



Section H: Annual Accounts 2013-14

Foreword

These accounts for the year ended March 31st 2014 have been prepared by NHS Dudley Clinical Commissioning Group in accordance with sections 17(4)(a) and (b) of Schedule 1A of the National Health Service Act 2006 (as amended) in the form which the NHS Commissioning Board, with the approval of the Secretary of State for Health has directed.

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

	Note	2013-14 £000
Administration Costs and Programme Expenditure		
Gross employee benefits	5.1.1	2,960
Other costs	6	373,084
Other operating revenue	4	(1,842)
Net operating costs before interest		374,202
Other operating revenue		0
Other (gains)/losses		0
Finance costs		0
Net operating costs for the financial year		374,202
Net (gain)/loss on transfers by absorption		0
Net operating costs for the financial year including absorption transfers		374,202
Of which:		
Administration Costs		
Gross employee benefits	5.1.1	2,537
Other costs	6	5,277
Other operating revenue	4	(146)
Net administration costs before interest		7,668
Programme Expenditure		
Gross employee benefits	5.1.1	423
Other costs	6	367,807
Other operating revenue	4	(1,696)
Net programme expenditure before interest		366,534
Other Comprehensive Net Expenditure		
Total other comprehensive net expenditure		0
Total comprehensive net expenditure for the year		374,202

The notes on pages H7 to H40 form part of this account.

Statement of Financial Position as at March 31st 2014

31 March 2014
Note £000**Non-current assets**

Property, plant and equipment	10	0
Intangible assets		0
Investment property		0
Trade and other receivables	11	0
Other financial assets		0
Total non-current assets		0

Current assets

Inventories		0
Trade and other receivables	11	3,799
Other financial assets		0
Other current assets		0
Cash and cash equivalents	12	35
Total current assets		3,834

Non-current assets held for sale **0****Total current assets** **3,834****Total assets** **3,834****Current liabilities**

Trade and other payables	14	27,582
Other financial liabilities		0
Other liabilities		0
Borrowings		0
Provisions	15	1,149
Total current liabilities		28,731

Total Assets less Current Liabilities **(24,897)****Non-current liabilities**

Trade and other payables		0
Other financial liabilities		0
Other liabilities		0
Borrowings		0
Provisions		0
Total non-current liabilities		0

Total Assets Employed **(24,897)****Financed by Taxpayers' Equity**

General fund	SoCTE	(24,897)
Revaluation reserve		0
Other reserves		0
Charitable Reserves		0
Total taxpayers' equity:		(24,897)

The notes on pages H7 to H40 form part of this account. The financial statements on pages H3 to H40 were approved by the Audit Committee on 29th May 2014 under authority delegated from the Governing Body and signed on its behalf by Mr Paul Maubach, Chief Accountable Officer on 3rd June 2014.



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

Note	General Fund £000	Revaluation Reserve £000	Other Reserves £000	Total Reserves £000	
Changes in taxpayers equity for 2013-14					
Balance at 1 April 2013	0	0	0	0	
Transfer of assets and liabilities from closed NHS Bodies as a result of the 1 April 2013 transition	10	11	0	11	
Transfer between reserves in respect of assets transferred from closed NHS bodies	0	0	0	0	
Adjusted CCG balance at 1 April 2013	11	0	0	11	
Changes in CCG taxpayers' equity for 2013-14					
Net operating costs for the financial year	SoCNE	(374,202)	0	0	(374,202)
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0	0	0
Total revaluations against revaluation reserve	0	0	0	0	0
Net gain (loss) on available for sale financial assets	0	0	0	0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0	0
Impairments and reversals	0	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0	0
Movements in other reserves	0	0	0	0	0
Transfers between reserves	0	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0	0
Transfer between reserves in respect of assets transferred under absorption	0	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0	0
Net Recognised CCG Expenditure for the Financial Year	(374,191)	0	0	0	(374,191)
Net funding	349,294	0	0	0	349,294
Balance at 31 March 2014	(24,897)	0	0	0	(24,897)

Commissioning Bodies have traditionally run with a high level of payables, mostly as a consequence of the delays in them being charged for items such as prescribing costs (typically 8 weeks in arrears) and overperformance on healthcare contracts. In 2013/14, NHS England determined a maximum cash drawdown (MCD) for each CCG based on assumptions about forecast net expenditure adjusted for the level of receivables and payables. This was to ensure that CCG's only received the cash they needed to cover their net outgoings.

The apparent deficit of nearly £25m between cash funding and CCG expenditure that is shown above has been covered by the net current liabilities of the CCG as detailed in the statement of financial position.

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

	Note	2013-14 £000
Cash Flows from Operating Activities		
Net operating costs for the financial year	SoCNE	(374,202)
Depreciation and amortisation		0
Impairments and reversals	23	11
Other gains (losses) on foreign exchange		0
Donated assets received credited to revenue but non-cash		0
Government granted assets received credited to revenue but non-cash		0
Interest paid		0
Release of PFI deferred credit		0
(Increase)/decrease in inventories		0
(Increase)/decrease in trade & other receivables	11	(3,799)
(Increase)/decrease in other current assets		0
Increase/(decrease) in trade & other payables	14	27,582
Increase/(decrease) in other current liabilities		0
Provisions utilised		0
Increase/(decrease) in provisions	15	1,149
Net Cash Inflow (Outflow) from Operating Activities		(349,259)
Net Cash Inflow (Outflow) from Investing Activities		0
Net Cash Inflow (Outflow) before Financing		(349,259)
Cash Flows from Financing Activities		
Net funding received		349,294
Net Cash Inflow (Outflow) from Financing Activities		349,294
Net Increase (Decrease) in Cash & Cash Equivalents	12	35
Cash & Cash Equivalents at the Beginning of the Financial Year		0
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		0
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year		35



Notes to the financial statements

1 Accounting Policies

NHS England has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the Manual for Accounts issued by the Department of Health. Consequently, the following financial statements have been prepared in accordance with the Manual for Accounts 2013-14 issued by the Department of Health. The accounting policies contained in the Manual for Accounts follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts. In accordance with the Directions issued by NHS England comparative information is not provided in these Financial Statements.

1.1 Going Concern

These accounts have been prepared on the going concern basis.

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

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.

The accounting arrangements for balances transferred from predecessor PCTs ("legacy" balances) are determined by the Accounts Direction issued by NHS England on 12 February 2014. The Accounts Directions state that the only legacy balances to be accounted for by the CCG are in respect of property, plant and equipment (and related liabilities) and inventories.

All other legacy balances in respect of assets or liabilities arising from transactions or delivery of care prior to 31 March 2013 are accounted for by NHS England. The impact of the legacy balances accounted for by the CCG is disclosed in note 8 to these financial statements. The CCG's arrangements in respect of settling NHS Continuing Healthcare claims are disclosed in note 15 to these financial statements.

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

1.5 Pooled Budgets

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

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

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

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

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

1.6 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.

1.6.1 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:

- The clinical commissioning group is not aware of any judgements, other than estimation uncertainty, that it will be making.

1.6.2 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:

- Healthcare accruals - The most significant area of estimation uncertainty relates to healthcare accruals in the latter months of the year for which activity data was not received prior to the closure of the accounts;



- Provision balances - It is recognised that a degree of estimation is inevitable when making provisions, particularly claims for retrospective entitlement to NHS continuing healthcare; organisational change and contractual issues. NHS England is accounting for those continuing healthcare provisions held by Dudley Primary Care Trust at 31st March 2013 on the CCG's behalf in accordance with the accounts direction. The basis used for all provisions will be detailed in the disclosure note for provisions (refer to Note 15).

1.7 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.8 Employee Benefits

1.8.1 Short-term Employee Benefits

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

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

1.8.2 Retirement Benefit Costs

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

1.9 Other Expenses

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

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.

1.10 Property, Plant & Equipment

1.10.1 Recognition

Property, plant and equipment is capitalised if:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will be supplied to 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.

1.10.2 Valuation

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

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 fair value.

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.

1.10.3 Subsequent Expenditure

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



1.11 Intangible Assets

1.11.1 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.

1.11.2 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 fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 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.

1.13 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 completed sale within one year from the date of classification.

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.

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.

1.14 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.

1.14.1 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.

1.14.2 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.

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.

1.15 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.

1.16 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 1.90%
- Timing of cash flows (6 to 10 years inclusive): Minus 0.65%
- Timing of cash flows (over 10 years): Plus 2.20%
- All employee early departures: 1.80%

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.

1.17 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.

1.18 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.

1.19 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.

1.20 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.

1.20.1 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. The CCG regularly reviews its contracts to assess whether there are any embedded derivatives that need to be held separately at fair value. Currently the CCG considers that it has no embedded derivatives.



1.20.2 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.

1.20.3 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.

Fair value is determined with reference to market values of identical assets or, if these are not available, similar assets.

1.20.4 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.

1.21 Financial Liabilities

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

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

1.21.1 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.

1.21.2 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.

The CCG regularly reviews its contracts to assess whether there are any embedded derivatives that need to be held separately at fair value. Currently the CCG considers that it has no embedded derivatives.

1.21.3 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.

1.22 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.

1.23 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.

1.24 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).

1.25 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'.



1.26 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'.

1.27 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'.

1.28 Joint Operations

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

1.29 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.

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

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

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

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

2. Financial performance targets

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

NHS Act Section		31/03/14 Target £000	31/03/14 Performance £000	Duty Achieved?
223H(1)	Expenditure not to exceed income (CCG Control Total)	(5,400)	(5,456)	Yes
223I(2)	Capital resource use does not exceed the amount specified in Directions	0	0	n/a
223I(3)	Revenue resource use does not exceed the amount specified in Directions (Revenue Resource Limit)	379,658	374,202	Yes
223J(1)	Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	n/a
223J(2)	Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	n/a
223J(3)	Revenue administration resource use does not exceed the amount specified in Directions (Running Costs)	7,710	7,668	Yes

Note: For the purpose of 223H(1); expenditure is defined as the aggregate of gross expenditure on revenue and capital in the financial year; and income is defined as the aggregate of the notified maximum revenue resource, notified capital resource and all other amounts accounted as received in the financial year (whether under provisions of the Act or from other sources, and included here on a gross basis).

3. Reconciliation of Cash Drawings to Parliamentary Funding

	2013-14 £000
Total cash received from DH (Gross)	308,858
Less: Trade Income from DH	0
Less/(Plus): movement in DH working balances	0
Sub-total: net advances	308,858
Less transfer of liabilities from other resource account bodies-NHSE re partially completed spells	(1,595)
Plus: drugs reimbursement (central charge to cash limits)	42,031
Parliamentary funding credited to General Fund	349,294



4. Revenue

4.1 Other Operating Revenue

	2013-14 Total £000	2013-14 Admin £000	2013-14 Prog- ramme £000
Recoveries in respect of employee benefits	63	63	0
Patient transport services	0	0	0
Prescription fees and charges	0	0	0
Education, training and research	0	0	0
Charitable and other contributions to revenue expenditure: NHS	0	0	0
Charitable and other contributions to revenue expenditure: non-NHS	0	0	0
Non-patient care services to other bodies	1,341	20	1,321
Rental revenue from operating leases	0	0	0
Other revenue	438	63	375
Total other operating revenue	1,842	146	1,696

Administration Revenue is revenue received that is not directly attributable to the provision of healthcare or healthcare services. £1.154m of the non-patient care services to other bodies relates to the penalty charges to Dudley Group NHS Foundation Trust. Revenue in this note does not include cash received from NHS England, which is drawn down directly into the bank account of the CCG and credited to the General Fund.

Revenue in this note does not include cash received from NHS England, which is drawn down directly into the bank account of the CCG and credited to the General Fund.

4.2 Revenue Sources

	2013-14 Total £000	2013-14 Admin £000	2013-14 Prog- ramme £000
From rendering of services	1,842	146	1,696
From sale of goods	0	0	0
Total	1,842	146	1,696

The revenue the CCG receives is mostly from the charges it levies. The CCG does not normally sell goods.

5. Employee benefits and staff numbers

5.1 Employee benefits

5.1.1 Employee benefits

2013-14 Employee Benefits	Total Permanent Employees		Admin Permanent Employees		Other		Total		Programme Permanent Employees	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Salaries and wages	2,452	2,348	104	1,999	104	349	0			
Social security costs	207	207	0	181	0	26	0			
Employer Contributions to NHS Pension scheme	301	301	0	253	0	48	0			
Other pension costs	0	0	0	0	0	0	0			
Other post-employment benefits	0	0	0	0	0	0	0			
Other employment benefits	0	0	0	0	0	0	0			
Termination benefits	0	0	0	0	0	0	0			
Gross employee benefits expenditure	2,960	2,856	104	2,433	104	423	0			
Less recoveries in respect of employee benefits (note 4.1.2)	(63)	(63)	0	(63)	0	0	0			
Total - Net admin employee benefits including capitalised costs	2,897	2,793	104	2,370	104	423	0			
Less: Employee costs capitalised	0	0	0	0	0	0	0			
Net employee benefits excluding capitalised costs	2,897	2,793	104	2,370	104	423	0			



5.1.2 Recoveries in respect of employee benefits

	Total £000	2013-14 Permanent Employees £000	Other £000
Employee Benefits - Revenue			
Salaries and wages	(55)	(55)	0
Social security costs	(3)	(3)	0
Employer contributions to the NHS Pension Scheme	(5)	(5)	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Total recoveries in respect of employee benefits	(63)	(63)	0

5.2 Average number of people employed

	Total £000	2013-14 Permanent Employees £000	Other £000
Medical and dental	0	0	0
Administration and estates	39.7	35.3	4.4
Healthcare assistants and other support staff	0	0	0
Nursing, midwifery and health visiting staff	7.1	7.1	0
Other	0	0	0
Total	46.8	42.4	4.4

Of the above:

Number of whole time equivalent people engaged on capital projects	0	0	0
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5.3 Staff sickness absence and ill health retirements

	2013-14 Number
Average FTE April-December 2013	53.48 ¹
Total FTE Days Available April-December 2013	9,025 ²
FTE Days Lost to Sickness Absence April-December 2013	83.77 ³
Average Sick Days per FTE (9 months)	1.57 ⁴

Source: hscic - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse. Period covered: April to December 2013

Data items: ESR does not hold details of the normal number of days worked by each employee. (Data on days lost and days available produced in reports are based on a 365-day year)

- 1 Average FTE in post for the period April-December 2013.
- 2 The number of FTE-days available has been estimated by multiplying the average FTE for April-December 2013 (from March 2014 Workforce publication) by 225x3/4.
- 3 The number of FTE-days lost to sickness absence has been estimated by multiplying the estimated FTE-days available by the average sickness absence rate for April-December 2013.
- 4 The average number of sick days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE.

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No-one from the Clinical Commissioning Group retired early on ill health grounds. Ill health retirement costs are met by the NHS Pension Scheme.

If the Clinical Commissioning Group had agreed early retirements, the additional costs would have been met by the Clinical Commissioning Group and not by the NHS Pension Scheme.

5.4 Exit packages agreed in the financial year

The Clinical Commissioning Group has agreed no exit packages in the financial year 2013/14.

5.5 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions 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 NHS Body 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:



5.5.1 Full actuarial (funding) valuation

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

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

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

5.5.2 Accounting valuation

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

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

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

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

5.5.3 Scheme provisions

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

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



6. Operating expenses

	2013-14 Total £000	2013-14 Admin £000	2013-14 Prog- ramme £000
Gross employee benefits			
Employee benefits excluding governing body members	2,177	1,754	423
Executive governing body members	783	783	0
Total gross employee benefits	2,960	2,537	423
Other costs			
Services from other CCGs and NHS England	2,950	2,218	732
Services from foundation trusts	232,162	0	232,162
Services from other NHS trusts	42,054	350	41,704
Services from other NHS bodies	0	0	0
Purchase of healthcare from non-NHS bodies	33,028	13	33,015
Chair and lay membership body & governing body members	51	51	0
Supplies and services – clinical	593	0	593
Supplies and services – general	1,848	806	1,042
Consultancy services	504	451	53
Establishment	1,411	596	815
Transport	39	4	35
Premises	3,602	216	3,386
Impairments and reversals of receivables	3	0	3
Depreciation	0	0	0
Impairments and reversals of property, plant and equipment	11	0	11
Audit fees	98	98	0
Other auditor's remuneration			
• Internal audit services	48	48	0
• Other services	0	0	0
General dental services and personal dental services	0	0	0
Prescribing costs	51,180	0	51,180
Pharmaceutical services	0	0	0
General ophthalmic services	0	0	0
GPMS/APMS and PCTMS	2,064	0	2,064
Other professional fees excl. audit	23	23	0
Grants to other public bodies	0	0	0
Clinical negligence	0	0	0
Research and development (excluding staff costs)	13	13	0
Education and training	228	99	129
Change in discount rate	0	0	0
Other expenditure	1,174	291	883
Total other costs	373,084	5,277	367,807
Total operating expenses	376,044	7,814	368,230

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

Other expenditure comprises:

Provisions	1,149	291	858
Collaborative Payments	25	0	25
Total	1,174	291	883

7. Better Payment Practice Code

7.1 Measure of compliance

	2013-14 Number	2013-14 £000
Non-NHS Payables		
Total Non-NHS Trade invoices paid in the Year	6,302	34,938
Total Non-NHS Trade Invoices paid within target	6,126	33,627
Percentage of Non-NHS Trade invoices paid within target	97.21%	96.25%
NHS Payables		
Total NHS Trade Invoices Paid in the Year	1,882	274,036
Total NHS Trade Invoices Paid within target	1,845	272,174
Percentage of NHS Trade Invoices paid within target	98.03%	99.32%

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

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

The Clinical Commissioning Group made no payments in respect of late payments in 2013/14.

8. Net gain/(loss) on transfer by absorption

The Clinical Commissioning Group (CCG) made no gain or loss on transfer by absorption.

9. Operating Leases

9.1 As lessee

Dudley Clinical Commissioning Group occupies property owned and managed by Community Health Partnerships Ltd. It is also responsible for the costs of premises that are owned by NHS Property Services Ltd and Community Health Partnerships Ltd and used for commissioning purposes where the services are provided by more than one provider and/or they are based in LIFT premises.

For 2013-14, a transitional occupancy rent based on annual property cost allocations was agreed. This is reflected in Note 9.1.1.

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



9.1.1 Payments recognised as an expense

	Land £000	Buildings £000	Other £000	2013-14 Total £000
Payments recognised as an expense				
Minimum lease payments	0	3,572	0	3,572
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	0	3,572	0	3,572

The lease payment shown above represents a notional sum paid in 2013/14 based on the allocation the CCG received in respect of premises costs as agreed by NHS England as an interim arrangement.

9.1.2 Future minimum lease payments

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

9.2 As lessor

The Clinical Commissioning Group is not a lessor and therefore has no rental revenue.

10. Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payment on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2013-14									
Cost or valuation at 1 April 2013	0	0	0	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	11	0	0	0	11
Adjusted Cost or valuation at 1 April 2013	0	0	0	0	11	0	0	0	11
Additions	0	0	0	0	0	0	0	0	0
Reclassifications	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	(11)	0	0	0	(11)
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
At 31 March 2014	0	0	0	0	0	0	0	0	0
Depreciation 1 April 2013	0	0	0	0	0	0	0	0	0
Adjusted depreciation 1 April 2013	0	0	0	0	0	0	0	0	0
Reclassifications	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	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
At 31 March 2014	0	0	0	0	0	0	0	0	0
Net Book Value at 31 March 2014	0	0	0	0	0	0	0	0	0
Revaluation Reserve Balance for Property, Plant & Equipment									
Balance at 1 April 2013	0	0	0	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0	0	0	0
Adjusted balance at 1 April 2013	0	0	0	0	0	0	0	0	0
Balance at 31 March 2014	0	0	0	0	0	0	0	0	0



11. Trade and other receivables

	Current 2013-14 £000	Non- current 2013-14 £000
NHS receivables: Revenue	145	0
NHS receivables: Capital	0	0
NHS prepayments and accrued income	3,342	0
Non-NHS receivables: Revenue	105	0
Non-NHS receivables: Capital	0	0
Non-NHS prepayments and accrued income	115	0
Provision for the impairment of receivables	(3)	0
VAT	22	0
Private finance initiative and other public private partnership arrangement prepayments and accrued income	0	0
Interest receivables	0	0
Finance lease receivables	0	0
Operating lease receivables	0	0
Other receivables	73	0
Total	3,799	0
Total current and non current	3,799	
Prepaid pensions contributions (included above)	0	

The majority of trade is with NHS England. As NHS England is funded by Government to provide funding to Clinical Commissioning Groups to commission services, no credit scoring of them is considered necessary. Other NHS receivables relate to pre-payments to NHS providers such as NHS tariff payments for maternity services. As this reflects an advance payment on services that are being delivered, there is no risk to the Clinical Commissioning Group.

11.1 Receivables past their due date but not impaired

	2013-14 £000
By up to three months	136
By three to six months	5
By more than six months	3
Total	144

£136k of the amount above has subsequently been recovered post the statement of financial position date.

The Clinical Commissioning Group did not hold any collateral against receivables outstanding at 31 March 2014.

11.2 Provision for impairment of receivables

	2013-14 £000
Balance at 1 April 2013	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0
Adjusted balance at 1 April 2013	0
Amounts written off during the year	0
Amounts recovered during the year	0
(Increase) decrease in receivables impaired	(3)
Transfer (to) from other public sector body	0
Balance at 31 March 2014	(3)

	2013-14 £000
Receivables are provided against at the following rates:	
NHS debt	0%
Non-NHS receivables 90 days & over unless receipt guaranteed	100%

12. Cash and cash equivalents

	2013-14 £000
Balance at 1 April 2013	0
Net change in year	35
Balance at 31 March 2014	35
Made up of:	
Cash with the Government Banking Service	34
Cash with Commercial banks	0
Cash in hand	1
Current investments	0
Cash and cash equivalents as in statement of financial position	35
Bank overdraft: Government Banking Service	0
Bank overdraft: Commercial banks	0
Total bank overdrafts	0
Balance at 31 March 2014	35



13. Analysis of impairments and reversals

13.1 Analysis of impairments and reversals: property, plant and equipment

	2013-14 £000
Impairments and reversals charged to the statement of comprehensive net expenditure	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to departmental expenditure limit	0
Unforeseen obsolescence	(11)
Loss as a result of catastrophe	0
Other	0
Change in market price	0
Total charged to annually managed expenditure	(11)
Total impairments and reversals charged to the statement of comprehensive net expenditure	(11)
Impairments and Reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Change in market price	0
Total impairments and reversals of property, plant and equipment charged to the revaluation reserve	0
Total impairments and reversals of property, plant and equipment	(11)

14. Trade and other payables

	Current 2013-14 £000	Non- current 2013-14 £000
Interest payable	0	0
NHS payables: revenue	4,128	0
NHS payables: capital	0	0
NHS accruals and deferred income	7,343	0
Non-NHS payables: revenue	2,396	0
Non-NHS payables: capital	0	0
Non-NHS accruals and deferred income	12,965	0
Social security costs	27	0
VAT	0	0
Tax	32	0
Payments received on account	0	0
Other payables	691	0
Total	27,582	0
Total payables (current and non-current)	27,582	

Other payables include £35,818 outstanding pension contributions at 31st March 2014.

15. Provisions

	Current 2013-14 £000	Non- current 2013-14 £000
Pensions relating to former directors	0	0
Pensions relating to other staff	0	0
Restructuring	291	0
Redundancy	0	0
Agenda for change	0	0
Equal pay	0	0
Legal claims	0	0
Continuing care	268	0
Other	590	0
Total	1,149	0

**Total current and non-current**

	Pensions Relating to Former Directors £000s	Pensions Relating to Other Staff £000s	Restructuring £000s	Redundancy £000s	Agenda for Change £000s	Equal Pay £000s	Legal Claims £000s	Continuing Care £000s	Other £000s	Total £000s
Balance at 1 April 2013	0	0	0	0	0	0	0	0	0	0
Transfer of assets from closed NHS bodies as a result of the 1 April 2013 transition	0	0	0	0	0	0	0	0	0	0
Adjusted balance at 1 April 2013	0	0	0	0	0	0	0	0	0	0
Arising during the year	0	0	291	0	0	0	0	268	590	1,149
Utilised during the year	0	0	0	0	0	0	0	0	0	0
Reversed unused	0	0	0	0	0	0	0	0	0	0
Unwinding of discount	0	0	0	0	0	0	0	0	0	0
Change in discount rate	0	0	0	0	0	0	0	0	0	0
Transfer (to) from other public sector body	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2014	0	0	291	0	0	0	0	268	590	1,149
Expected timing of cash flows:										
Within one year	0	0	291	0	0	0	0	268	590	1,149
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 2014	0	0	291	0	0	0	0	268	590	1,149

Restructuring (CSU Support) - The restructuring provision relates to the Clinical Commissioning Group's decision to give notice to its Commissioning Support Unit (CSU) in respect of certain services currently purchased. The expectation is that any possible liabilities would be paid during 2014/15.

Continuing Healthcare - During 2013/14 the Clinical Commissioning Group has received a number of new Continuing Healthcare claims which it has assessed and made a provision for. It is expected that the claims will be settled during 2014/15.

Other - Property Charges - Based on concerns that have been expressed about the level of overall liability to property charges in 2013/14 due to the basis of charging, a provision has been made for the potential cost. Any settlement would be made during 2014/15.

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before the 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 is £3.382m (31 March 2013: £3.566m).

£3.779m is included in the provisions of the NHS Litigation Authority as at 31 March 2014 in respect of clinical negligence liabilities of the clinical commissioning group (31 March 2013: not applicable). This relates to a Dudley Primary Care Trust legacy issue.

16. Contingencies

The Clinical Commissioning Group had no contingencies as at 31st March 2014.

17. Commitments

17.1 Capital commitments

The Clinical Commissioning Group had no capital commitments as at 31st March 2014.

17.2 Other financial commitments

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

	2013-14
	£000
In not more than one year	6,327
In more than one year but not more than five years	0
In more than five years	0
Total	6,327

18. Financial Instruments

18.1 Financial risk management

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

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

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

18.1.1 Currency risk

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



18.1.2 Interest rate risk

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

18.1.3 Credit risk

Because the majority of the clinical commissioning group's revenue comes parliamentary funding, the clinical commissioning group has low exposure to credit risk. The maximum exposures as at the end of the financial year are in receivables from customers, as disclosed in the trade and other receivables note.

18.1.4 Liquidity risk

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

18.2 Financial assets

	At 'fair value through profit and loss' 2013-14 £000	Loans and Receivables 2013-14 £000	Available for Sale 2013-14 £000	Total 2013-14 £000
Embedded derivatives	0	0	0	0
Receivables:	0	0	0	0
• NHS	0	145	0	145
• Non-NHS	0	105	0	105
Cash at bank and in hand	0	35	0	35
Other financial assets	0	73	0	73
Total at 31 March 2014	0	358	0	358

18.3 Financial liabilities

	At 'fair value through profit and loss' 2013-14 £000	Other 2013-14 £000	Total 2013-14 £000
Embedded derivatives	0	0	0
Receivables:	0	4,128	4,128
• NHS	0	3,087	3,087
• Non-NHS	0	0	0
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 2014	0	7,215	7,215

19. Operating segments

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

	Gross Expenditure	Income	Net Expenditure	Total Assets	Total Liabilities	Net Assets
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
	£000	£000	£000	£000	£000	£000
Commissioning of healthcare services	376,044	(1,842)	374,202	3,834	(28,731)	(24,897)

20. Pooled budgets

The clinical commissioning group and consolidated group had entered into a pooled budget with Dudley Metropolitan Borough Council (DMBC). The pool is hosted by DMBC. Under the arrangement funds are pooled under Section 75 of the NHS Act 2006 for Children with Disabilities; the Community Equipment Store; and the Independent Living Team/Acquired Brain Injury.

The clinical commissioning group's and consolidated group's statement of financial position reflects a balance of £26k that relates to an underspend in respect of the Children with Disabilities pooled budget. The clinical commissioning group's and consolidated group's shares of the expenditure handled by the pooled budget in the financial year were:

	2013-14
	£000
Children with Disabilities	160
Community Equipment Store	476
Independent Living Team/Acquired Brain Injury	29
	665

21. Intra-government and other balances

	Current Receivables	Non-current Receivables	Current Payables	Non-current Payables
	2013-14	2013-14	2013-14	2013-14
	£000	£000	£000	£000
Balances with:				
• Other Central Government bodies	0	0	59	0
• Local Authorities	166	0	1,210	0
Balances with NHS bodies:				
• NHS bodies outside the Departmental Group	10	0	76	0
• NHS Trusts and Foundation Trusts	3,477	0	11,396	0
Total of balances with NHS bodies:	3,487	0	11,472	0
• Public corporations and trading funds	0	0	0	0
• Bodies external to Government	146	0	14,841	0
Total balances at 31 March 2014	3,799	0	27,582	0



22. Related party transactions

During the year certain of the Clinical Commissioning Group Governing Body members or members of the key management staff, or parties related to any of them, has undertaken material transactions with the Clinical Commissioning Group. Details of related party transactions with individuals are as follows:

The transactions listed below do not necessarily relate to the Board member or key manager personally but to the body with which they have registered an interest. For example, the transactions detailed against a GP CCG Board member relate to the practice as a whole and do not specifically relate to payments made to an individual within a practice.

Transactions with Governing Body Members (see below for transaction details)

- Dr David Hegarty, CCG Chair, Wychbury Medical Practice *1, member of Dudley Health & Wellbeing Board, Dudley MBC *2
- Dr Steve Cartwright, Clinical Executive Integration & Partnerships, Keelinge House Surgery *1
- Dr Steve Mann, Clinical Executive Acute & Community Commissioning - Worcester St Practice *1, Worcester Street Consultancy *14, sister Dr R Macdonagh provides paediatric triage service *8
- Dr Liz Pope, Clinical Executive Quality & Safety, Three Villages Practice *1
- Dr Jas Rathore, Clinical Executive Finance & Performance, Castle Meadows Practice *1, daughter employed by Dudley Group NHS FT *2
- Dr Ruth Edwards, GP Representative, AW Surgeries *1
- Dr Purshotam Gupta, GP Representative, Netherton Surgery Practice *1, Medical Director of Primecare *11
- Dr Richard Johnson, GP Representative, The Abbey Practice *1
- Dr Mona Mahfouz, GP Representative, Keelinge House Practice *1
- Dr Jonathon Darby, GP Representative, St Margarets Well Surgery *1
- Dr Kevin Dawes, GP Representative, The Ridgeway Surgery *1
- Mr Matthew Hartland, Chief Finance Officer, Director of Dudley Infracare LIFT Ltd - the headquarters of the CCG is based in a LIFT property with the associated lease payments made to Community Health Partnerships as landlord.
- Dr Mary Heber, Lay Member, Secondary Care Doctor, Consultant Cardiologist, Shrewsbury & Telford Hospital *6
- Mrs Julie Jasper, Lay Member, Communications & Engagement, Lay Member of Sandwell & West Birmingham CCG *5
- Mr Steve Wellings, Lay Member, Governance, wife employed by Dudley MBC *3, nieces employed by Dudley Group NHS FT *2
- John Polychronakis, Chief Executive, Dudley MBC *3
- Ms Valerie Little, Director of Public Health, Dudley MBC *3

Transactions with Senior Managers

- Mrs Alison Tennant, Clinical Development Lead, Consultant with Morph Consultancy Ltd *9
- Richard Haynes, Interim Communications Manager, Director Rockhouse Communications *12

Transactions with Other Staff

- Mrs Stephanie Cartwright, OD Practitioner, Associate Director, Practice Partners Ltd *10
- Mrs Sonia Clark, Practice Manager, Moss Grove Surgery, lead for Conference 4 Health/Training 4 Health *7
- Mrs Teresa Jeavons, Membership Support Officer, volunteer for White House Cancer Support *13

A number of CCG staff have relatives who are employed by Dudley Group NHS FT; Dudley MBC and Central Midlands CSU

See overleaf for key

Key to transactions with related parties

- *1 Total transactions with the GP Practice where a Governing Body Member is a partner.
- *2 Total transactions with Dudley Group NHS FT where a Governing Body Member, Senior Manager or member of staff has declared an interest. A number of CCG staff have a close relationship with someone employed there.
- *3 Total transactions with Dudley MBC where a Governing Body Member, Senior Manager or member of staff is employed and/or has declared an interest.
- *4 Total transactions with NHS Central Midlands CSU. A number of CCG staff have a close relationship with someone employed there.
- *5 Total transactions with Sandwell & West Birmingham CCG where a Governing Body Member is a lay member and has declared an interest.
- *6 Total transactions with Shrewsbury & Telford Hospital where a Governing Body Member is employed and has declared an interest.
- *7-14 Total transactions with individual non-NHS Companies & Organisations where a Governing Body Member, Senior Manager or member of staff has declared an interest.

Transactions with Dudley Practices (all being a member of the CCG, some with elected Governing Body Member*1)

Most of the payments made to GP Practices relate to Local Enhanced Services, where the schemes are determined locally, but are processed through NHS England.

	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Northway Surgery	52	0	19	0
Bath Street Surgery	18	(7)	5	0
Bilston Street Surgery	16	0	9	0
Coseley Medical Centre	33	(10)	24	0
Woodsetton Medical Centre	73	0	22	0
The Ridgeway Surgery *1	85	0	33	0
The Greens Health Centre	47	(5)	26	0
Lower Gornal Health Centre (& branch)	126	(3)	35	0
Castle Meadows Surgery *1	29	(2)	15	0
St James Medical Practice (Dr White)	35	0	20	0
St James Medical Practice (Dr Porter)	16	0	9	0
Eve Hill Medical Practice	69	(3)	27	0
Tinchbourne Street Surgery	13	(1)	7	0
Cross Street Health Centre	39	0	17	0
Steppingstones Medical Practice	69	(3)	39	0
St Thomas's Medical Practice	7	(2)	4	0
Central Clinic	26	0	9	0
Bean Road Surgery	20	0	5	0
Keelinge House Surgery *1	52	0	24	0
Netherton Surgery (& branch) *1	39	(2)	10	0
Netherton Health Centre	54	0	23	0
Quarry Road Surgery	18	(3)	6	0
High Oak Surgery	31	0	11	0
Kingswinford Health Centre	72	0	25	0
Moss Grove Surgery	169	0	53	0
Summerhill Surgery	246	(2)	46	0
Rangeways Road Surgery	45	(3)	18	0



	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Wordsley Green Health Centre (& branch)	174	(2)	43	0
AW Surgeries	142	0	68	0
Waterfront Surgery	55	0	22	0
Brierley Hill Health and Social Care Centre	17	0	10	0
Quincy Rise Surgery	38	(3)	11	0
Three Villages (& branch) *1	87	(4)	36	0
Worcester Street Surgery (& branches) *1	267	0	88	0
Pedmore Medical Practice	35	(1)	14	0
Chapel Street Surgery	6	(2)	3	0
The Limes Surgery	55	0	30	0
Norton Medical Practice	55	0	13	0
Wychbury Medical Group (& branches)*1	247	(1)	85	0
Thorns Road Surgery	29	(2)	13	0
Quarry Bank Medical Centre	33	(2)	13	0
Clement Road Medical Centre	36	0	11	0
Feldon Lane Surgery (& branch)	68	(5)	32	0
Crestfield Surgery Ltd	23	(2)	8	0
Alexandra Medical Centre	22	(5)	11	0
Lapal Medical Practice	55	0	21	0
Meadowbrook Surgery	50	0	22	0
The Abbey Practice (& branches) *1	49	(1)	24	0
St Margaret's Wells Surgery *1	82	0	31	0

The Department of Health is regarded as a related party. During the year the clinical commissioning group has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. For example:

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

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 Dudley Metropolitan Borough Council in respect of joint enterprises.

	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Transactions with NHS & other government bodies				
The Dudley Group of Hospitals NHS Foundation Trust *2	193,443	(574)	7,351	(1,842)
Dudley Metropolitan Borough Council *3	3,971	(205)	1,110	(166)
NHS Central Midlands CSU *4	2,127	0	64	0
NHS Sandwell & West Birmingham CCG *5	805	0	6	0
Shrewsbury & Telford Hospital NHS Trust *6	299	0	0	(68)

Continued overleaf

	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
Transactions with Non-NHS companies & organisations				
Conferences 4 Health/Training 4 Health *7	11	0	8	0
Dr Rebecca Macdonagh *8	20	0	20	0
Morph Consultancy Ltd *9	10	0	0	0
Practice Partners Ltd *10	27	0	0	0
Primecare *11	3,217	0	396	0
Rockhouse Communications *12	32	0	8	0
White House Cancer Care Support Ltd *13	53	0	0	0
Worcester Street Consultancy *14	59	0	4	0

23. Events after the end of the reporting period

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

24. Losses and special payments

The Clinical Commissioning Group had no losses or made any special payments in 2013/14.

25. Impact of IFRS

	2013-14 £000
Depreciation charges	0
Interest expense	0
Impairment charge: Annually Managed Expenditure	11
Impairment charge: Departmental Expenditure Limit	0
Other Expenditure	0
Revenue receivable from subleasing	0
Total IFRS Expenditure (IFRIC 12)	11
Revenue consequences of private finance initiative/LIFT schemes under UK GAAP/ESA95 (net of any sublease revenue)	0
Net IFRS Change (IFRIC 12)	11
Capital Consequences of IFRS: private finance initiative/LIFT and other service concession arrangements under IFRIC 12	
Capital expenditure 2013-14	0
UK GAAP capital expenditure 2013-14 (reversionary interest)	0

Signed by Mr Paul Maubach, Chief Accountable Officer, on behalf of NHS Dudley Clinical Commissioning Group, on June 3rd, 2014