

Adoption of NHS Sheffield CCG Audited Financial Accounts for 2017/18

Governing Body meeting

C

24 May 2018

Author(s)	Jackie Mills, Deputy Director of Finance
Sponsor Director	Julia Newton, Director of Finance
Purpose of Paper	
This report presents Governing Body with the final audited accounts for 2017/18 for approval.	
Key Issues	
The draft accounts were presented to and adopted at the Governing Body meeting on 3 May 2018 KPMG, the CCG's external auditors, have now completed their review of the financial statements. The final audited accounts are presented to this meeting for approval.	
Is your report for Approval / Consideration / Noting	
Approval	
Recommendations / Action Required by Governing Body	
<p>The Governing Body is asked to:</p> <ul style="list-style-type: none"> • Approve and adopt the final audited accounts for the financial year 2017/18 • Approve that the Chair and Accountable Officer sign the Letter of Management Representations on behalf of the Governing Body. 	
Governing Body Assurance Framework	
<p>Which of the CCG's objectives does this paper support? Strategic Objective - To ensure there is a sustainable, affordable healthcare system in Sheffield. It supports management of the CCG's principal risks 3.1, 4.1, 4.2 and 4.3 in the Assurance Framework.</p>	
Are there any Resource Implications (including Financial, Staffing etc)?	
None	
Have you carried out an Equality Impact Assessment and is it attached?	
<p>Please attach if completed. Please explain if not, why not Not applicable</p>	
Have you involved patients, carers and the public in the preparation of the report?	
Not applicable	

Adoption of NHS Sheffield CCG Audited Financial Accounts for 2017/18

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1. Introduction / Background

- 1.1. This report accompanies the audited financial statements produced by the CCG in respect of the financial year 2017-18. Draft accounts were presented to the Governing Body on 3rd May. The external auditors, KPMG, have completed their audit of the financial statements and no significant issues have been identified. The final accounts are attached at Appendix A. The summary of the External Audit findings (ISA260) is attached at Appendix B. Small, mainly presentational changes have been made to the draft accounts (as detailed in section 2). No adjustments have been made to material figures in the accounts and the CCG continues to report an overall surplus against the agreed resource limit of £6.4m (£18m if the brought forward surplus is included).
- 1.2. The accounts and auditors opinion will be considered at the meeting of the CCG's Audit and Integrated Governance Committee (AIGC) on the 24th May (the same day as the Governing Body meeting). A verbal update will be provided by the Chair of the AIGC at the governing body meeting. The Chair of AIGC will confirm the recommendations of the AIGC to the Governing Body.

2. Further information to support the understanding of the Accounts.

2.1 The accounts (or financial statements) consist of four primary statements:

- A statement of comprehensive net expenditure
- A statement of financial position
- A statement of changes in taxpayer's equity
- A statement of cash flows.

These are accompanied by notes to the accounts which provide further information on the financial activities of the CCG. The accounts must include comparative figures for the prior year to show how the CCG's financial position has changed year on year. It is best practice, for clarity, that CCGs should not include any headings or notes for which no amount is recorded in either the current or the prior year.

2.2 Statement of Comprehensive Net Expenditure (SOCNE) (Page 1 of Accounts)

Accounting standards require the preparation of a Statement of Comprehensive Income. However, as CCGs are funded by an allocation from parliament, CCGs are required to prepare a Statement of Comprehensive Net Expenditure (SOCNE) instead. The SOCNE shows the amount spent by the CCG in the year less any income it has received from the provision of goods or services to other organisations. The SOCNE does not include the CCG's main source of funding which is its resource allocation from NHS England (referred to as parliamentary funding in the accounts). Parliamentary funding is not treated as income but is added to the general fund in the Statement of Changes in Taxpayers' Equity.

The SOCNE shows the net expenditure of the CCG of £848.0m (i.e. total expenditure £853.2m less income of £5.3m)

The CCG's surplus of £6.4m does not appear on this Statement because there is no comparison against the CCG's total resource allocation of £866.0m. The breakdown of this surplus is as follows:

- In year planned surplus **£1.6m**
- Additional savings **£1.1m** associated with national pharmaceutical pricing (which NHS England require CCGs to add to the year-end surplus)
- Release of **£3.7m** risk reserve (which NHS England require the CCG to add to the year-end surplus)

2.3. Statement of Financial Position (Page 2 of Accounts)

The Statement of Financial Position, formerly called the Balance Sheet, provides a snapshot of the CCG's financial position at a specific date – the end of the financial year. In simple terms it lists assets (what the CCG owns or is owed), liabilities (what the CCG owes) and taxpayers' equity (public funds invested in the CCG).

Non-Current Assets:

The CCG has £260k of non-current assets (previously known as fixed assets) at the end of the financial year, as a result of a capital replacement scheme for IT assets undertaken in 2017/18. This IT replacement scheme was funded by a capital allocation from NHS England.

Current Assets:

The CCG had £5.8m (£7.8m in 2016/17) of current assets at the end of the financial year (£5,653k receivables and £180k cash). The CCG held no inventories. The main elements of our current assets were amounts owed to us by other NHS organisations (£0.6m); prepayments (£3.2m) made to other NHS organisations (mainly in relation to maternity pathway payments); and amounts owed to us by Sheffield City Council (£0.8m) in line with our normal trading arrangements.

Current Liabilities:

The CCG had £42.5m of current liabilities relating to outstanding payables at the end of the financial year. Of this, £15.6m related to the prescribing accrual relating to expenditure in February and March. £5.2m related to Continuing Healthcare accruals (including £0.9m owed to Sheffield City Council), £1.1m in relation to non NHS contracts and £4.8m in relation to primary care, including £1.9m in relation to outstanding achievement payments for QoF. Of the amounts owed to NHS bodies, £0.6m related to payments due to the three Sheffield foundation trusts plus accruals in relation to partially completed spells of £3.6m, with the remaining £3.1m being owed to the wider NHS.

2.4 Financial Performance Targets (Note 20 to Accounts – Page 24)

CCGs have the following statutory duties:

- not to overspend against the overall Revenue Resource limit (RRL) allocated by NHS England;
- not to overspend against the Revenue Resource limit allocated by NHS England for the purposes of Administration spend (also referred to as the Running Cost Allowance)
- not to overspend against the overall Capital Resource Limit allocated by NHS England.

Gross operating expenditure was £853.2m plus capital spend of £0.1m, against a Revenue Resource limit (RRL) of £854.3m, Capital Resource Limit of £0.1m plus income of £5.3m, (totalling £859.7m), generating a net in year surplus of £6.4m. It should be noted that the reported revenue resource limit included in the accounts is in line with the Allocations Directions issued by NHS England towards the end of April. This excluded the allocation for the brought forward surplus which we have been reporting to Governing Body all year, and was a change to the figure reported in the draft accounts. This demonstrates achievement of the statutory duty and was in line with the planned surplus and other business rules set out by NHS England.

Net running cost expenditure was £10.4m against a Running Cost Allocation (RCA) of £12.7m, which due to roundings, generated a surplus of £2.4m which is part of the overall £18.0m surplus. Overall the position demonstrates achievement of the statutory duty.

Capital expenditure of £120k was in line with the allocation received from NHS England.

2.5 Other Notes to the Accounts

We have received information from NHS Resolution regarding two legal claims which they are dealing with on our behalf. They have advised that the two claims have a 50% probability of being settled and as a result £5k is included as a provision (see Note 12) with £1k recognised as a contingent liability (£1k). In addition we have provided information of a remote liability in relation to an on-going HMRC investigation of our off-payroll arrangements, (estimated at £3k).

We have determined that we have no post balance sheet events which will have a material effect on the financial statements.

As required, in Note 18 we have set out our Related Party Transactions. These are transactions with other organisations in which Members of Governing Body have a controlling interest which they have declared on the CCG's Register of Interests.

3. Issues arising at Audit

At the time of writing, the audit of the Annual Report and Annual Accounts is substantively complete. No significant changes have been identified. A summary of the minor changes made to the draft accounts adopted by Governing Body on 3rd May is contained in the table below. These changes are also shown in the table below.

Changes agreed with Auditors following review of Draft Accounts	Accounting Note affected:
Revised target figures included in Note 20 Financial Performance Targets in line with the Allocations Directions issued by NHS England. These Allocation Directions confirmed that the allocation for the cumulative surplus brought forward should not be reported in the target figures	Note 20

In addition, as noted in the changes to the Annual Report, a small change was made to the Fair Pay disclosure, which as it is subject to audit, was agreed with the Auditors.

4. Audit Opinion

4.1 Our External Auditors, KPMG, have issued their report (ISA260 report) on the audit of the financial statements. This confirms that

- They expect to be in a position to issue an unqualified opinion on our accounts, following adoption of the accounts by the Governing Body and receipt of our letter of management representations (see Appendix C).
- They have concluded that the CCG has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

5. Next Steps

5.1 Following confirmation that the Governing Body has adopted the accounts and the letter of management representations has been approved by the Governing Body and signed by the Chair and Accountable Officer, the final audited financial statements will be submitted to NHS England by 9am on 29th May 2018.

6. Recommendations

6.1 The Governing Body is asked to:

- Approve and adopt the final audited accounts for the financial year 2017/18
- Recommend that the Accountable Officer and Chair sign the Letter of Management Representations on behalf of the Governing Body.

Attachments: Appendix A Audited Final Accounts for 2017/18
 Appendix B KPMG ISA260 Report
 Appendix C Letter of Management Representations

Paper prepared by Jackie Mills, Deputy Director of Finance

On behalf of Julia Newton Director of Finance

May 2018

Working with you to make Sheffield

H E A L T H I E R

NHS

Sheffield

Clinical Commissioning Group

Appendix A

Annual Accounts for the Period 1st April 2017 to 31st March 2018

FOREWORD TO THE ACCOUNTS

NHS SHEFFIELD CLINICAL COMMISSIONING GROUP

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 2018 have been prepared by NHS Sheffield Clinical Commissioning Group under section 17 of schedule 1A of the National Health Service Act 2006 (as amended by the Health & Social Care Act 2012) in the form which the Secretary of State has, with the approval of the Treasury, directed.

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

NHS Sheffield Clinical Commissioning Group - Annual Accounts 2017-18

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NHS Sheffield Clinical Commissioning Group - Annual Accounts 2017-18

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

	Note	2017-18 £'000	2016-17 £'000
Income from sale of goods and services	2	(2,430)	(2,421)
Other operating income	2	(2,833)	(3,499)
Total operating income		(5,263)	(5,920)
Staff costs	4	15,184	13,593
Purchase of goods and services	5	837,503	816,068
Depreciation and impairment charges	5	35	0
Provision expense	5	5	0
Other Operating Expenditure	5	488	408
Total operating expenditure		853,215	830,069
Net Operating Expenditure		847,952	824,149
Finance income			
Finance expense		0	0
Net expenditure for the year		847,952	824,149
Net Gain/(Loss) on Transfer by Absorption		0	0
Total Net Expenditure for the year		847,952	824,149
Other Comprehensive Expenditure			
<u>Items which will not be reclassified to net operating costs</u>			
Net (gain)/loss on revaluation of PPE		0	0
Net (gain)/loss on revaluation of Intangibles		0	0
Net (gain)/loss on revaluation of Financial Assets		0	0
Actuarial (gain)/loss in pension schemes		0	0
Impairments and reversals taken to Revaluation Reserve		0	0
<u>Items that may be reclassified to Net Operating Costs</u>		0	0
Net gain/loss on revaluation of available for sale financial assets		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Sub total		0	0
Comprehensive Expenditure for the year ended 31 March 2018		847,952	824,149

The notes on pages 5 to 24 form part of this statement

NHS Sheffield Clinical Commissioning Group - Annual Accounts 2017-18

Statement of Financial Position as at
31 March 2018

		2017-18	2016-17
	Note	£'000	£'000
Non-current assets:			
Property, plant and equipment	8	260	175
Trade and other receivables	9	0	0
Total non-current assets		260	175
Current assets:			
Trade and other receivables	9	5,655	7,632
Cash and cash equivalents	10	180	141
Total current assets		5,835	7,773
Total assets		6,095	7,948
Current liabilities			
Trade and other payables	11	(42,501)	(45,015)
Provisions	12	(5)	0
Total current liabilities		(42,506)	(45,015)
Non-Current Assets plus/less Net Current Assets/Liabilities		(36,411)	(37,067)
Assets less Liabilities		(36,411)	(37,067)
Financed by Taxpayers' Equity			
General fund		(36,411)	(37,067)
Total taxpayers' equity:		(36,411)	(37,067)

The notes on pages 5 to 24 form part of this statement

The financial statements on pages 1 to 4 were approved by the Governing Body on 24th May 2018 and signed on its behalf by:

Accountable Officer
Maddy Ruff

NHS Sheffield Clinical Commissioning Group - Annual Accounts 2017-18

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

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2017-18				
Balance at 01 April 2017	(37,067)	0	0	(37,067)
Transfer between reserves in respect of assets transferred from closed NHS bodies	0	0	0	0
Adjusted NHS Clinical Commissioning Group balance at 31 March 2018	(37,067)	0	0	(37,067)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2017-18				
Net operating expenditure for the financial year	(847,952)			(847,952)
Net gain/(loss) on revaluation of property, plant and equipment		0		0
Net gain/(loss) on revaluation of intangible assets		0		0
Net gain/(loss) on revaluation of financial assets		0		0
Total revaluations against revaluation reserve	0	0	0	0
Net gain (loss) on available for sale financial assets	0	0	0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(847,952)	0	0	(847,952)
Net funding	848,608	0	0	848,608
Balance at 31 March 2018	(36,411)	0	0	(36,411)
	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2016-17				
Balance at 01 April 2016	(27,230)	0	0	(27,230)
Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0
Adjusted NHS Clinical Commissioning Group balance at 31 March 2017	(27,230)	0	0	(27,230)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2016-17				
Net operating costs for the financial year	(824,149)			(824,149)
Net gain/(loss) on revaluation of property, plant and equipment		0		0
Net gain/(loss) on revaluation of intangible assets		0		0
Net gain/(loss) on revaluation of financial assets		0		0
Total revaluations against revaluation reserve	0	0	0	0
Net gain (loss) on available for sale financial assets	0	0	0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(824,149)	0	0	(824,149)
Net funding	814,312	0	0	814,312
Balance at 31 March 2017	(37,067)	0	0	(37,067)

The notes on pages 5 to 24 form part of this statement

NHS Sheffield Clinical Commissioning Group - Annual Accounts 2017-18

Statement of Cash Flows for the year ended
31 March 2018

	Note	2017-18 £'000	2016-17 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(847,952)	(824,149)
Depreciation and amortisation	5	35	0
Impairments and reversals	5	0	0
Movement due to transfer by Modified Absorption		0	0
Other gains (losses) on foreign exchange		0	0
Donated assets received credited to revenue but non-cash		0	0
Government granted assets received credited to revenue but non-cash		0	0
Interest paid		0	0
Release of PFI deferred credit		0	0
Other Gains & Losses		0	0
Finance Costs		0	0
Unwinding of Discounts		0	0
(Increase)/decrease in inventories		0	0
(Increase)/decrease in trade & other receivables	9	1,977	2,622
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade & other payables	11	(2,518)	7,444
Increase/(decrease) in other current liabilities		0	0
Provisions utilised	12	0	0
Increase/(decrease) in provisions	12	5	0
Net Cash Inflow (Outflow) from Operating Activities		(848,453)	(814,083)
Cash Flows from Investing Activities			
Interest received		0	0
(Payments) for property, plant and equipment		(116)	(148)
(Payments) for intangible assets		0	0
(Payments) for investments with the Department of Health		0	0
(Payments) for other financial assets		0	0
(Payments) for financial assets (LIFT)		0	0
Proceeds from disposal of assets held for sale: property, plant and equipment		0	0
Proceeds from disposal of assets held for sale: intangible assets		0	0
Proceeds from disposal of investments with the Department of Health		0	0
Proceeds from disposal of other financial assets		0	0
Proceeds from disposal of financial assets (LIFT)		0	0
Loans made in respect of LIFT		0	0
Loans repaid in respect of LIFT		0	0
Rental revenue		0	0
Net Cash Inflow (Outflow) from Investing Activities		(116)	(148)
Net Cash Inflow (Outflow) before Financing		(848,569)	(814,231)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		848,608	814,312
Other loans received		0	0
Other loans repaid		0	0
Capital element of payments in respect of finance leases and on Statement of Financial Position PFI and LIFT		0	0
Capital grants and other capital receipts		0	0
Capital receipts surrendered		0	0
Net Cash Inflow (Outflow) from Financing Activities		848,608	814,312
Net Increase (Decrease) in Cash & Cash Equivalents	10	39	81
Cash & Cash Equivalents at the Beginning of the Financial Year		141	60
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		180	141

The notes on pages 5 to 24 form part of this statement

Notes to the financial statements

1 Accounting Policies

NHS England has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the Group Accounting Manual issued by the Department of Health. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 2017-18 issued by the Department of Health. The accounting policies contained in the Group Accounting Manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Group Accounting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

These accounts have been prepared on the going concern basis.

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

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

1.2 Accounting Convention

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

1.3 Pooled Budgets

Where the clinical commissioning group has entered into a pooled budget arrangement under Section 75 of the National Health Service Act 2006 the clinical commissioning group accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

If the clinical commissioning group is in a "jointly controlled operation", the clinical commissioning group recognises:

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

If the clinical commissioning group is involved in a "jointly controlled assets" arrangement, in addition to the above, the clinical commissioning group recognises:

- The clinical commissioning group's share of the jointly controlled assets (classified according to the nature of the assets);
- The clinical commissioning group's share of any liabilities incurred jointly; and,
- The clinical commissioning group's share of the expenses jointly incurred.

1.4 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

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

1.4.1 Critical Judgements in Applying Accounting Policies

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:

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

1.4.2 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:

- Basis of estimation of key accruals - NHS Sheffield Clinical Commissioning Group has included certain accruals within the financial statements which are estimates. The basis of the estimation of key accruals have been approved by the Director of Finance and reported to the Audit and Integrated Governance Committee. The key areas requiring estimation were healthcare contracts and prescribing expenditure.

1.5 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.6 Employee Benefits

1.6.1 Short-term Employee Benefits

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

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.6.2 Retirement Benefit Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the clinical commissioning group of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

1.7 Other Expenses

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

Expenses and liabilities in respect of grants are recognised when the clinical commissioning group has a present legal or constructive obligation, which occurs when all of the conditions attached to the payment have been met.

1.8 Property, Plant & Equipment

1.8.1 Recognition

Property, plant and equipment is capitalised if:

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

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.

1.8.2 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 valuation.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

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

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. 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. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Net Expenditure.

1.8.3 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.

1.9 Depreciation, Amortisation & Impairments

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 the clinical commissioning group expects to obtain economic benefits or service potential from the asset. This is specific to the clinical commissioning group and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

At each reporting period end, the clinical commissioning group checks whether there is any indication that any of its tangible 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.

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 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.

1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.10.1 The Clinical Commissioning Group as Lessee

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.

1.10.2 The Clinical Commissioning Group as Lessor

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.

1.11 Cash & Cash Equivalents

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

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

1.12 Provisions

Provisions are recognised when the clinical commissioning group has a present legal or constructive obligation as a result of a past event, it is probable that the clinical commissioning group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate as follows:

- Timing of cash flows (0 to 5 years inclusive): Minus 2.420% (previously: minus 2.70%)
- Timing of cash flows (6 to 10 years inclusive): Minus 1.85% (previously: minus 1.95%)
- Timing of cash flows (over 10 years): Minus 1.56% (previously: minus 0.80%)

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

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

1.13 Clinical Negligence Costs

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.

1.14 Non-clinical Risk Pooling

The clinical commissioning group participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the clinical commissioning group pays an annual contribution to the NHS 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.

1.15 Continuing healthcare risk pooling

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

1.16 Financial Assets

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

Financial assets are classified into the following categories:

- Financial assets at 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.

1.16.1 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 the clinical commissioning group's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

1.16.2 Held to Maturity Assets

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.

1.16.3 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.

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

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

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

1.17 Financial Liabilities

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

1.17.1 Financial Guarantee Contract Liabilities

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

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

1.17.2 Financial Liabilities at Fair Value Through Profit and Loss

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

1.17.3 Other Financial Liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18 Value Added Tax

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

1.19 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.

1.20 Losses & Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

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

1.21 Joint Operations

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

1.22 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.

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

The DH Group accounting manual does not require the following Standards and Interpretations to be applied in 2017-18. These standards are still subject to FREM adoption and early adoption is not therefore permitted.

- IFRS 9: Financial Instruments (application from 1 January 2018)
- IFRS 14: Regulatory Deferral Accounts (not applicable to DH groups bodies)
- IFRS 15: Revenue for Contract with Customers (application from 1 January 2018)
- IFRS 16: Leases (application from 1 January 2019)
- IFRS 17: Insurance Contracts (application from 1 January 2021)
- IFRIC 22: Foreign Currency Transactions and Advance Consideration (application from 1 January 2018)
- IFRIC 23: Uncertainty over Income Tax Treatments (application from 1 January 2019)

The application of the Standards as revised would not have a material impact on the accounts for 2017-18, were they applied in that year.

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2 Other Operating Revenue

	2017-18	2016-17
	Total	Total
	£'000	£'000
Recoveries in respect of employee benefits	450	344
Education, training and research	29	46
Charitable and other contributions to revenue expenditure: non-NHS	268	327
Non-patient care services to other bodies	2,401	2,375
Non cash apprenticeship training grants revenue	5	0
Other revenue	2,110	2,828
Total other operating revenue	<u>5,263</u>	<u>5,920</u>

Revenue in this note does not include cash received from NHS England, which is drawn down directly into the bank account of the clinical commissioning group and credited to the general fund.

For 2017/18, revenue shown under 'Other revenue' includes includes £1m income received from Sheffield City Council (SCC) for the recharge of prescribing costs for the services that SCC commission, £0.6m relates to pharmaceutical rebate schemes, £0.2m income for Resettlement programmes, £0.2m was income for staffing and associated costs for hosted services.

For 2016/17, revenue shown under 'Other revenue' includes £1m income received from Sheffield City Council (SCC) for the recharge of prescribing costs for the services that SCC commission, £0.8m was income for staffing and associated costs for hosted services, £0.4m relates to pharmaceutical rebate schemes, £0.4m income for Resettlement programmes and £0.1m recharge of care costs for care where SCC have funding responsibility.

3 Revenue

	2017-18	2016-17
	Total	Total
	£'000	£'000
From rendering of services	5,263	5,920
From sale of goods	0	0
Total	<u>5,263</u>	<u>5,920</u>

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4. Employee benefits and staff numbers

4.1.1 Employee benefits	2017-18	Total	
	Total £'000	Permanent Employees £'000	Other £'000
Employee Benefits			
Salaries and wages	12,428	10,623	1,805
Social security costs	1,199	1,121	78
Employer Contributions to NHS Pension scheme	1,487	1,409	78
Other pension costs	2	2	0
Apprenticeship Levy	39	39	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	29	29	0
Gross employee benefits expenditure	15,184	13,223	1,961
Less recoveries in respect of employee benefits (note 4.1.2)	(450)	(450)	0
Total - Net admin employee benefits including capitalised costs	14,734	12,773	1,961
Less: Employee costs capitalised	0	0	0
Net employee benefits excluding capitalised costs	14,734	12,773	1,961

4.1.1 Employee benefits	2016-17	Total	
	Total £'000	Permanent Employees £'000	Other £'000
Employee Benefits			
Salaries and wages	11,009	9,696	1,313
Social security costs	1,055	1,031	24
Employer Contributions to NHS Pension scheme	1,306	1,280	26
Other pension costs	0	0	0
Apprenticeship Levy	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	223	223	0
Gross employee benefits expenditure	13,593	12,230	1,363
Less recoveries in respect of employee benefits (note 4.1.2)	(344)	(344)	0
Total - Net admin employee benefits including capitalised costs	13,249	11,886	1,363
Less: Employee costs capitalised	0	0	0
Net employee benefits excluding capitalised costs	13,249	11,886	1,363

4.1.2 Recoveries in respect of employee benefits	2017-18			2016-17
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits - Revenue				
Salaries and wages	(329)	(329)	0	(275)
Social security costs	(54)	(54)	0	(31)
Employer contributions to the NHS Pension Scheme	(67)	(67)	0	(38)
Other pension costs	0	0	0	0
Other post-employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	0	0	0	0
Total recoveries in respect of employee benefits	(450)	(450)	0	(344)

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4.2 Average number of people employed

	Total Number	2017-18 Permanently employed Number	Other Number	2016-17 Total Number
Total	269	254	15	246

Of the above:

Number of whole time equivalent people engaged on capital projects	0	0	0	0
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4.3 Exit packages agreed in the financial year

	2017-18 Compulsory redundancies		2017-18 Other agreed departures		2017-18 Total	
	Number	£	Number	£	Number	£
Less than £10,000	1	2,525	0	0	1	2,525
£10,001 to £25,000	0	0	0	0	0	0
£25,001 to £50,000	1	26,683	0	0	1	26,683
£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	2	29,208	0	0	2	29,208

	2016-17 Compulsory redundancies		2016-17 Other agreed departures		2016-17 Total	
	Number	£	Number	£	Number	£
Less than £10,000	0	0	0	0	0	0
£10,001 to £25,000	0	0	1	24,859	1	24,859
£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	2	222,908	0	0	2	222,908
£150,001 to £200,000	0	0	0	0	0	0
Over £200,001	0	0	0	0	0	0
Total	2	222,908	1	24,859	3	247,767

	2017-18 Departures where special payments have been made		2016-17 Departures where special payments have been made	
	Number	£	Number	£
Less than £10,000	0	0	0	0
£10,001 to £25,000	0	0	0	0
£25,001 to £50,000	0	0	0	0
£50,001 to £100,000	0	0	0	0
£100,001 to £150,000	0	0	0	0
£150,001 to £200,000	0	0	0	0
Over £200,001	0	0	0	0
Total	0	0	0	0

Analysis of Other Agreed Departures

	2017-18 Other agreed departures		2016-17 Other agreed departures	
	Number	£	Number	£
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	1	24,859
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval*	0	0	0	0
Total	0	0	1	24,859

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

These tables report the number and value of exit packages agreed in the financial year. The expense associated with these departures may have been recognised in part or in full in a previous period.

Exit costs are accounted for in accordance with relevant accounting standards and at the latest in full in the year of departure.

Where entities has agreed early retirements, the additional costs are met by NHS Entities and not by the NHS Pension Scheme, and are included in the tables. Ill-health retirement costs are met by the NHS Pension Scheme and are not included in the tables.

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

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4.5 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

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

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

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

4.5.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

4.5.2 Full actuarial (funding) valuation

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

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

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

For 2017-18, employers' contributions of £1,410,507 were payable to the NHS Pensions Scheme (2016-17: £1,300,444) at the rate of 14.38% of pensionable pay. The scheme's actuary reviews employer contributions, usually every four years and now based on HMT Valuation Directions, following a full scheme valuation. The latest review used data from 31 March 2012 and was published on the Government website on 9 June 2012.

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5. Operating expenses

	2017-18 Total £'000	2016-17 Total £'000
Gross employee benefits		
Employee benefits excluding governing body members	14,399	12,915
Executive governing body members	785	678
Total gross employee benefits	15,184	13,593
Other costs		
Services from other CCGs and NHS England	760	689
Services from foundation trusts	533,854	522,807
Services from other NHS trusts	25,972	24,389
Services from other WGA bodies	0	2
Purchase of healthcare from non-NHS bodies*	63,893	64,358
Purchase of social care*	22,225	16,990
Chair and Non Executive Members	294	296
Supplies and services – clinical	0	0
Supplies and services – general	2,370	1,990
Consultancy services	1,633	1,126
Establishment	1,281	1,032
Transport	46	27
Premises	3,327	2,460
Depreciation	35	0
Audit fees	49	86
Other non statutory audit expenditure		
· Internal audit services	0	0
· Other services	0	0
Prescribing costs	94,589	96,568
Pharmaceutical services	376	429
General ophthalmic services	320	291
GPMS/APMS and PCTMS	86,118	81,254
Other professional fees excl. audit*	54	0
Legal fees*	450	365
Research and development (excluding staff costs)	139	49
Education and training	181	177
Provisions	5	0
CHC Risk Pool contributions	0	1,028
Non cash apprenticeship training grants	5	0
Other expenditure	55	63
Total other costs	838,031	816,476
Total operating expenses	853,215	830,069

NHS Sheffield Clinical Commissioning Group spent £1,633k in total on consultancy services in 2017/18. Of this, £1,506k related to consultancy services commissioned by the Accountable Care System (ACS), mainly in relation to the Hospital Services Review and developmental support to the ACS plan. NHS Sheffield Clinical Commissioning Group also hosts the Accountable Care Partnership (ACP) which in addition to the CCG includes the three Sheffield NHS Foundation Trusts, Sheffield City Council and Primary Care Sheffield. £32k was spent on consultancy for the ACP with £25k being recharged to the partner organisations, leaving £7k net spend for the CCG. The remaining £99k expenditure on consultancy services related to the CCGs own functions.

* The standard format for accounts that clinical commissioning groups are recommended to use has been amended to include Purchase of social care and Legal fees as separate headings. Expenditure in these areas was previously included within Purchase of healthcare from non-NHS bodies and Other professional fees excl. audit. The 2016/17 figures for these headings have been restated accordingly to aid comparison.

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6.1 Better Payment Practice Code

Measure of compliance	2017-18 Number	2017-18 £'000	2016-17 Number	2016-17 £'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	16,011	190,223	14,714	206,139
Total Non-NHS Trade Invoices paid within target	15,778	189,536	14,511	205,339
Percentage of Non-NHS Trade invoices paid within target	98.54%	99.64%	98.62%	99.61%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,227	581,696	4,179	563,685
Total NHS Trade Invoices Paid within target	4,200	580,841	4,171	563,636
Percentage of NHS Trade Invoices paid within target	99.36%	99.85%	99.81%	99.99%

7. Operating Leases

7.1 As lessee

7.1.1 Payments recognised as an Expense

	2017-18			2016-17		
	Buildings £'000	Other £'000	Total £'000	Buildings £'000	Other £'000	Total £'000
Payments recognised as an expense						
Minimum lease payments	2,937	13	2,950	2,235	18	2,253
Contingent rents	0	0	0	0	0	0
Sub-lease payments	0	0	0	0	0	0
Total	2,937	13	2,950	2,235	18	2,253

Whilst NHS Sheffield Clinical Commissioning Group has an arrangement with NHS Property Services Limited which falls within the definition of operating leases, rental charges for future years have not yet been agreed. Consequently this note does not include future minimum lease payments for the arrangement. The financial value included in the Statement of Comprehensive Net Expenditure for 2017-18 is £1,127k (2016-17 £890k).

Clinical commissioning groups are required to pay for void space in primary and community care buildings that predecessor organisations had responsibility for or commissioned services within. This arrangement with Community Health Partnerships Limited falls within the definition of operating leases but rental charges for future years have not yet been agreed. Consequently this note does not include future minimum lease payments for the arrangement. The financial value included in the Statement of Comprehensive Net Expenditure for 2017-18 is £1,710k (2016-17 £1,231k).

NHS Sheffield Clinical Commissioning Group had entered into a financial arrangement involving the use of Walk In Centre premises with One Medicare Limited. This arrangement ceased in 2016-17. Whilst this arrangement fell within the definition of an operating lease, there was no formal contract in place. The financial value included in the Statement of Comprehensive Net Expenditure for 2016-17 was £114k.

7.1.2 Future minimum lease payments

	2017-18			2016-17		
	Buildings £'000	Other £'000	Total £'000	Buildings £'000	Other £'000	Total £'000
Payable:						
No later than one year	0	11	11	0	62	62
Between one and five years	0	109	109	0	39	39
After five years	0	0	0	0	0	0
Total	0	120	120	0	101	101

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8 Property, plant and equipment

2017-18	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation at 01 April 2017	175	205	380
Addition of assets under construction and payments on account			0
Additions purchased	120	0	120
Additions donated	0	0	0
Additions government granted	0	0	0
Additions leased	0	0	0
Reclassifications	0	0	0
Reclassified as held for sale and reversals	0	0	0
Disposals other than by sale	0	0	0
Upward revaluation gains	0	0	0
Impairments charged	0	0	0
Reversal of impairments	0	0	0
Transfer (to)/from other public sector body	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0
Cost/Valuation at 31 March 2018	295	205	500
Depreciation 01 April 2017	0	205	205
Reclassifications	0	0	0
Reclassified as held for sale and reversals	0	0	0
Disposals other than by sale	0	0	0
Upward revaluation gains	0	0	0
Impairments charged	0	0	0
Reversal of impairments	0	0	0
Charged during the year	35	0	35
Transfer (to)/from other public sector body	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0
Depreciation at 31 March 2018	35	205	240
Net Book Value at 31 March 2018	260	0	260
Purchased	260	0	260
Donated	0	0	0
Government Granted	0	0	0
Total at 31 March 2018	260	0	260
Asset financing:			
Owned	260	0	260
Held on finance lease	0	0	0
On-SOFP Lift contracts	0	0	0
PFI residual: interests	0	0	0
Total at 31 March 2018	260	0	260

Revaluation Reserve Balance for Property, Plant & Equipment

	Information technology £'000	Furniture & fittings £'000	Total £'000
Balance at 01 April 2017	0	0	0
Revaluation gains	0	0	0
Impairments	0	0	0
Release to general fund	0	0	0
Other movements	0	0	0
Balance at 31 March 2018	0	0	0

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8 Property, plant and equipment cont'd

8.1 Cost or valuation of fully depreciated assets

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

	2017-18	2016-17
	£'000	£'000
Information technology	0	0
Furniture & fittings	205	205
Total	<u>205</u>	<u>205</u>

8.2 Economic lives

	Minimum	Maximum
	Life (years)	Life (Years)
Information technology	5	5
Furniture & fittings	0	0

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9 Trade and other receivables	Current 2017-18 £'000	Non-current 2017-18 £'000	Current 2016-17 £'000	Non-current 2016-17 £'000
NHS receivables: Revenue	576	0	966	0
NHS receivables: Capital	0	0	0	0
NHS prepayments	3,249	0	3,405	0
NHS accrued income	288	0	386	0
Non-NHS and Other WGA receivables: Revenue	265	0	1,355	0
Non-NHS and Other WGA receivables: Capital	0	0	0	0
Non-NHS and Other WGA prepayments	154	0	121	0
Non-NHS and Other WGA accrued income	844	0	1,256	0
Provision for the impairment of receivables	0	0	0	0
VAT	98	0	90	0
Private finance initiative and other public private partnership arrangement prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables and accruals	181	0	53	0
Total Trade & other receivables	5,655	0	7,632	0
Total current and non current	5,655		7,632	
Included above:				
Prepaid pensions contributions	0		0	

The credit quality of any receivables, that are neither past due or impaired, are all assessed to be fully recoverable.

9.1 Receivables past their due date but not impaired	2017-18 £'000	2017-18 £'000	2016-17 £'000
	DH Group Bodies	Non DH Group Bodies	All receivables prior years
By up to three months	17	14	586
By three to six months	103	8	31
By more than six months	20	6	1
Total	140	28	618

£7k of the amount above has subsequently been recovered post the statement of financial position date.

NHS Sheffield Clinical Commissioning Group did not hold any collateral against receivables outstanding as at 31 March 2018.

9.2 Provision for impairment of receivables	2017-18 £'000	2017-18 £'000	2016-17 £'000
	DH Group Bodies	Group Bodies	All receivables prior years
Balance at 01 April 2017	0	0	(123)
Amounts written off during the year	0	0	0
Amounts recovered during the year	0	0	123
(Increase) decrease in receivables impaired	0	0	0
Transfer (to) from other public sector body	0	0	0
Balance at 31 March 2018	0	0	0

Receivables are provided against at the following rates:	2017-18 %	2016-17 %
NHS debt	0	0
Debt with a payment plan in place that is being adhered to	0	0
All other non-NHS debt between 1-90 days overdue	0	0
All other non-NHS debt between 91-120 days overdue	0	0
All other non-NHS debt over 121 days overdue	0	0

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10 Cash and cash equivalents

	2017-18 £'000	2016-17 £'000
Balance at 01 April 2017	141	60
Net change in year	39	81
Balance at 31 March 2018	180	141
Made up of:		
Cash with the Government Banking Service	180	141
Cash with Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial	180	141
Bank overdraft: Government Banking Service	0	0
Bank overdraft: Commercial banks	0	0
Total bank overdrafts	0	0
Balance at 31 March 2018	180	141
Patients' money held by the clinical commissioning group, not included above	0	0

	Current 2017-18 £'000	Non-current 2017-18 £'000	Current 2016-17 £'000	Non-current 2016-17 £'000
11 Trade and other payables				
Interest payable	0	0	0	0
NHS payables: revenue	2,376	0	2,571	0
NHS payables: capital	0	0	0	0
NHS accruals	4,920	0	8,550	0
NHS deferred income	0	0	0	0
Non-NHS and Other WGA payables: Revenue	5,747	0	4,107	0
Non-NHS and Other WGA payables: Capital	31	0	27	0
Non-NHS and Other WGA accruals	27,948	0	28,512	0
Non-NHS and Other WGA deferred income	0	0	0	0
Social security costs	171	0	149	0
VAT	0	0	0	0
Tax	139	0	118	0
Payments received on account	10	0	0	0
Other payables and accruals	1,159	0	981	0
Total Trade & Other Payables	42,501	0	45,015	0
Total current and non-current	42,501		45,015	

Non-NHS and Other WGA accruals includes £15.6m Prescribing accrual, £4.8m in relation to Primary Care, £5.2m Continuing Healthcare accruals and £1.1m in relation to Non-NHS contracts (31 March 2017: £16.3m Prescribing accrual, £5.6m in relation to Primary Care, £4.9m Continuing Healthcare accruals and £1m in relation to Non-NHS contracts).

Other payables include £221k outstanding pension contributions at 31 March 2018 (31 March 2017: £194k).

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12 Provisions

	Current 2017-18 £'000	Non-current 2017-18 £'000	Current 2016-17 £'000	Non-current 2016-17 £'000
Legal claims	5	0	0	0
Total	5	0	0	0
Total current and non-current	5		0	
	Legal Claims £'000	Total £'000		
Balance at 01 April 2017	0	0		
Arising during the year	5	5		
Utilised during the year	0	0		
Reversed unused	0	0		
Unwinding of discount	0	0		
Change in discount rate	0	0		
Transfer (to) from other public sector body	0	0		
Transfer (to) from other public sector body under absorption	0	0		
Balance at 31 March 2018	5	5		
Expected timing of cash flows:				
Within one year	5	5		
Between one and five years	0	0		
After five years	0	0		
Balance at 31 March 2018	5	5		

Legal claims are calculated from the number of claims currently lodged with the NHS Resolution and the probabilities provided by them.

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 NHS Sheffield Clinical Commissioning Group. The value of legacy NHS Continuing Healthcare provisions accounted for by NHS England on behalf of this CCG at 31 March 2018 is £505k (31 March 2017: £668k).

13 Contingencies

	2017-18 £'000	2016-17 £'000
Contingent liabilities		
NHS Resolution employee liability claim	1	0
HMRC review	3	0
Net value of contingent liabilities	4	0

Legal Claims

NHS Sheffield Clinical Commissioning Group received notification of two potential claims currently under review by NHS Resolution where there may be a potential liability for the CCG. NHS resolution have indicated that the two claims have a 50% probability of being settled and as a result £5k is included as a provision (see Note 12) with £1k recognised above as a contingent liability.

HMRC periodic PAYE review

In March 2017 HMRC commenced one of their periodic reviews of compliance with PAYE regulations at the CCG. The majority of the work has concluded, however there is a level of uncertainty as to the outcome a small number of queries. It is not considered appropriate to recognise a provision within the accounts, but a small contingent liability of £3k is estimated in relation to the areas remaining under review.

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14 Commitments

14.1 Other financial commitments

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

	2017-18 £'000	2016-17 £'000
In not more than one year	1,339	1,253
In more than one year but not more than five years	1,266	2,414
In more than five years	0	0
Total	2,605	3,667

The NHS Sheffield Clinical Commissioning Group has one non-cancellable contract whose full cost exceeds £1m and is with eMBED Health Consortium to provide IT support and Business Intelligence services. The financial commitment at 31 March 2018 is £2,413k (31 March 2017: £3,667k).

15 Financial instruments

15.1 Financial risk management

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

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

Treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Sheffield Clinical Commissioning Group standing financial instructions and policies agreed by the Governing Body. Treasury activity is subject to review by the NHS Sheffield Clinical Commissioning Group and internal auditors.

15.1.1 Currency risk

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

15.1.2 Interest rate risk

The NHS Sheffield 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 NHS Sheffield Clinical Commissioning Group therefore has low exposure to interest rate fluctuations.

15.1.3 Credit risk

As the majority of the NHS Sheffield Clinical Commissioning Group's revenue comes from parliamentary funding, it 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.

15.1.3 Liquidity risk

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

15 Financial instruments cont'd

15.2 Financial assets

	At 'fair value through profit and loss' 2017-18 £'000	Loans and Receivables 2017-18 £'000	Available for Sale 2017-18 £'000	Total 2017-18 £'000
Embedded derivatives	0	0	0	0
Receivables:				
· NHS	0	864	0	864
· Non-NHS	0	1,109	0	1,109
Cash at bank and in hand	0	180	0	180
Other financial assets	0	181	0	181
Total at 31 March 2018	0	2,334	0	2,334

	At 'fair value through profit and loss' 2016-17 £'000	Loans and Receivables 2016-17 £'000	Available for Sale 2016-17 £'000	Total 2016-17 £'000
Embedded derivatives	0	0	0	0
Receivables:				
· NHS	0	1,352	0	1,352
· Non-NHS	0	2,611	0	2,611
Cash at bank and in hand	0	141	0	141
Other financial assets	0	53	0	53
Total at 31 March 2018	0	4,157	0	4,157

15.3 Financial liabilities

	At 'fair value through profit and loss' 2017-18 £'000	Other 2017-18 £'000	Total 2017-18 £'000
Embedded derivatives	0	0	0
Payables:			
· NHS	0	7,296	7,296
· Non-NHS	0	34,885	34,885
Private finance initiative, LIFT and finance lease obligations	0	0	0
Other borrowings	0	0	0
Other financial liabilities	0	0	0
Total at 31 March 2018	0	42,181	42,181

	At 'fair value through profit and loss' 2016-17 £'000	Other 2016-17 £'000	Total 2016-17 £'000
Embedded derivatives	0	0	0
Payables:			
· NHS	0	11,122	11,122
· Non-NHS	0	33,626	33,626
Private finance initiative, LIFT and finance lease obligations	0	0	0
Other borrowings	0	0	0
Other financial liabilities	0	0	0
Total at 31 March 2018	0	44,748	44,748

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16 Operating segments

NHS Sheffield Clinical Commissioning Group considers that there is only one operating segment: Commissioning of Healthcare Services.

	Gross expenditure	Income	Net expenditure	Total assets	Total liabilities	Net assets
	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning of Healthcare Services	853,215	(5,263)	847,952	6,095	(42,506)	(36,411)

During the year NHS Sheffield Clinical Commissioning Group paid £401,900k, approx. 47% of total expenditure, (2016-17: £393,677k approx. 48%) to Sheffield Teaching Hospitals NHS Foundation Trust for the purchase of healthcare and other services provided.

During the year NHS Sheffield Clinical Commissioning Group paid £82,678k, approx. 10% of total expenditure (2016-17: £82,232k approx. 10%) to Sheffield Health and Social Care NHS Foundation Trust for the purchase of healthcare and other services provided.

17 Pooled budgets

Section 75 of the National Health Services Act 2006 allows partnership arrangements between NHS bodies, Local Authorities and other agencies in order to improve and co-ordinate services. Generally each partner makes a contribution to a pooled budget, with the aim of focussing services and activities for a client group. Funds contributed are those normally used for the services represented in the pooled budget and allow the organisations involved to act in a more cohesive way.

With effect from the 1st April 2017 a new theme for mental health was added to the Better Care Fund. NHS Sheffield Clinical Commissioning Group and Sheffield City Council agreed to pool their mental health resources through joint commissioning of Mental Health Activity.

The 2016/17 Sheffield City Council comparatives have been restated by grossing up £44.2m of income previously shown net within expenditure. This adjustment more accurately shows the gross resources of the pooled budget.

The following table summarises the contributions made by Sheffield City Council and the NHS Sheffield Clinical Commissioning Group into pooled budget arrangements, along with details of previous year's comparatives:

	2017/18		Total	2016/17 (Restated)		
	NHS Sheffield CCG	Sheffield City Council		NHS Sheffield CCG	Sheffield City Council	Total
	£'000	£'000		£'000	£'000	£'000
The Better Care Fund	256,921	169,830	426,751	175,008	158,007	333,015

The CCG net contribution to the Better Care Fund for 2017/18 shown above is included within the expenditure recorded in note 5 to these accounts (Services from foundation trusts £182,530k; Purchase of healthcare from non-NHS bodies £51,174k; GPMS/APMS and PCTMS £912k; Services from other CCGs and NHS England £43k; Purchase of Social Care £22,225k; Employee Benefits £30k and Supplies and Services - General £6k).

The memorandum account for the pooled budget is:

The Better Care Fund	2017/18	2016/17 (Restated)
Income	£'000	£'000
NHS Sheffield Clinical Commissioning Group	256,921	175,008
Sheffield City Council	169,830	158,007
	<u>426,751</u>	<u>333,015</u>

Allocation of expenditure

Theme 1 - People Keeping Well in their Local Community	(9,033)	(9,756)
Theme 2 - Active Support and Recovery	(51,458)	(52,399)
Theme 3 - Independent Living Solutions	(6,303)	(6,213)
Theme 4 - Ongoing Care	(186,410)	(202,825)
Theme 5 - Adult inpatient Medical Emergency Admissions	(65,177)	(59,230)
Theme 6 - Mental Health	(105,637)	0
Theme 7 - Capital Grants	(2,733)	(2,592)
	<u>(426,751)</u>	<u>(333,015)</u>

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18 Related party transactions

Details of related party transactions with individuals are as follows:

Name & Role of Individual	Related Parties for which transactions made & Role of Individual	Purpose of Payment/Receipt	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
A Afzal, Locality Appointed GP (to 30 September 2017)	Duke Medical Centre - Senior Partner	Contract Payments/Locality Reimbursement	796	0	62	0
	Primary Care Sheffield - Practice is a Shareholder in PCS	Contract Payments	3,908	(37)	147	0
N Anumba, Locality Appointed GP	Primary Care Sheffield - Practice is a Shareholder in PCS	Contract Payments	3,908	(37)	147	0
	Woodhouse Health Centre - GP Partner	Contract Payments/Locality Reimbursement	1,484	(0)	119	0
	Woodhouse Healthcare Services Ltd - Director	Contract Payments	5	0	0	0
N Bates, GP Elected Member	Primary Care Sheffield - Practice is a Shareholder in PCS	Contract Payments	3,908	(37)	147	0
	Porterbrook Medical Centre - GP Partner	Contract Payments/Locality Reimbursement	2,132	(1)	132	0
	Sheffield Hallam University - Practice is the provider of Occupational Health Services	Mentorship/Scoping Work/Contract Payment	16	0	0	0
	Rivelin Healthcare Ltd - Minority Stakeholder	Contract Payments	44	0	5	0
G Chetty, Locality Appointed GP (from 1 October 2017)	The Mathews Practice - GP Partner & provides Minor Surgery for Sheffield surgeries	Contract Payments/Locality Reimbursement	1,063	0	68	0
M Gamsu, Lay Member	Sheffield Citizens Advice - Chair	Contract Payments	185	0	0	0
	Darnall Wellbeing - Committee Member	Contract Payments	127	0	111	0
	Leeds Beckett University - Professor, Institute for Health Development	Tuition fees for member of staff	1	0	0	0
	Voluntary Action Sheffield - Trustee	Contract Payments	79	0	0	0
T Hudson, GP Elected Member	University Health Service - GP Principal	Contract Payments	2,076	0	72	0
	Primary Care Sheffield - Practice is a Shareholder in PCS	Contract Payments	3,908	(37)	147	0
J Joyce, Locality Appointed GP (from 6 March 2018)	Pitsmoor Surgery - GP Partner	Contract Payments/Locality Reimbursement	1,322	0	83	0
	Foundry Medical Group - Board & Executive Member	Matched funding support - GPN Ready Scheme	24	0	0	0
A Majoka, GP Elected Member	Primary Care Sheffield - Practice is a Shareholder in PCS and GP for Cardiology & Gynaecology	Contract Payments	3,908	(37)	147	0
	Abbey Lane Surgery - GP Principal	Contract Payments/Locality Reimbursement	283	0	15	0
Z McMurray, Medical Director	Woodhouse Healthcare Services Ltd - Shareholder	Contract Payments	5	0	0	0
	Primary Care Sheffield - Practice is a Shareholder in PCS	Contract Payments	3,908	(37)	147	0
T Moorhead, Locality Appointed GP and Chair of the Governing Body	Oughtibridge Surgery - Senior Partner	Contract Payments/Locality Reimbursement	798	0	40	0
	Rivelin Healthcare Ltd - Minority Shareholder	Contract Payments	44	0	5	0
	Sheffield Local Medical Committee - Executive Member	Statutory & Voluntary Levy	242	0	0	0
	Baslow Road Surgery - Sibling is GP Partner	Contract Payments/Locality Reimbursement	1,453	0	104	0
M Ruff, Accountable Officer	Worklife Company - Occasionally see Director	OD Services	47	0	0	0
M Sloan, GP Elected Member	Primary Care Sheffield - Practice is a Shareholder in PCS	Contract Payments	3,908	(37)	147	0
	Sloan Medical Centre - GP Principal and Lead GP Gastroenterology Community Service	Contract Payments/Locality Reimbursement	1,441	0	88	0
L Sorsbie, Locality Appointed GP (to 05 March 2018 - on sabbatical)	Firth Park Surgery - GP Partner & Salaried GP	Contract Payments/Locality Reimbursement	1,015	0	69	0
P Taylor, Lay Member (Deputy Chair from 10 November 2017)	HFMA - Honorary Fellow and Non Executive Director and Lay Member Faculty Chair	HFMA Conference Fees	3	0	0	0

The values shown for related party transactions are for the full financial year including when the relevant individual has a part year interest in the organisation.

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:

- NHS England;
- NHS Foundation Trusts;
- NHS Trusts;
- NHS Litigation Authority; and,
- NHS Business Services Authority.

In addition, NHS Sheffield Clinical Commissioning Group has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Sheffield City Council.

Prior Year Comparator 2016-17*

Name & Role of Individual	Related Parties for which transactions made & Role of Individual	Purpose of Payment/Receipt	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
A Afzal, Locality Appointed GP	Duke Medical Centre - Senior Partner	Core Contract/Locality Reimbursement	866	0	63	0
N Anumba, Locality Appointed GP	Woodhouse Health Centre - GP Partner	Core Contract/LCS/Locality Allowance/VPN Receipts	1,704	(3)	155	0
	Woodhouse Healthcare Services Ltd - Director	Contract Payments	10	0	0	0
N Bates, GP Elected Member	Porterbrook Medical Centre - GP Partner	Core Contract/LCS/VPN Receipts	2,395	(1)	151	0
	Rivelin Healthcare Ltd - Minority Stakeholder	Contract Payments	68	0	7	0
J Boyington, Lay Member	Masonic Care Ltd - Chair	Continuing Healthcare Payments	12	0	0	0
T Furness, Chief of Business Planning and Partnership (to 1 September 2016)	Community First Sheffield LIFT Company - Local Public Sector Director	Estates Strategy Development Support	20	0	0	0
M Gamsu, Lay Member	Voluntary Action Sheffield - Trustee	Contract Payments	30	0	0	0
	Darnall Wellbeing - Committee Member	Contract Payments	73	0	0	0
	Citizens Advice - Trustee	Contract Payments	247	0	0	0
A Gill, GP Elected Member (to 23 September 2016)	Selborne Road Medical Centre - GP Principal	Core Contract/LCS/VPN Receipts	283	(0)	21	0
	NHS Sheffield CCG - GP Elected Member	Overpayment of salary	0	(2)	0	0
T Hudson, GP Elected Member (from 1 January 2017)	University of Sheffield Health Service - GP Principal	Contract Payments	2,035	0	0	0
A Majoka, GP Elected Member (from 1 January 2017)	Abbey Lane Surgery - GP Principal	Core Contract/LCS/VPN Receipts	383	(0)	26	0
Z McMurray, Medical Director	Woodhouse Healthcare Services Ltd - Shareholder	Contract Payments	10	0	0	0
T Moorhead, Chair of the Governing Body	Rivelin Healthcare Ltd - Minority Stakeholder	Contract Payments	68	0	7	0
	Oughtibridge Surgery - Senior Partner	Core Contract/LCS/Locality Allowance	898	0	51	0
	Sheffield Local Medical Committee - Executive Member	Voluntary & Statutory Levy	249	0	0	0
J Newton, Director of Finance	NHS Sheffield CCG	Pension adjustment	0	0	0	(1)
M Sloan, GP Elected Member	Sloan Medical Centre - GP Principal	Core Contract/LCS/Locality Allowance/VPN Receipts	1,657	(0)	107	0
L Sorsbie, Locality Appointed GP	Firth Park Surgery - GP Partner	Core Contract/LCS/Locality Allowance	1,150	0	105	0
T Turner, GP Elected Member (to 30 September 2016)	Shiregreen Medical Centre - GP Partner & Principal	Core Contract/LCS/Locality Allowance	932	0	76	0
	Sheffield Local Medical Committee - Committee Member	Voluntary & Statutory Levy	249	0	0	0

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19 Losses and special payments

The total number of NHS Sheffield Clinical Commissioning Group losses and special payments cases, and their total value, was as follows:

19.1 Losses

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

19.2 Special payments

	Total Number of Cases 2017-18 Number	Total Value of Cases 2017-18 £'000	Total Number of Cases 2016-17 Number	Total Value of Cases 2016-17 £'000
Compensation payments	0	0	0	0
Extra contractual Payments	0	0	0	0
Ex gratia payments	1	2	2	21
Extra statutory extra regulatory payments	0	0	0	0
Special severance payments	0	0	0	0
Total	1	2	2	21

20 Financial performance targets

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

	2017-18 Target £'000	2017-18 Performance £'000	2016-17 Target £'000	2016-17 Performance £'000
Expenditure not to exceed income	859,715	853,335	841,694	830,069
Capital resource use does not exceed the amount specified in Directions	120	120	175	175
Revenue resource use does not exceed the amount specified in Directions	854,332	847,952	835,774	824,149
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	0	0
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	0	0
Revenue administration resource use does not exceed the amount specified in Directions	12,722	10,372	12,682	11,645

