

Data entered below will be used throughout the workbook:

Entity name:	West Norfolk CCG
This year	2017-18
Last year	2016-17
This year ended	31-March-2018
Last year ended	31-March-2017
This year commencing:	01-April-2017
Last year commencing:	01-April-2016

These account templates are a proforma for a set of NHS England Group Entity Accounts, this is not a mandatory layout for local accounts.

Please review and adjust to local reporting requirements

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**Statement of Comprehensive Net Expenditure for the year ended
31 March 2018**

	Note	2017-18 £'000	2016-17 £'000
Income from sale of goods and services	2	(2,511)	(868)
Other operating income	2	<u>(432)</u>	<u>(369)</u>
Total operating income		(2,943)	(1,237)
Staff costs	4	3,103	2,117
Purchase of goods and services	5	278,893	236,340
Other Operating Expenditure	5	<u>327</u>	<u>352</u>
Total operating expenditure		282,323	238,809
Net Operating Expenditure		279,380	237,572
Total Net Expenditure for the year		279,380	237,572
Comprehensive Expenditure for the year ended 31 March 2018		<u>279,380</u>	<u>237,572</u>

**Statement of Financial Position as at
31 March 2018**

	31 Mar 2018	31 Mar 2017
Note	£'000	£'000
Current assets:		
Trade and other receivables	9 8,335	6,732
Cash and cash equivalents	10 103	35
Total current assets	8,438	6,767
Total assets	8,438	6,767
Current liabilities		
Trade and other payables	11 (19,346)	(10,910)
Total current liabilities	(19,346)	(10,910)
Total Assets less Current Liabilities	(10,908)	(4,143)
Financed by Taxpayers' Equity		
General fund	(10,908)	(4,143)
Total taxpayers' equity:	(10,908)	(4,143)

The notes on pages x to xx form part of this statement

The financial statements on pages [] to [] were approved by the Governing Body on [date] and signed on its behalf by:

Chief Accountable Officer
xxxxxxxxxxxxxxxxxxxxxx

**Statement of Changes In Taxpayers Equity for the year ended
31 March 2018**

	2017-2018 General fund £'000	2016-2017 General fund £'000
Changes in taxpayers' equity for 2017-18		
Balance at 01 April 2017	(4,143)	(11,984)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2017-18		
Net operating expenditure for the financial year	(279,380)	(237,572)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(279,380)	(237,572)
Net funding	<u>272,615</u>	<u>245,414</u>
Balance at 31 March 2018	<u>(10,908)</u>	<u>(4,143)</u>

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Statement of Cash Flows for the year ended
31 March 2018

	Note	2017-18 £'000	2016-17 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(279,380)	(237,572)
(Increase)/decrease in trade & other receivables	9	(1,603)	(4,247)
Increase/(decrease) in trade & other payables	11	8,436	(3,677)
Net Cash Inflow (Outflow) from Operating Activities		(272,547)	(245,496)
Net Cash Inflow (Outflow) from Investing Activities		0	0
Net Cash Inflow (Outflow) before Financing		(272,547)	(245,496)
Cash Flows from Financing Activities			
Net Funding Received		272,615	245,414
Net Cash Inflow (Outflow) from Financing Activities		272,615	245,414
Net Increase (Decrease) in Cash & Cash Equivalents	10	68	(82)
Cash & Cash Equivalents at the Beginning of the Financial Year		35	117
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year		103	35

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 2017-18 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 the going concern basis [despite the issue of a report to the Secretary of State for Health under Section 30 of the Local Audit and Accountability Act 2014]. 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 (CCG) 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 certain financial assets and financial liabilities.

1.3 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; and,
- * The expenses the clinical commissioning group incurs; and,
- * The clinical commissioning group's share of the income from the pooled budget activities.

1.4 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

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

1.4.1 Critical Judgements in Applying Accounting Policies

Better Care Fund (BCF)

The CCG has entered into a partnership agreement and a pooled budget with Norfolk County Council in respect of the BCF. This is a national policy initiative and the funds involved are material in the CCG accounts. Having reviewed the terms of the partnership agreement, the Department of Health manual for accounts and the appropriate financial reporting standards, the CCG has determined that there are three elements to the BCF and they are accounted for as follows:

(1) the major part is controlled by Norfolk County Council which commissions services from various non-NHS providers. Whilst the services are determined in partnership, the risks and rewards of the contracts remain wholly with the council. The CCG accounts for

BP to confirm whether additional note needed

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Notes to the financial statements

this on a lead commissioner basis as healthcare expenditure with the local authority.

(2) The second part is controlled by the CCG which commissions various services from NHS and non-NHS providers. The risks and rewards of these contracts are the responsibility of the CCG, which considers itself to be acting as a lead commissioner for those services on behalf of the partnership. The CCG accounts for these costs as healthcare purchased from NHS and non-NHS providers.

(3) The final part of the BCF is an integrated community equipment store. Norfolk County Council acts as the host body for this service which is provided by a third party. Each partner is however wholly responsible for their own share of the expenditure and this is accounted for as a joint operation.

Otherwise there were no 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:

Notes to the financial statements

- 1.5 **Revenue**
Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.
Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.
- 1.6 **Employee Benefits**
- 1.6.1 **Short-term Employee Benefits**
Salaries, wages and employment-related payments 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.
- 1.6.2 **Retirement Benefit Costs**
Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the clinical commissioning group of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the clinical commissioning group commits itself to the retirement, regardless of the method of payment.
- 1.7 **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.
Expenses and liabilities in respect of grants are recognised when the clinical commissioning group has a present legal or constructive obligation, which occurs when all of the conditions attached to the payment have been met.

Notes to the financial statements

1.8 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.

1.9 Clinical Negligence Costs

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

1.10 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.

1.11 Continuing healthcare risk pooling

In 2014-15 a risk pool scheme was introduced by NHS England for continuing healthcare claims, for claim periods prior to 31 March 2013. Under the scheme clinical commissioning groups contributed annually to a pooled fund until 31 March 2017, which is used to settle the claims.

Notes to the financial statements

1.12 Financial Assets

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

All financial assets are classified as loans and receivables.

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

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

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

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

1.13 Financial Liabilities

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

Financial liabilities are initially recognised at fair value.

1.14 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).

1.15 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Department of Health and Social Care (DHSC) Group Accounting Manual does not require the following standards and interpretations to be applied in 2017/18. HM Treasury has adopted IFRS 9 and IFRS 15 into the Financial Reporting Manual (FRM) for 2018/19 and is expected to adopt IFRS 16 in the FRM for 2019/20. The standards will become effective for future financial reporting periods and have not been adopted in these financial statements.

- IFRS 9: Financial Instruments (application from 1 January 2018)
- IFRS 15: Revenue for Contract with Customers (application from 1 January 2018)
- IFRS 16: Leases (expected application from 1 January 2019)

The application of IFRS 9 and IFRS 15 as revised would not have a material impact on the accounts for 2017/18, were they applied in that year. We do not yet know how IFRS 16 will impact on the CCC once it is applied, as we have not yet assessed the impact.

2 Other Operating Revenue

	2017-18	2017-18	2017-18	2016-17
	Total	Admin	Programme	Total
	£'000	£'000	£'000	£'000
Charitable and other contributions to revenue expenditure: non-NHS	30	22	8	72
Non-patient care services to other bodies	2,511	16	2,496	868
Other revenue	402	9	393	297
Total other operating revenue	<u>2,943</u>	<u>47</u>	<u>2,897</u>	<u>1,237</u>

Admin revenue is revenue received that is not directly attributable to the provision of healthcare or healthcare services.

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

3 Revenue

Revenue is totally from the supply of services. The CCG receives no revenue from the sale of goods.

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4. Employee benefits and staff numbers

4.1 Employee benefits

2017-18

	Total £'000
Employee Benefits	
Salaries and wages	2,667
Social security costs	201
Employer Contributions to NHS Pension scheme	233
Gross employee benefits expenditure	3,102
Total - Net admin employee benefits including capitalised costs	3,102
Net employee benefits excluding capitalised costs	3,102

2016-17

	Total £'000
Employee Benefits	
Salaries and wages	1,779
Social security costs	160
Employer Contributions to NHS Pension scheme	165
Termination benefits	13
Gross employee benefits expenditure	2,117
Total - Net admin employee benefits including capitalised costs	2,117
Net employee benefits excluding capitalised costs	2,117

4.2 Average number of people employed

	Total Number	2017-18 Permanently employed Number	Other Number	2016-17 Total Number
Total	75	50	25	48

The numbers in the above table are rounded to the nearest whole number.

4.3 Exit packages agreed in the financial year

There were no exit packages in 2017-18 (2016-17, one package, compulsory redundancy, cost £13,410)

	2016-17 Compulsory redundancies		2016-17 Other agreed departures		2016-17 Total	
	Number	£	Number	£	Number	£
£10,001 to £25,000	1	13,410	0	0	1	13,410
Total	1	13,410	0	0	1	13,410

4.4 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.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.

Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

4.4.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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.

4.4.2 Full actuarial (funding) valuation

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

The 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

For 2017-18, employers' contributions of £233,000 were payable to the NHS Pensions Scheme (2016-17: £165,000) 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. These costs are included in the NHS pension line of note 4.1.

5. Operating expenses

	2017-18	2016-17
	Total	Total
	£'000	£'000
Gross employee benefits		
Employee benefits excluding governing body members	2,834	1,843
Executive governing body members	269	274
Total gross employee benefits	3,103	2,117
Other costs		
Services from other CCGs and NHS England	2,248	(594)
Services from foundation trusts	139,539	137,778
Services from other NHS trusts	26,706	24,698
Purchase of healthcare from non-NHS bodies	42,530	37,066
Purchase of social care	846	0
Chair and Non Executive Members	327	352
Supplies and services – clinical	0	3
Supplies and services – general	2,427	1,524
Consultancy services	90	61
Establishment	1,518	214
Premises	158	110
Audit fees	42	54
Prescribing costs	33,251	33,261
General ophthalmic services	3	1
GPMS/APMS and PCTMS	29,431	1,790
Other professional fees excl. audit	53	99
Legal fees	31	0
Education and training	19	16
CHC Risk Pool contributions	0	262
Total other costs	279,220	236,692
Total operating expenses	282,323	238,809

In accordance with SI 2008 no.489, *The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008*, where a CCG contract with its auditors provides for a limitation of the auditor's liability, the principal terms of this limitation must be disclosed in a note to the accounts.

The value of Audit fees shown above includes VAT. The net costs of Audit fees incurred in the year is £35k.

6.1 Better Payment Practice Code

Measure of compliance	2017-18 Number	2017-18 £'000	2016-17 Number	2016-17 £'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	7,283	74,558	7,384	52,577
Total Non-NHS Trade Invoices paid within target	7,038	70,978	7,010	49,638
Percentage of Non-NHS Trade invoices paid within target	96.64%	95.20%	94.93%	94.41%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,479	172,978	2,593	170,810
Total NHS Trade Invoices Paid within target	2,451	172,978	2,564	170,740
Percentage of NHS Trade Invoices paid within target	98.87%	100.00%	98.88%	99.96%

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

No finance costs were incurred under the Late Payment of Commercial Debts (interest) Act 1998 in 2017-18 (2016-17: none)

7 Income Generation Activities

The CCG does not undertake any income generation activities (2016-17: none).

8 Trade and other receivables

	2017-18	2016-17
	£'000	£'000
NHS receivables: Revenue	6,246	3,671
NHS prepayments	952	4
NHS accrued income	342	2,255
Non-NHS and Other WGA receivables: Revenue	630	427
Non-NHS and Other WGA prepayments	61	161
Non-NHS and Other WGA accrued income	76	180
VAT	17	22
Other receivables and accruals	11	12
Total Trade & other receivables	8,335	6,732

The great majority of trade is with NHS England. As NHS England is funded by Government to provide funding to clinical commissioning groups to commission services, no credit scoring of them is considered necessary.

8.1 Receivables past their due date but not impaired

	2017-18	2017-18	2016-17
	£'000	£'000	£'000
	DH Group	Non DH Group	receivables
	Bodies	Bodies	prior years
By up to three months	858	221	24
By three to six months	0	13	8
By more than six months	39	181	172
Total	897	415	204

EXXXXXXXX of the amount above has subsequently been recovered post the statement of financial position date.

9 Cash and cash equivalents

	2017-18	2016-17
	£'000	£'000
Balance at 01 April 2017	35	117
Net change in year	68	(82)
Balance at 31 March 2018	<u>103</u>	<u>35</u>
Made up of:		
Cash with the Government Banking Service	102	35
Cash in hand	1	0
Cash and cash equivalents as in statement of financial position	103	35
Balance at 31 March 2018	<u>103</u>	<u>35</u>

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10 Trade and other payables	2017-18	2016-17
	£'000	£'000
NHS payables: revenue	2,735	1,615
NHS accruals	2,157	1,083
Non-NHS and Other WGA payables: Revenue	3,808	1,416
Non-NHS and Other WGA accruals	8,373	6,020
Non-NHS and Other WGA deferred income	48	35
Social security costs	30	26
Tax	25	17
Other payables and accruals	2,170	698
Total Trade & Other Payables	19,346	10,910

Other payables include £278,000 outstanding pension contributions at 31 March 2018 (£26,500 at 31 March 2017).

11 Financial instruments

11.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

Because the CCG 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.

11.1.1 Currency risk

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

11.1.2 Interest rate risk

The CCG has no borrowings and is not exposed to interest rate risk.

11.1.3 Credit risk

Because the majority of the CCGs revenue comes from parliamentary funding, the CCG 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.

11.1.3 Liquidity risk

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

11 Financial instruments cont'd

11.2 Financial assets

	Loans and Receivables 2017-18 £'000	Loans and Receivables 2016-17 £'000
Receivables:		
· NHS	6,588	5,927
· Non-NHS	706	607
Cash at bank and in hand	103	35
Other financial assets	11	12
Total at 31 March 2018	<u>7,408</u>	<u>6,581</u>

11.3 Financial liabilities

	Other 2017-18 £'000	Other 2016-17 £'000
Payables:		
· NHS	4,892	2,698
· Non-NHS	14,351	8,134
Total at 31 March 2018	<u>19,243</u>	<u>10,832</u>

12 Pooled budgets

Better Care Pooled Fund

From 1 April 2012, the CCG entered into a Section 75 pooled fund arrangement with Norfolk County Council (NCC), for the Better Care Fund (BCF). NCC provides financial management for this Pooled Fund.

The BCF is a policy initiative between local authorities, CCGs and NHS providers which has resulted in pooled funds being used to jointly commission or deliver health and social care. Apart from the Integrated Community Equipment Store arrangements, the terms of the Section 75 agreement, means that contracts are stand-alone with financial risk being retained by the lead body. In relation to the Equipment Store, the arrangement is hosted by NCC and accounted for as a joint operation.

The CCG and NCC have signed a Framework Partnership Agreement relating to the BCF and Commissioning of Health and Social Care Services in Norfolk. The Agreement has established a Partnership Board with joint membership from each organisation. The Partnership Board determines which schemes are funded in the CCG locality. Each Partner then manages the contracts with their own providers of BCF services and each partner retains any financial risk relating to those contracts.

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

	2017-18	2016-17
	£000	£000
Expenditure	<u>(12,702)</u>	<u>(11,349)</u>

Expenditure is further analysed as follows:

	2017-18	2016-17
	£000	£000
Contracts for which NCC was the lead commissioner:	(7,026)	(5,658)
Contracts for which the CCG was the lead commissioner:	(4,772)	(5,340)
	(904)	(351)
The CCGs share of the joint operation of the Integrated Community Store:	<u>(12,702)</u>	<u>(11,349)</u>
Total expenditure		

13 Related party transactions

Details of related party transactions with individuals are as follows:

All of the CCG Member Practices provide primary medical services to the CCG in accordance with the commissioning responsibilities defined by NHS England. These payments, which are largely in relation to local delegated primary care costs (2017/18 only) and enhanced services, relate to the practices as a whole and are listed below.

	2017-18	2017-18	2017-18	2017-18	2016-17	2016-17	2016-17	2016-17
	Payments to	Receipts	Amounts	Amounts due	Payments to	Receipts	Amounts	Amounts due
	Related Party	from	owed to	from Related	Related Party	from	owed to	from Related
	£'000	Related Party	Related Party	Party	Related Party	Related Party	Related Party	Related Party
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
GP practices								
Boughton Surgery	555	0	100	0	20	0	0	-7
Bridge Street Surgery	1,315	0	180	0	76	0	0	-12
The Burnhams	806	0	183	0	43	0	0	-7
Campingland Surgery	1,322	0	0	0	74	0	0	0
Feltwell Surgery	865	0	4	0	47	0	0	0
Great Massingham Surgery	1,320	0	227	0	84	0	0	0
Grimston Medical Centre	946	0	0	0	36	0	1	0
Haacham Group Practice	1,331	0	88	0	74	0	0	-3
Hollies Surgery	674	0	0	0	32	0	0	0
Howdale Surgery	1,151	0	173	0	77	0	5	0
Litcham Health Centre	787	0	0	0	22	0	0	-1
Manor Farm Medical Centre	1,388	0	184	0	72	0	0	-8
Plowright Medical Centre	1,406	0	222	0	84	0	0	-5
Southgates Medical & Surgical Centre	2,124	0	81	0	119	0	0	-14
St James' Medical Practice	2,298	0	0	0	188	0	0	0
Terrington St Johns Surgery	955	0	0	0	40	0	0	0
St Clement Surgery (Village Health)	1,123	0	134	0	48	0	2	0
Upwell Health Centre	1,810	0	4	0	95	0	0	-4
Vida Healthcare	4,919	0	168	0	351	0	15	0
Wallington Medical Centre	1,045	0	163	0	55	0	0	-16
Woottons' Surgery	659	0	0	0	41	0	0	0

Additional transactions with related parties for Governing Body members and Member Practice representatives are shown below:

	2017-18	2017-18	2017-18	2017-18	2016-17	2016-17	2016-17	2016-17
	Payments to	Receipts	Amounts	Amounts due	Payments to	Receipts	Amounts	Amounts due
	Related Party	from	owed to	from Related	Related Party	from	owed to	from Related
	£'000	Related Party	Related Party	Party	Related Party	Related Party	Related Party	Related Party
		£'000	£'000	£'000	£'000	£'000	£'000	£'000

Other Related Party Transactions

(Governing Body Members Fees - Remunerated through payroll during 2017/18):

St Clement's Surgery, Dr Imran Ahmed	0	0	0	0	36	0	0	0
Vida Healthcare, Dr Pallavi Devulapalli	0	0	0	0	36	0	0	0
Upwell Health Centre, Dr Paul Williams	0	0	0	0	36	0	0	0
Vida Healthcare, Dr Mark Funnell	0	0	0	0	23	0	0	0
Bridge Street Surgery, Dr Clare Hambling	0	0	0	0				
Southgates Medical & Surgical Centre and The Woottons' Surgery, Dr Tina Ariffin	0	0	0	0				
Gt Massingham Surgery, Dr Tony Burgess	0	0	0	0	22	0	0	0

Dr Imran Ahmed, Dr Pallavi Devulapalli, Dr Clare Hambling, Dr Paul Williams (Governing Body Members) and Dr Syed Mumtaz Ahmed, Dr Michael Archer, Dr Vineet Bhardwaj, Dr Kamal De, Dr Ian Heczewski, Dr Sally Hall, Dr Richard Highton, Dr David Ince, Dr Richard Musson, Dr Giselle Sagar and Dr Hugh Simpson (Council of Members).
Shareholders in West Norfolk Health, which currently provides some clinical services and also runs a pharmacy in Norfolk.

Dr Mark Funnell and Dr Pallavi Devulapalli (Governing Body Members).	0	0	0	0	1250	0	0	0
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Shareholders in Norfolk Surgical & Diagnostic Centre, which provides clinical services in Norfolk (business ceased 2016/17).

Dr Pallavi Devulapalli (Governing Body Members) and Dr Syed Mumtaz Ahmed and Dr Kamal De (Council of Members). Partners in Vida Healthcare	588	0	0	202	223	0	0	0
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Dr Pallavi Devulapalli (Governing Body Members) and Dr Syed Mumtaz Ahmed and Dr Kamal De (Council of Members). Shareholder in Cavell & Lind Ltd	1	0	0	0	0	0	0	0
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Professor Paul Jenkins and John Ingham
Employees of West Norfolk CCG (Secondary Care Doctor and Former CFO)
Clinical Associate (Contracted not Employed) with Emal & Young

Dr Anthony Burgess Partner Great Massingham & Docking Surgery	0	0	0	0	31	0	0	0
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Dr Ian Mack Partner at Wallington Medical Centre Trustee and non remunerated Director of charity Alive Lelure	0	0	0	0	221	0	0	0
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Dr Imran Ahmed (Financial) Senior Partner at St Clement's surgery in West Norfolk	3	0	0	0	0	0	0	0
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Dr Tina Ariffin (Financial) GP Partner Southgates and Woottons	332	0	0	43	0	0	0	0
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Dr Clare Hambling
(Financial) Partner of Bridge Street Surgery (Dispensing Practice) Downham Market
(Financial & Non financial Professional) CLAHRC Fellowship with the Department of General Practice, University of Cambridge

Susan Haylor (Registered Nurse) (Financial) Professional advisor to Suffolk CCG's, quality visits to care homes with nursing and chair of the Independent CHC panel.	186	0	0	0	5	0	0	0
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Mr Chris Randall Member of CPFT (Public Consultancy)	0	0	0	0	621	0	0	0
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Dr Paul Williams Senior Partner at Upwell Health Centre	11	0	0	4	5	0	0	0
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Other Related Party Transactions (Council of Members):

Dr Ian Heczewski (Chairman) A Director of Swaffham & Litcham Home Hospice	53	0	0	0	53	0	0	0
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Dr Michael Archer Senior partner in Grimston Medical Centre	1	0	0	0	1	0	0	0
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Dr Susan Alcheson (Financial) Non-Executive shareholder First Health UK Ltd.	3	0	0	0	0	0	0	0
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Dr Vineet Bhardwaj (Financial) GP Partner at Upwell Health Centre	11	0	0	0	0	0	0	0
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Dr Julian Brown (Financial) Prescribing Services Ltd Director, Doctor of Medicine	314	0	300	0	0	0	0	0
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Dr Owen Chandler (Financial) GP Partner Southgates and Wooltons	106	0	0	0	0	0	0	0
Dr Mark Follows Partner of St James Medical Practice	0	0	0	0	48	0	0	0
Dr David Ince (Financial) Partner at The Burnhams Surgery (Non-financial professional) Representing West Norfolk on LMC	9	0	0	0	2	0	0	0
Dr Ankit Kant Partner at Watlington Medical Centre providing the Fans & Becks Care Home Metron Service	163	0	0	0	0	0	0	0
Dr Elizabeth Lookrane (Financial) GP Partner at Bridge Street Surgery	1	0	0	0	0	0	0	0
Dr Prabir Mitra (Financial) GP Partner at Campingland Surgery	81	0	0	0	0	0	0	0

The Department of Health is regarded as a related party. During the year West Norfolk Clinical Commissioning Group has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. For example:

- NHS England (including Commissioning Support Units);
- NHS Foundation Trusts;
- NHS Trusts,
- NHS Litigation Authority; and
- NHS Business Services Authority.

In addition, West Norfolk Clinical Commissioning Group has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Norfolk County Council in respect of Mental Health, Continuing Healthcare, Community Care and Rehabilitation.

14 Events after the end of the reporting period

There are no significant events to report surrounding West Norfolk CCG in relation to 2017-18.

15 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:

	2017-18 Target £'000	2017-18 Performance £'000	Duty Achieved?	2016-17 Target £'000	2016-17 Performance £'000	Duty Achieved?
Expenditure not to exceed income	273,340	282,323	No	241,947	238,809	Yes
Revenue resource use does not exceed the amount specified in Directions	270,396	279,380	No	240,710	237,572	Yes
Revenue administration resource use does not exceed the amount specified in Directions	3,710	4,311	No	3,701	3,701	Yes

Note: For the purposes of Section 223H(1), expenditure is defined as the aggregate of gross expenditure on revenue and capital in the financial year, and income is defined as the aggregate of the notified maximum revenue resource, notified capital resource and all other amounts accounted as received in the financial year (whether under provisions of the Act or from other sources, and included here on a gross basis).

In prior years the Revenue Resource Limit was calculated as a cumulative amount, this meant that any underspend from one year was carried forward and included in the limit for the following year. From 2017/18 NHSE amended the way in which the limit is determined such that it now excludes prior year underspends.

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4. Employee benefits and staff numbers

4.1.1 Employee benefits

	2017-18		Total		Admin		Programme		
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000
Employee Benefits	2,668	1,765	903	2,192	1,583	609	476	182	294
Salaries and wages	201	201	0	182	182	0	19	19	0
Social security costs	233	233	0	206	206	0	28	28	0
Employer contributions to the NHS Pension Scheme	0	0	0	0	0	0	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Apprenticeship Levy	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0	0
Gross employee benefits expenditure	3,103	2,200	903	2,580	1,971	609	523	229	294
Less recoveries in respect of employee benefits (note 4.1.2)	0	0	0	0	0	0	0	0	0
Total - Net admin employee benefits including capitalised costs	3,103	2,200	903	2,580	1,971	609	523	229	294
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	3,103	2,200	903	2,580	1,971	609	523	229	294

4.1.1 Employee benefits

	2016-17		Total		Admin		Programme		
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000
Employee Benefits	1,779	1,320	459	1,431	1,191	240	348	129	219
Salaries and wages	160	160	0	146	146	0	14	14	0
Social security costs	165	165	0	148	148	0	17	17	0
Employer contributions to the NHS Pension Scheme	0	0	0	0	0	0	0	0	0
Other pension costs	0	0	0	0	0	0	0	0	0
Apprenticeship Levy	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	13	13	0	13	13	0	0	0	0
Gross employee benefits expenditure	2,117	1,658	459	1,737	1,498	240	379	160	219
Less recoveries in respect of employee benefits (note 4.1.2)	0	0	0	0	0	0	0	0	0
Total - Net admin employee benefits including capitalised costs	2,117	1,658	459	1,737	1,498	240	379	160	219
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	2,117	1,658	459	1,737	1,498	240	379	160	219

39 Losses and special payments

39.1 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 2017-18 Number	Total Value of Cases 2017-18 £'000	Total Number of Cases 2016-17 Number	Total Value of Cases 2016-17 £'000
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Book Keeping Losses	0	0	0	0
Constructive loss	0	0	0	0
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Total	0	0	0	0

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.]

39.2 Special payments

	Total Number of Cases 2017-18 Number	Total Value of Cases 2017-18 £'000	Total Number of Cases 2016-17 Number	Total Value of Cases 2016-17 £'000
Compensation payments	0	0	0	0
Extra contractual Payments	0	0	0	0
Ex gratia payments	0	0	0	0
Extra statutory extra regulatory payments	0	0	0	0
Special severance payments	0	0	0	0
Total	0	0	0	0