

PART 1 GOVERNING BODY 2022/23

Date of Meeting:	20 May 2022
Agenda Item:	3.6
Subject:	Draft Annual Accounts 2021/22
Reporting Officer:	Jonathan Evans
Aim of Paper	To present the 2021/22 draft annual accounts to Governing Body members for information

Governance route prior to Governing Body	Meeting Date	Objective / Outcome
Governing Body - Statutory		
Audit Committee - Statutory	22/04/22	Approved
Remuneration Committee - Statutory		
Primary Care Commissioning Committee - Statutory		
Clinical and Professional Advisory Panel		
Information Governance Management Group		
Locality Engagement Group		
Patient and Public Engagement Committee		
Quality and Safeguarding Committee / Group		
Integrated Commissioning Board (RBC/HMR CCG)		
Strategic Place Board (previous HWBB – RBC)		
Other:		

Governing Body Resolution Required:	For Discussion
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Recommendation: Members are asked to review the attached draft set of accounts and make comments and observations as appropriate

Link to Strategic Objectives (SO):

SO1: To be a high performing CCG, deliver out statutory duties and use our available resources innovatively to deliver the best outcomes for our population	Yes
SO2: To deliver on the outcomes of the Locality Plan in respect of Prevention and Access (Prevention and Self Care)	No
SO3: To deliver on the outcomes of the Locality Plan in respect of Neighbourhoods & Primary Care (Getting help in the Community)	No
SO4: To deliver on the outcomes of the Locality Plan in respect of In Hospital - Planned (Getting more help)	No
SO5: To deliver on the outcomes of the Locality Plan in respect of In Hospital – Urgent Care (Getting more help)	No
SO6: To deliver on the outcomes of the Locality Plan in respect of Children, young people and families	No
SO7: To deliver on the outcomes of the Locality Plan in respect of Mental Health	No

RISK LEVEL (To be reviewed in line with the Risk Policy)**RAG Status:** *AMBER***Comments:** The risk will remain at amber until such time as Grant Thornton have completed their audit**CONTENT APPROVAL / SIGN OFF****The contents of this paper have been reviewed and approved by:**

Not applicable

Clinical Content signed off by:

Not applicable

Financial content signed off by:

Head of Finance, Management Accounts - Damian Mercer

Clinical Engagement taken place: Not Applicable**Patient and Public Involvement:** Not Applicable**Patient Data Impact Assessment:** Not Applicable**Equality Analysis / Human Rights Assessment Completed:** Not Applicable

EXECUTIVE SUMMARY

Attached are the draft accounts for the year ending 31st March 2022. The accounts are subject to audit and have been produced from the CCG templates that have been submitted to NHS England, via SharePoint on the 26th of April 2022. The draft accounts have been presented and approved by Audit Committee prior to submission on the 22nd of April 2022.

As for previous accounts, lines and notes with no values have been removed where this does not distort the reader's understanding.

HMR CCG has met its 2021/22 financial obligation and business rules by breaking even in the financial year and achieving its control total.

Also attached are variance analyses showing:

- 2021/22 versus 2020/21 expenditure
- 2021/22 budget versus outturn variance

Members are asked to review the attached and make any comments and observations as appropriate.

Data entered below will be used throughout the workbook:

Entity name:	NHS Heywood Middleton and Rochdale CCG
This year	2021-22
Last year	2020-21
This year ended	31-March-2022
Last year ended	31-March-2021
This year commencing:	01-April-2021
Last year commencing:	01-April-2020

FOREWORD TO THE ACCOUNTS

NHS Heywood Middleton and Rochdale CCG

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

These accounts for the year ended 31 March 2022 have been prepared by Heywood Middleton and Rochdale Clinical Commissioning Group under section 17 of schedule 1A of the National Health Service Act 2006 (as amended) in the form which the Secretary of State has, with the approval of the Treasury, directed.

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

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**Statement of Comprehensive Net Expenditure for the year ended
31 March 2022**

	Note	2021-22 £'000	2020-21 £'000
Income from sale of goods and services	2	(1,914)	(983)
Other operating income		-	-
Total operating income		(1,914)	(983)
Staff costs	4	5,551	5,316
Purchase of goods and services	5	415,984	394,615
Other Operating Expenditure	5	172	146
Total operating expenditure		421,707	400,077
Net Operating Expenditure		419,793	399,094
Comprehensive Expenditure for the year		419,793	399,094

The notes on pages 1 to 24 form part of this statement

**Statement of Financial Position as at
31 March 2022**

	2021-22	2020-21
Note	£'000	£'000
Non-current assets:		
Other financial assets	9 200	200
Total non-current assets	200	200
Current assets:		
Trade and other receivables	8 613	1,382
Cash and cash equivalents	10 18	11
Total current assets	631	1,393
Total assets	831	1,593
Current liabilities		
Trade and other payables	11 (28,205)	(22,188)
Total current liabilities	(28,205)	(22,188)
Non-Current Assets plus/less Net Current Assets/Liabilities	(27,374)	(20,595)
Assets less Liabilities	(27,374)	(20,595)
Financed by Taxpayers' Equity		
General fund	(27,374)	(20,595)
Total taxpayers' equity:	(27,374)	(20,595)

The notes on pages 1 to 24 form part of this statement

The financial statements on pages 1 to 24 were approved by the Audit Committee on xxx and signed on its behalf by:

Accountable Officer

Chair of Audit Committee

**Statement of Changes In Taxpayers Equity for the year ended
31 March 2022**

	General fund £'000	Total reserves £'000
Changes in taxpayers' equity for 2021-22		
Balance at 01 April 2021	(20,595)	(20,595)
Adjusted NHS Clinical Commissioning Group balance at 31 March 2021	(20,595)	(20,595)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2021-22		
Net operating expenditure for the financial year	(419,793)	(419,793)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial year	(419,793)	(419,793)
Net funding	413,015	413,015
Balance at 31 March 2022	<u>(27,374)</u>	<u>(27,374)</u>
	General fund £'000	Total reserves £'000
Changes in taxpayers' equity for 2020-21		
Balance at 01 April 2020	(21,388)	(21,388)
Adjusted NHS Clinical Commissioning Group balance at 31 March 2021	(21,388)	(21,388)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2020-21		
Net operating costs for the financial year	(399,094)	(399,094)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(399,094)	(399,094)
Net funding	399,887	399,887
Balance at 31 March 2021	<u>(20,595)</u>	<u>(20,595)</u>

The notes on pages 1 to 24 form part of this statement

**Statement of Cash Flows for the year ended
31 March 2022**

	Note	2021-22 £'000	2020-21 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(419,793)	(399,094)
(Increase)/decrease in trade & other receivables	8	769	1,108
Increase/(decrease) in trade & other payables	11	6,017	(1,951)
Net Cash Inflow (Outflow) from Operating Activities		(413,008)	(399,937)
Cash Flows from Investing Activities			
(Payments) for other financial assets		0	0
Net Cash Inflow (Outflow) from Investing Activities		0	0
Net Cash Inflow (Outflow) before Financing		(413,008)	(399,937)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		413,015	399,887
Net Cash Inflow (Outflow) from Financing Activities		413,015	399,887
Net Increase (Decrease) in Cash & Cash Equivalents	10	7	(51)
Cash & Cash Equivalents at the Beginning of the Financial Year		11	62
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year		18	11

The notes on pages 1 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 and Social Care. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 2021-22 issued by the Department of Health and Social Care. The accounting policies contained in the Group Accounting Manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Group Accounting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

The Health and Social Care Bill was introduced into the House of Commons on 6 July 2021. The Bill will allow for the establishment of Integrated Care Boards (ICB) across England and will abolish clinical commissioning groups (CCG). ICBs will take on the commissioning functions of CCGs. Should the Bill be passed the CCG functions, assets and liabilities will therefore transfer to an ICB.

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. The statement of financial position has therefore been drawn up at 31 March 2022 on a 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

The clinical commissioning group has entered into a pooled budget arrangement with Rochdale Borough Council (RBC) [in accordance with section 75 of the NHS Act 2006]. Under the arrangement, funds are pooled to enable joint design, development, procurement and monitoring of services for local people and note 15 to the accounts provides details of the income and expenditure.

The pool is hosted by RBC. 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

1.4 Revenue

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- As per paragraph 121 of the Standard the clinical commissioning group will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- The clinical commissioning group is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the clinical commissioning group to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of funding for the Clinical Commissioning Group is from NHS England. This is drawn down and credited to the general fund. Funding is recognised in the period in which it is received.

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

Payment terms are standard reflecting cross government principles.

The value of the benefit received when the clinical commissioning group accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

1.5 Employee Benefits

1.5.1 Short-term Employee Benefits

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

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

1.5.2 Retirement Benefit Costs

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as if they were a defined contribution scheme; the cost recognised in these accounts represents the contributions payable for the year. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

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

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

1.6 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.

1.7 Grants Payable

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

Notes to the financial statements

1.8 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.

1.8.1 The Clinical Commissioning Group as Lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest of the remaining balance of the liability. Finance charges are recognised in calculating the clinical commissioning group's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.9 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.

1.10 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:

All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A nominal short-term rate of 0.47% (2020-21: 0.02%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 0.70% (2020-21: 0.18%) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.
- A nominal long-term rate of 0.95% (2020-21: 1.99%) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.
- A nominal very long-term rate of 0.66% (2020-21: 1.99%) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.

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.

1.11 Clinical Negligence Costs

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

1.12 Non-clinical Risk Pooling

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

1.13 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the clinical commissioning group, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the clinical commissioning group. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

Notes to the financial statements

1.14 Financial Assets

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

Financial assets are classified into the following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income and ;
- Financial assets at fair value through profit and loss.

The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

1.14.1 Financial Assets at Amortised cost

and where the cash flows are solely payments of principal and interest. This includes most trade receivables and other simple debt instruments. After initial recognition these financial assets are measured at amortised cost using the effective interest method less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

1.14.2 Financial assets at fair value through other comprehensive income

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

1.14.3 Financial assets at fair value through profit and loss

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

1.14.4 Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the clinical commissioning group recognises a loss allowance representing the expected credit losses on the financial asset.

The clinical commissioning group adopts the simplified approach to impairment in accordance with IFRS 9, and measures the loss allowance for trade receivables, lease receivables and contract assets at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2) and otherwise at an amount equal to 12 month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds and Exchequer Funds assets where repayment is ensured by primary legislation. The clinical commissioning group therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's lengths bodies and NHS bodies and the clinical commissioning group does not recognise allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.15 Financial Liabilities

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

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

1.15.2 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 and Social Care, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.16 Value Added Tax

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

Notes to the financial statements

1.17 Losses & Special Payments (where reported in financial statements)

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).

1.18 Critical accounting judgements and key sources of estimation uncertainty

In the application of the clinical commissioning group's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

1.18.1 Critical accounting judgements in applying accounting policies

The following are the judgements, apart from those involving estimations, that management has made in the process of applying the clinical commissioning group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.18.2 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

The CCG has continued to use established estimation techniques, based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed.

However, there is no material estimation uncertainty that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Therefore, having considered the relevant accounting principles, the CCG concludes that there are no such sources of estimation uncertainties to report as part of preparation of the financial statements for year ended 31 March 2022.

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

The Department of Health and Social Care GAM does not require the following IFRS Standards and Interpretations to be applied in 2021-22. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2022/23, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases – IFRS 16 Leases has been deferred until 1 April 2022, but CCGs will still need to provide adequate disclosure on the impact of the new standard. HM Treasury have issued application guidance which will assist entities in assessing the impact and this can be found at [IFRS_16_Application_Guidance_December_2020.pdf](#) ([publishing.service.gov.uk](#)).

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The clinical commissioning group will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the clinical commissioning group will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the clinical commissioning group's incremental borrowing rate. The clinical commissioning group's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the clinical commissioning group will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be April 2023: early adoption is not therefore permitted.

2 Other Operating Revenue

	2021-22	2020-21
	Total	Total
	£'000	£'000
Income from sale of goods and services (contracts)		
Non-patient care services to other bodies	1,352	617
Other Contract income	333	254
Recoveries in respect of employee benefits	229	112
Total Income from sale of goods and services	<u>1,914</u>	<u>983</u>
Total Operating Income	<u>1,914</u>	<u>983</u>

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

2021-22	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000
Source of Revenue			
NHS	547	2	-
Non NHS	805	331	229
Total	1,352	333	229

	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000
Timing of Revenue			
Point in time	1,352	333	229
Over time	-	-	-
Total	1,352	333	229

2020-21	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000
Source of Revenue			
NHS			
Non NHS	617	254	112
Total	617	254	112

	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000
Timing of Revenue			
Point in time	617	254	112

Over time
Total

617

254

112

4. Employee benefits and staff numbers

4.1.1 Employee benefits

	Total		2021-22
	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	4,329	10	4,338
Social security costs	457	-	457
Employer Contributions to NHS Pension scheme	746	-	746
Other pension costs	2	-	2
Apprenticeship Levy	7	-	7
Gross employee benefits expenditure	5,541	10	5,551
Less recoveries in respect of employee benefits (note 4.1.2)	(229)	-	(229)
Total - Net admin employee benefits including capitalised costs	5,313	10	5,322
Less: Employee costs capitalised	-	-	-
Net employee benefits excluding capitalised costs	5,313	10	5,322

4.1.1 Employee benefits

	Total		2020-21
	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	4,142	13	4,155
Social security costs	427	-	427
Employer Contributions to NHS Pension scheme	724	-	724
Other pension costs	2	-	2
Apprenticeship Levy	7	-	7
Gross employee benefits expenditure	5,303	13	5,316
Less recoveries in respect of employee benefits (note 4.1.2)	(112)	-	(112)
Total - Net admin employee benefits including capitalised costs	5,191	13	5,204
Less: Employee costs capitalised	-	-	-
Net employee benefits excluding capitalised costs	5,191	13	5,204

4.1.2 Recoveries in respect of employee benefits

	Permanent Employees £'000	Other £'000	2021-22	2020-21
			Total £'000	Total £'000
Employee Benefits - Revenue				
Salaries and wages	(229)	0	(229)	(112)
Total recoveries in respect of employee benefits	(229)	0	(229)	(112)

4.2 Average number of people employed

	2021-22			2020-21		
	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number	Total Number
Total	83.53	0.10	83.63	85.84	1.00	86.84

4.3 Exit packages agreed in the financial year

There were no Exit Packages agreed in the year.

4.4 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

4.4.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

4.4.2 Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

5. Operating expenses

	2021-22	2020-21
	Total	Total
	£'000	£'000
Purchase of goods and services		
Services from other CCGs and NHS England	308	260
Services from foundation trusts	170,156	64,454
Services from other NHS trusts	86,401	184,857
Purchase of healthcare from non-NHS bodies	71,170	64,259
Prescribing costs	43,561	42,075
GPMS/APMS and PCTMS	35,907	32,887
Supplies and services – clinical	2	10
Supplies and services – general	4,490	2,428
Establishment	1,283	555
Transport	300	330
Premises	2,077	2,209
Audit fees	65	59
Other non statutory audit expenditure		
· Internal audit services	29	29
· Other services	24	12
Other professional fees	203	160
Legal fees	-	-
Education, training and conferences	8	31
Total Purchase of goods and services	415,984	394,615
Other Operating Expenditure		
Chair and Non Executive Members	167	160
Clinical negligence	5	4
Expected credit loss on receivables	-	(18)
Other expenditure	-	-
Total Other Operating Expenditure	172	146
Total operating expenditure	416,156	394,761

In accordance with SI 2008 no.489, *The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008*, the CCG's contract with its auditors provides for a limitation of the auditor's liability of £2m.

Audit fees include VAT that is not recoverable by the CCG.

Legal Fees are mapped to Other Professional Fees in 2021/22 as per NHSE guidance.

Other non statutory audit expenditure - Other services relates to the Mental Health Investment Standard Audit.

6.1 Better Payment Practice Code

The Better Payment Practice Code requires the Clinical Commissioning Group to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. Currently the target set by the Department of Health is 95%.

Measure of compliance	2021-22	2021-22	2020-21	2020-21
	Number	£'000	Number	£'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	10,117	104,984	11,106	99,727
Total Non-NHS Trade Invoices paid within target	10,034	104,663	11,008	99,308
Percentage of Non-NHS Trade invoices paid within target	99.18%	99.69%	99.12%	99.58%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	358	259,213	1,003	255,372
Total NHS Trade Invoices Paid within target	335	259,185	988	255,356
Percentage of NHS Trade Invoices paid within target	93.58%	99.99%	98.50%	99.99%

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

The CCG has received no claims and made no payments of interest or compensation for the late payments of commercial debts in 2021-22 or 2020-21.

7. Operating Leases

IFRS 16 Leases

A new reporting standard for leases will be adopted by the CCG from 1st April 2022.

The change in financial reporting will mean that a single model for all leases will be adopted by lessees that includes recognising a 'Right of Use' asset and lease payment obligations reported on the Statement of Financial Position.

An initial assessment of the impact that the new standard will have on the financial statements is outlined as follows:

The impact on the Statement of Comprehensive Net Expenditure is £3k

The impact on the Statement of Financial Position is an asset of £767k with a liability of the same amount.

7.1 As lessee

7.1.1 Payments recognised as an Expense

	2021-22			2020-21		
	Buildings £'000	Other £'000	Total £'000	Buildings £'000	Other £'000	Total £'000
Payments recognised as an expense						
Minimum lease payments	95	0	95	1,134	1	1,135
Contingent rents	-	-	-	-	-	-
Sub-lease payments	-	-	-	-	-	-
Total	95	0	95	1,134	1	1,135

For 2021-22 the minimum lease payments of £95k relate to the use of Number One Riverside as the Headquarters for the CCG. 2020-21 figures previously included costs associated with Void and Subsidy costs which form part of note 5 but do not form part of note 7.1.1. The 2020-21 minimum lease payments was £96k once the void and subsidy costs are removed.

7.2 As lessor

7.2.1 Rental revenue

The Clinical Commissioning Group had no rental revenue as a lessor during 2021-22 (2020-21 nil)

The Clinical Commissioning Group had no future minimum rental value as a lessor during 2021-22 (2020-21 Nil)

8.1 Trade and other receivables

	Current 2021-22 £'000	Current 2020-21 £'000
NHS receivables: Revenue	69	132
NHS prepayments	-	13
NHS accrued income	-	857
Non-NHS and Other WGA receivables: Revenue	558	202
Non-NHS and Other WGA prepayments	(15)	127
Non-NHS and Other WGA accrued income	-	9
Expected credit loss allowance-receivables	-	-
VAT	0	42
Total Trade & other receivables	613	1,382
Total current and non current	613	1,382
Included above:		
Prepaid pensions contributions	-	-

8.2 Receivables past their due date but not impaired

	2021-22 DHSC Group Bodies £'000	2021-22 Non DHSC Group Bodies £'000	2020-21 DHSC Group Bodies £'000	2020-21 Non DHSC Group Bodies £'000
By up to three months	-	111	80	188
By three to six months	-	29	-	-
By more than six months	-	-	-	10
Total	-	140	80	198

	Trade and other receivables - Non DHSC Group Bodies £'000	Total £'000
8.3 Loss allowance on asset classes		
Balance at 01 April 2021	-	-
Lifetime expected credit loss on credit impaired financial assets	-	-
Lifetime expected credit losses on trade and other receivables-Stage 2	-	-
Lifetime expected credit losses on trade and other receivables-Stage 3	-	-
Credit losses recognised on purchase originated credit impaired financial assets	-	-
Amounts written off	-	-
Total	-	-

9 Other financial assets

9.1 Non-current

	2021-22 £'000	2020-21 £'000
Balance at 01 April 2021	200	200
Additions	-	-
Balance at 31 March 2022	<u>200</u>	<u>200</u>

Corporate Services Delivery Vehicle investment

The CCG has invested a sum of £200,000 in the Corporate Services Delivery Vehicle (CSDV). The purpose of the CSDV is to improve corporate services across Greater Manchester, deliver savings and increase resilience.

This investment, depending on performance of the CSDV, will receive the equivalent of dividends after an initial period. Investors will place their funds with the CSDV however, the investment will not be able to be withdrawn for a period of two years until 1st April 2022.

From year 3 onwards the CSDV will be expected to pay an annual dividend to investors based on its financial performance for the financial year. The 'dividend payments' will represent a portion of the operating surplus after the CSDV has accumulated its target level of reserves.

Investors may withdraw their capital after the two years of investment, either in full or in part. Their future dividend payments would then reduce or no longer be payable.

10 Cash and cash equivalents

	2021-22 £'000	2020-21 £'000
Balance at 01 April 2021	11	62
Net change in year	7	(51)
Balance at 31 March 2022	<u>18</u>	<u>11</u>
Made up of:		
Cash with the Government Banking Service	18	11
Cash and cash equivalents as in statement of financial position	<u>18</u>	<u>11</u>
 Balance at 31 March 2022	 <u>18</u>	 <u>11</u>

11 Trade and other payables	Current 2021-22 £'000	Current 2020-21 £'000
NHS payables: Revenue	332	327
NHS accruals	707	194
Non-NHS and Other WGA payables: Revenue	1,555	2,188
Non-NHS and Other WGA accruals	22,510	16,918
Social security costs	66	70
Tax	50	54
Payments received on account	-	2
Other payables and accruals	2,985	2,434
Total Trade & Other Payables	<u>28,205</u>	<u>22,188</u>
Total current and non-current	<u>28,205</u>	<u>22,188</u>

Other payables include £287k outstanding pension contributions at 31 March 2022 (£345k at 31 March 2021)

12 Provisions

The Clinical Commissioning Group has no provisions in 2021-22 and had none in 2020-21.

13 Financial instruments

13.1 Financial risk management

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

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

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

13.1.1 Currency risk

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

13.1.2 Liquidity risk

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

13.1.3 Financial Instruments

As the cash requirements of NHS England are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NHS England's expected purchase and usage requirements and NHS England is therefore exposed to little credit, liquidity or market risk.

13 Financial instruments cont'd

13.2 Financial assets

	Financial Assets measured at amortised cost 2021-22 £'000	Total 2021-22 £'000
Trade and other receivables with NHSE bodies	3	3
Trade and other receivables with other DHSC group bodies	70	70
Trade and other receivables with external bodies	553	553
Other financial assets	200	200
Cash and cash equivalents	18	18
Total at 31 March 2022	845	845

	Financial Assets measured at amortised cost 2020-21 £'000	Total 2020-21 £'000
Trade and other receivables with NHSE bodies	132	132
Trade and other receivables with other DHSC group bodies	857	857
Trade and other receivables with external bodies	210	210
Other financial assets	200	200
Cash and cash equivalents	11	11
Total at 31 March 2020	1,410	1,410

13.3 Financial liabilities

	Financial Liabilities measured at amortised cost 2021-22 £'000	Total 2021-22 £'000
Trade and other payables with NHSE bodies	16	16
Trade and other payables with other DHSC group bodies	1,023	1,023
Trade and other payables with external bodies	27,050	27,050
Total at 31 March 2022	28,089	28,089

	Financial Liabilities measured at amortised cost 2020-21 £'000	Total 2020-21 £'000
Trade and other payables with NHSE bodies	11	11
Trade and other payables with other DHSC group bodies	7,621	7,621
Trade and other payables with external bodies	14,429	14,429
Total at 31 March 2021	22,061	22,061

The carrying value will also be the fair value as the assets and liabilities for the CCG are for 12 months or less.

14 Operating segments

The CCG only has one operating segment which is the commissioning of healthcare.

15 Joint arrangements - interests in joint operations

NHS HMR CCG and RBC have a pooled budget for the Better Care Fund. This is hosted by Rochdale Borough Council and is governed in line with a formal S75 agreement.

The name of this joint arrangement is Framework Partnership Agreement relating to the Commissioning of Integrated Health and Social Care Services.

The business is primarily conducted at One Riverside, Smith Street, Rochdale.

NHS HMR CCGs participating contribution is £18.9m (2020/21 £17.4m) (RBC £12.3m (2020/21 £12.3m) and the purpose of this arrangement is to enable joint design, development, procurement and monitoring of services for local people.

Control arrangements over the Pooled budget have not changed during the year.

The clinical commissioning group's share of the income and expenditure handled by the BCF pooled budget in the financial year were:

	2021-22	2020-21
	£'000	£'000
Income	18,884	17,394
Expenditure	(18,884)	(17,394)

NHS HMR CCG and RBC also have a pooled budget for the provision of All Age Health and Social Care Services. This is hosted by Rochdale Borough Council and is governed in line with the S75 agreement above.

NHS HMR CCG CCGs participating contribution is £280.6m (2020/21 £263.1m) (RBC £106.0m (2020/21 £102.0m) and the purpose of this arrangement is to enable joint design, development, procurement and monitoring of services for local people.

The clinical commissioning group's share of the income and expenditure handled by the pooled budget in the financial year were:

	2021-22	2020-21
	£'000	£'000
Income	280,562	263,110
Expenditure	(280,562)	(263,110)

16 Related party transactions

2021/22

Details of related party transactions with individuals are as follows:

Dr Chris Duffy is Clinical Chair and a GP Partner at Heywood Health. His spouse is an employee of The Northern Care Alliance (NCA) which was a newly created organisation incorporated on 1st October 2021, bringing together both staff and services from Pennine Acute Hospitals and Salford Royal NHS Foundation Trust.
 Dr Bodrul Alam, GP Partner at Edenfield Road Surgery. His spouse is a salaried GP at Dawes Family Practice.
 Kate Jones is CEO of Healthwatch Rochdale
 Dr Sonal Sharma is GP at Inspire Medical Centre and GP Champion Quality Research for HMR - Manchester University
 Dr Chris Duffy, Dr Sonal Sharma and Dr Bodrul Alam are shareholders in GP Care.
 Dr Ghafoor is a GP at Peterloo Medical Centre
 Dr Aggy York is a salaried GP at Pennine Surgery

	Payments to Related Party £'000	Receipts from Related Party £'000	Amounts owed to Related Party £'000
HEYWOOD HEALTH	1,080	-	84
EDENFIELD ROAD SURGERY	1,293	-	92
GPCARE	497	-	45
DAWES FAMILY PRACTICE	1,428	-	150
MANCHESTER UNIVERSITY	-	-	-
INSPIRE MEDICAL CENTRE	570	-	18
PETERLOO MEDICAL CENTRE	1,184	-	49
PENNINE SURGERY	425	-	28
PENNINE ACUTE HOSPITALS TRUST	74,710	(3)	15
HEALTHWATCH ROCHDALE	21	-	-
SALFORD ROYAL NHSFT	98,740	-	628

The figures stated above relate to the full financial year 2021/22.

The Department of Health and Social Care 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 of Health and Social Care is regarded as the parent Department. Applicable entities:

CENTRAL MANCHESTER UNIVERSITY HOSPITALS NHS FT
 NHS ENGLAND
 NHS GREATER MANCHESTER SHARED SERVICES
 NHS PENSIONS
 NORTH WEST AMBULANCE SERVICE NHS TRUST
 WRIGHTINGTON WIGAN & LEIGH NHS FOUNDATION TRUST
 OLDHAM CCG

2020/21

Details of related party transactions with individuals are as follows:

Dr Chris Duffy is Clinical Chair and a GP Partner at Heywood Health. His spouse is an employee of Pennine Acute Hospitals NHST.
 Dr Bodrul Alam, GP Partner at Edenfield Road Surgery. His spouse is a salaried GP at Dawes Family Practice.
 Kate Jones is CEO of Healthwatch Rochdale
 Dr Sonal Sharma is GP at Inspire Medical Centre and GP Champion Quality Research for HMR - Manchester University
 Dr Chris Duffy, Dr Sonal Sharma and Dr Bodrul Alam are shareholders in GP Care.
 Dr Ghafoor is a GP at Peterloo Medical Centre
 Dr Aggy York is a salaried GP at Pennine Surgery

	Payments to Related Party £'000	Receipts from Related Party £'000	Amounts owed to Related Party £'000
HEYWOOD HEALTH	1,141	-	77
EDENFIELD ROAD SURGERY	1,254	-	66
GPCARE	414	-	6
DAWES FAMILY PRACTICE	1,251	-	61
MANCHESTER UNIVERSITY	-	-	-
INSPIRE MEDICAL CENTRE	557	-	13
PETERLOO MEDICAL CENTRE	1,196	-	65
PENNINE SURGERY	399	-	25
PENNINE ACUTE HOSPITALS TRUST	175,438	-	-
HEALTHWATCH ROCHDALE	6	-	-

The figures stated above relate to the full financial year 2020/21.

The Department of Health and Social Care 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 of Health and Social Care is regarded as the parent Department. Applicable entities:

CENTRAL MANCHESTER UNIVERSITY HOSPITALS NHS FT
 NHS ENGLAND
 NHS GREATER MANCHESTER SHARED SERVICES
 NHS PENSIONS
 NORTH WEST AMBULANCE SERVICE NHS TRUST
 WRIGHTINGTON WIGAN & LEIGH NHS FOUNDATION TRUST
 OLDHAM CCG

17 Events after the end of the reporting period

No events have occurred that require reporting.

18 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:

	2021-22 Target £000	2021-22 Performance £000	2020-21 Target £000	2020-21 Performance £000	Duty Achieved Y/N
Expenditure not to exceed income	421,713	421,700	400,212	400,077	Y
Capital resource use does not exceed the amount specified in Directions	-	-	-	-	-
Revenue resource use does not exceed the amount specified in Directions	419,799	419,786	399,229	399,094	Y
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	-	-	-
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	-	-	-
Revenue administration resource use does not exceed the amount specified in Directions	4,358	4,358	4,404	4,385	Y

19 Losses and Special Payments

There have been no losses or special payments in 2021/22

2021/22 Spend against 2020/21 Spend

Purchase of goods and services	2021/22			2020/21	VARIANCE	COMMENTS
	ADMIN	PROGRAMME	TOTAL	TOTAL		
	£000	£000	£000	£000		
Services from other CCGs and NHS England	52	256	308	260	48	This increase is due to CCGs all contributing to pressures across GM for which Manchester CCG invoiced
Services from foundation trusts	0	170,185	170,185	64,454	105,731	Costs associated with Pennine Acute Hospitals Trust (PAHT) from October onwards are now coded here as PAHT and Salford Royal Foundation Trust became one organisation known as the Northern Care Alliance (NCA). The NCA currently use Salford Royal's analysis code in the ledger and as such, the costs are coded to "Services from foundation trusts". Please see corresponding reduction in "Services from other trusts" below. The net increase of £7.3m relates to the tariff inflation which includes the 3% pay award and as such, block contracts with acute providers were adjusted to account for this increase.
Services from other NHS trusts	13	86,388	86,401	184,857	-98,456	Please see above
Purchase of healthcare from non-NHS bodies	0	71,170	71,170	64,259	6,911	Investment of £1.2m in Transforming Community Services, a £1.5m increase in contribution to the Better Care fund, a £1m non recurrent investment in the Voluntary Sector and Non NHS Mental Health providers as well as an increase in Independent Sector Activity in Acute of £3.2m has seen the purchase of healthcare from non-NHS bodies to increase.
Prescribing costs	0	43,561	43,561	42,075	1,486	Inflation of £0.7m and the impact of covid on prescribing of £0.8m has led to the increase costs of £1.5m
GPMS/APMS and PCTMS	0	35,907	35,907	32,887	3,020	Increase in GP contracts, inflation and national funding to GP's, which sits in Co-Commissioning
Supplies and services – clinical	0	2	2	10	-8	Not material
Supplies and services – general	913	3,547	4,460	2,428	2,032	This increase is in line with the additional investment within primary care co-commissioning on top of the national contract increase seen above within "GPMS/APMS and PCTMS"
Consultancy services		0	0	0	0	No consultancy used in 2021/22 or 2020/21
Establishment	113	1,170	1,283	555	728	This increase is primarily in relation to the non recurrent spend for the Attend Anywhere Platform used by Manchester FT and Pennine Care NHS FT. The CCG received non recurrent allocations to fund this.

Transport	0	300	300	330	-30	Not material
Premises	98	1,979	2,077	2,209	-132	Backdated credit notes for bookable space in CHP buildings.
Audit fees	65	0	65	59	6	Not material
Other non statutory audit expenditure						
· Internal audit services	29	0	29	29	0	Not material
· Other services	0	24	24	12	12	Not material
Other professional fees	69	135	204	160	45	Increase in costs for Interpreters within Primary Care
Education and training	7	1	8	31	-23	Not material
Total Purchase of goods and services	1,359	414,625	415,984	394,615	21,369	

2020/21 Outturn V Budget

Row Labels	Sum of YTD Budget £000	Sum of YTD Actual £000	Sum of YTD Variance £000	Comment
Acute	202,854	202,818	-36	Not material
Community	47,574	47,290	-284	Activity from BOC for community ECG's was lower than planned in 2021/22 due to Covid restrictions as well as the CCG receiving additional funding from the LA for End of Life Care.
Continuing Care	14,075	13,360	-715	2021/22 saw a large number of clawbacks relating to audits the CHC team undertook around Personal Health Budgets
Corporate	4,358	4,358	0	Not material
Mental Health	42,934	42,610	-324	2021/22 saw a lower than planned outturn on activity relating to IAPT as well as a reduction on anticipated contribution towards GM Transformation schemes
Other	14,579	15,487	908	The impact of properties within community services transferring to NHS Property Services and therefore moving to a market rent model as well as increased non recurrent LA support for the delivery of Discharge to Assess, Integrated Neighbourhood Teams and Intermediate Tier Services
Primary Care	53,967	54,821	854	The impact of Covid has increased the volume and therefore the cost of prescribing over and above plan
Co-Commissioning	37,236	36,827	-409	Delays in recruitment to the Additional Roles scheme as well as an underachievement on 20/21 QoF has led to an underspend in Co-Commissioning
Hospital Discharge Programme	2,222	2,222	0	Costs for the Hospital Discharge Programme were matched with a corresponding allocation from NHSE
Grand Total	419,799	419,793	-6	