NHS
Hull
Clinical Commissioning Group

2016-17
Annual Report and Accounts

HFMA AWARDS 2016
WINNER
Accounts Team of the Year

Creating a healthier Hull

HULL 2017
UK City of Culture
MAJOR PARTNER

Welcome

From the CCG Chair & Chief Officer

Dr. Dan Roper
CCG Chair

Emma Latimer
CCG Chief Officer

Welcome to the 2016-17 Annual Report and Accounts for NHS Hull Clinical Commissioning Group (CCG). This report provides an overview of the CCG's work and reflections on a year of working with people and partners to create a healthier Hull.

As we write, we are in the midst of the excitement of Hull's year as the UK's City of Culture. As a Hull 2017 Major Partner it is brilliant to see the positive impact that the cultural events are having around the city. We wanted the year to be truly inclusive and for everyone to have a chance to enjoy the events whatever they are, and wherever they are in Hull. Our aim was to encourage a wave of volunteering to last beyond 2017 and to ensure some of the unique events reach into every community, giving people a different perspective and a chance to participate in events in their own neighbourhoods.

2016-17 has also been a year where relationships have changed and strengthened between health and social care, both locally and regionally. The Next Steps NHS Five Year Forward View has advocated that local Sustainability and Transformation Partnership (STP) should reflect the best interests of their individual populations, and this is wholly appropriate for Humber Coast and Vale STP. There's an unacceptable variation in health inequalities across our area and we need to understand much more what our population needs in terms of health and care services. As always, we want to work with local people and over this coming year we will be having conversations across the city about the choices we need to make collectively.

CCGs are not just about medical healthcare or treatment. That's why we work closely with other services because we know jobs, skills, houses, education, access to places to play and learn are all part of how people live and what makes them healthy and happy. We are keen to expand the work we do with the local authority and are looking at the money both organisations spend, and how we can reduce bureaucracy for the benefit of the people we serve.

Improving mental health is a priority for Hull and it is apparent that we need to do more within our schools and work with other partners to ensure people are resilient in the changing world we live in. The voluntary sector in Hull has an important role in our health and care plans and we have been working with them in different ways this year. We will be working more closely with our Healthier Hull Community Fund groups to embed some of their good practice through initiatives like our new Social Prescribing programme (see page 21)

Our ethos is about listening, helping and supporting where we can with projects that touch peoples' lives. This rewarding work includes our 2020 Champions programme, supporting Endike Community Centre to help people with dementia in the community, supporting initiatives like Tommy Coyle's Academy that promote healthier lifestyles for young people, bringing in Humberside Fire and Rescue to provide fitness and rehabilitation, and realising the potential of our young mental health ambassadors who co-created the CCG's emotional health and wellbeing website How are you feeling?

We were delighted that our continued focus on improving patient care has been recognised in a number of regional, local and national awards this year. These include our Chief Officer and Chief Finance Officer winning the Yorkshire and Humber Leadership Academy's Award for System Leadership, and our finance team named as national HFMA Finance Team of the Year. Our work involving people in shaping their health care services through the Integrated Care Centre consultation and Healthier Hull Community Fund was also honoured in two further awards. Excellence in commissioning for the falls service, mental health and health technology were also recognised by independent judges in the Hull and East Riding Health Expo awards in July and Hull Daily Mail's Health and Care Awards in October. We are very proud to be recognised, as we are ambitious for our local population, but these things don't happen by accident and there's a team behind each award and partners working with us to help achieve the good work so we want to acknowledge and thank everyone.

We never forget that the city has a frontline clinical workforce in GP surgeries, hospital and the community working under tremendous pressure. We want to thank them, and our own staff and public and voluntary sector partners for the amazing service they provide year-on-year for our population. We look forward to another year of working with local people and partners towards creating a healthier Hull.

As always, we positively welcome feedback on your experience of local health services and you can find out how to share your views within the report.

A public sector colleague says:

"[Hull CCG has a]...very proactive and passionate senior management team, with a drive to deliver improvements and change. I enjoy working with them as a partner for local improvement."

The accounts for the year ended 31 March 2017 have been prepared by the NHS Hull Clinical Commissioning Group under section 232 (schedule 15,3(1)) of the National Health Service Act 2006 in the form which the Secretary of State has, within the approval of the Treasury, directed.

Information contained in this report can also be requested in other languages or formats - please see back page for details. If you would like additional copies of this report, you can contact us via the details above. An electronic copy of this report is also available online at www.hullccg.nhs.uk

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Part One: Performance Report 2016-17

We are Hull CCG

NHS Hull CCG is a clinically-led organisation, which brings together 41* local GP practices and other health professionals to plan and design services to meet local patients' needs. Our GP practices serve a registered population of 295,374 across 23 wards. We had an allocated budget of £397 million for 2016-17 with a requirement to maintain the level of retained surplus at £7.8 million and contribute a further £3.8million to the national risk reserve.

We commission (or buy) a range of services for the Hull population, including urgent care (such as A&E services and the GP out of hours service), routine hospital treatment, mental health and learning disability services, community care including district nursing and continuing health care. We share the same boundary as Hull City Council. Where appropriate, we will jointly commission services with partners such as neighbouring East Riding of Yorkshire CCG or Hull City Council. The main health provider organisations that we have contractual arrangements for services with are:

- **Hull and East Yorkshire Hospitals NHS Trust;**
- **City Health Care Partnership Community Interest Company (CHCP CIC);**
- **Yorkshire Ambulance Service NHS Trust;**
- **Humber NHS Foundation Trust;**
- **Spire Hull and East Riding Hospital.**

We also work with Healthwatch Hull, the independent champion for local people who use health and social care services. We hold six Board meetings and an Annual General Meeting each year, all of which are open to the public. For dates, times and venues, please contact us via the details below:

You can contact us at
NHS Hull Clinical Commissioning Group,
2nd Floor, Wilberforce Court, Alfred Gelder Street, Hull HU1 1UY
Tel (switchboard): **01482 344 700**
Email: **HULLCCG.contactus@nhs.net**
Website: **www.hullccg.nhs.uk**
Twitter: **@NHSHullCCG**

* At 31 March, 2017

How did the CCG spend its financial allocation for 2016-17 (in millions)

£193.5	Hospital
£51.8	Community Services
£50.2	Prescribing / Drugs
£42.7	Mental Health
£22.8	Continuing Healthcare
£11.8	Ambulance
£5.7	Running Costs
£3.2	Other
£2.8	Primary Care
£0.9	Property Charges
£11.7	Surplus

Overview of 2016 – 17

by Emma Latimer, CCG Chief Officer

The Chief Officer's Overview highlights our key programmes of work, service transformation and performance 2016-17 and explains how we are working – with our partners and the people of Hull – to improve health in our city.

- People, communities and place – our plan for Hull
- My city, My health, My care – the future of GP services in Hull
- Delivering the Five year Forward View – commissioning services for Hull
- Better care in Hull - through integration with the local authority
- Delivering safe, high quality services
- Building relationships with communities
- Taking action on health inequalities and the local strategy for health and wellbeing

Detailed performance analysis, commentary, tables and the Sustainability Report will follow from page 22 to support this overview

The Humber Coast and Vale Sustainability and Transformation Plan (STP)

The Humber Coast and Vale Sustainability and Transformation Partnership (STP) comprises over 20 partner organisations (including six CCGs), a wide range of stakeholders and 1.4 million people living within an area covering East Yorkshire, Northern Lincolnshire and parts of North Yorkshire.

Since April 2016, under the leadership of Emma Latimer, NHS Hull CCG Chief Officer, all STP partnership members have been working together to improve health and wellbeing in some of the most deprived wards in the UK. The Humber Coast and Vale STP was launched in November 2016 and you can find out more and get involved at www.humbercoastandvale.org.uk

People, communities and place

Our plan for Hull

Our plan for Hull outlines how we will connect health and social care services to our communities - making the best use of the assets within the city. Led by Matt Jukes, Chief Executive of Hull City Council, our local plan will strengthen the existing partnerships of the Hull 2020 programme and align the local health and wellbeing priorities to the City Plan for Hull.

The Hull plan will focus on people, communities and place. It describes the local ambitions for economic growth, investment and infrastructure combining the broader objectives for the city with those for health and wellbeing. We believe that utilising all the assets within Hull to focus on improving resilience and wellbeing will improve health outcomes and begin to close the health inequalities gap. This strategic response to addressing need and managing population health will also realise financial benefits and support delivery of a sustainable financial model.

The plan is designed to address changing population needs across the life course and describes how the local community, commissioners and providers will work together to improve health, care and outcomes for the population of Hull, recognising that lifestyle, environment, employment, education and housing are wider determinants of population health

The delivery of the plan will require changes to commissioning and service delivery. This will be achieved by a new approach to system leadership and governance across public sector services in Hull.

Our vision is for:

- A public sector partnership working together across Hull to foster community resilience within communities;
- Every person in the city provided with the opportunity to achieve their full potential through prevention, early detection, timely treatment and supportive intervention;
- Access to care and information to self-care provided at the point of need in the place of need;
- Secure access to high quality, sustainable primary medical care over 7 days a week;
- The majority of care provided in community settings
- Improvement in the health and wellbeing of the residents of Hull and a reduction in health inequalities;
- Community resilience and confidence to self-care; and
- Services that fit with lifestyle and needs, designed in partnership with the people who use them.

By 2020 there will be

- Fully integrated commissioning between health and social care utilising resources and skills drawn from all sectors;
- Integrated planning, bringing primary, community physical health, community mental health and social care into a single provider function covering the current Hull CCG footprint;
- Sustainable primary care at the core of the system;
- Alignment of strategic commissioning with Humber Coast and Vale STP; and
- Alignment of budget based on population needs.

Add together:

+

Business and growth

+

Public sector reform

+

Education and employment

+

Co-production with communities

+

Integrated commissioning & delivery

Deduct:

Complex systems and duplication

=

A Healthier Hull

Talking to local people and staff in Hull about the STP

We intend to build on the engagement we have carried out over the past two years, talking to local people and our staff about the plan. We will be working with Healthwatch and other voluntary sector partners throughout 2017-18 to make sure that we have sought and heard views from a wide range of communities and the ideas from those groups will be built into our plans.

My city, My health, My care

The future of GP services in Hull

The CCG is committed to transforming primary care in a way that is sustainable; has a workforce with a mix of skills to deliver modern day primary care; embraces the latest technology; and is a rewarding place for health professionals to work.

We have completed our first year of implementation of the Hull Primary Care Blueprint and continue to support our GP community to come together and tackle the challenges of rising demand, increase in numbers of patients with long term health conditions and recruitment and retention of clinical staff.

From April 2017 NHS Hull CCG took on 'fully delegated' powers for the commissioning of primary medical (GP) care. This gives us an opportunity to take on greater responsibility for general practice commissioning to support the development of the Blueprint and integrated out-of-hospital services, based around the needs of local people. 2016-17 has been a year of significant change and the majority of our practices are now working 'at scale' in partnerships or federations. Practices with a larger patient base have the potential to provide a wider range of medical services for their population and employ a wider range of healthcare staff. Larger practices can also be better prepared to respond positively to current and future NHS policy as set out in the NHS Five Year Forward View and GP Forward View (GPFV), which includes expanding and strengthening primary and 'out of hospital' care.

Faith House Surgery, New Hall Surgery, Newland Group Medical Practice and Springhead Medical Centre, who together provide care for 48,600 people in Hull, have joined the Modality GP partnership. Dr Ros Davis, from New Hall Surgery said: "By being a part of a larger group of GP practices, we can bring together our strengths and skills. General practice is facing some of the biggest challenges and changes in its history. By facing these opportunities together we will be able to give the very best care we can to our local communities in the years ahead."
Wider changes across the whole health and care system will support the ongoing transformation of primary care, including the building of the new Integrated Care Centre in east Hull, development of the Urgent Care Centre in Bransholme and delivery of the Humber Coast and Vale STP.

Investing in Our Workforce

Hull has significant challenges recruiting and retaining primary care staff and has been working to address this, exploring innovative ways for health and care professionals to have a portfolio career and develop special interests, for example, in supporting the shift of care from hospitals to the community. We are also looking to recruit and retain local GPs in ways that include:

GP Career Plus scheme

Hull is a national pilot site for this scheme aimed at retaining experienced GPs, nearing retirement to reduce over-reliance on locums. The aim is to 'recruit' a pool of 12 GPs by offering full administrative back up to help them deliver a number of sessions per week to support practices across the city after they retire from full-time practice.

International recruitment scheme

Hull CCG is part of a STP-wide drive, led by Scarborough and Ryedale CCG, to recruit a pool of experienced overseas GPs to serve the Humber Coast and Vale area.

Easier and more convenient access to your GP

The introduction of new technology is offering more choice for patients in the way they access medical services. During 2016-17 we secured funding for twenty four of our practices to launch the online triage consultation - e-consult - from April 2017. This allows patients to confidentially input their symptoms online 24 hours a day, seven days a week and receive a timely response from their local surgery.

Thirty of our practices are introducing ways to book, amend and cancel appointments by telephone 24/7. This is helping to reduce high demand at the beginning of the day and number of instances where patients 'Did Not Attend' (DNAs).

Releasing time to care

The GP Forward View sets out some high impact changes that could free up GP time to care. These changes are likely to be the focus for any future investment in primary care as they are seen as important to delivering a sustainable service into the future. Some of the developments that we are exploring in Hull include developing the role of receptionists as 'care navigators', social prescribing and enhancing support for self-care within the community services contract.

Engaging with local clinicians and patients

We recognise the importance of engaging with people to understand their needs in relation to primary care and to set out the case for change in primary care. We started this process in May 2016 with a citywide meeting involving Patient Participation Groups. A People's Panel survey asked 3600 people across the city about their experiences with general practice, the factors they take into consideration when choosing a new practice or choosing to stay with their current GP practice and how they prefer to book appointments.

An engagement toolkit has been developed for practices, patient and community groups to use in their own settings. You can find out more and read the My city, My health, My care newsletter at **www.hullccg.nhs.uk** or please contact us **HullCCG.ContactUs@nhs.net** or **01482 344 700** for more information.

PIP supports better care

During 2016-17 the CCG rolled out a new online tool for GPs and other clinical staff. The Hull and East Riding Pathway Information Portal (PIP) can be quickly and easily accessed by GPs and practice staff to support the management of patient care. Clinicians can find medical pathways, symptoms, case studies, diagnoses and referral procedures for hundreds of the most common ailments. As the PIP continues to develop it will offer a one-stop-shop, helping clinical staff to quickly and easily find the policies, pathways and links to acute care advice and guidance they need.

Delivering the NHS Five Year Forward View

Commissioning services for Hull

The renewed focus on urgent and emergency care, strengthening primary care, cancer and mental health services outlined in Next Steps on the NHS Five Year Forward View (March 2017) supports and aligns with our commissioning plans in Hull. We have also embraced the opportunities arising from working on a much wider Humber Coast and Vale planning 'footprint' and working collaboratively with our partner commissioners across health and social care to reflect not only our local needs but those opportunities which arise from collaboration and integration.

In 2017-18 we will be focusing on the health and wellbeing outcomes for Hull as partners in the City Plan (Health). This is a comprehensive programme of service stabilisation and transformation and will use this programme to work with our partners to address the wider determinants of health.

Urgent and emergency care

In August our full public consultation outlined options for the future of urgent care services in Hull. Widespread support was received for the delivery of a 24 hour/seven days a week Urgent Care Centre within integrated out-of-hours GP services and access to diagnostic tests within Bransholme Health Centre (see page 19). The new urgent care centre, which opened from April 2017, offers fast and convenient treatment for people with less serious injuries that do not need to be seen in A&E. It also provides a viable alternative clinical option for use by NHS 111 and Yorkshire Ambulance Service for people with minor, non-life threatening conditions.

The delivery of urgent and emergency care across the wider Hull and East Riding of Yorkshire health system remains a challenge and we are working collaboratively to address this during 2017-19 as part of the Hull and East Yorkshire A&E Delivery Board.

Key developments this year include:

An integrated primary care stream within the Emergency Department (ED) that includes GPs, nurse practitioners and physiotherapists

An integrated 24/7 mental health service within the ED to respond in a timely manner to patients presenting with mental health illnesses to ensure that they are assessed, managed and discharged safely.

We continue to work with health and social care colleagues and other agencies to transfer care from hospital in a timely way.

Planned Care

From April 2017 we expect that all our providers will have either reached the required NHS constitution acute care waiting times target (18 weeks) or have an agreed plan to deliver this within the first quarter of the year.

New WeightWise weight management service

Last year (2016) the CCG commissioned a new tier 3 weight management service designed to support people who have a body mass index (BMI) above 40 or over 35 with co-morbidities (long term health conditions). WeightWise support begins with a GP referral, then patients receive an assessment by a diverse team of professionals to develop their personalised plan for weight loss. Depending on their needs patients can be supported for a minimum of six months and up to two years, with group sessions and one to one support from health trainers, psychologists, dieticians, endocrinologists and exercise coaches. This successful multi-disciplinary approach supports each person on an individual level, helping to tackle the problem at the root cause.

RightCare

NHS Right Care is a national programme committed to improving people's health and outcomes. It makes sure that the patient receives the right care, in the right place at the right time, , making the most efficient use of existing and available resources.

The CCG is formally in the second wave of RightCare, we have already adopted the principles of the RightCare programme, which includes the 'Commissioning for Value' and 'Where to Look' packs' in our commissioning and transformation programmes for a number of years. To support this there is an agreed plan of service redesign at different areas of care including:

- **Dermatology - community triage and diagnostics through the use of technology**
- **Respiratory - revised integrated community focused pathway**
- **Diabetes - development of a community multi-disciplinary team to improve care outcomes**
- **Ear, Nose and Throat (ENT) - reduction in minor ear procedures within the acute setting**

Further implementation of RightCare through the 'where to look packs' will help identify opportunities for service re-design where clinically appropriate, and increased use of technology will offer alternatives to face to face hospital/clinic attendances.

Improving Cancer Services

The Five Year Forward View (March 2017) continues to identify cancer as one of the NHS' top priorities because more than one in three of us will get cancer in our lifetimes. In Hull we have high incidences, and deaths, relating to cancer. The uptake of breast, cervical and bowel screening is below national average (68%, 61% and 58% uptake respectively). Our waiting times across the suspected cancer pathways have been challenging and are now only starting to stabilise. However the 62 day wait to commence cancer treatment remains an outlier and is proving difficult to sustainably deliver. We have senior representation on the shadow Cancer Alliance Board, which covers the same footprint as Humber Coast and Vale STP and will ensure that the work of the Alliance is reflected within our local work plans.

We are working closely with public health colleagues to identify how we can improve the uptake of routine cancer screening. Our plans for 2017-19 include the review, redesign of the lung cancer pathway. We are also looking at how best to support our patients who are either living with, or have come through cancer, by ensuring that the nationally identified recovery package is routinely used.

Our vision is for patients to start to see cancer screening as part of maintaining their own health and that they are informed and aware of the early signs and symptoms of common cancers and attend their general practice and seek medical advice shortly after the symptoms develop.

21st Century maternity care

The CCG is reviewing Hull's Joint Strategic Needs Assessment (JSNA) for maternity care to ensure that we continue to plan well for the needs of our population. There are a number of local challenges that have seen progress in 2016-17, including:

- **Reducing the level of smoking in pregnancy - improvements have been made but the level of smoking in both the general population as well as the childbearing population remains high**
- **Reducing the rate of stillbirth - the national stillbirth 'care bundle' has been implemented and will continue to be a focus to help reduce the stillbirth rate. There are interdependencies between smoking and the rate of stillbirth, so reducing the level of smoking will have an additional positive impact**

All women have a named team of midwives (including those with a named consultant obstetrician) and this supports improvements in personalised care. We continue to work to improve postnatal and perinatal mental health care, rates of breastfeeding, service user experience and parenting with Birth Preparation and Parent Education service now provided through core maternity services ,

In response to the national maternity review 'Better Births' the CCG has determined that the Local Maternity System should cover the full STP footprint. We will be working as part of the Humber Coast and Vale Local Maternity System (LMS), which is a newly established forum to deliver Better Births and to ensure patient and user views are included in our plans. You can read more about the CCG's Birth Preparation and Parent Education engagement work on page 19.

Maternal Smoking Campaign

In 2015-16 around one fifth of pregnant women in the city continued to smoke, raising the risk to both them and their babies. In February 2017, 'First Steps to Stopping Smoking' was launched; an innovative campaign designed to educate women and families about the risks of smoking in pregnancy alongside changes to the way smoking in pregnancy is monitored, through the introduction of Carbon Monoxide (CO) monitoring in community and GP settings for pregnant women.

The campaign encouraged pregnant women to tell the CCG why they continued to smoke, how they could be better supported and reasons they might not actively engage with the stop smoking service; this influenced the educational campaign materials. Advertising, press coverage and social media was utilised to encourage women and families to quit smoking, regardless of which stage of pregnancy they were at.
The campaign, led by NHS Hull CCG, included colleagues from Hull and East Yorkshire Hospitals, Hull City Council and City Health Care Partnership CIC (CHCP), with the partnership approach praised by NHS England.

Increase in Maternal Vaccination Uptake

2015 - 16 saw an increase in pregnant women being vaccinated against both flu and whooping cough. Both illnesses can be serious for mum and/or baby when caught during pregnancy, with 1 in 11 maternal deaths a result of flu. Over 12 months the uptake of the pertussis vaccination, which protects both pregnant women and new-borns against whooping cough, increased by 16%. The flu vaccination, which is available for 4 months a year, saw an increase of 7% in pregnant women across the vaccination period. Dr Amy Oehring, GP lead for Maternity in Hull, supported activity to increase vaccination uptake telling the local press: "Any illness during pregnancy can be more serious and result in complications. Being vaccinated will protect you and your baby, who will be born with immunity to flu and whooping cough."

Making mental health a priority

The CCG will continue to seek parity of esteem for patients with a mental illness and is committed to delivering the system-wide service improvements outlined in the Mental Health Five Year Forward View. Our vision is for our population to be more aware of mental wellbeing as well as the early signs of mental illness. They will have access to a range of community based or online services to help support and manage in mild to moderate cases. People will be cared for at, or as close to, home as possible, with only those with specific clinical needs going out of our area for their treatment.

We are working to address some key challenges around commissioning mental health services for vulnerable people in Hull which include:

- **Continued high levels of referrals into children's autism services**
- **A need to reduce out-of-area placements**
- **System-wide challenges around the roll out of personal budgets**

The progress made in 2016-17 in delivering improved waiting times will continue, ensuring that patients with mental health needs will be able to access the appropriate level of service within nationally agreed waiting times.
The locally agreed Transforming Care Plan will continue to be delivered across health and social care. In addition we will develop joint plans designed to increase both the quality of life and the length of healthy life expectancy experienced by people with learning disabilities. Find out more about the work of the Transforming Care Partnership at www.hullccg.nhs.uk

Adult Mental Health

There have been some key developments in 2016-17 as part of the CCG's Adult Mental Health Transformation Programme. These include:

- **New East and West Hull Community Mental Health Teams launched from November 2016;**
- **A new rapid response service for adults experiencing mental health crisis launched f rom November 2016. Referral services and crisis teams in Hull and East Riding have merged to create the new rapid response service which features a triage referral and advice centre available 24 hours a day, 7 days per week via 01482 301701; and**
- **A new mental health 'crisis pad' to reduce admission to acute hospital care opened in April 2017. This will available for both Hull CCG and East Riding of Yorkshire CCG residents.**

In 2017-18 partnership working will continue with the voluntary sector and social care especially through further developments with community rehabilitation and recovery. The CCG is also awaiting the outcome of an application made by Humber NHS Foundation Trust for Wave 1 NHS England transformation funding for urgent and emergency mental health liaison services for adult and older adults in acute hospitals.

How Are You Feeling?

Website launched in Hull

This year, an innovative new website **www.howareyoufeeling.org.uk** was launched to support young people in coping with emotional and mental health issues. The website was designed by the CCG, Hull City Council and local young people with the aim of supporting young people aged between 9 and 24 across Hull to look after their own emotional health and wellbeing, as well as signposting where they can go to get help when things become too much. An interactive 'How are you feeling?' quiz makes sure site visitors receive tailored information and advice based on their quiz answers and they can browse a range of Hull-specific information and advice. People visiting the website are also encouraged to share their story, to help other young people to know that they are not alone. The website has enjoyed a positive public reception and was nominated in the Best Storytelling category of the Association of Healthcare and Marketing Awards 2017.

Dementia Diagnosis & Care

We set a local target for 2016-17 of 80% for dementia diagnosis as we already deliver the national target for dementia diagnosis of 67% of prevalence. At 31 March 2017 we achieved 84.3%. We will continue to work towards improvements in dementia diagnosis and post-diagnosis support.
See page 33 for information on Dementia Awareness Day 2016 in Hull.

Children and young people's services

We have invested in child and adolescent mental health services, with a corresponding improvement in capacity and reduction in waiting times which now meet national standards. We are continuing to work with providers to ensure consistency of delivery and improvements in waiting times below 18 weeks.

Hull CCG is working closely with Humber NHS Foundation Trust, Hull City Council and the voluntary sector on the development of children and young people Emotional Vulnerability 'Hub'. It will be delivered by Humber NHS Foundation Trust and will include a single referral point for children and young people who require assessment, diagnosis and treatment/intervention for their emotional and mental health. Triage and assessment will ensure a swift and holistic response from services to support children, young people and their families. Interventions/treatment may be delivered by Humber if a specialist mental health response is required, or may be delivered by partner organisations such as Mind, The Warren, Early Help or HeadStart. The Hub will respond to children and young people's presenting need, coordinating care across the system for families. Young people are currently being consulted on an appropriate name for the service.

Reviewing our contribution to the Health and Wellbeing Strategy for Hull

Over the last year, the CCG has worked with the Health and Wellbeing Board to deliver the Board's three strategic outcomes. The CCG has an active presence on all three of the three strategic Outcome Groups, which review the contributions of the local system to achieving these outcomes.

In addition, the CCG is a key partner in the design and implementation of the 'Place-based' plan for Hull Board (see page 7), which has a broader membership and aims to deliver the aspirations of the NHS Five Year Forward View through integration of local public sector resources. This Board has considered the opportunities that the Health and Wellbeing Board presents, and, over the next year, will work with and align the Health and Wellbeing Board priorities to deliver a particular focus on the prevention elements of the plan for Hull and address the inequalities present in the city.

Better Care in Hull

Through integration with the local authority

The rise in the proportion of the population over 85 years old requires care to be integrated across primary, community and secondary care to prevent unnecessary hospitalisation or admission to care homes - a systemised approach towards helping people to live as independently as possible, for as long as possible, at home.

The CCG and Hull City Council's joint Better Care in Hull programme focuses on increasing integration and collaboration between health, social care and the voluntary sector. The Better Care approach is summarised below with a range of strategies and plans in place to support better outcomes for older people.

Under the four core principles of Prevention, Intervention, Rehabilitation and Rapid Community Response, work has continued during 2016-17 to develop integrated working across both organisations and services. Progress during 2016-17 includes:

- **The adult social care 'front door' within the community was re-designed and the See & Solve service was established at the Wilson Centre with social care advisors, social workers and occupational therapists to provide information, advice and support to people;**
- **Referrals to the Hull Falls rapid response service (FIRST) were increased through developing a pathway from Hull's Kingston Care service which provides community alarms across the city;**
- **A falls self-care risk assessment for the public;**
- **A new multi-disciplinary approach has been piloted in some GP practices to proactively find patients at risk of a hospital admission to ensure they receive better care and support through holistic assessments; and**
- **A Home First (Transfer to Assess) team for hospital discharges has allowed assessments to be carried out in people's own homes with social workers and occupational therapists.**

Looking forward to 2017-19

Our joint ambition towards integrated commissioning between CCG and local authority will see better alignment between elements of adult social care, children's and young people and public health in 2017-18. Key Better Care activities for 2017-19 include:

- **Opening 316 new Extra Care apartments at three locations across the city**
- **Embedding an integrated 'Carers service' within primary and social care to support carers' needs with advice, support and assessments**
- **Increase the Active Recovery to support more rehabilitation and reablement.**
- **Developing an 'Assess to Admit' approach across primary, secondary and community health, mental health and social care.**

Work begins on £9m Integrated Care Centre

Work is underway on the £9 million Integrated Care Centre (ICC) which brings together a number of services to provide tailored care for the elderly and reduce unnecessary hospital admissions. The ICC, which will be on the site of the former David Lister School in East Hull, will primarily treat elderly patients with long term health conditions who have been identified by their GP as being at risk of hospital admission. Patients will be assessed, have a comprehensive integrated care plan and a care coordinator appointed on the same day. For the first time physio and occupational therapists, voluntary organisations and Humberside Fire and Rescue Services supporting the rehabilitation and recovery of patients will be based in one place. CCG Director of Integrated Commissioning Erica Daley said: "The Hull ICC is designed to create an alternative to hospital care, with the majority of care provided in and around peoples own homes and health and social care co-ordinated around individual needs." Due to open in 2018, the Integrated Care Centre is the first NHS development scheme to get the green light in the region since the announcement of the Humber, Coast and Vale STP vision for out of hospital care.

Redesigning the frailty pathway

The CCG's strategy is to manage the challenges faced by the health and social care system from an ageing population in a way that promotes independence, physical and mental well-being, prevents patient deterioration, supports carers, and safely delivers appropriate care in a community setting. To cope with the expected demand for frailty interventions and provide more care outside the hospital, the CCG has commissioned a fully integrated, patient-centred frailty pathway for the new Integrated Care Centre (ICC) with the aim that no one should be in a hospital bed simply because of their frailty or complex management needs.

The ICC Programme Board, Steering Group, and the Community Frailty Pathways Groups began work in 2016-17 on redesigning, the integrated frailty pathway to:

- **Reduce the number of ED attendances, emergency admissions, readmissions and extended stays (occupied bed days) for people aged over 65 years**
- **Improved access via a fast track frailty clinic and falls service**
- **Reduce duplication of assessments and care plans**
- **Increase use of tele-monitoring to support patients in care homes, alongside planned diagnostics and rehabilitation within the integrated care centre.**

Kingston Care supports falls pathway

Kingston Care is a service provided by Hull City Council that responds to over 200,000 lifeline community alarm activations each year in Hull. The service monitors people with emergency pendants and pull cords and other devices such as smoke alarms and falls detectors.

The service approached the Better Care in Hull - falls workstream about using the Hull Falls rapid response service as an alternative to calling 999 for people who have fallen, with the community urgent care service for triage and follow up if required.

Within the first three months of the process and pathway for Kingston Care over 115 referrals were made to the service. This has resulted in people receiving a faster response, the reassurance of being picked up after a fall and a follow up referral into the community falls service for assessment and support.

Delivering safe, high quality services

Introduction

The NHS Constitution sets out a clear set of rights that our patients can expect, and we intend, as an organisation, for these to be met, and for our patients to experience the best possible care and effective outcomes.

The CCG is committed to commissioning local services that deliver safe, effective high quality healthcare that meets nationally set guidance, policy and procedures. Continual improvement in the quality of services that our patients receive is paramount and incorporates improvements in both patient experience and patient outcomes as well general quality measures. Our Commissioning for Quality Strategy 2016 - 2020 is underpinned by the principles of good engagement and involvement of patients, carers and the local community to support our aspirations and the expectations of the NHS Five Year Forward View Over the past year the Hull CCG has worked hard to establish a system where by quality is an integral strand to the services it commissions.

Keeping vulnerable children and adults safe from harm

In 2016-17 the CCG continued to make progress embedding the principles of safeguarding adults within the Care Act (2014) and safeguarding children within the Children's Act (2004). We have reviewed and updated the commissioning safeguarding policy and a three-year safeguarding strategy was approved. The NHS England safeguarding assurance inspection in July 2016 provided assurance that the CCG was meeting all duties in this area.

Safeguarding children

A fundamental role of the CCG is to work with others to ensure that critical services are in place to respond to children who are at risk or who have been harmed, to deliver continuous improvement in outcomes and life chances.
In addition to the safeguarding assurance visit (above) the CQC undertook a review of safeguarding and looked after children in January 2017 which identified that the CCG had "the responsive integrated governance arrangements which have contributed significantly to the CCG being able to assert a high level of confidence in both safeguarding processes and performance; they are clear as to where there has been success and where their challenges are".

A key appointment in June 2016 was that of a named GP for safeguarding children. This post has been crucial in progressing the safeguarding children agenda within primary care. Areas in which significant progress is being made include increasing the level of safeguarding support and information to GPs. This builds upon improving the GP contribution to child protection case conferences and contributing to GPs information sharing and understanding of risk associated with domestic abuse.

Safeguarding adults

We have delivered safeguarding training to staff, 2020 champions and volunteers and the CCG's continued representation at the Hull Safeguarding Adults Partnership Board (HSAPB) has supported the delivery of the Board's four year executive strategy. The CCG continues to have a key involvement in Safeguarding Adult Reviews (SAR) and was a panel member of the recent Domestic Homicide Review. We continue to support other essential work streams for safeguarding in the city including modern day slavery and the Prevent programme under the Counter Terrorism Act (2015). This has included workshops for CCG staff.
Day to day support for the CCG mental health team ensures links between safeguarding and the local mental health crisis care concordat. During 2016-17 a named GP for safeguarding adults was appointed to support primary care staff in relation to safeguarding adults.

Infection prevention and control

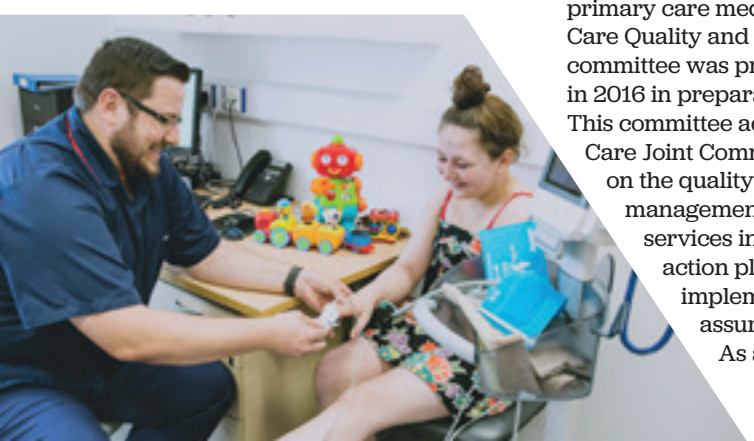
We are pleased to have achieved our reduction target for incidences of Clostridium difficile (C.diff) for the second consecutive year. Our target for 2016-17 was to reduce cases to 82, and 50 cases were recorded at the end of March 2017. Work has continued across the whole health economy to review cases of C.diff and learning from the outcomes of the reviews has seen an overall reduction of cases and improved antibiotic prescribing.

A two year Quality Premium commenced in April 2017 focusing on the reduction of E.coli blood stream infections and the inappropriate antibiotic treatment of urinary tract infections. The CCG will be required to reduce incidents of E.coli blood stream infections by 10% in 2017-18. Continuing Healthcare

The CCG contracts City Health Care Partnership CIC (CHCP) to provide an assessment service to help identify when individuals are eligible for Continuing Health Care (CHC) funding. The CCG works with Hull City Council in the commissioning of long term care and supports providers to deliver the best care possible in the community, working with social workers on care planning and case management.

Personal Health Budgets

NHS Hull CCG continues to offer a Personal Health Budget (PHB) to everyone eligible for this support. This includes adults who receive Continuing Healthcare and children who receive Continuing Care. The CCG continues to develop and offer PHBs to individuals who have the "right to request" a PHB which includes people with long term health conditions. We plan to enhance PHBs over 2017-18 to include wheelchair services, all joint-funded care and support packages and for children who have an education health and care plan.



Patient safety

Patient safety is paramount and we will continue to ensure learning is shared to drive the reduction of Never Events (a serious incident that is wholly preventable) within the services we commission.

This is a key area of work that has been a focus for the Clinical Quality Forums. The CCG now produces an integrated quality and performance report which is presented to the Quality and Performance Committee and the CCG Board. You can read more about our focus on continuous improvements to the quality of services at www.hullccg.nhs.uk

Serious Incidents

The CCG has robust systems in place to encourage open and transparent reporting of Serious Incidents (SI), ensuring that learning from these is effectively embedded into practice. An SI is an occurrence, which has caused/has the potential to cause serious harm or unexpected death and these are reported to the East Riding of Yorkshire CCG and Hull CCG SI Panel chaired by the Deputy Director of Quality and Clinical Governance.

As part of the CCG's Quality Visiting framework, targeted visits are carried out where concerns are identified via the SI process, including recurring themes and evidence of failure to embed learning. Several visits have been made to our provider organisations in 2016-17. Under the Duty of Candour, patients and families are informed, and included in, serious incident investigations as appropriate. This gives them an opportunity to raise any questions that they may wish to be answered as part of the investigation process.

Quality in primary care

From April 2017 NHS Hull CCG became 'fully delegated' for the commissioning of primary care medical services. A Primary Care Quality and Performance sub-committee was previously established in 2016 in preparation for this change. This committee advises the Primary Care Joint Commissioning Committee on the quality and performance management of primary medical services in Hull, ensuring remedial action plans are developed and implemented when positive assurances are not received. As a result of this change the CCG will now manage any serious incidents reported within primary care and ensure learning is identified and embedded to prevent recurrence.

Enhancing patient experience

We are committed to making sure that the views and experiences of patients and the public inform every stage of the commissioning process, and day to day CCG business – making sure that their involvement translates into action. Throughout 2016-17 we spoke to people through our People's Panel, pre-procurement engagement and formal consultation about the Integrated Care Centre. The construction of this unique health building began this year and we continue to seek feedback from the community as the development progresses.

Our Ambassador programme supports other activities of the CCG. This includes the recruitment of our senior Quality Lead, and the procurement of a new CCG website. Ambassadors will be involved in website co-production to ensure the site is user friendly and focused on the right areas. We continue to triangulate patient experience information from a number of sources. This year we have extended monitoring to include Primary Care, monitoring softer intelligence to help identify issues earlier and minimise any adverse impact for patients and the public.

As part of our ongoing work with health partners to improve the complaints process; the CCG's Patient Relations service is now 'in-house'. This action has already seen an improvement and increased uptake in the advice and liaison support for patients and this insight for us, as a commissioner, is invaluable in future service planning. We welcome feedback on your experience of local health services. Please see page 41 in the Accountability Report for information on complaints in 2016-17. You can contact Patient Relations with concerns, complaints and compliments via Freepost plus RTGL-RGEB-JABG, NHS Hull CCG, Patient Relations, 2nd Floor, Wilberforce Court, Alfred Gelder Street, Hull HU1 1UY Telephone **01482 335409** Email: **HullCCG.Pals@nhs.net**

Building relationships with communities

As local health commissioners we have a legal duty to involve local people in the decisions we make about their health services. We very much welcome the opportunity of working with our communities, aiming to be truly inclusive in our engagement and partnership working to reduce health inequalities, improve the quality and efficiency of services, towards meeting the health needs of people in Hull.

Through 2016-17 the CCG continued to build on its strong community links - communicating and engaging with patients, carers, clinicians, the voluntary and business sectors and other local stakeholders across the city.

The development of the Primary Care Blueprint (see page 8), new urgent care services, the new Non-Emergency Medical Transport service for Hull and Birth Preparation and Education classes were enhanced by public involvement. The CCG continues to be an active partner in the Older People's Partnership (OPPG) group and re-launched the Hull 2020 Champions programme with a focus on supporting community and charity groups who work to create a healthier Hull.

In April 2016 we sought the views of pregnant women, new mothers and their families, midwives, health visitors and other maternity care professionals to help review birth preparation and education classes ahead of the re-contracting of the service. This activity included focus groups, an online survey and paper survey on the quality and accessibility of birth preparation classes to help commissioners develop a service tailored specifically to this group of people.

In May 2016 the CCG invited patients and health professionals to share their views on Non-Emergency Medical Transport as part of procuring a new contract to deliver this service. With over 4000 patient journeys made by patients in Hull each month the consultation recorded people's experiences of the service and how the eligibility criteria of the service was applied. Questionnaires and focus groups gathered feedback from current service users and health care professionals. Patients said that they wanted a more responsive service that gave them information to help them plan their lives around their health care appointments and this was built into the new service specification. You can read more about the new service which commenced in April 2017 at www.hullccg.nhs.uk

A brand new Working Voices initiative launched during 2016 has successfully begun to bring the voices of working people into health service planning in Hull. Our business engagement lead has worked with local businesses to capture the view of the 'silent majority' of working age adults who are not traditionally involved in engagement and consultation - which accounts for 70% of the UK population. To date six local businesses - ranging from hotels to sports organisations - have signed up to the scheme allowing the CCG to interact directly with local employees on a wide range of health issues that matter to them.

The CCG has a Board Lay Member with a lead role in championing patient and public involvement, making particular reference to ensuring the public voice of the local population is heard and that opportunities are created and protected for patient and public empowerment. See also our Patient Experience section on page 20.

There are a number of mechanisms that support proactive engagement and consultation with people and partners in Hull:

Hull People's Panel

The People's Panel is a joint programme with Hull City Council with an active membership of about 3600 people and is used to gather public insight and feedback on a range of themes, via a detailed quarterly questionnaire. The Panel membership is kept informed on the how their views are having an impact on the work of the Council and CCG through a regular newsletter. During 2016-17 we sought views through the panel about ill health prevention and early help and intervention for families, access to GP practices and future preferences. The findings from these surveys will help to inform the ongoing work of Primary Care Blueprint and the commissioning of services for people in Hull. Join the Panel via the Get Involved section at **www.hullccg.nhs.uk**

Annual General Meeting

Held in September 2016, the CCG's Annual General Meeting featured an open question and answer session, chaired by a local radio presenter, where members of the audience had the opportunity to question the senior management team on any aspect of the CCG's work.

The future of urgent care in Hull public consultation

Between August and November 2016 the CCG undertook a comprehensive public consultation with service users, carers, elected representatives and other stakeholders and partners to support options for the development and location of urgent care services in Hull.

471 questionnaires were received, with over 1600 contacts made through meetings, events and drop in sessions. Consultation documents were distributed across the city to GP surgeries, pharmacies, other healthcare premises and directly to the households of people who would experience most change. It was estimated that the proposals were seen over 1.2 million times through coverage in local media, newspapers and radio broadcasting, on social media and the CCG's website.

Over 97% of respondents either agreed or strongly agreed with the proposals for providing urgent care outside the hospital 24 hours/seven days a week to reduce the pressure and waiting times in A&E. The plans for the new Urgent Care Centre were approved by the CCG Board in November 2016.

Working with protected groups

The CCG recognises the value and insight that local people and patients bring to its work. The CCG drew upon the views of local people from a variety of backgrounds and experience, including from those who associate with protected characteristics, in developing its equality and diversity objectives and annual action plan. It continues to work with these groups and individuals to help to ensure that it commissions services that reflect the full scope of local need.

Hull Ambassadors

The Ambassadors are a group of local residents who have a particular interest in health. A number of the$m are managing long term health conditions and all are active members of their communities. They are a valuable resource in terms of supporting the CCG with community engagement work, and are the test bed for proposed engagement activity and CCG Plans. Join the Ambassadors via **HULLCCG.contactus@nhs.net**

Hull 2020 Champions re-launched for a healthier Hull

Our successful Hull 2020 Champions programme continued in 2016-17, helping to support community groups, individuals and volunteers to create a healthier Hull. By the year 2020 we aim to have a network of Champions across Hull, inspiring and empowering their family, friends, neighbours and their communities to be happy and healthy. Hull 2020 Champions come in many forms; from individuals like Paul for Brain Recovery to Hull Homeless Community Project and Breathe for Cameron - a couple campaigning improve management and experience of young people with asthma.

A Hull 2020 Champion is simply a person, or group of people, who are helping other people in Hull to be healthy and happy

Since the re-launch more Champions have signed up to the scheme and begun to reap the benefits of being involved, creating networks and receiving free training on a variety of topics including Basic Life Support and Safeguarding Adults and Children. To find out more about the Hull 2020 Champions visit **www.hull2020champions.com**

The CCG's Communications and Engagement team have been involved in a range of events and projects to promote a healthier Hull, including the new Social Prescribing service (see page 21) and the highlights of the year (see page 32).

Taking action on health inequalities and the local strategy for health and wellbeing

When we talk about health inequalities in health we are describing the systematic differences in health between social groups that are avoidable by organised action and considered unfair and unjust (Due North)

The Hull Health and Wellbeing Board is a formal committee of Hull City Council established under the Health and Social Care Act 2012. The Health and Wellbeing Board has a number of core statutory responsibilities in relation to health, public health and social care to improve health and wellbeing and narrow the gap in health inequalities in Hull. Membership includes representatives from the CCG, elected members, senior officers of Hull City Council including the Director of Public Health, NHS England and Healthwatch Hull. The Board meets in public bi-monthly. The Hull Health and Wellbeing Board formally considers the CCG's Annual Report and Accounts each year.

Over 2016-17, NHS Hull CCG has worked collaboratively with Hull City Council to discharge their responsibilities around public health. Both organisations have jointly designed and commissioned programmes and projects to make the best use of the public resource and continue to address the inequalities that exist in the city.

The Health and Wellbeing Strategy Hull Healthier Together 2014-2020 was developed jointly by the CCG and Hull City Council taking account of the city's assets, challenges, the City Plan, and the Joint Strategic Needs Assessment (JSNA). The CCG will continue to work with Hull City Council and with the Public Health team to address health inequalities and plan for improved health outcomes through the Hull Health and Wellbeing Board, the 'place-based' STP plan for Hull, the Better Care Fund and the Adult and Children's Safeguarding Boards.

Joint working

As part of this collaborative approach, closer working has led to a joint design and commissioning approach around the new Social Prescribing service (see overleaf), which aims to ensure the most appropriate use of services, providing an opportunity to ensure equity of access, develop services and build on existing community assets. A number of local authority staff work directly with the CCG, members of the CCG staff are seconded into the authority to support the Better Care Fund and care home agenda. This year the CCG has recruited a Consultant in Public Health to a joint post with the local authority, providing direct public health support and advice to the NHS.

Quality Assurance Board

Hull City Council acts as lead commissioner for residential and nursing care homes in the city, with the CCG as an 'associate' to the contract. Over the last year, the development of a Quality Assurance Board has aimed to provide challenge to the commissioners to ensure that the services that are provided in Hull are safe, effective and as high quality as possible. This Board forms part of the Quality Governance approach that the Public Health Team is developing to provide assurance to the Director of Public Health and therefore the Health and Wellbeing Board.

Development of a Primary Care Dashboard

In preparation for the CCG's application for the fully delegated commissioning of primary medical services in Hull, close working with Public Health has identified data to include in a 'dashboard' that can be used to support primary care. The aim is to identify variation in practice, provide an opportunity to share good practice, and reduce any inequities in access that might exist. This work has been shared with CCG member practices and will be used to further improve the quality of care delivered in the city.

Prevention

In keeping with the principles set out in the Five-Year Forward View, NHS Hull CCG is a key partner in the development of a whole-system approach to tackling inequalities and focusing on prevention in Hull. Some prevention work will be delivered by the Social Prescribing service, and may increase activity in the existing Public Health-commissioned lifestyle services. A local pilot will to explore the opportunities around the targeted screening of respiratory disease in some of the most deprived wards. This aims to increase penetration of the specialist stop smoking service into populations who are more challenging to engage, with adult smoking rates of up to 48%. This pilot will begin to tackle this particularly stark consequence of the inequalities that exist in the city.

Social Prescribing in Hull

The CCG has recently commissioned a citywide social prescribing and general advice service which will refer patients to local community and voluntary groups who can offer individually tailored advice, support or care.

Social prescribing will aim to help to ease pressure on GPs by providing high quality advice and support for people who may not need medical treatment, but could benefit from a community or social service. This might include, for example, people struggling with isolation, loneliness, debt, family issues that may need closer one-to-one support. The service specification was built upon the experience of pilot social prescribing service already operating in a small number of practices, alongside an advice service offered by the Citizen's Advice Bureau. The new citywide service will begin in July 2017.

A new film available at www.hullccg.nhs.uk demonstrates the power of social prescribing: "Social prescribing has been an amazing asset to my practice. It offers everything that I cannot offer in a 10 minute appointment." says Dr Gabriel Hendow, a local GP who has been providing social prescribing at his Bransholme surgery since early 2016. A short film, featuring Dr Hendow and Matt, a social prescriber, explains the wider benefits of social prescribing and how it may be the key to supporting people with complex health and wider social needs. Dr Hendow adds: "Smoking, drinking, relationship issues, family problems; these are things that people can come and discuss with me. These are things that I cannot grab a prescription to fix. These are things that need a little extra time, effort, resolution and signposting."

Details on how the how the CCG reviews its contribution to the joint Health and Wellbeing strategy can be found on page 14.

Performance overview, performance tables and analysis

The Blade, Hull 2017

Financial position 2016-17

A resource (or funding) limit is set annually for the NHS by Parliament and each NHS organisation receives a share of that total to spend in delivering its responsibilities. It is expected that those funds are spent in full, but they must not be exceeded.

We are pleased to report that the CCG managed to operate within its revenue resource limits achieving a surplus of £11,666k against its revenue resource limit of £397,108k as planned.

As set out in the 2016/17 NHS Planning Guidance, CCGs were required to hold a 1 percent reserve uncommitted from the start of the year, created by setting aside the monies that CCGs were otherwise required to spend non-recurrently.
This was intended to be released for investment in Five Year Forward View transformation priorities to the extent that evidence emerged of risks not arising or being effectively mitigated through other means.
In the event, the national position across the provider sector has been such that NHS England has been unable to allow CCGs' 1% non-recurrent monies to be spent. Therefore, to comply with this requirement, NHS Hull CCG has released its 1% reserve to the bottom line, resulting in an additional surplus for the year of £3.82m. This additional surplus will be carried forward for drawdown in future years.
The CCG spent £5,744k on the administration of the organisation in 2016-17. This represented an underspend of £506k against a maximum target of £6,250k.

The CCG monitors performance against NHS frameworks and key performance indicators. Initiatives are aligned to the CCG strategy and workplans to ensure any corrective actions are implemented to address any deteriorating indicators. Over the next few pages we present some detailed tables and commentary on our performance during 2016-17.

Financial development and performance 2016-17

The CCG's accounts have been prepared under a direction issued by the NHS Commissioning Board (NHS England) under the National Health Service Act 2006 (as amended).

There are significant financial challenges to the NHS as a whole, driven by the changing demographic profile, increasing demand, the introduction of new technology and the rising expectations of patients. This is set against a backdrop of minimal funding growth which, if services continue to be delivered in the same way as now, will result in a significant national funding gap by 2020-21.

NHS Hull CCG experiences year on year cost growth as a result of these national issues but also has its own specific challenges to delivering patient care within the resources allocated to it. Analysis of historic patterns of use and projections in underlying growth in demand we would expect to see health economy cost growth exceed the funding awarded to the CCG. This challenge falls to both the CCG and the providers of services who are planned to contribute towards this shortfall. The CCG meets its challenge through its Quality, Innovation, Productivity and Prevention or QIPP programme which is a programme of transformation which will enable the CCG to fund its delivery plans.

The principles underpinning QIPP are integral to everything that we do. One of our aims is to ensure that we receive value for money for every pound spent. Through innovation and transformation CCG QIPP plans aim to prevent more costly interventions, both now and in the future, and improve quality of patient care.

Importantly for the CCG this means meeting rising healthcare needs from the same resources without detrimentally affecting performance or health status. We are also very aware of the financial position that the NHS finds itself in and are conscious that in order to live within our means, with a growing elderly cohort of patients, we need to make real and sustainable changes through transformation which will deliver quality improvements for our patients as well as driving value for money.

NHS Hull CCG's Annual Report and Accounts have been prepared on a Going Concern basis.

Managing our resources 2017-18 and beyond

NHS Hull CCG will have approximately £437m of resources available in 2017-18. Of this £6m is allocated for the running of the CCG. In order to manage these resources and deliver the planned surplus for 2017-18 the CCG establishes specific budgets that are created using a combination of past expenditure, agreed contracts, planned investments and QIPP schemes. These are set out in a financial plan that is approved by the CCG Board and submitted to NHS England. Performance against these budgets is monitored on a continual basis with regular reports being submitted to the Quality and Performance Committee, the Integrated Audit and Governance Committee and the CCG Board.

Significant risks to the achievement of the financial plan include the level of demand for secondary care, prescribing and continuing healthcare growing at rates over and above the levels anticipated. In addition to this the CCG works with the local council as part of the 'Better Care Fund' initiative. Should the level of planned integration not deliver as expected there is a risk of overspending.

NHS Hull CCG is part of the Humber Coast and Vale Sustainability and Transformation Plan and, as such, works with partner organisations from across the region to improve economy and efficiency. As part of this the CCG has signed up to a new 'Aligned Incentive Contract' with Hull and East Yorkshire Hospitals and East Riding of Yorkshire CCG. This moves away from the traditional Payment By Results approach and ensures a more collaborative way of working. In addition to this the CCG is increasing the level of integration with Hull City Council to help deliver the best possible value for the 'Hull pound'.

As well as maintaining a contingency fund of approximately £2m, the CCG continually monitors and forecasts levels of expenditure and where financial pressures are identified, it reduces/delays the planned investments to take account of this. The CCG also has a risk management policy in place, with the Risk Register and Board Assurance Framework regularly updated and presented to relevant committees and the Board.

Performance on NHS Constitution Standards, Quality Indicators and Better Care Fund Metrics

The NHS Constitution sets access standards for emergency care, elective (non-emergency) care and cancer services, and the CCG has an obligation to ensure our all health care providers meet these to ensure patients in Hull receive the right standards and quality of care.

Performance tables and commentary detailing our local position on the NHS Constitution Standards and Quality Indicators and Better Care Fund (BCF) Metrics for 2016-17 are below. (Please note: The 'Actual' position quoted is at 31 March 2017 unless year to date (YTD) position is stated otherwise in brackets).

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
NHS CONSTITUTION STANDARDS			
Number of GP written referrals in the period in all specialties	2016-17	60874 (Dec 2016)	69164 (Dec 2016)
All first outpatient attendances (consultant-led) in all specialties	2016-17	77887 (Dec 2016)	77410 (Dec 2016)
Number of other (non-GP) referrals for a first consultant outpatient episode in the period in all specialties	2016-17	16027 (Dec 2016)	17451 (Dec 2016)
A&E Attendances - Total, SitRep data	2016-17	94350 (Jan 2017)	93324 (Jan 2017)
A&E Attendances - Type 1, SitRep data	2016-17	72144 (Jan 2017)	71360 (Jan 2017)
A&E waiting time - patients who spent 4 hours or less in A&E from arrival to transfer, admission or discharge	2016-17	82010 (Jan 2017)	81119 (Jan 2017)
A&E waiting time - Total number of A&E attendances	2016-17	94350 (Jan 2017)	93324 (Jan 2017)
A&E waiting time - total time in the A&E department, SitRep data	2016-17	86.92% (Jan 2016)	95%

Commentary
Performance against the 4 hour standard remains below standard but is beginning to show an improvement. Operational plans for work streams designed to impact on performance have been reviewed and refreshed by the A&E Delivery Board and will continue to be monitored.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
Ambulance clinical quality - Category1 8 minute response time - trust (%)	2016-17	65.3% (Jan 2017)	75%
Ambulance clinical quality - Category 1 8 minute response time - Hull CCG (%)	2016-17	64.4% (Jan 2017)	75%

Commentary

The indicators above relate to Yorkshire Ambulance Service regional information. In the Hull area the January position for Category A (Red 1) 8 minute response was 64.4%. This remains a priority work stream for the A&E Delivery Board and plans continue to be monitored to increase utilisation of alternative pathways for the ambulance service. The data above is shown at trust level which we must report on for assurance and at CCG level.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
Ambulance Handover Time - Delays of +30 minutes - YAS trust level	2016-17	31071 (Jan 2017)	0

Commentary

Long delays in ambulance handover and turnaround are detrimental to clinical quality and patient experience and are costly to the NHS. Ideally, ambulance turnaround should be complete within 30 minutes, allowing 15 minutes for patient handover to the emergency department (ED) and 15 minutes to clean and prepare the ambulance vehicle to be ready for the next call. Hull & East Yorkshire Hospitals are working with the ambulance service to review the data.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
RTT - The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period.	2016-17	86.15% (Jan 2017)	92%

Commentary

There have been significant performance issues within the Referral to Treatment (RTT) Pathways. There is an ongoing programme of work to redesign pathways at specialty level. GP uptake of referral information on the pathway information portal (PIP) continues to increase on a monthly basis with the aim of ensuring referrals are of a consistent quality. The CCG continues to prioritise increased utilisation of NHS E referral for all specialties (including cancer). New pathway models are being developed for respiratory, diabetes and dermatology.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
Number of urgent operations cancelled for a 2nd time - Hull CCG	2016-17	3 (Jan 2017)	0

Commentary

The Surgical Health Group has also improved the escalation process for managing cancelled operations which has resulted in improved performance compared to December 2015.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
Diagnostics Test Waiting Times	2016-17	5.26% (Jan 2017)	<1%
Cancer- All Cancer two week wait	2016-17	94.29% (Jan 2017)	93%
Cancer - Two week wait for breast symptoms (where cancer not initially suspected)	2016-17	95.65% (Jan 2017)	93%
Cancer - Percentage of patients receiving first definitive treatment within 31 days of a cancer diagnosis.	2016-17	98.20% (Jan 2017)	96%
Cancer - 31 Day standard for subsequent cancer treatments -surgery	2016-17	91.00% (Jan 2017)	94%
Cancer - 31 Day standard for subsequent cancer treatments -anti cancer drug regimens	2016-17	99.70% (Jan 2017)	98%
Cancer - 31 Day standard for subsequent cancer treatments - radiotherapy	2016-17	98.24% (Jan 2017)	94%
Cancer - All cancer 62 day urgent referral to first treatment wait	2016-17	77.37% (Jan 2017)	85%
Cancer - 62 day wait for first treatment following referral from an NHS cancer screening service	2016-17	86.30% (Jan 2017)	90%
Cancer - 62 day wait for first treatment for cancer following a consultant's decision to upgrade the patients priority	2016-17	93.75% (Jan 2017)	90%

Commentary

The CCG continues to work with stakeholders and prioritise waiting time standards and challenge the provider where standards are breached. Where this occurs remedial actions are progressed and joint cancer monitoring meetings continue between commissioner and provider.

Performance for 2 week waits has improved significantly in line with plans and expectations. Hull & East Yorkshire Hospitals are monitoring performance on a daily basis which includes slot availability, booking 2 week wait appointments and delivery of 62 day waiting times.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
The proportion of people that wait 6 weeks or less from referral to entering a course of IAPT treatment against the number of people who finish a course of treatment in the reporting period.	2016-17	90.00% (Dec 2016)	75%
The proportion of people that wait 18 weeks or less from referral to entering a course of IAPT treatment against the number of people who finish a course of treatment in the reporting period.	2016-17	100% (Dec 2016)	95%
% of people who have depression and/or anxiety disorders who receive psychological therapies	2016-17	13.49% (Dec 2016)	10%
People who are moving to recovery	2016-17	38.26% (Dec 2016)	50%
Dementia - Estimated diagnosis rate	2016-17	84.33% (Jan 2017)	79.34%
Cancelled Operations - Hull CCG	2016-17	1.10% (Dec 2016)	3.1%

Commentary
The CCG and lead provider continue to work jointly to review the performance of the IAPT metric (people work are moving to recovery) and have commenced engagement with the NHS England Intensive Support Team to undertake a full diagnostic of the service with the aim of reaching the standard of 50%.

CCG Outcome Indicators

Quality		Actual (YTD)	Target
Patient experience of GP out of hours services	2014-15	73.80%	72.81%
Patient experience of hospital care – HEYHT	2014-15	74.30%	75.00%
Patient safety incidents reported	2015-16	28 (Mar 2016)	25
Healthcare acquired infection (HCAI) measure (clostridium difficile infections)	2016-17	46 (Feb 2017)	74
Healthcare acquired infections (HCAI) measure (MRSA)	2016-17	1 (Feb 2017)	0

Commentary
This is a zero tolerance indicator within the Constitution

Mortality		Actual (YTD)	Target
One year survival from all cancers	2013-14	65.9%	65.7%
Mortality within 30 days of hospital admission for stroke	2015-16	1.25	1.25
Potential years of life lost from causes considered amenable to healthcare (All ages)	2014-15	2595.2	2565.4
Under 75 mortality from respiratory disease	2015-16	27.20	55.80
Under 75 mortality rate from cardiovascular disease	2015-16	84.00	97.70
Under 75 mortality rate from liver disease	2015-16	17.30	18.60

Commentary

Hull City Council Public Health team has published a mortality report www.hullpublichealth.org

Maternity		Actual (YTD)	Target
Antenatal assessments <13 weeks	2015-16	99.78% (Jan 2016)	103.53%
Number of maternities	2016-17	2819 (Dec 2016)	
Maternal smoking at delivery	2016-17	22.81% (Dec 2016)	<21%
Breast feeding prevalence at 6-8 weeks	2015-16	32.73% (Jan 2016)	31%
Primary Care information		**Actual (YTD)**	
GP registered population counts by single year of age and sex (under 19s)	2016-17	64,411 (Jan 2017)	
GP registered population counts by single year of age and sex from the NHAIS (Exeter) Systems	2015-16	293,598 (Sept 2016)	

Urgent Care		Actual (YTD)	Target
People who have had a stroke and are admitted to an acute stroke unit within four hours of arrival to hospital - Hull Royal Infirmary	2016-17	77.36% (June 2016)	63.27%
People who have had a stroke who are admitted to an acute stroke unit within four hours of arrival to hospital – Hull CCG	2016-17	72.18% (June 2016)	65.30%
People who have had an acute stroke who receive thrombolysis following an acute stroke - Hull Royal Infirmary	2016-17	72.18% (June 2016)	
People who have had an acute stroke who receive thrombolysis following an acute stroke - Hull CCG	2016-17	15.56% (June 2016)	11.30%
People with stroke who are discharged from hospital with a joint health and social care plan - Hull Royal Infirmary	2016-17	100.00% (June 2016)	97.20%
People with stroke who are discharged from hospital with a joint health and social care plan – Hull CCG	2016-17	96.97% (June 2016)	93.80%
Unplanned hospitalisation for asthma, diabetes and epilepsy (under 19s).	2016-17	250.40 (Sept 2016)	256.30
Emergency admissions for children with lower respiratory tract infections (LRTIs)	2016-17	417.00 (Sept 2016)	389.40
Unplanned hospitalisation for chronic ambulatory care sensitive (ACS) conditions	2016-17	1081.00 (Sept 2016)	1014.20

Commentary
The CCG monitors emergency hospital admissions monthly to ensure pathways commissioned are delivering key outcomes.

Urgent Care		Actual (YTD)	Target
Emergency admissions for acute conditions that should not usually require hospital admission.	2015-16	1657.20	1452.30

Commentary
The CCG continues to work closely with the community services to ensure patients are being supported in the community rather than being admitted to hospital. Out of hospital initiatives have been implemented for 2016-17 and continue to be embedded.

Urgent Care		Actual (YTD)	Target
Emergency admissions for alcohol-related liver disease	2016-17	15.80 (Sept 2016)	20.80

Commentary
This area is being monitored with Hull City Council Public Health to understand underlying issues and current services in place to prevent emergency admissions to hospital.

Better Care Fund (BCF) performance indicators

The following table presents a summary of our BCF performance indicators. The indicators are set nationally with the exception of falls which was chosen as a local measure.

1	**Non - elective admissions** We have experienced a higher number of emergency admissions in 2016-17 against the plan during 2016-17. We are working with stakeholders to sustain the growth in activity by creating more alternatives in community based care.	Off target
2	**Residential/ nursing home admissions** The Vulnerable Adults Review Panel (VARP) has been in operation since October 2015 and it reviews all cases before a permanent admission is made. Although we have not achieved the monthly profiled target set, the trend is indicating an improvement and we continue to monitor progress of initiatives.	Off track
3	**Reablement - at home 91 days after discharge** The reablement measure is collated annually and the 2016-17 figures are currently being collated.	Awaiting data
4	**Delayed Transfers of Care (DToC)**	On track
5	**Local measure - Admissions due to a fall aged 65 plus** This key performance indicator was our local metric chosen to measure the impact of some of the BCF falls initiatives	On track

My NHS/Improvement Assessment Framework (IAF) indicators

The latest CCG Improvement Assessment Framework (IAF) indicators are published online via 'My NHS'. CCGs are assessed in four key 'domains' (below):

- **Better Health: this section looks at how the CCG is contributing towards improving the health and wellbeing of its population;**
- **Better Care: this principally focuses on care redesign, performance of constitutional standards, and outcomes, including in important clinical areas;**
- **Sustainability: this section looks at how the CCG is remaining in financial balance, and is securing good value for patients and the public from the money it spends;**
- **Leadership: this domain assesses the quality of the CCG's leadership, the quality of its plans, how the CCG works with its partners, and the governance arrangements, for example in managing conflicts of interest.**

The CCG has been rated as good for the Quality of Leadership indicator of the CCG Improvement and Assessment Framework - the latest available results on MyNHS (Quarter 2 2016/17). The year-end results for the Quality of Leadership Indicator will be published in July 2017 at www.nhs.uk/service-search/scorecard/results/1175.

More information can be found at www.hullccg.nhs.uk under 'Our performance' and can be searched online via 'My NHS data for better services'.

Sustainability Report 2016-17

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities for which we commission and procure healthcare services. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health in both the immediate and long term even in the context of rising cost of natural resources. Spending money well and considering the social and environmental impacts is enshrined in the Public Services (Social Value) Act (2012).

We acknowledge this responsibility to our patients, local communities and the environment by working hard to minimise our footprint.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. It is our aim to meet this carbon reduction target.

Policies

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

Area	Is sustainability considered?
Commissioning (environmental)	Yes
Commissioning (social impact)	Yes
Suppliers' impact	Yes
Business Cases	Yes
Travel	Yes

In addition, we have developed and implemented a Sustainability Impact Assessment tool and guidance for use by staff to help identify the likely sustainability implications of either:

- The introduction of a new policy, project, or function; or
- The implementation of an existing policy, project, or function within the organisation.

Once sustainability implications have been identified, steps can be taken to amend the proposed policy, project or function or amend the way in which it is currently implemented to ensure it is inclusive and does not discriminate (either deliberately or accidentally).

The CCG has worked with NHS Property Services over the past year, (the organisation which the CCG leases the property where we house our headquarters) to ensure we will comply with our obligations under the Climate Change Act 2008, including the Adaptation Reporting power, and the Public Services (Social Value) Act 2012.

Creating a healthier Hull 2016-17 – A year in pictures

CASE Trainees help launch Hull 2017 Major Partner launch

CCG Chief Officer Emma Latimer and Director of Hull 2017 Martin Green joined trainees at CASE Training, a well-established Hull organisation working with people with learning disabilities, to mark the partnership.

Together they put the finishing touches to a handmade Moth, marking 75 years since the death of Hull heroine and aerial pioneer, Amy Johnson.

The Hull 2017 programme will include pioneering projects, which help to reduce social isolation, encourage physical activity and improve wellbeing. Hull CCG will promote healthy lifestyles, emotional wellbeing and integration of communities as widely as possible through the activities and aim to ensure 2017 creates a lasting legacy of people in Hull looking after their health.

Moth sculpture puts Bransholme Health Centre on the map

The NHS Hull CCG sponsored Aspire - one of the Amy Johnson festival moths which has been located in Bransholme Health Centre since July 2016. The centre is open seven days a week and the Moth will stay in place throughout 2017 - in a location near the windows so even if the centre is closed avid moth trail collectors are able to take photos. The CCG's longer term plans are for the Aspire moth to be mounted permanently on display in the pioneering new £9 million Integrated Care Centre (ICC) to enhance the welcoming and therapeutic environment for the people who will use the new centre.

Emma Latimer said: "We were very pleased to join other local organisations in sponsoring a Moth for Amy in 2016. The CCG is are a major partner for Hull 2017, and the Amy Johnson Moth trail has been one of many exciting projects that has led up to the launch of Hull's year as UK City of Culture. We specially chose the unusual, eye-catching mosaic decorated moth with the title Aspire, as this supports our wider aspirations to create a healthier Hull.

Back to Ours 2017

Throughout the year the 'Back to Ours' Hull 2017 events sponsored by the CCG are bringing award-winning shows to every corner of Hull, with big names sharing the stage with familiar and favourite local artists. Transforming venues in the heart of local communities from schools to shopping centres, into a festival hotspot right on the doorstep.

Restart a Heart Day

Over the last three years, on Restart a Heart Day, Yorkshire Ambulance Service (YAS), supported by staff from NHS Hull CCG, has provided CPR training to more than 50,000 youngsters at secondary schools across Yorkshire. In 2016 staff from Hull CCG joined paramedics from YAS to help offer the training, visiting three schools in the city to teach over 1,000 children vital lifesaving techniques.

Older People's Celebration Day

Older People's Celebration Day in October was marked by an entire week of activities taking place all around Hull. Working with the Older People's Partnership Group, the CCG supported the week of events, which celebrated the city's older people and promoting information about the services and activities available to them.

CCG Dragon's Den

In early November a group of 40 college students pitched ideas to the CCG as part of a week-long National Citizenship Service (NCS) work experience opportunity. The students, who currently attend Wyke College, were tasked with creating an innovative social media campaign aimed at promoting the Healthier Hull Community Fund and encouraging teenagers to be healthier. Sam Barlow, NHS Hull CCG Engagement Manger said: "One of our main priorities as a CCG is to engage with the next generation, and make sure they are equipped to lead healthy, happy lives. Although only a week long project, we hope by working with the young people around other skills - such as social media, market research and presentations - they're more aware of their health and what it means to lead a healthy lifestyle."

Hull 2020 Champions launch 'How are you feeling?' at Hull Fair

A group of young Hull 2020 Champions visited the Hull Fair to ask revellers 'how are you feeling?'

The Champions, a group of ten 17 - 18 year olds, were promoting the new How Are You Feeling? website to their peers, both at Hull Fair and online; giving away freebies, sharing Snapchat selfies and posting to Facebook, Twitter and Instagram. Igor Placzkiewicz, 17, one of the team said: "We're asking other teenagers to share their selfies and the web address through social media as a way of raising awareness with other people our age. They might not need it now, but they might in the future, and hopefully by doing something fun they will remember if they do end up needing it."

Tackling violence against women with White Ribbon Day

Dave Blain, the CCG's Designated Professional for Safeguarding Adults, took to the airwaves in November to spread the word about White Ribbon Day and kick off 16 days of activism; encouraging people to take a stand and tackle the negative stereotypes which underpin abuse."Violence against women and girls is often seen as a women's issue, but at its heart it's a men's issue too." Dave said. "It's up to us to help create a culture in which violence against women is unacceptable. This includes physical, verbal, sexual or emotional abuse."

Stay Well this Winter

The CCG and partners supported the national Stay Well this Winter campaign, collaborating with local media for the 'Help Our A&E' campaign. This included in-depth articles and advertising with particular emphasis on encouraging people to use appropriate services throughout the winter. This was backed up with a focused social media campaign and microsite to help people to find the right service for them, quickly and easily.

Dementia Awareness Day

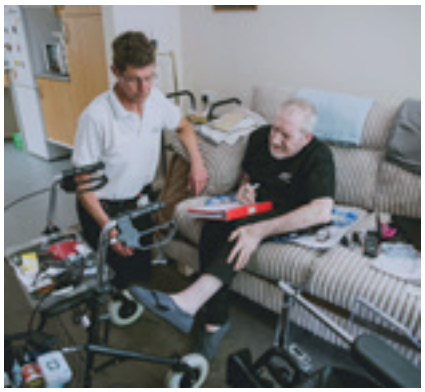
In May the CCG helped to organise and run an awareness raising event to mark Dementia Awareness Week. The event provided people with the opportunity to learn about the services available for people with dementia, and their carers. Working with the Dementia Collaborative, an alliance of local organisations, the CCG and other partners are working to make life more easier for people affected by the disease.

2016-17 A day in the life of the NHS

As part of a unique careers event local pupils peeked into the everyday world of an NHS professional. A Day in the Life, invited youngsters from local schools to Hull Royal Infirmary to experience what an average day might feel like for a wide range of nurses, midwives and surgeons. Students followed a patient journey from birth through to death, learning about the skilled clinicians and professionals who support that person at each stage of their lives. Experienced careers staff helped the young students discuss options for their future.

Better Care in Hull Conference

As part of Older People's Celebration Week, NHS Hull CCG and Hull City Council organised a Better Care in Hull conference at the prestigious KCOM Stadium. The conference was a chance to update about the Better Care in Hull scheme and discuss how local health and social care services can work more closely. Now in its second year, the conference brings together professionals from health, social care and the community, plus a number of service users.



Paramedics with presents at Peter Pan Parkrun

Hearts fluttered when the CCG gave the gift of a defibrillator to Peter Pan Parkrun in west Hull.

Dave Blain a paramedic and the CCG's Designated Professional for Safeguarding Adults, officially presented the machine to the group and provided them with full CPR and defibrillation training. Parkrun is a not-for-profit organisation, hosting free, 5km fun runs at parks all around the world, including 438 in the UK. The new lifesaving equipment will help to keep runners safe in the event of a medical emergency.

'Meet the funders' event

Charity and voluntary groups from around Hull gathered at the Guildhall in January to learn about funding health and community projects. The event, which was jointly organised by the CCG and Hull City Council, was designed to help local groups make connections and get advice about their funding needs. Events like this are a simple way for the CCG to support those groups, connecting them with organisations who can help to fund projects, or who have resources that can be shared. The event was hugely successful, receiving high levels of positive feedback.

Respiratory workshop

Respiratory diseases, in particular Chronic Obstructive Pulmonary Disease (COPD), are a major cause of death and place significant demand on NHS resources. An event was held in October 2016 in the form of a workshop to allow clinicians, providers and stakeholders and Hull and ER CCG to work together to discuss how the ideal model would look. It aimed to shape the way patients receive care for respiratory conditions in a seamless and efficient way, regardless of where they begin their 'patient journey'. Once implemented, this pathway will mean that patients are only required to tell their story once, and will have access to diagnostics and treatment, without having to attend several appointments for the same condition or symptom.

Safer Sleeping Week

In March, local health professionals appeared on TV and radio to urge parents to follow safe sleeping guidelines.

Making parents aware of some simple, basic steps they can take can help to reduce the chance of Sudden Infant Death Syndrome and other sleeping related fatalities. The promotion tied in with national Safer Sleeping Week activities from the Lullaby Trust.

Emma Latimer
NHS Hull CCG Chief Officer
(Accountable Officer)
31 May 2017

Part Two:
Accountability Report 2016-17

Hull CCG Members Report (Directors Report)

The Members' Report contains details of our CCG membership practices, our Board (sometimes referred to as a Governing Body), membership of the Audit and Integrated Governance Committee and where people can find Board member profiles and the register of interests. Each individual who is a member of the CCG at the time the Members' Report is approved confirms:

- **So far as the member is aware, there is no relevant audit information of which the CCG's auditor is unaware that would be relevant for the purposes of their audit report;**
- **the member has taken all the steps that they ought to have taken in order to make him or herself aware of any relevant audit information and to establish that the CCG's auditor is aware of it.**

Our CCG Membership

NHS Hull CCG is a clinically-led organisation that brings together local GP practices and other health professionals to plan and design services to meet local patients' needs. Our GP practices served a registered patient population of 295,406 across 23 local authority wards during 2016-17.

During 2016-17, the following 47 practices comprised the membership of NHS Hull Clinical Commissioning Group. This is a reduction of eight practices from 2015-16 as a consequence of the following changes:

- Dr RJ Westrop and Partners merging into Newland Group Medical Practice (previously named Dr JR Lorenz and Partners) on 01.04.16;
- Dr Raghunath and St Andrews Northpoint merging into James Alexander Family Practice (previously named St Andrews - Bransholme) on 01.04.16;
- Dr JC Joseph merging into East Hull Family Practice (previously named Morrill Street Group Practice) on 01.04.16;
- Chesnut Farm Surgery merging into East Hull Family Practice (previously named Morrill Street Group Practice) on 01.07.16;
- St Andrews-Newington and Dr AS Raghunath and Partners merging into St Andrews Group Practice on 01.12.16
- Dr NA Poulose and Partners merging into Dr RK Awan and Partners on 01.01.17

Practice Name	Address
Dr AK Choudhary and Dr SR Danda Practice	Bransholme Health Centre, Goodhart Road, Bransholme, Hull, HU7 4DW
East Hull Family Practice	Morrill Street Health Centre, Morrill Street, Hull, HU9 2LJ
Kingston Health (Hull)	Kingston Health, Wheeler Street, Hull, HU3 5QE
Kingston Medical Group	Kingston Medical Centre, 151 Beverley Road, Hull, HU3 1TY
Dr RK Awan and Partners	Orchard 2000 Medical Centre, 480 Hall Road, Hull, HU6 9BS
Sutton Manor Surgery	St Ives Close, Wawne Road, Hull, HU7 4PT
Faith House Surgery	Faith House Surgery, 723 Beverley Road, Hull, HU6 7ER
St Andrews Group Practice	St. Andrews Group Practice, Elliott Chappell Health Centre, 215 Hessle Road, Hull, HU3 4BB
Wilberforce Surgery	Wilberforce Health Centre, 6-10 Story Street, Hull, HU1 3SA
The Avenues Medical Centre	The Avenues Medical Centre, 149 - 153 Chanterlands Avenue, Hull, HU5 3TJ
Dr IA Galea and Partners	The Oaks Medical Centre, Council Avenue, Hull, HU4 6RF

Practice Name	Address
Dr JAD Weir and Partners	Marfleet Group Practice, Preston Road, Hull, HU9 5HH
The Bridge Group Practice	The Orchard Centre, 210 Orchard Park Road, Hull, HU6 9BX
Wolseley Medical Centre	Londesborough Street, Hull, HU3 1DS
Newland Group Medical Practice	Alexandra Health Centre, 61 Alexandra Road, Hull, HU5 2NT
Dr VA Rawcliffe and Partners	New Hall Surgery, Oakfield Court, Cottingham Road, Hull, HU6 8QF
Dr J Musil and Partner	Princes Court, 2 Princes Avenue, Hull, HU5 3QA
Diadem Medical Practice	Bilton Grange Health Centre, 2 Diadem Grove, Bilton Grange, Hull, HU9 4AL
Clifton House Medical Centre	263 - 265 Beverley Road, Hull, HU5 2ST
The Springhead Medical Centre	376 Willerby Road, Hull, HU5 5JT
Sydenham Group Practice	Elliott Chappell Health Centre, 215 Hessle Road, Hull, HU3 4BB
Dr GM Chowdhury and Partner	Park Health Centre, 700 Holderness Road, Hull, HU9 3JA
Southcoates Medical Centre	225 Newbridge Road, Hull, HU9 2LR
Hastings Medical Centre	919 Spring Bank West, Hull, HU5 5BE
Dr GS Malczewski	Longhill Health Care Centre, 162-164 Shannon Road, Hull, HU8 9RW
New Green Surgery	Morrill Street, Hull, HU9 2LJ
Burnbrae Medical Practice	445 Holderness Road, Hull, HU8 8JS
Dr L Witvliet	358 Marfleet Lane, Hull, HU9 5AD
Sutton Park Medical Practice	The Surgery, Littondale, Sutton Park, Hull, HU7 4BJ
Dr BF Cook	Field View Surgery, 840 Beverley Road, Hull, HU6 7HP
Holderness Health Open Door Surgery	Park Health Centre, 700 Holderness Road, Hull, HU9 3JA
Dr JK Nayar & Partner	Newland Health Centre, 187 Cottingham Road, Hull, HU5 2EG
James Alexander Family Practice	Bransholme Health Centre, Goodhart Road, Bransholme, Hull, HU7 4DW
Dr G Palooran and Partner	Bransholme Health Centre, Goodhart Road, Bransholme, Hull, HU7 4DW
Dr GT Hendow	Bransholme Health Centre, Goodhart Road, Bransholme, Hull, HU7 4DW
Dr R Raut and Partner	Highlands Health Centre, Lothian Way, Bransholme, Hull, HU7 5DD
Dr G Dave	Laurbel Surgery, 14 Main Road, Bilton, Hull, HU11 4AR
East Park Practice	Park Health Centre, 700 Holderness Road, Hull, HU9 3JA
CHCP Newington	Newington Health Centre, 2 Plane Street, Hull, HU3 6BX
Dr M Shaikh and Partner	Longhill Health Care Centre, 162 - 164 Shannon Road, Hull, HU8 9RW
Dr KV Gopal	Bransholme Health Centre, Goodhart Road, Bransholme, Hull, HU7 4DW
The Quays Medical Centre	Wilberforce Health Centre, 6-10 Story Street, Hull, HU1 3SA
Riverside Medical Centre	Riverside Medical Centre, The Octagon, Walker Street, Hull, HU3 2RA
The Calvert Practice	The Calvert Centre, 110a Calvert Lane, Hull, HU4 6BH
Northpoint	Bransholme Health Centre, Goodhart Road, Bransholme, Hull, HU7 4DW
Kingswood Surgery	Kingswood Healthcare Centre, 10 School Lane, Hull, HU7 3JQ
Story Street Practice And Walk In Centre	Wilberforce Health Centre, 6-10 Story Street, Hull, HU1 3SA

Our CCG Board

The NHS Hull CCG Board meets in public on a bi-monthly basis. It has responsibility for leading the development of the CCG's vision and strategy, as well as providing assurance to the Council of Members with regards to the achievement of the CCG's objectives. Please see www.hullccg.nhs.uk for individual Board member profiles and Register of Interests (Historical declarations of interest can be obtained via HULLCCG.contactus@nhs.net)

NHS Hull Clinical Commissioning Group Board Membership 2016-17

Chair
Dr Dan Roper

Chief Officer
Emma Latimer

GP MEMBERS

Dr Vince Rawcliffe

Dr James Moult

Dr John Parker

Dr Amy Oehring

Dr Raghu Raghunath

LAY REPRESENTATIVES

Lay Representative
Karen Marshall

Lay Representative and Vice Chair
Paul Jackson

Lay Representative
Jason Stamp

Chief Finance Officer
Emma Sayner

Director of Integrated Commissioning
Erica Daley

Director of New Models of Care
Geoff Day

Secondary Care Doctor
Dr David Heseltine

Practice Manager Member
Carole Robinson
1.4.16 - 11.03.17

Registered Nurse Representative
Angie Mason
1.4.16 - 20.12.16

Director of Quality and Clinical Governance/ Executive Nurse
Sarah Smyth

Director of Public Health and Adult Services
Julia Weldon

Access to Information

During the period 1 April 2016 to 31 March 2017, the CCG processed the following requests for information under the Freedom of Information Act (FOI) 2000.

	2016-17
Number of FOI requests processed	**285**
Percentage of requests responded to within 20 working days	**100%**
Average time taken to respond to an FOI request	**15 days**

The CCG did not provide some or all of the information requested in 44 cases because an exemption was applied either to part of, or to the whole request e.g. information was accessible by other means, the cost of providing the information exceeded the limits set by the FOIA, information was intended for future publication, disclosure of information would be likely to prejudice the commercial interests of any person, information related to the personal data of third parties, disclosure would be likely prejudice to law enforcement or disclosure would prejudice or would be likely to prejudice "the effective conduct of public affairs".

The CCG did not provide information in 39 cases where the CCG did not hold the information and, where possible, the applicant was redirected to the correct organisation for the information.

Our publication scheme contains documents that are routinely published; this is available on our website: http://www.hullccg.nhs.uk/pages/publication-scheme--2 We certify that the CCG has complied with HM Treasury's guidance on cost allocation and the setting of charges for information.

Our Committees

Five committees assist in the delivery of the statutory functions and key strategic objectives of the CCG.

- **Integrated Audit and Governance Committee**
- **Planning and Commissioning Committee**
- **Quality and Performance Committee**
- **Primary Care Joint Commissioning Committee**
- **Remuneration Committee**

For full details of committee functions, membership and attendance for 2016-17 please see page 45 to 50 of the Annual Governance Statement.

Handling complaints

There may be occasions when your experiences of local health services falls short of your expectations. All local providers of NHS services have well established complaints procedures which enable such concerns to be investigated and responded to and further information is available directly from the relevant organisation.

The CCG's complaints process aims to provide a full explanation and resolve all concerns promptly and with the minimum of bureaucracy. It is keen to learn from complaints, wherever possible, in order to improve services, patient care and staff awareness.

The CCG complaints policy is regularly reviewed and is consistent with latest guidance and recommendations.

During 2016-17, the CCG received fourteen complaints. All of these related to the commissioning of services by the CCG, with eight relating specifically to decisions made under the Individual Funding Request process and six relating to general commissioning of the CCG (all of these were related to Continuing Health Care). All compaints were thoroughly investigated and full response provided. None were upheld. For further information regarding the CCG's complaints process please visit the CCG website at **www.hullccg.nhs.uk**

Personal data related incidents

The CCG recognises the importance of maintaining data in a safe and secure environment. It uses the Serious Incidents Requiring Investigation (SIRI) tool to assess any matters involving potential data loss to the organisation. The tool requires the reporting of any data incident rated at level 2 or above via the information governance toolkit. The CCG has had no such incidents during 2016-17.

Modern Slavery Act/Slavery and Human Trafficking Statement

NHS Hull CCG fully supports the Government's objectives to eradicate modern slavery and human trafficking and complies with legislative duties under section 54 of the modern slavery act. Our Slavery and Human Trafficking Statement for the financial year ending 31 March 2017 will be published on our website at www.hullccg.nhs.uk by 31 May 2017.

Statement of Accountable Officer's Responsibilities

The National Health Service Act 2006 (as amended) states that each Clinical Commissioning Group shall have an Accountable Officer and that Officer shall be appointed by the NHS Commissioning Board (NHS England). NHS England has appointed the Chief Officer to be the Accountable Officer of NHS Hull Clinical Commissioning Group.

The responsibilities of an Accountable Officer are set out under the National Health Service Act 2006 (as amended), Managing Public Money and in the Clinical Commissioning Group Accountable Officer Appointment Letter. They include responsibilities for:

- The propriety and regularity of the public finances for which the Accountable Officer is answerable,
- For keeping proper accounting records (which disclose with reasonable accuracy at any time the financial position of the Clinical Commissioning Group and enable them to ensure that the accounts comply with the requirements of the Accounts Direction),
- For safeguarding the Clinical Commissioning Group's assets (and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities).
- The relevant responsibilities of accounting officers under Managing Public Money,
- Ensuring the CCG exercises its functions effectively, efficiently and economically (in accordance with Section 14Q of the National Health Service Act 2006 (as amended)) and with a view to securing continuous improvement in the quality of services (in accordance with Section14R of the National Health Service Act 2006 (as amended)),
- Ensuring that the CCG complies with its financial duties under Sections 223H to 223J of the National Health Service Act 2006 (as amended).

Under the National Health Service Act 2006 (as amended), NHS England has directed each Clinical Commissioning Group to prepare for each financial year financial statements in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Clinical Commissioning Group and of its net expenditure, changes in taxpayers' equity and cash flows for the financial year. In preparing the financial statements, the Accountable Officer is required to comply with the requirements of the Group Accounting Manual issued by the Department of Health and in particular to:

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Group Accounting Manual issued by the Department of Health have been followed, and disclose and explain any material departures in the financial statements; and,
- Prepare the financial statements on a going concern basis.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out under the National Health Service Act 2006 (as amended), Managing Public Money and in my Clinical Commissioning Group Accountable Officer Appointment Letter.
I also confirm that:

- as far as I am aware, there is no relevant audit information of which the CCG's auditors are unaware, and that as Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the CCG's auditors are aware of that information.
- that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable

Annual Governance Statement 2016-17

Introduction and context

NHS Hull Clinical Commissioning Group (CCG) is a body corporate established by NHS England on 1 April 2013 under the National Health Service Act 2006 (as amended).

The CCG's statutory functions are set out under the National Health Service Act 2006 (as amended). The CCG's general function is arranging the provision of services for persons for the purposes of the health service in England. The CCG is, in particular, required to arrange for the provision of certain health services to such extent as it considers necessary to meet the reasonable requirements of its local population.

As at 1 April 2016, the CCG is not subject to any directions from NHS England issued under Section 14Z21 of the National Health Service Act 2006.

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CCG's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I also acknowledge my responsibilities as set out under the National Health Service Act 2006 (as amended) and in my CCG Accountable Officer Appointment Letter.

I am responsible for ensuring that the CCG is administered prudently and economically and that resources are applied efficiently and effectively, safeguarding financial propriety and regularity. I also have responsibility for reviewing the effectiveness of the system of internal control within the CCG as set out in this governance statement.

Governance arrangements and effectiveness

The main function of the governing body is to ensure that the group has made appropriate arrangements for ensuring that it exercises its functions effectively, efficiently and economically and complies with such generally accepted principles of good governance as are relevant to it.

The CCG maintains a Constitution and associated Standing Orders, Prime Financial Policies and Scheme of Delegation, all of which have been approved by the CCG's membership and certified as compliant with the requirements of NHS England.

Taken together these documents enable the maintenance of a robust system of internal control. The CCG remains accountable for all of its functions, including any which it has delegated.

The Scheme of Delegation defines those decisions that are reserved to the Council of Members and those that are the responsibility of its Governing Body (and its committees), CCG committees, individual officers and other employees.

The Council of Members comprises representatives of the 41 member practices and has overall authority on the CCG's business. It receives performance updates at each of its meetings as to the progress of the CCG against its strategic objectives.

The Governing Body has responsibility for leading the development of the CCG's vision and strategy, as well as providing assurance to the Council of Members with regards to the achievement of the CCG's objectives. It has established five committees to assist it in the delivery of the statutory functions and key strategic objectives of the CCG. It receives regular opinion reports from each of its committees, as well as their minutes. These, together with a wide range of other updates, enable the Governing Body to assess performance against these objectives and direct further action where necessary.

The Integrated Audit and Governance Committee provides the Governing Body with an evaluation of the sources of assurance available to the CCG. Significant matters are escalated through the risk and control framework and reviewed by the committee. The Governing Body is represented on all the committees so as to ensure that it remains sighted on all key risks and activities across the CCG.

A Programme Delivery Board has been maintained by the CCG throughout the year to agree priorities and monitor progress against a programme of work to deliver the CCG's Commissioning Strategy and Operational Plan.

The CCG governance framework for 2016-17 is summarised in the diagram on the following page.

Council of Members (Bi-Monthly)

- Final (highest) level of authority for all CCG business
- CCG Constitution
- Vision, values and overall strategic direction
- Commissioning Strategy / Annual Commissioning Plan
- Election of GP members of CCG Board
- Ratification of lay members, registered nurse and secondary care doctor appointments to the CCG Board.

Senior Leadership Team (weekly)

- General consideration of strategy and policy / operational plans
- Risk Register
- Governance
- Organisational Development & HR
- Communication
- Operational Health and Safety

Clinical Commissioning Group Board (Bi-monthly)

- Assurance with regards to delivery of strategic priorities of the CCG.
- Strategic quality, planning and performance management
- Commissioning strategy / Annual Commissioning Plan (draft)

- HR policies (draft)
- Equality & Diversity Objectives / Plans (draft)

- HR policies (approval)
- Equality & Diversity Objectives / Plans (approval)
- Assurance and Risk Management (approval)

Planning & Commissioning Committee (Monthly)

- Service redesign
- Procurement
- Joint Commissioning
- Engagement
- CCG Commissioning programmes
- Financial Strategy

- Commissioning policies
- Engagement strategies
- Planning

Quality & Performance Committee (Monthly)

- Financial management
- Contract management
- Performance management
- Value for money
- Quality improvement including safeguarding
- Patient experience
- Equality & Diversity
- IFR

- Quality
- Safeguarding
- Performance
- Clinical governance

Primary Care Joint Commissioning Committee (Bi-monthly)

- GMS, PMS and APMS contracts
- Newly designed enhanced services
- Local incentive schemes
- Decision making on establishment of new GP practices
- Practice mergers
- Discretionary payments
- Extended primary care medical services
- Newly designed services to be commissioned from primary care.

Integrated Audit & Governance Committee (Bi-monthly)

- Independent assurance
- Governance, systems and control
- Internal control and audit
- Declarations / conflicts of interest
- Standards or business conduct
- Legal compliance
- Health and safety
- Information governance

- Governance
- Risk management (draft)
- Assurance (draft)

Remuneration Committee (Bi-annually)

- Remuneration and Terms of Service of VSM and Board Members
- Performance review of VSMs

- VSM remuneration / Terms of Service Policies

Programme Delivery Board (Monthly)

- Scrutinise progress against critical milestones for each workstream within the Annual Commissioning Operational Plan. Confirm and challenge the adequacy and timeliness of remedial steps in underperforming areas, effecting further action where necessary
- Rolling programme of detailed review of the Operational Plan workstreams and other core programmes of CCG work
- Identify and oversee risks to the delivery of work programmes and ensure these are reflected in the Corporate Risk Register or Board Assurance Framework, where appropriate

From 01/04/17 the CCG assumed fully delegated authority for the commissioning of primary care from NHS England.

Membership, Attendance and Activity Summary

Council of Members

The Council of Members has final authority for all CCG business and established the vision, values and overall strategic direction for the organisation. It has reserved powers with respect to authorisation of the CCG Constitution, commissioning strategy and election / ratification of key appointments to the CCG Governing Body.

During 2016-17, the Council met on eight occasions and was quorate on each occasion. It ratified appointments to the vacancies for GP members of the CCG Governing Body and approved an annual workplan. It approved the Primary Care Blueprint for Hull as well as the proposal to seek fully delegated commissioning responsibility for primary care with effect from 01 April 2017. The Council also considered a wide range of agenda items pertaining to its responsibilities including papers relating to quality, performance and strategy.

Attendance at the Council of Members during the year was as follows:

Date of Meeting	05/05/16	07/07/16	08/09/16	03/11/16	12/01/17	09/03/17
Practice						
Awan and Partners / Orchard 2000 Medical Centre Merged with Poulose NA, Awan and Basheer	✓	X	✓	✓	✓	✓
Bridge Group Practice	✓	✓	✓	X	✓	✓
Burnbrae Medical Centre	✓	X	X	✓	✓	X
Clifton House Medical Practice	✓	✓	X	X	X	X
Chestnut Farm Surgery (Merged with East Hull Family Practice)	✓	✓	✓	✓	✓	✓
Choudhary AK & Danda SR Practice	X	X	X	X	X	✓
Chowdhury GM	X	X	X	X	X	X
City Healthcare Partnerships Newington Surgery	✓	✓	✓	✓	✓	✓
Cook BF	✓	✓	✓	✓	✓	X
Dave G	X	✓	X	✓	X	X
Diadem Medical Practice	✓	X	✓	X	X	✓
East Park Practice	X	X	X	X	X	X
Faith House Surgery	✓	✓	✓	✓	✓	X
Galea & Partners / The Oaks Medical Centre	✓	✓	X	✓	✓	✓
Goodheart Surgery	✓	✓	X	✓	✓	✓
Hastings Medical Practice	✓	X	✓	✓	✓	✓
Hendow GT	✓	✓	✓	✓	✓	✓
Holderness Health Open Door Surgery	X	X	X	X	X	X
James Alexandra Family Practice	✓	✓	✓	X	X	✓
JK Nayar	X	X	X	X	X	X
Kingston Health Hull	✓	✓	✓	✓	✓	✓
Kingston Medical Centre	✓	X	✓	✓	✓	✓
KV Gopal Surgery	X	X	X	X	X	X
Malczewski GS	X	X	X	X	X	X
Musil J now Princes Medical Centre	✓	✓	✓	✓	✓	✓
Newland Group Practice	X	X	✓	X	X	X
New Green Surgery	✓	✓	✓	✓	✓	✓
Northpoint	X	X	X	X	X	X
Quays Medical Centre	X	X	X	✓	✓	X
Raut Partnership	✓	✓	✓	✓	✓	✓
Rawcliffe and Partners	✓	✓	X	✓	✓	✓
Riverside Medical Centre	X	✓	✓	✓	✓	X
Roper and Partners / Springhead Medical Centre	✓	✓	✓	✓	✓	✓
Shaikh Partnership	X	X	✓	✓	✓	X
Southcoates Medical Centre	✓	✓	✓	X	✓	X

Continued on the next page.

Date of Meeting	05/05/16	07/07/16	08/09/16	03/11/16	12/01/17	09/03/17
Practice						
St Andrews Group Practice, Newington merged with St Andrews Group Practice	✓	✓	✓	✓	✓	X
Story Street Practice and Walk-in Centre	X	X	X	X	X	X
Sutton Manor Surgey	✓	✓	✓	✓	✓	✓
Sutton Park Medical Centre	✓	✓	✓	✓	✓	✓
Sydenham Group Practice	X	X	X	X	X	X
The Avenues Medical Centre	✓	X	✓	X	✓	X
The Calvert Practice	✓	X	✓	✓	✓	X
St Andrews Surgery, Group Practice	✓	✓	X	X	X	X
Weir and Partners	✓	X	✓	✓	X	X
Wilberforce Surgery	X	X	X	X	X	X
Witvliet L	X	X	✓	X	X	X
Wolseley Medical Practice	✓	✓	X	✓	✓	X

Integrated Audit and Governance Committee

The Integrated Audit & Governance Committee is responsible for providing assurance to the CCG Governing Body on the processes operating within the organisation for risk, control and governance. It assesses the adequacy of assurances that are available with respect to financial, corporate, clinical and information governance. The committee is able to direct further scrutiny, both internally and externally where appropriate, for those functions or areas where it believes insufficient assurance is being provided to the CCG Governing Body.

During 2016-17, the committee met eight times during the year and was quorate on each occasion. The committee's activities included:

- Receiving and reviewing the Board Assurance Framework and Risk Register on a regular basis throughout the year;
- Considering reports and opinions from a variety of internal and external sources including external audit, NHS Protect (counter fraud services), internal audit and the other committees of the Governing Body;
- Receiving and scrutinising reports on tender waivers, declarations of interest and gifts and hospitality;
- Reviewing the annual accounts and annual governance statement and made recommendations to the Governing Body; and,
- Through its work programme provided assurance to the Governing Body that the system of internal control is being implemented effectively.

Attendance at the Committee during the year was as follows:

Date of Meeting		20/04/16	10/05/16	20/05/16	12/07/16	13/09/16	15/11/16	10/01/17	07/03/17
Surname	**First Name**								
Marshall	Karen	✓	✓	✓	✓	✓	✓	✓	✓
Jackson	Paul	X	✓	✓	X	✓	X	✓	✓
Stamp	Jason	✓	✓	✓	✓	✓	✓	✓	X

Governing Body

The Governing Body has its functions conferred on it by sections 14L(2) and (3) of the 2006 Health and Social Care Act, inserted by section 25 of the 2012 Health and Social Care Act. In particular, it has responsibility for:

- ensuring that the CCG has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the principles of good governance (its main function);
- determining the remuneration, fees and other allowances payable to employees or other persons providing services to the CCG and the allowances payable under any pension scheme it may establish under paragraph 11(4) of Schedule 1A of the 2006 Act, inserted by Schedule 2 of the 2012 Act; and
- those matters delegated to it within the CCG's Constitution.

The CCG Governing Body has met nine times during the year and was quorate on each occasion. Its agendas have incorporated a comprehensive range of reports to support delivery of its key functions; including the 2016-17 Operational Plan, Performance and Quality Reports (incorporating contracts, finance and quality) and extensive consideration of the emerging Humber, Coast and Vale Sustainability and Transformation Plan. It has also considered and approved a number of high value business cases/awards of contract throughout the year.

The Governing Body has continued to evaluate its effectiveness throughout the year and initiate changes which build and strengthen its functionality. It has held full day development sessions on a bi-monthly basis where key aspects of its effectiveness have been considered. This includes externally facilitated consideration of the board assurance framework.

The Governing Body has committed to the previously approved organisational development strategy, which includes a comprehensive programme of development as a team. Activities in the last financial year have included conflicts of interest equality and diversity training, improved Governing Body effectiveness and development of the CCG strategic objectives.

Attendance at the Governing Body during the year was as follows:

Date of Meeting		23/05/16	27/05/16	29/07/16	28/10/16	30/09/16	25/11/16	16/12/16	27/01/17	31/03/17
Surname	**First Name**									
Daley	Erica	X	✓	✓	✓	✓	✓	✓	✓	X
Day	Geoff	✓	X	✓	✓	✓	✓	✓	X	X
Heseltine	David	X	✓	✓	✓	✓	✓	X	✓	✓
Jackson	Paul	✓	✓	✓	✓	✓	✓	✓	✓	✓
Latimer	Emma	✓	✓	✓	✓	X	✓	X	✓	✓
Marshall	Karen	✓	✓	✓	X	✓	✓	✓	✓	✓
Mason	Angie	X	✓	✓	X	✓	X	X		
Moult	James	X	✓	✓	X	✓	✓	✓	✓	✓
Oehring	Amy	X	X	X	✓	✓	✓	✓	✓	✓
Parker	John	✓	✓	✓	✓	✓	✓	✓	✓	✓
Raghunath	Ragu	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rawcliffe	Vince	X	✓	✓	✓	✓	X	✓	✓	✓
Robinson	Carole	✓	✓	✓	✓	✓	✓	X	✓	
Roper	Dan	X	✓	✓	✓	✓	✓	✓	✓	✓
Sayner	Emma	✓	✓	✓	X	✓	✓	✓	✓	✓
Smyth	Sarah	✓	✓	X	✓	X	✓	✓	✓	X
Stamp	Jason	✓	✓	✓	✓	✓	✓	✓	✓	✓
Weldon	Julia	X	✓	✓	✓	✓	✓	✓	✓	X

Was not a member at the time

Extraordinary Meeting

Planning and Commissioning Committee

The Planning & Commissioning Committee is responsible for ensuring that the planning, commissioning and procurement of commissioning-related business is in line with the CCG organisational objectives. In particular, the Committee is responsible for preparing and recommending a Commissioning Plan to the Governing Body, together with the establishment of and reporting on effective key performance indicators within specifications which will deliver planned Quality, Innovation, Productivity and Prevention (QIPP) benefits. An update report is produced by the committee after each meeting for consideration by the Governing Body as to the sources of confidence available in relation to the areas of responsibility of the committee.

The Committee met twelve times during the year and was quorate on eleven occasions. The committee's activities included:

- Development of the social prescribing procurement specifications and overview of the tender process;
- Receiving and reviewing a wide range of clinical commissioning policies, including those relating to prescribing;
- Consideration of the Hull Integrated Care Centre business case and pathway / service modelling;
- Review and approval of public health programmes; and
- Review of the progress and delivery of main work programmes.

Date of Meeting		06/04/16	04/05/16	01/06/16	06/07/16	03/08/16	07/09/16	05/10/16	02/11/16	07/12/16	11/01/17	01/02/17	01/03/17
Surname	**First Name**												
Parker	John	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Billany	Karen	✓	✓	✓	✓	✓	✓	X	✓	X	✓	✓	X
Bradbury	Melanie	✓	X	✓	X	✓	X	✓	X	✓	X	✓	X
Daley	Erica	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	X
Davis	Philip	✓	✓	X	✓	✓	✓	X	✓	✓	✓	✓	✓
Dawson	Bernie	X	X	X	✓	✓	✓	X	✓	✓	✓	✓	✓
Dodson	Joy	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ellis	Karen	X	X	X	X	✓	✓	✓	X	X	X	✓	✓
Fielding	Tim	✓	✓	✓	X	✓	X	✓	✓	✓	X	✓	✓
Jackson	Paul	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Lee	Sue	✓	X	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Oehring	Amy	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Reghunath	Raghu	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Robinson	Carole	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Storr	Danny	✓	✓	✓	✓	✓	X	✓	✓	X	✓	✓	X

Not Quorate

Remuneration Committee

The purpose of the Committee is to advise and assist the Governing Body in meeting its responsibilities on determinations about the remuneration, fees and other allowances for employees and for people who provide services to the CCG, as well as with regards to determinations about allowances under any pension scheme that the CCG may establish as an alternative to the NHS pension scheme. In so doing the Committee will have proper regard to the organisation's circumstances and performance and to the provisions of any national agreements and NHS Commissioning Board guidance as necessary.

The Committee met twice during the year and was quorate on each occasion. Highlights of the Committees activity included pay progression considerations, honorary contracts reviews and VSM performance frameworks.

Date of Meeting		27/05/16	06/02/16
Surname	**First Name**		
Marshall	Karen	✓	✓
Roper	Dan	✓	✓
Jackson	Paul	✓	✓
Stamp	Jason	✓	✓

Primary Care Joint Commissioning Committee

The Primary Care Joint Commissioning Committee is a joint committee between NHS England and the CCG with responsibility for commissioning primary medical services across the city. In particular, the committee was responsible for considering General Medical Services (GMS), Personal Medical Services (PMS) and Advanced Personal Medical Services (APMS) contracts, enhanced services, local incentive schemes, decision making on establishment of new GP practices and practice mergers and newly designed services to be commissioned from primary care. The Committee met on six occasions during the year and was quorate on each occasion. The committee's activities during the year included:

- Consideration and development of the Hull social prescribing service specification;
- Consideration and approval of the service specification to commission a Pharmacy Urgent Repeat Medication (PURM) Service from local community pharmacies;
- Completing a detailed review of the proposal to adopt fully delegated commissioning arrangements for primary care;
- Approval of the Plan for the Utilisation of Estate and Technology Fund, GP Forward View and PMS Premium resources; and
- Consideration of applications from local GP practices for the temporary closure of their practice lists.

Attendance at the Committee during the year was as follows:

Date of Meeting		29/04/16	24/06/16	26/08/16	28/10/16	16/12/16	24/02/17
Surname	**First Name**						
Jackson	Paul	✓	✓	✓	✓	✓	✓
Daley	Erica	✓	X	✓	✓	X	✓
Day	Geoff	✓	✓	X	✓	✓	✓
Finch	Julie	X	X	X	X	✓	X
Latimer	Emma	X	X	X	✓	X	✓
Lunn	Gwen Cllr	X	✓	✓	✓	✓	✓
Marshall	Karen	✓	✓	X	X	✓	X
Marsh	Heather	X	✓	X	✓	X	X
Mason	Angie	✓	X	✓	X		
Moult	James	✓	✓	✓	X	✓	X
Oehring	Amy	✓	✓	✓	✓	✓	X
Parker	John	✓	✓	✓	✓	✓	✓
Purcell	Gail	✓	✓	✓	✓	✓	✓
Raghunath	Raghu	X	✓	✓	✓	✓	✓
Rawcliffe	Vince	✓	✓	✓	✓	✓	✓
Robinson	Carole	X	✓	✓	✓	X	X
Roper	Dan	✓	✓	✓	✓	✓	✓
Sayner	Emma	✓	✓	X	X	✓	✓
Smyth	Sarah	✓	✓	✓	✓	✓	X
Spencer	Helena Cllr	X					
Stamp	Jason	✓	✓	✓	✓	✓	✓
Weldon	Julia	X	✓	✓	✓	✓	X

Was not a member at the time

Quality and Performance Committee

The Quality & Performance Committee is responsible for the continuing development, monitoring and reporting of performance outcome measures in relation to quality improvement, financial performance and management plans. It ensures the delivery of improved outcomes for patients in relation to the CCG's agreed strategic priorities.

The Committee met ten times during the year and was quorate on eight occasions. An update report is produced by the committee after each meeting for consideration by the Governing Body as to the sources of confidence available in relation to the areas of responsibility of the committee. The committee's activities during the year included:

- Provider quality monitoring and performance escalation;
- Deep Dives - into A&E and out of area transfer for mental health;
- Application of patient experience data to inform the work of the Committee and the wider CCG;
- Development of the quality risk profile and quality visits policy - specific visits undertaken to Ward 5, Hull Royal Infirmary and maternity services;
- Scrutiny of financial delivery;
- Ensuring that quality is integral to the contracting process - joint quality and performance report established; and,
- Review of serious incident process - improving the quality and outcomes of investigations, sharing the learning and making better use of data around themes and trends from serious incidents.

Attendance at the Committee during the year was as follows:

Date of Meeting		24/05/16	28/06/16	28/06/16	20/09/16	27/10/16	29/11/16	22/12/16	31/01/17	22/02/17	28/03/17
Surname	**First Name**										
Moult	James	✓	X	✓	✓	✓	✓	✓	✓	X	✓
Stamp	Jason	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Smyth	Sarah	✓	✓	X	✓	✓	✓	✓	X	✓	✓
Crick	James	✓	X	✓	✓	X	X	✓	✓	X	✓
Dodson	Joy	✓	X	✓	X	✓	X	✓	X	X	X
Morris	Lorna	✓	X	✓	✓	✓	✓	✓	✓	✓	X
Lee	Sue	X	X	X	✓	✓	✓	✓	X	✓	X
Memluks	Kate	✓	✓	✓	✓	✓	✓	✓	✓	X	X
Blain	David	✓	X	✓	X	X	✓	✓	✓	X	X
Mason	Angie	✓	X	✓	✓	✓	X				
Martin	Karen				✓	✓	✓	✓	✓	✓	X

Was not a member at the time

Not Quorate

UK Corporate Governance Code

NHS Bodies are not required to comply with the UK Code of Corporate Governance. However, we have reported on our corporate governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the CCG.

In particular, we have described through the narrative within this annual governance statement and our annual report and accounts four of the five main principles of the Code; namely, leadership, effectiveness, accountability and remuneration.

The CCG is a statutory NHS organisation. It does not have shareholders and we do not therefore report on our compliance with the fifth main principle of the Code; relations with shareholders. We do however set out within this annual governance statement and our annual report and accounts how we have discharged our responsibilities with regards to our members and the general public.

Discharge of Statutory Functions

In light of recommendations of the 1983 Harris Review, the CCG has reviewed all of the statutory duties and powers conferred on it by the National Health Service Act 2006 (as amended) and other associated legislative and regulations. As a result, I can confirm that the CCG is clear about the legislative requirements associated with each of the statutory functions for which it is responsible, including any restrictions on delegation of those functions.

Responsibility for each duty and power has been clearly allocated to a lead Director. Directorates have confirmed that their structures provide the necessary capability and capacity to undertake all of the CCG's statutory duties.

Arrangements put in place by the CCG and explained within the corporate governance framework have been developed with extensive expert external legal input, to ensure compliance with the all relevant legislation. That legal advice also informed the matters reserved for Council of Members and Governing Body decision and the scheme of delegation.

Risk management arrangements and effectiveness

The CCG maintains a Risk Management Strategy which sets out its appetite for risk, together with the practical means through which risk is identified and evaluated as well as the control mechanisms through which it is managed. It creates a framework to achieve a culture that encourages staff to:

- Avoid undue risk aversion but rather identify and control risks which may adversely affect the operational ability of the CCG;
- Compare and prioritise risks in a consistent manner using defined risk grading guidance; and
- Where possible, eliminate or transfer risks or reduce them to an acceptable and cost effective level or otherwise ensure the organisation accepts the remaining risk.

The Risk Management Strategy was reviewed and updated in March 2017. The CCG maintains a Risk Register through an electronic reporting system which is accessible to all staff.

Risks are systematically reviewed at the Integrated Audit and Governance Committee and other committees of the Governing Body, as well as by directorates, senior managers and individual risk owners. The Risk Register assesses the original and mitigated risks for their impact and likelihood and tracks the progress of individual risks over time through a standardised risk grading matrix. Risks that increase in rating are subject to additional scrutiny and review.

All formal papers, strategies or policies to the Council of Members, Governing Body or its committees are assessed for their risks against the defined framework. All new or updated policies of the CCG are subject to equality impact assessments which gauge and mitigate wider public risks. The CCG's Equality Impact Assessment Framework has been comprehensively revised and re-developed during the year to increase the value of the process to the CCG's commissioning cycle.

The CCG maintains an active programme of engagement with the public and other stakeholders on key strategic and service decisions and considers its plans in the light of any risks identified. This work includes engagement with the CCG's ambassadors, the Building Health Partnership with local community and voluntary organisations and a combination of formal and informal consultations on key aspects of its commissioning programme.

The system has been in place in the CCG for the year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts. The process of review and strengthening of the risk and control framework of the CCG will continue throughout 2017/18.

Capacity to Handle Risk

The CCG's Chief Officer has overall responsibility for risk management. Through delegated responsibility the Associate Director of Corporate Affairs has day to day management of the organisations risk management process. The specific responsibilities of other committees, senior officers, lay members and all other staff within the CCG are clearly articulated.

The Board Assurance Framework is an essential part of the CCG's risk and governance arrangements. It provides the means through which threats to the achievement of the organisation's strategic objectives are clearly identified, assessed and mitigated. It has been subject to regular review throughout 2016-17 and is received at each meeting of the Integrated Audit and Governance Committee. The committee provides an opinion to the Governing Body as to the adequacy of the assurances available with respect to management of the risks identified within the Board Assurance Framework. In doing so the committee draws upon the sources of assurance available to it, including the work of the CCG's external auditors, a comprehensive internal audit programme and the work of NHS Protect.

In May 2016 the Governing Body completed an internal audit facilitated comprehensive review of the risks within the Board Assurance Framework to ensure that these continue to reflect the evolving strategic objectives of the organisation as well as its updated strategic plan.

The Integrated Audit and Governance Committee maintains oversight of the risks to the CCG through review of the Risk Register at each of its meetings. It provides an opinion to the Governing Body as to the adequacy of assurances available with respect to the control mechanisms for risk. The other committees of the Governing Body receive and review risks pertaining to their areas of responsibility at each of their meetings.

Both the Board Assurance Framework and the Corporate Risk Register are reviewed by the Governing Body. The Governing Body and its Quality and Performance Committee have continued to maintain rigorous oversight of the performance of the CCG and the Integrated Audit and Governance Committee has assessed the adequacy of the assurances available in relation to performance. Comprehensive quality and performance reports are a standing item at the Governing Body and each of these committee meetings.

Staff training on risk management is provided with additional supported via the in-house risk management specialists.

Risk Assessment

All risks to the clinical commissioning group are assessed for their impact and likelihood to give an overall risk rating. The CCG's governance, risk management and internal control frameworks have been subject to review in-year to ensure that they remain fit for purpose.

At the start of 2016-17 the CCG had four extreme (red) rated risks and eight high (amber) rated risks within its Corporate Risk Register. The four extreme risks had their ratings lowered in-year through mitigating actions. A summary of these risks and the actions are as follows:

Risk	Mitigating Actions
Risk that A&E 4-hour wait time is not delivered	These three extreme rated risks all related to NHS Constitution access targets. They were consolidated in-year into a single, new risk tied to the Sustainability and Transformation Fund achievement trajectories. Whilst this new risk's rating remained high at the year-end it was lowered from it's original rating through the strengthening of whole system collaboration, utilisation of the opportunities created by the agreement of an aligned incentive contract with the relevant service provider and a strengthening of associated governance arrangements
Risk that the performance target for cancer 62-day wait for treatment will not be achieved	
Risk that the 18 week Referral To Treatment targets are not delivered	
Risk of breaching nationally set objective of no more than 82 cases of CDiff for the Hull locality during the year.	Performance against this target was significantly better than trajectory throughout the year and this resulted in an associated significant reduction in the risk's rating. Actions which supported this achievement included enhanced route cause analysis from the infection prevention and control team on all primary care cases and medication reviews within GP practices by the medicines management team recommending changes in practice where applicable.

By the end of 2016-17 the CCG had two extreme risks and fourteen high risks within its Corporate Risk Register. The extreme rated risks were as follows:

Risk	Controls	Assurance
Risk that the CCG may receive legislative challenges regarding unapproved applications for Deprivation of Liberty Safeguards (DoLS) due to back log in Supervisory Body (Local Authority).	Local NHS providers completing training for Mental Capacity Act /DoLS, compliance monitored via Contract Management Board / Contract Quality Forum. Local NHS providers completing DoLS applications to supervisory body (Local Authority). CCG contributing to funding ofDoLS co-ordinator post in the Multi Agency Safeguarding Hub (MASH).	Matter included in safeguarding adult reports to Quality and Performance Committee that monitors increase in applications through the MASH. Monitored by Hull Safeguarding Adults Partnership Board Executive Group.
NHS England have commissioned Primary Care Services from CAPITA which has resulted in delays in the transfer of patient records and patient registration. The GPs will not be able to access the patients history when the records are not received or the registration or removal is not processed.	Contact now made with new team recruited to NHS England to resolve the national CAPITA issues. All Hull GP concerns are with this new team who have confirmed they are addressing local issues.	Remedial plan monitored by CCG Primary Care Commissioning Committee and Quality & Performance Committee.

Other sources of assurance

Internal Control Framework

A system of internal control is the set of processes and procedures in place in the CCG to ensure it delivers its policies, aims and objectives. It is designed to identify and prioritise the risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control allows risk to be managed to a reasonable level rather than eliminating all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. The Governing Body, on behalf of the Council of Members, ensures that the organisation maintains a comprehensive system of internal control through the application of its standing orders, prime financial policies and scheme of delegation. These are supported by a comprehensive suite financial and governance policies.

The Integrated Audit and Governance Committee routinely considers performance and other reports which enables it to assess the effectiveness of internal control mechanisms. It then provides an opinion to the Governing Body as to the adequacy of these.

Annual audit of conflicts of interest management

The revised statutory guidance on managing conflicts of interest for CCGs (published June 2016) requires CCGs to undertake an annual internal audit of conflicts of interest management. To support CCGs to undertake this task, NHS England has published a template audit framework.

The CCG has carried out an annual internal audit of conflicts of interest which found that significant assurance can be given that there is a generally sound system of control designed to meet the organisation's objectives. However some weakness in the design of controls puts the achievement of particular objectives. breakdown of the findings is as follows:

Assessment Area	Compliance Level
Section 1: Governance arrangements	Fully Compliant
Section 2: Declarations of interest and gifts and hospitality	Fully Compliant
Section 3: Registers of interest, gifts and hospitality and procurement decisions	Partially Compliant
Section 4: Decision making processes and contract monitoring	Fully Compliant
Section 5: Identifying and managing non-compliance	Partially Compliant

Data Quality

The Governing Body is advised by its Quality & Performance Committee as to the maintenance of a satisfactory level of data quality available and the clinical commissioning group maintains a process of continuous data quality improvement.

Information Governance

The NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees, in particular personal identifiable information. The NHS Information Governance Framework is supported by an information governance toolkit and the annual submission process provides assurances to the CCG, other organisations and to individuals that personal information is dealt with legally, securely, efficiently and effectively.

We place high importance on ensuring there are robust information governance systems and processes in place to help protect patient and corporate information. We have submitted a satisfactory level of compliance with the information governance toolkit assessment and have established an information governance management framework. Information governance processes and procedures have been developed in line with the information governance toolkit. We have ensured all staff undertake annual information governance training and have taken steps to ensure staff are aware of their information governance roles and responsibilities.

The CCG recognises the importance of maintaining data in a safe and secure environment. There are processes in place for incident reporting and investigation of serious incidents. It uses the Serious Incidents Requiring Investigation (SIRI) tool to assess any matters involving potential data loss to the organisation. The tool requires the reporting of any data incident rated at level 2 or above via the information governance toolkit. The CCG has had no such incidents during 2016-17. We are developing information risk assessment and management procedures and a programme will be established to fully embed an information risk culture throughout the organisation against identified risks.

Business Critical Models

The CCG recognises the principles reflected in the Macpherson Report as a direction of travel for business modelling in respect of service analysis, planning and delivery. An appropriate framework and environment is in place to provide quality assurance of business critical models within the CCG. The CCG has adopted a range of quality assurance systems to mitigate business risks. These include:

- Stakeholder experience including patient complaints and serious untoward incident management arrangements;
- Risk Assessment (including risk registers and a board assurance framework);
- Internal Audit Programme and External Audit review;
- Executive Leads with clear work portfolios;
- Policy control and review processes;
- Public and Patient Engagement, and
- Third Party Assurance mechanisms.

Third party assurances

The CCG currently contracts with a number of external organisations for the provision of support services and functions. This specifically includes the NHS Shared Business Service, NHS Business Services Authority, Sheffield Teaching Hospitals NHS Foundation Trust (Victoria Payroll Services) and North East Commissioning Services. Assurances on the effectiveness of the controls in place for these third parties are received in part from an annual Service Auditor Report from the relevant service and I have been advised that adequate assurances have been provided for 2016-17. The CCG also contracts with eMBED Health Consortium for the provision of a number of support services and functions. They have provided an assurance report relating to their financial functions which, together with the CCG's own contract internal controls, provide satisfactory assurance on the adequacy of the controls in place for 2016-17.

Control Issues

The CCG achieved a high level of performance across the operating framework requirements. However performance fell below the target level in the following areas:

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
NHS CONSTITUTION STANDARDS			
A&E waiting time - total time in the A&E department,	2016-17	86.92% (Jan 2016)	95%

Commentary
Performance against the 4 hour standard remains below standard but is beginning to show an improvement.

Operational plans for work streams designed to impact on performance have been reviewed and refreshed by the A&E Delivery Board and will continue to be monitored.

NHS CONSTITUTION STANDARDS		Actual (YTD)	Target
Ambulance clinical quality - Category1 8 minute response time - trust (%)	2016-17	65.3% (Jan 2017)	75%
Ambulance clinical quality - Category 1 8 minute response time - Hull CCG (%)	2016-17	64.4% (Jan 2017)	75%

Commentary
The indicators above relate to Yorkshire Ambulance Service regional information. In the Hull area the January position for Category A (Red 1) 8 minute response was 64.4%. This remains a priority work stream for the A&E Delivery Board and plans continue to be monitored to increase utilisation of alternative pathways for the ambulance service. The data above is shown at trust level which we must report on for assurance and at CCG level.

NHS CONSTITUTION STANDARDS		Actual (YTD)	Target
Ambulance Handover Time - Delays of +30 minutes - YAS trust level	2016-17	31071 (Jan 2017)	0

Commentary
Long delays in ambulance handover and turnaround are detrimental to clinical quality and patient experience and are costly to the NHS. Hull & East Yorkshire Hospitals NHS Trust are working with the ambulance service to review the data.

NHS CONSTITUTION STANDARDS		Actual (YTD)	Target
Referral To Treatment (RTT) - The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period.	2016-17	86.15% (Jan 2017)	92%

Commentary
There have been significant performance issues within the RTT Pathways. There is an ongoing programme of work to redesign pathways at specialty level. GP uptake of referral information on the pathway information portal (PIP) continues to increase on a monthly basis with the aim of ensuring referrals are of a consistent quality. The CCG continues to prioritise increased utilisation of NHS E referral for all specialties (including cancer). New pathway models are being developed for respiratory, diabetes and dermatology.

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
NHS CONSTITUTION STANDARDS			
Diagnostics Test Waiting Times	2016-17	5.26% (Jan 2017)	<1%
Cancer - 31 Day standard for subsequent cancer treatments -surgery	2016-17	91.00% (Jan 2017)	94%
Cancer - All cancer 62 day urgent referral to first treatment wait	2016-17	77.37% (Jan 2017)	85%
Cancer - 62 day wait for first treatment following referral from an NHS cancer screening service	2016-17	86.30% (Jan 2017)	90%

Commentary
The CCG continues to work with stakeholders and prioritise waiting time standards and challenge the provider where standards are breached. Where this occurs remedial actions are progressed and joint cancer monitoring meetings continue between commissioner and provider.

Performance for 2 week waits has improved significantly in line with plans and expectations. Hull & East Yorkshire Hospitals are monitoring performance on a daily basis which includes slot availability, booking 2 week wait appointments and delivery of 62 day waiting times.

NHS CONSTITUTION STANDARDS		Actual (YTD)	Target
People who are moving to recovery	2016-17	38.26% (Dec 2016)	50%

Commentary
The CCG and lead provider continue to work jointly to review the performance of the IAPT metric (people work are moving to recovery) and have commenced engagement with the NHS England Intensive Support Team to undertake a full diagnostic of the service with the aim of reaching the standard of 50%.

NHS CONSTITUTION STANDARDS		Actual (YTD)	Target
Number of urgent operations cancelled for a 2nd time - Hull CCG	2016-17	3 (Jan 2017)	0

Commentary
The Surgical Health Group has also improved the escalation process for managing cancelled operations which has resulted in improved performance compared to December 2015.

CCG OUTCOMES INDICATORS QUALITY		Actual (YTD)	Target
Healthcare acquired infections (HCAI) measure (MRSA)	2016-17	1 (Feb 2017)	0

Commentary
This is a zero tolerance indicator within the NHS Constitution for healthcare acquired infections. A multi-disciplinary team with representation from commissioners and providers meets monthly to review all cases which include community acquired and acute patients.

Review of economy, efficiency & effectiveness of the use of resources

The Chief Finance Officer has delegated responsibility to determine arrangements to ensure a sound system of financial control. The CCG continues to meet all of its statutory financial duties. Budgets were established and maintained against all CCG business areas and performance monitored via a Quality & Performance Report as a standing item at the Governing Body and Quality and Performance Committee.
Individual budget holders have regular budget review meetings to ensure that any cost pressures are adequately considered, managed or escalated as necessary.

The Integrated Audit and Governance Committee receive a regular update from the Quality and Performance Committee as to the economic, efficient and effective use of resources by the clinical commissioning group. The Integrated Audit and Governance Committee advise the Governing Body on the assurances available with regards to the economic, efficient and effective use of resources. An internal audit programme of activity is agreed and established to assess the adequacy of assurances available to the clinical commissioning group in relation to the economic, efficient and effective use of resources. The findings are reported to the Integrated Audit and Governance Committee.

The CCG has been rated as good for the Quality of Leadership indicator of the CCG Improvement and Assessment Framework (IAF) - the latest available results on MyNHS (Quarter 2 2016-17). The year-end results for the Quality of Leadership Indicator will be published in July 2017 at www.nhs.uk/service-search/scorecard/results/1175. For more information on the IAF indicators for Hull CCG see page 30.

Delegation of functions

The CCG undertakes a regular process of review of its internal control mechanisms, including an annual internal audit plan. All internal audit reports are agreed by senior officers of the CCG and reviewed by the Integrated Audit and Governance Committee.

A review of the effectiveness of the CCG governance structure and processes has been undertaken during the year; including a review of committee's terms of reference. Committee action plans were developed and progress against their delivery monitored by the Integrated Audit and Governance Committee.

Budgets were established and maintained against all CCG business areas and performance monitored via a quality and performance report as a standing item at the Governing Body and Quality and Performance Committee.

Individual budget holders have regular budget review meetings to ensure that any cost pressures are adequately considered, managed or escalated as necessary.

Counter fraud arrangements

The CCG has maintained robust counter-fraud arrangements during 2016-17. This includes:

- An Accredited Counter Fraud Specialist is contracted to undertake counter fraud work proportionate to identified risks;
- The CCG Integrated Audit and Governance Committee receives a report against each of the Standards for Commissioners. An annual proportionate and proactive anti-crime plan to address identified risks is approved by the CCG Chief Finance Officer;
- The Chief Finance Officer is identified as the senior executive, governing body member responsible for tackling fraud, bribery and corruption; and,
- Appropriate action is taken regarding any NHS Protect quality assurance recommendations.

Head of Internal Audit Opinion

Following completion of the planned audit work for the financial year for the CCG, the Head of Internal Audit issued an independent and objective opinion on the adequacy and effectiveness of the CCG's system of risk management, governance and internal control. The Head of Internal Audit concluded that:

Significant Assurance can be given that that there is a generally sound system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design or inconsistent application of controls put the achievement of a particular objective at risk. During the year, Internal Audit issued the following audit reports:

Area of Audit	Level of Assurance Given
Financial Management	Significant Assurance
QIPP	Significant Assurance
Provider Management & Reporting	Significant Assurance
Individual Funding Requests	Significant Assurance
Serious Incident Management	Significant Assurance
Patient & Stakeholder Engagement	Significant Assurance
Medicines Management / Prescribing	Significant Assurance
Conflicts of Interest	Significant Assurance
Information Governance	Significant Assurance

At the time of the opinion, the following review is in progress / still to be completed: Delivery of Outcomes

Review of the effectiveness of governance, risk management and internal control

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, executive managers and clinical leads within the CCG who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their annual audit letter and other reports.

Our assurance framework provides me with evidence that the effectiveness of controls that manage risks to the CCG achieving its principles objectives have been reviewed. I have been advised on the implications of the result of this review by:

- The Governing Body;
- The Integrated Audit and Governance Committee;
- The assessment of the CCG through the quarterly IAF checkpoint meetings with NHS North of England;
- The CCG's governance, risk management and internal control arrangements;
- The work undertaken by the CCG's internal auditors which has not identified any significant weaknesses in internal control;
- The results of national staff and stakeholder surveys; and
- The statutory external audit undertaken by KPMG, who will provide an opinion on the financial statements and form a conclusion on the CCG's arrangements for ensuring economy, efficiency and effectiveness in its use of resources during 2015/16.

Conclusion

With the exception of the internal control issues that I have outlined in this statement, my review confirms that the CCG overall has a sound system of internal controls that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.

Remuneration and Staff Report

Introduction

The Remuneration and Staff Report 2016-17 sets out the organisation's remuneration policy for directors and senior managers. It reports on how that policy has been implemented and sets out the amounts awarded to directors and senior managers.

The definition of "senior manager" is - those persons in senior positions having authority or responsibility for directing or controlling the major activities of the CCG. This means those who influence the decisions of the CCG as a whole rather than the decisions of individual directorates or departments. Such persons will include advisory and lay members. It is usually considered that regular attendees of the CCG's Board meetings are its senior managers.

Our Remuneration Committee 2016-17

Remuneration policy

NHS Hull CCG follows national guidance in remuneration (pay awarded) to very senior managers (VSMs). Hull CCG Remuneration Committee comprises the lay members and the chairman of the CCG Board. It provides advice and recommendations to the Board about appropriate remuneration and terms of service for VSMs and proposes calculation and scrutiny of any termination payments, taking into account any relevant national guidance. Attendance and activities of the Integrated Audit and Governance Committee for 2016-17 are detailed on page 46 within the Annual Governance Statement.

Membership

Membership of the NHS Hull CCG Remuneration Committee is comprised of the following: (All memberships run from 1 April 2016 to 31 March 2017)

Karen Marshall (Chair)
CCG Lay Representative

Paul Jackson (Vice Chair)
CCG Lay Representative

Jason Stamp
CCG Lay Representative

Dr Dan Roper
CCG Chair

Please see following pages for Salaries and Allowances and Pension Benefits for NHS Hull CCG Senior Managers.

Salary tables (subject to audit)

The CCG can confirm that there were no senior manager service contracts, exit packages, severance packages or off payroll engagements made during 2016-17. There was no compensation for early retirement or loss of office or payments to past directors made during 2016-17. (Period covers 1.4.16 - 31.3.17 unless stated otherwise.)

2016-17

Name & Title	Salary (bands of £5000) £000's	Expense payments (taxable) to nearest £100 £00's	Performance pay and bonuses (bands of £5000) £000's	Long-term Performance Related Bonuses (bands of £5000) £000's	All Pension Related Benefits (bands of £2500) £000's	Total (a to e) (bands of £5000) £000's
Dr Daniel Roper - Chair of CCG Governing Body	90-95	0	0	0	27.5-30	115-120
Dr Raghu Raghunath - CCG Governing Body Member	35-40	0	0	0	0	35-40
Dr James Moult - CCG Governing Body Member	55-60	0	0	0	12.5-15	65-70
Dr John Parker - CCG Governing Body Member	35-40	0	0	0	0	35-40
Dr Vincent Rawcliffe - CCG Governing Body Member	35-40	0	0	0	2.5-5	40-45
Dr David Heseltine - CCG Governing Body Member	0-5	0	0	0	0	0-5
Dr Amy Oehring - CCG Governing Body Member	35-40	0	0	0	0	35-40
Paul Jackson - Lay Member / Vice Chair	10-15	0	0	0	0	10-15
Karen Marshall - Lay Member	10-15	0	0	0	0	10-15
Jason Stamp - Lay Member	10-15	0	0	0	0	10-15
Emma Latimer - Chief Officer	115-120	112	5-10	0	2.5-5	135-140
Emma Sayner - Chief Finance Officer	90-95	30	0-5	0	22.5-25	125-130
Julia Mizon - Director of Commissioning and Partnerships (until 31.7.16)	30-35	25	0	0	12.5-15	45-50
Sarah Smyth - Director of Quality and Clinical Governance	85-90	78	0	0	20-22.5	110-115
Erica Daley - Director of Integrated Commissioning	85-90	5	0	0	117.5-120	200-205
Geoff Day - Director New Models of Care	90-95	0	0	0	0	90-95
Angela Mason - Governing Body Nurse (until 25.12.16)	5-10	0	0	0	0	5-10
Carol Robinson - Practice Manager	5-10	0	0	0	0	5-10

2015-16

Name & Title	Salary (bands of £5000) £000's	Expense payments (taxable) to nearest £100 £00's	Performance pay and bonuses (bands of £5000) £000's	Long-term Performance Related Bonuses (bands of £5000) £000's	All Pension Related Benefits (bands of £2500) £000's	Total (a to e) (bands of £5000) £000's
Dr Daniel Roper - Chair of CCG Governing Body	85-90	0	0	0	12.5-15	100-105
Dr Raghu Raghunath - CCG Governing Body Member	35-40	0	0	0	0	35-40
Dr James Moult - CCG Governing Body Member	55-60	0	0	0	85-87.5	140-145
Dr John Parker - CCG Governing Body Member	35-40	0	0	0	0	35-40
Dr Vincent Rawcliffe - CCG Governing Body Member	35-40	0	0	0	2.5-5	40-45
Dr David Heseltine - Secondary Care Doctor	0-5	0	0	0	0	0-5
Dr Amy Oehring - CCG Governing Body Member	15-20	0	0	0	12.5-15	30-35
Paul Jackson - Lay Member / Vice Chair	10-15	0	0	0	0	10-15
Karen Marshall - Lay Member	10-15	0	0	0	0	10-15
Jason Stamp - Lay Member	25-30	0	0	0	0	25-30
Emma Latimer - Chief Officer	115-120	78	0-5	0	27.5-30	155-160
Emma Sayner - Chief Finance Officer	90-95	24	0-5	0	15-17.5	110-115
Julia Mizon - Director of Commissioning and Partnerships (until 31.7.16)	90-95	44	0	0	27.5-30	125-130
Sarah Smyth - Director of Quality and Clinical Governance	75-80	42	0	0	40-42.5	120-125
Erica Daley - Director of Integrated Commissioning	70-75	0	0	0	67.5-70	140-145
Angela Mason - Governing Body Nurse (until 25.12.16)	5-10	0	0	0	0	5-10
Carol Robinson - Practice Manager	5-10	0	0	0	0	5-10
Dr Lucy Chiddick - CCG Governing Body Member	25-30	0	0	0	250-255	275-280
Dr Richard Grunewald - Secondary Care Doctor	0-5	0	0	0	0	0-5

Pension benefits table as at 31 March 2017 (subject to audit)

Pension related benefits are the increase in the annual pension entitlement determined in accordance with the HMRC method. This compares the accrued pension and the lump sum at retirement age at the end of the financial year against the same figures of the beginning on the financial adjusted for inflation. The difference is then multiplied by 20 which represents the average number of years an employee receives their pension (20 years is a figure set out in the CCG Annual Reporting Guidance).

Name & Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2017 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2016	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2017	Employers Contribution to partnership pension
Dr Daniel Roper - Chair of CCG Governing Body	0-2.5	0-2.5	20-25	65-70	455	-455	0	0
Dr Raghu Raghunath - CCG Governing Body Member	0	0	0	0	0	0	0	0
Dr James Moult - CCG Governing Body Member	0-2.5	0-2.5	20-25	55-60	283	32	315	0
Dr John Parker - CCG Governing Body Member	0	0	0	0	0	0	0	0
Dr Vincent Rawcliffe - CCG Governing Body Member	0-2.5	0-2.5	10-15	35-40	239	22	261	0
Dr David Heseltine - CCG Governing Body Member	0	0	0	0	0	0	0	0
Dr Amy Oehring - CCG Governing Body Member	0	0	10-15	30-35	124	4	128	0
Paul Jackson - Lay Member / Vice Chair	0	0	0	0	0	0	0	0
Karen Marshall - Lay Member	0	0	0	0	0	0	0	0
Jason Stamp - Lay Member	0	0	0	0	0	0	0	0
Emma Latimer - Chief Officer	0-2.5	0-2.5	30-35	90-95	474	53	528	0
Emma Sayner - Chief Finance Officer	0-2.5	0-2.5	15-20	45-50	232	22	254	0
Julia Mizon - Director of Commissioning and Partnerships (until 31.7.16)	0-2.5	0-2.5	15-20	35-40	212	20	232	0
Sarah Smyth - Director of Quality and Clinical Governance	0-2.5	0	15-20	50-55	228	20	247	0
Erica Daley - Director of Integrated Commissioning	5-7.5	15-17.5	35-40	100-105	560	130	690	0
Geoff Day - Director New Models of Care	0	0	0	0	0	0	0	0
Angela Mason - Governing Body Nurse (until 25.12.16)	0	0	0	0	0	0	0	0
Carol Robinson - Practice Manager	0	0	0	0	0	0	0	0

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Other payments during 2016-17 (subject to audit)

The CCG can confirm that there were no senior manager service contracts, exit packages, severance packages or off payroll engagements made during 2016-17. There was no compensation for early retirement or loss of office or payments to past directors made during 2016-17. The CCG has no losses or special payments to report in 2016-17.

Fair Pay disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid member of the Governing Body in Hull CCG in the financial year 2016-17 was £130-£135k (2015-16, £125-130k). This was 3.3 times (2015-16, 3:4) the median remuneration of the workforce, which was £40.0k (205-16, £37.5k). This has increased slightly from 2015-16.

In 2016-17, six (2015-16, three) employees received remuneration which, when grossed up to a full time equivalent, is in excess of the highest-paid member of the Governing Body. All of these are part time clinical advisory staff.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The whole time equivalent salaries paid to CCG staff in 2016-17 range from bands £15-20k to £185-£190k (2015-16, £15-20k to £185-£190k). Please note that the highest value relates to part time clinical advisors whose salaries have been grossed to a full time equivalent value.

Please note that for the purposes of this calculation the GP members of the Board have been considered to be akin to the Non-Executives as described in the Hutton Fair Pay Review and as such their salaries have not been grossed up to a standard whole time equivalent.

Audit costs (subject to audit)

Our external auditor is KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds LS1 4DA. Auditors' remuneration in relation to April 2016 to March 2017 totalled £72,000 for statutory audit services. This covered audit services required under the Audit Commission's Code of Audit Practice (giving opinion on the Annual Accounts and work to examine our use of resources and financial aspects of corporate governance).

The external auditor is required to comply with the Audit Commission's requirement in respect of independence and objectivity and with International Auditing Standard (UK & Ireland) 260: "The auditor's communication with those charged with governance". Our Integrated Audit and Governance Committee receives our external auditor's Annual Audit Letter and other external audit reports.

Better payments practice code (subject to audit)

The CCG has signed up to the Better Payments Practice Code and aims to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. During 2016-17 NHS Hull CCG paid 97.04% of non NHS trade invoices within target and 99.54% of NHS trade invoices within target. Further details are on page 27 of the Annual Accounts.

Staff report

Promoting Equality

Hull CCG is committed to developing, supporting and sustaining a diverse workforce that is representative of the community it serves. Central to our function is commissioning health services that meet the needs of the local population, and do not discriminate on the grounds of gender, gender identity, race, ethnic origin, nationality, disability, sexual orientation, religion or age.

The CCG also recognises the expertise in our diverse communities and we seek to work together with communities to improve access to and experience of local health services.

Social, community and human rights obligations

The CCG understands its duty to comply equality and human rights legislation, as well as NHS England mandatory standards. Control measures are in place to ensure that the CCG complies with the requirements of:

- The Equality Act 2010, and in particular our public sector equality duty, to pay due regard to:
  - Eliminating unlawful discrimination, harassment and victimisation
  - Advancing equality of opportunity between people who share a protected characteristic and people who do not share it
  - Fostering good relations between people who share a protected characteristic and people who do not
- The Human Rights Act 1998
- The Equality Delivery System (EDS2)
- The Workforce Race Equality Standard (WRES)
- The Accessible Information Standard

It publishes an annual report showing how it meets these duties, which can be found in our equality and diversity section at www.hullccg.nhs.uk We review our workforce data quarterly and submit Workforce Race Equality Standard reports annually.

We have made significant progress this year in implementing the Equality Delivery System (EDS) which has helped us to define our new equality objectives. Evidence was gathered from a range of sources, including public surveys and focus groups. Local interest groups were involved in grading and reviewing our equality objectives.

Our EDS report can be found at www.hullccg.nhs.uk The gender composition for our staff, Board and Council of Members for 2016-17 can be found on page 70.

Hull CCG's equality objectives
The CCG defined a set of draft objectives in January 2016, which were shared with staff and local interest groups for consultation. The initial set of objectives was refined as a result of their feedback. The CCG has set four equality objectives for the period April 2016 to March 2019:

1. Improve access to information and minimise communications barriers
2. Streamline and strengthen equality impact analysis across the commissioning cycle
3. Recruit and maintain a well-supported, skilled workforce, which is representative of the population we serve
4. Ensure the that NHS Hull CCG is a welcoming and accessible place for people from all backgrounds and with a range of access needs

Key achievements during 2016-17 include

- An action plan based on our equality objectives us being implemented and regularly monitored
- The equality impact assessment process was reviewed and strengthened, with a new suite of tools designed specifically for commissioning functions across the commissioning cycle, as well as for corporate and HR policy development
- Equality impact assessment training has been delivered to 15 members of staff, including senior commissioning managers and those leading on policy. Further training is planned for 2017-18
- A Board development session, forcing on equality impact assessment was held in February 2017, with the leadership of the organisation strongly endorsing the CCG's commitment to promote equality, eliminate discrimination and foster good relations, recognising that effective and meaningful equality impact assessment is a powerful way of doing this
- The equality information section of the CCG's website (http://www.hullccg.nhs.uk/pages/health-information-and-resources) has been refreshed to provide an up to date and developing resource including:
  - Demographic population information
  - Health inequalities information & research
  - Topic- specific links to resources

Accessible Information Standard

All of the service providers we commission have to meet the Accessible Information Standard, and we are putting processes in place to check this through the contract management process. We are part of a Hull and East Riding wide Accessible Information Group of commissioners and health care providers, which meet regularly to focus on accessible information, learn from each other and look at how we can work together to improve accessible communications.

We fund an interpretation service that is used by the CCG and across primary care services (GP Practices, Dental Practices, Community Pharmacies, Ophthalmic Practices) to ensure that patients have access to high quality interpretation services. This includes access to sign language (BSL), audio transcriptions, as well as other languages.

The CCG has published its Workforce Race Equality Standard (WRES) report and is working with local providers to ensure the WRES is incorporated in a meaningful way
(see **www.hullccg.nhs.uk**)

You can read more about our Equality Plan and Objectives, review of our performance, the implementation of NHS England Equality Standards and the information we publish in our Equality and Diversity section at **www.hullccg.nhs.uk**

Staff Policies

As an employer the CCG recognises and values people as individuals and accommodates differences wherever possible by making adjustments to working arrangements or practices. We actively work to remove any discriminatory practices, eliminate all forms of harassment and promote equality of opportunity in our recruitment, training, performance management and development practices. Policies and processes in place to support this include:

- Managing Performance
- Disciplinary / Conduct
- Grievance
- Staff Induction
- Bullying and Harassment
- NHS Code of Conduct for Managers
- Job descriptions (including statements regarding equality and diversity expectations)
- Health policies
- Annual appraisals with staff
- Employment equality monitoring forms

Three policies were reviewed/developed through to approval in 2016-17:

- Other Leave
- Flexible Working
- Learning and Development Policy

Our policies are available at **www.hullccg.nhs.uk**

Disability policy

We actively encourage people with disabilities to apply for positions in our organisation. We have a commitment to interviewing job applicants with disabilities where they meet the minimum criteria for the job as well as making 'reasonable adjustments' to avoid any disabled employee being put at a disadvantage compared to non-disabled people in the workplace. Staff members who have disabilities have the opportunity to discuss their development through our Personal Development and

Review process. An equality impact analysis is undertaken on all newly proposed Human Resources policies to determine whether it has a disparate impact on disability and, where identified, action is considered to mitigate this.

Should circumstances change with an employee's disability status during their employment then the framework within the Absence Management Policy would be used. Occupational Health, Workforce and where applicable other specialist advice would be taken and reasonable adjustments would be made to support the employee to continue in employment as far as possible.

Staff engagement

The CCG continued to support and develop its staff and involved them in shaping the organisation's priorities. The organisation held its annual staff AGM in May and members of the Employee Engagement Group helped determine the format of this session, suggesting a Health Fair style approach and quiz to find out a little more about each other's roles. All staff had the opportunity to discuss and agree their own individual objectives as part of their annual Personal Development Review, when any relevant training and development needs are also identified.

CCG staff also complete an annual survey and actions identified from this form part of the annual staff Health, Safety and Wellbeing action plan. This year the CCG has further shown its commitment to the health and wellbeing of its workforce by signing up to the Workplace Wellbeing Charter which benchmarks the organisation against a set of agreed standards. It has also committed to becoming a Disability Confident Employer by offering training opportunities to disabled people.

Over and above the statutory training requirements, staff took up the opportunity to participate in mindfulness and mental health awareness sessions and updated their lifesaving skills with bite sized first aid, basic life support and defibrillator training.

During the summer of 2016 the CCG took on two trainees for a month's work experience through the Princes Trust Step into the NHS Programme. The innovative programme looked to give young people work experience in the health sector but with a twist; the CCG had to pitch to the young people to gain their interest, rather than the young people themselves being interviewed. Two young people joined the CCG with the Communications and Engagement team, gaining a range of skills including film making, event co-ordination and database management. One of the trainees has since been successful in gaining an apprenticeship role within the CCG and had her commitment to the role was recognised when she was shortlisted for the non-clinical Apprentice of the Year in the regional Talent for Care Awards.
As staffing numbers increased during the year, the need to increase office space was apparent and an additional floor within Wilberforce Court was secured. A degree of refurbishment was needed in order to bring the space to the same standard as the existing accommodation. A representative staff group oversaw the delivery of the project, with all staff consulted on many aspects of the design, from choosing kitchen worktops to the naming of meeting rooms.

The CCG was a major sponsor of the 2016 Hull Marathon and eight members of staff formed two relay teams to take part in the event. Staff have also embraced the opportunities offered by Hull being UK City of Culture 2017, with many participating in a variety of activities and some signing up to the volunteering programme.

Staff consultation

Recognising the benefits of partnership working, Hull CCG is an active member of the Joint Trade Union Partnership Forum organised by the Workforce Team within Yorkshire and Humber Commissioning Support. The aim of the Joint Trade Union Partnership Forum is to provide a formal negotiation and consultation group for the CCGs and the Unions to discuss and debate issues in an environment of mutual trust and respect. In particular, it:

- engages employers and trade union representatives in meaningful discussion on the development and implications of future policy;
- provides a forum for the exchange of comments and feedback on issues that have a direct or indirect effect on the workforce; and
- promotes effective and meaningful communication between all parties that can be subsequently disseminated across the membership.

Health and safety performance 2016-17

The CCG continues to foster and encourage a positive health and safety culture within the organisation. All risk assessments for the organisation are up to date and all appropriate control measures are in place, including in relation to the additional floor space and staff members on third floor of Wilberforce Court.

Training and induction processes have been reviewed and updated during the year and all new CCG staff receive necessary information within their first week complete their health and safety training within their first 12 weeks.

In the latter months of the year, major changes to the online training platform have significantly contributed to a fall in training compliance due to access issues. Overall compliance for statutory and mandatory health and safety training at 28th February 2017 stood at 65% against a target of 95%. An action plan is in place to ensure that training compliance is returned to the 95% level by the end of Q1 2017 following further training on the new system.

There were nine reported Health & Safety incidents within the organisation in 2016-17. All incidents were thoroughly investigated and none met the external reporting threshold (RIDDOR) and lessons learned have been shared with staff to help prevent re-occurrence.

Additional staff information 2016-17

Number of senior managers

Please see table below for information on number of senior managers by band and analysed by 'permanently employed' and 'other' staff for NHS Hull CCG in 2016-17.

Pay Band	Total
Band 8a	11
Band 8b	7
Band 8c	7
Band 8d	5
Band 9	0
VSM	1
Governing Body	13
Any other Spot Salary	7

Pay Band	Total
Permanent	71
Fixed Term	7
Statutory Office Holders	11
Bank	6
Prof or Non Exec	0

Staff costs

Please see table below for information on staff costs for NHS Hull CCG in 2016-17

Employee Benefits	2016-17	Total			Admin			Programme	
	Total (£'000)	Permanent Employees (£'000)	Other (£'000)	Total (£'000)	Permanent Employees (£'000)	Other (£'000)	Total (£'000)	Permanent Employees (£'000)	Other (£'000)
Employee Benefits									
Salaries and wages	3,003	2,787	216	2,650	2,434	216	2,434	353	0
Social security costs	304	302	2	268	266	2	266	36	0
Employer Contributions to NHS Pension scheme	359	356	2	313	310	2	310	46	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	6	6	0	6	6	0	6	0	0
Gross employee benefits expenditure	3,672	3,451	221	3,236	3,016	221	3,016	435	0
Less recoveries in respect of employee benefits (note 4.1.2)	(52)	(52)	0	(52)	(52)	0	(52)	0	0
Total - Net admin employee benefits including capitalised costs	3,620	3,399	221	3,185	2,964	221	2,964	435	0
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	3,620	3,399	221	3,185	2,964	221	2,964	435	0

Staff costs information for 2015-16 can be found on page 23 of the Annual Accounts

Gender composition

Between 1 April 2016 and 31 March 2017 the gender composition of the Hull CCG Board, employees and Council of Members was as follows:

	Female	Male
CCG Board*	5	8
CCG Employees	57	31
CCG Members (Council of Members)**	9	38

**Council of Members has 47 members in total, with some representing more than one practice.

Parliamentary Accountability and Audit Report

NHS Hull Clinical Commissioning Group is not required to produce a Parliamentary Accountability and Audit Report. Disclosures on remote contingent liabilities, losses and special payments, gifts, and fees and charges are included within the Accountability Report. An audit certificate and report is also included in the Annual Accounts at page 3.

Sickness absence information 2016-17

The CCG has reported the following data for 2016-17:

Absence	Total
Average sickness %	4.9%
Total number of FTE days lost	1106

The CCG regularly reviews reasons for absence and all sickness is managed in line with the organisation's Absence Management Policy which can be found at www.hullccg.nhs.uk

Data on sickness absence between 1 April 2016 and 31 March 2017, CCG staff numbers and costings is also included on page 24 within the Annual Accounts.

Emma Latimer
NHS Hull CCG Chief Officer (Accountable Officer)
31 May 2017

Part Three: Financial Statements 2016-17

NHS Hull Clinical Commissioning Group
Annual Accounts 2016-17

Foreword to the Accounts

These accounts for the year ended 31 March 2017 have been prepared by the NHS Hull Clinical Commissioning Group in accordance with the Department of Health Group Accounting Manual 2016/17 and NHS England SharePoint Finance Guidance Library.

Emma Latimer
Accountable Officer
26th May 2017

NHS Hull Clinical Commissioning Group - Annual Accounts 2016-17

CONTENTS

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF NHS HULL CCG

We have audited the financial statements of NHS Hull CCG for the year ended 31 March 2017 comprising the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Changes in Taxpayers Equity, Statement of Cash Flows and related notes on under the Local Audit and Accountability Act 2014. These financial statements have been prepared under applicable law and the accounting policies directed by the NHS Commissioning Board with the consent of the Secretary of State as relevant to the Clinical Commissioning Groups in England. We have also audited the information in the Remuneration and Staff Report that is subject to audit.

This report is made solely to the Members of the Governing Body of NHS Hull CCG, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Members of the Governing Body of the CCG, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Governing Body of the CCG, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Accountable Officer and auditor

As explained more fully in the Statement of Accountable Officer's Responsibilities set out on page 42, the Accountable Officer is responsible for the preparation of financial statements which give a true and fair view and is also responsible for the regularity of expenditure and income. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Code of Audit Practice prepared by the Comptroller and Auditor General under the Local Audit and Accountability Act 2014 ('the Code of Audit Practice').

As explained in the Annual Governance Statement the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the CCG's resources. We are required under Section 21(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

We are not required to consider, nor have we considered, whether all aspects of the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the CCG's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer, and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes

intended by Parliament and the financial transactions conform to the authorities which govern them.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2016, as to whether the CCG had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the CCG put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the CCG had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the CCG as at 31 March 2017 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the NHS Commissioning Board with the consent of the Secretary of State as relevant to Clinical Commissioning Groups in England.

Opinion on regularity

In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on other matters

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the accounting policies directed by the NHS Commissioning Board with the consent of the Secretary of State as relevant to Clinical Commissioning Groups in England; and
- the other information published together with the audited financial statements in the Annual Report and Accounts is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with guidance issued by the NHS Commissioning Board;
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the CCG, or an officer of the CCG, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or

- we make a written recommendation to the CCG under section 24 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We have nothing to report in respect of the above responsibilities.

Certificate

We certify that we have completed the audit of the accounts of NHS Hull CCG in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Clare Partridge
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

30 May 2017

Statement of Comprehensive Net Expenditure for the year ended 31 March 2017

	Note	2016-17 £'000	2015-16 £'000
Income from sale of goods and services	2	(783)	(344)
Other operating income	2	(1,408)	(72)
Total operating income		**(2,191)**	**(416)**
Staff costs	4	3,672	2,676
Purchase of goods and services	5	383,345	377,775
Depreciation and impairment charges	5	2	0
Provision expense	5	2	0
Other Operating Expenditure	5	612	1,319
Total operating expenditure		**387,633**	**381,770**
Net Operating Expenditure		**385,442**	**381,354**
Finance income		0	0
Finance expense		0	0
Net expenditure for the year		**385,442**	**381,354**
Net Gain/(Loss) on Transfer by Absorption		0	0
Total Net Expenditure for the year		**385,442**	**381,354**
Other Comprehensive Expenditure			
Items which will not be reclassified to net operating costs			
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
Items that may be reclassified to Net Operating Costs		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 2017		**385,442**	**381,354**

Statement of Financial Position as at 31 March 2017

	Note	2016-17 £'000	2015-16 £'000
Non-current assets:			
Property, plant and equipment	8	41	0
Intangible assets		0	0
Investment property		0	0
Trade and other receivables		0	0
Other financial assets		0	0
Total non-current assets		41	0
Current assets:			
Inventories		0	0
Trade and other receivables	9	2,554	2,139
Other financial assets		0	0
Other current assets		0	0
Cash and cash equivalents	10	2	2
Total current assets		**2,556**	2,141
Non-current assets held for sale		0	0
Total current assets		**2,556**	2,141
Total assets		**2,597**	2,141
Current liabilities			
Trade and other payables	11	(22,433)	(21,411)
Other financial liabilities		0	0
Other liabilities		0	0
Borrowings		0	0
Provisions		0	(8)
Total current liabilities		**(22,433)**	(21,419)
Non-Current Assets plus/less Net Current Assets/Liabilities		**(19,836)**	(19,278)
Non-current liabilities			
Trade and other payables		0	0
Other financial liabilities		0	0
Other liabilities		0	0
Borrowings		0	0
Provisions		0	0
Total non-current liabilities		**0**	0
Assets less Liabilities		**(19,836)**	(19,278)
Financed by Taxpayers' Equity			
General fund		(19,836)	(19,278)
Revaluation reserve		0	0
Other reserves		0	0
Charitable Reserves		0	0
Total taxpayers' equity:		**(19,836)**	(19,278)

The notes on pages 10 to 37 form part of this statement

The financial statements on pages 6 to 9 were approved by the Governing Body on 26th May 2017 and signed on its behalf by:

Emma Latimer
Chief Officer, NHS Hull Clinical Commissioning Group

Statement of Changes In Taxpayers Equity for the year ended 31 March 2017

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2016-17				
Balance at 01 April 2016	(19,278)	0	0	**(19,278)**
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 2017	**(19,278)**	**0**	**0**	**(19,278)**
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2016-17				
Net operating expenditure for the financial year	(385,442)			(385,442)
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	**(404,720)**	**0**	**0**	**(404,720)**
Net funding	384,884	0	0	384,884
Balance at 31 March 2017	**(19,836)**	**0**	**0**	**(19,836)**

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2015-16				
Balance at 01 April 2015	(18,540)	0	0	**(18,540)**
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 2016	**(18,540)**	**0**	**0**	**(18,540)**
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2015-16				
Net operating costs for the financial year	(381,354)			(381,354)
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	**(399,894)**	**0**	**0**	**(399,894)**
Net funding	380,616	0	0	380,616
Balance at 31 March 2016	**(19,278)**	**0**	**0**	**(19,278)**

The notes on pages 10 to 37 form part of this statement

Statement of Cash Flows for the year ended 31 March 2017

	Note	2016-17 £'000	2015-16 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(385,442)	(381,354)
Depreciation and amortisation	5	2	0
Impairments and reversals		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	(415)	51
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade & other payables	11	1,022	685
Increase/(decrease) in other current liabilities		0	0
Provisions utilised	12	(9)	0
Increase/(decrease) in provisions	12	2	0
Net Cash Inflow (Outflow) from Operating Activities		**(384,840)**	(380,618)
Cash Flows from Investing Activities			
Interest received		0	0
(Payments) for property, plant and equipment	8	(43)	0
(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		**(43)**	0
Net Cash Inflow (Outflow) before Financing		**(384,884)**	(380,618)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		384,884	380,616
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		**384,884**	380,616
Net Increase (Decrease) in Cash & Cash Equivalents	20	**0**	(2)
Cash & Cash Equivalents at the Beginning of the Financial Year		**2**	4
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		**2**	2

The notes on pages 10 to 37 form part of this statement

NHS Hull Clinical Commissioning Group - Annual Accounts 2016-17

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 2016-17 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 Acquisitions & Discontinued Operations

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

1.4 Movement of Assets within the Department of Health Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Government Financial Reporting Manual, issued by HM Treasury. The Government Financial Reporting Manual does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Comprehensive Net Expenditure, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Department of Health Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

1.5 Charitable Funds

Under the provisions of IAS 27: Consolidated & Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entities’ accounts.

1.6 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 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.

The CCG holds a pooled budget arrangement in relation to the better Care Fund, note 16 provides further details

1.7 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

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

1.7.1 Critical Judgements in Applying Accounting Policies

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

- None

1.7.2 Key Sources of Estimation Uncertainty

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

· Secondary care Activity

Counting and coding of secondary care is not finalised until after the completion of the audited annual accounts process in June. Assumptions have been made around the liabilities of this for the CCG with a range of secondary care providers based on a number of factors including historical activity performance and known changes in activity, as well as block contract arrangements. The actual cost of activity will be different to the carrying amounts held in the Statement of Financial Performance and any variance will need to be managed in the Statement of Comprehensive Net Expenditure in the subsequent year. There is unlikely to be a significant change to the carrying value of assets and liabilities once activity is validated based on previous years outturn versus actual.

· Accruals

There are a number of estimated figures within the accounts. The main areas where estimated are included are:

· Prescribing - The full year figure is estimated on the spend for the first 10 months of the year.

· Purchase of Healthcare - The full year figure is estimated on the month 11 actual information as agreed between the provider and commissioner.

Continuing Care - This is based upon the client database of occupancy at the financial year end.

1.8 Revenue

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

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

1.9 Employee Benefits

1.9.1 Short-term Employee Benefits

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

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

1.9.2 Retirement Benefit Costs

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

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

1.10 Other Expenses

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

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

1.11 Property, Plant & Equipment

1.11.1 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.

1.11.2 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.

Land and buildings used for the clinical commissioning group's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any impairment.

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. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use; and,
- Specialised buildings – depreciated replacement cost.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

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.

1.11.3 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.

1.12 Intangible Assets

1.12.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the clinical commissioning group's business or which arise from contractual or other legal rights. They are recognised only:

- When it is probable that future economic benefits will flow to, or service potential be provided to, the clinical commissioning group;
- Where the cost of the asset can be measured reliably; and,
- Where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised but is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use;
- The intention to complete the intangible asset and use it;
- The ability to sell or use the intangible asset;
- How the intangible asset will generate probable future economic benefits or service potential;
- The availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and,
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.12.2 **Measurement**

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of depreciated replacement cost or the value in use where the asset is income generating . Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.13 **Depreciation, Amortisation & Impairments**

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

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which 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 or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but 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.

1.14 **Donated Assets**

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.15 **Government Grants**

The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.16 Non-current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when:

- The sale is highly probable;
- The asset is available for immediate sale in its present condition; and,
- Management is committed to the sale, which is expected to qualify for recognition as a

Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset on the revaluation reserve is transferred to the general reserve.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset on the revaluation reserve is transferred to the general reserve.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.17 Leases

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

1.17.1 The Clinical Commissioning Group as Lessee

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

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

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

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

1.17.2 The Clinical Commissioning Group as Lessor

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

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

Notes to the financial statements

1.18 Private Finance Initiative Transactions

HM Treasury has determined that government bodies shall account for infrastructure Private Finance Initiative (PFI) schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The clinical commissioning group therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI asset, including finance costs; and,
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.18.1 Services Received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.18.2 PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the clinical commissioning group's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.18.3 PFI Liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'finance costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Net Expenditure.

1.18.4 Lifecycle Replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the clinical commissioning group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.18.5 Assets Contributed by the Clinical Commissioning Group to the Operator For Use in the Scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the clinical commissioning group's Statement of Financial Position.

1.18.6 **Other Assets Contributed by the Clinical Commissioning Group to the Operator**

Assets contributed (e.g. cash payments, surplus property) by the clinical commissioning group to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the clinical commissioning group, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the clinical commissioning group through the asset being made available to third party users.

The balance is subsequently released to operating income over the life of the concession on a straight-line basis.

On initial recognition of the asset, an equivalent deferred income balance is recognised, representing the future service potential to be received by the clinical commissioning group through the asset being made available to third party users.

The balance is subsequently released to operating income over the life of the concession on a straight-line basis.

1.19 **Inventories**

Inventories are valued at the lower of cost and net realisable value.

1.20 **Cash & Cash Equivalents**

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

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

1.21 **Provisions**

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

- Timing of cash flows (0 to 5 years inclusive): Minus 2.70% (previously: minus 1.55%)
- Timing of cash flows (6 to 10 years inclusive): Minus 1.95% (previously: minus 1.%)
- Timing of cash flows (over 10 years): Minus 0.80% (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.

1.22 **Clinical Negligence Costs**

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

1.23 Non-clinical Risk Pooling

The clinical commissioning group participates in the 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.

1.24 Continuing healthcare risk pooling

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

1.25 Carbon Reduction Commitment Scheme

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

1.26 Contingencies

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

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

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

1.27 Financial Assets

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

Financial assets are classified into the following categories:

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

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

1.27.1 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.

1.27.2 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.

1.27.3 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.

1.27.4 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.

1.28 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.

1.28.1 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.

1.28.2 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.

1.28.3 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.

1.29 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.

1.3 **Foreign Currencies**

The clinical commissioning group's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the clinical commissioning group's surplus/deficit in the period in which they arise.

1.31 **Third Party Assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the clinical commissioning group has no beneficial interest in them.

1.32 **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).

1.33 **Subsidiaries**

Material entities over which the clinical commissioning group has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the clinical commissioning group or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.34 **Associates**

Material entities over which the clinical commissioning group has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in the clinical commissioning group's accounts using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the clinical commissioning group's share of the entity's profit/loss and other gains/losses. It is also reduced when any distribution is received by the clinical commissioning group from the entity.

Joint ventures that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.35 **Joint Ventures**

Material entities over which the clinical commissioning group has joint control with one or more other parties so as to obtain economic or other benefits are classified as joint ventures. Joint ventures are accounted for using the equity method.

Joint ventures that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.36 **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.

Notes to the financial statements

1.37 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.

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

The Government Financial Reporting Manual does not require the following Standards and Interpretations to be applied in 2016-17, all of which are subject to consultation:

- IFRS 9: Financial Instruments (application from 1 January 2018)
- IFRS 14: Regulatory Deferral Accounts
- IFRS 15: Revenue for Contract with Customers (application from 1 January 2018)
- IFRS 16: Leases (application from 1 January 2019)

The application of the Standards as revised would not have a material impact on the accounts for 2016-17, were they applied in that year.

2 Other Operating Revenue

	2016-17 Total £'000	2016-17 Admin £'000	2016-17 Programme £'000	2015-16 Total £'000
Recoveries in respect of employee benefits ***1**	52	52	0	0
Patient transport services	0	0	0	0
Prescription fees and charges	0	0	0	0
Dental fees and charges	0	0	0	0
Education, training and research ***2**	36	10	26	10
Charitable and other contributions to revenue expenditure: NHS	0	0	0	0
Charitable and other contributions to revenue expenditure: non-NHS	0	0	0	0
Receipt of donations for capital acquisitions: NHS Charity	0	0	0	0
Receipt of Government grants for capital acquisitions	0	0	0	0
Non-patient care services to other bodies ***3**	747	28	719	334
Continuing Health Care risk pool contributions	0	0	0	0
Income generation	0	0	0	0
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue ***4**	1,356	8	1,348	72
Total other operating revenue	**2,191**	**98**	**2,093**	**416**

***1** Income associated with the secondment of staff to othe NHS organisations.
***2** Admin: NHS Heath Education England funding for System Leadership. Programme: Lifeline, Drugs & Rehab funding
***3** STP recharges to councils (£123k), Paediatric Improving Access to Pyschological Therapies (£136K), Hull City Council for Weight Management Programme (£200k)
***4** STP recharges CCG's, Foundation Trusts & Trusts (£467k), NHS England income for Estates & Technology Tansformation Fund (£765k

3 Revenue

	2016-17 Total £'000	2016-17 Admin £'000	2016-17 Programme £'000	2015-16 Total £'000
From rendering of services	2,191	98	2,093	416
From sale of goods	0	0	0	0
Total	**2,191**	**98**	**2,093**	**416**

4. Employee benefits and staff numbers

4.1 Employee benefits

	2016-17			2015-16		
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000	Permanent Employees £'000	Other £'000
Salaries and wages	3,003	2,787	216	2,223	2,076	147
Social security costs	304	302	2	188	188	0
Employer Contributions to NHS Pension scheme	359	356	2	265	265	0
Other pension costs	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0
Termination benefits	6	6	0	0	0	0
Gross employee benefits expenditure	**3,672**	**3,451**	**221**	**2,676**	**2,529**	**147**
Less recoveries in respect of employee benefits (note 4.1.2)	(52)	(52)	0	0	0	0
Total - Net admin employee benefits including capitalised costs	**3,620**	**3,399**	**221**	**2,676**	**2,529**	**147**
Less: Employee costs capitalised	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	**3,620**	**3,399**	**221**	**2,676**	**2,529**	**147**

4.2 Average number of people employed

	2016-17 Total Number	2016-17 Permanently employed Number	2016-17 Other *1 Number	2015-16 Total Number
Total	**62**	**59**	**3**	49
Of the above:				
Number of whole time equivalent people engaged on capital projects	**0**	**0**	**0**	0

***1** Includes **s**econdees and agency staff.

4.3 Staff sickness absence and ill health retirements

	2016-17 Number	2015-16 Number
Total Days Lost	646	739
Total Staff Years	60	69
Average working Days Lost	11	11

	2016-17 Number	2015-16 Number
Number of persons retired early on ill health grounds	0	1

	£'000	£'000
Total additional Pensions liabilities accrued in the year ***2**	0	0

***2** Ill health retirement costs are met by the NHS Pension Scheme

4.4 Exit packages agreed in the financial year

	2016-17 Compulsory redundancies		2016-17 Other agreed departures		2016-17 Total	
	Number	£	Number	£	Number	£
Less than £10,000 ***3**	1	5,976	0	0	1	5,976
£10,001 to £25,000	0	0	0	0	0	0
£25,001 to £50,000	0	0	0	0	0	0
£50,001 to £100,000	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0
Over £200,001	0	0	0	0	0	0
Total	**1**	**5,976**	**0**	**0**	**1**	**5,976**

	2015-16 Compulsory redundancies		2015-16 Other agreed departures		2015-16 Total	
	Number	£	Number	£	Number	£
Less than £10,000	0	0	0	0	0	0
£10,001 to £25,000	0	0	0	0	0	0
£25,001 to £50,000	0	0	0	0	0	0
£50,001 to £100,000	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0
Over £200,001	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

***3** Total redundancy paid was £35,857, however this related to a service hosted by NHS Hull CCG with 5 other CCG's recharged 16.7% each.

4.5 Pension costs

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

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

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

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

4.5.1 Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2012 and covered the period from 1 April 2008 to that date. Details can be found on the pension scheme website at **www.nhsbsa.nhs.uk/pensions**.

For 2016-17, employers' contributions of £358,677 were payable to the NHS Pensions Scheme (2015-16: £265,288) were payable to the NHS Pension Scheme at the rate of 14.3% of pensionable pay. The scheme's actuary reviews employer contributions, usually every four years and now based on HMT Valuation Directions, following a full scheme valuation. The latest review used data from 31 March 2012 and was published on the Government website on 9 June 2012. These costs are included in the NHS pension line of note 4.1.

5. Operating expenses

	2016-17 Total £'000	2016-17 Admin £'000	2016-17 Programme £'000	2015-16 Total £'000
Gross employee benefits				
Employee benefits excluding governing body members ***1**	3,019	2,584	435	2,150
Executive governing body members	653	653	0	526
Total gross employee benefits	**3,672**	**3,237**	**435**	**2,676**
Other costs				
Services from other CCGs and NHS England ***2**	617	92	525	3,906
Services from foundation trusts ***3**	36,688	92	36,596	37,518
Services from other NHS trusts ***4**	193,037	10	193,027	185,318
Services from other WGA bodies	0	0	0	0
Purchase of healthcare from non-NHS bodies	93,829	0	93,829	94,003
Chair and Non Executive Members	407	407	0	436
Supplies and services – clinical	718	0	718	735
Supplies and services – general	560	1	559	376
Consultancy services	0	0	0	109
Establishment	816	352	464	774
Transport	20	19	1	15
Premises	1,375	445	930	1,299
Impairments and reversals of receivables	0	0	0	0
Inventories written down and consumed	0	0	0	0
Depreciation	2	2	0	0
Amortisation	0	0	0	0
Impairments and reversals of property, plant and equipment	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0
Impairments and reversals of financial assets				
· Assets carried at amortised cost	0	0	0	0
· Assets carried at cost	0	0	0	0
· Available for sale financial assets	0	0	0	0
Impairments and reversals of non-current assets held for sale	0	0	0	0
Impairments and reversals of investment properties	0	0	0	0
Audit fees	72	72	0	72
Other non statutory audit expenditure				
· Internal audit services ***5**	0	0	0	0
· Other services	0	0	0	0
General dental services and personal dental services	0	0	0	0
Prescribing costs	49,010	0	49,010	49,677
Pharmaceutical services ***6**	354	0	354	0
General ophthalmic services	30	0	30	46
GPMS/APMS and PCTMS	1,551	0	1,551	1,543
Other professional fees excl. audit ***7**	3,857	1,042	2,815	612
Grants to Other bodies	0	0	0	0
Clinical negligence	0	0	0	0
Research and development (excluding staff costs)	51	0	51	119
Education and training	159	75	84	144
Change in discount rate	0	0	0	0
Provisions	2	2	0	0
Funding to group bodies	0	0	0	0
CHC Risk Pool contributions ***8**	652	0	652	1,629
Other expenditure ***9**	153	0	153	763
Total other costs	**383,960**	**2,611**	**381,349**	**379,094**
Total operating expenses	**387,632**	**5,848**	**381,784**	**381,770**

***1** The increase is due to the full year effect of staff that TUPE'd to the CCG in 2015/16 from Yorkshire & Humber Commissioning Support.
***2** The decrease relates to the change in service provision from Yorkshire & Humber Commissioning Support CSU to eMBED (see *7 for costs)
***3** The decrease is due to the transfer of community services from Humber NHS Foundation Trust to City Healthcare Partnership CIC.
***4** Increased expenditure on Acute services with Hull & East Yorkshire Hospitals NHS Trust
***5** Internal audit fees are included in Services from Foundation Trusts as hosted by Humber NHS Foundation Trust.
***6** The increase relates to the reclassification of expenditure on the minor ailments scheme.
***7** The increase relates to the change in service provision from Yorkshire & Humber Commissioning Support to eMBED and STP related costs.
***8** This cost is nationally determined.
***9** See table below

Description of Other Expenditure	£000
St Marys College - Hull Medical, Health & Social Acadamy	63
City Healthcare Partnership CIC - Maternal Smoking Campaign	45
Humber Sports Partnership Ltd - Sports Acadamy	20
Humberside Police - Lifestyle & Rock Challenge	18
Other	7
TOTAL	**153**

6.1 Better Payment Practice Code

Measure of compliance	2016-17 Number	2016-17 £'000	2015-16 Number	2015-16 £'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	10396	106,570	11985	102,475
Total Non-NHS Trade Invoices paid within target	10088	104,092	11661	101,080
Percentage of Non-NHS Trade invoices paid within target	**97.04%**	**97.67%**	**97.30%**	**98.64%**
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2591	230,950	2430	227,049
Total NHS Trade Invoices Paid within target	2579	230,917	2399	226,662
Percentage of NHS Trade Invoices paid within target	**99.54%**	**99.99%**	**98.72%**	**99.83%**

7. Operating Leases

7.1 As lessee

7.1.1 Payments recognised as an Expense

	2016-17				2015-16			
	Land £'000	Buildings £'000	Other £'000	Total £'000	Land £'000	Buildings £'000	Other £'000	Total £'000
Payments recognised as an expense								
Minimum lease payments	0	1,153	16	**1,169**	0	1,280	10	**1,290**
Contingent rents	0	0	0	**0**	0	0	0	**0**
Sub-lease payments	0	0	0	**0**	0	0	0	**0**
Total	**0**	**1,153**	**16**	**1,169**	**0**	**1,280**	**10**	**1,290**

Whilst some of our arrangements with Community Health Partnerships Limited and NHS Property Services Limited fall within the definition of operating leases, rental charge for future years has not yet been agreed . Consequently this note does not include future minimum lease payments for these.

7.1.2 Future minimum lease payments

	2016-17				2015-16			
	Land £'000	Buildings £'000	Other £'000	Total £'000	Land £'000	Buildings £'000	Other £'000	Total £'000
Payable:								
No later than one year	0	137	17	**154**	0	173	16	**189**
Between one and five years	0	546	14	**560**	0	692	30	**722**
After five years	0	146	0	**146**	0	346	-	**346**
Total	**0**	**829**	**31**	**860**	**0**	**1,211**	**46**	**1,257**

8 Property, plant and equipment

2016-17	Land £'000	Buildings excluding dwellings £'000	Dwellings £'000	Assets under construction and payments on account £'000	Plant & machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation at 01 April 2016	0	0	0	0	0	0	0	0	0
Addition of assets under construction and payments on account				0					0
Additions purchased	0	0	0	0	0	0	0	43	43
Additions donated	0	0	0	0	0	0	0	0	0
Additions government granted	0	0	0	0	0	0	0	0	0
Additions leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0	0	0	0
Impairments charged	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Transfer (to)/from other public sector body	0	0	0	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0	0	0	0
Cost/Valuation at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**43**	**43**
Depreciation 01 April 2016	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Upward revaluation gains	0	0	0	0	0	0	0	0	0
Impairments charged	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	0	0	0	0	0	0	2	2
Transfer (to)/from other public sector body	0	0	0	0	0	0	0	0	0
Cumulative depreciation adjustment following revaluation	0	0	0	0	0	0	0	0	0
Depreciation at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**2**
Net Book Value at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**41**	**41**
Purchased	0	0	0	0	0	0	0	41	41
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**41**	**41**
Asset financing:									
Owned	0	0	0	0	0	0	0	41	41
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP Lift contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**41**	**41**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land £'000	Buildings £'000	Dwellings £'000	Assets under construction & payments on account £'000	Plant & machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Balance at 01 April 2016	0	0	0	0	0	0	0	0	0
Revaluation gains	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Release to general fund	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	0	0	0
Balance at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

9 Trade and other receivables

	Current 2016-17 £'000	Non-current 2016-17 £'000	Current 2015-16 £'000	Non-current 2015-16 £'000
NHS receivables: Revenue ***1**	347	0	177	0
NHS receivables: Capital	0	0	0	0
NHS prepayments	1,329	0	1,326	0
NHS accrued income	0	0	34	0
Non-NHS and Other WGA receivables: Revenue *2	482	0	343	0
Non-NHS and Other WGA receivables: Capital	0	0	0	0
Non-NHS and Other WGA prepayments	174	0	124	0
Non-NHS and Other WGA accrued income	93	0	18	0
Provision for the impairment of receivables	0	0	0	0
VAT	129	0	117	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	0	0	0	0
Total Trade & other receivables	**2,554**	**0**	**2,139**	**0**
Total current and non current	**2,554**		**2,139**	
Included above:				
Prepaid pensions contributions	0		0	

9.1 Receivables past their due date but not impaired

	2016-17 £'000	2015-16 £'000
By up to three months	38	60
By three to six months	7	0
By more than six months	0	22
Total	**45**	**82**

NHS Hull CCG did not hold any collateral against receivables outstanding at 31 March 2017.

***1** The increase relates to recharges for STP costs
***2** The increase relates to recharges for STP costs

10 Cash and cash equivalents

	2016-17 £'000	2015-16 £'000
Balance at 01 April 2016	2	4
Net change in year	0	(2)
Balance at 31 March 2017	**2**	**2**
Made up of:		
Cash with the Government Banking Service	2	2
Cash with Commercial banks	0	0
Cash in hand	0	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	**2**	**2**
Bank overdraft: Government Banking Service	0	0
Bank overdraft: Commercial banks	0	0
Total bank overdrafts	**0**	**0**
Balance at 31 March 2017	**2**	**2**
Patients' money held by the clinical commissioning group, not included above	0	0

11 Trade and other payables

	Current 2016-17 £'000	Non-current 2016-17 £'000	Current 2015-16 £'000	Non-current 2015-16 £'000
Interest payable	0	0	0	0
NHS payables: revenue ***1**	1,399	0	1,117	0
NHS payables: capital	0	0	0	0
NHS accruals ***2**	1,641	0	1,490	0
NHS deferred income	0	0	0	0
Non-NHS and Other WGA payables: Revenue	3,367	0	3,477	0
Non-NHS and Other WGA payables: Capital	0	0	0	0
Non-NHS and Other WGA accruals	15,863	0	15,190	0
Non-NHS and Other WGA deferred income	0	0	0	0
Social security costs	52	0	39	0
VAT	0	0	0	0
Tax	50	0	43	0
Payments received on account	0	0	0	0
Other payables and accruals	61	0	55	0
Total Trade & Other Payables	**22,433**	**0**	**21,411**	**0**
Total current and non-current	**22,433**		**21,411**	

***1** The increase relates to 2 HFT invoices on hold pending partial credit notes
***2** The increase relates to 2 HFT invoices that have not been received.

12 Provisions

	Current 2016-17 £'000	Non-current 2016-17 £'000	Current 2015-16 £'000	Non-current 2015-16 £'000
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	0	0	0	0
Restructuring	0	0	0	0
Redundancy	0	0	0	0
Agenda for change	0	0	0	0
Equal pay	0	0	0	0
Legal claims	0	0	7.6	0
Continuing care	0	0	0	0
Other	0	0	0	0
Total	**0**	**0**	**7.6**	**0**
Total current and non-current	**0**		**7.6**	

	Pensions Relating to Former Directors £'000	Pensions Relating to Other Staff £'000	Restructuring £'000	Redundancy £'000	Agenda for Change £'000	Equal Pay £'000	Legal Claims £'000	Continuing Care £'000	Other £'000	Total £'000
Balance at 01 April 2016	**0**	**0**	**0**	**0**	**0**	**0**	**7.6**	**0**	**0**	**7.6**
Arising during the year	0	0	0	0	0	0	1.9	0	0	1.9
Utilised during the year	0	0	0	0	0	0	(9.5)	0	0	(9.5)
Reversed unused	0	0	0	0	0	0	0	0	0	0
Unwinding of discount	0	0	0	0	0	0	0	0	0	0
Change in discount rate	0	0	0	0	0	0	0	0	0	0
Transfer (to) from other public sector body	0	0	0	0	0	0	0	0	0	0
Transfer (to) from other public sector body under absorption	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Expected timing of cash flows:										
Within one year	0	0	0	0	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0	0	0	0	0
After five years	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Legal claims are calculated from the number of claims currently lodged with the NHS Litigation Authority 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 CCG. The total value of legacy NHS Continuing Healthcare provisions accounted for by NHS England on behalf of this CCG at 31 March 2017 is £30k (2015/16 - £838k).

13 Contingencies

	2016-17 £'000	2015-16 £'000
Contingent liabilities		
Equal Pay	0	0
NHS Litigation Authority Legal Claims	0	0
Employment Tribunal	0	0
NHSLA employee liability claim	0	2
Redundancy	0	0
Continuing Healthcare	0	0
Amounts recoverable against contingent liabilities	0	0
Net value of contingent liabilities	**0**	**2**

Clinical Negligence Balances
There is a requirement for NHS bodies to note the value of provisions carried in the books of the NHS Litigation Authority in regard to the Employer's Liability Scheme and Clinical Negligence Scheme for Trusts claims as at 31 March 2017. The balance held by the NHS Litigation Authority for the CCG is £4.7k

14 Financial instruments

14.1 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.

14.1.1 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 and therefore has low exposure to currency rate fluctuations.

14.1.2 Interest rate risk

The Clinical Commissioning Group borrows from government for capital expenditure, subject to affordability as confirmed by NHS England. The borrowings are for 1 to 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The clinical commissioning group therefore has low exposure to interest rate fluctuations.

14.1.3 Credit risk

Because the majority of the NHS Clinical Commissioning Group and revenue comes parliamentary funding, NHS Clinical Commissioning Group has low exposure to credit risk. The maximum exposures as at the end of the financial year are in receivables from customers, as disclosed in the trade and other receivables note.

14.1.3 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.

14.2 Financial assets

	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	347	0	347
· Non-NHS	0	574	0	574
Cash at bank and in hand	0	2	0	2
Other financial assets	0	0	0	0
Total at 31 March 2017	**0**	**923**	**0**	**923**

	At 'fair value through profit and loss' 2015-16 £'000	Loans and Receivables 2015-16 £'000	Available for Sale 2015-16 £'000	Total 2015-16 £'000
Embedded derivatives	0	0	0	0
Receivables:				
· NHS	0	211	0	211
· Non-NHS	0	361	0	361
Cash at bank and in hand	0	2	0	2
Other financial assets	0	0	0	0
Total at 31 March 2016	**0**	**574**	**0**	**574**

14.3 Financial liabilities

	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	3,040	3,040
· Non-NHS	0	19,291	19,291
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 2017	**0**	**22,331**	**22,331**

	At 'fair value through profit and loss' 2015-16 £'000	Other 2015-16 £'000	Total 2015-16 £'000
Embedded derivatives	0	0	0
Payables:			
· NHS	0	2,607	2,607
· Non-NHS	0	18,722	18,722
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 2016	**0**	**21,329**	**21,329**

15 Operating segments

	Gross expenditure £'000	Income £'000	Net expenditure £'000	Total assets £'000	Total liabilities £'000	Net assets £'000
Commissioning of Healthcare Services	387,581	(2,139)	**385,442**	2,597	(22,433)	**(19,836)**
Total	**387,581**	**(2,139)**	**385,442**	**2,597**	**(22,433)**	**(19,836)**

16 Pooled budgets

The NHS Hull Clinical Commissioning Group shares of the income and expenditure handled by the pooled budget in the 2016/17 financial year are detailed in the table below:

	Hull CCG 2016-17 £'000	KUHCC 2016-17 £'000	Section 75 Payment 2016-17 £'000	Total 2016-17 £'000	Total 2015-16 £'000
Income	(21,777)	(10,352)	4,804	(27,325)	(31,157)
Expenditure	21,777	10,352	(4,804)	27,325	31,157
Surplus	0	0	0	0	0

The Better Care Fund is a government plan to integrate health and social care across the country by 2020.

Locally, Hull Clinical Commissioning Group have implemented the Better Care Fund via a Section 75 Pooled Budget agreement with Hull City Council. The actual contractual arrangements did not result in joint control being established, therefore under 'IAS 18 Revenue Recognition' the CCG has accounted for its transactions on a gross accounting basis.

The Section 75 agreement allocated budgets across a number of groupings, namely; Prevention, Intervention, Rehabilitation and Rapid Community Response. The performance of each of these has been monitored throughout the year by a joint BCF Steering Group and reported to the Health and Wellbeing Board.

17 Related party transactions

Details of related party transactions with individuals are as follows:

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.

- NHS England
- NHS East Riding of Yorkshire CCG

. NHS Trusts	Hull & East Yorkshire Hospitals NHS Trust Leeds Teaching Hospitals NHS Trust Yorkshire Ambulance Service NHS Trust
. NHS Foundation Trusts	Northern Lincolnshire & Goole NHS Foundation Trust Sheffield Teaching Hospitals NHS Foundation Trust Sheffield Children's NHS Foundation Trust York Teaching Hospital NHS Foundation Trust Humber NHS Foundation Trust The Newcastle Upon Tyne Hospitals NHS Foundation Trust

- NHS Litigation Authority; and,
- NHS Business Services Authority.
- NHS Property Services & Community Health Partnerships

In addition, the 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 :

Hull City Council
East Riding Council
HM Revenue and Customs
National Insurance Fund

17 Related party transactions

The compensation paid to CCG Representatives is disclosed in Note 4, "Employee Benefits" within the Annual Accounts and within the Remuneration Report which is published as part of the Annual Report

The transactions noted below are between NHS Hull CCG and the stated organisation and have been conducted during the normal cause of trading, no guaranttees or provisions for irrocoverable balances have been made.

Details of related party transactions with individuals are as follows:

	Payments to Related Party £'000	Receipts from Related Party £'000	Amounts owed to Related Party £'000	Amounts due from Related Party £'000
Emma Sayner - Chief Finance Officer				
CityCare Board Director – non remunerated.	304	0	0	0
Dr Dan Roper - Chair of the Clinical Commissioning Group				
Share of property in Springhead Medical Centre	34	0	0	0
Dr Amy Oehring - GP Member of the Clinical Commissioning Group				
GP Partner of Sutton Manor Surgery	34	0	0	0
Dr James Moult - GP Member of the Clinical Commissioning Group				
GP Partner at Faith House Surgery	16	0	0	0
Dr Ragh Raghunath - GP Member of the Clinical Commissioning Group				
GP Partner at James Alexandra Family Practice	29	0	0	0
Dr Vince Rawcliffe - GP Member of the Clinical Commissioning Group				
GP Partner at Newhall Surgery	73	0	0	0
Carol Robinson - GP Member of the Clinical Commissioning Group				
General Interest as a Practice Manager in a GP Practice. - Newland Group Practice	54	0	0	0
Jason Stamp - Lay Member of the Clinical Commissioning Group				
Chief Officer of North Bank Forum	24	0	0	0

18 Events after the end of the reporting period

NHS England recently announced details of the Clinical Commissioning Groups approved to take on greater delegated responsibility or to jointly commission GP services from 1st April 2017. The new primary care co-commissioning arrangements are part of a series of changes set out in the NHS Five Year Forward View. The value for 17/18 is £41m

NHS Hull CCG has been approved under delegated commissioning arrangements which mean that the CCG will assume full responsibility for contractual GP performance management, budget management and the design and implementation of local incentive schemes from 1st April 2017.

19 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:

	2016-17 Target	2016-17 Performance	2015-16 Target	2015-16 Performance
Expenditure not to exceed income	399,299	387,633	389,590	381,770
Capital resource use does not exceed the amount specified in Directions	48	43	0	0
Revenue resource use does not exceed the amount specified in Directions	397,108	385,442	389,174	381,354
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	6,250	5,751	6,516	6,196