

Governing Body meeting (held in public)

DATE: 30 July 2015

Title	2014/15 Annual Accounts Submission
This paper is for Discussion	
Recommended action for the Governing Body	That the Governing Body: Note the audited Annual Accounts attached at Appendix 1 which were submitted in accordance with the national timetable.
Potential areas for Conflicts of interest	None.
Executive summary	<p>The CCG submitted, based on recommendation from the Audit Committee, who have delegated authority to undertake this function on behalf of the Governing Body and its membership under the revised constitution, its draft annual accounts on the 23rd April in accordance with the national timetable. This committee also received the draft accounts as its May meeting as did the Governing Body.</p> <p>The accounts were prepared jointly by the ARC team at the CSU and the local finance team. They are populated via a set of financial statements which have been nationally mapped to provide consistency and aid the national consolidation process.</p> <p>Following the audit process, where the accounts received both an unqualified opinion and an unqualified value for money conclusion, the Audit Committee approved the final version of the accounts as its meeting on 28th May. The submission of the accounts was made on the same day in advance of the national deadline of 29th May, a copy of the annual accounts are attached at Appendix 1.</p> <p>Members should be aware of the following points regarding the annual accounts:</p> <ul style="list-style-type: none"> As this is the second year of the CCG's operation, comparative figures are included;

Clinical Commissioning Group

	<ul style="list-style-type: none"> • The CCG has a reported surplus of £151k compared to the plan of £126k; • There is an underspend on the running costs allocation which has funded the overspend on programme costs which is allowable; • The 95% BPPC target has been met in all of its constituent parts; • The CCG has managed within its maximum cash drawdown. There was no cash limit in 2014/15; • No bad debt provision has been made. This was agreed by the audit committee in consideration of the CCG's position on the outstanding debts; • The CCG has a negative balance sheet due to the fact that it has few assets and the creditor balances exceed the asset value; • Governing Body members were advised of Greenbury requirements and also Related Party Transactions information by letter to improve their awareness. Clarification on the value of shareholding was also sought; • A small provision in respect of post legacy Continuing Health Care retrospective cases has been included in the accounts as has a very small contingent liability; • The provision included in the 2013/14 accounts relating to the CCG's full contribution to the implementation of the Trust Special Administrator requirements over a 4-year period, as agreed by the Governing Body has been fully utilised during the year as payment was requested from us by NHS England; • All mismatches between other NHS organisations have been checked and resolved, with the exception of NHS England who have acknowledged that there is a genuine mismatch due to a timing issue in the accounting treatment of the Trust Special Administrator provision. Therefore, this mismatch remains and was discussed with the audit team; • The number of notes which are nil returns has been reduced compared to last year; • There are no differences between the Accounts and ISFE (the General Ledger). A consistency statement has been submitted, signed by the Chief Officer and Chief Financial Officer stating this; • Accounting policies were reviewed, updated and agreed by AIAC. <p>The final annual accounts will be presented at the Annual General Meeting to be held in September, where they will be adopted by members</p>
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How does this paper support the CCGs objectives?	Patients:	N/A
	People:	N/A
	Pounds:	Delivering on all of our statutory duties and become an effective, efficient and economical organisation
	Process:	N/A

Clinical Commissioning Group

What are the Organisational implications	Key risks	None - The Annual Accounts received an unqualified audit report and value for money conclusion which supports the fact that the CCG has adequate financial controls in place. It also demonstrates that the CCG is spending its allocation in accordance with directions and value for money is being achieved. The financial position in Bexley remains challenging and needs to be continually monitored.	
	Equality	None.	
	Financial	The CCG met all the required financial duties, which were to breakeven, manage within the maximum cash drawdown and meet the combined BPPC target. Whilst a 1% surplus was not achieved, the CCG did achieve its original financial plan and so should qualify to receive the quality premium payment for 2014/15, subject to achievement of the non financial targets.	
	Data	None.	
	Legal issues	None.	
	NHS constitution	None.	
Engagement	None		
Audit trail	<p>The draft Annual Accounts were recommended to be submitted in accordance with the national deadlines by the Audit and Integrated Assurance Committee (AIAC) on 21st April 2015. The AIAC has delegated powers to undertake this function on behalf of the CCG and the membership.</p> <p>The draft accounts were also considered at the May meeting of this committee as well as the May Governing Body Meeting.</p> <p>The final version of the Annual Accounts was considered and approved for submission by the AIAC on 28th May 2015. They were considered by the FSC in June 2015 and will be presented at the Annual General Meeting to be held in September 2015.</p>		
Comms plan	None		
Author: Julie Witherall Head of Business & Finance	Clinical lead: Dr S Deshmukh Finance Lead	Executive sponsor: Theresa Osborne Chief Financial Officer	
Date	14 July 2015		

Data entered below will be used throughout the workbook:

Entity name:	NHS Bexley CCG
This year	2014-15
This year ended	31 March 2015
This year commencing:	1 April 2014

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Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	2014-15 £000	2013-14 £000
Total Income and Expenditure		
Employee benefits	4.1.1 5,002	4,536
Operating Expenses	5 275,801	265,958
Other operating revenue	2 (7,147)	(10,029)
Net operating expenditure before interest	<u>273,656</u>	<u>260,465</u>
Net operating expenditure for the financial year	<u>273,656</u>	<u>260,465</u>
Net (gain)/loss on transfers by absorption	0	0
Total Net Expenditure for the year	<u>273,656</u>	<u>260,465</u>
Of which:		
Administration Income and Expenditure		
Employee benefits	4.1.1 2,018	2,285
Operating Expenses	5 3,215	3,087
Other operating revenue	2 (425)	(769)
Net administration costs before interest	<u>4,808</u>	<u>4,603</u>
Programme Income and Expenditure		
Employee benefits	4.1.1 2,984	2,251
Operating Expenses	5 272,586	262,871
Other operating revenue	2 (6,722)	(9,260)
Net programme expenditure before interest	<u>268,848</u>	<u>255,862</u>
Other Comprehensive Net Expenditure	2014-15 £000	2013-14 £000
Impairments and reversals	0	0
Total comprehensive net expenditure for the year	<u>273,656</u>	<u>260,465</u>

The notes on pages 5 to 31 form part of this statement

**Statement of Financial Position as at
31 March 2015**

	31 March 2015	31 March 2014
	Note	
	£000	£000
Non-current assets:		
Property, plant and equipment	9	243
Total non-current assets		<u>243</u>
Current assets:		
Trade and other receivables	10	4,753
Cash and cash equivalents	11	(31)
Total current assets		<u>4,722</u>
Total assets		<u>4,965</u>
Current liabilities		
Trade and other payables	12	(30,263)
Provisions	13	(159)
Total current liabilities		<u>(30,422)</u>
Non-Current Assets plus/less Net Current Assets/Liabilities		<u>(25,457)</u>
Non-current liabilities		
Provisions	13	(477)
Total non-current liabilities		<u>(477)</u>
Assets less Liabilities		<u>(25,934)</u>
Financed by Taxpayers' Equity		
General fund		(25,934)
Total taxpayers' equity:		<u>(25,934)</u>

The notes on pages 5 to 31 form part of this statement

The financial statements on pages 1 to 31 were approved by the Audit and Integrated Assurance Committee with delegated authority on behalf of the membership on 28th May 2015, and signed on its behalf by:

Sarah Blow
Chief Accountable Officer

Statement of Changes In Taxpayers Equity for the year ended 31 March 2015

	General fund £000	Total reserves £000
Changes in taxpayers' equity for 2014-15		
Balance at 1 April 2014	(25,934)	(25,934)
Transfer between reserves in respect of assets transferred from closed NHS bodies	0	0
Adjusted NHS Clinical Commissioning Group balance at 1 April 2014	<u>(25,934)</u>	<u>(25,934)</u>
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2014-15		
Net operating expenditure for the financial year	(273,656)	(273,656)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	<u>(273,656)</u>	<u>(273,656)</u>
Net funding	274,109	274,109
Balance at 31 March 2015	<u>(25,481)</u>	<u>(25,481)</u>
	General fund £000	Total reserves £000
Changes in taxpayers' equity for 2013-14		
Balance at 1 April 2013	0	0
Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition	402	402
Adjusted NHS Commissioning Board balance at 1 April 2013	<u>402</u>	<u>402</u>
Changes in NHS Commissioning Board taxpayers' equity for 2013-14		
Net operating costs for the financial year	(260,465)	(260,465)
Net Recognised NHS Commissioning Board Expenditure for the Financial Year	<u>(260,465)</u>	<u>(260,465)</u>
Net funding	234,129	234,129
Balance at 31 March 2014	<u>(25,934)</u>	<u>(25,934)</u>

The notes on pages 5 to 31 form part of this statement

NHS Bexley CCG - Annual Accounts 2014-15

Statement of Cash Flows for the year ended
31 March 2015

	Note	2014-15 £000	2013-14 £000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(273,657)	(260,465)
Depreciation and amortisation	5	159	159
(Increase)/decrease in trade & other receivables	10	2,334	(4,753)
Increase/(decrease) in trade & other payables	12	(2,225)	30,263
Provisions utilised	13	(636)	0
Increase/(decrease) in provisions	13	108	636
Net Cash Inflow (Outflow) from Operating Activities		(273,917)	(234,160)
Cash Flows from Investing Activities			
Interest received		0	0
(Payments) for property, plant and equipment	9	(99)	0
Net Cash Inflow (Outflow) from Investing Activities		(99)	0
Net Cash Inflow (Outflow) before Financing		(274,016)	(234,160)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		274,109	234,129
Net Cash Inflow (Outflow) from Financing Activities		274,109	234,129
Net Increase (Decrease) in Cash & Cash Equivalents	11	93	(31)
Cash & Cash Equivalents at the Beginning of the Financial Year		(31)	0
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0	0
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year		62	(31)

The notes on pages 5 to 31 form part of this statement

Notes to the Financial Statements

1. Accounting Policies

NHS England has directed that the Financial Statements of clinical commissioning groups shall meet the accounting requirements of the Manual for Accounts issued by the Department of Health. Consequently, the following Financial Statements have been prepared in accordance with the Manual for Accounts 2014-15 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.

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 a financial provision for that service in published documents.

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

1.2 Accounting convention

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

1.3 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

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 IAS20 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 2013-14. For these transactions only, gains and losses are recognised in reserves rather than in the Statement of Comprehensive Net Expenditure. Modified absorption accounting does not apply for 2014-15.

1.5 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.

Notes to the Financial Statements

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of NHS Bexley CCG'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.

1.6.1 Critical judgements in applying accounting policies

The CCG has not made any critical judgements, apart from those involving estimations (see below) in the process of applying NHS Bexley CCG's accounting policies and so there are no significant effects on the amounts recognised in the Financial Statements.

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 CCG's arrangements in respect of settling NHS Continuing Healthcare claims are disclosed in note 13 to these Financial Statements.

The arrangements between NHS Bexley CCG and NHS Property Services Ltd are considered to fall within the definition of operating leases, but the rental charge for future years has not yet been agreed.

The CCG has only received 5 claims in respect of continuing care claims which are not covered by the NHS England legacy provision. Of these, 2 have been agreed and are either settled or accrued in the 2014/15 position. A further 2 have been reviewed and have been considered to be a provision in the accounts. The final claim has been reviewed and the initial view at this stage, before any further work is undertaken, is that this claim may not be settled without further evidence being provided. Therefore it has been treated as a contingent liability for 2014/15.

1.6.2 Key sources of estimation uncertainty

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

- The CCG has estimated the final expenditure on the GP element of prescribing at £30,823k based upon the PPA forecast outturn as at month 10, the month 11 PPA information had just been received when the accounts were due and there was no material movement in the forecast outturn position. The PPA forecast is based upon historical seasonal spend for each GP practice. This value forms part of the prescribing value within the operating expenses note but there are additional prescribing costs incurred by the CCG outside of the PPA which are also included in this line.
- The CCG has agreed outturn values for three of its four main acute providers based on a review of activity estimates to the year end as part of securing financial stability for the organisations in question including the CCG. For the fourth main acute provider, a value for inclusion in the year end accounts has been agreed upon.

1.7 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. Where the CCG hosts services and recharges other organisations, the recharges are also recognised as operating revenue.

Notes to the Financial Statements

1.8 Employee Benefits

1.8.1 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.

1.8.2 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 NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

1.9 Other expenses

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

1.10 Property, plant and equipment

1.10.1 Recognition

Property, plant and equipment is capitalised if:

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

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

Notes to the Financial Statements

1.10.2 Valuation

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

NHS Bexley CCG does not own any land or buildings. On the dissolution of the former NHS Bexley Care Trust, all land and buildings were transferred to NHS Property Services Limited.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

1.10.3 Subsequent Expenditure

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

1.11 Depreciation, amortisation and impairments

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

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

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

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

1.12 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.

1.12.1 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 of 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.

1.13 Cash and cash equivalents

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

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

1.14 Provisions

Provisions are recognised when NHS Bexley CCG has a present legal or constructive obligation as a result of a past event, it is probable that NHS Bexley CCG 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.

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

A restructuring provision is recognised when the clinical commissioning group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

At 31 March 2014, the Governing Body provided for expected costs for the Trust Special Administrator relating to the dissolution of South London Healthcare NHS Trust. A provision was set up over four years to reflect the expected payments. However, due to the timing of payments to providers, to cover costs, NHS England required the full funding to be paid in 2014/15. The provision has therefore been utilised in full in 2014/15.

Notes to the Financial Statements

1.15 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Clinical Commissioning Group pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with NHS Bexley CCG. The total value of clinical negligence provisions carried by the NHSLA on behalf of NHS Bexley CCG is disclosed at note 13.

1.16 Non-clinical risk pooling

NHS Bexley CCG participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which NHS Bexley CCG 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.

1.17 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 NHS Bexley CCG, 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 NHS Bexley CCG. A contingent asset is disclosed where an inflow of economic benefits is probable.

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

1.18 Financial assets

Financial assets are recognised when NHS Bexley CCG 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 de-recognised 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.

1.18.1 Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating NHS Bexley CCG's surplus for the year. The net gain or loss incorporates any interest earned on the financial asset.

1.18.2 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.18.3 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

1.18.4 Loans and receivables

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

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

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

At the end of the reporting period, NHS Bexley CCG 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 directly/through a provision for impairment of receivables.

Notes to the Financial Statements

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.

1.19 Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when NHS Bexley CCG 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.

1.19.1 Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in NHS Bexley CCG's surplus. The net gain or loss incorporates any interest payable on the financial liability.

1.19.2 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.

1.20 Value Added Tax

Most of the activities of NHS Bexley CCG 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.

1.21 Foreign currencies

NHS Bexley CCG'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 CCG's surplus/deficit in the period in which they arise.

1.22 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way 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 NHS Bexley CCG not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.23 Joint operations

Joint operations are activities undertaken by NHS Bexley CCG in conjunction with one or more other parties but which are not performed through a separate entity. NHS Bexley CCG records its share of the income and expenditure; gains and losses; assets and liabilities; and cash flows.

Notes to the Financial Statements

1.24 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 2014-15, all of which are subject to consultation:

- IFRS 9 Financial Instruments
- IFRS 13 Fair Value Measurement
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue for Contract with Customers

The application of the Standards as revised would not have a material impact on the accounts for 2014-15, were they applied in that year.

2 Other Operating Revenue

	2014-15 Total £000	2014-15 Admin £000	2014-15 Programme £000	2013-14 Total £000
Prescription fees and charges	0	0	0	(1)
Education, training and research	(93)	0	(93)	(23)
Non-patient care services to other bodies	(4,099)	(56)	(4,043)	(7,316)
Other revenue	(2,955)	(369)	(2,586)	(2,688)
Total other operating revenue	<u>(7,147)</u>	<u>(425)</u>	<u>(6,722)</u>	<u>(10,028)</u>

3 Revenue

	2014-15 Total £000	2014-15 Admin £000	2014-15 Programme £000	2013-14 Total £000
From rendering of services	(6,594)	(404)	(6,190)	(10,028)
From sale of goods	(553)	(21)	(532)	0
Total	<u>(7,147)</u>	<u>(425)</u>	<u>(6,722)</u>	<u>(10,028)</u>

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4. Employee benefits and staff numbers

4.1.1 Employee benefits

Current year 2014-15

	2014-15			2014-15			2014-15		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Employee Benefits									
Salaries and wages	4,364	2,786	1,578	1,664	1,210	454	2,700	1,576	1,124
Social security costs	266	266	0	153	153	0	114	114	0
Employer Contributions to NHS Pension scheme	371	371	0	201	201	0	170	170	0
Other pension costs	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	5,001	3,423	1,578	2,018	1,564	454	2,984	1,860	1,124
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	5,001	3,423	1,578	2,018	1,564	454	2,984	1,860	1,124
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	5,001	3,423	1,578	2,018	1,564	454	2,984	1,860	1,124

Prior year 2013-14

	2013-14			2013-14			2013-14		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Employee Benefits									
Salaries and wages	3,970	2,589	1,381	1,954	1,736	217	2,016	853	1,163
Social security costs	250	250	0	127	127	0	123	123	0
Employer Contributions to NHS Pension scheme	316	316	0	204	204	0	112	112	0
Other pension costs	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	4,536	3,155	1,381	2,285	2,067	217	2,251	1,088	1,163
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	4,536	3,155	1,381	2,285	2,067	217	2,251	1,088	1,163
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	4,536	3,155	1,381	2,285	2,067	217	2,251	1,088	1,163

4.1.2 Recoveries in respect of employee benefits

	2014-15		
	Total £000	Permanent Employees £000	Other £000
Employee Benefits - Revenue			
Total recoveries in respect of employee benefits	0	0	0

4.2 Average number of people employed

	2014-15		2013-14	
	Total Number	Permanently employed Number	Other Number	Total Number
Total	70	59	11	61

Of the above:

Number of whole time equivalent people engaged on capital projects	0	0	0	0
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The average number of people employed is based on whole time equivalent (WTE).

This figure excludes the non-executive members of the Governing Body i.e. GPs, lay members, nurse and secondary care doctor.

4.3 Staff sickness absence and ill health retirements

	2014-15 Number	2013-14 Number
Total Days Lost	403	203
Total Days Available	13316	9019
Average working Days Lost	6.8	3.8

	2014-15 Number	2013-14 Number
Number of persons retired early on ill health grounds	0	0

	£000	£000
Total additional Pensions liabilities accrued in the year	0	0

Ill health retirement costs are met by the NHS Pension Scheme

4.4 Exit packages agreed in the financial year

	2014-15 Compulsory redundancies		2014-15 Other agreed departures		2014-15 Total	
	Number	£	Number	£	Number	£
Less than £10,000	0	0	0	0	0	0
£10,001 to £25,000	0	0	0	0	0	0
£25,001 to £50,000	0	0	0	0	0	0
£50,001 to £100,000	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0
Over £200,001	0	0	0	0	0	0
Total	0	0	0	0	0	0

Departures where special payments have been made

	Number	£
Less than £10,000	0	0
£10,001 to £25,000	0	0
£25,001 to £50,000	0	0
£50,001 to £100,000	0	0
£100,001 to £150,000	0	0
£150,001 to £200,000	0	0
Over £200,001	0	0
Total	0	0

Analysis of Other Agreed Departures

	Other agreed departures	
	Number	£
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval*	0	0
Total	0	0

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.

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 NHS Bexley CCG of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at 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

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

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. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial

The valuation of the scheme liability as at 31 March 2015, is based on valuation data at 31 March 2014, updated to 31 March 2015 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

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

4.5 Pension costs

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. The 2015 section of the scheme will commence in the next financial year, with pension benefits based on a proportion of pensionable earnings across the individual's whole NHS career, and with a build up rate of 1/54th of each year's
- 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. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).
- Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable;
- For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.
- Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

5. Operating expenses

	2014-15 Total £000	2014-15 Admin £000	2014-15 Programme £000	2013-14 Total £000
Gross employee benefits				
Employee benefits excluding governing body members	4,480	1,630	2,850	4,013
Executive governing body members	522	388	134	523
Total gross employee benefits	5,002	2,018	2,984	4,536
Other costs				
Services from other CCGs and NHS England	2,386	1,398	988	3,101
Services from foundation trusts	104,571	6	104,565	79,019
Services from other NHS trusts	99,773	0	99,773	116,975
Services from other NHS bodies	267	0	267	701
Purchase of healthcare from non-NHS bodies	29,947	0	29,947	27,975
Chair and Non Executive Members	424	396	28	383
Supplies and services – clinical	1,622	0	1,622	1,265
Supplies and services – general	971	15	956	2,602
Consultancy services	296	256	40	626
Establishment	564	325	239	861
Transport	1	1	0	0
Premises	560	465	95	78
Impairments and reversals of receivables	0	0	0	0
Depreciation	159	159	0	159
Audit fees	83	83	0	84
Other non statutory audit expenditure				
· Internal audit services	58	58	0	51
· Other services	0	0	0	0
General dental services and personal dental services	0	0	0	0
Prescribing costs	33,473	0	33,473	31,164
Pharmaceutical services	0	0	0	0
General ophthalmic services	0	0	0	0
GPMS/APMS and PCTMS	0	0	0	0
Other professional fees excl. audit	31	20	11	79
Clinical negligence	7	7	0	9
Education and training	79	26	53	121
Change in discount rate	0	0	0	0
Provisions	108	0	108	0
CHC Risk Pool contributions	376	0	376	0
Other expenditure	45	0	45	705
Total other costs	275,801	3,215	272,586	265,958
Total operating expenses	280,803	5,233	275,570	270,494

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

6.1 Better Payment Practice Code

Measure of compliance	2014-15 Number	2014-15 £000	2013-14 Number	2013-14 £000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	6,820	33,699	5,927	28,244
Total Non-NHS Trade Invoices paid within target	6,679	32,352	5,677	26,157
Percentage of Non-NHS Trade invoices paid within target	97.93%	96.00%	95.78%	92.61%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,613	217,203	1,840	195,800
Total NHS Trade Invoices Paid within target	2,545	216,013	1,722	192,957
Percentage of NHS Trade Invoices paid within target	97.40%	99.45%	93.59%	98.55%

The BPPC target that NHS Bexley CCG is required to meet is payment of 95% of all invoices within 30 days.

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

	2014-15 £000	2013-14 £000
Amounts included in finance costs from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

7 Income Generation Activities

NHS Bexley CCG does not undertake any income generation activities. Any revenue benefit shown from sale of goods in note 3 derives from pass through recharges for provision of IT equipment to other healthcare providers and GP practices.

8. Operating Leases

8.1 As lessee

The only signed lease NHS Bexley CCG currently holds is in relation to photocopier rental for the CCG's HQ accommodation.

8.1.1 Payments recognised as an Expense

	Land £000	Buildings £000	Other £000	2014-15 Total £000	2013-14 Total £000
Payments recognised as an expense					
Minimum lease payments	0	578	4	582	0
Contingent rents	0	0	0	0	0
Sub-lease payments	0	0	0	0	0
Total	0	578	4	582	0

Lease expenses relate to the costs of occupancy of NHS Bexley CCG's HQ building at 221 Erith Road, Bexleyheath. Whilst our arrangements with Community Health Partnerships Limited and NHS Property Services Limited fall within the definition of operating leases, rental charge for future years has not yet been agreed. Consequently this note does not include future minimum lease payments relating to any building occupancy.

8.1.2 Future minimum lease payments

	Land £000	Buildings £000	Other £000	2014-15 Total £000	2013-14 Total £000
Payable:					
No later than one year	0	0	4	4	0
Between one and five years	0	0	13	13	0
After five years	0	0	0	0	0
Total	0	0	17	17	0

9 Property, plant and equipment

2014-15	Assets under construction & payments on account £000	Information technology £000	Total £000
Cost or valuation at 1 April 2014	0	402	402
Addition of assets under construction and payments on account	78	0	78
Additions purchased	0	99	99
Impairments charged	0	0	0
Reversal of impairments	0	0	0
Transfer (to)/from other public sector body	0	0	0
Cost/Valuation At 31 March 2015	78	501	579
Depreciation 1 April 2014	0	159	159
Reclassifications	0	0	0
Impairments charged	0	0	0
Reversal of impairments	0	0	0
Charged during the year	0	159	159
Transfer (to)/from other public sector body	0	0	0
Depreciation at 31 March 2015	0	318	318
Net Book Value at 31 March 2015	78	183	261
Purchased	78	183	261
Total at 31 March 2015	78	183	261
Asset financing:			
Owned	78	183	261
Held on finance lease	0	0	0
Total at 31 March 2015	78	183	261

Revaluation Reserve Balance for Property, Plant & Equipment

	Assets under construction & payments on account £000	Information technology £000	Total £000
Balance at 1 April 2014	0	0	0
Revaluation gains	0	0	0
Impairments	0	0	0
Release to general fund	0	0	0
Other movements	0	0	0
At 31 March 2015	0	0	0

9 Property, plant and equipment cont'd

9.1 Additions to assets under construction

	2014-15 £000	2013-14 £000
Land	0	0
Buildings excluding dwellings	0	0
Dwellings	0	0
Plant & machinery	0	0
Transport equipment	0	0
Information technology	78	0
Furniture & fittings	0	0
Total	<u>78</u>	<u>0</u>

9.2 Cost or valuation of fully depreciated assets

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

	2014-15 £000	2013-14 £000
Land	0	0
Buildings excluding dwellings	0	0
Dwellings	0	0
Plant & machinery	0	0
Transport equipment	0	0
Information technology	150	0
Furniture & fittings	0	0
Total	<u>150</u>	<u>0</u>

9.3 Economic lives

	Minimum Life (years)	Maximum Life (Years)
Information technology	0	5

10 Trade and other receivables

	Current 2014-15 £000	Non-current 2014-15 £000	Current 2013-14 £000	Non-current 2013-14 £000
NHS receivables: Revenue	185	0	3,284	0
NHS receivables: Capital	0	0	0	0
NHS prepayments and accrued income	1,745	0	628	0
Non-NHS receivables: Revenue	319	0	581	0
Non-NHS receivables: Capital	0	0	0	0
Non-NHS prepayments and accrued income	161	0	177	0
Provision for the impairment of receivables	0	0	0	0
VAT	9	0	83	0
Total Trade & other receivables	2,419	0	4,753	0
Total current and non current	2,419		4,753	

Included above:

Prepaid pensions contributions	0	0
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The great majority of trade is with NHS organisations and the London Borough of Bexley. As NHS organisations and the London Borough of Bexley are ultimately funded by Government, no credit scoring of them is considered necessary.

Concentration of credit risk is limited due to the fact that the customer base is large and composed of unrelated/government bodies. Due to this, the Governing Body believes that there is no future risk provision required in excess of the normal provision for doubtful receivables.

10.1 Receivables past their due date but not impaired

	2014-15 £000	2013-14 £000
By up to three months	132	831
By three to six months	26	24
By more than six months	11	44
Total	169	899

£98,395 of the amount above has subsequently been recovered, as at 21st May 2015.

10.2 Provision for impairment of receivables

	2014-15 £000	2013-14 £000
Balance at 1 April 2014	0	0
Amounts written off during the year	0	0
Amounts recovered during the year	0	0
(Increase) decrease in receivables impaired	0	0
Transfer (to) from other public sector body	0	0
Balance at 31 March 2015	0	0

11 Cash and cash equivalents

	2014-15 £000	2013-14 £000
Balance at 1 April 2014	(31)	0
Net change in year	<u>93</u>	<u>(31)</u>
Balance at 31 March 2015	<u>62</u>	<u>(31)</u>
Made up of:		
Cash with the Government Banking Service	62	(31)
Cash with Commercial banks	0	0
Cash in hand	0	0
Current investments	<u>0</u>	<u>0</u>
Cash and cash equivalents as in statement of financial position	<u>62</u>	<u>(31)</u>
Bank overdraft: Government Banking Service	0	0
Bank overdraft: Commercial banks	<u>0</u>	<u>0</u>
Total bank overdrafts	<u>0</u>	<u>0</u>
Balance at 31 March 2015	<u>62</u>	<u>(31)</u>
Patients' money held by NHS Bexley CCG, not included above.	0	0

12 Trade and other payables	Current 2014-15 £000	Non-current 2014-15 £000	Current 2013-14 £000	Non-current 2013-14 £000
NHS payables: revenue	(6,091)	0	(13,950)	0
NHS payables: capital	0	0	0	0
NHS accruals and deferred income	(4,482)	0	(4,237)	0
Non-NHS payables: revenue	(1,921)	0	(2,945)	0
Non-NHS payables: capital	(78)	0	0	0
Non-NHS accruals and deferred income	(15,351)	0	(8,826)	0
Social security costs	(41)	0	(47)	0
VAT	0	0	0	0
Tax	(49)	0	(51)	0
Payments received on account	0	0	0	0
Other payables	(103)	0	(207)	0
Total Trade & Other Payables	(28,116)	0	(30,263)	0
Total current and non-current	<u>(28,116)</u>		<u>(30,263)</u>	

Other payables include £43k outstanding pension contributions at 31 March 2015 (£1k at 31 March 2014)

13 Provisions

	Current 2014-15 £000	Non-current 2014-15 £000	Current 2013-14 £000	Non-current 2013-14 £000						
Pensions relating to former directors	0	0	0	0						
Pensions relating to other staff	0	0	0	0						
Restructuring	0	0	0	0						
Redundancy	0	0	0	0						
Agenda for change	0	0	0	0						
Equal pay	0	0	0	0						
Legal claims	0	0	0	0						
Continuing care	108	0	0	0						
Other	0	0	159	477						
Total	108	0	159	477						
Total current and non-current	108		636							
	Pensions Relating to Former Directors £000s	Pensions Relating to Other Staff £000s	Restructuring £000s	Redundancy £000s	Agenda for Change £000s	Equal Pay £000s	Legal Claims £000s	Continuing Care £000s	Other £000s	Total £000s
Balance at 1 April 2014	0	0	0	0	0	0	0	0	636	636
Arising during the year	0	0	0	0	0	0	0	108	0	108
Utilised during the year	0	0	0	0	0	0	0	0	(636)	(636)
Reversed unused	0	0	0	0	0	0	0	0	0	0
Unwinding of discount	0	0	0	0	0	0	0	0	0	0
Change in discount rate	0	0	0	0	0	0	0	0	0	0
Transfer (to) from other public sector body	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2015	0	0	0	0	0	0	0	108	0	108
Expected timing of cash flows:										
Within one year	0	0	0	0	0	0	0	108	0	108
Between one and five years	0	0	0	0	0	0	0	0	0	0
After five years	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2015	0	0	0	0	0	0	0	108	0	108

At 31 March 2014, the Governing Body provided for expected costs for the Trust Special Administrator relating to the dissolution of South London Healthcare NHS Trust. A provision was set up over four years to reflect the expected payments. However, due to the timing of payments to providers, to cover costs, NHSE required the full funding to be paid in 2014/15. The provision has therefore been utilised in full in 2014/15.

The CCG has only received 5 claims in respect of continuing care claims which are not covered by the NHS England legacy provision. Of these, 2 have been agreed and are either settled or accrued in the 2014/15 position. A further 2 have been reviewed and have been considered to be a provision in the accounts. The final claim has been reviewed and the initial view at this stage before any further work is undertaken is that this claim may not be settled without further evidence being provided and therefore it has been treated as a contingent liability for 2014/15.

Legal claims are calculated from the number of claims lodged with the NHS Litigation Authority and the probabilities provided by them. At present, there are no such claims outstanding against NHS Bexley CCG.

14 Contingencies

	2014-15 £000	2013-14 £000
Contingent liabilities		
Equal Pay	0	0
NHS Litigation Authority Legal Claims	0	0
Employment Tribunal	0	0
Other employee related litigation	0	0
Redundancy	0	0
CHC Claims	18	0
Amounts recoverable against contingent liabilities	0	0
Net value of contingent liabilities	18	0

A provision for Continuing Healthcare Claims has been booked for two outstanding claims which have yet to reach resolution, but it is anticipated that they will not crystallise as liabilities for NHS Bexley CCG.

A further claim has been reviewed and the initial view at this stage, before any further work is undertaken, is that this claim may not be settled without further evidence being provided. It has therefore been treated as a contingent liability for 2014/15.

15 Capital Commitments

	2014-15 £000	2013-14 £000
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

16 Financial instruments

16.1 Financial risk management

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

Because NHS Bexley 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. NHS Bexley CCG 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 Bexley CCG standing financial instructions and policies agreed by the Governing Body. Treasury activity is subject to review by NHS Bexley CCG and internal auditors.

16.1.1 Currency risk

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

16.1.2 Interest rate risk

NHS Bexley CCG borrows from government for capital expenditure, subject to affordability as confirmed by NHS England. The borrowings are 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. NHS Bexley CCG therefore has low exposure to interest rate fluctuations.

16.1.3 Credit risk

Because the majority of its revenue comes from parliamentary funding, NHS Bexley 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.

16.1.4 Liquidity risk

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

16 Financial instruments cont'd

16.2 Financial assets

	At 'fair value through profit and loss' 2014-15 £000	Loans and Receivables 2014-15 £000	Available for Sale 2014-15 £000	Total 2014-15 £000
Receivables:				
· NHS	0	185	0	185
· Non-NHS	0	319	0	319
Cash at bank and in hand	0	62	0	62
Total at 31 March 2015	0	566	0	566

	At 'fair value through profit and loss' 2013-14 £000	Loans and Receivables 2013-14 £000	Available for Sale 2013-14 £000	Total 2013-14 £000
Receivables:				
· NHS	0	3,284	0	3,284
· Non-NHS	0	581	0	581
Cash at bank and in hand	0	(31)	0	(31)
Total at 31 March 2014	0	3,834	0	3,834

16.3 Financial liabilities

	At 'fair value through profit and loss' 2014-15 £000	Other 2014-15 £000	Total 2014-15 £000
Payables:			
· NHS	0	(10,573)	(10,573)
· Non-NHS	0	(17,453)	(17,453)
Total at 31 March 2015	0	(28,026)	(28,026)

	At 'fair value through profit and loss' 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Payables:			
· NHS	0	(18,187)	(18,187)
· Non-NHS	0	(11,772)	(11,772)
Total at 31 March 2014	0	(29,959)	(29,959)

17 Operating segments

NHS Bexley CCG considers it has only one segment: commissioning of healthcare services.

18 Pooled budgets

Where NHS Bexley CCG has entered into a pooled budget arrangement under Section 75 of the National Health Service Act 2006, the organisation 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. In 2014/15, the CCG did not have any formal pooled budget arrangements. However from 1 April 2015, with the implementation of the Better Care Fund, NHS Bexley CCG will enter into a formal pooled budget arrangement under the existing Section 75 agreement with London Borough of Bexley. The pooled fund will be managed by London Borough of Bexley and the CCG will account for its proportion of the fund in accordance with the guidance above.

19 Intra-government and other balances

	Current Receivables 2014-15 £000	Non-current Receivables 2014-15 £000	Current Payables 2014-15 £000	Non-current Payables 2014-15 £000
Balances with:				
· Other Central Government bodies	9	0	(90)	0
· Local Authorities	0	0	(103)	0
Balances with NHS bodies:				
· NHS bodies outside the Departmental Group	61	0	(479)	0
· NHS Trusts and Foundation Trusts	1,869	0	(10,094)	0
Total of balances with NHS bodies:	1,930	0	(10,573)	0
· Public corporations and trading funds	0	0	0	0
· Bodies external to Government	480	0	(17,350)	0
Total balances at 31 March 2015	2,419	0	(28,116)	0
	Current Receivables 2013-14 £000	Non-current Receivables 2013-14 £000	Current Payables 2013-14 £000	Non-current Payables 2013-14 £000
Balances with:				
· Other Central Government bodies	0	0	0	0
· Local Authorities	0	0	0	0
Balances with NHS bodies:				
· NHS bodies outside the Departmental Group	1,469	0	(56)	0
· NHS Trusts and Foundation Trusts	2,443	0	(18,131)	0
Total of balances with NHS bodies:	3,912	0	(18,187)	0
· Public corporations and trading funds	5	0	0	0
· Bodies external to Government	836	0	(12,076)	0
Total balances at 31 March 2014	4,753	0	(30,263)	0

20 Related party transactions

Related party transactions are required to be disclosed in the accounts where the individual has a 20% share or more in the relevant organisation whom the CCG is entering into transactions with; in these cases, the practice. These are not payments made directly to the individuals.

The type of payments included in the figures shown below are payments for services provided by the practice, such as nursing home payments and payment for enhanced services.

Details of related party transactions with individuals are as follows:

	2014-15		2014-15		2013-14		2013-14	
	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Good Health PMS - Dr S Bhadra (to 30/09/14 only)	45	-	0	-	69	-	28	-
Belvedere Medical Practice - Dr V Bhalla	50	-	23	-	61	-	29	-
Bellegrove Surgery - Dr W Cotter	0	-	0	-	537	-	193	-
Sidcup Medical Centre - Dr S Deshmukh	114	-	43	-	48	-	41	-
Westwood Surgery - Dr P Fish	54	-	41	-	42	-	40	-
	263	0	107	0	757	0	331	0

Dr Bhadra was a member of Governing Body until 30/09/14, therefore only costs incurred between 01/04/14 and 30/09/14 have been reported.

Dr Cotter relinquished membership of the Governing Body in 2013/14, therefore no 2014/15 transactions have been disclosed.

The Department of Health is regarded as a related party. During the year, NHS Bexley CCG has had a significant number of material transactions with entities for which the Department is regarded as being the parent Department, for example:

- Oxleas NHS Foundation Trust
- Dartford and Gravesham NHS Trust
- Lewisham and Greenwich NHS Trust
- Guys and St Thomas's NHS Foundation Trust
- Kings College Hospital NHS Foundation Trust
- London Ambulance Service NHS Trust

In addition to the the above, South London Healthcare NHS Trust was disclosed in the 2013-14 accounts as a Trust with whom the CCG had undertaken a number of material transactions. This Trust is now dissolved and its services are undertaken by other local Trusts, who are already included in the above listing.

NHS Bexley CCG has also had a number of material transactions with other government departments and other central and local government bodies in 2014-15. Most of these transactions have been with the London Borough of Bexley.

21 Events after the end of the reporting period

There are no post statement of financial position events which will have a material effect on the financial statements of NHS Bexley CCG.

22 Losses and special payments

22.1 Losses

The total number of NHS Bexley CCG losses and special payments cases, and their total value, was as follows:

	Total Number of Cases 2014-15 Number	Total Value of Cases 2014-15 £'000	Total Number of Cases 2013-14 Number	Total Value of Cases 2013-14 £'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

22.2 Special payments

	Total Number of Cases 2014-15 Number	Total Value of Cases 2014-15 £'000	Total Number of Cases 2013-14 Number	Total Value of Cases 2013-14 £'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

23 Financial performance targets

NHS Bexley CCG has a number of financial duties under the NHS Act 2006 (as amended).

NHS Bexley CCG performance against those duties was as follows:

	2014-15 Target £'000	2014-15 Performance £'000	2014-15 Variance £'000	Duly achieved in 2014-15	2013-14 Target £'000	2013-14 Performance £'000	2013-14 Variance £'000
Expenditure not to exceed income	(273,807)	(273,656)	151	Yes	(260,592)	(260,466)	126
Capital resource use does not exceed the amount specified in Directions	(190)	(177)	13	Yes	0	0	0
Revenue resource use does not exceed the amount specified in Directions	(268,129)	(268,848)	(719)	Yes	(254,932)	(255,863)	(931)
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	0	n/a	0	0	0
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	0	n/a	0	0	0
Revenue administration resource use does not exceed the amount specified in Directions	(5,678)	(4,808)	870	Yes	(5,660)	(4,603)	1,057

24 Impact of IFRS

	2014-15 £'000	2013-14 £'000
Depreciation charges	0	0
Interest expense	0	0
Impairment charge: Annually Managed Expenditure	0	0
Impairment charge: Departmental Expenditure Limit	0	0
Other Expenditure	0	0
Revenue receivable from subleasing	0	0
Total IFRS Expenditure (IFRIC 12)	0	0
Revenue consequences of private finance initiative/LIFT schemes under UK GAAP/ESA95 (net of any sublease revenue)	0	0
Net IFRS Change (IFRIC 12)	0	0
Capital Consequences of IFRS: private finance initiative/LIFT and other service concession arrangements under IFRIC 12		
Capital expenditure 2014-15	0	0
UK GAAP capital expenditure 2014-15 (reversionary interest)	0	0