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Data entered below will be used throughout the workbook:

Entity name:

NHS Bury CCG

This year

2013-14

This year ended

31 March 2014

This year commencing:

1 April 2013

## **FOREWORD TO THE ACCOUNTS**

### **NHS Bury CCG**

The clinical commissioning group was licenced from 1 April 2013 under provisions enacted in the Health & Social Care Act 2012, which amended the National Health Service Act 2006

These accounts for the year ended 31 March 2014 have been prepared by Bury Clinical Commissioning Group under section 17 of schedule 1A of the National Health Service Act 2006 (as amended) in the form which the Secretary of State has, with the approval of the Treasury, directed.

The National Health Service Act 2006 (as amended) requires Clinical Commissioning Groups to prepare their Annual Report and Annual Accounts in accordance with Directions issued by NHS England.

In accordance with these Directions, as Clinical Commissioning Groups were established on 1<sup>st</sup> April 2013, no prior year information is required.

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**Statement of Comprehensive Net Expenditure for the year ended  
31 March 2014**

	Note	2013-14 £000
<b>Administration Costs and Programme Expenditure</b>		
Gross employee benefits	4	2,534
Other costs	5	220,558
Other operating revenue	2	(1,672)
<b>Net operating costs for the financial year</b>		<u>221,420</u>
<b>Of which:</b>		
<b>Administration Costs</b>		
Gross employee benefits	4	1,477
Other costs	5	3,136
Other operating revenue	2	(29)
<b>Net administration costs before interest</b>		<u>4,584</u>
<b>Programme Expenditure</b>		
Gross employee benefits	4	1,057
Other costs	5	217,422
Other operating revenue	2	(1,643)
<b>Net programme expenditure before interest</b>		<u>216,836</u>
<b>Total comprehensive net expenditure for the year</b>		<u>221,420</u>

**Statement of Financial Position as at  
31 March 2014**

	31 March 2014	
	Note	£000
<b>Non-current assets:</b>		
Property, plant and equipment	9	-
Intangible assets	10	-
Trade and other receivables	12	-
<b>Total non-current assets</b>		<u>-</u>
<b>Current assets:</b>		
Inventories	11	-
Trade and other receivables	12	2,395
Cash and cash equivalents	13	41
<b>Total current assets</b>		<u>2,436</u>
<b>Total current assets</b>		<u>2,436</u>
<b>Total assets</b>		<u><b>2,436</b></u>
<b>Current liabilities</b>		
Trade and other payables	14	9,914
Provisions	15	270
<b>Total current liabilities</b>		<u>10,184</u>
<b>Total Assets less Current Liabilities</b>		<u><b>(7,748)</b></u>
<b>Non-current liabilities</b>		
Trade and other payables	14	-
Provisions	15	-
<b>Total non-current liabilities</b>		<u>-</u>
<b>Total Assets Employed</b>		<u><b>(7,748)</b></u>
<b>Financed by Taxpayers' Equity</b>		
General fund	SOCITE	<u><b>(7,748)</b></u>
<b>Total taxpayers' equity:</b>		<u><b>(7,748)</b></u>

The notes on pages 11 to 28 form part of this statement

The financial statements on pages 1 to 4 were approved by the Governing Body on 28/05/2014 and signed on its behalf by

**Chief Accountable Officer:**

Stuart North

Date: 5/6/14

**Statement of Changes In Taxpayers Equity for the year ended  
31 March 2014**

	Note	General fund £000	Total reserves £000
<b>Changes in taxpayers' equity for 2013-14</b>			
Balance at 1 April 2013		-	-
Transfer of assets and liabilities from closed NHS Bodies as a result of the 1 April 2013 transition		-	-
Transfer between reserves in respect of assets transferred from closed NHS bodies		-	-
<b>Adjusted CCG balance at 1 April 2013</b>		<u>-</u>	<u>-</u>
<b>Changes in CCG taxpayers' equity for 2013-14</b>			
Net operating costs for the financial year	5	(221,420)	<b>(221,420)</b>
Net gain/(loss) on revaluation of property, plant and equipment		-	-
Net gain/(loss) on revaluation of intangible assets		-	-
<b>Total revaluations against revaluation reserve</b>		<u>-</u>	<u>-</u>
Impairments and reversals		-	-
Movements in other reserves		-	-
Transfers between reserves		-	-
Release of reserves to the Statement of Comprehensive Net Expenditure		-	-
Transfer between reserves in respect of assets transferred under absorption		-	-
<b>Net Recognised CCG Expenditure for the Financial Year</b>		<u>(221,420)</u>	<u><b>(221,420)</b></u>
Net funding		<u>213,672</u>	<u><b>213,672</b></u>
<b>Balance at 31 March 2014</b>		<u><b>(7,748)</b></u>	<u><b>(7,748)</b></u>

**Statement of Cash Flows for the year ended  
31 March 2014**

	Note	2013-14 £000
<b>Cash Flows from Operating Activities</b>		
Net operating costs for the financial year	SOCNE	(221,420)
Depreciation and amortisation		-
Impairments and reversals		-
Government granted assets received credited to revenue but non-cash		-
Interest paid		-
(Increase)/decrease in inventories		-
(Increase)/decrease in trade & other receivables	12	(2,395)
(Increase)/decrease in other current assets		-
Increase/(decrease) in trade & other payables	14	9,914
Increase/(decrease) in other current liabilities		-
Provisions utilised	15	-
Increase/(decrease) in provisions	15	270
<b>Net Cash Inflow (Outflow) from Operating Activities</b>		<u>(213,631)</u>
<b>Net Cash Inflow (Outflow) before Financing</b>		<u>(213,631)</u>
<b>Cash Flows from Financing Activities</b>		
Net funding received		<u>213,672</u>
<b>Net Cash Inflow (Outflow) from Financing Activities</b>		<u>213,672</u>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	13	<u>41</u>
<b>Cash &amp; Cash Equivalents at the Beginning of the Financial Year</b>		<u>-</u>
<b>Cash &amp; Cash Equivalents (including bank overdrafts) at the End of the Financial Year</b>		<u><u>41</u></u>

## 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 *Manual for Accounts* issued by the Department of Health. Consequently, the following financial statements have been prepared in accordance with the *Manual for Accounts 2013-14* issued by the Department of Health. The accounting policies contained in the *Manual for Accounts* 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 *Manual for Accounts* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the 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.

In accordance with the Directions issued by NHS England comparative information is not provided in these Financial Statements.

#### 1.1 Going Concern

These accounts have been prepared on the 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.

#### 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.

#### 1.4 Movement of Assets within the Department of Health 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 Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

For transfers of assets and liabilities from those NHS bodies that closed on 1 April 2013, HM Treasury has agreed that a modified absorption approach should be applied. For these transactions only, gains and losses are recognised in reserves rather than the Statement of Comprehensive Net Expenditure.

#### 1.7 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.

##### 1.7.1 *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:

## Notes to the financial statements

In accordance with Accounts Directions issued by NHS England, no assets and liabilities transferred to clinical commissioning groups in accordance with transfer orders issued under the Health and Social Care Act 2012 are to be accounted for by clinical commissioning groups with the exception of those listed below. In addition, no transactions relating to the discharge of liabilities or realisation of assets transferred to clinical commissioning groups in accordance with transfer orders issued under the Health and Social Care Act 2012 are to be accounted for by clinical commissioning groups.

Inventories, non-current assets and their closely related liabilities (meaning those specific liabilities which represent the financing or similar liabilities incurred in the purchase or leasing of those non-current assets) transferred to clinical commissioning groups in accordance with transfer orders issued under the Health and Social Care Act 2012 are to be accounted for by the clinical commissioning group.

Provisions for Continuing Healthcare Claims, although they may be non-current in nature, are to be accounted for in the financial statements of NHS England.

The calculation of running costs has been undertaken in accordance with NHS England national guidance and definitions. However the application of the rules for each organisation involves an application of professional judgement to particular circumstances

### 1.7.2 *Key Sources of Estimation Uncertainty*

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

Due to the NHS England deadline for the submission of the accounts, actual information is not available for the full 12 months for some material expenditure such as prescribing expenditure and secondary care incomplete spells of treatment. The CCG therefore estimates one or two months of expenditure in some areas using historical information, in year trends and any other available information sources.

Amounts included in provisions include an element of uncertainty around both the amount and timing of the likely liability occurring. They are also frequently, but not necessarily, one-off or unusual items for which there are fewer comparisons. The CCG currently provides for termination costs in respect of the merger of Trafford Healthcare NHS Trust (now demised) with Central Manchester Foundation Trust, where future redundancy and restructuring costs are estimated but not yet certain.

## 1.8 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.

## 1.9 Employee Benefits

### 1.9.1 *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.

### 1.9.2 *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.

## Notes to the financial statements

### 1.10 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.

### 1.17 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.

#### 1.17.1 *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.

#### 1.17.2 *The Clinical Commissioning Group as Lessor*

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

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

### 1.20 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.

### 1.21 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:

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.

## Notes to the financial statements

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.

The accounting arrangements for balances transferred from predecessor PCTs ("legacy" balances) are determined by the Accounts Direction issued by NHS England on 12 February 2014. The Accounts Directions state that the only legacy balances to be accounted for by the CCG are in respect of property, plant and equipment (and related liabilities) and inventories. All other legacy balances in respect of assets or liabilities arising from transactions or delivery of care prior to 31 March 2013 are accounted for by NHS England. The impact of the legacy balances accounted for by the CCG is disclosed in note 1.4 to these financial statements. The CCG's arrangements in respect of settling NHS Continuing Healthcare claims are disclosed in note 15 to these financial statements.

### 1.22 Clinical Negligence Costs

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

### 1.23 Non-clinical Risk Pooling

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

### 1.24 Carbon Reduction Commitment Scheme

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

### 1.25 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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, contingencies are disclosed at their present value.

## Notes to the financial statements

### 1.26 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 fair value through profit and loss;
- Held to maturity investments;
- Available for sale financial assets; and,
- Loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### 1.27 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.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

#### 1.27.1 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.

#### 1.27.3 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, 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.

### 1.28 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.

### 1.29 Foreign Currencies

The clinical commissioning group's functional currency and presentational currency is sterling. 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.

### 1.31 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).

## Notes to the financial statements

### 1.36 Research & Development

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

### 1.37 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Government Financial Reporting Manual does not require the following Standards and Interpretations to be applied in 2013-14, all of which are subject to consultation:

- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates & Joint Ventures
- IAS 32: Financial Instruments – Presentation (amendment)
- IFRS 9: Financial Instruments
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IFRS 13: Fair Value Measurement

The application of the Standards as revised would not have a material impact on the accounts for 2013-14, were they applied in that year.

## 2 Other Operating Revenue

	2013-14 Total £000	2013-14 Admin £000	2013-14 Programme £000
Recoveries in respect of employee benefits	31	28	3
Education, training and research	-	-	-
Charitable and other contributions to revenue expenditure: NHS	-	-	-
Charitable and other contributions to revenue expenditure: non-NHS	-	-	-
Receipt of donations for capital acquisitions: NHS Charity	-	-	-
Receipt of Government grants for capital acquisitions	-	-	-
Non-patient care services to other bodies	1,566	0	1,566
Other revenue	75	1	74
<b>Total other operating revenue</b>	<b>1,672</b>	<b>29</b>	<b>1,643</b>

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

The Non-patient care services income relates to Walk in Centre operated by Pennine Care and recharged to other commissioners.

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

	2013-14 Total £000	2013-14 Admin £000	2013-14 Programme £000
From rendering of services	1,672	29	1,643
<b>Total</b>	<b>1,672</b>	<b>29</b>	<b>1,643</b>

Revenue is totally from the supply of services. The clinical commissioning group receives no revenue from the sale of goods.

#### 4 Employee benefits and staff numbers

##### 4.1.1 Employee benefits

	2013-14	Total	Other	Total	Admin	Other	Total	Programme	Other
	Total	Permanent		Total	Permanent		Total	Permanent	
	£000	Employees	£000	£000	Employees	£000	£000	Employees	£000
<b>Employee Benefits</b>									
Salaries and wages	2,135	2,031	104	1,234	1,192	42	901	839	62
Social security costs	166	162	4	106	102	4	60	60	0
Employer Contributions to NHS Pension scheme	233	232	1	137	137	-	96	95	1
Other pension costs	-	-	-	-	-	-	-	-	-
Other post-employment benefits	-	-	-	-	-	-	-	-	-
Other employment benefits	-	-	-	-	-	-	-	-	-
<b>Gross employee benefits expenditure</b>	<b>2,534</b>	<b>2,425</b>	<b>109</b>	<b>1,477</b>	<b>1,431</b>	<b>46</b>	<b>1,057</b>	<b>994</b>	<b>63</b>
<b>Less recoveries in respect of employee benefits (note 4.1.2)</b>	<b>(31)</b>	<b>(31)</b>	<b>-</b>	<b>(28)</b>	<b>(28)</b>	<b>-</b>	<b>(3)</b>	<b>(3)</b>	<b>-</b>
<b>Total - Net admin employee benefits including capitalised costs</b>	<b>2,502</b>	<b>2,394</b>	<b>109</b>	<b>1,449</b>	<b>1,403</b>	<b>46</b>	<b>1,054</b>	<b>991</b>	<b>63</b>
<b>Net employee benefits excluding capitalised costs</b>	<b>2,502</b>	<b>2,394</b>	<b>109</b>	<b>1,449</b>	<b>1,403</b>	<b>46</b>	<b>1,054</b>	<b>991</b>	<b>63</b>

##### 4.1.2 Recoveries in respect of employee benefits

	2013-14	Permanent	Other
	Total	Employees	
	£000	£000	£000
<b>Employee Benefits - Revenue</b>			
Salaries and wages	(26)	(26)	-
Social security costs	(2)	(2)	-
Employer contributions to the NHS Pension Scheme	(3)	(3)	-
Other pension costs	-	-	-
Other post-employment benefits	-	-	-
Other employment benefits	-	-	-
<b>Total recoveries in respect of employee benefits</b>	<b>(31)</b>	<b>(31)</b>	<b>-</b>

**4.2 Average number of WTE people employed**

	<b>2013-14</b>		
	<b>Total</b>	<b>Permanently employed</b>	<b>Other</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Total</b>	<b>48</b>	<b>47</b>	<b>1</b>

**4.3 Staff sickness absence and ill health retirements**

	<b>2013-14 Number</b>
Total Days Lost	140
Total Staff Years	22
<b>Average working Days Lost</b>	<b>6</b>

There were no people retired on the grounds of ill health in 2013/14.

**4.4 Exit packages agreed in the financial year**

There were no exit packages agreed in the financial year.

#### 4.5 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/Pensions](http://www.nhsbsa.nhs.uk/Pensions).

The Scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.

Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the clinical commissioning group of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these follows:

##### 4.5.1 *Full actuarial (funding) valuation*

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of Pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that employer contributions could continue at the existing rate of 14% of Pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their Pensionable pay depending on total earnings. On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

##### 4.5.2 *Accounting valuation*

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2011 is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2011 with summary global member and accounting data.

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

## **4.5 Pension costs cont'd**

### *4.5.3 Scheme Provisions*

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

- The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service;
- With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HM Revenue & Customs rules. This new provision is known as “pension commutation”;
- Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year;
- Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable;
- For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive net expenditure at the time the clinical commissioning group commits itself to the retirement, regardless of the method of payment; and,
- Members can purchase additional service in the Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

**5 Operating expenses**

	<b>2013-14</b>	<b>2013-14</b>	<b>2013-14</b>
	<b>Total</b>	<b>Admin</b>	<b>Programme</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Gross employee benefits</b>			
Employee benefits excluding governing body members	1,898	841	1,057
Executive governing body members	636	636	-
<b>Total gross employee benefits</b>	<b>2,534</b>	<b>1,477</b>	<b>1,057</b>
<b>Other costs</b>			
Services from other CCGs and NHS England	5,505	2,335	3,170
Services from foundation trusts	65,552	3	65,549
Services from other NHS trusts	89,153	26	89,127
Services from other NHS bodies	0	-	0
Purchase of healthcare from non-NHS bodies	26,309	0	26,309
Chair and lay membership body and governing body members	205	205	-
Supplies and services – clinical	-	-	-
Supplies and services – general	0	0	-
Consultancy services	316	168	148
Establishment	188	87	101
Transport	1,147	-	1,147
Premises	822	131	691
Audit fees	73	73	-
Other auditor's remuneration			
· Internal audit services	40	40	-
· Other services	4	-	4
General dental services and personal dental services	-	-	-
Prescribing costs	30,284	-	30,284
GPMS/APMS and PCTMS	622	-	622
Other professional fees excl. audit	55	55	-
Grants to other public bodies	-	-	-
Clinical negligence	6	6	-
Research and development (excluding staff costs)	-	-	-
Education and training	7	7	0
Change in discount rate	-	-	-
Other expenditure	270	-	270
<b>Total other costs</b>	<b>220,558</b>	<b>3,136</b>	<b>217,422</b>
<b>Total operating expenses</b>	<b>223,092</b>	<b>4,613</b>	<b>218,479</b>

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

**6.1 Better Payment Practice Code**

<b>Measure of compliance</b>	<b>2013-14 Number</b>	<b>2013-14 £000</b>
<b>Non-NHS Payables</b>		
Total Non-NHS Trade invoices paid in the Year	10,528	26,173
Total Non-NHS Trade Invoices paid within target	10,260	25,759
<b>Percentage of Non-NHS Trade invoices paid within target</b>	<b>97.45%</b>	<b>98.42%</b>
<b>NHS Payables</b>		
Total NHS Trade Invoices Paid in the Year	1,805	165,791
Total NHS Trade Invoices Paid within target	1,739	163,430
<b>Percentage of NHS Trade Invoices paid within target</b>	<b>96.34%</b>	<b>98.59%</b>

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

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

There were no payments made for the late payment of commercial debts.

**7 Income Generation Activities**

The clinical commissioning group does not undertake any income generation activities.

## 8 Operating Leases

### 8.1 As lessee

#### 8.1.1 Payments recognised as an Expense

	Land £000	Buildings £000	Other £000	2013-14 Total £000
<b>Payments recognised as an expense</b>				
Minimum lease payments	-	820	(0)	820
Contingent rents	-	-	-	-
Sub-lease payments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>820</b>	<b>(0)</b>	<b>820</b>

Leases shown above include:

Amounts paid to NHS Property Service and Community Health Partnership for an arrangement comprising transactions that does not take the legal form of a lease but conveys a right to use an asset. The amounts are allocation based.

No lease is in place but the transaction involved does convey the right of the clinical commissioning group to use property assets.

#### 8.1.2 Future minimum lease payments

In the absence of formal contract no forward costs are known for 2014-15 and therefore no figures for these arrangements are included in the accounts.

## 9 Property, plant and equipment

The CCG had no property, plant and equipment at 31st March 2014.

## 10 Intangible non-current assets

The CCG had no intangible current assets at 31st March 2014.

## 11 Inventories

The clinical commissioning group had no inventories as at 31 March 2014

## 12 Trade and other receivables

	Current 2013-14 £000	Non-current 2013-14 £000
NHS receivables: Revenue	1,095	-
NHS prepayments and accrued income	970	-
Non-NHS receivables: Revenue	19	-
Non-NHS prepayments and accrued income	274	-
Provision for the impairment of receivables	-	-
VAT	39	-
Other receivables	-	-
<b>Total</b>	<u>2,395</u>	<u>-</u>
<b>Total current and non current</b>	<u>2,395</u>	
<b>Included above:</b>		
<b>Prepaid pensions contributions</b>	<u>-</u>	

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.

The NHS prepayment is to reflect a change in the payment for the maternity pathway.

### 12.1 Receivables past their due date but not impaired

	2013-14 £000
By up to three months	971
By three to six months	138
By more than six months	-
<b>Total</b>	<u>1,109</u>

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

The clinical commissioning group did not hold any collateral against receivables outstanding at 31 March 2014.

## 13 Cash and cash equivalents

	2013-14 £000
<b>Balance at 1 April 2013</b>	-
Net change in year	<u>41</u>
<b>Balance at 31 March 2014</b>	<u>41</u>
<b>Made up of:</b>	
Cash with the Government Banking Service	41
Cash with Commercial banks	-
Cash in hand	0
<b>Cash and cash equivalents as in statement of financial position</b>	<u>41</u>
<b>Balance at 31 March 2014</b>	<u>41</u>

**14 Trade and other payables**

	<b>Current 2013-14 £000</b>	<b>Non-current 2013-14 £000</b>
Interest payable	-	-
NHS payables: revenue	1,422	-
NHS accruals and deferred income	1,399	-
Non-NHS payables: revenue	269	-
Non-NHS accruals and deferred income	6,682	-
Social security costs	25	-
VAT	-	-
Tax	2	-
Other payables	115	-
<b>Total</b>	<b>9,914</b>	<b>-</b>
<b>Total payables (current and non-current)</b>	<b>9,914</b>	

The CCG has no liabilities, due in future years under arrangements to buy out the liability for early retirement over 5 years.

Other payables include £38k outstanding pension contributions at 31 March 2014

**15 Provisions**

	<b>Current 2013-14 £000</b>	<b>Non-current 2013-14 £000</b>
Redundancy	-	-
Legal claims	-	-
Continuing care	-	-
Other	270	-
<b>Total</b>	<b>270</b>	<b>-</b>

Total current and non-current

	<b>Other £000s</b>	<b>Total £000s</b>
<b>Balance at 1 April 2013</b>	-	-
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	-	-
<b>Adjusted balance at 1 April 2013</b>	<b>-</b>	<b>-</b>
Arising during the year	270	270
Utilised during the year	-	-
Reversed unused	-	-
Unwinding of discount	-	-
Change in discount rate	-	-
Transfer (to) from other public sector body	-	-
<b>Balance at 31 March 2014</b>	<b>270</b>	<b>270</b>
<b>Expected timing of cash flows:</b>		
Within one year	270	270
Between one and five years	-	-
After five years	-	-
<b>Balance at 31 March 2014</b>	<b>270</b>	<b>270</b>

The "other" provision relate to:

Restructuring costs at Central Manchester University Hospitals Foundation Trust (CMUHFT) as a result of the closure of Trafford Hospital. The provision is based on a Heads of Terms agreement between CMUHFT and Greater Manchester CCGs. Agreement was reached in 12/13 that each Greater Manchester CCG would contribute to the costs as part of a Greater Manchester risk share agreement.

The costs are based on an agreed transition arising as a result of the new Health Deal within Trafford and the process has been signed off by the Secretary of State and was subject to wider assurances provided in advance of the SOS decision.

The termination costs (redundancy and contracts) have a combined maximum limit of £11.0m (with a maximum of £6.5m for GM CCGs as £4.5m was previously settled by GM SHA) final actual values have to be signed off by CMUHFT and Trafford CCG as the lead responsible CCG. However, the exact value is not as yet definitive. Exact timing of the discharge of the costs is uncertain but unlikely to be wholly within the next year.

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before establishment of the clinical commissioning group. However, the legal liability remains with the CCG. The total value of legacy NHS Continuing Healthcare provisions accounted for by NHS England on behalf of this CCG at 31 March 2014 is £2,256.

## **16 Contingencies**

The CCG had no contingent liabilities at 31st March 2014.

### **16.1 Contingent assets**

The CCG had no contingent assets at 31st March 2014.

## 17 Commitments

### 17.2 Other financial commitments

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

	<b>2013-14</b> <b>£000</b>
In not more than one year	1,373
In more than one year but not more than five years	1,144
In more than five years	-
<b>Total</b>	<u>2,517</u>

These commitments relate to a contract with Care UK Ltd that was negotiated by the Department of Health at a national level. The CCG has no power to cancel this prior to the contract expiry date in February 2016.

## 18 Financial instruments

### 18.1 Financial risk management

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

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

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

#### 18.1.1 Currency risk

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

#### 18.1.2 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.

#### 18.1.3 Credit risk

Because the majority of the clinical commissioning group's revenue comes parliamentary funding, the 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.

#### 18.1.4 Liquidity risk

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

## 18 Financial instruments cont'd

### 18.2 Financial assets

	At 'fair value through profit and loss'	Loans and Receivables	Total
	2013-14 £000	2013-14 £000	2013-14 £000
Embedded derivatives	-	-	-
Receivables:			
· NHS	-	1,095	1,095
· Non-NHS	-	19	19
Cash at bank and in hand	-	41	41
Other financial assets	-	-	-
<b>Total at 31 March 2014</b>	<b>-</b>	<b>1,155</b>	<b>1,155</b>

### 18.3 Financial liabilities

	At 'fair value through profit and loss'	Other	Total
	2013-14 £000	2013-14 £000	2013-14 £000
Embedded derivatives	-	-	-
Payables:			
· NHS	-	2,821	2,821
· Non-NHS	-	6,951	6,951
Private finance initiative, LIFT and finance lease obligations	-	-	-
Other borrowings	-	-	-
Other financial liabilities	-	-	-
<b>Total at 31 March 2014</b>	<b>-</b>	<b>9,772</b>	<b>9,772</b>

## **19 Operating segments**

The clinical commissioning group and consolidated group consider they have only one segment: commissioning of healthcare services.

## 20 Pooled budgets

The clinical commissioning group and consolidated group were not party to any pooled budget arrangements during 2013/14.

## 21 Intra-government and other balances

	Current Receivables	Non-current Receivables	Current Payables	Non-current Payables
	2013-14 £000	2013-14 £000	2013-14 £000	2013-14 £000
Balances with:				
· Other Central Government bodies	-	-	-	-
· Local Authorities	-	-	217	-
Balances with NHS bodies:				
· NHS bodies outside the Departmental Group	1,431	-	761	-
· NHS Trusts and Foundation Trusts	634	-	1,843	-
<b>Total of balances with NHS bodies:</b>	<u>2,065</u>	<u>-</u>	<u>2,821</u>	<u>-</u>
· Public corporations and trading funds	-	-	-	-
· Bodies external to Government	330	-	7,093	-
<b>Total balances at 31 March 2014</b>	<u><u>2,395</u></u>	<u><u>-</u></u>	<u><u>9,914</u></u>	<u><u>-</u></u>

## 22 Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Dr Kiran Patel - Greenmount Medical Centre	87	0	0	0
Dr Chatherine Fines - Uplands Medical Practice	35	0	0	0
Dr Audrey Gibson - Minden Family Practice	25	0	0	0

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. For example:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Pennine Acute NHS Trust	81,512		593	(377)
Pennine Care NHS FT	37,878	(25)	483	
Royal Bolton Hospital NHS FT	7,848			
Central Manchester University Hospital NHS FT	7,818			
Salford Royal NHS FT	7,090			
North West Ambulance Service NHST	5,993			
NHS Greater Manchester CSU	3,347			
University Hospital South Manchester NHS FT	1,697			
Wright/Wigan/Leigh NHS FT	1,072			
Community Health Partnerships	1,026		538	

In addition, the clinical commissioning group has had a number of material transactions with other government departments and other central and local government bodies.

Bury MBC	2763	(79)	217	0
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### 23 Events after the end of the reporting period

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

### 24 Losses and special payments

The CCG had no Losses and Special Payments in 2013/14.

### 25 Financial performance targets

Clinical commissioning groups have a number of financial duties under the NHS Act 2006 (as amended). The clinical commissioning group's performance against those duties was as follows:

	<b>2013-14 Target</b>	<b>2013-14 Performance</b>	<b>Duty Achieved</b>
Expenditure not to exceed income	1,051	249	Yes
Capital resource use does not exceed the amount specified in Directions	-	-	-
Revenue resource use does not exceed the amount specified in Directions	221,669	221,420	Yes
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	4,670	4,585	Yes