committee structure in the *Governance Statement* contained within this report.

The following shows people who were full members of the CCG Governing Body with speaking and voting rights from 1 April 2018 to 31 March 2019:

Member	Role
Dr James Hopkinson	Chair and Clinical Lead
Sam Walters	Accountable Officer (to 31 Oct 2018)
Gary Thompson	Acting Accountable Officer (from 14 Jun 2018 until 13 Nov 2018)
Dr Amanda Sullivan	Accountable Officer (from 13th Nov 2018)
Jonathan Bemrose	Chief Finance Officer
Dr Paramjit Panesar	Assistant Clinical Lead
Dr Ian Campbell	GP Member
Dr Caitriona Kennedy	GP Member
Dr Elaine Maddock	GP Member
Dr Ben Teasdale	Independent Secondary Care Consultant (to 31 Dec 2018)
Nichola Bramhall	Registered Nurse/Director of Nursing and Quality
Terry Allen	Lay Member - Financial Management and Audit
Janet Champion	Lay Member - Patient and Public Involvement
Mike Wilkins	Lay Member - Primary Care

Breakdown of the Governing Body by Gender (as at 31 March 2019)

Male	Female	Total
6	5	11

The Greater Nottingham Joint Commissioning Committee

As described in the *Performance Summary* section contained within this report, on 1 April 2018, the Governing Bodies of the Greater Nottingham CCGs established a Joint Commissioning Committee to exercise, to the extent permitted under s.14Z3 NHS Act 2006 (as amended), the commissioning functions of the four CCGs.

The following shows people who were full members of the Joint Commissioning Committee with speaking and voting rights from 1 April 2018 to 31 March 2019:

- Jenny Myers – Independent Chair
- Dr Amanda Sullivan - Accountable Officer (from 13 Nov 2018)
- Jonathan Bemrose – Chief Finance Officer
- Dr Hugh Porter - Clinical Leader (NHS Nottingham City CCG)
- Dr James Hopkinson – Clinical Leader (NHS Nottingham North and East CCG)
- Dr Stephen Shortt – Clinical Leader (NHS Rushcliffe CCG)
- Dr Nicole Atkinson – Clinical Leader (NHS Nottingham West CCG)
- Dr Sonali Kinra – Independent GP Advisor (from 1 May 2018)
- Nichola Bramhall – Chief Nurse and Director of Quality
- Sue Clague - Lay Member
- Terry Allen – Lay Member

- Janet Champion – Lay Member (from 1 June 2018)
- Carol Knott – Lay Member (to 31 May 2018)
- Dr Adedeji Okubadejo - Independent Secondary Care Doctor (from 1 January 2019)
- Dr Ben Teasdale – Independent Secondary Care Doctor (to 31 December 2018)
- Gary Thompson - Acting Accountable Officer (from 14 June 2018 until 13 Nov 2018)
- Sam Walters - Accountable Officer (to 31 October 2018)

You can read more about the work of the Governing Body and its committee structure in the *Governance Statement* contained within this report.

Full biographies of our Governing Body and Joint Commissioning Committee members are available on the 'about us' section of our website at www.nottinghamnortheast.nhs.uk.

Audit and Governance Committee

The following people attended as members of the Audit and Governance Committee throughout the year and up to the signing of our annual report and accounts:

Member	Role
Terry Allen	Lay Member Financial Management and Audit
Janet Champion	Lay Member Patient and Public Involvement
Mike Wilkins	Lay Member Primary Care

Please refer to the *Governance Statement* contained within this report for details about all the Governing Body's committees, including their membership.

Register of Interests

We are committed to ensuring that our organisation inspires confidence and trust, avoiding any potential situations of undue bias or influence in decision-making and protecting the NHS, the CCG, and individuals involved from any appearance of impropriety.

The CCG has a publically available Register of Declared Interests that captures the declared interests of all members and attendees of the Governing Body and its committees, along with all other employees of the CCG. Further details on how we manage conflicts of interest are detailed in the *Governance Statement* within this report.

As part of our arrangements for ensuring a culture of openness and transparency in our business transactions, we also maintain a Register of Procurement Decisions and a Register of Gifts, Hospitality and Sponsorship.

The Conflicts of Interest Register can be found here:
http://www.nottinghamnortheastccg.nhs.uk/contact-us/freedom-of-information/conflicts-of-interest

Personal data related incidents

We are committed to reporting, managing and investigating all information governance incidents and near-misses. We actively encourage staff to report all incidents and near misses to ensure that learning

can be collated and disseminated within the organisation. We did not report any serious incidents involving information, confidentiality or security between April 2018 and March 2019.

One personal data related incident was reported during 2018/19, however, this was not rated as being serious in nature and was managed in line with our incident reporting and management procedures. This involved an individual's access permissions to an email account used to receive sensitive data not being closed after ceasing employment with the organisation; however, this was reported to us as soon as the individual became aware of it and the access was immediately removed .

Summary of personal data related incidents in 2018/19

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	0
V	Other	1

Statement of Disclosure to Auditors

Each individual who is a member of the CCG at the time the Members' Report is approved confirms:

- so far as the member is aware, there is no relevant audit information of which the CCG's auditor is unaware that would be relevant for the purposes of their audit report.
- the member has taken all the steps that they ought to have taken in order to make him or herself aware of any relevant audit information and to establish that the CCG's auditor is aware of it.

Modern Slavery Act

NHS Nottinghamshire North and East CCG fully supports the Government's objectives to eradicate modern slavery and human trafficking but does not met the requirements for producing an annual Slavery and Human Trafficking Statement as set out in the Modern Slavery Act 2015.

However, the six CCGs in Nottingham and Nottinghamshire have agreed to show their commitment to the Act and the Governing Bodies will agree a joint statement early in 2019/20. The statement will then be published on our website at http://www.nottinghamnortheastccg.nhs.uk/

Statement of Accountable Officer's Responsibilities

The National Health Service Act 2006 (as amended) states that each Clinical Commissioning Group shall have an Accountable Officer and that Officer shall be appointed by the NHS Commissioning Board (NHS England). NHS England has appointed Amanda Sullivan to be the Accountable Officer of Nottingham North and East CCG.

The responsibilities of an Accountable Officer are set out under the National Health Service Act 2006 (as amended), Managing Public Money and in the Clinical Commissioning Group Accountable Officer Appointment Letter. They include responsibilities for:

- The propriety and regularity of the public finances for which the Accountable Officer is answerable,
- For keeping proper accounting records (which disclose with reasonable accuracy at any time the financial position of the Clinical Commissioning Group and enable them to ensure that the accounts comply with the requirements of the Accounts Direction),
- For safeguarding the Clinical Commissioning Group's assets (and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities).
- The relevant responsibilities of accounting officers under Managing Public Money,
- Ensuring the CCG exercises its functions effectively, efficiently and economically (in accordance with Section 14Q of the National Health Service Act 2006 (as amended)) and with a view to securing continuous improvement in the quality of services (in accordance with Section14R of the National Health Service Act 2006 (as amended)),
- Ensuring that the CCG complies with its financial duties under Sections 223H to 223J of the National Health Service Act 2006 (as amended).

Under the National Health Service Act 2006 (as amended), NHS England has directed each Clinical Commissioning Group to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Clinical Commissioning Group and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and,
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out under the National Health Service Act 2006 (as amended), Managing Public Money and in my Clinical Commissioning Group Accountable Officer Appointment Letter.

I also confirm that:

- as far as I am aware, there is no relevant audit information of which the CCG's auditors are unaware, and that as Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the CCG's auditors are aware of that information.

Governance Statement

Introduction and context

NHS Nottingham North and East CCG ("**the CCG**") is a body corporate established by NHS England on 1 April 2013 under the National Health Service Act 2006 (as amended).

The CCG's statutory functions are set out under the National Health Service Act 2006 (as amended). The CCG's general function is arranging the provision of services for persons for the purposes of the health service in England. The CCG is, in particular, required to arrange for the provision of certain health services to such extent as it considers necessary to meet the reasonable requirements of its local population.

As at 31 March 2019, the CCG is not subject to any directions from NHS England issued under Section 14Z21 of the National Health Service Act 2006.

We have strong clinical leadership and involvement with our member practice GPs and other clinicians and work together to innovate and commission new and re-designed services. We work closely with the Local Authority which, combined with our membership model, ensures that the organisation is well placed to understand the needs of our population and to develop and redesign healthcare services to address these needs. We are committed to ensuring that patient engagement and involvement is at the centre of all our decision-making processes.

We are responsible for commissioning the majority of healthcare services for the people of Nottingham North and East, including elective hospital care and rehabilitation care, maternity services, urgent and emergency care, community services and mental health and learning disability services. Since 1 April 2015, we have also taken on full delegated responsibility for commissioning primary medical services within our area.

We have a well-established history of commissioning health services in collaboration with our neighbouring CCGs, and towards the end of 2017/18, the extent of this collaborative working was reviewed. This was driven by a range of collective challenges, including the development of new models of care, significantly increasing financial pressures, increased challenges around performance of our health system, and stretched capacity to deliver all our commissioning functions. As a result, NHS Nottingham City CCG, NHS Nottingham North and East CCG, NHS Nottingham West CCG and NHS Rushcliffe CCG ("**the Greater Nottingham CCGs**") agreed to establish a Joint Commissioning Committee from 1 April 2018, as this was seen as the best solution to help address these challenges. At this time, the Greater Nottingham CCGs also aligned their wider governance arrangements and fully integrated their staffing structures.

During 2019/20, we are planning to extend these joint working arrangements to bring together the Greater Nottingham CCGs with NHS Mansfield and Ashfield CCG and NHS Newark and Sherwood CCG ("**the Mid-Nottinghamshire CCGs**"). This is in line with a proposal to create a single, strategic commissioning organisation from April 2020 as part of the emerging Nottingham and Nottinghamshire Integrated Care System (ICS).

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CCG's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned

to me in Managing Public Money. I also acknowledge my responsibilities as set out under the National Health Service Act 2006 (as amended) and in my CCG Accountable Officer Appointment Letter.

I am responsible for ensuring that the CCG is administered prudently and economically and that resources are applied efficiently and effectively, safeguarding financial propriety and regularity. I also have responsibility for reviewing the effectiveness of the system of internal control within the CCG as set out in this governance statement.

My role of Accountable Officer is a joint appointment across the Greater Nottingham CCGs and the Mid-Nottinghamshire CCGs. As such, I have the same responsibilities across these six CCGs.

Governance arrangements and effectiveness

The main function of the Governing Body is to ensure that the group has made appropriate arrangements for ensuring that it exercises its functions effectively, efficiently and economically and complies with such generally accepted principles of good governance as are relevant to it.

The CCG has established a Constitution and Inter-Practice Agreement, which together set out how the organisation will ensure that it is well governed and accountable to both its member GP practices and its local population. The Constitution sets out the organisation's statutory responsibilities and the structures and processes that have been developed to ensure that these are met in line with the principles of good governance. It also describes the relationship between the Governing Body and the CCG's membership and the democratic processes to appoint the organisation's Clinical Chair. The Inter-Practice Agreement details the local working arrangements between member GP practices.

The CCG has also established a Scheme of Reservation and Delegation, which sets out those decisions that are reserved for the membership as a whole. These relate to the approval of any material changes to the CCG's Constitution, approval of any changes to the CCG's Inter-Practice Agreement, and approval of arrangements for electing our Clinical Chair.

All remaining decisions are delegated by the CCG's membership to its Governing Body, its committees, and individuals employed by the organisation. In line with this delegation, arrangements are in place for the Governing Body to formally report back to the CCG's membership on delegated matters and for the membership as a whole to feed into the organisation's strategic development. Regular two-way communication is maintained between the Governing Body and the CCG's membership, which is achieved in part through the provision of performance and financial progress reports to our member practices and the member practices' ability to influence management actions being taken. These meetings also facilitate the ability for any quality concerns identified at GP practice level to be captured and fed into the work of the CCG.

In addition to the responsibilities delegated to it under the Scheme of Reservation and Delegation, the main function of the Governing Body is to ensure that appropriate arrangements have been made to ensure that the organisation complies with its obligations to act effectively, efficiently and economically and to ensure that the principles of good governance are embedded throughout the CCG.

As part of the CCG's commitment to openness and accountability, meetings of the Governing Body are held in public and members of the public may ask questions in advance of each meeting, which will be verbally responded to at the meeting. In line with good governance practice, the Governing Body is supported by an annual cycle of business that sets out a coherent overall programme for meetings. The Governing Body's forward plan is a key mechanism by which appropriately timed governance oversight,

scrutiny and transparency can be maintained in a way that doesn't place an onerous burden on those in executive roles or create unnecessary or bureaucratic governance processes.

The Governing Body's membership has a clinical majority and is led by an elected GP in the role of Chair of the Governing Body. Its membership also includes three further elected GPs from member practices and the organisation's Accountable Officer and Chief Finance Officer. Membership also includes independent members, comprising three lay members and independent clinical expertise from a secondary care doctor. The Governing Body may also co-opt observers and attendees with speaking rights to attend meetings as required.

As part of their role as members of the Governing Body, the independent members provide an external view of the work of the CCG that is removed from the day-to-day running of the organisation. This brings insight and impartiality to the Governing Body and provides constructive challenge to discussions at meetings of the Governing Body and its committees in order to support the robustness of decision making arrangements.

The Governing Body has appointed the following committees:

Audit and Governance Committee – This statutory committee provides the Governing Body with an independent and objective view of the CCG's financial systems, financial information and compliance with laws, regulations and directions governing the organisation in so far as they relate to finance. The committee also has responsibility for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities. This includes reviewing the integrity of the CCG's financial statements, the adequacy and effectiveness of all risk and control related disclosure statements, and ensuring that the organisation has effective whistle blowing and anti-fraud systems in place.

The committee scrutinises every instance of non-compliance with the CCG's Standing Orders, Scheme of Reservation and Delegation and Prime Financial Policies and monitors compliance with the CCG's policies relating to standards of business conduct. The Audit and Governance Committee meets no less than six times per year at appropriate times in the reporting and audit cycle and its membership is comprised solely of Governing Body Lay Members. Members are supported by the CCG's internal auditors, external auditors and local counter fraud specialist.

Key activities of the Committee during 2018/19

During the year, the Audit and Governance Committee has:

- Scrutinised reports from the CCG's internal and external auditors, which will culminate in the receipt of their year-end opinions and conclusions in May 2019.
- Maintained a consistent focus on financial control matters throughout the year. This has included approval of the year-end accounts timetable and accounting policies for 2018/19, and will include a review of the CCG's unaudited and final Annual Accounts at its May 2019 meetings.
- Reviewed the CCG's Register of Tender Waivers, which sets out all contracts that have been awarded without a competitive tender process.
- Received ongoing assurance that the alignment of governance, risk and probity arrangements across the four Greater Nottingham CCGs has continued to meet the requirements of the individual statutory bodies involved; whilst also facilitating joint working where possible. As such, the committee has received comprehensive reports on the CCG's operational and strategic risk management arrangements and detailed assurance reports on the management of conflicts of

interest (in line with the requirements of Managing Conflicts of Interest: Revised Statutory Guidance for CCGs, NHS England, 2017). As part of this review, the committee scrutinised the Register of Declared Interests, Register of Gifts, Hospitality and Sponsorship and Register of Procurement Decisions.

- Received updates from the CCG's Counter Fraud service on progress in achieving the NHS Counter Fraud Authority Standards for Commissioners: Fraud, Bribery and Corruption.
- Completed a self-assessment in line with Healthcare Financial Management Association (HFMA) guidance, which showed that members were satisfied with the overall effectiveness of the committee.

The Audit and Governance Committees of the four Greater Nottingham CCGs have met 'in common' throughout 2018/19.

Remuneration and Terms of Service Committee – This statutory committee has been established to make recommendations to the Governing Body in relation to the remuneration, fees and allowances payable to employees of the CCG and to other persons providing services to it; and any determinations about allowances payable under pension schemes established by the CCG. The committee meets on an 'as required' basis, with a minimum of one meeting per year, and its membership is comprised entirely of Governing Body Lay Members. As such, its remit excludes considerations in relation to lay member remuneration, fees and allowances, which are instead approved by the Chair of the Governing Body and the Accountable Officer.

Key activities of the Committee during 2018/19

There have been three meetings of the Remuneration and Terms of Service Committee during the year. At these meetings, the committee:

- Reviewed the consultation approach being taken to integrate the Senior Leadership Team across the Greater Nottingham CCGs and Mid-Nottinghamshire CCGs.
- Made recommendations to the Governing Body following reviews of the remuneration for existing and new senior manager posts in light of national guidance and benchmarking data.

The Remuneration and Terms of Service Committees of the four Greater Nottingham CCGs have met 'in common' throughout 2018/19. For one meeting, this 'committees in common' approach was extended to also include the two Mid-Nottinghamshire CCGs' Remuneration Committees.

Primary Care Commissioning Committee – This committee was established following the issuance of the formal delegation agreement from NHS England to empower the organisation to commission primary medical services for our local population. The committee operates as the corporate decision-making body for the management of the delegated functions and the exercise of the delegated powers. Meetings of the Primary Care Commissioning Committee are scheduled on a monthly basis, with meetings held as a minimum on a bi-monthly basis. The committee's membership consists of senior managers and independent members, which include lay members, an independent GP and a registered nurse. GPs from the CCG's member practices may be invited to attend meetings to contribute to items where there is no conflict of interest. Meetings are held in public in line with the requirements of the delegation agreement, albeit where necessary, confidential sessions may also be held.

Key activities of the Committee during 2018/19

During the year, the Primary Care Commissioning Committee has met on five occasions. The General Practice Forward View (GPFV) was a key focus of these meetings during the year. The following key areas were also highlighted:

- Monitored progress of the Extended Access service to ensure utilisation rates were as expected and the service was delivering its intended objectives.
- Received regular reports detailing progress against the Greater Nottingham CCGs' Primary Care Quality Assurance Framework to ensure quality and improvement in General Practice services. This included patient experience and feedback from members' of the CCG's population, alongside observations from Care Quality Commissioning (CQC) visits. The Committee also received the Primary Care Quality Annual Report, in line with its' delegated responsibilities.
- Received updates in relation to the CCG's financial position, with focused scrutiny on primary care expenditure.
- Received the 2019/20 General Practice Enhanced Delivery Service (GPEDS) specification and reviewed the funding and quality indicators.
- The Committee also received and discussed the requirements of the Primary Care Internal Audit Framework for Delegated CCGs, which was introduced by NHS England during 2019/20.

The Governing Body has also established the following joint committees:

Information Governance, Management and Technology Committee – This committee has been established as a joint committee of the Greater Nottingham CCGs' Governing Bodies and the Governing Bodies of the Mid-Nottinghamshire CCGs. The committee exists to oversee and scrutinise the information governance, business intelligence and information technology arrangements of the six CCGs and its purpose is to support and drive the broader information governance and information management and technology (IM&T) agendas.

Key activities of the Committee during 2018/19

During the year, the Information Governance, Management and Technology Committee has:

- Endorsed the Greater Nottingham and Mid-Nottinghamshire CCGs' IM&T Strategy prior to its formal approval by the individual Governing Bodies. This strategy describes the CCGs' key deliverables and governance arrangements across a number of established IM&T workstreams.
- Received comprehensive information governance assurance reports, which detailed performance and compliance across key areas of the information governance agenda. It also received specific assurances on compliance with the requirements of the EU General Data Protection Regulation (GDPR).
- Received an update on new Data Security and Protection Toolkit (DSPT), which detailed the DSPT requirements, the status of organisational compliance and the actions in place to meet all mandatory requirements by 31 March 2019.
- Received data quality reports, which assured members of the quality of secondary uses service (SUS) data submitted to the CCGs by their providers. These reports also advised of ongoing work to address any identified issues.

- Scrutinised information governance and IM&T risks from the Corporate Risk Register at every meeting, with a particular focus on new risks, major risks and risks that had increased in score. This included reviews of the effectiveness and progress of mitigating actions.

Greater Nottingham Joint Commissioning Committee – is a joint committee of the Greater Nottingham CCGs that was established on 1 April 2018 to exercise, to the extent permitted under s.14Z3 NHS Act 2006 (as amended), the commissioning functions of the four CCGs. A formal delegation agreement is in place that sets out the functions delegated to the joint committee. These are:

- Arranging for the provision of health services to secure improvement in the physical and mental health of the population; and the prevention, diagnosis and treatment of illness.
- Exercising commissioning related functions, including improving the quality of services, reducing inequalities, patient choice, promoting innovation and integration, and public involvement and consultation.

The joint committee meets no less than 10 times per year and holds its meetings in public. This is in line with the Greater Nottingham CCGs' commitment to openness and accountability. Members of the public may ask questions in advance of each meeting, which will be verbally responded to at the meeting. The joint committee has an independently appointed chair with the remainder of its membership comprised of lay, clinical and managerial members drawn from employees and appointees of the four Greater Nottingham CCGs.

Key activities of the Committee during 2018/19

During the year, the Greater Nottingham Joint Commissioning Committee has:

- Reviewed and endorsed the 2017/19 Operational Plan refresh, which combined the four previous CCG Operational Plans into one document for Greater Nottingham, prior to formal approval by the Greater Nottingham CCGs' Governing Bodies.
- Overseen and endorsed the process undertaken to develop the Greater Nottingham CCGs' shared strategic objectives, prior to Governing Body approval.
- Received a programme of detailed thematic reviews; designed to provide assurance on the key deliverables within the Operational Plan. These reviews covered cancer and end of life, urgent and emergency care, elective care, community care, mental health; and transforming care – learning disabilities.
- Scrutinised the performance of the Greater Nottingham CCGs' major providers against a range of key national indicators.
- Received assurances on the winter planning process for 2018/19 and updates against the over-arching system winter plan.
- Established robust reporting arrangements with regard to financial stewardship and maintained a consistent focus on the overall financial position, the achievement of statutory financial duties and delivery of the Financial Recovery Plan.
- Scrutinised all major risks from the Corporate Risk Register at every meeting.
- Approved, and kept under review, the Committee's governance framework; receiving routine updates and assurances on the work of its appointed sub-committees.

- Approved specific governance structures designed to strengthen the oversight and monitoring arrangements for financial recovery and to ensure the robustness of the large scale procurement of the Nottingham Treatment Centre.

The Greater Nottingham Joint Commissioning Committee is authorised to appoint sub-committees for any agreed purpose that it is felt would be more effectively undertaken by a sub-committee. The following sub-committees have been established:

Greater Nottingham Finance Committee – This committee exists to scrutinise arrangements for ensuring the delivery of the Greater Nottingham CCGs' statutory financial duties and targets, including the achievement of the Greater Nottingham CCGs' Financial Recovery Programme.

The committee meets on a monthly basis and its membership is comprised of lay, clinical and managerial members drawn from employees and appointees of the four Greater Nottingham CCGs.

Key activities of the Committee during 2018/19

During 2018/19, the Greater Nottingham Finance Committee has:

- Reviewed and supported the Greater Nottingham CCGs' Joint Finance Strategy; which sets out how resources will be used to support the CCGs' shared objectives and ensure value for money in securing the provision of high quality and safe services for the Greater Nottingham population.
- Maintained an ongoing focus on the Greater Nottingham CCGs' financial position, both individually and collectively, through the active scrutiny of monthly finance reports. These reports detailed the latest financial position and forecast against delivery of the key statutory financial duties and targets. Monthly variances and emerging trends have been appropriately explored and remedial actions monitored.
- Monitored delivery of the Greater Nottingham CCGs' Financial Recovery Plan, including assurances that robust procedures are in place to ensure the development, implementation and monitoring of the Greater Nottingham CCGs' Quality, Innovation, Productivity and Prevention (QIPP) Programme and ensuring any in-year and forecast variance from plan was suitably addressed.
- Received monthly contract activity reports on the Greater Nottingham CCGs' main providers, detailing year to date areas of underspend and overspend against plan; together with identified opportunities for remedial action.
- Endorsed monthly contract reports detailing ongoing and successful contractual challenges for non-compliant changes implemented by the Greater Nottingham CCGs' acute providers.
- Received and supported the organisational response to independent reviews of financial due diligence and financial recovery arrangements.
- Scrutinised finance risks from the Corporate Risk Register at every meeting, with a particular focus on major risks, new risks, and risks that had increased in score. This included reviews of the effectiveness and progress of mitigating actions.

Greater Nottingham Quality and Performance Committee – This committee exists to scrutinise arrangements for ensuring the quality of commissioned health services and to oversee the development, implementation and monitoring of performance management arrangements.

The committee meets on a monthly basis and its membership is comprised of lay, clinical and managerial members drawn from employees and appointees of the four Greater Nottingham CCGs.

Key activities of the Committee during 2018/19

During 2018/19, the Greater Nottingham Quality and Performance Committee has:

- Received regular quality reports that provide details of the Greater Nottingham CCGs' performance against a range of quality indicators. This included assurances that actions had been implemented where required standards have not been met.
- Agreed a standard programme of annual assurance reports across a number of areas, designed to demonstrate how the Greater Nottingham CCGs are meeting their statutory responsibilities to improve quality in commissioned services. These included detailed reports on infection prevention and control, serious incidents, medicines management and patient experience.
- Reviewed a number of 'deep dive' reports where further assurance had been requested by members. This included reviews on nursing homes and residential care homes, the arrangements in place to adhere to the Children and Families Act (2014), the Nottingham University Hospitals NHS Trust Emergency Department, and out of area placements for mental health acute inpatients. In addition, the committee has reviewed progress against the local maternity transformation programme.
- Received assurance around the embedment of the Equality and Quality Impact Assessment (EQIA) process across the Greater Nottingham CCGs and been regularly updated on the work being undertaken to develop aligned patient and public engagement arrangements across the four CCGs.
- Robustly monitored the Greater Nottingham CCGs' Performance Reports, scrutinising all areas of under-performance against NHS Constitution standards. The committee has maintained a consistent focus on the actions in place to remedy the performance of areas in formal escalation with NHS England; whilst also receiving ongoing assurance that the quality of the services delivered in these areas were still meeting the required standards.
- Scrutinised quality and performance risks from the Corporate Risk Register at every meeting, with a particular focus on new risks, major risks and risks that had increased in score. This included reviews of the effectiveness and progress of mitigating actions.

Attendance at Governing Body meetings and those of its committees, joint committees and sub-committees during 2018/19 is set out below:

Governing Body / Committee	Average Attendance of Members	Annual % of quorate meetings*
Governing Body	79%	100%
Audit and Governance Committee	75%	Tbc
Remuneration and Terms of Service Committee	67%	100%
Primary Care Commissioning Committee	58%	100%
Information Governance, Management and Technology Committee	64%	100%
Greater Nottingham Joint	75%	100%

Governing Body / Committee	Average Attendance of Members	Annual % of quorate meetings*
Commissioning Committee		
Greater Nottingham Finance Committee	77%	100%
Greater Nottingham Quality and Performance Committee	69%	100%

** Where quoracy has been achieved due to member attendance or where appropriate deputies have been nominated to attend.*

The Governing Body has also established a Clinical Cabinet and a Patient Cabinet. Whilst these are not formally appointed committees, they ensure that there is a clear mechanism in place for the views of member practices and the views of patients, carers, community groups and the public to be fed into the decision-making processes of the CCG and of the Greater Nottingham Joint Commissioning Committee.

The Greater Nottingham Joint Commissioning Committee has also established a Clinical Commissioning Executive Group to make recommendations to the joint committee on commissioning strategies and plans. The Group also evaluates, scrutinises and quality assures the clinical and cost effectiveness of new investments, recurrent funding allocations and decommissioning and disinvestment proposals. This includes assessment of any associated equality and quality impacts arising from proposals, along with consideration of feedback from patient and public engagement and consultation activities, where relevant. The Group has delegated authority to make decisions in accordance with the Greater Nottingham CCGs' Schedule of Delegated Authority.

In addition to the above committees, the Greater Nottingham CCGs also strengthened the oversight and monitoring arrangements for financial recovery this year with the establishment of a Financial Recovery Delivery Board. The Board is comprised of Senior Managers and is chaired by a Lay Member and is responsible leading and driving the Greater Nottingham CCGs' Financial Recovery Programme. The Board is not a formally appointed committee of the Governing Body but has a key role is supporting the Finance Committee in its scrutiny assurance role and the Greater Nottingham Joint Commissioning Committee in discharging its delegated financial responsibilities.

The Governing Body and the Greater Nottingham Joint Commissioning Committee have approved and keep under review the Terms of Reference for all of their committees and sub-committees. The committees and sub-committees demonstrate how they have discharged their responsibilities (as set out within their terms of reference) by reporting to the Governing Body or Greater Nottingham Joint Commissioning Committee meetings. This is performed through the submission of formal minutes, specific assurance reports and other appropriate updates as necessary. These documents can be found in the '*About us'* section of our website.

During the year, the Greater Nottingham CCGs' Governing Bodies and the Greater Nottingham Joint Commissioning Committee have held joint development sessions to ensure full engagement in the developing arrangements to integrate health and care services in Nottingham and Nottinghamshire. Towards the end of 2018/19, these sessions have also been held with the Governing Bodies of the Mid-Nottinghamshire CCGs to discuss the proposal to create a single, strategic commissioning organisation.

The CCG has established robust arrangements for managing conflicts of interests in such a way as to ensure that they do not affect the integrity of decision-making processes. These include the maintenance and publication of a Register of Declared Interests for all employees and appointees of the CCG. Governing Body members, and those of its committees, joint committees and sub-committees are also asked to declare any conflict of interest with regard to agenda items at the start of each of their meetings.

The key health and social care partnership fora during 2018/19 have included:

- **The Health and Wellbeing Board** – The Nottinghamshire County Health and Wellbeing Board is a statutory partnership, set up to lead and advise on work to improve the health and wellbeing of the population of Nottinghamshire County and specifically to reduce health inequalities. The Board's membership is drawn from organisations including Nottinghamshire County Council, the Local Police and Crime Commissioner and has both voting and non-voting members. The Board leads on the development of the Joint Strategic Needs Assessment for Health and Social Care, which identifies the issues that need addressing across a broad range of health related behaviours, vulnerable groups and health and wellbeing outcomes. It oversees joint commissioning and joined up provision for citizens and patients, including social care, public health and NHS services. It also considers the impact on health and wellbeing of the wider local authority and partnership agenda, such as housing, education, employment, and crime and antisocial behaviour. The Board has responsibility for the delivery of the Joint Health and Wellbeing Strategy 2018-2022. Further details on the Board and its work can be found at https://www.nottinghamshire.gov.uk/care/health-and-wellbeing/health-and-wellbeing-board .
- **Nottingham and Nottinghamshire shadow Integrated Care System (ICS) Board** – Formerly the Sustainability and Transformation Leadership Board, this Board provides system leadership and oversight to ensure successful delivery of the objectives and outcomes agreed in the Nottingham and Nottinghamshire Sustainability and Transformation Plan. The role of the Integrated Care System Board (ICSB) is to provide leadership for, and delivery of, the overarching strategy and outcomes framework for the Nottinghamshire Integrated Care System.
- **Crime and Drugs Partnership Board** – The Board consists of members of the key organisations which constitute the Partnership including Responsible Authorities and other partners from higher education, the voluntary sector and business communities. The Board sets the strategic priorities for the Partnership in accordance with the strategic direction established by One Nottingham and the Sustainable Community Strategy. The Board provides a governance function ensuring that Partnership monies and activities are directed towards the Board's priorities as well as serving as a forum for members.
- **Nottinghamshire County Safeguarding Children's Partnership** – This Board is a statutory partnership which ensures that services, agencies, organisations and the community are protecting children from harm and safeguarding their wellbeing with a vision that 'children and young people in Nottinghamshire grow up in a safe and stable environment and are supported to lead healthy, happy and fulfilling lives.
- **Nottinghamshire County Safeguarding Adults Board** – This Board is a statutory partnership. Its role is to assure itself that local safeguarding arrangements and partners act to help and protect adults in its area who meet the criteria set out within the Care Act that have been or who are at risk of being abused.

UK Corporate Governance Code

NHS Bodies are not required to comply with the UK Code of Corporate Governance. However, compliance with relevant principles of the Code is considered to be good practice.

This Governance Statement is intended to demonstrate how the CCG had regard to the principles set out in the Code that are considered appropriate for CCGs during the financial year ending 31 March 2018, and up to the date of signing this statement.

Discharge of Statutory Functions

In light of the recommendations of the 2013 Harris Review, the CCG has reviewed all of the statutory duties and powers conferred on it by the National Health Service Act 2006 (as amended) and other associated legislation and regulations. As a result, I can confirm that the CCG is clear about the legislative requirements associated with each of the statutory functions for which it is responsible, including any restrictions on delegation of those functions.

Responsibility for each duty and power has been clearly allocated to lead directors, who have confirmed that their structures provide the necessary capability and capacity to undertake all of the CCG's statutory duties.

Risk management arrangements and effectiveness

A fundamental element of good governance is ensuring a clear and integrated approach to risk management. As such; the Greater Nottingham CCGs joint 'Integrated Risk Management Framework' was prioritised for early development and approval in 2018/19 to ensure robust risk reporting and management arrangements were established, along with defined ownership of risk at all levels across the organisations. The framework clearly sets out the Greater Nottingham CCGs' shared risk architecture and describes how strategic and organisational risks will be identified, managed and monitored in a consistent, systematic and co-ordinated manner.

Principal risks to the Greater Nottingham CCGs' joint strategic objectives are monitored through the integrated Governing Body Assurance Framework; thus providing the Greater Nottingham CCGs' Governing Bodies with confidence that their decisions and those of the Greater Nottingham Joint Commissioning Committee are supported by an internal control system that is functioning effectively.

Organisational risks arising from the Greater Nottingham CCGs' day-to-day activities are monitored through the integrated Corporate Risk Register; a live document, underpinned by a robust risk assessment and evaluation process. The Corporate Risk Register is recognised as being both reactive and proactive; reactive in ensuring that sufficient and timely management actions are being taken and that adequate resource to do so is in place, and proactive in anticipating further related risks and enabling the organisation to review where its internal controls may need to be strengthened.

The following key elements are explicitly identified within the Integrated Risk Management Framework as being essential for its successful implementation and in ensuring a risk aware culture:

- **Governing Body commitment to, and leadership of, the total risk management function** – This is demonstrated by Governing Body approval and ownership of the Integrated Risk Management Framework and the ongoing review of strategic and major organisational risks through regular and consistent Governing Body reporting.
- **Having defined individual roles and responsibilities in relation to risk management** – As the Accountable Officer, I am ultimately responsible for risk management within the CCG; however, all members of my Executive and Senior Leadership Team have a specific duty to ensure that appropriate mechanisms are in place within their areas of responsibility for identifying and highlighting new and emerging risks.
- **Embedding risk identification within business decision making processes** – Wide-spread employee participation in risk management processes is supported by ongoing support from in-house officers with specific risk management expertise. Risks are identified through an assortment of means, such as horizon scanning, external and self-assessments, complaints, formal risk assessments and during both committee and routine team meetings. How risks may impact on the public and other stakeholders is considered at the initial risk identification stage and then in more depth by senior managers to ensure that the correct approach to any communication is taken. Examples of how risk identification has been embedded within the CCG include:
    - Routine consideration of risk within planning, procurement and contract management arrangements.
    - Routine completion of equality, quality and privacy impact assessments as an integral part of service planning and policy development.
    - By fostering an open, supportive and 'fair blame' culture within the CCG in relation to incident and near miss reporting.
    - All Governing Body, Greater Nottingham Joint Commissioning Committee and other committee and sub-committee papers being presented with identified risk implications and the actions being taken to mitigate these.
    - The Governing Body, Greater Nottingham Joint Commissioning Committee and other committees and sub-committees having 'risk identification' as a standing item on their agendas to ensure any risks identified during the course of meetings are captured and transferred to the Corporate Risk Register where appropriate.
- **Having standardised mechanisms in place to systematically assess, control and minimise risk** – All risks are assessed by defining qualitative measures of impact and likelihood, and scored methodically using the organisational risk scoring matrix. Risks and risk scores are initially subject to challenge from senior managers to ensure that the full consequences of the risk have been considered in relation to its actual impact on the CCG and to ensure that adequate resources are in place to enable effective risk mitigation. Risks are then prioritised for management action dependent on the residual risk score.
- **Having effective reporting and scrutiny mechanisms for all risks, incidents and near misses** – The CCG is committed to the development of a learning culture and in ensuring that lessons learnt are shared and measures to prevent reoccurrence are promptly applied. All committees of the Governing Body and sub-committees of the Greater Nottingham Joint Commissioning Committee are responsible for monitoring risks that relate to their terms of reference. All major

risks are reported at every meeting of the Governing Body and the Greater Nottingham Joint Commissioning Committee.

- **Ensuring the effectiveness of the Integrated Risk Management Framework** – The Audit and Governance Committee has delegated responsibility for monitoring how the framework is being implemented and is charged with providing assurance to the Governing Body on the effectiveness of the risk management arrangements. The Audit and Governance Committee is supported by the CCG's internal and external auditors in discharging this responsibility.

The Integrated Risk Management Framework was developed in recognition that well-managed risk taking can contribute positively to organisational performance, allowing for innovation and driving improvements. A fundamental aspect of the framework is the defined risk appetite, which is considered from the following two perspectives:

- **Risk taking** – which acknowledges where the CCG has the resources, skills and control environment in place to be innovative in pursuit of its strategic objectives; and
- **Risk tolerance** – which clearly sets out the boundaries of risk that the Governing Body is willing to accept.

Good risk management is not just about being risk averse, it is also about recognising the potential for events and outcomes to result in opportunities for improvement, as well as threats to success. A 'risk aware' organisation encourages innovation in order to achieve its objectives and exploit opportunities and can do so in confidence that risks are being identified and controlled by senior managers. With this in mind, the four Greater Nottingham CCGs' Governing Bodies have agreed to the following joint risk appetite statement:

The Governing Bodies of the Greater Nottingham CCGs recognise that our long-term sustainability and ability to improve quality and health outcomes for our populations depends on the achievement of our strategic objectives; and that this will involve a willingness to take and accept risks. It may also involve taking risks with our strategic partners in order to ensure successful integration and better health services for the people of Greater Nottingham.

The Greater Nottingham CCGs will endeavour to adopt a *mature*[1] approach to risk-taking where the long-term benefits could outweigh any short-term losses; however, risks will always be considered in the context of the current environment and the CCGs' risk capacity and where assurance is provided that appropriate controls are in place and are both robust and defensible.

The Greater Nottingham CCGs will *avoid*[2] risks that could impact negatively on the health outcomes and safety of patients or in meeting the legal requirements and statutory obligations of the CCGs; particularly those relating to our financial positions. We will also avoid any undue risk of adverse publicity, risk of damage to the CCGs' reputations and any risks that may impact on our ability to demonstrate high standards of probity and accountability.

In view of the changing landscape, the Greater Nottingham CCGs' risk appetite will not necessarily remain static. The CCGs' Governing Bodies; and where appropriate to its delegated commissioning responsibilities, the Greater Nottingham Joint Commissioning Committee, will

have the freedom to vary the amount of risk we are prepared to take depending on the circumstances at the time.

[1] Good Governance Institute Risk Appetite for NHS Organisations – definition of 'mature' is *confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust*.

[2] Good Governance Institute Risk Appetite for NHS Organisations – definition of 'avoid' is *avoidance of risk and uncertainty is a key organisational objective*.

Capacity to Handle Risk

The CCG ensures its ongoing capacity to handle risk in a number of ways. The Integrated Risk Management Framework is owned by the Governing Body and its members provide leadership to the total risk management function. However, risk is considered to be the business of all staff, and managers are expected to lead by example by ensuring that risk management is acknowledged and embedded throughout the organisation as a fundamental part of our approach to good integrated governance.

All members of the Executive and Senior Leadership Team are accountable for the effective management of risk within their areas of responsibility. This includes ensuring that appropriate controls are in place and that appropriate risk identification and mitigating actions are progressed and monitored.

Risk awareness is a key element of the organisation's approach to risk management, ensuring that all staff understand and are able to discharge their roles and responsibilities in relation to risk. This approach is led by officers with in-house expertise in risk management and includes highlighting the need for risk assessments and explanation of, and subsequent support through, the risk management process.

Risk Assessment

The main risks identified by the CCG and monitored through the Corporate Risk Register during 2018/19 related to:

- **The potential impacts of organisational change due to the establishment of a single staffing structure across the four Greater Nottingham CCGs.** As a result of the restructuring process undertaken during early 2018/19, it was identified that the period of change and uncertainty could impact in the following ways:
    - Staff could be become disengaged which could lead to low morale and reduced productivity.
    - Staff turnover could increase, leading to the loss of organisational memory.

  Whilst this restructuring process was concluded by September 2018, the risk has remained and more recently, increased in light of plans to create a single staffing structure across the Greater Nottingham CCGs and Mid-Nottinghamshire CCGs. The Governing Bodies across these six CCGs have reaffirmed their commitment to their combined workforce and a number of actions to increase staff communication and engagement have been implemented.
- **The potential for non-delivery of the financial plan, due to deterioration in the underlying positions of the Greater Nottingham CCGs and unidentified or undeliverable QIPP**

schemes. The Greater Nottingham CCGs have faced a significant financial challenge throughout this year and a risk was identified during April 2018, which related to the potential for non-delivery of the 2018/19 financial plan. The risk score was increased in-year in response to higher than expected levels of acute activity, non-delivery of QIPP schemes and the system-wide financial position. Mitigating actions have been a key focus of the Greater Nottingham Finance Committee at each of its monthly meetings.

In response to the Greater Nottingham CCGs each forecasting to meet their statutory financial duties for 2018/19, the likelihood of the risk reduced in the period up to year-end; at which time, a correlating new financial risk was identified regarding the potential for non-delivery of the 2019/20 financial plan. The Greater Nottingham CCGs have identified a number of key controls to manage this new risk, including strengthening the financial recovery governance and reporting arrangements and developing a staff engagement strategy to raise awareness and promote a culture of QIPP delivery and turnaround.

- **The reconfiguration of Nottingham University Hospitals NHS Trust's Emergency Department, leading to the potential for patient safety to be compromised during the winter period.** This risk was identified in September 2018, due to planned expansion work in the Emergency Department and a high reliance on temporary medical staff during the winter period. It was anticipated that these factors had the potential to make the assessment, management, tracking and observation of patients more difficult. The Greater Nottingham CCGs already had a number of established controls in place to help manage this risk, including Quality Scrutiny Panel meetings with the Trust and the scrutiny role performed by the local Accident and Emergency Delivery Board. Further actions implemented included the CCGs' Quality Team undertaking additional quality visits to the department throughout winter, seeking further assurance from the Trust's regulators and undertaking an assessment of the impact of the new Adult Emergency Department entrance.

Performance 'Risks'

The non-delivery of performance standards is not automatically assumed to be risks; however, areas of consistent under-performance are assessed to ensure that any risks of a detrimental impact on health outcomes, patient safety and patient experience are identified in a timely manner. During 2018/19, the main performance concerns identified by the Greater Nottingham CCGs related to:

- **Performance against the Accident and Emergency Department 4-hour waiting time standard** – The national standard requires that 95% of attending patients are seen within four hours of their arrival at the Accident and Emergency Department. The vast majority of Greater Nottingham residents use the Accident and Emergency Department at Nottingham University Hospitals NHS Trust (NUH) when they need to access urgent and emergency care. Some of these services are also delivered at the Urgent Care Centre in the City; however, performance against the standard is principally measured in relation to services provided by NUH.

  The ability of the Trust to respond depends upon a number of factors. These include effective patient flow, a properly staffed department and a reliance on social workers and community health teams to assess and arrange placements, or support in the home, for discharged patients who have ongoing health and social care needs.

  This has been a key focus for us in 2018/19 but despite the work that we have taken forward

with partners to deliver improvements across the urgent care system, we have been unable to deliver the 4-hour waiting time standard throughout the year. The main reasons for the target being breached remain consistent and relate mainly to bed availability and workforce issues.

The Accident and Emergency Local Delivery Board includes within its membership senior leaders from across the health and social care community. The Board is chaired by NUH's Chief Executive and has been meeting on a monthly basis since August 2016 with responsibility for monitoring the delivery of the Remedial Action Plan. In addition to this work, we monitor how patients feel about their experiences of care and undertake reviews to ensure that there has been no harm to patients as a result of the waiting time standard being missed. This work is overseen by a Quality and Scrutiny Panel.

Performance against this standard will continue to be a focus for 2019/20.

- **Performance against response time standards for East Midland Ambulance Service (EMAS)** – Performance against these standards has been consistently below target throughout the year and the standards have not been delivered locally for the CCG for a number of years. The main reasons for this are attributed to increased demand, resource availability, and reduced service capacity. Recovery action plans are in place, which are being continually reviewed and updated to improve performance and a regional Quality Surveillance Group is in place which scrutinises potential quality impacts associated with poor performance.
- **Performance against the Cancer: 62 day urgent referral to treatment standard** – Whilst this standard has been achieved for some cancers this year; performance across more complex specialties has meant that the standard has not been delivered overall during 2018/19. There is a range of national issues that have impacted locally, including continued growth in referrals, late referrals from surrounding cancer units, and difficulties recruiting to vacant consultant posts within individual tumour sites. Recovery action plans are in place across all tumour sites and actions specific to particular cancers include the use of private sector capacity (where appropriate) to reduce waiting times for treatment and diagnostics; an ongoing review of multi-disciplinary teams to ensure compliance with best practice and a review of standard operating protocols across a number of pathways. In addition, all patients that breach 104 days have root cause analysis and harm reviews completed. This is monitored by the Greater Nottingham Quality and Performance Committee.

Other Sources of Assurance

Internal Control Framework

A system of internal control is the set of processes and procedures in place in the CCG to ensure it delivers its policies, aims and objectives. It is designed to identify and prioritise risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control allows risk to be managed to a reasonable level rather than eliminating all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The CCG has established a wide range of monitoring procedures in order to ensure that the organisation's system of internal control continues to operate effectively and that controls do not deteriorate over time. This includes contract monitoring arrangements and the work of a range of

operational steering groups. It also includes the work of the Governing Body and its committees, joint committees and sub-committees, particularly in relation to the scrutiny of the Governing Body Assurance Framework and progress against any gaps in controls and assurances that have been identified.

Annual audit of conflicts of interest management

The revised statutory guidance on managing conflicts of interest for CCGs (published June 2016) requires CCGs to undertake an annual internal audit of conflicts of interest management. To support CCGs to undertake this task, NHS England has published a template audit framework.

The organisation's arrangements for managing conflicts of interest have been independently reviewed by our internal auditors and provided an opinion of significant assurance.

Data Quality

The CCG recognises that good quality data is essential for the effective commissioning of services and underpins the delivery of high quality patient care. Data quality is central to the organisation's ongoing ability to meet its statutory, legal and financial responsibilities.

All of the organisation's main providers are required under their contract to have good quality data that is compliant with national standards and we undertake validation processes to ensure data is complete, accurate, relevant and timely. We have responsibility for monitoring data quality of the services we commission and this is achieved through formal contract monitoring arrangements.

The IGM&T Committee has delegated responsibility for overseeing the overarching arrangements for data quality, although all committees are responsible for assuring themselves of the quality of data informing their decisions. This includes review of the timeliness, accuracy, validity, reliability, relevance and completeness of data.

Information Governance

The NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees, in particular person-identifiable information. It is supported by the Data Protection and Security Toolkit (DSPT); a self-assessment tool which is completed and submitted annually providing assurances to the CCG, other organisations and to individuals that personal information is dealt with legally, securely, efficiently and effectively.

We place high importance on ensuring there are robust information governance systems and processes in place to help protect personal and corporate information. The CCG has established an Information Governance Management Framework and a comprehensive suite of information governance policies, which outline the mechanisms in place to ensure that risks to confidentiality and data security are effectively managed and controlled. The roles of Caldicott Guardian and Senior Information Risk Owner (SIRO) have been assigned to appropriate members of the organisation's Executive and Senior Leadership Team. As part of the requirements of the EU General Data Protection Regulation (GDPR) which came in to force in May 2018, the CCG assessed itself in line with the Information Commissioner's Office '12 Steps Preparing for GDPR' and implemented measures following a gap analysis. The CCG has appointed a Data Protection Officer in line with the national role profile.

The Information Governance, Management and Technology Committee is responsible for overseeing the implementation of information governance policies, procedures, systems and processes, and for reviewing any breaches of confidentiality and other information security incidents should any occur. We have ensured all staff have undertaken the latest annual information governance training and have provided staff with a series of briefings to ensure they are aware of their information governance roles and responsibilities in relation to confidentiality, data protection and information security. There are processes in place for incident reporting and investigation of serious information incidents. We continue to develop information risk assessment and management procedures and an action plan has been established in order to fully embed an information risk culture throughout the organisation.

We have submitted a satisfactory level of compliance with the DSPT assessment, meeting all of the mandatory assertions. The organisation's self-assessment has been independently reviewed and confirmed by our internal auditors. There have been no serious incidents relating to data security during the year.

We will continue to develop information governance processes and procedures in line with the requirements of the law, the Information Governance Toolkit and the national information governance agenda.

Business Critical Models

In line with the best practice recommendations of the 2013 MacPherson review; I can confirm that the CCG has an appropriate framework and environment in place to provide quality assurance of business critical models.

Third party assurances

I also receive assurance through reports from audits performed on other organisations that provide services to the CCG. For 2018/19, the CCG has received reports relating to:

- NHS Arden and Greater East Midlands (GEM) Commissioning Support Unit (various shared support services).
- NHS Shared Business Services (SBS) Limited (employment services and financial services)
- Capita (Primary Care Support Services)
- NHS Digital (processing of payments to General Practice)

The above reports have concluded that the respective services have designed and operated suitably effective controls for the period of 2018/19; however, a small number of exceptions have been noted with regard to the audits of Arden and GEM CSU, SBS (employment services), NHS Digital and Capita. The CCG is satisfied with the actions in place to address any issues.

Control Issues

There have been no significant control issues identified during 2018/19.

Review of economy, efficiency & effectiveness of the use of resources

The CCG's Governing Body has oversight of the appropriateness of the organisation's arrangements to exercise its functions effectively, efficiently and economically, and as Accountable Officer, I have overall executive responsibility for the use of resources.

The following key processes and review and assurance mechanisms have been established within the organisation in order to ensure that we meet our statutory duty to act effectively, efficiently and economically:

- Clear Standing Orders, Scheme of Reservation and Delegation and Prime Financial Policies have been set out to ensure proper stewardship of public money and assets. Clear policies in relation to the required standards of business conduct are also in place.
- A Procurement Policy is in place, which sets out the organisation's approach for establishing contracts that provide value for money in line with the principles of good procurement practice. The policy clearly requires the CCG to ensure the delivery of improved efficiency and effectiveness in the provision of healthcare and non-healthcare services. The Audit and Governance Committee scrutinises all instances where requirements for formal competitive tendering or competitive quotations have been waived.
- Robust financial procedures and controls and effective financial management and financial planning arrangements have also been established, which are set out within the organisation's Detailed Financial Policies. The Chief Finance Officer provides monthly reports to the Greater Nottingham Joint Commissioning Committee and to every meeting of the Governing Body on financial performance, including performance against the organisation's statutory financial duties.
- Robust procedures have been implemented to control the development, implementation and monitoring of the CCG's local Quality, Innovation, Productivity and Prevention (QIPP) Programme, ensuring that all QIPP schemes are embedded within the organisation's operational commissioning plans. This work is overseen by the Greater Nottingham Joint Commissioning Committee and scrutinised in more detail by the Greater Nottingham Finance Committee. Together they provide assurance to the Governing Body in terms of in-year progress, advising on any significant risks that may affect the organisation in delivery of its QIPP programme.
- A Remuneration and Terms of Service Committee is in place with responsibility for reviewing the remuneration and terms of service for key senior leaders within the CCG. Suitable arrangements have been established to ensure that no member of the Committee is involved in discussions and decisions about their own remuneration.
- The CCG has clear internal audit, external audit and counter fraud arrangements, which provide independent assurance to the organisation on a range of systems and processes that are designed to deliver economy, efficiency and effectiveness, including the organisation's annual accounts and reporting process.
- Financial risk pooling arrangements are in place across the Greater Nottingham CCGs and the Mid-Nottinghamshire CCGs. This ensures that the financial risks associated with high cost patients are shared across the six CCGs.

Delegation of functions

The CCG's Governing Body has approved the following external delegation of functions:

- On 1 April 2018, the four Greater Nottingham CCGs established the Greater Nottingham Joint Commissioning Committee. A formal delegation agreement is in place that sets out the functions delegated to the joint committee. Whilst the decisions made by the joint committee are binding on the individual CCGs, they remain accountable for meeting their statutory duties and each CCG retains liability in relation to the exercise of the Delegated Functions. The joint committee provides quarterly written reports to each of the Governing Bodies of the Greater Nottingham CCGs to provide assurance that it is effectively discharging its delegated responsibilities.
- On 1 April 2015, the CCG took on responsibility for a number of delegated functions relating to the commissioning of primary medical services under a formal Delegation Agreement with NHS England. In line with the Delegation Agreement, the CCG's Primary Care Commissioning Committee acts as the corporate decision-making body for the management of the delegated functions. The Committee is accountable to the Governing Body, which is fulfilled through the submission of its minutes.
- The CCG is currently party to three Section 75 Partnership Agreements with Nottinghamshire County Council. The agreement relates to the Better Care Fund. Section 75 partnership agreements are legally provided by the NHS Act 2006 and allow budgets to be pooled between NHS organisations and local authorities. These are partnerships of equal control, whereby one partner can act as a 'host' to manage the delegated functions and pooled budgets, however both partners remain equally responsible and accountable for those functions being carried out in a suitable manner. Nottinghamshire County Council is acting as host in relation to the Partnership Agreements and overall strategic oversight responsibility sits with the Nottinghamshire County Health and Wellbeing Board. Performance in relation to the Better Care Fund indicators is also monitored by the CCG's Quality and Performance Committee and updates from the Nottinghamshire County Health and Wellbeing Board are routinely presented to the CCG's Governing Body.

Counter fraud arrangements

The CCG has established arrangements to prevent fraud, bribery and corruption, and to deal with it should it occur. An accredited Counter Fraud Specialist (CFS) is contracted to undertake counter fraud work proportionate to the CCG's identified risks. This work is delivered through the production and implementation of an organisational fraud, bribery and corruption risk assessment and work plan, developed in line with national standards.

The Chief Finance Officer has executive responsibility for the CCG's counter fraud arrangements, with the Audit and Governance Committee taking an oversight and scrutiny role in this area. On 30 April 2019, the CCG submitted it's completed self-review tool for the 'Standards for Commissioners: Fraud, Bribery and Corruption' to the NHS Counter Fraud Authority. This demonstrated an overall score of 'Green' in relation to the CCG's compliance with the standards.

Head of Internal Audit Opinion

Following completion of the planned audit work for the financial year for the CCG, the Head of Internal Audit issued an independent and objective opinion on the adequacy and effectiveness of the CCG's system of risk management, governance and internal control. The Head of Internal Audit Opinion concluded that:

*"I am providing an opinion of **Significant Assurance** that there is a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and that controls are generally being applied consistently"*

During the year, Internal Audit issued the following audit reports:

Audit Report	Audit Objectives	Level of Assurance
QIPP Programme Management Office (1819/GNCCP/01)	The purpose of this review was to provide assurance in relation to the robustness of the governance arrangements in place to support the development and monitoring of QIPP schemes.	Limited
Preparedness for implementation General Data Protection Regulation (GDPR) (1819/GNCCP/03)	The objective of this audit was to assess the effectiveness and appropriateness of arrangements in place to meet the requirements of the GDPR.	Significant
Data Quality and Performance Management Framework - Local Partnerships (1819/GNCCP/07)	This audit provided a review of the CCG's arrangements for managing the local partnerships contract	Significant
Governance (18/19GNCCP/11)	This review was performed to provide assurance on the governance arrangements established to support joint commissioning across the Greater Nottingham CCGs, whilst ensuring that individual CCG statutory responsibilities continue to be fulfilled.	Significant
Data Security and Protection Standards (1819/GNCCP/12) – Stage 1 memo (1819/GNCCP/13) – Final report	This review of the organisation's data security and protection arrangements was performed in two parts. Stage 1 was a high-level assessment of the information governance structure. The second part of the review examined the validity of the evidence supporting the data security and protection toolkit assessment.	Significant
Risk Management	The objective of this review was to assess the effectiveness of the Greater Nottingham CCGs' joint risk management arrangements.	*Draft report issued – significant*
Financial Management Arrangements (1819GNCCP/15)	This review focused on the integrity of the CCG's general ledger, financial reporting, the debtors system and the creditors system.	*significant*
Conflicts of Interest (1819/GNCCP/16)	The purpose of this review was to evaluate the design and effectiveness of the Greater Nottingham CCGs' joint arrangements for managing conflicts of interest and gifts, hospitality and sponsorship.	*Significant*
Contract Management	The overall aim of this review was to identify and evaluate the processes in place within the Greater Nottingham CCGs to ensure that all contracts are consistently and appropriately managed.	*Draft report issued - limited*
Primary Care Delegated Commissioning	The objective of this audit was to determine whether a robust, efficient and effective control environment is in place in relation to primary care finance, as detailed within the Delegation Agreement between the CCG and NHS England.	*Draft report issued – substantial*

*'substantial' is the opinion specified by NHSE England for the audit of primary care commissioning arrangements.

The opinion of limited assurance issued for the QIPP PMO review was attributed to findings related to accountability arrangements, QIPP scheme development and monitoring, and activity and financial information. A follow-up review was performed by Internal Audit in early 2019 and this confirmed that solid progress had been made and that all of the agreed actions had been implemented. The report also highlighted the establishment of the Financial Recovery Delivery Board during the year and its role in performance management of Financial Recovery Programme delivery.

The key findings of contract management review relate to the governance of 'lower value' contracts and in ensuring the maintenance of the Greater Nottingham CCGs' contracts database. As at the draft stage of the report, two medium-risk recommendations have been agreed. These are to establish a

robust contract management framework and to implement a systematic process that ensures that the contracts database is accurate and up to date. A follow-up review to confirm that these actions have been implemented and are working effectively is proposed for May 2020.

Review of the effectiveness of governance, risk management and internal control

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Executive and Senior Leadership Team within the CCG who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their annual audit letter and other reports.

The Governing Body Assurance Framework provides me with evidence that the effectiveness of controls that manage risks to the CCG achieving its strategic objectives have been reviewed.

I have been advised on the implications of the result of my review by the Governing Body, the Audit and Governance Committee, the Greater Nottingham Joint Commissioning Committee (and other sub-committees as necessary) and plans to address any weaknesses and to ensure continuous improvement of the system are in place.

Previous sections of this Governance Statement set out our approach to reviewing the ongoing effectiveness of the system of internal control, particularly in relation to the role of the Governing Body and its committees. I have also been informed by the broad range of internal and external assurances received by the CCG during the year as set out within the Governing Body Assurance Framework.

In addition to the above, I am also informed by the outcome of the CCG Improvement and Assessment Framework process operated by NHS England. The process is structured around four domains (Better Health, Better Care, Sustainability and Leadership) each consisting of a number of indicators which demonstrate how the CCG is performing.

Conclusion

My review of the effectiveness of governance, risk management and internal control has confirmed that:

- The CCG has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.
- There have been no significant control issues during 2018/19.

Remuneration and Staff Report

Remuneration Report

Remuneration and Terms of Service Committee

This statutory committee has been established to make recommendations to the Governing Body in relation to the remuneration, fees and allowances payable to employees of the CCG and to other persons providing services to it; and any determinations about allowances payable under pension schemes established by the CCG. In addition, the Governing Body has delegated a number of functions to the Committee relating to the Governing Body's duty to ensure that the CCG has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the principles of good governance. The Committee is comprised entirely of Lay Members, so its remit excludes considerations in relation to Lay Member remuneration, fees and allowances (these are approved by the Chair of the Governing Body and the Accountable Officer).

Policy on the remuneration of senior managers

For the purpose of this report, senior managers are defined as being 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Clinical Commissioning Group'. This means those who influence the decisions of the organisation as a whole, rather than the decisions of individual directorates or departments. Such persons will include advisory and Lay Members.

Our Remuneration and Terms of Service Committee has responsibility to review and set senior manager remuneration packages. This is done on appointment in accordance with national guidance *Clinical Commissioning Groups: Remuneration guidance for Chief Officers (where the senior manager also undertakes the accountable officer role) and Chief Finance Officers* published by NHS England in 2012 and *Clinical Commissioning Group Guidance on Senior Appointments including Accountable Officers* published by NHS England in 2015. Benchmarking data is also used from neighbouring CCGs and those in national peer groups.

Standard contracts have been established for all senior manager posts, which differ depending on whether the post is appointed for a term of office (as is the case for some Governing Body roles – i.e. Lay Members and elected GP Cluster Leads) or a permanent employment. Both contracts have standard terms and conditions, notice periods and termination payments, based on NHS Terms and Conditions of Service where relevant. Standard notice periods are currently three months.

The Committee reviews senior managers' pay on an annual basis, this includes consideration of both basic pay awards and cost of living increases. Our senior managers' pay is not subject to any Performance Related Pay considerations.

Senior manager remuneration (including salary and pension entitlements)

Name and Title	2018/19					
	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100**	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
	£000	£	£000	£000	£000	£000
Amanda Sullivan Accountable Officer	5-10	-	-	-	2.5-5	10-15
Samantha Walters Accountable Officer (until September 2018)	65-70	-	-	-	50-52.5	120-125
Janet Champion Lay Member	0-5	-	-	-	-	0-5
Mike Wilkins Lay Member	5-10	-	-	-	-	5-10
Ben Teasdale Secondary Care Doctor	0-5	-	-	-	-	0-5
Terry Allen Lay Member	10-15	-	-	-	-	10-15

Name and Title	2018/19					
	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100**	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
	£000	£	£000	£000	£000	£000
Dr Ian Campbell GP Representative	20-25	-	-	-	-	20-25
Dr James Hopkinson Clinical Chair	130-135	-	-	-		
Dr Catriona Kennedy GP Representative	20-25	-	-	-	-	20-25
Dr Elaine Maddock GP Representative	Consent to disclosure withheld	-	-	-	-	Consent to disclosure withheld
Dr Paramjit Panesar GP Representative	Consent to disclosure not received	-	-	-	-	Consent to disclosure not received
Jonathan Bemrose Chief Finance Officer	25-30	-	-	-	7.5-10	30-35
Nichola Bramhall Director of Nursing and Quality	20-25	-	-	-	17.5-20	40-45
Gary Thompson Chief Operating Officer	5-10	-	-	-	2.5 -5	5-10

***Note: Taxable expenses and benefits in kind are expressed to the nearest £100.*

The salaries of the members below were allocated over a number of CCGs. The allocation to NHS Nottingham North and East CCG is shown above. Their total remuneration is shown below:

Name and Title	2018/19					
	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100**	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
	£000	£	£000	£000	£000	£000
Amanda Sullivan Accountable Officer	135-140	-	-	-	62.5 - 65	200 - 205
Samantha Walters Accountable Officer (until September 2018)	330 - 335	-	-	-	250 – 252.5	580 - 585
Jonathan Bemrose, Chief Finance Officer	125 - 130	-	-	-	40 – 42.5	165 - 170
Nichola Bramhall, Chief Nurse	100 - 105	-	-	-	87.5 - 90	190 - 196
Gary Thompson, Chief Operating Officer	25 - 30	-	-	-	20 – 22.5	45 - 50
Janet Champion, Lay Member	5 - 10	-	-	-	-	5 - 10

Name and Title	2017/18					
	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100**	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
	£000	£	£000	£000	£000	£000
Samantha Walters, Chief Officer	80-85	-	-	-	65-67.5	145-150
Sharon Pickett, Deputy Chief Officer	80-85	-	-	-	57.5-60	135-140
Hazel Buchanan, Director of Operations	70-75	-	-	-	42.5-45	110-115
Janet Champion, Lay Member Patient and Public Involvement	5-10	-	-	-	-	5-10
Mike Wilkins, Lay Member Primary Care	5-10	-	-	-	-	5-10
Ben Teasdale, Secondary Care Consultant	5-10	-	-	-	-	5-10
Terry Allen, Lay Member	10-15	-	-	-	-	10-15

Financial Management and Audit						
Dr Ian Campbell, GP Representative	20-25	-	-	-	-	20-25
Dr James Hopkinson, Clinical Chair	130-135	-	-	-	20-22.5	150-155
Dr Catriona Kennedy, GP Representative	20-25	-	-	-	-	20-25
Dr Elaine Maddock, GP Representative	Consent to disclosure withheld	-	-	-	-	Consent to disclosure withheld
Dr Paramjit Panesar, Assistant Clinical Chair	Consent to disclosure not received	-	-	-	-	Consent to disclosure not received
Jonathan Bemrose, Chief Finance Officer	35-40	-	-	-	30-32.5	70-75
Andrew Hall, Director of Outcomes and Information	40-45	-	-	-	5-7.5	45-50
Nichola Bramhall, Director of Nursing and Quality	35-40	-	-	-	50-52.5	85-90
Maxine Bunn, Director of Contracting	15-20	-	-	-	7.5-10	25-30

Rebecca Larder, Director of Transformation	95-100	-	-	-	50-52.5	145-150
Gary Thompson, Chief Operating Officer	5-10	-	-	-		

Pension benefits as at 31 March 2019

Name and Title	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000	(e) Cash Equivalent Transfer Value at 1 April 2019	(f) Real Increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2019	(h) Employers Contribution to partnership pension
	£000	£000	£000	£000	£000	£000	£000	£000
Amanda Sullivan Accountable Officer	2.5-5	2.5-5	45-50	110-115	775	155	953	0
Samantha Walters Accountable Officer (until September 2018)	5-7.5	12.5-15	50-55	120-125	659	165	986	0
Jonathan Bemrose Chief Finance Officer	2.5-5	0-2.5	50-55	130-135	850	133	1027	0
Nichola Bramhall Director of Nursing and Quality	2.5-5	10-12.5	35-40	110-115	590	150	772	0

Name and Title	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000	(e) Cash Equivalent Transfer Value at 1 April 2019	(f) Real Increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2019	(h) Employers Contribution to partnership pension
	£000	£000	£000	£000	£000	£000	£000	£000
Dr James Hopkinson Clinical Chair	2.5-5	0	20-25	45-50	282	64	370	0
Gary Thompson Chief Operating Officer	0-2.5	0	40-45	90-95	668	15	770	0

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary'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 that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement).

Compensation on early retirement of loss of office

There were no payments for loss of office made in 2018/19.

Payments to past members

There were no payments to past senior managers made in 2018/19.

Pay multiples

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

	2018/19	**2017/18**
Band of highest paid director's total remuneration[1] (£000)	100 – 105	135-140
Median total remuneration[1] of the workforce	£38,344	£37,777
Ratio	2.67	3.6

During 2018/19 there were no employees paid greater than the highest paid director.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer's pension contributions and the cash equivalent transfer value of pensions.

Staff Report

Analysis of staff numbers

At the start of the financial year, the CCG employed 62 members of staff (including appointees to the Governing Body and its committees). Despite some staff leaving the CCG's employment or starting their employment with the CCG during the year, the CCG employed 68 members of staff as at 31 March 2019.

Breakdown of staff by gender at 31 March 2019:

	Male	Female	Total
Senior Management*	7	4	11
Other members of staff	8	49	57
Total	**15**	**53**	**68**

** Senior management includes Executive Directors, Lay Members and Independent Members on the Governing Body and Joint Commissioning Committee*

Bi-annual Workforce Reports are presented to the Governing Body, which provide further analysis of the CCG's workforce profile, including for example, an analysis of staff by pay band. These can be found in the *Governing Body Meetings and Papers* section of our website at

http://www.nottinghamnortheastccg.nhs.uk/

Sickness absence – 2018/19 Data Provided by DHSE (May 2019)

	2017-18 Number	2018-19 Number
Total Days Lost	104	270
Total Staff FTE	51	53
Average working Days Sick per FTE	**2.0**	**5.1**

The above is based on data provided centrally to the CCG from the Department of Health for the calendar year to December 2018 and is in relation to sickness absence data for NHS Nottingham North and East CCG.

Employee consultation and engagement

The CCG places a high importance on the delivery of effective communications, involvement and engagement with all of its employees. It discharges these duties through a variety of means including:

- Staff communications framework: we have established a range of mechanisms for ensuring timely and transparent communications with our employees. These include a weekly e-newsletter and regular whole staff meetings
- Staff Engagement Group: we have recently brought together the established Staff Forum Groups from across Greater Nottingham CCGs and Mid-Notts CCGs. The Staff Engagement Group is designed to engender an empowered, engaged and well-supported workforce. The Group advises

on staff engagement and communication mechanisms and on the CCG's approach to staff training, personal development and performance appraisals. It inputs to the production of organisational policies and procedures and the analysis and action planning resulting from the annual staff survey. The Group also supports the healthy workforce agenda and seeks to harness different perspectives and encourage innovative ideas and feedback from employees on the organisation's working practices and the working environment.

Health and safety

As with all employers, we are required to comply with health, safety and fire legislation. We are committed to a culture of health and safety awareness in our organisation and in providing a secure and healthy environment for our employees and any other individual who may come into contact with the organisation's activities. We ensure this by having robust arrangements in place for the delivery of all statutory and mandatory requirements in relation to health, safety and fire and by ensuring that all staff are sufficiently trained and instructed in these areas.

To support the wellbeing of staff, we have an occupational health service in place. Our Occupational Health Service is provided by COPE, an organisation that has extensive experience of successfully delivering flexible, bespoke, business-appropriate occupational health solutions to a wide range of clients in all sectors. COPE provide a comprehensive service to our staff that includes, flu vaccinations, ergonomic assessments, physiotherapy and staff wellbeing support.

Staff policies

The CCG has policies in place to provide guidance to all employees. We are committed to being a fair and inclusive employer, as well as maintaining a working environment that promotes the health and wellbeing of our employees. We have therefore taken positive steps to ensure that our policies deal with equality implications relating to recruitment and selection, pay and benefits, flexible working hours, training and development, and that we have policies around managing employees and protecting employees from harassment, victimisation and discrimination.

We operate a Guaranteed Interview Scheme, which ensures an interview for any candidate with a disclosed disability whose application meets all of the essential criteria for the post. We were previously accredited as a Disability Two Ticks Symbol Holder and we are currently in the process of becoming a Disability Confident employer. We also have Mindful Employer status, which demonstrates our commitment to supporting mental wellbeing at work. These accreditations support the recruitment of a workforce that reflects the diversity of our population and help to ensure that specific needs of employees are identified and addressed, whilst promoting positive attitudes towards people with physical, sensory and mental impairments.

Our Management of Absence Policy supports disabled employees and states that in cases where the employee is disabled within the meaning of the Equality Act 2010, or where employees become disabled and wish to remain in employment, every effort will be made to make reasonable adjustments or find an alternative post. We are not aware of any of our employees becoming disabled during 2018/19.

Expenditure on consultancy

Expenditure on consultancy during 2018/19 totalled £117,593

Off-payroll engagements longer than six months

Off-payroll engagements as at 31 March 2018, for more than £245 per day and that last longer than six months are shown in the table below

	Number
Number of existing engagements as of 31 March 2019	**0**
Of which, the number that have existed:	
For less than one year at the time of reporting	
For between one and two years at the time of reporting	
For between 2 and 3 years at the time of reporting	
For between 3 and 4 years at the time of reporting	
For 4 or more years at the time of reporting	

New Off-Payroll engagements

New off-payroll engagements between 1 April 2018 and 31 March 2019, for more than £245 per day and that last longer than six months are shown below:

	Number
Number of new engagements, or those that reached six months in duration, between 1st April 2018 and 31st March 2019	**4**
Of which:	
Number assessed as caught by IR35	**3**
Number assessed as not caught by IR35	**1**
Number engaged directly (via person with significant control contacted to department) and are on the departmental payroll	**3**
Number of engagements reassessed for consistency / assurance purposes during the year	
Number of engagements that saw a change to IR35 status following the consistency review	

Off-Payroll Governing Body members/senior official engagements

Off-payroll engagements of Governing Body members and Joint Commissioning Committee with significant financial responsibility between 1 April 2018 and 31 March 2019 are shown in the table below:

	Number
Number of off-payroll engagements of Membership Body and / or Governing Body members, and / or senior officials with significant financial responsibility, during the financial year	**0**
Total number of individuals on-payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility' during the financial year. This figure includes both on-payroll and off-payroll engagements.	**11**

Exit Packages

In 2018/19 there was one exit package for early retirement of the Accountable Officer in the efficiency of the service, following the recruitment of a Nottingham and Nottinghamshire CCGs' Accountable Officer. The total amount paid was £236,792.64. Only contractual costs were paid.

Exit Package cost band (including any special payment element)	Number of Compulsory Redundancies Whole Numbers only	Cost of Compulsory redundancies £s	Number of Other agreed departures Whole Numbers only	Cost of other departures agreed £s	Total number of exit packages Whole Numbers only	Total cost of exit packages £s	Number of departures where special payments have been made Whole Numbers only	Cost of special payment element included in exit packages £s
Less than £10,000								
£10,000 - £25,000			1	£16,019		£16,019		
£25,001 - £50,000	1	£33,376				£33,376		
£50,001 - £100,000								
£100,001 - £150,000								
£150,001 - £200,000								
>£200,000								
Totals		£33,376		£16,019		£49,395		

Analysis of Other Departures

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice*	1	£16,019
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval		
Total	1	£16,019

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 4 which will be the number of individuals.

*any non-contractual payments in lieu of notice are disclosed under "non-contracted payments requiring HMT approval" below.

0 non-contractual payments (£0,000) were made to individuals where the payment value was more than 12 months' of their annual salary.

The Remuneration Report includes disclosure of exit packages payable to individuals named in that Report.

Other Employee Matters

Trade Union Relationships

The CCG has a Recognition Agreement which provides a framework for successful partnership arrangements between the Trade Unions and the CCG in order to develop professional practice and foster good employment relations. It provides methods whereby the CCG will recognise the recognised Trade Unions to support, represent and bargain for its members. We are a member of the Nottinghamshire/Derbyshire Joint Staff Partnership Forum, where the CCGs meet with regional Trade Union representatives.

Time off for Trade Union duties and activities is detailed in the CCG's Special Leave Policy. For members of a recognised Trade Union, Trade Union activities are unpaid. For Trade Union duties, training or acting as a Learning Representative payment is made in line with ACAS Code of Practice.

To date, none of the Trade Unions has approached the CCG to ask for any employees to be considered as a Trade Union representative.

Relevant union officials

Total number of employees who were relevant union officials during the relevant period:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

The number of employees who were relevant union officials employed during the relevant period and time spent of their working hours on facility time:

Percentage of time	Number of Employees
0%	0
1-50%	0
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Percentage of total pay bill spent on paying employees who were relevant union officials for facility time:

Total cost of facility time	£0
Total pay bill	£2,884,959
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	0
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	

Parliamentary Accountability and Audit Report

NHS Nottingham North and East CCG is not required to produce a Parliamentary Accountability and Audit Report. Disclosures on remote contingent liabilities, losses and special payments, gifts, and fees and charges are included as notes in the *Annual Accounts* section of this report. An audit certificate and report is also included in *Annual Accounts* section of this report.

NHS Nottingham North and East CCG

Annual Accounts 2018/19

Dr Amanda Sullivan
Accountable Officer
24 May 2019

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The Primary Statements:

Notes to the Accounts

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Income from sale of goods and services	2	(4,337)	(1,067)
Other operating income	2	-	(1,003)
Total operating income		**(4,337)**	**(2,070)**
Staff costs	4	2,885	2,942
Purchase of goods and services	5	214,006	211,338
Depreciation and impairment charges	5	-	-
Provision expense	5	167	100
Other Operating Expenditure	5	385	39
Total operating expenditure		**217,443**	**214,419**
Net Operating Expenditure		**213,106**	**212,349**
Finance income		-	-
Finance expense		-	-
Net expenditure for the year		**213,106**	**212,349**
Net (Gain)/Loss on Transfer by Absorption		-	-
Total Net Expenditure for the Financial Year		**213,106**	**212,349**
Other Comprehensive Expenditure			
Items which will not be reclassified to net operating costs			
Net (gain)/loss on revaluation of PPE		-	-
Net (gain)/loss on revaluation of Intangibles		-	-
Net (gain)/loss on revaluation of Financial Assets		-	-
Actuarial (gain)/loss in pension schemes		-	-
Impairments and reversals taken to Revaluation Reserve		-	-
Items that may be reclassified to Net Operating Costs			
Net gain/loss on revaluation of available for sale financial assets		-	-
Reclassification adjustment on disposal of available for sale financial assets		-	-
Sub total		**-**	**-**
Comprehensive Expenditure for the year		**213,106**	**212,349**

Statement of Financial Position as at 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Non-current assets:			
Property, plant and equipment	13		
Intangible assets	14		
Investment property	15		
Trade and other receivables	17		
Other financial assets	18		
Total non-current assets			
Current assets:			
Inventories	16		
Trade and other receivables	17	2,856	1,924
Other financial assets	18		
Other current assets	19		
Cash and cash equivalents	20	40	165
Total current assets		**2,897**	**2,089**
Non-current assets held for sale	21		
Total current assets		**2,897**	**2,089**
Total assets		**2,897**	**2,089**
Current liabilities			
Trade and other payables	23	(10,133)	(9,200)
Other financial liabilities	24		
Other liabilities	25		
Borrowings	26		
Provisions	30	(284)	(204)
Total current liabilities		**(10,417)**	**(9,404)**
Non-Current Assets plus/less Net Current Assets/Liabilities		**(7,521)**	**(7,315)**
Non-current liabilities			
Trade and other payables	23		
Other financial liabilities	24		
Other liabilities	25		
Borrowings	26		
Provisions	30		
Total non-current liabilities			
Assets less Liabilities		**(7,521)**	**(7,315)**
Financed by Taxpayers' Equity			
General fund		(7,521)	(7,315)
Revaluation reserve			
Other reserves			
Charitable Reserves			
Total taxpayers' equity:		**(7,521)**	**(7,315)**

The notes on pages 5 to 28 form part of this statement

The financial statements on pages 1 to 4 were approved by the Audit and Governance Committee, as delegated by the Governing Body, on 23rd May 2019 and signed on its behalf by:

Chief Accountable Officer

31 March 2019

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2018-19				
Balance at 01 April 2018	(7,315)	0	0	**(7,315)**
Transfer between reserves in respect of assets transferred from closed NHS bodies	0	0	0	**0**
Impact of applying IFRS 9 to Opening Balances	0			**0**
Impact of applying IFRS 15 to Opening Balances	0			**0**
Adjusted NHS Clinical Commissioning Group balance at 31 March 2018	**(7,315)**	**0**	**0**	**(7,315)**
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2018-19				
Net operating expenditure for the financial year	(213,106)	0	0	**(213,106)**
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0	**0**
Net gain/(loss) on revaluation of intangible assets	0	0	0	**0**
Net gain/(loss) on revaluation of financial assets	0	0	0	**0**
Total revaluations against revaluation reserve	**0**	**0**	**0**	**0**
Net gain (loss) on available for sale financial assets	0	0	0	0
Net gain/(loss) on revaluation of other investments and Financial Assets (excluding available for sale financial assets)			0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	**(213,106)**	**0**	**0**	**(213,106)**
Net funding	212,901	0	0	**212,901**
Balance at 31 March 2019	**(7,521)**	**0**	**0**	**(7,521)**

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2017-18				
Balance at 01 April 2017	(5,997)	0	0	**(5,997)**
Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	**0**
Adjusted NHS Clinical Commissioning Group balance at 31 March 2018	**(5,997)**	**0**	**0**	**(5,997)**
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2017-18				
Net operating costs for the financial year	**(212,349)**	**0**	**0**	**(212,349)**
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0	0
Total revaluations against revaluation reserve	**0**	**0**	**0**	**0**
Net gain (loss) on available for sale financial assets	0	0	0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	**(212,349)**	**0**	**0**	**(212,349)**
Net funding	211,030	0	0	211,030
Balance at 31 March 2018	**(7,315)**	**0**	**0**	**(7,315)**

The notes on pages 5 to 28 form part of this statement

Statement of Cash Flows for the year ended
31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(213,106)	(212,349)
Depreciation and amortisation	5	0	0
Impairments and reversals	5	0	0
Non-cash movements arising on application of new accounting standards		0	0
Movement due to transfer by Modified Absorption		0	0
Other gains (losses) on foreign exchange		0	0
Donated assets received credited to revenue but non-cash		0	0
Government granted assets received credited to revenue but non-cash		0	0
Interest paid		0	0
Release of PFI deferred credit		0	0
Other Gains & Losses		0	0
Finance Costs		0	0
Unwinding of Discounts		0	0
(Increase)/decrease in inventories		0	0
(Increase)/decrease in trade & other receivables	17	(933)	285
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade & other payables	23	933	1,088
Increase/(decrease) in other current liabilities		0	0
Provisions utilised	30	(87)	0
Increase/(decrease) in provisions	30	167	100
Net Cash Inflow (Outflow) from Operating Activities		**(213,026)**	**(210,876)**
Cash Flows from Investing Activities			
Interest received		0	0
(Payments) for property, plant and equipment		0	0
(Payments) for intangible assets		0	0
(Payments) for investments with the Department of Health		0	0
(Payments) for other financial assets		0	0
(Payments) for financial assets (LIFT)		0	0
Proceeds from disposal of assets held for sale: property, plant and equipment		0	0
Proceeds from disposal of assets held for sale: intangible assets		0	0
Proceeds from disposal of investments with the Department of Health		0	0
Proceeds from disposal of other financial assets		0	0
Proceeds from disposal of financial assets (LIFT)		0	0
Non-cash movements arising on application of new accounting standards		0	0
Loans made in respect of LIFT		0	0
Loans repaid in respect of LIFT		0	0
Rental revenue		0	0
Net Cash Inflow (Outflow) from Investing Activities		**0**	**0**
Net Cash Inflow (Outflow) before Financing		**(213,026)**	**(210,876)**
Cash Flows from Financing Activities			
Grant in Aid Funding Received		212,901	211,030
Other loans received		0	0
Other loans repaid		0	0
Capital element of payments in respect of finance leases and on Statement of Financial Position PFI and LIFT		0	0
Capital grants and other capital receipts		0	0
Capital receipts surrendered		0	0
Non-cash movements arising on application of new accounting standards		0	0
Net Cash Inflow (Outflow) from Financing Activities		**212,901**	**211,030**
Net Increase (Decrease) in Cash & Cash Equivalents	20	**(125)**	**154**
Cash & Cash Equivalents at the Beginning of the Financial Year		**165**	**11**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0	0
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year		**40**	**165**

The notes on pages 5 to 28 form part of this statement

Notes to the financial statements

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 2018-19 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.

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.

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.

1.3 Movement of Assets within the Department of Health and Social Care Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Government Financial Reporting Manual, issued by HM Treasury. The Government Financial Reporting Manual 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 Statement of Comprehensive Net Expenditure, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Department of Health and Social Care Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

1.4 Pooled Budgets

Where the Clinical Commissioning Group has entered into a pooled budget arrangement under Section 75 of the National Health Service Act 2006 the Clinical Commissioning Group accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.
If the Clinical Commissioning Group is in a jointly controlled operation, the Clinical Commissioning Group recognises:

- The assets the Clinical Commissioning Group controls;
- The liabilities the Clinical Commissioning Group incurs;
- The expenses the Clinical Commissioning Group incurs; and,
- The Clinical Commissioning Group's share of the income from the pooled budget activities.

If the Clinical Commissioning Group is involved in a jointly controlled assets arrangement, in addition to the above, the Clinical Commissioning Group recognises:

- The Clinical Commissioning Group's share of the jointly controlled assets (classified according to the nature of the assets);
- The Clinical Commissioning Group's share of any liabilities incurred jointly: and,
- The Clinical Commissioning Group's share of the expenses jointly incurred.

1.5 Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below) 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:

- Maternity Pathway Costs
  The Clinical Commissioning Group prepays out Maternity Pathway Costs which span the end of the financial year.

Notes to the financial statements

1.6 **Revenue**

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.
In the adoption 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.
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. Payment terms are standard reflecting cross government principles.
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.

1.7 **Employee Benefits**

1.7.1 **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.

1.7.2 **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.

1.8 **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.

1.9 **Grants Payable**

Where grant funding is not intended to be directly related to activity undertaken by a grant recipient in a specific period, the clinical commissioning group recognises the expenditure in the period in which the grant is paid. All other grants are accounted for on an accruals basis.

1.10 **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.

Notes to the financial statements

1.10.1 **The Clinical Commissioning Group 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 clinical commissioning group's surplus/deficit.
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.

1.11 **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.

1.12 **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:
Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.29% (2017-18: positive 0.10%) in real terms. All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:
• A nominal short-term rate of 0.76% (2017-18: negative 2.42% in real terms) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
• A nominal medium-term rate of 1.14% (2017-18: negative 1.85% in real terms) 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% (2017-18: negative 1.56% in real terms) 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% (2017-18: negative 1.56% in real terms) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.
All 2018-19 percentages are expressed in nominal terms with 2017-18 being the last financial year that HM Treasury provided real general provision discount rates.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.
A restructuring provision is recognised when the clinical commissioning group 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 arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

1.13 **Clinical Negligence Costs**

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

1.14 **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 Resolution 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.

1.15 **Contingent liabilities and contingent assets**

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.
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 clinical commissioning group. A contingent asset is disclosed where an inflow of economic benefits is probable.
Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

Notes to the financial statements

1.16 **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.

1.16.1 **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.

1.16.2 **Financial assets at fair value through other comprehensive income**

Financial assets held at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

1.16.3 **Financial assets at fair value through profit and loss**

Financial assets measure at fair value through profit and loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

1.16.4 **Impairment**

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, 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 DHSC 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.

1.17 **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.

1.17.1 **Financial Guarantee Contract Liabilities**

Financial guarantee contract liabilities are subsequently measured at the higher of:

- The premium received (or imputed) for entering into the guarantee less cumulative amortisation; and,
- The amount of the obligation under the contract, as determined in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

1.17.2 **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 clinical commissioning group's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

1.17.3 **Other Financial Liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health and Social Care, which are carried at historic cost. 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.

1.18 **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.

Notes to the financial statements

1.19 **Foreign Currencies**

The clinical commissioning group's functional currency and presentational currency is pounds sterling and amounts are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the clinical commissioning group's surplus/deficit in the period in which they arise.

1.20 **Third Party Assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the clinical commissioning group has no beneficial interest in them.

1.21 **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).

1.22 **Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.23 **Accounting Standards That Have Been Issued But Have Not Yet Been Adopted**

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2018-19. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2019-20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

● IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

● 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.

2 Other Operating Revenue

	2018-19 Total	2017-18 Total
	£'000	£'000
Income from sale of goods and services (contracts)		
Education, training and research	-	-
Non-patient care services to other bodies	3,754	830
Patient transport services	-	-
Prescription fees and charges	119	237
Dental fees and charges	-	-
Income generation	-	-
Other Contract income	464	-
Recoveries in respect of employee benefits	-	-
Total Income from sale of goods and services	**4,337**	**1,067**
Other operating income		
Rental revenue from finance leases	-	-
Rental revenue from operating leases	-	-
Charitable and other contributions to revenue expenditure: NHS	-	-
Charitable and other contributions to revenue expenditure: non-NHS	-	-
Receipt of donations (capital/cash)	-	-
Receipt of Government grants for capital acquisitions	-	-
Continuing Health Care risk pool contributions	-	-
Non cash apprenticeship training grants revenue	-	-
Other non contract revenue	-	1,003
Total Other operating income	**-**	**1,003**
	4,337	**2,070**
Total Operating Income		

3.1 Disaggregation of Income - Income from sale of good and services (contracts)

	Education, training and research	Non-patient care services to other bodies	Patient transport services	Prescription fees and charges	Dental fees and charges	Income generation	Other Contract income	Recoveries in respect of employee benefits
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Source of Revenue								
NHS	-	3,680	-	-	-	-	410	-
Non NHS	-	74	-	119	-	-	54	-
Total	**-**	**3,754**	**-**	**119**	**-**	**-**	**464**	**-**

		Education, training and research	Non-patient care services to other bodies	Patient transport services	Prescription fees and charges	Dental fees and charges	Income generation	Other Contract income	Recoveries in respect of employee benefits
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Timing of Revenue									
Point in time		-	3,754	-	119	-	-	464	-
Over time		-	-	-	-	-	-	-	-
	Total	**-**	**3,754**	**-**	**119**	**-**	**-**	**464**	**-**

3.2 Transaction price to remaining contract performance obligations

Contract revenue expected to be recognised in the future periods related to contract performance obligations not

	2018-19 Total	Revenue expected from NHSE Bodies	Revenue expected from Other DHSC Group Bodies	Revenue expected from Non-DHSC Group Bodies
	£000s	£000s	£000s	£000s
Not later than 1 year	-	-	-	-
Later than 1 year, not later than 5 years	-	-	-	-
Later than 5 Years	-	-	-	-
Total	**-**	**-**	**-**	**-**

4. Employee benefits and staff numbers

4.1.1 Employee benefits

	Admin			Programme			Total			2018-19
	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	
Employee Benefits										
Salaries and wages	1,522	137	**1,659**	611	60	**671**	2,134	197	**2,330**	
Social security costs	164	-	**164**	71	-	**71**	235	-	**235**	
Employer contributions to the NHS Pension Scheme	202	-	**202**	85	-	**85**	287	-	**287**	
Other pension costs	-	-	**-**	-	-	**-**	-	-	**-**	
Apprenticeship Levy	-	-	**-**	-	-	**-**	-	-	**-**	
Other post-employment benefits	-	-	**-**	-	-	**-**	-	-	**-**	
Other employment benefits	-	-	**-**	-	-	**-**	-	-	**-**	
Termination benefits	33	-	**33**	-	-	**-**	33	-	**33**	
Gross employee benefits expenditure	**1,921**	**137**	**2,058**	**767**	**60**	**827**	**2,688**	**197**	**2,885**	
Less recoveries in respect of employee benefits (note 4.1.2)	-	-	**-**	-	-	**-**	-	-	**-**	
Total - Net admin employee benefits including capitalised costs			**827**			**1,921**			**2,748**	
Less: Employee costs capitalised	-	-	**-**	-	-	**-**	-	-	**-**	
Net employee benefits excluding capitalised costs			**827**			**1,921**			**2,748**	

4.1.1 Employee benefits

	Admin			Programme			Total			2017-18
	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	
Employee Benefits										
Salaries and wages	1,672	48	**1,719**	355	108	**463**	2,026	156	**2,182**	
Social security costs	277	-	**277**	75	-	**75**	353	-	**353**	
Employer contributions to the NHS Pension Scheme	318	-	**318**	88	-	**88**	407	-	**407**	
Other pension costs	-	-	**-**	-	-	**-**	-	-	**-**	
Apprenticeship Levy	-	-		-	-					
Other post-employment benefits	-	-	**-**	-	-	**-**	-	-	**-**	
Other employment benefits	-	-	**-**	-	-	**-**	-	-	**-**	
Termination benefits	-	-	**-**	-	-	**-**	-	-	**-**	
Gross employee benefits expenditure			**2,267**	**48**		**2,315**	**519**	**108**	**627**	**2,942**
Less recoveries in respect of employee benefits (note 4.1.2)	-	-	**-**	-	-	**-**	-	-	**-**	
Total - Net admin employee benefits including capitalised costs			**2,267**	**48**		**2,315**	**519**	**108**	**627**	**2,942**
Less: Employee costs capitalised	-	-	**-**	-	-	**-**	-	-	**-**	
Net employee benefits excluding capitalised costs			**2,267**	**48**		**2,315**	**519**	**108**	**627**	**2,942**

4.2 Average number of people employed

	2018-19			2017-18		
	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number	Total Number
Total	**56.34**	**1.35**	**57.69**	**52.00**	**2.31**	**54.31**
Of the above:						
Number of whole time equivalent people engaged on capital projects	**-**	**-**	**-**	**-**	**-**	**-**

4.4 Exit packages agreed in the financial year

	2018-19 Compulsory redundancies		2018-19 Other agreed departures		2018-19 Total	
	Number	**£**	**Number**	**£**	**Number**	**£**
Less than £10,000	-	-	-	-	-	-
£10,001 to £25,000	-	-	1	16,019	1	16,019
£25,001 to £50,000	1	33,376	-	-	1	33,376
£50,001 to £100,000	-	-	-	-	-	-
£100,001 to £150,000	-	-	-	-	-	-
£150,001 to £200,000	-	-	-	-	-	-
Over £200,001	-	-	-	-	-	-
Total	**1**	**33,376**	**1**	**16,019**	**2**	**49,395**

	2017-18 Compulsory redundancies		2017-18 Other agreed departures		2017-18 Total	
	Number	£	Number	£	Number	£
Less than £10,000	-	-	-	-	-	-
£10,001 to £25,000	-	-	-	-	-	-
£25,001 to £50,000	-	-	-	-	-	-
£50,001 to £100,000	-	-	-	-	-	-
£100,001 to £150,000	-	-	-	-	-	-
£150,001 to £200,000	-	-	-	-	-	-
Over £200,001	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

	2018-19 Departures where special payments have been made		2017-18 Departures where special payments have been made	
	Number	**£**	**Number**	**£**
Less than £10,000	-	-	-	-
£10,001 to £25,000	-	-	-	-
£25,001 to £50,000	-	-	-	-
£50,001 to £100,000	-	-	-	-
£100,001 to £150,000	-	-	-	-
£150,001 to £200,000	-	-	-	-
Over £200,001	-	-	-	-
Total	**-**	**-**	**-**	**-**

Analysis of Other Agreed Departures

	2018-19 Other agreed departures		2017-18 Other agreed departures	
	Number	**£**	**Number**	**£**
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	1	16,019	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval*	-	-	-	-
Total	**1**	**16,019**	**-**	**-**

4.5 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.

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.

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

4.5.1 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 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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.

4.5.2 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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

For 2018-19, employers' contributions of £368,737 were payable to the NHS Pensions Scheme (2017-18: £339,130) were payable to the NHS Pension Scheme at the rate of 14.38% of pensionable pay. The scheme's actuary reviews employer contributions, usually every four years and now based on HMT Valuation Directions, following a full scheme valuation. The latest review used data from 31 March 2012 and was published on the Government website on 9 June 2012.

5. Operating expenses

	2018-19 Total £'000	2017-18 Total £'000
Purchase of goods and services		
Services from other CCGs and NHS England	1,797	1,757
Services from foundation trusts	34,960	33,922
Services from other NHS trusts	90,017	84,564
Provider Sustainability Fund (Sustainability Transformation Fund 1718)	-	-
Services from Other WGA bodies	-	0
Purchase of healthcare from non-NHS bodies	42,347	41,963
Purchase of social care	-	-
General Dental services and personal dental services	-	-
Prescribing costs	21,898	22,468
Pharmaceutical services	-	-
General Ophthalmic services	-	-
GPMS/APMS and PCTMS	18,594	17,996
Supplies and services – clinical	45	-
Supplies and services – general	1,976	6,211
Consultancy services	118	198
Establishment	734	790
Transport	2	2
Premises	1,299	1,227
Audit fees	36	34
Other non statutory audit expenditure		
· Internal audit services	-	-
· Other services	-	-
Other professional fees	73	30
Legal fees	91	147
Education, training and conferences	20	28
Funding to group bodies	-	-
CHC Risk Pool contributions	-	-
Total Purchase of goods and services	**214,006**	**211,338**
Depreciation and impairment charges		
Depreciation	-	-
Amortisation	-	-
Impairments and reversals of property, plant and equipment	-	-
Impairments and reversals of intangible assets	-	-
Impairments and reversals of financial assets		
· Assets carried at amortised cost	-	-
· Assets carried at cost	-	-
· Available for sale financial assets	-	-
Impairments and reversals of non-current assets held for sale	-	-
Impairments and reversals of investment properties	-	-
Total Depreciation and impairment charges	**-**	**-**
Provision expense		
Change in discount rate	-	-
Provisions	167	100
Total Provision expense	**167**	**100**
Other Operating Expenditure		
Chair and Non Executive Members	342	-
Grants to Other bodies	-	-
Clinical negligence	1	1
Research and development (excluding staff costs)	11	9
Expected credit loss on receivables	1	-
Expected credit loss on other financial assets (stage 1 and 2 only)	-	-
Inventories written down	-	-
Inventories consumed	-	-
Non cash apprenticeship training grants	-	-
Other expenditure	29	29
Total Other Operating Expenditure	**385**	**39**
Total operating expenditure	**214,558**	**211,477**

6.1 Better Payment Practice Code

Measure of compliance	2018-19 Number	2018-19 £'000	2017-18 Number	2017-18 £'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	2,636	51,305	2,662	49,152
Total Non-NHS Trade Invoices paid within target	2,629	51,300	2,656	49,030
Percentage of Non-NHS Trade invoices paid within target	**99.73%**	**99.99%**	**99.77%**	**99.75%**
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,226	165,036	1,909	140,015
Total NHS Trade Invoices Paid within target	2,212	163,538	1,902	139,939
Percentage of NHS Trade Invoices paid within target	**99.37%**	**99.09%**	**99.63%**	**99.95%**

6.2 The Late Payment of Commercial Debts (Interest) Act 1998	2018-19 £'000	2017-18 £'000
Amounts included in finance costs from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-
Total	**-**	**-**

7 Income Generation Activities
There were no Income Generation Activities during the year (17/18: £nil)

8. Investment revenue
There was no Investment Income during the year (17/18: £nil)

9. Other gains and losses
There were no Other Gains and Losses during the year (17/18: £nil)

10. Finance costs
There were no Finance Costs during the year (17/18: £nil)

11. Net gain/(loss) on transfer by absorption

Transfers as part of a reorganisation fall to be accounted for by use of absorption accounting in line with the Government Financial Reporting Manual, issued by HM Treasury. The Government Financial Reporting Manual 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 Statement of Comprehensive Net Expenditure, and is disclosed separately from operating costs.

12. Operating Leases

12.1 As lessee

12.1.1 Payments recognised as an Expense

	2018-19				2017-18			
	Land £'000	Buildings £'000	Other £'000	Total £'000	Land £'000	Buildings £'000	Other £'000	Total £'000
Payments recognised as an expense								
Minimum lease payments	-	1,121	-	**1,121**	-	1,226	-	**1,226**
Contingent rents	-	-	-	**-**	-	-	-	**-**
Sub-lease payments	-	-	-	**-**	-	-	-	**-**
Total	**-**	**1,121**	**-**	**1,121**	**-**	**1,226**	**-**	**1,226**

Whilst our arrangements with Community Health Partnership's Limited and NHS Property Services Limited fall within the definition of operating leases, rental charge for future years has not yet been agreed . Consequently this note does not include future minimum lease payments for the arrangements.

12.1.2 Future minimum lease payments

	2018-19				2017-18			
	Land £'000	Buildings £'000	Other £'000	Total £'000	Land £'000	Buildings £'000	Other £'000	Total £'000
Payable:								
No later than one year	-	-	-	**-**	-	-	-	**-**
Between one and five years	-	-	-	**-**	-	-	-	**-**
After five years	-	-	-	**-**	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

12.2 As lessor

12.2.1 Rental revenue

	2018-19 £'000	2017-18 £'000
Recognised as income		
Rent	-	-
Contingent rents	-	-
Total	**-**	**-**

[A general description of leasing arrangements]

12.2.2 Future minimum rental value

	2018-19 £'000 NHSE Bodies	2018-19 £'000 Other DHSC Group Bodies	2018-19 £'000 Non DH Group Bodies	2017-18 £'000 DH Group Bodies	2017-18 £'000 Non DH Group Bodies
Receivable:					
No later than one year	-	-	-	-	-
Between one and five years	-	-	-	-	-
After five years	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

13 Property, plant and equipment

The CCG has no Property, Plant and Equipment at the year end (17/18: £nil)

14 Intangible non-current assets

The CCG has no Intangible non-current assets at the year end (17/18: £nil)

15 Investment property

The CCG has no Investment Property at the year end (17/18: £nil)

16 Inventories

The CCG has no Inventories at the year end (17/18: £nil)

17.1 Trade and other receivables

	Current 2018-19 £'000	Non-current 2018-19 £'000	Current 2017-18 £'000	Non-current 2017-18 £'000
NHS receivables: Revenue	560	-	293	-
NHS receivables: Capital	-	-	-	-
NHS prepayments	519	-	596	-
NHS accrued income	1,165	-	80	-
NHS Contract Receivable not yet invoiced/non-invoice	-	-	-	-
NHS Non Contract trade receivable (i.e pass through funding)	-	-	-	-
NHS Contract Assets	-	-	-	-
Non-NHS and Other WGA receivables: Revenue	16	-	645	-
Non-NHS and Other WGA receivables: Capital	-	-	-	-
Non-NHS and Other WGA prepayments	275	-	308	-
Non-NHS and Other WGA accrued income	312	-	1	-
Non-NHS and Other WGA Contract Receivable not yet invoiced/non-invoice	-	-	-	-
Non-NHS and Other WGA Non Contract trade receivable (i.e pass through funding)	-	-	-	-
Non-NHS Contract Assets	-	-	-	-
Expected credit loss allowance-receivables	(7)	-	(6)	-
VAT	15	-	7	-
Private finance initiative and other public private partnership arrangement prepayments and accrued income	-	-	-	-
Interest receivables	-	-	-	-
Finance lease receivables	-	-	-	-
Operating lease receivables	-	-	-	-
Other receivables and accruals	1	-	-	-
Total Trade & other receivables	**2,856**	**-**	**1,924**	**-**
Total current and non current	**2,856**		**1,924**	
Included above:				
Prepaid pensions contributions	-		-	

17.2 Receivables past their due date but not impaired

	2018-19 DHSC Group Bodies £'000	2018-19 Non DHSC Group Bodies £'000	2017-18 DHSC Group Bodies £'000	2017-18 Non DHSC Group Bodies £'000
By up to three months	-	2	1	28
By three to six months	24	-	-	-
By more than six months	-	16	-	9
Total	**24**	**18**	**1**	**37**

17.3 Impact of Application of IFRS 9 on financial assets at 1 April 2018

	Trade and other receivables - NHSE bodies £000s	Trade and other receivables - other DHSC group bodies £000s	Trade and other receivables - external £000s	Other financial assets £000s	Total £000s
Classification under IAS 39 as at 31st March 2018					
Financial Assets held at FVTPL	-	-	-	-	**-**
Financial Assets held at Amortised cost	165	366	6	647	**1,184**
Financial assets held at FVOCI	-	-	-	-	**-**
Total at 31st March 2018	**165**	**366**	**6**	**647**	**1,184**
Classification under IFRS 9 as at 1st April 2018					
Financial Assts designated to FVTPL	-	-	-	-	**-**
Financial Assets mandated to FVTPL	-	-	-	-	**-**
Financial Assets measured at amortised cost	165	366	6	647	**1,184**
Financial Assets measured at FVOCI	-	-	-	-	**-**
Total at 1st April 2018	165	366	6	647	**1,184**
Changes due to change in measurement attribute	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Change in carrying amount	-	-	-	-	**-**

17.4 Movement in loss allowances due to application of IFRS 9

	Trade and other receivables - NHSE bodies £000s	Trade and other receivables - other DHSC group bodies £000s	Trade and other receivables - external £000s	Other financial assets £000s	Total £000s
Impairment and provisions allowances under IAS 39 as at 31st March 2018					
Financial Assets held at Amortised cost (ie the 1718 Closing Provision)	-	-	(6)	-	**(6)**
Financial assets held at FVOCI	-	-	-	-	**-**
Total at 31st March 2018	**-**	**-**	**(6)**	**-**	**(6)**
Loss allowance under IFRS 9 as at 1st April 2018					
Financial Assets measured at amortised cost	-	-	(6)	-	**(6)**
Financial Assets measured at FVOCI	-	-	-	-	**-**
Total at 1st April 2018	**-**	**-**	**(6)**	**-**	**(6)**
Change in loss allowance arising from application of IFRS 9	-	-	-	-	**-**

18 Other financial assets
The CCG has no Other Financial Assets at the year end (17/18: £nil)

19 Other current assets
The CCG has no Other Current Assets at the year end (17/18: £nil)

20 Cash and cash equivalents

	2018-19 £'000	2017-18 £'000
Balance at 01 April 2018	165	11
Net change in year	(125)	154
Balance at 31 March 2019	**40**	**165**
Made up of:		
Cash with the Government Banking Service	40	165
Cash with Commercial banks	-	-
Cash in hand	-	0
Current investments	-	-
Cash and cash equivalents as in statement of financial position	**40**	**165**
Bank overdraft: Government Banking Service	-	-
Bank overdraft: Commercial banks	-	-
Total bank overdrafts	**-**	**-**
Balance at 31 March 2019	**40**	**165**
Patients' money held by the clinical commissioning group, not included above	-	-

21 Non-current assets held for sale
The CCG has no Non-Current Assets Held for Sale at the year end (17/18: £nil)

22 Analysis of impairments and reversals
The CCG has no Impairments or Reversals at the year end (17/18: £nil)

23 Trade and other payables	Current 2018-19 £'000	Non-current 2018-19 £'000	Current 2017-18 £'000	Non-current 2017-18 £'000
Interest payable	-	-	-	-
NHS payables: Revenue	1,851	-	713	-
NHS payables: Capital	-	-	-	-
NHS accruals	1,069	-	768	-
NHS deferred income	-	-	-	-
NHS Contract Liabilities	-	-	-	-
Non-NHS and Other WGA payables: Revenue	3,163	-	3,476	-
Non-NHS and Other WGA payables: Capital	-	-	-	-
Non-NHS and Other WGA accruals	3,043	-	3,330	-
Non-NHS and Other WGA deferred income	-	-	-	-
Non-NHS Contract Liabilities	-	-	-	-
Social security costs	45	-	42	-
VAT	-	-	-	-
Tax	42	-	39	-
Payments received on account	-	-	-	-
Other payables and accruals	920	-	832	-
Total Trade & Other Payables	**10,133**	**-**	**9,200**	**-**
Total current and non-current	**10,133**		**9,200**	

Other payables include £156,650 outstanding pension contributions at 31 March 2019

23.1 Impact of Application of IFRS 9 on financial liabilities at 1 April 2018

	Trade and other payables - NHSE bodies £000s	Trade and other payables - other DHSC group bodies £000s	Trade and other payables - external £000s	Other borrowings (including finance lease obligations) £000s	Other financial liabilities £000s	Total £000s
Classification under IAS 39 as at 31st March 2018						
Financial Assets held at FVTPL	-	-	-	-	-	**-**
Financial Assets held at Amortised cost	242	1,239	7,638	-	-	**9,119**
Total at 31st March 2018	**242**	**1,239**	**7,638**	**-**	**-**	**9,119**
Classification under IFRS 9 as at 1st April 2018						
Financial Assest designated to FVTPL	-	-	-	-	-	**-**
Financial Assets mandated to FVTPL	-	-	-	-	-	**-**
Financial Assets measured at amortised cost	242	1,239	7,638	-	-	**9,119**
Financial Assets measured at FVOCI	-	-	-	-	-	**-**
Total at 1st April 2018	**242**	**1,239**	**7,638**	**-**	**-**	**9,119**
Changes due to change in measurement attribute	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	**-**
Change in carrying amount	**-**	**-**	**-**	**-**	**-**	**-**

24 Other financial liabilities
The CCG has no Other Financial Liabilities at the year end (17/18: £nil)

25 Other liabilities
The CCG has no Other Liabilities at the year end (17/18: £nil)

26 Borrowings
The CCG has no Borrowings at the year end (17/18: £nil)

27 Private finance initiative, LIFT and other service concession arrangements
The CCG has no Private Finance Initiatives, LIFT or other Service Concession Arrangements at the year end (17/18: £nil)

28 Finance lease obligations
The CCG has no Finance Lease Obligations at the year end (17/18: £nil)

29 Finance lease receivables
The CCG has no Finance Lease Receivables at the year end (17/18: £nil)

30 Provisions

	Current 2018-19 £'000	Non-current 2018-19 £'000	Current 2017-18 £'000	Non-current 2017-18 £'000
Pensions relating to former directors	-	-	-	-
Pensions relating to other staff	-	-	-	-
Restructuring	-	-	-	-
Redundancy	-	-	-	-
Agenda for change	-	-	-	-
Equal pay	-	-	-	-
Legal claims	176	-	25	-
Continuing care	108	-	108	-
Other	(0)	-	71	-
Total	**284**	**-**	**204**	**-**
Total current and non-current	**284**		**204**	

	Pensions Relating to Former Directors £'000	Pensions Relating to Other Staff £'000	Restructuring £'000	Redundancy £'000	Agenda for Change £'000	Equal Pay £'000	Legal Claims £'000	Continuing Care £'000	Other £'000	Total £'000
Balance at 01 April 2018	**-**	**-**	**-**	**-**	**-**	**-**	**25**	**108**	**71**	**204**
Arising during the year	-	-	-	-	-	-	183	-	-	**183**
Utilised during the year	-	-	-	-	-	-	(32)	-	(55)	**(87)**
Reversed unused	-	-	-	-	-	-	-	-	(16)	**(16)**
Unwinding of discount	-	-	-	-	-	-	-	-	-	**-**
Change in discount rate	-	-	-	-	-	-	-	-	-	**-**
Transfer (to) from other public sector body	-	-	-	-	-	-	-	-	-	**-**
Transfer (to) from other public sector body under absorption	-	-	-	-	-	-	-	-	-	**-**
Balance at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**-**	**176**	**108**	**(0)**	**284**
Expected timing of cash flows:										
Within one year	-	-	-	-	-	-	176	108	(0)	**284**
Between one and five years	-	-	-	-	-	-	-	-	-	**-**
After five years	-	-	-	-	-	-	-	-	-	**-**
Balance at 31 March 2019	**-**	**-**	**-**	**-**	**-**	**-**	**176**	**108**	**(0)**	**284**

	2018-19 £'000	2017-18 £'000
31 Contingencies	Nil	Nil

32 Commitments

32.1 Capital commitments

	2018-19 £'000	2017-18 £'000
Property, plant and equipment	-	-
Intangible assets	-	-
Total	**-**	**-**

32.2 Other financial commitments

The NHS clinical commissioning group has entered into non-cancellable contracts (which are not leases, private finance initiative contracts or other service concession arrangements) which expire as follows:

	2018-19 £'000	2017-18 £'000
In not more than one year	2,487	44
In more than one year but not more than five years	-	3,825
In more than five years	-	-
Total	**2,487**	**3,869**

33 Financial instruments

33.1 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 NHS 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 NHS clinical commissioning group standing financial instructions and policies agreed by the Governing Body. Treasury activity is subject to review by the NHS clinical commissioning group and internal auditors.

33.1.1 Currency risk

The NHS 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 NHS clinical commissioning group has no overseas operations. The NHS clinical commissioning group and therefore has low exposure to currency rate fluctuations.

33.1.2 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.

33.1.3 Credit risk

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

33.1.4 Liquidity risk

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

33 Financial instruments cont'd

33.2 Financial assets

	Financial Assets measured at amortised cost 2018-19 £'000	Equity Instruments designated at FVOCI 2018-19 £'000	Total 2018-19 £'000
Equity investment in group bodies		-	-
Equity investment in external bodies		-	-
Loans receivable with group bodies	-		-
Loans receivable with external bodies	-		-
Trade and other receivables with NHSE bodies	1,619		1,619
Trade and other receivables with other DHSC group bodies	404		404
Trade and other receivables with external bodies	30		30
Other financial assets	1		1
Cash and cash equivalents	40		40
Total at 31 March 2019	**2,095**	**-**	**2,095**

33.3 Financial liabilities

	Financial Liabilities measured at amortised cost 2018-19 £'000	Other 2018-19 £'000	Total 2018-19 £'000
Loans with group bodies	-		**-**
Loans with external bodies	-		**-**
Trade and other payables with NHSE bodies	1,524		**1,524**
Trade and other payables with other DHSC group bodies	4,252		**4,252**
Trade and other payables with external bodies	3,349		**3,349**
Other financial liabilities	920		**920**
Private Finance Initiative and finance lease obligations	-		**-**
Total at 31 March 2019	**10,046**	**-**	**10,046**

34 Operating segments
The CCG and consolidated group consider they have only one segment: Commissioning of Healthcare Services

35 Pooled budgets

The Clinical Commissioning Group entered into a pooled budget arrangement for Integrated Community Equipment Schemes with Nottinghamshi County Council. Under the arrangements, funds are pooled under section 75 of the NHS Act for Integrated Community Equipment Scheme activit

The Pool is hosted by Nottinghamshire County Council. As a Commissioner of Healthcare Services, the Clinical Commissioning Group makes contributions to the pool. The Memorandum Account for the Pooled Budget is:

	2018/19 £'000	2017/18 £'000
Balance at 1 April 2018	**188**	**529**
Income		
Nottinghamshire County Council ASCH&PP	1,779	1,504
Nottinghamshire County Council CFCS	391	253
Nottinghamshire City Council ASCH & CYP	1,011	985
Bassetlaw CCG	537	449
Nottingham City CCG	1,173	1,097
Nottinghamshire County CCG's	3,068	2,630
Continuing Health care funding	0	185
Other income	55	19
TOTAL INCOME	**8,202**	**7,651**
Expenditure		
Partnership Management & Administration costs	733	643
Contract delivery and collection costs	1,262	1,361
ICES Equipment	5,316	5,047
Continuing Healthcare Specialist Equipment	0	114
Minor Adaptations	166	298
Direct Payments	1	0
TOTAL EXPENDITURE	**7,478**	**7,463**
Balance at 31 March 2019	**724**	**188**
Carry Forward by Partner		
Nottinghamshire City Council ASCH	215	137
Notts County Council - ASCH	403	7
Notts County Council - CYPS	61	0
Bassetlaw CCG	16	-23
Nottingham City CCG	17	7
Nottinghamshire County CCG's	12	-39
Cont Care Bassetlaw	0	1
Cont Care City - Adults	0	56
Cont Care City - Children	0	42
Balance at 31 March 2018	**724**	**188**

36 NHS Lift investments
The CCG has no LIFT investments at the year end (17/18: £nil)

37 Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party £'000	Receipts from Related Party £'000	Amounts owed to Related Party £'000	Amounts due from Related Party £'000
Park House Medical Centre	1,038	0	23	0
Stenhouse Medical Centre	1,159	0	97	0
The Calverton Practice	1,097	0	35	0
Ivy Medical Group	871	0	66	0
Trentside Medical Group	1,152	0	27	0

Details of related party transactions with other bodies are as follows:

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 entities for which the Department is regarded as the parent Department as follows:

NHS England;	2,929	4,036	1,525	1,626
NHS Foundation Trusts;	35,114	54	1,132	139
NHS Trusts;	90,223	0	263	479
Health Education England	0	0	0	0
NHS Special Health Authorities	16	0	12	0
Other Group Bodies	961	0	224	0

38 Events after the end of the reporting period
There are no Events after the reporting period

39 Third party assets
The CCG has no Third Party Assets (17/18: £nil)

40 Financial performance targets

NHS Clinical Commissioning Group have a number of financial duties under the NHS Act 2006 (as amended).
NHS Clinical Commissioning Group performance against those duties was as follows:

	2018-19 Target	2018-19 Performance	2017-18 Target	2017-18 Performance
Expenditure not to exceed income	217,444	217,443	214,600	214,419
Capital resource use does not exceed the amount specified in Directions	-	-	-	-
Revenue resource use does not exceed the amount specified in Directions	213,107	213,107	212,530	212,349
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	-	-
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	-	-
Revenue administration resource use does not exceed the amount specified in Directions	3,439	2,989	3,418	2,825

41 Analysis of charitable reserves
The CCG has no Charitable Reserves at the year end (16/17: £nil)

42 Effect of application of IFRS 15 on current year closing balances

42.1 Statement of Comprehensive Net Expenditure	2018-19 Total	Transitional IFRS Change	2018-19 pre application equivalent (ie 2017-18 IFRS requirements)
	£'000	£'000	£'000
Income from sale of goods and services (contracts)	**(4,337)**	-	(4,337)
Other operating income	**-**	-	-
Total operating income	**(4,337)**	**-**	(4,337)
Total operating expenditure	**217,443**		217,443
Net Operating Expenditure	**213,106**	**-**	213,106
Finance income	**-**		-
Finance expense	**-**		-
Net (gain)/loss on transfers by absorption	**-**		-
Net expenditure for the year	**213,106**	**-**	**213,106**

42.2 Statement of Financial Position	2018-19 Total	Transitional IFRS Change	2018-19 pre application equivalent (ie 2017-18 IFRS requirements)
	£'000	£'000	£'000
Non Current Assets			
Non current trade and other receivables	-	-	-
Other non-current assets	-	-	-
Total Non Current Assets	**-**	**-**	**-**
Current Assets			
Trade and other receivables	2,856	-	2,856
Other current assets	-	-	-
Inventories, assets held for sale, cash and financial assets	40	-	40
Total Current Assets	**2,897**	**-**	**2,897**
Total Assets	**2,897**	**-**	**2,897**
Current Liabilities			
Trade and other payables	(10,133)	-	(10,133)
Provisions	(284)	-	(284)
Other liabilities	-	-	-
Net Current Assets/Liabilities	**(10,417)**	**-**	**(10,417)**
Non Current Assets plus/less net Current Assets/Liabilities	**(7,521)**	**-**	**(7,521)**
Non Current Liabilities			
Other payables	-	-	-
Other non-current liabilities	-	-	-
Total Non Current Liabilities	**-**	**-**	**-**
Total Assets less Liabilities	**(7,521)**	**-**	**(7,521)**
Taxpayers' Equity and other reserves			
General Fund	(7,521)	-	(7,521)
Other taxpayers equity	-	-	-
Total Equity	**(7,521)**	**-**	**(7,521)**
Balance check	-	-	-

42.3 Statement of Cash Flows	2018-19 Total	Transitional IFRS Change	2018-19 pre application equivalent (ie 2017-18 IFRS requirements)
	£'000	£'000	£'000
Net Cash Flow from Operating Activities			
Net operating cost	(213,106)	-	(213,106)
(Increase)/decrease in trade and other receivables	(933)	-	(933)
Increase/(decrease) in trade payables	933	-	933
Other cash flow from operating activity	80	-	80
Net cash outflow from operating activities	**(213,026)**	**-**	**(213,026)**
Cash Flows from Investing Activities	**-**	**-**	**-**
Cash Flows from Financing Activities	**212,901**	**-**	**212,901**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	(125)	-	(125)
Cash and cash equivalents at the beginning of the period	165	-	165
Cash and cash equivalents at the end of the period	**40**	**-**	**40**

42.4 Statement of Changes in Taxpayers equity - General Fund	2018-19 Total	Transitional IFRS Change	2018-19 pre application equivalent (ie 2017-18 IFRS requirements)
	£'000	£'000	£'000
Opening Balance adjusted for PPAs	(7,315)	-	(7,315)
Impact of applying IFRS 15 to the opening balances	-	-	-
Total net expenditure for the year	(213,106)	-	(213,106)
Other movements	-	-	-
Net Funding	212,901	-	212,901
Closing balance	**(7,521)**	**-**	**(7,521)**

Note 43 Losses and special payments

Losses

The total number of NHS clinical commissioning group losses and special payments cases, and their total value, was as follows:

	Total Number of Cases 2018-19 Number	**Total Value of Cases 2018-19 £'000**	Total Number of Cases 2017-18 Number	Total Value of Cases 2017-18 £'000
Administrative write-offs	-	-	-	-
Fruitless payments	-	-	-	-
Store losses	-	-	-	-
Book Keeping Losses	-	-	-	-
Constructive loss	-	-	-	-
Cash losses	-	-	-	-
Claims abandoned	-	-	-	-
Total	**-**	**-**	**-**	**-**

Details of cases individually over £300,000:
• [ ]
[For cases exceeding £300,000 the following should be disclosed both for the current year and prior year:
• The type of case, e.g. loss of cash, fruitless payment;
• The total value of the case; and,
• Details of the case.]

Special payments

	Total Number of Cases 2018-19 Number	**Total Value of Cases 2018-19 £'000**	Total Number of Cases 2017-18 Number	Total Value of Cases 2017-18 £'000
Compensation payments	-	-	-	-
Compensation payments Treasury Approved	-	-	-	-
Extra Contractual Payments	-	-	-	-
Extra Contractual Payments Treasury Approved	-	-	-	-
Ex Gratia Payments	-	-	-	-
Ex Gratia Payments Treasury Approved	-	-	-	-
Extra Statutory Extra Regulatory Payments	-	-	-	-
Extra Statutory Extra Regulatory Payments Treasury Approved	-	-	-	-
Special Severance Payments Treasury Approved	-	-	-	-
Total	**-**	**-**	**-**	**-**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NHS NOTTINGHAM NORTH & EAST CLINICAL COMMISSIONING GROUP

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NHS Nottingham North & East Clinical Commissioning Group ("the CCG") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the CCG's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the NHS Commissioning Board with the consent of the Secretary of State as being relevant to CCGs in England and included in the Department of Health and Social Care Group Accounting Manual2018/19.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the CCG in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Accountable Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the CCG without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Accountable Officer's conclusions we considered the inherent risks to the CCG's operations, including the impact of Brexit, and analysed how these risks might affect the CCG's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that.the CCG will continue in operation.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or

inconsistent with the financial statements or our audit knowledge. Based solely on that work we haye not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement does not comply with guidance issued by the NHS Commissioning Board. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

Accountable Officer's responsibilities

As explained more fully in the statement set out on page 38, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the CCG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the CCG without the transfer of its services to another public sector entity.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibil ities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Opinion on regularity

We are required to report on the following matters under Section 25(1) of the Local Audit and Accountability Act 2014.

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

Report on the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the CCG has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained more fully in the statement set out on page 38, the Accountable Officer is responsible for ensuring that the CCG exercises its functions effectively, efficiently and economically. We are required under section 21(1)(c) of the Local Audit and Accountability Act

2014 to be satisfied that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the CCG's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the CCG had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the CCG, or an officer of the CCG, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the CCG under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Members of the Governing Body of NHS Nottingham North & East CCG, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Members of the Governing Body of the CCG, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Governing Body, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of NHS Nottingham North & East CCG in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Bostock
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

28 May 2019