
Entity name:	Airedale Wharfedale and Craven CCG
This year	2016-17
Last year	2015-16
This year ended	31-March-2017
Last year ended	31-March-2016
This year commencing:	01-April-2016
Last year commencing:	01-April-2015

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

	2016-17 £'000	2015-16 £'000
Income from sale of goods and services	2 (287)	(193)
Other operating income	2 (78)	(307)
Total operating income	(365)	(500)
Staff costs	4 2,770	2,513
Purchase of goods and services	5 203,504	197,424
Depreciation and impairment charges	5 0	0
Provision expense	5 (41)	0
Other Operating Expenditure	5 253	1,305
Total operating expenditure	206,486	201,241
Net Operating Expenditure	206,121	200,741
Finance income		
Finance expense	10 0	0
Net expenditure for the year	206,121	200,741
Net Gain/(Loss) on Transfer by Absorption	0	0
Total Net Expenditure for the year	206,121	200,741
Other Comprehensive Expenditure		
<u>Items which will not be reclassified to net operating costs</u>		
Net (gain)/loss on revaluation of PPE	0	0
Net (gain)/loss on revaluation of Intangibles	0	0
Net (gain)/loss on revaluation of Financial Assets	0	0
Actuarial (gain)/loss in pension schemes	0	0
Impairments and reversals taken to Revaluation Reserve	0	0
<u>Items that may be reclassified to Net Operating Costs</u>	0	0
Net gain/loss on revaluation of available for sale financial assets	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Sub total	0	0
Comprehensive Expenditure for the year ended 31 March 2017	206,121	200,741

**Statement of Financial Position as at
31 March 2017**

		2016-17	2015-16
	Note	£'000	£'000
Non-current assets:			
Property, plant and equipment	13	0	0
Intangible assets	14	0	0
Investment property	15	0	0
Trade and other receivables	17	0	0
Other financial assets	18	0	0
Total non-current assets		<u>0</u>	<u>0</u>
Current assets:			
Inventories	16	0	0
Trade and other receivables	17	1,622	2,262
Other financial assets	18	0	0
Other current assets	19	0	0
Cash and cash equivalents	20	69	66
Total current assets		<u>1,691</u>	<u>2,328</u>
Non-current assets held for sale	21	0	0
Total current assets		<u>1,691</u>	<u>2,328</u>
Total assets		<u>1,691</u>	<u>2,328</u>
Current liabilities			
Trade and other payables	23	(8,187)	(9,252)
Other financial liabilities	24	0	0
Other liabilities	25	0	0
Borrowings	26	0	0
Provisions	30	(0)	(99)
Total current liabilities		<u>(8,187)</u>	<u>(9,350)</u>
Non-Current Assets plus/less Net Current Assets/Liabilities		<u>(6,497)</u>	<u>(7,023)</u>
Non-current liabilities			
Trade and other payables	23	0	0
Other financial liabilities	24	0	0
Other liabilities	25	0	0
Borrowings	26	0	0
Provisions	30	0	0
Total non-current liabilities		<u>0</u>	<u>0</u>
Assets less Liabilities		<u>(6,497)</u>	<u>(7,023)</u>
Financed by Taxpayers' Equity			
General fund		(6,497)	(7,023)
Revaluation reserve		0	0
Other reserves		0	0
Charitable Reserves		0	0
Total taxpayers' equity:		<u>(6,497)</u>	<u>(7,023)</u>

The notes on pages 5 to 29 form part of this statement

The financial statements on pages 1 to 4 were approved by the Governing Body on 26th May 2017 and signed on its behalf by:

Chief Accountable Officer
Helen Hirst

**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	(7,023)	0	0	(7,023)
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	(7,023)	0	0	(7,023)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2016-17				
Net operating expenditure for the financial year	(206,121)			(206,121)
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	(206,121)	0	0	(206,121)
Net funding	206,648	0	0	206,648
Balance at 31 March 2017	(6,497)	0	0	(6,497)

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2015-16				
Balance at 01 April 2015	(8,571)	0	0	(8,571)
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	(8,571)	0	0	(8,571)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2015-16				
Net operating costs for the financial year	(200,741)			(200,741)
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		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	(200,741)	0	0	(200,741)
Net funding	202,289	0	0	202,289
Balance at 31 March 2016	(7,023)	0	0	(7,023)

The notes on pages 5 to 29 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		(206,121)	(200,741)
Depreciation and amortisation	5	0	0
Impairments and reversals	5	0	0
Movement due to transfer by Modified Absorption		0	0
Other gains (losses) on foreign exchange		0	0
Donated assets received credited to revenue but non-cash		0	0
Government granted assets received credited to revenue but non-cash		0	0
Interest paid		0	0
Release of PFI deferred credit		0	0
Other Gains & Losses		0	0
Finance Costs		0	0
Unwinding of Discounts		0	0
(Increase)/decrease in inventories		0	0
(Increase)/decrease in trade & other receivables	17	641	(467)
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade & other payables	23	(1,064)	(1,039)
Increase/(decrease) in other current liabilities		0	0
Provisions utilised	30	(58)	(30)
Increase/(decrease) in provisions	30	(41)	44
Net Cash Inflow (Outflow) from Operating Activities		(206,643)	(202,233)
Cash Flows from Investing Activities			
Interest received		0	0
(Payments) for property, plant and equipment		0	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		0	0
Net Cash Inflow (Outflow) before Financing		(206,643)	(202,233)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		206,646	202,289
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		206,646	202,289
Net Increase (Decrease) in Cash & Cash Equivalents	20	3	57
Cash & Cash Equivalents at the Beginning of the Financial Year		66	9
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		69	66

The notes on pages 5 to 29 form part of this statement

Notes to the financial statements**1 Accounting Policies**

NHS England has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the Group Accounting Manual issued by the Department of Health. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 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 (despite the issue of a report to the Secretary of State for Health under Section 30 of the Local Audit and Accountability Act 2014).

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 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.

1.7 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:

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:

In preparing the financial statements, it has been necessary to estimate the financial value of some services received in year, most significantly for primary care prescribing and for secondary healthcare activity. For primary care prescribing and secondary healthcare activity where full year outturn positions have not been agreed with Provider Trusts, it has been necessary to estimate the value of services received in March 2016. These estimates are based on actual activity levels for 11/12 months of the year and whilst actual full year costs will differ from these estimates, no material differences are expected.

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.

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.

Some employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the clinical commissioning group's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs. Actuarial gains and losses during the year are recognised in the General Reserve and reported as an item of other comprehensive net expenditure.

Notes to the financial statements**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.

Notes to the financial statements

Notes to the financial statements**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 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.

1.17 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.

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 IAS 17. 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.

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.

Notes to the financial statements

- 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 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 derecognised 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.
- 1.28.1 **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.

Notes to the financial statements

- 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.
- 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 (not applicable to DH groups bodies)
 - IFRS 15: Revenue for Contract with Customers (application from 1 January 2018)
 - IFRS 16: Leases (application from 1 January 2019)
- 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.
- 1.39 **Rounding Errors**
 The accounts include a small number of rounding errors.

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	2	2	0	178
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	0	0	0	0
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	287	36	252	319
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	76	5	71	3
Total other operating revenue	365	43	322	500

Admin revenue is received that is not directly attributable to the provision of healthcare or health care services.

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.

3 Revenue

	2016-17 Total £'000	2016-17 Admin £'000	2016-17 Programme £'000	2015-16 Total £'000
From rendering of services	365	43	322	500
From sale of goods	0	0	0	0
Total	365	43	322	500

Revenue is totally from the supply of services. The CCG receives no revenue from the sale of goods.

4. Employee benefits and staff numbers**4.1.1 Employee benefits**

	2016-17		Total	
	Total £'000	Permanent Employees £'000	Other £'000	
Employee Benefits				
Salaries and wages	2,252	2,179	73	
Social security costs	236	236	0	
Employer Contributions to NHS Pension scheme	283	283	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	
Gross employee benefits expenditure	2,770	2,698	73	
Less recoveries in respect of employee benefits (note 4.1.2)	(2)	(2)	0	
Total - Net admin employee benefits including capitalised costs	2,768	2,696	73	
Less: Employee costs capitalised	0	0	0	
Net employee benefits excluding capitalised costs	2,768	2,696	73	

4.1.1 Employee benefits

	2015-16		Total	
	Total £'000	Permanent Employees £'000	Other £'000	
Employee Benefits				
Salaries and wages	2,084	1,989	95	
Social security costs	174	174	0	
Employer Contributions to NHS Pension scheme	255	255	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	
Gross employee benefits expenditure	2,513	2,418	95	
Less recoveries in respect of employee benefits (note 4.1.2)	(178)	(178)	0	
Total - Net admin employee benefits including capitalised costs	2,335	2,240	95	
Less: Employee costs capitalised	0	0	0	
Net employee benefits excluding capitalised costs	2,335	2,240	95	

4.1.2 Recoveries in respect of employee benefits

	2016-17			2015-16
	Total £'000	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits - Revenue				
Salaries and wages	(2)	(2)	0	(178)
Social security costs	0	0	0	0
Employer contributions to the NHS Pension Scheme	0	0	0	0
Other pension costs	0	0	0	0
Other post-employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	0	0	0	0
Total recoveries in respect of employee benefits	(2)	(2)	0	(178)

4.2 Average number of people employed

	Total Number	2016-17 Permanently employed Number	Other Number	2015-16 Total Number
Total	51	50	1	50
Of the above:				
Number of whole time equivalent people engaged on capital projects	0	0	0	0

4.3 Staff sickness absence and ill health retirements

	2016-17 Number	2015-16 Number
Total Days Lost	55	85
Total Staff Years	33	31
Average working Days Lost	1.7	2.7

	2016-17 Number	2015-16 Number
Number of persons retired early on ill health grounds	0	0
Total additional Pensions liabilities accrued in the year	£'000 0	£000 0

Ill health retirement costs are met by the NHS Pension Scheme

4.4 Exit packages agreed in the financial year

There were no exit packages agreed within financial year 2016/17. Nil value for 2015/16.

Analysis of Other Agreed Departures

The CCG has no agreed departures in the financial year. Nil value for 2015/16.

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 £187,195 were payable to the NHS Pensions Scheme (2015-16: £185,532) 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	2,355	1,591	764	1,788
Executive governing body members	416	416	0	725
Total gross employee benefits	2,770	2,007	764	2,513
Other costs				
Services from other CCGs and NHS England	277	72	205	1,387
Services from foundation trusts	127,735	18	127,718	124,646
Services from other NHS trusts	14,890	0	14,890	16,124
Services from other WGA bodies	31	0	31	22
Purchase of healthcare from non-NHS bodies	27,876	0	27,876	25,079
Chair and Non Executive Members	126	126	0	0
Supplies and services – clinical	120	0	120	137
Supplies and services – general	726	647	79	324
Consultancy services	0	0	0	107
Establishment	511	56	455	422
Transport	245	4	242	205
Premises	484	88	396	325
Impairments and reversals of receivables	0	0	0	0
Inventories written down and consumed	0	0	0	0
Depreciation	0	0	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	54	54	0	54
Other non statutory audit expenditure				
- Internal audit services	0	0	0	0
- Other services	0	0	0	0
General dental services and personal dental services	0	0	0	0
Prescribing costs	27,681	0	27,681	26,888
Pharmaceutical services	0	0	0	0
General ophthalmic services	19	0	19	20
GPMS/APMS and PCTMS	2,460	0	2,460	2,069
Other professional fees excl. audit	112	9	103	66
Grants to Other bodies	0	0	0	0
Clinical negligence	0	0	0	0
Research and development (excluding staff costs)	0	0	0	0
Education and training	3	3	0	6
Change in discount rate	0	0	0	0
Provisions	(41)	0	(41)	44
Funding to group bodies	0	0	0	0
CHC Risk Pool contributions	281	0	281	702
Other expenditure	127	15	112	100
Total other costs	203,716	1,091	202,625	198,728
Total operating expenses	206,487	3,098	203,389	201,241

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

Other expenditure relates to payments for the cost of CCG collaboration of services provided by Bradford CCGs.

Professional fees includes costs received to support healthy futures of £30,600.

Provisions recognises the release of a provision made in 15/16 for continuing health care.

Internal audit expenditure of £17,776 is included within services from foundation trusts.

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	1,493	21,580	878	15,872
Total Non-NHS Trade Invoices paid within target	1,298	21,574	868	15,870
Percentage of Non-NHS Trade invoices paid within target	86.94%	99.97%	98.86%	99.99%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,141	143,783	1,700	129,754
Total NHS Trade Invoices Paid within target	2,049	143,778	1,635	128,221
Percentage of NHS Trade Invoices paid within target	95.70%	100.00%	96.18%	98.82%

The CCG failed the Non-NHS payables target due to timing differences against a large number of small invoices and credit notes relating to NHS Property Services that were received in March 16, due to system processes being delayed resulted in the number target not being achieved.

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

	2016-17 £'000	2015-16 £'000
Amounts included in finance costs from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

7 Income Generation Activities

The CCG did not undertake any income generation activities in 2016/17. Nil value for 2015/16.

The CCG reports income in its financial statements, this is the result of funding received to support commissioning rather than from activity to generate income.

8 Investment Revenue

The CCG does not hold any investments and therefore does not receive any investments. Nil return in 2015/16.

9 Other gains and losses

The CCG had no gains or losses as at 31 March 2017. Nil return 2015/16.

10 Finance Cost

The CCG had no finance costs during financial year 2016/17. Nil return for 2015/16.

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

The CCG did not receive any transferred function which gave rise to recognised gain or loss. Nil return for 2015/16.

12. Operating Leases

The CCG has an arrangements with both NHS Property Services and Community Health Partnerships that does not take the legal form of a lease but conveys a right to use a property in return for payment.

Under IFIC4, these payments can be said to contrain a lease and therefore accounted in accordance with IAS17 as an operating lease.

12.1 As lessee

12.1.1 Payments recognised as an Expense

	Land £'000	Buildings £'000	Other £'000	2016-17 Total £'000	Land £'000	Buildings £'000	Other £'000	15/16 Total £'000
Payments recognised as an expense								
Minimum lease payments	0	481	2	483	0	315	0	315
Contingent rents	0	0	0	0	0	0	0	0
Sub-lease payments	0	0	0	0	0	0	0	0
Total	0	481	2	483	0	315	0	315

12.1.2 Future minimum lease payments

While our arrangements with Community Health Partnership Ltd and NHS Property Services Ltd fall within the definition of operating leases, the rental charges for future yearshave not been agreed. Consequently, this does not include future minimum lease payments for these arrangements.

12.2.2 Future minimum rental value

As Lessor the CCG has not rental revenue and no future minimum values to report. Nil return 2015/16.

13 Property, plant and equipment

The CCG had no assets to record under note 13 during the financial year 2016/17. Nil value 2015/16.

13.1 Additional assets under construction

The CCG does not hold any property, plant or equipment. Nil value 2015/16.

13.2 Donated assets

The CCG does not hold any donated assets. Nil value 2015/16

13.3 Government granted assets

The CCG does not hold any government granted assets. Nil value 2015/16

13.4 Property revaluation

The CCG had no assets to revalue during the financial year 2016/17. Nil value 2016/17.

13.5 Compensation from third parties

The CCG does not hold any assets and therefore did not receive any compensation from third parties for assets impaired, lost or given up. Nil value for 2015/16.

13.6 Write downs to recoverable amount

The CCG does not hold any assets and therefore did not write down asset values to recoverable amounts or reverse any previous write downs. Nil value 2015/16.

13.7 Temporary idle assets

The CCG had no temporary idle assets. Nil value 2015/16.

13.8 Cost or valuation of fully depreciated assets

The CCG had no fully depreciated assets still in use as at 31st March 2017. Nil value 2015/16.

13.9 Economic Lives

The CCG had no assets to value economic life. Nil value 2015/16.

14 Intangible non-current assets

The CCG held no intangible non-current assets. Nil value 2015/16.

14.1 Donated assets

The CCG had no donated assets within 2016/17. Nil value 2015/16.

14.2 Government granted assets

The CCG does not hold any government granted assets within 2016/17. Nil value 2015/16.

14.3 Revaluation

The CCG did not carry out any revaluation on intangible non-current assets. Nil value 2015/16.

14.4 Compensation from third parties

The CCG does not hold any assets and therefore did not receive any compensation from third parties for assets impaired, lost or given up. Nil value for 2015/16.

14.5 Write downs to recoverable amount

The CCG does not hold any assets and therefore did not write down asset values to recoverable amounts or reverse any previous write downs. Nil value 2015/16.

14.6 Non-capitalised assets

The CCG does not hold any significant intangible assets controlled by the CCG but not recognised as assets because they did not meet the recognition criteria IAS 38. Nil value in 15/16.

14.7 Temporary idle assets

The CCG had no temporary idle assets. Nil value 2015/16.

14.8 Cost or valuation of fully amortised assets

The CCG had no fully amortised assets still in use as at 31st March 2017. Nil value 2015/16.

14.9 Economic lives

The CCG had no assets to value economic life. Nil value 2015/16.

15 Investment property

The CCG had no investment property as at 31 March 2017. Nil value 2015/16.

16 Inventories

The CCG had no inventories as at 31 March 2017. Nil value 15/16.

17 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	200	0	533	0
NHS receivables: Capital	0	0	0	0
NHS prepayments	732	0	1,282	0
NHS accrued income	619	0	88	0
Non-NHS and Other WGA receivables: Revenue	14	0	234	0
Non-NHS and Other WGA receivables: Capital	0	0	0	0
Non-NHS and Other WGA prepayments	39	0	124	0
Non-NHS and Other WGA accrued income	0	0	0	0
Provision for the impairment of receivables	0	0	0	0
VAT	18	0	1	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	1,622	0	2,262	0
Total current and non current	1,622		2,262	
Included above:				
Prepaid pensions contributions	0		0	

Of the £619,000 accrued, £435,000 relates to inter-CCG transactions between NHS Airedale, Wharfedale and Craven and NHS Bradford City and Bradford Districts CCGs. This value does not appear in Note 2: Revenue as it is subject to net accounting treatments and so is shown as a reduction in expenditure.

An inter NHS Agreement of Balances exercise has been completed and the value of the NHS receivables as at 31st March 2017 has been confirmed with the corresponding payable organisations.

There are no significant differences between the balances held by the CCG and those held by the payable organisations.

The CCG wrote no bad debts off during 16/17.

17.1 Receivables past their due date but not impaired	2016-17 £'000	2015-16 £'000
By up to three months	213	148
By three to six months	0	602
By more than six months	0	17
Total	213	767

£145,000 of the above amount relates to inter-CCG transactions which are subject to net accounting treatments and so not recognised as revenue.

£206,000 of the amount above has subsequently been recovered post the statement of financial position date.

The CCG did not hold any collateral against receivables outstanding at 31st March 2017.

17.2 Provision for impairment of receivables

The CCG made no provisions for impairments of receivables.

18 Other financial assets

The CCG had no financial assets as at 31st March 2017. Nil value in 2015/16.

19 Other current assets

The CCG had no other current assets as at 31 March 2017. Nil value 2015/16.

20 Cash and cash equivalents

	2016-17	2015-16
	£'000	£'000
Opening Balance at 01 April 2016	66	9
Net change in year	<u>3</u>	<u>57</u>
Balance at 31 March 2017	<u>69</u>	<u>66</u>
Made up of:		
Cash with the Government Banking Service	69	64
Cash with Commercial banks	0	0
Cash in hand	0	2
Current investments	<u>0</u>	<u>0</u>
Cash and cash equivalents as in statement of financial position	<u>69</u>	<u>66</u>
Bank overdraft: Government Banking Service	0	0
Bank overdraft: Commercial banks	<u>0</u>	<u>0</u>
Total bank overdrafts	<u>0</u>	<u>0</u>
Closing Balance at 31 March 2017	<u>69</u>	<u>66</u>

Patients' money held by the clinical commissioning group, not included above NIL

21 Non Current Assets held for sale

The CCG had no non-current assets held for sale as at March 2017. Nil value 2015/16.

22 Analysis of impairments and reversals

The CCG had no impairments or reversals of impairments recognised in expenditure during 2016/17. Nil value 2015/16.

23 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	1,092	0	1,616	0
NHS payables: capital	0	0	0	0
NHS accruals	719	0	917	0
NHS deferred income	0	0	2	0
Non-NHS and Other WGA payables: Revenue	1,249	0	1,072	0
Non-NHS and Other WGA payables: Capital	0	0	0	0
Non-NHS and Other WGA accruals	4,987	0	5,449	0
Non-NHS and Other WGA deferred income	0	0	0	0
Social security costs	22	0	17	0
VAT	0	0	0	0
Tax	17	0	18	0
Payments received on account	0	0	0	0
Other payables and accruals	101	0	158	0
Total Trade & Other Payables	8,187	0	9,251	0
Total current and non-current	8,187		9,251	

Other payables include £27,694 outstanding pension contributions at 31 December 2016. 2015/16 value was £29,980.

24 Other financial liabilities

The CCG group had no other financial liabilities as at 31 March 2017. Nil value in 2015/16.

25 Other liabilities

The CCG had no other liabilities as at 31 March 2017. Nil value 2015/16.

26. Borrowings

The CCG had no borrowings as at 31 March 2017. Nil value 2015/16.

27. Private finance initiative, LIFT and other service concession arrangements

The CCG had no private finance, LIFT or other service concessions arrangements as at 31 March 2017. Nil value 2015/16.

28. Finance lease obligations

The CCG group had no finance leases obligations for 2016/17. Nil value 2015/16.

29. Finance lease receivables

The CCG had no finance lease receivables within 2016/17. Nil value for 2015/16.

30 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	0	0
Continuing care	0	0	99	0
Other	0	0	0	0
Total	0	0	99	0
Total current and non-current	0		99	

	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	0	99	0	99
Arising during the year	0	0	0	0	0	0	0	0	0	0
Utilised during the year	0	0	0	0	0	0	0	(58)	0	(58)
Reversed unused	0	0	0	0	0	0	0	(41)	0	(41)
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

Discounting of Future Cash Flows

As per IAS 37: Provisions, "Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation"

The Department of Health Group Manual for Accounts 2016-17 reiterates this in paragraph 4.130 "where the time value of money is material, future cash flows are discounted". The Manual states that to identify the 'real rate' of the value of future cashflows between 0 and 5 years, the discount value that should be applied is minus 1.5%.

The total value of legacy NHS Continuing Healthcare provision accounted for by NHS England on behalf of the clinical commissioning group at 31 March 2017 is £0, as the total for all former Bradford and Airedale Primary Care Trust claims are now managed by Bradford Districts Clinical Commissioning Group on behalf of the Bradford City and Airedale, Wharfedale and Craven Clinical Commissioning Groups (31 March 2016: £425,184).

31 Contingencies

The CCG had no contingencies to report for financial year 2016/17.

The CCG had no contracted capital commitments not otherwise included in these statements as at 31 March 2017.

32.2 Other financial commitments

The CCG had no non-cancellable contracts (which were not leases, private finance initiative contracts or other service concession arrangements) as at 31 March 2017.

33 Financial instruments

33.1 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.

33.1.1 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.

33.1.2 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.

33.1.3 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.

33.1.3 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.

33 Financial instruments cont'd**33.2 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	818	0	818
· Non-NHS	0	14	0	14
Cash at bank and in hand	0	69	0	69
Other financial assets	0	0	0	0
Total at 31 March 2017	0	901	0	901

	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	621	0	621
· Non-NHS	0	234	0	234
Cash at bank and in hand	0	66	0	66
Other financial assets	0	0	0	0
Total at 31 March 2016	0	921	0	921

33.3 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	1,811	1,811
· Non-NHS	0	6,337	6,337
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	8,148	8,148

	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	2,534	2,534
· Non-NHS	0	6,679	6,679
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	9,213	9,213

34 Operating segments

The CCG consider they have only one operating segment: commissioning of healthcare services. Therefore no further segmental analysis has been included.

35 Pooled budgets

2016/17 is the second year of operation of the Better Care Fund, a national policy initiative designed to promote integrated working between Health and Social Care. In line with policy requirements, the clinical commissioning group has entered into two pooled budget arrangements; one with Bradford City CCG, Bradford Districts CCG and Bradford Metropolitan District Council and the other with NHS Vale of York CCG, NHS Harrogate and Rural CCG, NHS Scarborough and Ryedale CCG, NHS Hambleton, Richmondshire & Whittby CCG and North Yorkshire County Council.

In 2016/17, the CCG's total mandated contribution to the BCF equated to £10m with £6.92m allocated to the Bradford BCF and £3.08m allocated to North Yorkshire. The total CCG contributions are included in Note 5 of the CCG's Annual Accounts.

Under the arrangement, funds are pooled under section 75 of the NHS Act 2006 with the operation of the Better Care Fund set out in a formal section 75 agreement between the parties to the fund. The section 75 agreement confirms the spending plan for the Fund, the risk sharing arrangements between the parties and confirms Bradford Districts CCG as the host entity for the Bradford fund and North Yorkshire County Council as the host entity of the North Yorkshire fund..

Whilst the section 75 agreements do constitute a 'joint operation' under IFRS 11, the substance of the commissioning transactions related to the Funds' spending plans indicate that neither the clinical commissioning groups nor the relevant Local Authority to the funds are either a joint operator or lead commissioner, but are acting as single entities, with the exception of each of the Community Equipment Schemes. Therefore, each organisation accounts for its own transactions without recognising its interest in its share of total assets, liabilities, revenue and expenditure that relate to the whole Fund.

For the Bradford Community Equipment scheme where there is a joint operation, the value of Airedale, Wharfedale & Craven Clinical Commissioning Group's contribution (which form part of its total Better Care Fund contribution) was £305,514 (2015/16, £295,416). This value is included in Note 5 of the CCG's accounts within the value attributed to the purchase of healthcare from non-NHS bodies. The clinical commissioning group's shares of assets and liabilities relating to the Community Equipment scheme are not recognised in the Accounts as the values are not considered to be material.

For the North Yorkshire Community Equipment scheme where there is a joint operation, the value of Airedale, Wharfedale & Craven Clinical Commissioning Group's contribution (which form part of its total Better Care Fund contribution) was £44,113 (2015/16, £22,464). This value is included included within the purchase of healthcare from non-NHS bodies detailed in Note 5. The clinical commissioning group's shares of assets and liabilities relating to the Community Equipment scheme are not recognised in the Accounts as the values are not considered to be material.

The 16/17 contribution detailed above relates to the period from 1st April 2016 to 30th November 2016 only. Following a successful procurement, the North Yorkshire Community Equipment contract was awarded to Medequip from 1st December 2016 onwards. Under the terms of the new contract, NHS Airedale, Wharfedale and Craven CCG is responsible for the funding of equipment for it's own population and as such, the service no longer meets the definition of a Pooled Budget and expenditure will not be reported within this note.

NHS Airedale, Wharfedale and Craven also hold a pooled budget with North Yorkshire County Council for jointly funded Continuing Healthcare placements. The contribution to this in 16/17 equated to £815,299 compared with £762,150 in 15/16. This does not form part of the Better Care Fund.

36 NHS Lift investments

The CCG has no NHS LIFT investments as at 31 March 2017. Nil value 15/16.

37 Intra-Government Transactions & Other Balances

The CCG is no longer required to disclose this note in 16/17.

38. Related party transactions**Details of related party transactions with individuals are as follows:**

During the year the following Executive and Governing Body members or parties related to them, have undertaken material transactions with the CCG to the value set out below.

	Related Party	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000	15/16 Payments to related parties £000
Senior Employees						
Executive and Governing Body Members						
Dr Colin Renwick	Age UK, North Craven	-	-	-	-	54
	Townhead Surgery, Settle	50	-	1	-	145
	Yordales Federation	-	-	-	-	128
Mrs Pam Essler	Keighley and Ilkley Voluntary Community Action	25	-	-	-	5
	Enable 2 CIC	-	-	-	-	176
	Care@Carers Resource	-	-	-	-	90
	Project 6	-	-	162	-	331
Dr Phil Pue	Farfield Group Practice	242	-	9	-	161
	Yordales Federation	-	-	-	-	128
Dr Brendan Kennedy	Kilmeny Group Practice	226	-	18	-	205
	Yordales Federation	-	-	-	-	128
	Oakworth Medical Centre	19	-	2	-	-
Dr Graeme Summers	IG Medical	1,064	-	283	-	865
	Yordales Federation	-	-	-	-	128
Dr Gordon Wallace	Grassington Surgery ¹	-	-	-	-	22
	IG Medical	1,064	-	283	-	865
	Yordales Federation	-	-	-	-	128
Neil Fell	Enable 2 CIC	-	-	-	-	176
Dr Bruce Woodhouse	Dynleley House Surgery	281	-	36	-	108
Dr James Thomas	Fisher Medical Centre	266	-	1	-	266
	Yordales Federation	-	-	-	-	128
Peter Brunskill	NHS Litigation Authority	-	-	-	-	5
	Nuffield Health	48	-	-	-	-
Total		3,285	-	795	-	4,240

¹ Grassington Surgery merged with Ilkley Moor Surgery in 15/16 to form IG Medical. All balances paid in 16/17 are listed under IG Medical

Related parties are disclosed wherever individuals have a declared employment or trustee relationship - these may be paid or unpaid. The amounts disclosed represent all transactions made by the CCG with the related party.

Payments to Farfield and IG Medical are gross and inclusive of costs paid on their behalf of Bradford District and City CCG. The value of these payments are deemed to be immaterial to remove.

The clinical commissioning group overall in year made payments for services provided by its member practices totalling £3.5m. This is made up of £3.07m payments made and £0.43m owed.

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;
- *NHS Yorkshire and Humber CSU; 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 Bradford Metropolitan District and North Yorkshire County Council in respect to joint working.

39 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 as at 31 March 2016. However, the following post balance sheet event, whilst not affecting the values in the financial statements as at 31 March 2017, is material to the scope of the Clinical Commissioning Group's commissioning responsibilities going forward.

Primary Medical Care Commissioning

The Clinical Commissioning Group has been authorised by NHS England to take full delegated responsibility for managing primary care medical resources of £21.041m from 1 April 2017. This will enable the CCG to commission services in a much more integrated way across primary and secondary care and facilitate the move to the new models of care as set out in NHS England's 'Five Year Forward View'.

40 Losses and special payments

The CCG had no losses and special payment cases during 16/17. Nil value in 2015/16.

40.1 Losses

The CCG had no losses during 2016/17. Nil value in 2015/16.

41 Third Party assets

The CCG held no third party assets as at 31st March 2017. Nil value 2015/16.

42 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:

	Achieved	2016-17 Target	2016-17 Performance	2015-16 Target	2015-16 Performance
Expenditure not to exceed income	Yes	208,737	206,487	203,260	201,241
Capital resource use does not exceed the amount specified in Directions		0	0	0	0
Revenue resource use does not exceed the amount specified in Directions	Yes	208,372	206,121	202,760	200,741
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	Yes	3,420	3,054	3,524	3,232

43 Impact of IFRS

According under IFRS rules the accounts had no impact of the results of the CCG during 2016/17. Nil impact in 2015/16.

44 Analysis of charitable reserves

The CCG has no charitable reserves for 2016/17. Nil value 2015/16.

4. Employee benefits and staff numbers

4.1.1 Employee benefits

	2016-17			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	2,252	2,179	73	1,615	1,605	10	637	574	63
Social security costs	236	236	0	181	181	0	54	54	0
Employer Contributions to NHS Pension scheme	283	283	0	210	210	0	73	73	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0	0
Gross employee benefits expenditure	2,770	2,698	73	2,007	1,997	10	764	701	63
Less recoveries in respect of employee benefits (note 4.1.2)	(2)	(2)	0	(2)	(2)	0	0	0	0
Total - Net admin employee benefits including capitalised costs	2,768	2,696	73	2,004	1,994	10	764	701	63
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	2,768	2,696	73	2,004	1,994	10	764	701	63

4.1.1 Employee benefits

	2015-16			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	2,084	1,989	95	1,586	1,545	41	498	444	54
Social security costs	174	174	0	142	142	0	32	32	0
Employer Contributions to NHS Pension scheme	255	255	0	199	199	0	56	56	0
Other pension costs	0	0	0	0	0	0	0	0	0
Other post-employment benefits	0	0	0	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0	0
Gross employee benefits expenditure	2,513	2,418	95	1,927	1,886	41	586	532	54
Less recoveries in respect of employee benefits (note 4.1.2)	(178)	(178)	0	(178)	(178)	0	0	0	0
Total - Net admin employee benefits including capitalised costs	2,335	2,240	95	1,749	1,708	41	586	532	54
Less: Employee costs capitalised	0	0	0	0	0	0	0	0	0
Net employee benefits excluding capitalised costs	2,335	2,240	95	1,749	1,708	41	586	532	54

39 Losses and special payments

39.1 Losses

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

	Total Number of Cases 2016-17 Number	Total Value of Cases 2016-17 £'000	Total Number of Cases 2015-16 Number	Total Value of Cases 2015-16 £'000
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Book Keeping Losses	0	0	0	0
Constructive loss	0	0	0	0
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Total	0	0	0	0

The CCG has had no losses in 2016/17. Nil return 2015/16.

39.2 Special payments

	Total Number of Cases 2016-17 Number	Total Value of Cases 2016-17 £'000	Total Number of Cases 2015-16 Number	Total Value of Cases 2015-16 £'000
Compensation payments	0	0	0	0
Extra contractual Payments	0	0	0	0
Ex gratia payments	0	0	0	0
Extra statutory extra regulatory payments	0	0	0	0
Special severance payments	0	0	0	0
Total	0	0	0	0

The CCG made no special payment cases in 2016/17. Nil return 2015/16.