NHS

Northern, Eastern and Western Devon

Clinical Commissioning Group

Annual report and accounts

2018/19

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Foreword

The past year has seen significant change in the NHS in Devon as we work with partners on new ways of providing care, to future-proof our services for the years ahead.

January 2019 saw the publication of the national NHS Long Term Plan, signalling further moves away from mainly hospital-focused care to a new model in which GP practices lead community teams in providing convenient, local care that is properly joined up.

It is no secret that pressure on NHS services has been putting hospitals and GP practices under strain. Rising demand, difficulties with recruiting key staff in sufficient numbers and the increasing complexity of people's illnesses have all contributed to this. In some of our practices, these pressures have been felt acutely. In Devon we have developed our strategic plans with these challenges firmly in mind and are already pressing ahead with far-reaching changes to ensure people can get the care they need at the right time in the right place.

The Long Term Plan describes GP surgeries working together to provide a wider range of local services through what will be known as primary care networks. In Devon, every one of our 131 practices is already in some sort of alliance or more formal federation with others. This gives us a strong start, and the year ahead will see many more surgeries employing, or working with, other professionals such as physiotherapists, paramedics and community pharmacists – in addition to 'social prescribers' who can support and direct patients to appropriate, often non-medical, wellbeing opportunities near their homes.

From 1 April 2019, we will become the commissioner of GP services under powers fully delegated by NHS England. This will build on our increasing involvement over the last 12 months.

More than 600,000 patients in Devon can now benefit from 24-hour online access to their GP practice and there has been a 500 per cent increase over the past year in online and phone consultations. This puts us in the lead in the South West and in second place nationwide for offering, to those who want it, alternative and convenient ways of having a consultation with a GP.

As we put more emphasis on prevention and community care, our hospitals will continue to provide the highest quality emergency and acute services for those who need them. Our local Long Term Plan will build on Devon's successes. Increasing numbers are being treated through on-the-day emergency care, being discharged without the need for an overnight stay. Clinical networks, joint working, innovation and mutual support have helped our four main hospitals combat the undeniable challenges posed by a shortage of specialists in a number of clinical disciplines.

No transformation can be effected by the NHS alone, and in Devon our Sustainability and Transformation Partnership has been a catalyst in our health and care system. Our clinical commissioning groups (CCGs) – South Devon and Torbay, and Northern, Eastern and Western Devon – have worked closely in this and are forming strong working partnerships with our three local authorities. From being one of the most challenged health systems in England, the NHS in Devon is now nationally recognised as improving. Organisations right across the health and care system have worked creatively and collaboratively to achieve this.

Together, we are looking to reshape care, helping people stay well, giving children the best start, supporting people to do more to look after themselves and strengthening communities. Underlying all this is the will to tackle the inequality in the chances people have, in Devon as across the country, of leading healthy, happy, fulfilled lives. Put together, housing, education, employment,

aspiration and social connections have a bigger impact on health than the NHS. This means we must work collaboratively, particularly with our local authorities, to address the health inequalities that persist in our communities, for example in using the councils' Better Care Funds to invest in targeted prevention and support schemes.

Our two commissioning organisations, or CCGs, have also been working as one. From 1 April 2019, South Devon and Torbay CCG and Northern, Eastern and Western Devon CCG formally merge to become Devon CCG. It is not just the name that has a new simplicity; decision-making and processes right across the organisation have been streamlined. In the past year, this saved more than £4 million in reduced duplication. Our spend on administrative running costs per head of population is now the lowest in the South West.

Devon CCG will continue with its system of locality working, where each area is led by GPs who are rooted in their communities and have a deep understanding of the diverse needs of their local population. From Braunton to Brixham, Plymouth to Paignton and Hartland to Honiton, people will have access to services that reflect the needs of their particular area.

We expect the year ahead to bring significant change, and we understand that this can create uncertainty. We have been heartened, however, by the willingness of Devon people to help us develop new models, giving their time and views despite at times having understandable anxieties. We have already seen an important shift from care for the few in community hospitals towards care for the many in their own homes, with a great boost to the numbers of community staff and the creation of new health and wellbeing hubs, such as at Budleigh Salterton. A similar health and wellbeing hub is up and running in Paignton and others are taking shape across Devon. It was welcome news to hear this from Roger Trapani, community representative on the Devon Health and Care Forum. "Despite people's initial fears about losing beds in the community hospital, things have moved on. What we didn't have before was any plan for when people went home; now we see services working together to get the best for them and this is making a big difference."

We will continue to strive to make that difference.

On behalf of our governing bodies, we would like to thank our partner organisations, both statutory and voluntary, for their commitment to joint working in the pursuit of better care. We also give big thanks to the teams at our CCGs for all they do to ensure we keep making progress. And we are especially grateful to all those who give up their time to play a part in the future, giving us their insights as patients and carers as together we build even better care.

Dr Tim Burke
Chair, NHS Northern, Eastern and Western Devon Clinical Commissioning Group

Performance report

Overview

This overview provides general information about NHS Northern, Eastern and Western Devon CCG (NEW Devon CCG), its purpose, and performance during the year.

Our purpose and activities

NEW Devon CCG is responsible for commissioning, or buying, most healthcare services for the local population. We are dedicated to the principles of the NHS – a universal service, free at the point of delivery, where the quality and safety of services are of utmost importance.

We work with our local communities and partners in our area to improve people's health and wellbeing and make sure they have high quality, local services. We are responsible for commissioning £1.1billion of healthcare services. This does not include dentists, pharmacies or all specialised NHS services. However, we have some authority delegated from NHS England to commission GP medical services, and we will assume full responsibility for this from 1 April 2019.

Our business model involves planning local healthcare and buying services from large acute hospitals, such as the Royal Devon and Exeter Hospital, along with community services and mental health services. We design systems that make the best use of valuable health resources and commission to prevent ill health, promote wellbeing and help people with long-term conditions to live well.

We are a clinically-led organisation. Our chair is a local GP, and we employ other local GPs to provide clinical leadership for key areas. Three of these clinical leads, who work as locality chairs, also serve on the CCG's governing body. Full details of our governing body are on pages 44 and 45.

Our vision, values and strategic objectives

The CCG aims to commission high quality and sustainable services that promote wellbeing, and care for people when they are unwell.

We do this by taking joint ownership with our partners and the public for creating sustainable health and care services. Our commitment to this is evidenced by our active role in the Devon Sustainability and Transformation Partnership, and by our extensive discussions with, and involvement of, people using services. We will implement systems that make the best use of valuable health resources, and commission to prevent ill health and promote wellbeing.

The CCG executive members take corporate and personal accountability for driving and enabling achievement of these objectives through their leadership roles.

We set out to:

- Reduce health inequalities
- Focus on safe and effective delivery of services
- Be financially sustainable
- Match resources explicitly to local need

- Deliver integrated care, closer to home
- Focus on quality and outcomes – namely care that is safe, clinically and cost-effective and provides a good experience for individuals
- Achieve measurable results
- Make clear people's responsibilities in maintaining and improving their own wellbeing
- Maximise CCG effectiveness by enabling our staff to perform to the best of their ability.

Commissioning local services

We assess the needs and strengths of the local population and communities before designing and buying services to match those needs. We have a statutory duty to do this in an open, transparent and careful manner, ensuring patients and their families have the highest-quality experience of their health care.

To make sure our plans for local services are comprehensive and representative, we talk to clinicians and health professionals, and we canvas patients' views, working with Healthwatch in Plymouth and Devon. Details of how we engage with our communities and how they are involved in our commissioning decisions are set out on page 26.

The CCG has a statutory responsibility to act transparently, proportionately and without discrimination, recognising the responsibilities to consult and engage. The work the CCG does is underpinned by the principles and values set out in the NHS Constitution. It ensures we aspire to the highest standards of professionalism, providing high-quality care that is safe, effective and focused on the patient experience.

Our operational structure and the business environment

NEW Devon CCG is composed of the 102 practices within its area, which extends from Ilfracombe in North Devon down to the port of Plymouth – covering Northern, Eastern, Mid and West Devon. We serve a population of 882,800.

NEW Devon CCG has operated as three localities with each having a clinical chair and a locality board. The three localities are; Northern Locality (Barnstaple, Bideford, Great Torrington, Holsworthy, Ilfracombe, South Molton); Eastern Locality (Axminster, Budleigh Salterton, Crediton, Cullompton, Exeter, Exmouth, Honiton, Moretonhampstead, Okehampton, Ottery St Mary, Seaton, Sidmouth, Tiverton); Western Locality (Ivybridge, Kingsbridge, Plymouth, Tavistock). We believe that clinicians and NHS managers work best when they work together, and this simple belief is the bedrock of our organisation.

Our area spans two local authority areas – Devon County Council and Plymouth City Council, both with approved Better Care Funds which pool health and social care budgets.

We operate in an area of diversity with large urban areas such as Plymouth, and remote rural areas such as Dartmoor, so our commissioning needs to take account of differing needs and how easily people can access services.

The NHS is the biggest employer in the county, employing almost 19,000 people in jobs as varied as caring, nursing, medical, IT, human resources, cleaning, management and pharmacy.

People in Devon generally live longer than people elsewhere in the country (84 for women, 80 for men) – although there are still variations even in one county. The challenges faced by the health

service are significant and we have to think differently about how we design services to make sure they support people to live longer but make the best use of the finances we have available to us.

Like any organisation, we operate in a business environment that involves managing risks – for further details, turn to the 'Risk management arrangements and effectiveness' section on page 53.

Working with partners and providers

We work closely with local organisations to offer more integrated care, closer to home. Hospital doctors, nurses and care professionals, along with GPs and managers, work together to develop innovative ways of improving patient care and treatment. We also work closely with our local councils and public health teams to establish a clear understanding of local demography. We are an integral part of the Devon Sustainability and Transformation Partnership.

The CCG commissions its main services from the following key providers:

- Devon Doctors Ltd
- Devon Partnership NHS Trust
- Livewell Southwest Community Interest Company
- Northern Devon Healthcare NHS Trust
- Royal Devon and Exeter NHS Foundation Trust
- South Western Ambulance Service NHS Foundation Trust
- University Hospitals Plymouth NHS Trust
- Virgin Care

NHS England oversees the health system nationally and holds the CCG to account.

Performance summary

A summary and perspective by Simon Tapley, Interim Accountable Officer for NEW Devon CCG:

Whilst we have continued to work closely with providers to make improvements against our key targets (including those set out in the NHS Constitution) 2018/19 was a mixed year for performance with progress in some areas balanced out by continued challenges in others.

The majority of cancer waiting times targets were met, with a particularly strong position against 31-day treatment targets, whilst there was continued good performance against the range of mental health targets. We continued to score highly against patient experience measures and, looking at quality of care, again saw low rates of healthcare acquired infections.

However, there were other areas that were a greater challenge. Performance against the A&E 4-hour wait measure was below target although there was good progress in reducing delayed transfers of care and patients spending a long time in a hospital bed. Performance remained relatively static against the 18-week referral to treatment target, but over one-year waits increased whilst the 6-week diagnostic wait targets remained a particular challenge. For all targets where there are underperformances we are working with our provider colleagues to ensure recovery plans are in place, with clear actions and impacts

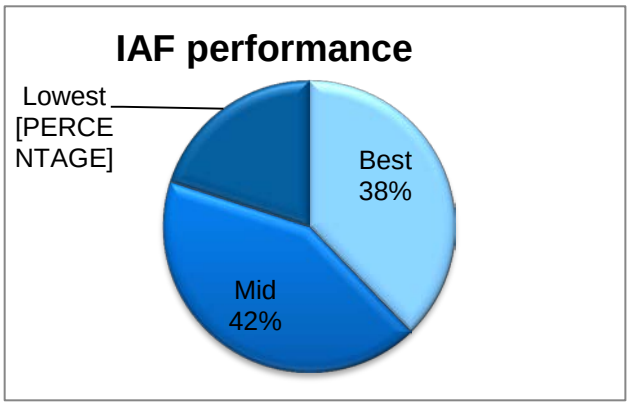
The CCG Improvement & Assessment Framework (IAF) draws together in one place NHS Constitution and other core performance and finance metrics, outcome goals and transformational challenges, to capture the multi-faceted role of CCGs.

To aid transparency for the public and to support CCG benchmarking against peers, the framework presents relative performance on metrics. The 58 indicators that underpin the CCG IAF

are updated and released on a quarterly basis, with the IAF published through a range of channels including the MyNHS website

The IAF indicators are spread across the four categories of:

- Better Health
- Better Care
- Sustainability
- Well Led



The latest information available for 2018/19, where data was published for 45 of the 58 indicators, shows the CCG achieved or was above the required level for 36 of the 45 indicators (80%) with 17 (38%) being in the best performing category. This included performance in the top quartile when compared to the national position for a range of measures including low rates of childhood obesity, good availability of personal health budgets, high patient experience scores for primary care, continued good results for cancer measures such as early diagnosis, one-year survival rates and patient experience, plus high scores for staff engagement.

Whilst performance is generally good across the IAF measures there are a small number of areas for improvement which the CCG will continue to work to address. These include diabetic treatments and education, the dementia diagnosis rate, the level of delayed transfers of care and referral to treatment and diagnostic waiting times.

Simon Tapley
Interim Accountable Officer
NHS Northern, Eastern and Western Devon Clinical Commissioning Group
NHS South Devon and Torbay Clinical Commissioning Group
12 April 2019

Review of the year

Highlights of the year

These are some of the many positive developments we have seen in the past year.

Devon NHS improving

An evaluation by the regulator, NHS England, showed that both clinical commissioning groups made improvements in finance and performance last year.

Northern, Eastern and Western Devon CCG improved its finance rating from 'red' to 'green' in 2018, while South Devon and Torbay CCG moved from 'red' to 'amber'. Both were rated at amber for leadership.

NEW Devon CCG's overall rating went from 'requires improvement' to 'good'. South Devon and Torbay remained at 'requires improvement'.

Improvements made under the Sustainability and Transformation Partnership are reflected in NHS England's ratings, which recognised both CCGs' progress and integrated ways of working across the county, particularly the close working with each other.

National GP Patient Survey

Devon's patients gave their GPs and local surgeries a big vote of confidence in the NHS England GP Patient Survey, scoring their services above the national average in all categories.

Local practices were rated in NHS England's GP Patient Survey, which provides information on patients' overall experience of primary care services and their experience of accessing these services.

Category	NEW Devon CCG area	SDTCCG area	National average
How would you rate your overall experience of your GP practice?	89% said *'Good'*	87% said *'Good'*	84%
How easy is it to get through on the phone to someone at your GP practice?	81% said *'Easy'*	72% said *'Easy'*	70%
How would you describe your experience of making an appointment?	78% said *'Good'*	75% said *'Good'*	69%
Have you had enough support from local services or organisations to help you manage your condition (or conditions) in the past 12 months?	82% said *'Yes'*	84% said *'Yes'*	79%
How would you rate your last experience of NHS services when you wanted to see a GP but the practice was closed?	80% said *'Good'*	77% said *'Good'*	69%

Major investments

The Devon Sustainability and Transformation Partnership's plans for enhanced emergency and care services attracted more than £50 million in national funding in December 2018.

Of this, £29.7 million is being used at Derriford Hospital in Plymouth to replace the existing Emergency Department with a state-of-the-art integrated urgent and emergency care hub. The current A&E was built in the 1970s to treat 120 patients a day; it now regularly sees more than 300.

The new hub will have dedicated areas for children, frail patients and people who need urgent care but do not necessarily need admitting. There will also be a new area offering privacy for patients arriving by ambulance.

Devon also received:

- £8 million for a new adult mental health ward in Torbay which will reduce out-of-Devon placements
- £9.3 million for two new MRI scanners Derriford Hospital and a new CT scanner at North Devon District Hospital, Barnstaple
- £3.5 million for digital histopathology (testing of body tissues for diseases, for example biopsies) at Derriford Hospital, Plymouth to benefit hospitals and patients across Devon and Cornwall.

All these new facilities help us provide modern, high quality services for the people of Devon. Digitising histopathology means colleagues across the Devon and Cornwall peninsula will be able to cooperate remotely, and share capacity for urgent, specialist and routine work.

Intensive care for mental health

Devon's new Psychiatric Intensive Care Unit, the Junipers, accepted its first people as admissions in January 2019. Located on Devon Partnership NHS Trust's Wonford House site in Exeter, the purpose-built unit has ten beds for men and women.

Previously, Devon had no inpatient intensive care services for people with severe mental health needs, and these were provided outside the county. Having the unit within Devon will make a big difference to people's lives, particularly as those needing intensive care are at a moment of crisis. This is an important step forward in a wider plan to improve acute mental health care.

Devon's first specialist Mother and Baby Unit (MBU), for new mothers with serious mental health needs will open in the summer on the same site.

Placing families and parents at the centre of 'better births'

We worked with other NHS and healthcare partners on an extensive engagement process to ask parents and families about their views and experiences of births in Devon.

The feedback received from more than 2,000 people has started to help shape the priorities for maternity services in Devon – for more details, see page 30.

Children and parents helped shape new services

Hundreds of families across Devon helped shape the future of children's health and care services across the county as part of a process to choose the organisations delivering those services from April 2019.

More than 500 parents, carers, young people, voluntary workers, clinicians and health and social care professionals played a vital role in a two-year procurement process to determine the organisations that will provide health and care services for children and young people in Plymouth and Devon. See page 35.

Awards

The Devon Sustainability and Transformation Partnership (STP) was recognised by the Chartered Institute of Public Relations for the way communications and marketing is planned in partnership across the system.

In the **Pride Awards 2018**, the STP won gold for 'integrated campaign of the year' and silver for 'regional campaign of the year' for its winter campaign, including a drive to increase the uptake of the flu vaccine.

NEW Devon CCG also won **Large Employer of the Year** in the Education and Training Skills awards for the opportunities it gives to apprentices. This includes the way we "grow our own apprentices" with support to enable them to progress.

Sian Dennison, a cancer nurse at University Hospitals Plymouth NHS Trust, won the **Excellence in Cancer award** in the prestigious 2018 Parliamentary Awards. She was described as the voice of cancer services and cancer patients in the region. Exeter's Clock Tower Surgery, which looks after patients who can have difficulty in accessing GP services, was nominated by Exeter MP Ben Bradshaw in the **Care and Compassion category.**

Debbie Tozer, medical secretary at Beacon Medical Group in Plymouth, made the NHS Confederation's nationwide **Top 70 stars** list for her work at the practice, including helping save a patient's life after spotting in his records that he needed further help.

The CCGs' joint medicines optimisation team won in the national **PresQIPP Innovation Awards** for its work on inhaler use reviews for patients using a steroid inhaler. The continuing healthcare team won the **Biggest Contribution to Patient Care** at the Association of Professional Analysts awards. And our business intelligence team took the Biggest **Contribution to Patient Care awards** at the Association of Professional Healthcare Analysts national awards.

Sustainability and Transformation Partnership

Three local authorities, seven NHS organisations and one Community Interest Company joined forces in October 2016 to create a single Devon Sustainability and Transformation Partnership (STP). Since the summer of 2018, Dame Suzi Leather has been the Devon STP independent chair.

The STP mission is to achieve the triple aim of improving:

1. Our population's health and wellbeing
2. The experience of care
3. The cost effectiveness of spending per head of population

In July 2018 it published a Two Year Report highlighting the significant progress that has been achieved through joint working.

It noted in particular:

- Improved performance against national NHS standards, putting Devon in the top 30% nationally on urgent care and mental health
- Reduced delays in transferring patients out of hospital, meaning Devon was on track to reach targets and to free 79 hospital beds for those needing them
- High quality social care, with 86% of adult social care providers rated as either Outstanding or Good by the Care Quality Commission
- Enhanced community services to support thousands more people to live independently at home, leading to 213 fewer acute and community hospital beds
- Clinically appropriate referrals into hospitals, reducing unnecessary visits and seeing a 5.37% reduction in planned procedures and treatments
- New clinical networks supporting "Best Care for Devon" standards in:
    - Urgent and emergency care
    - Stroke
    - Maternity services

- Innovative mental health services including:
    - Liaison psychiatry in each acute hospital
    - Psychological support for people with long-term health conditions
    - Specialist support for women with postnatal depression
- More than 100 ambassadors trained to promote careers in health and social care in schools.
- Strengthening outcomes for children and young people, with children's community health services rated "Good" by the Care Quality Commission

However, real challenges remain. These include health inequalities, social isolation, disadvantage for people with mental health problems, an ageing population and meeting the needs of carers.

Recruitment of staff remains challenging in primary care, in some medical specialties and in nursing and social care. Initiatives such as Proud to Care are showing the value of collaboration in this area. A campaign is under way with NHS England to promote the South West to prospective GPs, including those who have recently retired and those currently working abroad.

Other initiatives will aim to make general practice more attractive to new doctors, in line with the Long Term Plan. NHS England workforce trajectories indicate a gap of 62 GPs in Devon by 2020. As at June 2017, 22% of GPs were aged over 55. This indicates the need for the action we are taking. A new academy of nursing was launched by four NHS Trusts in Devon and the University of Exeter so that local nurses are at the forefront of regional, national and international advances in care.

Services for children and young people with special educational needs and disabilities in the Devon County Council area also need improving. The CCGs and local authority have been working together to implement reforms, which will be co-designed with children, young people and their families.

The STP has proposed taking a more focused approach on fewer priorities for 2019/20, to deliver high impact transformational changes and make best use of system resources.

Over the next year, the STP focus will be on five areas:

1. Accelerating the digital opportunities for the system to achieve integrated and interoperable care record systems, and improved access to care
2. Developing an acute care strategy for Devon and Cornwall
3. Addressing inequalities by moving resources to where they will be more effective in meeting need and improving outcomes
4. Integrating mental health services, alongside development of inpatient services
5. Promoting prevention and self-care, helping more people live healthy, well lives at home, with greater resilience in communities achieved through close working with charity and voluntary leaders.

These five priorities are accompanied by two other pieces of work that need to be accomplished:

1. Implementation of the Integrated Care Model blueprint agreed in 2017
2. Implementation of the workforce strategy

We will continue to review our key hospital services across Devon, so that they deliver the same high standards of care. The next phase of service reviews includes cardiology, radiology, paediatric surgery and pathology. Ophthalmology and orthopaedics have also been identified as priorities for improvement.

Over three years, community services will be joined up and improved, and the focus across the board will be on modern, safe and sustainable services.

Developments in the STP area included:

Collaboration between the RD&E and North Devon District Hospital

With the support of NHS Improvement, Northern Devon Healthcare NHS Trust and the Royal Devon and Exeter NHS Foundation Trust began work in June on securing the long-term sustainability of acute services for the people of North Devon. The collaboration is supporting Northern Devon to address the challenges it faces in continuing to provide acute services, ensuring that local people's health needs continue to be met.

The STP-led acute services review confirmed that our four acute hospitals in Exeter, Barnstaple, Plymouth and Torquay are key in the provision of NHS services. Clinical services are now approached in a more collaborative way. This includes a ground-breaking agreement on mutual clinical support among the four hospitals, which has proved invaluable in addressing short-term service challenges due to medical staffing problems.

The two hospitals now share a chief executive and chair, in addition to a number of other executive positions, and are aligning policies.

Funding for mental health care in Plymouth

University Hospitals Plymouth NHS Trust was awarded £301,000 in June under a Government fund to support patients experiencing mental health crises.

The award is funding the provision of a bespoke waiting area within the Emergency Department at Derriford Hospital for people experiencing a mental health crisis, as well as two mental health assessment rooms.

Mental health award

Devon Partnership NHS Trust was a winner at HSJ Value Awards 2018 for reducing the number of patients with mental health needs being treated outside the region. As a pilot site, the Trust developed a clinically led model of care across eight partner organisations involving a single point of access for the region, standardised assessment criteria, a regional approach to bed management and a repatriation scheme.

This resulted in 64 people being brought back to their home region, as well as increased provision for underprovided services, including women's services and forensic teams.

Mental health support for students

An NHS community mental health team has established a base on the University of Exeter campus, to provide direct support to students. The initiative, one of the first of its kind at a UK university, will focus on students with moderate to severe mental health conditions such as eating disorders, emerging personality disorders and mood disorders. It is jointly funded by Devon Partnership NHS Trust, the university, the CCGs and Devon County Council.

Improving access to psychological therapies

Following the Depression and Anxiety Service's success in extending its services to people with long term conditions in the Northern, Eastern and Western localities, the service was implemented in South Devon and Torbay. Initially, this is aimed at people with diabetes, obesity, pain and chronic obstructive pulmonary disease who are experiencing anxiety and depression.

Eating disorder service

A new eating disorder service in the community was launched across Devon in February 2019 to provide dedicated support to people with mild to moderate eating disorders. The service encompasses psychological support, diet and nutrition advice as well as family interventions to support individuals with their recovery.

Returning to work

More than 1,000 people with mental health problems in Devon have received help and support to work towards getting back to paid employment. The New Leaf scheme in Exeter represents innovative working, helping to improve people's health and wellbeing, with a benefit to society. New Leaf offers work in a variety of businesses, from a plant nursery and café to printing and woodworking.

New service providers for children's services

From 1 April 2019, following a procurement process, children's health and wellbeing services will be provided by NHS providers, working together. In Devon and Torbay, they will be provided by Devon Children and Families Alliance. This is led by Torbay and South Devon NHS Foundation Trust in partnership with Devon Partnership NHS Trust, Royal Devon and Exeter NHS Foundation Trust, University Hospitals Plymouth NHS Trust, Northern Devon NHS Trust and Livewell Southwest. These services will transition from Virgin Care and all sides have been working to ensure a seamless transfer.

In Plymouth, children's health, wellbeing and special educational needs and disability services will be run by Livewell Southwest, in partnership with University Hospitals Plymouth NHS Trust, Plymouth City Council and a range of third sector organisations. Livewell is the existing provider. Also in Plymouth, Livewell Southwest is creating a new service – the Children, Young People and Families Service – bringing together for the first time all Child and Adolescent Mental Health Services, health visiting, school nursing, family nurse partnership and children's speech and language therapy.

Children, young people and families will be involved in the transformation of services across Devon in the months and years ahead. Partnerships with third sector organisations will create more seamless pathways, including for children with autism and neuro-disability, and every element will be focused on prevention and health promotion.

Learning disability services

New approaches have been tested in collaboration with local partners to ensure suitable accommodation for people with learning disabilities.

The purchase of Estuary View in Dawlish has provided three homes where people with a learning disability, autism or challenging behaviours can move in to while awaiting a residential placement or adaptations to their home. Estuary View welcomed its first guest in November 2018.

The service secured £1.9million investment from NHS England to enable people to return to their own homes from hospital, with capital from NHS England enabling the purchase of houses across Devon.

Plans are being developed to purchase five flats in Torbay to support discharge from hospital and to avoid hospital admission. This work is being done in conjunction with Torbay Council with capital from NHS England.

A joined-up housing strategy has been produced across Devon County Council, Torbay Council and Plymouth City Council to facilitate collaborative working in this area across the STP footprint.

Visit by Secretary of State

The Secretary of State for Health and Social Care, Matt Hancock, visited Devon STP in September 2018. After working a night shift at Derriford Hospital in Plymouth, he toured Budleigh Health Hub and Ottery St Mary Hospital.

Sustainability and Transformation Partnership representatives explained how investment in digital technology is supporting new ways of providing care and outlined how community conversations were enabling local people to be involved in the development of new models of care.

The Budleigh Health Hub serves as an example of a community-led health project, being developed by Westbank Community Health, the League of Friends of Budleigh Salterton Hospital, Northern, Eastern and Western Devon CCG, the Royal Devon and Exeter NHS Foundation Trust, NHS Property Services and local GPs.

The Budleigh hub provides health, wellbeing, social care and voluntary sector services in one place, enabling collaboration and integration among them.

Devon's charter to end loneliness

Representatives from Devon's Health and Wellbeing Board, which oversees the strategic delivery of health and social care services in the county, have signed an ambitious charter to end loneliness.

It is a pledge by the Board that its partner statutory organisations, including the NHS, public health, and social care, will do all they can to tackle the issue.

The Board wishes to better understand the extent of loneliness, raise awareness of it, and involve people who experience it in helping to identify ways to reduce it.

Recent research has evidenced the ways in which loneliness damages our mental and physical health.

STP partners are asking people to consider what they can do for themselves, or for others, to help combat loneliness, and to visit the website for ideas and information.

Maternity services

Hospitals in Torbay, Newton Abbot, Barnstaple, Exeter and Plymouth were highly rated in the Maternity Services Survey commissioned by the Care Quality Commission.

Their performance was rated by hundreds of women who had given birth in February 2018 either at home or in hospital.

All the hospitals scored very highly for the care women received during labour and birth, and staff were rated very strongly across the board.

The survey included questions on the kindness shown, involvement in decision-making, the information received and consideration for emotional and postnatal health.

Digital strategy

The STP digital strategy underpins the CCG and wider community endeavour to integrate care in Devon. It recognises that technology is vital in empowering patients to participate in their health and care.

During the year, STP colleagues agreed a Digital Blueprint for Devon, which envisages a fully integrated and interoperable clinical digital system, extending access to vital information across primary, secondary, community and social care and in to hospices and care homes.

With planned funding under the national Health System Led Investment in Provider Digitisation amounting to £8.8million over three years, Devon is pursuing this goal. Work is under way on a single electronic patient record (EPR) system for Devon hospices, system wide access to primary care information, and system-wide integration of the EPRs in Devon, as well as paperless working across the Torbay health and care community.

Primary care

GPs and their services in Devon are highly valued and once again, the results of the patient survey bore testimony to patients' satisfaction (see also page 10). Every one of our GP practices was rated as Outstanding or Good.

Digital developments

Devon made great progress with the e-Consult programme during the year, meaning it is now available to more than 600,000 patients in Devon, providing them with a way of getting in touch with their GP practice 24 hours a day. A 500 per cent increase in online and phone consultations has put Devon in the lead in the South West and in second place nationwide for offering alternative ways of having a GP consultation.

Patients can now fill out an online e-consultation form, which is then reviewed by a GP, and a response sent within one working day. This can include advice, a prescription, or an offer of an appointment.

In October 2018 alone, more than 2,400 online consultations took place in Devon. These would otherwise have been face-to-face consultations, so GPs' time was freed to spend more time with patients with more urgent or complex needs.

Those who do need to see a GP can also get an appointment more quickly.

The range of innovative self-help tools available in the service includes symptom-checkers, instructive videos created by GPs, and advice about the various places a patient can get help, including pharmacies, the NHS 111 helpline or an available app.

Because the service is online, it gives patients 24-hour access to the information they need at a time that is convenient to them.

The aim is that all Devon patients will have access to eConsult through their GP practice's website by the end of 2020.

The online service represents a significant enhancement to traditional practice, and e-consultations have started to normalise digital practice, proving popular with doctors and patients alike. This paves the way for further technological developments in the years ahead.

Improving access

Patients across Devon are now able to make routine GP appointments in the evenings and at weekends. From October 2018, an improved access service made it easier for people – especially working people – to get an appointment at a convenient time.

GPs from different practices have worked together to provide the improved-hours scheme. Patients seeing a doctor who is not their own can still be prescribed medication or referred for further treatment, and their own GP receives electronic notes of the consultation to ensure records are up to date.

Primary care development

The Devon CCGs have been supporting general practice with the development of primary care networks and federations, so that practices can benefit from working at scale and offer a wider range of services to patients. The primary care network is designed to alleviate some of the pressures on general practice and provide greater resilience, at the same time as offering patients more convenient, local access to services, including community pharmacy, physiotherapy and social prescribing experts to direct them to non-medical support and activities.

Each primary care network will need to represent a combined patient list of 30,000-50,000 people. Work has been going on in Devon to help practices understand the options available to them, and to form networks that fall within these parameters. With dispersed rural populations, some informal networks have previously been as small as 6,000 patients; this needs to change.

A Devon-wide learning event for GPs and practice staff on new primary care networks was well received and follow-up events are planned.

Outstanding in general practice

Four Devon GP practices were nominated for surgery of the year at the General Practice Awards 2018.

They were:

1. Axminster Medical Practice
2. Compass House Medical Centre, Brixham
3. Mount Pleasant Health Centre, Exeter
4. Rolle Medical Partnership, Exmouth

Mount Pleasant Health Centre made the final three in the People's Choice category, which is based on patient votes.

Delivering Integrated Personalised Care

Integrated Personal Care (IPC) is a nationally led, locally delivered programme that is supporting healthcare empowerment and the better integration of services across health, social care and the voluntary and community sector.

Through IPC, people, carers and families with a range of long-term conditions and disabilities are supported to take a more active role in their health and wellbeing, with better information and access to support in their local community, and greater choice and control over their care. Devon is one of the level one demonstrator sites nationally.

We have made significant progress in helping people to be more active in their own care with over 3,000 people self-assessing their own level of activation at the end of December (2018). Higher levels of patient activation show that people are 18% less likely to access primary care and 38% less likely to use emergency care services because they are managing their own health better and are feeling more confident about it.

We have exceeded our own targets of having over 5,200 personal health budgets to individuals, and over 7,500 people have personalised care and support plans.

Programmes such as Helping Overcome Problems Effectively (or HOPE) have supported over 170 people to access a facilitated course with peers to identify ways to better manage the issues that impact on their health. Feedback from attendees has been positive with people saying that "We started as strangers and left as friends".

We are also now training over 100 people to act as Holistic Health Coaches to help people on a one to one basis. This involves learning how to hold a different conversation with people about their care.

We want to extend the HOPE programme and the Holistic Health Coach training across Devon.

Winter

All parts of the system made detailed plans for responding to the increased demand on services that the NHS experiences every winter.

The 2017/18 winter had been particularly difficult, with demand significantly exceeding local and national predictions. Service capacity was challenged across health and care services. Gastric illness and influenza had a real impact.

This winter saw pressure once again on all Devon's hospitals and health and social care communities, particularly in Torbay and Derriford (Plymouth), which reached OPEL 4 levels – the highest levels of pressure – in January and February. However, the system saw improvements in comparison with previous winters thanks to better system planning, greater collaboration between health and social care, improved support for the ambulance service and greater use of NHS111 and out of hours services.

The system-wide winter plan focused on maintaining the flow of patients through our hospitals. This requires all partners across health, social care and the voluntary sector working together to ensure that patients can be safely discharged from hospital at the appropriate time.

The four main hospitals were allocated national funding as follows:

1. Derriford Hospital, Plymouth: £2.5million to press ahead with upgrading parts of the Emergency Department, in advance of a major rebuild.
2. Royal Devon and Exeter Hospital, Exeter: £700,000 to improve the 'flow' of patients through the hospital and reduce demand on the Emergency Department
3. Torbay Hospital, Torquay: £340,000 for key improvements to urgent and emergency care
4. North Devon District Hospital, Barnstaple: £175,000 to provide increased bed capacity

To support this, an integrated communications approach included a drive to increase the uptake of flu vaccination in 2-3 year olds. The #ThumbsUpForCoby campaign worked closely with a Devon family who lost their nine-year-old son Coby to flu.

The campaign reached more than a million people across the country and was picked up by other NHS organisations and local authorities. Before Christmas, the campaign focused on promoting the national Improving Access to GPs service and reminding patients that additional appointments were available over the holiday period.

Early indications from flu vaccination uptake data suggest there was an increase in flu vaccination for 2-3 year olds this winter and that the two Devon CCGs have some of the highest performance in the country.

In 2018, members of the communications team were invited to a national conference to showcase the Devon winter flu campaign.

Pharmacy First

In preparation for winter, the NHS publicised a scheme for Devon people to get prescription medicines for a range of minor illnesses straight from a pharmacy, without the need to visit a doctor.

Under the Pharmacy First scheme, trained pharmacists in participating branches can give out medication which normally has to be prescribed by a GP. This includes medication for:

- Urinary tract infections for women aged 18-64
- Impetigo
- Nappy rash
- Conjunctivitis for one-year-olds

The scheme makes the most of pharmacists' expertise and gives local people a fast alternative to visiting a GP. An appointment with the pharmacist is not normally necessary – people can just walk in.

Nationally, about 18% of people making GP appointments could have been treated at a pharmacy.

Looking ahead – our plans for 2019/20

Merger of the two CCGs in Devon

As the CCGs have worked ever more closely together, many improvements have been made and benefits realised.

With a full merger approved by NHS England, from 1 April 2019 NHS Devon CCG comes into being as a new statutory organisation, with a membership of 131 GP practices across Devon. Devon CCG will remain clinically-led, with a clinical chair and four GP-led localities: Northern, Eastern, Southern and Western. Dr Paul Johnson was endorsed by Devon GPs as the new clinical chair after a recruitment process that included staff and stakeholders, including GPs.
Savings in running costs have already been made, but the merger will enable continuing efficiencies, maximising income for the Devon health and care system.

Integrated Care System/Devon Long Term Plan

The creation of one CCG for Devon is an important step in the journey to create a single strategic commissioner for the county, as partners in the Sustainability and Transformation Partnership design a new, more integrated care system.

Work has been progressing on how this Integrated Care System (ICS) for Devon should operate and improve outcomes for our population.

We have been supported nationally through being selected to take part in the Aspiring ICS programme, which was tailored locally to focus on specific areas including developing population health management, care redesign, financial planning and effective system governance.

Part of this developmental work has included exploratory discussions with health and wellbeing boards and health scrutiny committees.

Over the coming months we will:

- Develop a Devon five-year plan in response to the national NHS Long Term Plan, showing how we will work together across the NHS, local authorities and other partners to improve outcomes for our population. System leaders have agreed that a key priority in Devon will be to address inequalities by ensuring resources are used in line with strategic ambitions, population needs and outcomes
- Design the most effective ways of working together both in local communities and places as well as across the wider Devon system, with the right system governance that allows for transparent and responsive decision making
- Engage with stakeholders and local communities in developing the plan and system working
- Publish the Devon strategy in autumn 2019

Delegated commissioning for primary care medical services

In 2018/19 both CCGs commissioned primary care medical services jointly with NHS England. All decisions about these services were therefore jointly signed off.

Following a ballot of GP members, Devon CCG will move to fully delegated commissioning, assuming day-to-day responsibility for commissioning general practice services from 1 April 2019.

The ability to commission primary, community and acute care services will enable us to meet patient needs in a more joined-up way and give Devon CCG more direct influence over the future workforce and IT challenges.

Primary care networks

As part of our delivery of the NHS Long Term Plan, Devon CCGs will be supporting general practice with the development of primary care networks, as stated above. Each primary care network will need to represent a combined patient list of 30,000-50,000 people and will benefit patients by allowing practices to work at scale and offer a wider range of services to patients.

Performance analysis

NHS constitution targets

The NHS constitution sets out key targets for NHS organisations. Whilst overall the CCG performs well against the majority of these targets, in 2018/19 performance against a number of measures has remained a significant challenge.

The CCG has continued to work collaboratively with providers throughout the year to understand the causes for underperformance and to ensure realistic and achievable improvement plans are in place, utilising mutual support arrangements where appropriate so that if there are particular issues affecting one provider, such as an unplanned gap in capacity, another provider can offer clinical or operational support.

There has been improvement in some areas, notably around improving cancer waiting times and reducing delayed transfers of care, whilst strong performance has been maintained against a range of mental health targets. However, there are a small number of targets where the desired improvement has not been seen; in particular, performance in reducing long waits for both referral to treatment and cancer treatment, whilst diagnostic waiting times have continued to be a pressure area. Progress against these targets has been in part affected by physical and workforce capacity gaps in key areas, and the CCG is continuing to work closely with providers to identify opportunities for increasing capacity to reduce waiting times and to implement alternative services such as specialist advice and guidance.

More detail regarding each of the key national standards is provided below.

Cancer – percentage treated within 62 days - urgent referral to first definitive treatment

Performance remained under target against this measure in 2018/19 with the CCG performance close to the national average. Increased demand for cancer services linked to national campaigns and the demographic trends of the population have placed pressure on all providers to achieve this target.

Cancer – percentage seen within 2 weeks – urgent referral to first seen

The CCG performance remained under the 93% target for this NHS Constitution target throughout the year despite good performance seen at University Hospitals Plymouth NHS Trust. A major factor was the very high referral increases seen for cancer (15% higher than 2017/18). Although performance against this target was disappointing, the CCG continues to perform well on measures of early diagnosis and cancer survival.

Other cancer targets

Performance was relatively good against other cancer waiting times targets with four of the seven standards (excluding the two measures covered in the previous sections) being achieved, including three of the four 31-day targets. The CCG continues to work closely with providers to review cancer pathways and identify opportunities for reducing delay. Cancer breaches are reviewed on an individual basis so that lessons learned can be applied to ensure improvement.

18-Week Referral To Treatment (RTT)

Performance remained challenging against the RTT incomplete pathways target in 2018/19 due to a number of factors including clinical and physical capacity, the impact of urgent care and cancer pressures, and the level of demand for key specialties.

Overall referrals saw slight growth in the CCG, similar to the national position, and so demand remained above planned levels. Waiting list numbers increased by around 2% and over one-year waits increased to almost 400 patients before beginning to reduce in quarter four.

The CCG will continue to work with providers to stabilise RTT performance, to ensure waiting list sizes are maintained at a sustainable level and to address some of the inequalities in waiting times across Devon. The CCG will also focus on ensuring alternative capacity is available for long wait patients to minimise patients waiting over 52 weeks for treatment, significantly reducing long waits during 2019/20.

6-Week Diagnostic Waits

Performance against the diagnostic target remained under target in 2018/19 with all providers underachieving against the 1% breach rate. Main pressure areas continued to be imaging (mainly CTs and MRIs), endoscopies and echocardiograms, all of which were affected by capacity issues and workforce shortages, which have also affected performance nationally in these areas.

Extra NHS provider and independent sector capacity for imaging and endoscopy capacity will be key to reducing waits in 2019/20 and to mitigate against the continued increase in demand for tests.

A&E 4-Hour Waits

A&E performance was below the 95% target at CCG level during 2018/19 with quarter four a particular issue and all providers struggling to meet this challenging target. However, performance remained comparatively good compared to the national position at Royal Devon & Exeter NHS Foundation Trust, with University Hospitals Plymouth NHS Trust seeing the lowest levels of performance.

Mental health – improving access to psychological therapies (IAPT) access and recovery rate

The monthly IAPT access target is that 1.25 per cent of patients enter treatment against the level of need in the general population. This equates to a 15 per cent cumulative target across the year. Performance against this target was good throughout 2018/19 with the CCG achieving the access rate for the year-to-date.

The IAPT recovery rate is linked to the profile of the patients accessing treatment. Those patients with lower level needs often have a higher recovery rate than the more complex cases. The CCG has performed well against this target in 2018/19, achieving the 50% threshold in all but one month.

NHS 111 Service

Performance of the NHS 111 service on non-emergency calls being answered in 60 seconds was under target in 2018/19 but slightly improved through the year.

Performance monitoring

The CCG continues to closely monitor performance against a large range of performance and quality standards. Regular detailed reports, dashboards and analysis are reviewed by the governing body and supporting committees, whilst a monthly system performance group chaired by the CCG and attended by providers and regulators assesses the latest performance information and reviews exception reports and action plans to improve performance where required. For key constitutional or operational targets any significant risks to performance are entered onto the CCG risk register and reviewed monthly by the senior team to ensure operational and clinical risk is understood and actions are in place to reduce this risk.

Sustainable development

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

The CCGs have recently invested in new technology to allow colleagues and partners to 'meet' online by phone or video link, thereby saving time that would have been spent travelling as well as reducing fossil fuel emissions. As well as providing the technology, the CCGs are also focussed on facilitating an internal cultural shift to accompany this more environmentally friendly approach to meetings.

In March 2019, the CCGs co-located all their Exeter-based office staff into County Hall, which was modernised as part of the move. This meant reducing the number of CCG office bases and has brought financial and operational efficiencies by having more staff together, sharing an office with colleagues from Devon County Council and reducing the need to travel between bases.

Climate Change Act target

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

Providers are required under contract to take all reasonable steps to minimise adverse impact on the environment, to maintain a sustainable development plan and to demonstrate progress on climate change adaptation, mitigation and sustainable development, including performance against carbon reduction management plans.

A summary of progress by the provider will form part of our assurance on the new contract for 2019-20.

Improving quality

Safeguarding

The aligned safeguarding team within Northern Eastern and Western Devon and South Devon and Torbay CCGs delivers the statutory functions for both CCGs as directed within the statutory guidance set out in the Care Act 2014, the Children Act 1989 and 2004, the Health of Children in Care 2015 and the counter terrorism strategy including Prevent and Mental Capacity Act 2005. Consideration is also given to other statutory legislation linked to safeguarding which includes child sexual exploitation, domestic abuse, female genital mutilation and modern slavery. The CCGs also work to the Safeguarding Vulnerable People in the NHS – NHS Accountability Framework 2015.

Safeguarding is a high priority for the organisations. The CCGs ensure they have robust arrangements in place to provide strong leadership, vision and direction for safeguarding. The CCGs have clear, accessible policies and procedures in line with relevant legislation, statutory guidance and best practice. The CCGs have a clear line of accountability for safeguarding in that an Accountable Officer and Executive Lead for Safeguarding is in place.

The CCGs' safeguarding team consists of:

- A director-level governing body lead (currently the chief nursing officer)
- Head of safeguarding
- Designated nurses and doctors for safeguarding children, adults and looked-after children
- Safeguarding Nurses for primary care
- Mental Capacity Act (MCA) lead professional
- Business manager
- Administrative staff

The integrated safeguarding team supports both health providers and multi-agency partners working at a local, strategic and national level on safeguarding issues that have an impact on children and young people and adults' health.

In line with statutory guidance, the CCGs are active members of the safeguarding adult and children boards/partnerships across the CCG footprint. Following the publication of the Wood Report in 2016, the CCGs are working in partnership with the police and social care to support and influence the implementation of the recommendations, as we move towards new multi-agency arrangements for child protection. These new arrangements include changes to the Serious Case Review and Child Death Overview Panel processes.

The Head of Safeguarding has delegated responsibility to attend relevant executive meetings as required. There has been attendance/representation at all statutory boards, executive committees, sub-groups and linked task and finish groups during the current financial year.

The safeguarding team works in collaboration with commissioned providers to gain assurances regarding statutory responsibilities, through attendance at provider internal safeguarding committees, in addition to working with the CCGs' Patient Safety and Quality Team to promote the safeguarding agenda across both CCGs. There is regular reporting and assurance regarding safeguarding workstreams through the Safeguarding Steering Group and the quarterly reports to the Quality Committee in Common.

Countering fraud, bribery and corruption

We acknowledge we have a responsibility to ensure that public money is spent appropriately, and we have policies in place to counter fraud, bribery, and corruption.

We have standing financial instructions, standing orders, NHSCFA-compliant standards of business conduct policy and a counter fraud, bribery, and corruption policy to ensure probity.

We have support from an experienced independent Local Counter Fraud Specialist (LCFS) to ensure risks are mitigated and systems are resilient to fraud and corruption. The Audit and Assurance Committee receives and approves the counter fraud annual work plan and annual report, monitors counter fraud arrangements and reports on progress to the governing body. During 2018/19 a total of 80 days were provided.

We raise awareness of fraud in staff communications through regular newsletters, displays in public and staff areas, new employee induction and individual department awareness presentations from the LCFS.

Engaging people and communities

While NEW Devon and South Devon and Torbay CCGs have been working more closely together, extending the area for which they are jointly responsible, it has been important to retain focus on communities and meeting their needs.

In developing proposals, two-way discussions about services and places that people relate to are crucial to help us understand perspectives, issues, aspirations and wishes. These in turn influence planning of future services and the way they link together to support our population.

There are several ways in which the CCG has been engaging with and listening to the people of Devon. These are:

1. Working with people strategically – mechanisms for strategic engagement
2. Involving people locally – involving people in commissioning
3. Listening to people personally – gathering views and experiences
4. Strengthening our processes for effective engagement.

This section shows how the CCG has discharged its duty to involve the public, as set out in section 14Z2 of the Health and Social Care Act 2012.

Approach to positively engaging

The CCGs understand how important it is to establish more sustainable relationships with local communities - to move away from any 'win/lose' approach and move towards something more truly collaborative.

Communities are best placed to identify solutions to the challenges they face – no two communities are the same and one size does not fit all.

Our aim is to work with as many communities as possible across Devon, using a set of guiding principles that help shape conversations around needs, assets, resources and potential solutions.

The overall purpose of this engagement is to work with local communities to identify how the following CCG priorities can be delivered locally:

1. Enable more people to be healthy and stay healthy
2. Enhance self-care and community resilience
3. Integrate and improve community services and care in people's homes
4. Deliver modern, safe and sustainable services

There are three key objectives that we plan to achieve:

1. Empower and enable strong, resilient communities that support people to live well in their local place
2. Enable communities to support each other by identifying their existing strengths, and to build on these
3. Develop strong partnerships with local communities to allow true co-production of services

The CCGs define local communities as the eight district councils, two unitary councils (Plymouth City and Torbay) and one county council (Devon).

Work started in 2018 to map existing groups in each of these areas to gain an understanding of how the communities currently support and organise themselves and identify where more support may be needed. This includes encouraging groups to develop in areas where they don't currently exist.

Membership of these groups is key. Learning from recent community involvement in Holsworthy, NEW Devon CCG now knows that community representation needs to extend not just to health and social care, but should include council representatives, community leaders and representatives, and the voluntary sector.

The CCGs have developed four strategic aims for future engagement planning:

1. Move away from traditional engagement and consultation methods
2. Move towards positive win/win engagement with local people and communities
3. Work with NHS, local authorities, third and voluntary sector and local communities to plan and design services together in ways we have not done before
4. Encourage and develop local communities to take action, mobilise and focus on health and care

Public engagement panel

An panel has been set up to meet seven key objectives:

1. Ensure the CCGs undertake high quality, meaningful engagement
2. Ensure the CCGs meet their legal duty to engage with patients and the public in the development and consideration of proposals for service change as outlined in the Health and Social Care Act 2012
3. Provide assurance to CCG governing bodies that engagement across both CCGs is well planned, meaningful and strategically aligned
4. Ensure all engagement activity is proportionate and appropriately resourced
5. Ensure there is central oversight of all engagement activity being undertaken across the CCGs
6. Identify the support required from the communications and engagement team for the project, and whether support/expertise is required from wider in the organisation
7. Identify the role of the commissioning manager in the engagement process

The panel meets every two months and invites proposals for consideration that include (but are not limited to):

- Strategic engagement (STP activity)
- Engagement / consultation to support significant service change
- Engagement to inform commissioning decisions
- All surveys
- All requests / commissioning to external organisations (e.g. Healthwatch, Living Options)
- Provider engagement

The membership includes:

- Lay members (x2)
- Clinician (GP)
- STP director of communications and engagement
- Head of communications (CCG)
- Senior engagement manager (CCG)
- Devon County Council communications and engagement representative
- Senior commissioner
- Senior strategist
- Healthwatch (rotating seat between the three Devon Healthwatch groups)

Management of the panel, including advising people wishing to submit a proposal, assessing proposals, setting agendas and organising panel events, is managed by the engagement team.

Compliance with statutory guidance on patient and public participation

We submitted evidence to support our implementation of the revised statutory guidance on patient and public participation in commissioning health care and our compliance in fulfilling statutory duties as part of NHS England's Improvement and Assessment Framework (IAF).

The IAF assesses our annual report and other public information where available online, including constitution, governing body meeting records, involvement web pages, engagement plan and relevant reports grouped under five headings:

- Governance;
- Annual reporting;
- Practice;
- Feedback and evaluation;
- Equalities and health inequalities.

We submitted evidence for all elements of all five domains and, pending feedback from NHS England, are aiming to achieve a score of 15/15, and therefore a provisional Green Star (Green*) rating. This means all elements of all domains could achieve a rating of 'good' or higher.

Involving people locally

The communications and engagement team works to not only ensure that people in Devon engage with us, but do so from an informed position. The team uses a wide variety of methods, as detailed in this report, including newsletters, social media and our public websites.

On Twitter, the NEW Devon account has 8,900 followers while the CCG's Facebook page has 3,730 followers. Our monthly Commissioning Bulletin is sent to 1,500 people, including MPs, Health and Wellbeing Boards, Heathwatch, PPGs and local people.

The examples below demonstrate how the CCG is engaging with communities as well as showing how the feedback gained during the projects directly affects the outcomes of projects.

Healthwatch groups

Healthwatch organisations from Torbay, Plymouth and Devon have worked closely with us through the year at a strategic level. They are integral members of the engagement committee and have also been core members of STP workstreams as they have developed. As well as this, Healthwatch has been core members of specific projects, such as the steering group for planning engagement, to inform re-procurement of children's services.

The CCG communications and engagement team meets monthly with the three Healthwatch CEOs and quarterly with the CEOs and chairs.

The monthly meeting covers all operational work that happens at a local level and brings together opportunities for alignment. The quarterly meeting has a more strategic focus on how the three organisations will work together to support development of the NHS Long Term Plan in Devon, whilst maintaining their statutory duty as consumer champion for patients.

Patient Participation Groups (PPGs)

In some of our areas PPG networking and support is strong. However, in some areas it has been identified that more support could be available. In response to this and to requests from PPG members from across the area who had met through the National Association of PPGs, the CCG supported the development of a Devon-wide PPG network.

With CCG help, the group canvassed all PPGs in Devon to find out how they worked, what further support they might need and how inclined they were to join the network. Output from the group was a series of findings reports prepared on their behalf by the CCG. The group will use these to determine its work going forward. The CCG hosts a web page for the network to ensure that PPGs can share information more easily (this will be part of the new Devon CCG website to be launched on 1 April 2019).

The CCG communications and engagement team is fully committed to supporting PPGs across Devon. We plan to:

- Attend the pan-Devon PPG network to listen to the views of members. We will support them in achieving their objectives of being a collective voice for PPGs across Devon, encouraging/supporting and instigating collaborative working and helping PPGs to be as effective as possible
- Provide monthly briefing materials for onward sharing
- Provide practical support to the ten local PPG forums with venues, expenses and professional communications advice. At present the team is working closely with the network to identify the exact number of PPG forums across Devon and the key contacts for each of the 131 practices in Devon.

Each forum meets quarterly, chaired by a nominated PPG lead and supported by the CCG communications and engagement team.

The Devon PPG network, supported by the CCG, is currently in planning for its first Devon PPG conference to take place in June 2019.

Joint Engagement Forum (JEF)

The JEF is chaired by Devon County Council's adult social care team. The group is multi-agency and brings together a number of community leaders who cover a diverse section of Devon. The CCG attends the forum to provide updates and seek views on how to engage with harder to reach groups and individuals across Devon.

The CCG presented to the group on the move towards positively engaging communities in 2018, talking the group through the mapping work and the proposed way of working.

The approach was well received, and updates are requested as part of the future meetings.

Reaching hard to reach groups

The CCG is committed to hearing from a diverse range of people and recognises that for those groups of people that can be excluded or are disadvantaged it can be hard to get their voice heard. The CCGs adopt an approach of 'go to' rather than 'come to us' wherever it can as this helps provide a trusted space in which people can share their views. In 2018/19 we have:

- Supported blue light days,
- Helped with Plymouth Bash Awards (Be Active, Be Safe, Be Healthy)
- Supported Respect festivals and Pride events in Devon
- Attended older people's day celebrations
- Been part of local community conversations
- Contributed to voluntary sector sharing events

By attending and networking at events like these the CCGs have had an opportunity to hear from many people with quieter voices and what they have told us feeds back into our decision-making process.

Reaching out is not a one-off activity so the CCGs also engage in ongoing networking with specific community groups that include:

- Hikmat Devon CIC
- Devon Parent Carer Voice
- Devon Senior Voice
- Intercom Trust
- Proud 2 Be

One of the main barriers people encounter in getting their voices heard is accessibility. The CCG ensures it meets the **accessibility principles** by producing information in alternative formats and this includes the provision of accessibility aids on our websites.

The organisations' Quality Equality Impact Assessment policy and processes ensure that people's accessibility needs are considered when we make decisions about services we commission.

As commissioners we also monitor our providers' compliance with the NHS England's Accessible Information Standard and the sexual orientation monitoring standard via our quality relationship managers.

Connections with partner organisations

The CCG also works through other organisations who have existing relationships with potentially excluded and disadvantaged groups for instance:

- Healthwatch reports around social isolation and homelessness are used inform decision-making
- Working closely with the local authority partners on the Special Educational Needs and Disability (SEND) agenda
- Holding events for people to input into the learning disability and autism strategies for Devon
- Request support from our providers who work specifically with disadvantaged groups e.g. Devon Partnership Trust, Shekinah Mission (homeless outreach services)

The CCG has also ensured attendance at boards and groups that have a specific remit to hear and address the needs of the more vulnerable groups in the community and these include but are not limited to:

- The Joint Engagement Forum
- The Carers Forum

Better Births

Over the summer of 2018, the Local Maternity System in Devon, consisting of NHS and health care organisations, undertook eight weeks of intensive engagement to gather the experiences and views of parents and families about births in Devon. The engagement ran from 19 May – 14 July 2018.

This took the form of:

- 'Go to them' events. This placed parents and families firmly at the centre of the design – with the CCG looking for as many opportunities as possible to reach people at places they already go to
- Face to face conversations. With the support of colleagues in children's services and the voluntary sector who run local children's centres, we were able to attend a variety of sessions being run across Devon
- Social media. After looking at the data for births in Devon and the profiles of parents, we could see that there was likely to be an active cohort of parents using social media, in particular (but not limited to) Facebook, NetMums and NCT which already have huge following, and 'mummy bloggers'.

Overall, 2,267 people gave their feedback, and this has started to help shape the priorities for maternity services in Devon.

During the engagement the CCG explored the recommendations of NHS England's Better Births review. This national review focuses on personalised care, continuity of carer (i.e. seeing the same health professionals), better postnatal and perinatal mental health care, digital medical records and the wider planning of maternity services.

This engagement will be the cornerstone of the consultation options for Devon maternity services, under a new maternity transformation and implementation plan.

Maternity Voices Partnership (MVP)

A scoping exercise took place to determine what service is in place locally, works well and could usefully be taken forward. The Devon model has been built on this information. As a result, Devon now has one overarching MVP.

The key role and responsibility of the MVP is to:

- Join and represent women and families on the Devon MVP partnership group as per the agreed terms of reference
- Collect maternity stories, experiences, insights and recommendations from the community which will be used to inform co-production of services
- Host local gatherings of women and families to gain views from the different geographies of Devon. This could be through an existing group e.g. a baby group, or specific meetings set up
- Facilitate and empower women and families who may want to champion a particular aspect of maternity services e.g. home births or support for fathers
- Facilitate and empower women and families to be involved in maternity service quality improvement initiatives e.g. a 'Walk the Patch' in your local maternity unit

Social media is used by the MVP in addition to the methods outlined above as an avenue for communication and information sharing with women and families.

The MVP is tasked with making recommendations to the Local Maternity Services (LMS) Board on how the MVP work will proceed. The MVP chair is now part of the LMS Board enabling the views of women to influence our work. There will be an annual report from the MVP.

Support for the MVP has been obtained by the STP Clinical Network and funding is hosted by third party Devon Communities Together who manage the budget and ensure neutrality. An open application process has been completed and the MVP Chair has been appointed and a web page set up.

Devon has completed some excellent engagement work that has been used to update the revised LMS plan and can be built upon to inform the MVP priorities and to enable participants to consider being involved at either a locality and / or the Devon wide MVP.

Holsworthy

NEW Devon CCG is working with the local community of Holsworthy, and the surrounding area, to better understand the local population's future health and social care needs.

A group – predominantly made up of local people, community leaders and representatives with support from the NHS – has developed a set of recommendations about future need.

These recommendations, along with clinical, financial and logistical considerations, are informing decisions about future models of care for wider community consideration, which may be subject to consultation.

The engagement plan is, and has been, delivered in three phases:

1. **Phase one** of the CCG-led engagement process began with public meetings on 19 April 2018 which were organised by Holsworthy Town Council in association with the League of Friends and the CCG. CCG representatives at the meeting drew a clear distinction between the temporary closure of Holsworthy Hospital and the long-term future of services.
2. **Phase two** was to establish a new engagement group to look at the longer-term provision of services. This is known as the Holsworthy Community Involvement Group (HCIG), meeting fortnightly. The HCIG elected a local GP as its chair and a Holsworthy resident as vice chair, as well as a Devon County Council consultant in public health as a member.
3. **Phase three** (concurrent with phase two) began in July 2018. Quantitative surveying took place between August and October, with the resulting data scrutinised and presented to the group by Healthwatch. The outcome of that qualitative research is due to inform further focused qualitative engagement events taking place from March 2019 for a period of 6-8 weeks in a variety of formats.

These findings, together with Joint Strategic Needs Assessment information, will then inform a series of recommendations to be presented to the senior healthcare commissioners for North Devon.

Teignmouth

The CCG is continuing to work with stakeholders to provide excellent integrated services by co-locating them in a new health and wellbeing centre.

GPs in Teignmouth are responsible for outlining the benefits of co-locating their main surgeries in a new health and wellbeing centre, alongside the health and wellbeing team and voluntary sector and for consulting with their registered patients about such a move.

A six-week programme of engagement (30 April to 8 June 2018) has been informing the development of proposals for change, where South Devon and Torbay CCG, supported by local GPs, Torbay and South Devon NHS Foundation Trust and Volunteering in Health asked people in Teignmouth, Dawlish and the surrounding area for views on ideas designed to ensure health services can meet future needs.

The engagement work continues to ensure that the commissioning decisions are fully in line with the outcomes of the engagement and continue to form the basis of the options for consultation.

Dartmouth

South Devon and Torbay CCG is working with Torbay and South Devon NHS Foundation Trust in partnership with a broad range of community organisations to progress new ways of delivering health and care in Dartmouth, including plans for a new Health and Wellbeing Centre in the town.

Local people from several key organisations are influencing NHS plans as part of the Dartmouth Health and Wellbeing Centre Working Group.

Part of the group's work is to influence the delivery of a purpose-built new Health and Wellbeing Centre to help deliver integrated healthcare and a sustainable GP practice for people in Dartmouth. The group has also commissioned independent watchdog, Healthwatch Devon to evaluate local services.

STP approach to autism and mental health

Living Well with a Learning Disability 2013 – 2016 was the Learning Disability Commissioning Strategy spanning the Devon STP footprint. In 2018 the Learning Disability STP Leadership group commissioned a refresh of the strategy with the intention to ensure it continued to meet the needs of the population. A series of local consultation and engagement activity was undertaken.

Healthwatch Torbay, Healthwatch Plymouth, Living Options Devon and Devon County Council engaged learning disabled people, carers and providers in their respective local authority areas. A systematic method of engagement was developed and replicated across the STP footprint. Living Well with a Learning Disability 2013 – 2016 established 15 commissioning intentions. The 2018 local engagement activity focused on these commissioning intentions and sought to understand the experiences of learning-disabled people, carers and providers.

The table below indicates who gave their views on the commissioning intentions.

Area	Service Users	Carers	Providers
Devon	83	12	10
Plymouth	100	6	2
Torbay	91	28	10
Total	**274**	**46**	**22**

Annual General Meeting

To support the CCGs' changing approach to engagement and increasing patient and public involvement, the CCGs' annual general meeting (AGM) was streamed live for the first time on Facebook.

The aim was to make it easier for people to participate without the need to travel. Viewers were also able to ask questions via Facebook as the meeting happened.

More than 100 people watched the meeting, with around 25 attending the event in person at Exeter Racecourse.

The AGM looked back at our performance and achievements in 2017/18 as well as our plans for the future. In line with the national digital focus, the meeting also showcased some of the many digital innovations happening in Devon. The AGM presentation can be downloaded here. The full session can be viewed here.

Listening to people personally

During the past year the CCGs have asked people across Devon for their views on a variety of topics using surveys. These include:

- Mental health
- Better Births
- Holsworthy services (see page 31)
- Minor injury units
- Improving access to primary care

Better Births

The findings from the Better Births survey are now being used in specific work programmes to improve services including breastfeeding, antenatal and postnatal support, choice and personalisation.

Improving Access

Since the improving access to general practice service was launched in October 2018, the CCG has been keen to find out people's views on these hours and if they are in the most appropriate locations.

We prepared a short and confidential survey to gather views, giving patients the opportunity to tell us about when they would like to be able to access GP appointments and where they would be willing to travel to access them.

The CCG will also be working with Patient Participation Groups to collect views from people face to face while they visit their practice. The survey received more than 1,500 responses both online and handwritten.

Shared decision making

Health and care services in Devon have this year launched a programme of work to raise the profile of shared decision making with patients and health professionals. Shared decision making is part of the NHS Long Term Plan's commitment to make personalised care business as usual across the health and care system.

Based on the feedback gathered from the workforce and population the challenge areas we approached were:

- How to embed the principles of shared decision making across the workforce to ensure patients become active partners in decisions regarding their care and treatment choices
- How to raise awareness of available resources that empower patients to have informed discussions regarding their care and treatment choices
- The tools that need to be developed to support shared decision making
- How to embed shared decision making in care pathways

The CCGs are working with patients and health care professionals to look at how shared decision making can be embedded in the hip and knee pathways for patients with osteoarthritis.

Patient groups helped to identify what patients need to support their involvement in shared decisions about their care and treatment choices. Their views will help to shape the Devon approach to shared decision-making. In particular, patients from the patient working groups have evaluated a peer-to-peer telephone support service used elsewhere in the country and their feedback is being used to assess whether this is a workable approach here in Devon.

Minor injuries services

In 2018 the CCGs started to engage on minor injuries services across Devon. A survey was published which gathered feedback from almost 150 individuals and a behavioural insights study was conducted in parallel to try and understand behaviours, motivations, attitudes and decision-making around the urgent care system.

150,000 people use minor injuries services across the county every year, despite this people tell us they remain confused about what community urgent care services are and when they are available. This is largely due to an inconsistent offer across Devon and variability in workforce.

The key findings from engagement in 2018 shows that people value timely access to local services and advice. They are concerned about signposting to services, information on choices, access and variation in services.

A series of focus groups was also undertaken.

Patient and Public Involvement in the Children's Service Procurement Process

Between 13 July and 30 November 2018, we sought views on our proposals about future services for children and young people.

We contacted approximately 900 people and organisations across North, East and West Devon, South Devon, Plymouth and Torbay. These included schools, medical centres, youth groups, consultants, the youth parliament and clinics. We contacted groups such as the Scouts, Brownies and cadet services. We also attended several public events which included Okehampton Fair, Dartmouth Regatta and St Thomas Festival across the whole of Devon. We spoke to over 500 children, young people, parents/carers, voluntary workers, clinicians and health/social care professionals about our proposals.

We sought consent to attend various groups, events and clinics related to children and young people and accepted invitations to visit the following places to have face to face discussions.

This resulted in the creation of a set of Critical Success Factors (CSFs) that were used as the foundation for the procurement process.

These CSFs were used to develop the procurement evaluation questions, and the approach to dialogue with bidding providers.

Citizens Panel Online

In 2019, Devon CCG is setting up a panel of online volunteers to provide views and feedback on NHS services and priorities. The panel will be representative of the demographic of Devon and it is envisaged that membership will be over 1,500.

The Citizens Panel Online will be asked to respond to online surveys and focus groups, attend webinars, and feedback on topics aligned to the STP priorities. This approach to engagement with a representative group allows the CCG to be much more agile when it comes to informing commissioning decisions.

It is important to note that this approach does not replace our existing or required engagement routes but looks to develop an effective method for engaging with those who are harder to reach, or not currently involved in NHS health services. In addition to this it is recognised that not everyone can commit to face-to-face time, but they can commit to 5 to 10 mins of feedback via a survey or online discussion.

The CCG will work with the three local authorities and Healthwatch groups to ensure the membership of the panel is truly representative on the Devon population, including those with protected characteristics.

The surveys sent out by the CCG to the Citizens Panel Online will also be aligned to the work going through the engagement panel and any data collected will be fed back to this group and the wider CCG executive team. Senior managers will take an active role in promoting the panel and the information it provides.

Reducing health inequality

Promoting equality and addressing health inequalities are at the heart of NHS values, and they are central to our CCG.

The law requires us to work to reduce inequalities between patients in access to, and outcomes from, healthcare service, but also to ensure services are provided in an integrated way where this might reduce health inequalities.

The integrated partnership approach is being taken in Devon, in recognition of the fact that NHS services cannot, alone, make a lasting difference to people's chances of good health and wellbeing.

Devon Sustainability and Transformation Partnership has made tackling health inequality one of its five priorities for 2019/20. This means that we will be directing resource to the areas where need is greater, in an effort to improve health outcomes, the quality and accessibility of services and the experience of those using them.

Our Joint Strategic Needs Assessment tells us where we need to direct these resources – not just to urban pockets of deprivation but also to remote rural areas where access to health and other services is poorer.

The new, merged Devon CCG will work in 2019/20 more closely with district councils as well as our local and unitary authorities, public health and Health and Wellbeing Boards, in order to make an impact on the many factors that determine the chances of good health and wellbeing – employment, environment, education, social connections and housing among them. This means putting a new emphasis on lifestyle, and, in line with the Long Term Plan, we are focusing on social prescribing as well as support to quit smoking and tackle alcohol abuse.

For this, we look not just to those who are registered with general practice, but beyond. Our Clock Tower Surgery for homeless people and those in vulnerable housing is an award-winning service that reaches people who normally have real difficulty in accessing medical services. We work collaboratively with a wide range of voluntary and charity organisations to reach people who would otherwise not take advantage of the services available.

Under our Sustainability and Transformation Partnership work, we identified a gap within acute care for support for people with autism. We agreed they would need a reasonable adjustment to access mainstream services in a timely way.

Using funding from the Devon County Council Better Care Fund, we recruited to an Autism Liaison Service at Derriford Hospital in Plymouth. This is running as a pilot for 18 months, to facilitate access to all hospital services. The post-holder will provide training to all staff on autism awareness and will support them to make reasonable adjustments to meet the health needs of people with autism.

We have been running the Diabetes Prevention Project which targets people with the greatest health inequalities living in areas of deprivation. These people are most at risk of developing diabetes and the courses, therefore, have been prioritised for these areas.

Equality, diversity and inclusion

This section makes use of hyperlinks to supporting documents. If you do not have a computer or access to the internet and would like to see these please contact our Patient Advice and Complaints Team for a paper copy:

Tel: 0300 123 1672

Post: Patient Advice and Complaints Team,
FREEPOST EX184,
County Hall,
Topsham Road
Exeter
EX2 4QL

Meeting our legal duties

The CCGs prepared a joint Equality, Diversity and Inclusion (EDI) report in January 2019 which acts as a position statement informing future plans and developments in EDI. The report and associated joint work plan can be found here.

This work is supported by our Equality Diversity and Inclusion policy which supports CCG staff to ensure that equality, diversity, inclusion and human rights legislation is embedded within the CCG and to ensure there are defined guidelines for patients, employees and visitors to follow. The CCG has a statutory duty to ensure that the organisation promotes and implements equality, diversity and inclusion and human rights.

Human rights

We embed support for human rights throughout our business. For instance, the CCG commissions places of safety suites for children and adults to protect their right to liberty, has a modern slavery lead for the organisation and a transforming care partnership strategy that explicitly states our aim to place patients closer to their family and original homes. We also require providers to provide services in a way that actively involves family and promotes the right to family life and this is particularly apparent in our commissioning of children's services for Devon where the vision states: *We want all children and young people in Devon to have the best start in life, growing up in loving and supportive families, and being happy, healthy and safe*.

EDI in 2018/19

In 2018/19 NEW Devon and South Devon and Torbay CCG EDI teams came together to work as one team.

EDI and the population of Devon

Most EDI work relating to the Devon population has been undertaken in collaboration with the Devon-wide Equality Co-operative which includes health and social care commissioning and provider EDI leads from across the county. The co-operative has identified some county-wide priorities and developed a comprehensive work plan to address EDI issues for the people of Devon and their own workforce. The five main workstreams are:

- Understanding our population
- Governance
- Promotion and engagement of EDI
- Sharing knowledge and good practice
- Improving outcomes and experience

Engagement and promoting EDI

Members of the co-operative including the CCGs' Patient Safety and Quality teams were once again involved in the supporting blue light days and the Be Active Safe and Healthy awards.

In addition, we have commissioned a Quality Checker service from Devon LinkUp. This involves the employment of 12 people with learning disabilities to go into services and check the quality of the service for people with learning disabilities. The work begins in April 2019.

All CCG staff are required to undergo mandatory EDI training and additional EDI training has been made available to teams and GPs.

Interpretation and translation services for Devon

A regular issue heard by the CCGs is the problem associated with accessing and appropriate use of interpreters and translation services. This is a particular issue for members of the deaf community who use British Sign Language. Efforts have been made by individual organisations across Devon to resolve these during 2018/2019 and in some cases, solutions have been found. The Equality Co-operative felt that there continued to be issues and a lack of consistency which resulted in variations in quality. Consequently, work is continuing to look at how such a service can be improved for all.

Understanding our population

Understanding who we are commissioning services for and their needs is vital if we are to commission services that are appropriate, and which meet the needs of our diverse population. A working group identified that we need to improve the quality of the equality data available to our commissioners that is we need information about any protected characteristic a person might have; for instance, disability, sexual orientation or ethnicity. The group also recognised the need to gain better insight into people's needs. The group has started working on these and has been:

- Mapping the data that is already available with a view to recommending the most reliable sources of information
- Developing an information campaign for the public in a variety of formats that explains how important it is for people to share this information with providers and commissioners and the difference it can make to their experience of services
- Working directly with communities and professionals to raise awareness of the importance of sharing this information

The requirement to understand people's needs has been and will continue to be met through engagement with communities with protected characteristics (including through complaints, enquiries and concerns voiced to the provider and commissioner complaints teams across the county) and through the future work under the Equality Delivery System 2 (EDS2).

Equality Delivery System 2

During the year, we worked with our providers and NHS England to trial a different approach to EDS2 and conduct the engagement needed with people with protected characteristics. This used the NHS England EDS2 tool and videos. Members of the Devon-wide Equality Co-operative worked together to identify case studies, some for filming. Living Options Devon was commissioned to provide British Sign Language interpretation and subtitling for the films. The films were sectioned into individual surveys to be used in engagement via social media and the internet. The nine-week engagement period focused on one of the videos each week.

The EDS2 tool is designed to help both providers and commissioners to understand the needs of their population. The approach we took was not as effective as the co-operative had hoped and so most of the recommendations now relate to developing and adopting a revised approach for 2019/2020. Specifically, the recommendation was to take one coordinated approach across Devon and that this should include:

- Equality Co-operative member organisations going to under-represented groups and networks rather than expecting them to contribute to a survey
- Adopting a conversational approach rather than using prescribed questions
- Considering how information is presented to different groups and work with groups to present information in a way that is accessible to them

Commissioning and EDI

As a commissioner we have an additional EDI duty to assure ourselves that our providers are meeting their legal duties on EDI. We have done this through monitoring performance against the NHS standard contract, through the Devon-wide Equality Co-operative and by providers' use of our Quality Equality Impact Assessment (QEIA) tool to assess how proposed service improvement or service change decisions will affect those with protected characteristics.

Equality, Diversity and Inclusion (EDI) and our workforce

The CCGs' workforce is not currently very diverse, and the CCG continues to use a range of ways to improve equality of opportunity for our staff, to develop a more diverse workforce and create an inclusive working environment.

For example, as part of the ongoing re-organisation of the CCGs, recent advertisements for lay member roles on the governing body have been shared with groups that support communities with protected characteristics with the aim of creating a more equal opportunity and increasing the potential for more diversity in the governing body membership. The vacancy information was shared with groups with links into the following communities:

- Mental health
- Physical disability
- Learning disability
- Sensory disability
- Young people
- Older people
- Race/ethnicity
- LGBT
- Services families
- Carers
- Religion and belief

CCG policies ensure that staff have a clear steer on how they can be supported and how they should support and treat colleagues with protected characteristics. Our policies can be found here.

Whilst the CCG currently has no support networks specifically aimed at staff with protected characteristics, all staff can access counselling and all staff are able to request reasonable adjustments to enable them to work effectively.

To strengthen the support available to staff with protected characteristics the CCGs have explored with fellow members of the Equality Co-operative whether CCG staff could join existing support networks in other organisations.

The future of EDI and the CCG

In 2019/20 the CCG aims to continue to work with the Equality Co-operative on its identified objectives for EDI and people in Devon and to strengthen its performance on EDI and the workforce.

Patient experience

The Devon CCGs have combined their patient advice and complaints teams to provide one service. This has enabled us to understand the experiences of people using services right across the county. People have the right to ask for their feedback and complaints to be looked into the by the commissioners rather than the provider of services should they wish.

Over the last year the CCGs have rolled out Yellow Card, our health and care professionals' alerting system, from South Devon and Torbay to reach across the whole of the county. This has been a great success. The Yellow Card system won two awards at the National Patient Experience awards in 2017/18 including the prestigious Commissioner of the Year Award.

In the last year, 2,876 yellow card alerts were submitted, of which 1,572 required action.

The team handled 866 individual cases of patient feedback, of which 101 were formal complaints handled in line with the NHS complaint regulations. The remainder were a combination of general enquiries, advice and support and signposting.

The teams work hard to provide a high standard of service and positive feedback about the way the teams have handled cases includes:

- *I felt listened to and that finally the concerns I was raising would be taken seriously*
- *Thank you for your response to my complaint, it helped us understand what happened at a difficult time and although we are still disappointed, we understand now how difficult things were for all of those involved*
- *you gave me lots of time and space to discuss my concerns*

In total, 12 formal complaints were referred by patients or families to the Parliamentary and Health Service Ombudsman for resolution. Of these, eight had no action taken by the Ombudsman.

The team continues to monitor the application of the Friends and Family Test across acute hospital providers, mental health and community services. A breakdown of the Friends and Family data is available at: https://www.england.nhs.uk/fft/friends-and-family-test-data/

The Friends and Family Test continues to be a challenge in Devon in terms of the relatively low numbers participating. However, all providers have robust methods to collect data and gain insights through other sources. The CCGs support providers in their approaches to friends and family data collection.

For the year ahead, as the CCGs merge to become one, the evaluation of patient experience continues to be key to our intelligence. Ensuring a good experience for all who use services is a strategic aim, and for this we will pursue a variety of means to understand what care is like for the people receiving it. Key areas for focus over the next year are:

- Patient experience and quality in general practice, particularly under the improved access scheme
- Streamlining processes across the CCG so that people who contact the CCG have a positive experience
- Improving advice and signposting information for patients and the public
- Building on the strength of Yellow Card, further developing it to provide greater, detailed reporting

Health and Wellbeing strategies

The Health and Wellbeing Board strategies for Torbay, Devon and Plymouth inform the commissioning of health and social care services across the STP area. The three strategies and that of Devon STP are well-aligned, so that within the STP we share priorities.

These priorities centre on reducing inequalities to create healthy, aspiring, safe and resilient communities for all. They put emphasis on:

- Giving children the best start
- Promoting good health and wellbeing, addressing smoking and drinking rates, promoting activity and encouraging greater individual responsibility
- Supporting life-long mental health
- Supporting vulnerable people and those leading complex lives
- Ageing well, including good care at end of life

Both Northern, Eastern and Western Devon CCG and South Devon and Torbay CCG play an active role on the Health and Wellbeing Boards. The three strategies inform annual CCG operating plans.

Many of the initiatives and developments set out in this report result from this alignment of strategy, in line with section 116B(1)(b) of the Local Government and Public Involvement in Health Act 2007.

Simon Tapley
Interim Accountable Officer
NHS Northern, Eastern and Western Devon Clinical Commissioning Group
NHS South Devon and Torbay Clinical Commissioning Group
12 April 2019

Accountability report

This section includes information on how we ensure that our organisation runs safely and effectively and that we make the best use of the resources available to us. It includes

- A Corporate Governance Report which explains how our governance structures operate and how they support the achievement of the CCG's objectives
- A Remuneration and Staff Report which gives information about our staff and how they are paid
- A Parliamentary Accountability and Audit Report which some organisations are required to produce to give disclosures on statutory requirements.

Corporate governance report

Members report

The CCG's membership body is the Council of Members, comprising 102 member practices across our three localities. Each member practice has a delegate who represents it through one of our three locality boards – northern, eastern and western – which in turn nominate a locality clinical chair and locality managing director to the governing body.

By locality, the 102 member practices are:

Western locality

Abbey Surgery
Adelaide Street Surgery
Armada Surgery
Barton Surgery (Plymstock)
Beacon Medical Group
Beaumont Villa Surgery
Budshead Medical Practice
Church View Surgery
Crownhill Surgery
Dean Cross Surgery
Devonport Health Centre
Elm Surgery
Estover Surgery
Friary House Surgery
Knowle House Surgery
Lisson Grove Medical Centre
Mannamead Surgery
Mayflower Medical Group
Modbury Health Centre
North Road West Medical Centre
Norton Brook Medical Centre
Oakside Surgery
Park View Surgery
Pathfields Practice
Peverell Park Surgery
Redfern Health Centre
Roborough Surgery
South Brent Health Centre
Southway Surgery
St Levan Surgery
St Neots Surgery
Stoke Surgery
Tavyside Health Centre
Wembury Surgery
West Hoe Surgery
Wycliffe Surgery
Yealm Medical Centre
Yelverton Surgery

Northern locality

Bideford Medical Centre
Black Torrington Surgery
Bradworthy Surgery
Brannams Medical Centre
Caen Medical Centre
Castle Gardens Surgery
Combe Coastal Practice
Fremington Medical Centre
Hartland Surgery
Litchdon Medical Centre
Lynton Health Centre
Northam Surgery
Queens Medical Centre
Holsworthy Medical Centre
South Molton Medical Centre
Torrington Health Centre
Wallingbrook Health Centre
Wooda Surgery

Eastern locality

Amicus Health
Axminster Medical Practice
Barnfield Hill Surgery
Blackdown Practice
Bow Medical Practice
Bramblehaies Surgery
Budleigh Salterton Medical Practice
Castle Place Practice
Chagford Health Centre
Cheriton Bishop Surgery
Chiddenbrook Surgery
Claremont Medical Practice
Clock Tower Surgery
Coleridge Medical Centre
College Surgery Partnership
Cranbrook Medical Practice
Foxhayes Practice
Haldon House Surgery
Heavitree Practice
Hill Barton Surgery
Honiton Surgery
Ide Lane Surgery
Imperial Surgery
Isca Medical Practice
Mid Devon Medical Practice
Moretonhampstead Health Centre
Mount Pleasant Health Centre
New Valley Practice
Okehampton Medical Centre
Pinhoe Surgery
Raleigh Surgery
Rolle Medical Partnership
Sampford Peverell Surgery
Seaton and Colyton Medical Practice
Sid Valley Practice
South Lawn Medical Practice
Southernhay House Surgery
St Leonards Practice
St Thomas Medical Group
Topsham Surgery
Townsend House Medical Centre
Westbank Practice
Whipton Surgery
Wonford Green Surgery
Woodbury Surgery
Wyndham House Surgery

The following mergers took place in 2018/19:

- 1 April 18 – Ocean Health Centre and Ernesettle Primary Care Centre merged to form Mayflower Medical Group
- 1 October 18 – Beacon Medical Group merged with Highlands Health Centre
- 1 October 18 – Queens Medical Centre merged with Boutport Medical Centre

Hatherleigh Medical Practice handed back its contract during the year, but provision continued from a different location in Hatherleigh.

Pembroke House Surgery and Parkhill Medical Practice will merge on 1 April 2019.

Pathfields Medical Group, Crownhill Surgery and Armada Surgery in Plymouth will merge on 1 April 2019.

Our governing body

The governing body has 13 voting members, of which nine are men and four are women:

Dr Tim Burke***
Chair

Nick Ball***
Vice chair; Lay member, Governance and probity

Dr Simon Kerr***
Chair, eastern locality

John Dowell
Director of finance

Joint post with SDTCCG

Andrew Millward
Director of communications and HR

Joint post with SDTCCG

Dr Nick Kennedy
Lay Member - Secondary care doctor

Ruth Harrell**
Director of public health, Plymouth City Council

Michelle Law
Lay member, finance

Simon Tapley
Interim accountable officer; director of commissioning*.
Joint posts with SDTCCG

Dr Shelagh McCormick
Chair, western locality

Dr John Womersley***
Chair, northern locality

Lorna Collingwood-Burke***
Chief nursing officer

Joint post with SDTCCG

Sonja Manton**

Director of strategy

Joint post with SDTCCG

Jennie Willmott***
Lay member, patients and public

Tracey Polak
Assistant Director of Public Health, on behalf of Dr Virginia Pearson**, Director of public health, Devon County Council

Chris Hanvey***
Lay member, safeguarding

The above represents the membership of the governing body as at 31 March 2019.

*Simon Tapley: Interim Accountable Officer – 6 April 2018 to 2 September 2018, and 1 December 2018 to present; Director of Commissioning – 1 April 2018 to present. Sophia Christie was the Interim Accountable Officer from 3 September 2018 to 30 November 2018.
**Non-voting member
*** Audit Committee Members

Biographies for our governing body members are available on our website:
https://www.newdevonccg.nhs.uk/governing-body/governing-body-members-100133

The governing body is committed to providing and commissioning high-quality care through value-for-money decisions and plans. It has been instrumental in managing the strategic plans for integrated care and community health services.

The governing body follows the Nolan principles of 'standards of board behaviour' in all that it does, and has a declaration of interests register, which is scrupulously maintained and shared openly. Governing body meetings are held in public and endeavour to manage the majority of its clinical commissioning decision-making in public. From the start, the governing body has put the patient at the centre of its decision making. Its meetings begin with a patient story, usually presented by one of our clinical members, and at the end of most meetings members reflect on the difference their decision making might have made to that patient.

Governing body disclosures

The declaration of interests register includes all interests declared by governing body members, employees and members of committees or subcommittees (including committees and subcommittees of the governing body). It is published on our website:
https://www.newdevonccg.nhs.uk/about-us/governing-body-102039

In accordance with the CCG's constitution and section 140 of The National Health Service Act 2006, the CCG's accountable officer must be informed of any interest which may lead to a conflict with the interests of the CCG and the public in relation to a decision to be made by the CCG, and that needs to be included in the Register within 28 days of the individual becoming aware of the potential for a conflict. If required, the register is updated regularly (at no more than three-monthly intervals).

Interests that must be declared (whether such interests are those of the individual themselves or of a family member, close friend or other acquaintance of the individual) include:

- Roles and responsibilities held within member practices
- Directorships, including non-executive directorships, held in private companies or PLCs
- Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the CCG
- Shareholdings (more than five percent) of companies in the field of health and social care
- A position of authority in an organisation (eg charity or voluntary organisation) in the field of health and social care
- Any connection with a voluntary or other organisation contracting for NHS services
- Research funding/grants that may be received by the individual or any organisation in which they have an interest or role
- Any other role or relationship which the public could perceive would impair or otherwise influence the individual's judgement or actions in their role within the CCG.

Statement of disclosure to auditors

Each individual who is a member of the CCG at the time the Members' Report is approved confirms:

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

Modern Slavery Act

NEW Devon CCG fully supports the Government's objectives to eradicate modern slavery and human trafficking, but does not meet the requirements for producing an annual Slavery and Human Trafficking Statement as set out in the Modern Slavery Act 2015.

Statement of accountable officer's responsibilities

The National Health Service Act 2006 (as amended) states that each Clinical Commissioning Group shall have an Accountable Officer and that Officer shall be appointed by the NHS Commissioning Board (NHS England). NHS England has appointed Simon Tapley to be the Interim Accountable Officer of NHS Northern, Eastern and Western Devon CCG. The responsibilities of an Accountable Officer are set out under the National Health Service Act 2006 (as amended), Managing Public Money and in the Clinical Commissioning Group Accountable Officer Appointment Letter. They include responsibilities for:

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

Under the National Health Service Act 2006 (as amended), NHS England has directed each Clinical Commissioning Group to prepare for each financial year financial statements in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Clinical Commissioning Group and of its net expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements, the Accountable Officer is required to comply with the requirements of the Group Accounting Manual issued by the Department of Health and in particular to:

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Group Accounting Manual issued by the Department of Health and Social Care have been followed, and disclose and explain any material departures in the financial statements; and,
- Prepare the financial statements on a going concern basis.
- To the best of my knowledge and belief, I have properly discharged the responsibilities set out under the National Health Service Act 2006 (as amended), Managing Public Money and in my Clinical Commissioning Group Accountable Officer Appointment Letter.

I also confirm that:

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

Simon Tapley
Interim Accountable Officer
Northern, Eastern and Western Devon Clinical Commissioning Group
12 April 2019

Annual governance statement

Introduction and context

NHS Northern, Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) is a body corporate established by NHS England on 1 April 2013 under the National Health Service Act 2006 (as amended).

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

As at 31 March 2019, the clinical commissioning group is not subject to any directions from NHS England issued under Section 14Z21 of the National Health Service Act 2006. Previous directions expired in June 2018.

Scope of responsibility

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

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

Governance arrangements and effectiveness

The main function of the governing body is to ensure that the group has made appropriate arrangements for ensuring that it exercises its functions effectively, efficiently and economically and complies with such generally accepted principles of good governance as are relevant to it. The CCG's membership body is the Council of Members, comprising 102 member practices, across three localities. A full list of member practices is included in the members report on pages 42-43.

Each member practice has a delegate who represents it through one of our three locality boards – northern, eastern and western – which in turn nominate a locality clinical chair and locality managing director to the governing body. Section 7 of our constitution 'roles and responsibilities' outlines how member practices are appointed, assessed and how their views are represented. There is a scheme of delegation contained in our constitution which outlines decisions that are:

- Reserved to the membership
- Reserved or delegated to governing body
- Delegated to Audit and Assurance Committee
- Delegated to Remuneration Committee
- Delegated to another Committee of the governing body
- Reserved to a named accountable individual.

If members feel they have not been heard sufficiently, they have the right to agenda an item for discussion and, where necessary, decide any business deemed worthy by the council of members. The members may call a special meeting of the CCG Governing Body, at which the members may be present on the basis of a written request from at least a third of the members. The members may instigate a vote of 'no confidence' in the Governing Body, with notification to the NHS Commissioning Board, on the basis of written notice from at least 75% of the members. In discharging functions of the CCG that have been delegated to its Governing Body, committees, sub-committees, joint arrangements and individuals must comply with the CCG's principles of:

- Good governance
- Operate in accordance with the CCG's scheme of reservation and delegation
- Comply with the CCG's standing orders
- Comply with the CCG's arrangements for discharging its statutory duties
- Where appropriate, ensure that members have had the opportunity to contribute to the CCG's decision-making process.

The Governing Body completed a self-assessment of its performance and effectiveness in February 2019. This was supported by an audit of the CCGs governance arrangements and received formal agreement by the Governing Body at its meeting in March 2019.

Lay members (non-executive members) are appointed following open competition and assessed against an agreed person specification. The CCG has four lay members, who oversee areas for Governance and probity, Finance, Safeguarding and Public and Patient involvement. In addition, the CCG has appointed a non-executive director for Secondary Care.

The CCG has established the following committees: Audit and Assurance Committee, Strategic HR and Remuneration committee, Quality Committee, Engagement Committee, Finance Committee, Strategic Leadership Committee and Primary Care Committee and three locality boards.

The CCG has throughout 2018/2019 been working more closely with NHS South Devon & Torbay CCG to develop closer working arrangements, align services and reduce duplication of roles. This has resulted in Governing Body holding meetings in common and its sub-committees holding committees in common, with one Joint Strategic Leadership Committee. The details of the committee structure and terms of reference can be found here.

The membership and attendance record for the Governing Body and its sub committees are detailed in appendix 1. The Governing Body met 12 times during 2018/2019, six of which were held in public and six were development sessions. All of the public meetings were meetings in common.

Audit and Assurance Committee – Statutory Requirement	
Chair	Joint Chair Nick Ball, Non- Executive Director/Lay Member, Vice Chair of Governing Body and Conflict of Interests Guardian
Terms of Reference	Approved: May 2018
Purpose	Supporting the CCG in delivering its responsibilities for the conduct of public business, and the stewardship of funds under its control. In particular, the committee will seek to provide evidence-based assurance to the Governing Body that an appropriate system of internal control is in place to ensure that: • Business is conducted in accordance with the law and proper standards • Public money is safeguarded and properly accounted for • Financial statements are prepared in a timely fashion, and give a true and fair view of the financial position of the CCG for the period in question • Affairs are managed to secure economic, efficient and effective use of resources • Reasonable steps are taken to prevent and detect fraud and other irregularities It is the responsibility of the committee to make recommendations to the Governing Body on determinations about the assurances received surrounding any internal or external audit findings and probity issues on behalf of the CCG. Committee in Common from July 2017.

Strategic HR and Remuneration Committee – Statutory Requirement	
Chair	Joint Chair Nick Ball, Non- Executive Director/Lay Member, Vice Chair of Governing Body and Conflict of Interests Guardian
Terms of Reference	Approved: May 2018
Purpose	The constitution describes the purpose of the Strategic HR and Remuneration Committee as providing assurance and oversight of all aspects of strategic people management and organisational development; approval of the appointment, determinations about remuneration, fees and other allowances for employees and for people who provide services to the CCG and on determinations about allowances under any pension scheme that the CCG may establish as an alternative to the NHS Pension Scheme. The Strategic HR and Remuneration Committee has clear delegations for decision making which are set out in the Scheme of Reservation and Delegation. The committee will make recommendations to the Governing Body on determinations about the remuneration, fees and other allowances for employees, clinicians and for people who provide services to the group. Committee in Common from July 2017.

Finance Committee	
Chair	Michelle Law - Lay Member/Non Executive Member, Finance
Terms of Reference	Approved: January 2018
Purpose	To provide assurance to the Governing Body that the CCG is achieving the commissioning, financial and performance elements of its plan. The Committee will have an oversight of budget and financial plans and have oversight of any financial recovery plan. To provide assurance that the CCG is commissioning services in line with the needs of the local population and the strategic objectives of the CCG and is evidence based and is inclusive of national and local requirements. The Committee will review and approve finance and performance reports prior to submission to the Governing Body. Committee in Common from December 2017.
Quality Committee	
Chair	Joint Chair: Chris Hanvey - Lay member/Non Executive Member for Quality and Safeguarding
Terms of Reference	Approved: May 2018
Purpose	The Quality Committee will oversee performance against constitutional standards and statutory duties as well as legislation for clinical governance and escalate, through the Committee Chair, any issues of concern considered to impact on the commissioning of high quality, safe care. It is the responsibility of the committee to make recommendations to the Governing Body of the CCG on determinations about the assurances received surrounding quality issues for the CCG. Committee in Common from August 2017.
Engagement Committee	
Chair	Joint Chairs: Jenny Willmott (NEW Devon CCG) Patient and Public Involvement and Chris Peach (SDT CCG) Non- Executive Director/Lay Member, Patient and Public Engagement
Terms of Reference	Approved: June 2017
Purpose	The Engagement Committee will oversee the engagement processes of the CCG and provide assurance that engagement is carried out in line with the NHS Constitution, the Health and Social Care Act 2012 and the relevant national policy guidelines. It will promote a whole system culture of continuous engagement improvement, ensuring that engagement sits at the heart of health and social care locally, whether provided by NHS or non-NHS providers. Committee in Common from June 2017.

Primary Care Committee	
Chair	Joint Chairs: Dr Nick Kennedy (NEW Devon CCG), Independent Secondary Care Consultant and Chris Peach (SDT CCG), Non-Executive Director/Lay Member, Patient and Public Engagement
Terms of Reference	Approved: September 2017
Purpose	Section 14Z9 of the NHS Act was amended by Legislative Reform Order (2014/2436) ("LRO") to enable the joint exercise by NHS England and a CCG of any of the CCGs commissioning functions and any other functions of the CCG which are related to the exercise of those functions. Where such arrangements are made, the LRO enabled them to be exercised by a joint committee established between the parties. It is the responsibility of the committee to make recommendations to the Governing Body of each CCG on determinations about the assurances received surrounding Primary Care Commissioning issues for each CCG. It shall support the objectives of NEW Devon CCG's Governing Body as outlined in their Operational Plans and provide assurances to the Governing Body and Audit and Assurance Committee that these are being met and considered. It will promote a whole system culture of continuous Primary Care commissioning improvement, ensuring that primary care sits at the heart of health and social care locally, whether provided by NHS or non-NHS providers Committee in Common from September 2017.
Joint Strategic Leadership Committee	
Chair	Accountable Officer for NEW Devon CCG and South Devon and Torbay CCG
Terms of Reference	Approved: July 2018
Purpose	The Strategic Leadership Committee's core purpose is to support the CCG's Governing Bodies in its decision making to deliver its statutory duties as a commissioner and in doing so ensure that high quality safe care is available to meet the healthcare needs of the population of Devon within the available resources. In order to deliver the core purpose and support the Governing Bodies in setting and delivering the organisations strategic direction and priorities the Committee will co-ordinate the commissioning activity of the CCG ensuring clinical engagement and appropriate oversight of: • Strategy and Strategic change programmes • Operational and strategic delivery of commissioning intentions • Assurance Framework and high-level risk management It will also adhere to any delegations from the Governing Body. Committee in Common from December 2017 (previously meeting in shadow form since August 2017).

UK Corporate Governance Code

NHS Bodies are not required to comply with the UK Code of Corporate Governance. We report our corporate governance arrangements by drawing on best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the CCG and best practice. This governance statement is therefore intended to demonstrate the CCG's compliance with the principles set out in the Code.

Discharge of Statutory Functions

In light of the recommendations of the 2013 Harris Review, the CCG has reviewed all of the statutory duties and powers conferred on it by the National Health Service Act 2006 (as amended) and other associated legislature and regulations. As a result, I can confirm that the CCG is clear about the legislative requirements associated with each of the statutory functions for which it is responsible, including any restrictions on delegation of those functions.
Responsibility for each duty and power has been clearly allocated to a lead director. Directorates have confirmed that their structures provide the necessary capability and capacity to undertake all of the CCG's statutory duties.

The financial risks in relation to financial sustainability are clearly visible on the assurance framework and corporate risk register and controls and assurances are reviewed and updated at each monthly Finance Committee and an update reported through to the Governing Body no less than four times a year.

Risk management arrangements and effectiveness

The CCG is committed to a strategy that minimises risks to the organisation, staff and patients and stakeholders through a comprehensive system of internal controls, while providing maximum potential for flexibility, innovation and best practice in delivery of its strategic objectives.
The CCG works to all applicable legislation and NHS guidance, and where risk forms a part of the CCG's work, this is assessed and recorded on the risk register.

The CCG has a comprehensive approach to risk management which has been assessed by internal audit as satisfactory. The CCG maintains a single risk register for all identified risks which are linked to the relevant element of the CCG's Corporate Objectives. A 5 x 5 risk scoring matrix is consistently applied to all risks, and the impact and likelihood of all risks are regularly assessed. This ensures that risks across different functions (e.g. finance, patient safety, data security) are objectively rated and compared on a single register.

All risks recorded on the register are assigned to one of the CCG's directors, who are supported by a directorate risk coordinator. A quality assurance checklist is used to ensure that all identified risks are consistently scored in terms of likelihood and impact, and that the controls, assurances and action plans are recorded. A separate checklist is used to assess the degree of assurance for each risk, with strong assurance arising where risks are discussed at committees and external assurance is available. All risks are reviewed at least quarterly, and the length of time a risk has remained at its current risk score is reported. The CCG's risk register is reviewed by each of the CCG's committees, either in full or as relevant to the remit of that committee.

The Governing Body has discussed and agreed the CCG's risk appetite. The CCG will ensure high quality, with very limited tolerance of risk regarding patient and public safety. The CCG is eager to be innovative and to choose options offering potentially higher business rewards regarding finance, capacity and capability risks. The CCG is willing to consider all potential delivery options regarding patient and public safety risks.

The CCG's risk appetite can be summarised as follows:

- The Governing Bodies of NHS Northern, Eastern and Western Devon CCG and NHS South Devon and Torbay CCG recognise that risk is a natural part of health and social care provision. The CCGs will manage and mitigate risk whenever possible, to optimise patient safety. Whenever possible, we will look to take calculated risks where the potential results outweigh the costs.

Risk management is thoroughly embedded in the activity of the CCG, with members of staff engaged as risk coordinators or risk owners.

Risk is an agenda item on all Governing Body reporting committees, any new risk identified through these committees are recorded and appropriate action taken.

Equality impact assessments are integrated into the CCG's core business and form a part of all policies and reports presented to CGG committees and the Governing Body for approval.

The CCG has an incident-reporting module on its intranet site, where all staff are encouraged to record any incidents arising within the CCG or that relate to the CCG's commissioning work.

Audit South West provides an independent counter-fraud service to the CCG. No significant matters of concern have been identified and no investigations have been undertaken.
Most CCG committees and sub-committees have a patient representative member (e.g. Healthwatch attends the Primary Care Joint Commissioning Committee, Engagement Committee and Quality committee meetings) who is able to challenge a risk if the CCG has not fully considered the potential impact on them. Where the CCG has recorded a risk that is rooted in the operation of another health organisation, that organisation is involved in managing that risk and in producing assurance reports for the CCG.

Capacity to Handle Risk

Most CCG staff are involved in risk management – directors as executive lead with accountability, senior managers as risk-owner with responsibility for ensuring that risks are managed, and administrative staff as risk-coordinator with responsibility for recording and updating controls, assurances and action plans.

Guidance on risk management is contained in the CCG's risk management framework policy. The CCG has a risk and governance officer to support the Senior Information Risk Owner and to provide training and guidance to the risk coordinators.

Risk Assessment

Risks may be identified at all levels across the CCG, with each being assigned a risk-owner to oversee day-to-day activities, and a director to oversee effective management of the risk. Risks are aligned with the CCG's objectives, with an expectation that all parts of the Plan will have some element of risk associated with them. Risks are graded according to a standard scoring matrix, taking account of the CCG's risk appetite. Risks are presented to the relevant committee, with the higher-scoring risks presented on the Assurance Framework, which is discussed by the Audit and Assurance Committee and Governing Body and included in reports presented to other GB reporting committees. All relevant risks and their controls are considered during internal audits.

The CCG identified 11 new risks and closed a total of 30 risks during the 2018/19 year, to give a total of 32 open risks remaining as at 31 March 2019. All these risks are reported regularly to the Strategic Leadership Committee, Audit and Assurance Committee and through the committee summary to the Governing Body.

Each risk is assigned to a specific CCG committee and these committees discuss those risks at each meeting. The CCG's Governing Body papers can be found on the CCG's website. The risks opened during the 2018/19 year are described in Appendix 2.
High level risks contained within the assurance framework at 31 March 2019 which will be carried forward onto the risk register of the newly established NHS Devon CCG:

Risk Score	Assurance Score	Risk description
Very High	Strong	There is a risk that the population of Devon will not receive timely access to 999 emergency ambulance care when needed. The impact of this is upon public and professional confidence in the system; patient experience and safety and CCG reputation.
Very High	Strong	If as a result of waiting longer for outpatient appointments and/or if any subsequent delays to diagnostic tests or first definitive treatment which may be clinically inappropriate, there is a risk of harm to patients
Very High	Moderate	There is a risk that due to current and forecast significant challenges, the sustainability of general practice (including workforce, demand and capacity) could be adversely affected.
Very High	Moderate	There is a risk that the number of DPTs overdue RCA Serious Incident (SI) reports might affect the embedding of learning and improvement.
Very High	Moderate	No Third Party Delegation Process in use within some localities. There is a risk that NHS providers who do not utilise and support a third party delegation framework or process for level 3 patient/client interventions are unable to support patient choice or the personalisation/Integrated Personalised Commissioning (IPC) agenda. This leads to Registered Nurse packages of care being required to enable the patient/client to remain at home.

Other sources of assurance

Internal Control Framework

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

The CCG allocates all risks to a named Director, a risk owner (who is a senior manager) and they are supported by a directorate risk coordinator. In addition, a member of the corporate services team holds a CCG wide overview and co-ordinates compliance with the Risk Management Framework Policy. All risks are reviewed at least quarterly, with high risks being reviewed not less than monthly. The CCG's risk register is reviewed by each of the CCG's Governing Body committees, either in full or as relevant to the remit of that committee. An annual audit of the risk management process is completed by the CCG's internal auditor, who found the CCG's Risk Management arrangements and controls are robustly designed and, in the main, are operating as intended.

The system of internal control allows risk to be managed to a reasonable level rather than eliminating all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The control environment is monitored by the governance team to ensure regular reviews of risk are carried out and reporting any breaches should they occur. The risk reports for Governing Body, Audit and Assurance Committee, Quality Committee, Finance Committee, Joint Strategic Leadership Committee and Primary Care Committee are produced by the governance team. During 2018/19 no breaches have been identified.

Annual audit of conflicts of interest management

The revised statutory guidance on managing conflicts of interest for CCGs (published June 2017) requires CCGs to undertake an annual internal audit of conflicts of interest management. To support CCGs to undertake this task, NHS England has published a template audit framework.

An annual internal audit of conflicts of interest has been completed. The overall objective of the audit was to evaluate the design and operation of the CCG's arrangements and controls for managing conflicts of interest and gifts and hospitality and ensuring compliance with NHS England's statutory Guidance on Managing Conflicts of Interest for CCGs.

The following specific objectives were covered by this audit:

1. The CCG has clear governance arrangements in place to manage conflicts of interest.
2. Conflicts of interest/Gift & Hospitality registers are appropriately maintained.
3. Clear decisions are made and appropriately documented where senior staff and GB / committee members declare any conflicts.
4. Clear provisions have been put in place to manage conflicts and gifts and hospitality received by CCG staff.
5. Robust procedures are in place to manage breaches of the conflict of interest policy.
6. The CCG's gifts and hospitality register reconciles to the Association of the British Pharmaceutical Industries (ABPI) datasets.

Based on the findings of this audit the arrangements and controls established by the CCG to manage conflicts of interest, and gifts and hospitality, are appropriately designed and are operating effectively. The CCG's arrangements comply with NHS England's updated statutory guidance for managing conflicts of interest and were given an assurance level of satisfactory.

Data Quality

The governing body in addition to its committees and sub-committees (working groups), receives information provided by the CCG business intelligence team that is sourced from national mandatory returns and NHS digital information. This data is subject to data quality checks from providers prior to submission, from NHS Digital as part of the national collation process and from the CCG as part of its data management processes. Information is also sourced directly from local providers and this is validated by the CCG business intelligence team on receipt, as well as against, national information/guidance when that becomes available.

Information Governance

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

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

During 2018, Northern, Eastern and Western Devon CCG and South Devon & Torbay CCG continued to work as one team covering wider Devon.

In 2018, NHS Digital's IG Toolkit was renamed the Data Security and Protection Toolkit. The level two (66%) compliance target was replaced with a set of mandatory assertions against the ten National Data Guardian Data Security Standards (NDG DSS). Since this was a new toolkit, the CCGs undertook an internal audit in Q4 FY2018/19 covering all NDG DSS and is to ensure readiness in time for the final submission in March 2019. This submission will be published by the Data Protection Officer for both CCGs with approval in writing to do so received from the joint Senior Information Risk Owner (SIRO) and joint Caldicott Guardian respectively.

The CCG records all risks relating to data security on a risk register and has taken steps to ensure that all data is held securely, as mandated by the Data Protection Act and NHS requirements.

As a result of continued improvements for safer working, the CCG has further embedded staff training, within and outside of the organisation, and offers advice to its member practices via their Data Protection Officer. The CCG has reviewed its processes in relation to fair processing, subject access requests, incident reporting and investigation and updated its Privacy Notice to comply with the new Regulation. During 2018, both CCGs continued to use the NHS Digital IG training modules via the Electronic Staff Record portal and this forms part of the mandatory training for all staff. The CCG also reviews the incident reporting process to ensure that it is in line with guidance issued by the NHS Digital, The IG Alliance and Information Commissioner's Office. These ongoing reviews and staff engagement ensure there is robust awareness surrounding information risk culture throughout the organisation.

The Health and Social Care Act 2012 provides NHS Digital with powers to collect personal confidential information. However, the Act does not provide for onward disclosure of identifiable data from NHS Digital. Nationally, a solution was agreed – through a network of Data Services for Commissioners Regional Offices (DSCRO) and supported locally by in house Safe Havens and Controlled Environment for Finance (CEfF) – where only named staff can access identifiable data in line with S251. During October 2015, the Health and Social Care (Safety and Quality) Act 2015: Duty to Share Information introduced a new legal duty in which health and adult social care bodies share information where this will facilitate the care of an individual. The CCG has been working with all appropriate bodies to ensure that this is in place and that:

- Processing of personal data will only take place where there is a legal basis for the use of such data
- Personal data will only be used if necessary
- When necessary to process personal data, the minimum amount of personal data will be used
- Access to personal data will only be provided on a strict need to know basis.

Data security and adherence to national NHS England guidance is further supported by the fact that the organisation has achieved Accredited Safe Haven status S251 and is on the national register of Accredited Safe Havens. The organisation is also compliant as a Controlled Environment for Finance (CEfF) and has policies and processes in place to support this.

The CCG routinely reports any untoward incidents involving personal data to its Information Governance Steering Group and reports are produced for the Audit and Assurance Committee. No level 2 incidents were reported to the Information Commissioner Office during the year.

The General Data Protection Regulation came into force on 25 May 2018. The new regulation is an extension of the current regulations and therefore the CCGs are in an advantageous position as it already maintains processes and policies with regards to data protection. These were reviewed and updated for compliance. A Data Protection Officer has been identified and appointed and will be the first point of contact with the ICO and similar authorities going forward.

The two CCGs will formally merge from 01 Apr 2019 and work plans have been created identifying tasks that need to be completed in advance. This included registration with the ICO and the creation of a new DSP Toolkit for 2019/20. Other areas concentrated on the policies and records management with the records of SD&T CCG transferring from Iron Mountain to Crown Records and under one contract. Regular updates and reviews take place with the Project Manager to ensure timelines are met.

Business Critical Models

An appropriate framework and environment are in place to provide quality assurance of business-critical models – including service planning and provision, budget-setting and allocations – in line with the recommendations in the Macpherson report. This framework is informed by the role of the Audit and Assurance Committee and the internal audit programme to review systems of internal control to identify areas for improvement.

Third party assurances

As part of its annual plan, the Audit and Assurance Committee has a rolling programme to gain assurance in respect of the third party providers to which CCG functions are outsourced. During 2018/19 it reviewed the effectiveness of the controls in relation to our only outsourced functions which are Shared Business Services (SBS), Payroll Services and Electronic Staff Records (ESR), this is summarised under the head of internal audit opinion section of this governance report on receipt of annual assurance letters.

Control issues

In 2018/19 NHS England introduced the Commissioner Sustainability Fund (CSF) to incentivise the CCGs financial performance. To be eligible for access to the CSF the CCG must formally meet all of the following conditions:

- Demonstrate commitment to delivery of financial control total
- Agreement of a milestone-based recovery plan of cumulative debt
- Delivery of the financial plan for the year by meeting the year to date financial control total for each quarter across 2018/19 and provide a credible and well-evidenced forecast in line with the plan at the end of quarters 1 to 4.

The financial risks in relation to financial sustainability are clearly visible on the assurance framework and corporate risk register and controls and assurances are reviewed and updated at each monthly finance committee and an update reported through to the governing body no less than four times a year. Action plans are in place to remedy areas of weakness in each of the domains and regular updates are reported through to NHS England upon request.

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

The Governing Body ensures that the CCG operates within the corporate governance framework (i.e. its standing orders, scheme of delegations and standing financial instructions) and has established an Audit and Assurance Committee to assist the Governing Body in delivering its responsibilities for the conduct of public business, and the stewardship of funds under its control, and a Commissioning and Finance Committee to provide a performance framework that proactively manages the CCG's financial, performance and quality, innovation, productivity and prevention (QIPP) agendas.

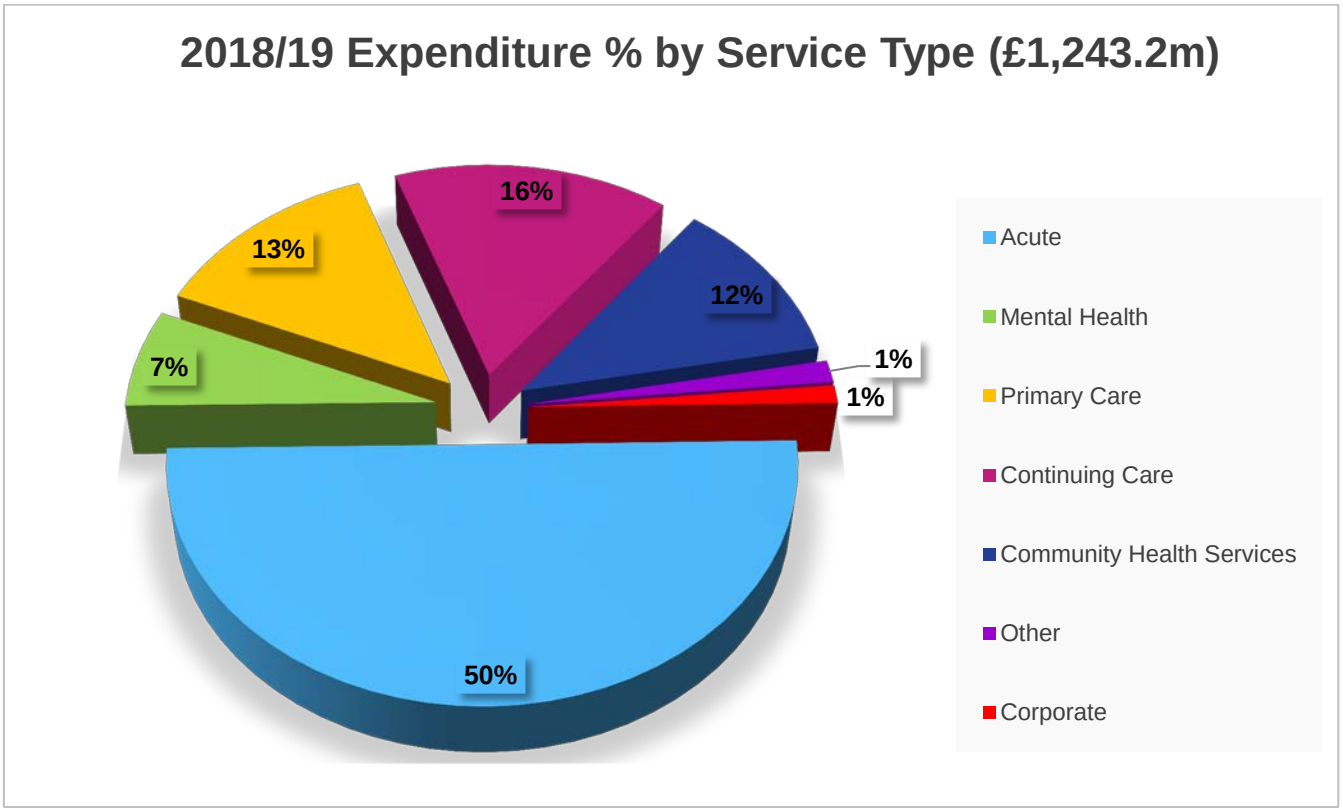
The Audit and Assurance Committee provides assurance to the Governing Body that an appropriate system of internal control is in place to ensure that:

- Business is conducted in accordance with the law and proper standards
- Public money is safeguarded and properly accounted for
- Affairs are managed to secure economic, efficient and effective use of resources
- Reasonable steps are taken to prevent and detect fraud and other irregularities

2018/19 Use of CCG Resources

The CCG is responsible to its members and the public in relation to how it allocates and spends taxpayers' money in each financial year.

In 2018/19 the CCG budget spend was allocated in the following proportions, which largely reflects historical levels of expenditure, trend in current demand and agreed system savings plans. The following pie chart shows the annual expenditure by service type which includes contract and non-contractual expenditure with NHS providers, independent providers, local authorities and the voluntary sector, and shows the running costs for the CCG:



Financial performance

The CCG reported a breakeven position in 2018/19 (£49.9 million overspend in 2017/18) against its revenue resource limit as set out below:

Financial Summary	2018/19 £ million	2017/18 £ million
Revenue resource limit	1,243.2	1,189.4
Total net operating cost for the financial year	1,243.2	1,239.4
(Overspend) / Underspend	-	(49.9)
Brought forward deficit	(170.5)	(120.6)

The CCG had purchased capital items totalling £73 million in 2018/19 (£285 million in 2017/18), in line with its capital resource limit.

The CCG was required to manage its arrangements with regard to the following:

- Running costs contained within the agreed allocation – for the CCG this was achieved with reported expenditure of £15.5 million against £19.5 million allocated
- Cash against a forecast within the maximum cash drawdown as agreed with NHS England
- Comply with the Prompt Payment Code

Delivery of the NEW Devon CCG and South Devon and Torbay CCG control totals in 2018-19 resulted in eligibility for the Commissioner Sustainability Fund (CSF) for both CCGs of £20m and £5m respectively thus bringing the overall CCG financial position to breakeven in 2018/19.

Name of external auditor, plus costs

The CCG uses the services of Grant Thornton UK LLP as its external auditor, with the statutory audit fees for the financial year of £69,000 (£69,000 in 2017/18).

Prompt Payment Code

The CCG has signed up to the Government-led initiative called The Prompt Payment Code, through which approved signatories undertake to:

- Pay suppliers on time
- Give clear guidance to suppliers
- Encourage good practice

The CCG has signed up to the initiative to help increase supplier confidence that invoices will be paid within clearly defined terms and demonstrate the commitment to support local and small businesses as a result. More information on the Prompt Payment Code can be viewed on the following website: www.promptpaymentcode.org.uk.

Basis of accounting

The financial statements contained within this report have been prepared in accordance with the direction given by NHS England under the National Health Service Act 2006 (as amended) and in a format instructed by the Department of Health with the approval of HM Treasury.

The accounts present our results for, and financial position to, the year ended 31 March 2019 (with comparators for 2017/18). They have been prepared under International Financial Reporting Standards (IFRS) using the accounting policies shown on the pages 87 to 118 of the accounts, in accordance with the 2018/19 Government Financial Reporting Manual (FReM). They comprise a Statement of Financial Position, Statement of Comprehensive Net Expenditure, a Statement of Cash Flows and a Statement of Changes in Taxpayers' Equity, all with related notes.

Losses and 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, and special notation in the accounts to draw them to the attention of Parliament. They are divided into different categories including cash losses, bad debts, extra-contractual payments and compensation.

During 2018/19 the total number of NHS CCG losses and special payments cases, and their total value, was as follows (there were no payments in 2017/18):

LOSSES	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	2018-19	2018-19	2017-18	2017-18
	Number	£'000	Number	£'000
Administrative write-offs	6	280	0	0
Fruitless payments	-	-	-	-
Store losses	-	-	-	-
Book Keeping Losses	-	-	-	-
Constructive loss	-	-	-	-
Cash losses	-	-	-	-
Claims abandoned	-	-	-	-
Total	**6**	**280**	**0**	**0**

SPECIAL PAYMENTS	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	2018-19	2018-19	2017-18	2017-18
	Number	£'000	Number	£'000
Compensation payments	-	-	-	-
Compensation payments Treasury Approved	-	-	-	-
Extra Contractual Payments	-	-	-	-
Extra Contractual Payments Treasury Approved	-	-	-	-
Ex Gratia Payments	1	1	-	0
Ex Gratia Payments Treasury Approved	-	-	-	-
Extra Statutory Extra Regulatory Payments	-	-	-	-
Extra Statutory Extra Regulatory Payments Treasury Approved	-	-	-	-
Special Severance Payments Treasury Approved	-	-	-	-
Total	**1**	**1**	**-**	**0**

2019/20 Financial Outlook

In April 2019 NEW Devon CCG merged with South Devon and Torbay CCG to form Devon Clinical Commissioning Group. This new organisation is the fifth largest in the country with a resource limit of circa £1.89bn.

The merging CCGs considered and agreed its Annual Operational Plan and detailed operational budgets for 2019/20 in April 2019. The original agreed Financial Recovery Plan Trajectory set out an intention for South Devon and Torbay CCG to return to break-even in 2019-20 but with NEW Devon CCG improving to a deficit position of £14.4m.

The CCG carries forward an underlying deficit in plan of circa £24m, prior to the application of any assumptions in relation to 2019-20 planning and the application of additional growth funding.

The allocation announcements set the growth funding available for the medium-term financial planning horizon, with NEW Devon CCG receiving an uplift at 5.41% and South Devon & Torbay CCG at 5.48% for 2019/20, which combined equates to circa £87m of general growth. For Running costs, the allocation was at broadly the same level as that received in 2018-19 with an inbuilt efficiency requirement.

The efficiency requirement this creates is a challenging £32m which when you set aside the landscape for providers and the investments required for mental health and other items, is in excess of 4% for other areas of planned expenditure.

The CCG plan achieves the Mental Health Investment Standard, sets aside the £1.50 per head for Primary Care and makes some progress to increasing investment in other areas. It makes small provision such that we make progress with both national and local investment priorities as detailed below:

- Increased investment in mental health services, including talking therapies and community mental health teams, ensuring improved performance in constitutional standards targets;
- Implementation of a first response service for people in mental health crisis, reducing the need to send people out of area when no bed is available locally;
- Improved services for people with Autism;
- Increased investment in ambulance services to improve response times, as agreed with partners across the South West;
- A small but significant step in increasing investment in primary prevention services;
- Investment in Proactive Health Coaching in South Devon, to take demand away from the front door and improve ED performance;

Managing our financial risks

The financial position of the CCG needs to be assured through the continued development of safe and deliverable savings programmes across the health community.

The 2019/20 CCG plan carries a level of risk, some of which has been contained with Sustainability and Transformation Partnership (STP) partners, through the approach to financial principles and collaborative working but importantly the translation of the financial framework set as part of national planning assumptions.

The CCG will need to manage the residual risk in its plan and delivery against a challenging efficiency plan of £32m. The efficiency plan is a necessary measure to ensure the financial sustainability of services for patients in Devon and to ensure that resources are spent in areas of greatest need.

To ensure the delivery of the identified savings programmes, the collaborative working across the health economy has assured a sound governance structure so that delivery is driven through the system to achieve cost reduction. The Devon footprint has also been able to minimise risk between organisations through contractualising, in a way that encourages changes in behaviour rather than cost shifting within systems.

As per the national guidance no additional risk reserve through headroom is planned for. The CCG must also play an active role in the mitigation of risk to the overall system position, supporting providers in the delivery of their challenging cost reduction plans through delivering a level of demand management which will support a step change and support a transformational approach to the capacity within the provision sector.

Delegation of functions

During establishment, the arrangements put in place by the CCG and explained within the Corporate Governance Framework were developed with extensive expert external legal input, to ensure compliance with the all relevant legislation. That legal advice also informed the matters reserved for Membership Body and Governing Body decision and the scheme of delegation.

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

The CCG's governing body may also have functions delegated to it by the membership of the CCG. These will be set out in the articles of the constitution or set out in the scheme of reservation and delegation and the standing orders of the CCG to which we adhere.

The governing body undertakes some of its work through its committees. Each committee has terms of reference, which have been formally approved by the governing body. Committee chairs present summaries of the key business conducted at their meetings at subsequent meetings of the governing body held in public.

Value for money is assured through procurements which follow national and NHS guidelines. The appropriate legal and professional procurement advice is sought at all times which keeps the appropriate focus on value for money.

Led by the Audit and Assurance Committee, a risk-based audit plan is developed and detailed scrutiny and checking of systems and procedures are undertaken by internal audit and counter fraud services. At a more strategic level external audit also check and provide assurance on a number of key areas as well as the annual accounts.

The governing body receive reports from the finance team at each meeting and have devolved detailed scrutiny of all finance issues through the commissioning and finance committee.

Compliance with NHS England Core Standards for Emergency Preparedness, Resilience and Response

NHS Northern, Eastern and Western Devon CCG reported their compliance against the NHS England Core Standards for EPRR to the governing body on 29 November 2018. The outcome for NEW Devon CCG is that the CCG is rated as Substantially Compliant against the 43 core standards that are applicable to the organisation. Papers can be found here for full details: https://www.newdevonccg.nhs.uk/governing-body-meetings/public-papers-and-archive-103373

Counter fraud arrangements

Audit South West provides an independent counter-fraud service to the CCG. No significant matters of concern have been identified and no investigations have been undertaken.

The Audit and Assurance Committee provides assurance to the Governing Body that an appropriate system of internal control is in place to ensure reasonable steps are taken to prevent and detect fraud and other irregularities.

Head of internal audit opinion

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

2018/19 Head of Internal Audit Opinion

Roles and responsibilities of the Organisation

The whole Governing Body is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The Annual Governance Statement is an annual statement by the Accountable Officer, on behalf of the Governing Body, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regards to maintaining a sound system of internal control that achieves policies and aims and objectives;
- the governance framework of the organisation including the committee structure, the structure and use of the Assurance Framework, as assessment of the Governing Body's effectiveness and its compliance with the Corporate Governance Code;
- how risk is assessed and managed including a description of the risk management and review processes;
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control deficiencies together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's Assurance Framework should bring together all of the evidence required to support the Annual Governance Statement requirements.

Roles and responsibilities of Internal Audit

In conformance with the Internal Audit Charter, Public Sector Internal Audit Standards and the Core Principles for the Professional Practice of Internal Auditing, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control).

The Purpose of the Head of Internal Audit Opinion

The purpose of my annual opinion is to contribute to the assurances available to the Accountable Officer and the Governing Body which underpin the organisation's own assessment of the effectiveness of the organisation's system of internal control. This opinion will in turn assist the Governing Body in the completion of its Annual Governance Statement. The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the organisation.

The opinion is substantially derived from our risk-based plan generated from an organisation-led Assurance Framework that takes into consideration the strategies, objectives and risks of the organisation, the expectations of senior management, the Governing Body and other stakeholders, that has been agreed by management and approved by the Audit Committee in Common. The opinion also provides an appropriate context and oversight of the organisation. This approach provides a reasonable level of assurance, subject to the inherent limitations described in the Opinion.

As such, it is one component that the Governing Body takes into account in making its Annual Governance Statement.

This opinion is provided by Internal Audit, externally assessed as compliant with Public Sector Internal Audit Standards.

The Head of Internal Audit Opinion for Northern, Eastern and Western Devon Clinical Commissioning Group set out below is based upon the assessment of our work carried out for 2018/19.

Context of Opinion

Northern, Eastern and Western Clinical Commissioning Group (NEW Devon CCG) and South Devon and Torbay Clinical Commissioning Group continued to align committee and management structures in 2018/19 to work more closely, reduce duplication for both CCGs, and to support consistent decision-making. In support of the continued alignment of the CCGs joint audits were undertaken.

The CCGs received final approval from NHS England in March 2019 to merge and form Devon CCG from the 1st April 2019. A Governing Body Transition Sub-Committee was established to oversee the merger programme with regular updates provided to the Audit Committee in Common.

CCG Financial Targets and Position in the Context of the System Wide Plan

The CCG's Financial Plan for 2018/19 was produced in conjunction with its main providers within the wider System Transformation Plan (STP) footprint encompassing South Devon and Torbay CCG. The CCG's and System financial targets for 2018/19 are summarised in the table below.

CCG Planned Target	CCG Target (after CSF)	CCG Savings Target	System Planned Target	System Savings Target
£20m deficit	£0	£70.8m	£61m deficit	£151m

Month 12 CCG Position Reported to the Finance and Performance Committee in May 2019

The Commissioner Sustainability Fund (CSF) was introduced by NHS England to incentivise CCGs financial performance. To be eligible for access to the CSF CCGs were required to formally meet all of the following conditions:

- Demonstrate commitment to delivery of financial control total.
- Agreement of a milestone-based recovery plan of cumulative debt.
- Delivery of the financial plan for the year by meeting the year to date financial control total for each quarter across 2018/19 and provide a credible and well-evidenced forecast in line with the plan at the end of quarters 1, 2 and 3.

The CCG met the conditions linked to receive the full £20m CSF in 2018/19 therefore the CCG's revised position to the 31 March 2019 is balanced.

The CCG's forecast outturn position includes an overspend on acute activity within non-NHS/NHS providers, a cost pressure of £1.3m on the DPT contract, relating to out of area beds, and an overspend of £1.4m on prescribing. These variances were offset by underspends in complex care, primary care and use of the contingency fund resulting in a balanced position, after receipt of the CSF.

The CCG achieved 96% delivery of the £70.8m savings plan target (a shortfall of £2.6m).

Overall Opinion

The basis for forming my opinion, taking into consideration the context and oversight of the organisation set out above is as follows:

1. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes;
2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within the internal audit risk-based plan that have been reported throughout the year. This assessment has taken account of the relative scope and materiality of these areas and management's progress in respect of addressing control weaknesses; and
3. Any reliance that is being placed upon third party assurances.

My overall opinion is that:

Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. Some weaknesses in the design and/or inconsistent application of controls put the achievement of particular objectives at risk. Weaknesses in the design and/or inconsistent application of controls, which put the achievement of particular objectives at risk, are appropriately managed.

The assurances provided from the work undertaken, which together support this opinion, are set out below:

Corporate Governance – Risk Management and Assurance Framework

The table below details the audit and assurance work completed on the CCG's Corporate Governance arrangements

Audit	Assurance Rating
Corporate Governance	Satisfactory
Managing Conflicts of Interest	Satisfactory

Corporate Governance: Risk Management and Assurance Framework – March 2019

Based on the findings of our work, we concluded that, in general, the CCG's risk management arrangements and controls are appropriately designed and operated as intended throughout 2018/19.

A number of areas were identified where arrangements and controls should be strengthened further. These included the need to strengthen strategic risk assessment and reporting processes, and the need for assurance that STP risk management arrangements are robust, and link clearly to the risk management processes of the sovereign organisations within the Devon STP.

Risk Management Framework Policy

A robust Integrated Risk Management Framework Policy is in place. The draft Policy was developed in the year with input from the Executive and the Audit Committee in Common and received the final approval of the Governing Body in Common in September 2018. The Policy now incorporates the joint Risk Appetite Statement and Risk Scoring Matrix.

Risk Register

The live risk management database was launched in July 2018. In general, a robust risk register is in place with combined reporting of risks supporting the joint working of the CCGs.

We found that some information recorded in the risk register requires further strengthening, including more robust description of controls and assurances.

Assurance Framework

The Assurance Framework was a cut of the Corporate Risk Register and details all risks with a score above 15 (defined as 'very high risk' in the Assurance Framework reports to the Audit Committee in Common and Governing Body in Common). The Assurance Framework does not link risks to corporate objectives and the majority of risks recorded at the time of the audit were not strategic in nature.

We recommended that a top down assessment of risk against each corporate objective is undertaken and that the Assurance Framework clearly links strategic level risks to corporate objectives.

Since the audit was completed, risk management controls have been strengthened further with risk management review processes now more clearly defined in the Risk Management Framework Policy and a new Assurance Framework template is being introduced that will enable clear linkage of strategic level risks to corporate objectives.

Managing Conflicts of Interest – February 2019

The objective of this audit was to provide assurance that the CCG has robust arrangements in place for managing Conflicts of Interest and recording and monitoring the receipt of Gifts and Hospitality.

We concluded that the arrangements and controls established by the CCG are appropriately designed and that a robust Standards of Business Conduct Policy is in place.

In order to strengthen control further we recommended that the CCG updates its public website with the latest Gifts and Hospitality registers, and amends the Procurement register to detail who was involved in making procurement decisions. We also recommended that the CCG retains Declarations of Interest forms from providers, and records any conflicts of interest during contracting meetings.

All recommendations arising from this audit were addressed immediately.

Financial Controls Assurance

The table below details the audit and assurance work completed on the CCG's Financial Management Systems

Audit	Assurance Rating
Financial Systems Controls	Significant
Financial Management: Integration - Plymouth	Satisfactory
Financial Management: Better Care Funds	Satisfactory
Financial Management: Delivery of Financial Plans	Satisfactory

Financial Systems Controls – January 2019

This audit evaluated the robustness of the CCG's key financial controls in respect of:

- Scheme of Delegation
- Financial Policies and Procedures
- Financial ledger
- Journals
- Key control account reconciliations
- Creditors
- Debtors
- Cash and bank

We concluded that the CCG continues to maintain robust financial controls in respect of the above areas. Processes and procedures are adequately designed and operated effectively throughout the year.

Financial Management: Integration – December 2018

The objective of this high level review was to assess the current s75 Agreement and the supporting Financial Framework to ensure that the documents are up to date and complete, and they had been approved and signed as required. We also considered the appropriateness of the joint governance arrangements with Plymouth City Council surrounding the agreement and framework.

We reported that the governance arrangements in place surrounding the s75 Agreement and the Financial Framework were clearly defined in the corresponding documents and were appropriately structured.

We recommended that the Financial Framework be reviewed and appropriately updated to ensure that it incorporates current information and reflects current working practices and information. We also recommended that a fully signed copy of the s75 Agreement and the Framework be held by both parties.

Assurance has been provided that our recommendations have since been addressed.

Financial Management: Better Care Funds – April 2019

The objective of the audit was to provide assurance regarding the management and monitoring of the Devon, Plymouth and Torbay Better Care Funds (BCFs), incorporating the Improved Better Care Fund (IBCF) as applicable, and to assess the effectiveness of the governance arrangements surrounding each fund.

We concluded that there are appropriate and defined governance arrangements in place for the three individual BCFs, with each fund having a main, 'cross-organisation' group overseeing the management of the fund. We identified a number of areas where there is a suitable level of control in place. In order to further demonstrate robust governance arrangements and management of the BCFs, given the level of expenditure involved, we recommended that controls should be strengthened including:

- The level of assurance required by the CCG at a corporate level, in respect of expenditure and progress against expected outcomes from the investments being made for each fund, should be clarified, defined and then provided.

Financial Management: Delivery of Financial Plans – May 2019

The objective of this review was to evaluate the robustness of the CCG's arrangements for delivery of the 2018/19 financial plan and savings plans.

We found that a clear financial management governance structure continued to be in place throughout 2018/19, enabling clear oversight and management of the CCG's financial plan and savings plans.

Overall we concluded that in general the CCG's arrangements and controls in respect of Financial Management: Delivery of Financial Plans are appropriately designed and operated as intended throughout 2018/19.

Whilst the CCG delivered its control total as planned in 2018/19 and, overall, adequate financial governance and management controls were maintained throughout the year, our work highlighted a number of areas where control should be strengthened going forward. These included:

- Clearer reporting of how financial risks and cost pressures are managed.
- The establishment of more formal project management controls to deliver programmes and savings plans efficiently.
- Strengthening the role of the PMO function.

Third Party Assurances

The following third party assurances have been provided at the date of this Opinion.

ISAE3402 Third Party Assurance report in respect of Finance & Accounting Services in respect of Shared Business Services (SBS)

The CCG purchases certain Finance and Accounting Services from Shared Business Services Ltd. An established routine is in place whereby third party assurance is provided within an Independent Service Auditor's ISAE 3402 third party assurance report, which informs the CCG's Annual Governance Statement.

The 2018/19 Independent Service Auditor's report provided by PWC, dated 16 April 2019, places certain caveats on the intended users and purpose of their report. Subject to this, the assurance report provides reasonable assurance in respect of the services provided by NHS Shared Business Services.

The key messages in the overall audit opinion Section II of the Report of the Independent Service Auditor are as follows:

- The accompanying description in the report fairly presents the Finance and Accounting services as designed and implemented throughout the period 1 April 2018 to 31 March 2019.

- The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period 1 April 2018 to 31 March 2019 and customers applied complementary user entity controls.
- The controls tested operated effectively throughout the period 1 April 2018 to 31 March 2019.

The detailed testing reported in Section IV of the report noted no exceptions.

ISAE3402 Third Party Assurance report in respect of South, Central and West Commissioning Support Unit (SCWCSU) - Non-Clinical Procurement Process and other Business Processes

SCWCSU provides Non-clinical procurement processes to the CCG. Assurance is provided within an Independent Service Auditor's ISAE 3402 third party assurance report which informs the CCG's Annual Governance Statement.

The 2018/19 Independent Service Auditor's report provided by Deloitte, dated 29 April 2019, places certain caveats on the intended users and purpose of their report.
Deloitte's overall opinion is qualified in respect of certain respects. Except for these, the assurance report provides reasonable assurance in respect of the services provided by SCWCSU.

The key messages in the overall audit opinion Section I of the Report of the Independent Service Auditor are as follows:

- The accompanying description in the report **fairly presents** the SWCSU's activities as designed and implemented throughout the period 1 April 2018 to 31 March 2019.
- The controls related to the control objectives stated in the description were **suitably designed to provide reasonable assurance that the control objectives would be achieved** if the controls operated effectively throughout the period 1 April 2018 to 31 March 2019 and customers applied complementary user entity controls.
- The controls tested operated with sufficient effectiveness to provide reasonable assurance throughout the period 1 April 2018 to 31 March 2019.

In respect of Non-clinical procurement processes, the exception giving rise to the qualified opinion was that in a sample of five sets of Invitations to Tender, it was identified that in one instance there was no documented evidence that the evaluation process was agreed with the CCG prior to sending out the Invitations to Tender, The CCG is not identified in the Deloitte report.

ISAE3000 Third Party Assurance report in respect of IT General Controls in respect of the Electronic Staff Record (ESR)
In common with all NHS bodies, the CCG utilises the Electronic Staff Record (ESR) for its HR and payroll functions. An established routine is in place whereby third party assurance is provided annually within an Independent Service Auditor's ISAE 3000 third party assurance report, which helps to inform the CCG's Annual Governance Statement on Internal Control. This covers the IT general controls operated by IBM UK in relation to the ESR. Additionally there are certain controls related to the NHS General Ledger Interface, which are the responsibility of the NHS Systems Integration Team.

The 2018/19 Independent Service Auditor's report provided by PricewaterhouseCoopers, dated 9 May 2019, provides reasonable assurance in respect of the IT general controls in relation to the national Electronic Staff Record and the NHS General Ledger Interface.

The audit work conducted by PricewaterhouseCoopers covered the following six areas:

- Change Management
- Logical Security
- Problem Management and Performance and Capacity Planning
- Physical Security and Environmental Controls
- Computer Operations
- Payslip Distribution

The key messages in the overall audit opinion of the Report of the Independent Service Auditor are as follows:

- The controls described in the report were suitably designed to provide reasonable assurance that the related control objectives would be achieved if the described controls operated effectively throughout the period from 1 April 2018 to 31 March 2019 and customers applied the complementary customer controls contemplated in the design of NHS ESR Programme;
- The controls tested, which were those necessary to provide reasonable assurance that the related control objectives were achieved, operated effectively throughout the period from 1 April 2018 to 31 March 2019.

No exceptions were noted during testing.

Other Work:

Data Security and Protection Toolkit Review Part 1 – December 2018

The Data Security and Protection Toolkit (DSPT) is an online self-assessment tool that all organisations must use if they have access to NHS patient data and systems. DSPT replaced NHS Digital's previous Information Governance Toolkit for 2018/19.

The objective of this review was to evaluate the completeness and quality of evidence uploaded in support of the CCG's DSPT self-assessment for all 70 mandatory evidence items.

At the time of our review in November 2018, suitable supporting evidence and commentary for 49 of the 70 mandatory evidence items had been uploaded to the toolkit. Evidence had yet to be uploaded for the remaining 21 items. An action plan was in place to address the remaining evidence requirements.

Data Security and Protection Toolkit Review Part 2 – March 2019

The Part 2 review of evidence, completed on the 26th March 2019, confirmed that suitable evidence was in place for 68 of the 70 mandatory evidence items. Assurance was provided by the CCG that the two remaining items were addressed ahead of the 31 March 2019 submission deadline.

Follow-Up of Recommendations

In respect of the audits undertaken during the year, recommendations have been agreed with management to address gaps in control and assurance. We have monitored the status of these recommendations throughout the year, reporting directly to the Audit Committee in Common on recommendations which remain outstanding.

No significant matters were reported to the Audit Committee in Common in the year, in respect of the follow-up of recommendations.

Jenny McCall
Director of Audit and Assurance Services
ASW Assurance

Review of effectiveness of governance, risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control within the clinical commissioning group.

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

To support the management of risks within the CCG, the following have been put in place and further work continues to strengthen and improve on current practice:

- The CCG has designed and embedded a robust risk management system. The CCG introduced a web based bespoke risk management system in June 2018. The risk register is in line with good practice guidance in terms of content, and the CCG has a best practice feature with the evaluation of the adequacy of assurance assigned to each risk
- The CCG's Joint Integrated Risk Management Framework Policy was approved in September 2018 and accommodates closer working with South Devon and Torbay CCG. The policy is comprehensive and complies with best practice guidance. Appropriate controls are in place in respect of maintenance of the risk register and risk management reporting to CCG committees and groups is working well. Overall reporting to the Audit and Assurance Committee and governing body is comprehensive, with emphasis placed on providing a full picture of the overall risk profile of the organisation within the papers.
- The CCG continues to maintain an appropriately constructed and robust assurance framework, which complies with best practice guidance.

Both the governing body and the Audit and Assurance Committee are actively involved in the regular review of the assurance framework.

Conclusion

The CCG has been removed from directions by the NHS Commissioning Board, in exercise of powers conferred by section 14Z21 of the National Health Service Act 2006 and we have implemented action plans to achieve improvements.

The planned control total for 2018/19 was a £20m deficit which was achieved resulting in the CCG receiving Sustainability Transformation Funding of £20m allowing the CCG to report a break-even financial position. In working closer during 2018/19 the CCGs continued to evolve committees meeting in common and following merger this will place the new CCG in a position to continue its work across the Devon geography. Approval has been received to merge the CCG with South Devon and Torbay CCG to create NHS Devon CCG on 1 April 2019.

As the accountable officer, I am satisfied that, other than the described deficit, the CCG has discharged its statutory duties in accordance with the Health and Social Care Act 2012, and that the CCG has a generally sound system of internal control that otherwise supports the achievement of its policies, aims and objectives.

This is further supported by our head of internal audit opinion who have provided us with significant assurance that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Simon Tapley
Interim Accountable Officer
12 April 2019

Remuneration and staff report

Remuneration report

Remuneration committee

The remuneration committee fulfils the remuneration committee functions required by statute, principally to determine remuneration, fees and allowances payable to CCG staff, and make recommendations to the governing body. As well as this, the committee deals with remuneration and terms of service in relation to the governing body and the executive team.

The remuneration committee consists of both executive members and lay members of the governing body. The quorum constitutes both lay members of the governing body, responsible for patient and public engagement, and governance, finance and probity. The committee is advised by the associate director of human resources and organisational development and, where required, the chair and the accountable officer of the CCG.

Statement on policy for remuneration, now and future

Some senior managers are on the NHS Agenda for Change framework, while others are in line with the Department of Health Pay Framework for very senior managers framework.

The remuneration of senior managers is reviewed annually in conjunction with advice and guidance received from NHS Partners and the Department of Health and will include review of the assessment of performance during the relevant financial period including achievement of specific performance targets.

All governing body members have contracts of employment with the CCG, with appropriate notice periods built into each contract. This is in line with guidance received from the Department of Health and HM Revenue and Customs.

Redundancy clauses in each contract match the provisions in the Agenda for Change contract of employment.

Senior managers' performance related pay

NEW Devon CCG does not have performance-related pay.

Senior manager remuneration (including salary and pension entitlements) 2018/19

Name	Note	Salary and Allowances 2018/19					
		(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
		£000	£	£000	£000	£000	£000
Nick Ball Lay Member - Governance and Probity		10 - 15	400	n/a	n/a	n/a	10 - 15
Dr Tim Burke NEW Devon CCG Chair	1	80 - 85	100	n/a	n/a	n/a	80 - 85
Sophia Christie STP Lead Chief Executive Officer incorporating the Accountable Officer role for NEW Devon CCG	2	35 - 40	4700	n/a	n/a	n/a	40 - 45

& South Devon & Torbay CCG							
Lorna Collingwood-Burke Chief Nursing Officer		120 - 125	200	n/a	n/a	22.5 - 25	140 - 145
Dr Chris Hanvey Lay Member – Safeguarding		5 - 10	100	n/a	n/a	n/a	5 - 10
Dr Nick Kennedy Lay Member - Secondary Care Doctor		15 - 20	300	n/a	n/a	n/a	15 - 20
Dr Simon Kerr Eastern Locality Chair		60 - 65	0	n/a	n/a	0	60 - 65
Michelle Law Lay Member - Finance	3	5 - 10	0	n/a	n/a	n/a	5 - 10
Dr Shelagh McCormick Western Locality Chair	4	75 - 80	400	n/a	n/a	17.5 - 20	95 - 100
Andrew Millward Director of Communications and HR	5	65 - 70	200	n/a	n/a	0 - 2.5	65 - 70
Jennie Willmott Lay Member - Public and Patient Engagement	6	5 - 10	300	n/a	n/a	n/a	5 - 10
Dr John Womersley Northern Locality Chair		80 - 85	500	n/a	n/a	n/a	80 - 85
Annette Benny Director of Corporate Affairs	7						
Janet Fitzgerald Chief Officer	8						
Hugh Groves Chief Finance Officer	9						
Dr Sonja Manton Joint Director of Strategy with NEW Devon CCG	10						
Dr Nick Roberts Chief Clinical Officer	11						
Rob Sainsbury Chief Operating Officer	12						

1 Dr Tim Burke - Left GB role 31 March 2019
2 Sophia Christie - From 3 September 2018 to 30 November 2019. Expense payments include taxable travel expenses and accommodation
3 Michelle Law - Left 3 February 2019
4 Shelagh McCormick - is also a Strategic Clinical Commissioning Lead. Only Western Locality Chair salary disclosed in 2018/19. Both salaries disclosed in 2017/18
5 Andrew Millward - is a Director of Communications & HR for NEW Devon and South Devon & Torbay CCGs from 1 April 2018. Salary is not re-charged to South Devon & Torbay CCG. Andrew Millward is also a Systems Director of Communications & Engagement, 50% of his total salary is disclosed.
6 Jennie Willmott - Left 31 March 2019
7 Annette Benny - Left January 2018
8 Janet Fitzgerald - Left August 2017
9 Hugh Groves - Left 31 March 2018
10 Sonja Manton - Joint role with NHS South Devon & Torbay CCG. Shared arrangement in 2017/18. Salary not recharged in 2018/19
11 Nick Roberts - From 7 August 2017 to 31 March 2018. Shared arrangement with South Devon & Torbay CCG in 2017/18
12 Rob Sainsbury - Left 28 February 2018

Additional governing body members and attendees not receiving remuneration from NEW Devon CCG
Dr Virginia Pearson is a director of Public Health for Devon County Council and is a co-opted member. No payments are made for attendance
Ruth Harrell is a Director of Public Health for Plymouth and is a co-opted member. No payments are made for attendance
John Dowell is a Director of Finance, joint role with NHS South Devon & Torbay CCG. Salary is not recharged to NEW Devon CCG. He also has a dual role with responsibilities for the Sustainability and Transformation Partnership for Devon (STP)
Simon Tapley Interim Accountable Officer from 6 April 2018 to 2 September 2018 and from 1 December 2018 ongoing, joint role with NHS South Devon & Torbay CCG. Salary is not recharged to NEW Devon CCG
Dr Sonja Manton is a Director of Strategy, joint role with NHS South Devon & Torbay CCG. Salary is not recharged to NEW Devon CCG
Sophia Christie – STP Lead Chief Executive Officer and Interim Accountable Officer for South Devon & Torbay and NEW Devon CCGs from 3 September 2018 to 30 November 2018. Salary not re-charged to South Devon & Torbay CCG.

Senior manager remuneration (including salary and pension entitlements) 2017/18

Name		Salary and Allowances 2017/18					
		(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
		£000	£	£000	£000	£000	£000
Nick Ball Lay Member – Governance and Probity		10 - 15	300	n/a	n/a	n/a	10 - 15
Dr Tim Burke NEW Devon CCG Chair		85 - 90	100	n/a	n/a	n/a	85 - 90
Lorna Collingwood-Burke Chief Nursing Officer		115 - 120	300	n/a	n/a	22.5 - 25	140 - 145
Dr Chris Hanvey Lay Member – Safeguarding		5 - 10	0	n/a	n/a	n/a	5 - 10
Dr Nick Kennedy Lay Member - Secondary Care Doctor		15 - 20	300	n/a	n/a	n/a	15 - 20
Dr Simon Kerr Eastern Locality Chair		55 - 60	0	n/a	n/a	n/a	55 - 60
Michelle Law Lay Member - Finance		5 - 10	0	n/a	n/a	n/a	5 - 10
Dr Shelagh McCormick Western Locality Chair		85 - 90	300	n/a	n/a	15 - 17.5	105 - 110
Jennie Willmott Lay Member - Public and Patient Engagement		0 - 5	300	n/a	n/a	n/a	0 - 5
Dr John Womersley Northern Locality Chair		80 - 85	300	n/a	n/a	n/a	80 - 85
Annette Benny Director of Corporate Affairs		80 - 85	300	n/a	n/a	n/a	80 - 85
Janet Fitzgerald Chief Officer		45 - 50	4100	n/a	n/a	n/a	50 - 55
Hugh Groves Chief Finance Officer		120 - 125	300	n/a	n/a	30 - 32.5	150 - 155
Dr Sonja Manton* Joint Director of Strategy with NEW Devon CCG		55 - 60	0	n/a	n/a	0	55 - 60
Dr Nick Roberts Chief Clinical Officer		50 - 55	0	n/a	n/a	60 - 62.5	110 - 115
Rob Sainsbury Chief Operating Officer		110 - 115	300	n/a	n/a	75 - 77.5	190 - 195

* Sonja Manton – pension-related benefits and total figures updated due to revised 2017/18 pension figures provided by NHS Pensions during 2018/19.

Although there were close working relationships and joint senior posts in South Devon and Torbay CCG and NEW Devon CCG, there were no salary re-charges between the two CCGs in 2018/19.

The salaries for the joint posts between South Devon & Torbay CCG and NEW Devon CCG are shown in the table below.

Shared Roles between South Devon & Torbay CCG and NEW Devon CCG 2018/19

Name	Job Title	South Devon and Torbay CCG cost Bands of £5000 '000	NEW Devon CCG cost Bands of £5000 '000
Simon Tapley	Interim Accountable Officer and Director of Commissioning	80 - 85	
John Dowell	Director of Finance	130 – 135	
Sonja Manton	Director of Strategy	120 - 125	
Andrew Millward	Director of Communications & HR		65 – 70
Lorna Collingwood-Burke	Chief Nursing Officer		120 - 125

Shared arrangements 2017/18

Name	Job Title	NEW Devon CCG cost Bands of £5000 '000	Other organisation cost Bands of £5000 '000	Total salary Bands of £5000 '000
Dr Sonja Manton (A)	Joint Director of Strategy with South Devon & Torbay CCG	55 – 60	55 - 60	110 - 115
Dr Nick Roberts (B)	Joint Chief Clinical Officer with South Devon & Torbay CCG	50 - 55	85 - 90	135 - 140

A – Salary is recharged to NEW Devon CCG

B - Salary is recharged to NEW Devon CCG

Pension benefits – 2018/19

Name	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 March 2019 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000)	(e) Cash Equivalent Transfer Value at 1 April 2019	(f) Real Increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2019	(h) Employers Contribution to partnership pension
	£000	£000	£000	£000	£000	£000	£000	£000
Lorna Collingwood-Burke Chief Nursing Officer	0 - 2.5	5 - 7.5	35 - 40	115 - 120	0	0	0	0
Dr Simon Kerr Eastern Locality Chair	0 - 2.5	0 - 2.5	15 - 20	45 - 50	323	42	375	0
Dr Shelagh McCormick Western Locality Chair	0 - 2.5	0 - 2.5	10 - 15	35 - 40	228	49	284	0
Andrew Millward Director of Communications and HR	0 - 2.5	0	40 - 45	120 - 125	842	95	963	0

- Lay members do not receive pensionable remuneration; there are no entries in respect of pensions for lay members.
- Only members with an NHS pension have been included.
- Pension benefits have not been included for off-payroll members as not applicable.
- Dr Nick Roberts left at the end of 2017/18.
- There were no salary and pension recharges from South Devon & Torbay CCG for Sonja Manton in 2018/19.
- CETV figures for Lorna Collingwood-Burke are no longer available as she is now past the pension scheme's normal retirement age (NRA).

Pension benefits – 2017/18

Name	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 March 2018 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000)	(e) Cash Equivalent Transfer Value at 1 April 2017	(f) Real Increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2018	(h) Employers Contribution to partnership pension
	£000	£000	£000	£000	£000	£000	£000	£000
Lorna Collingwood-Burke Chief Nursing Officer	0 - 2.5	5 - 7.5	35 - 40	110 - 115	784	0	0	0
Hugh Groves Chief Finance Officer	0 - 2.5	5 - 7.5	60 - 65	180 - 185	1334	0	0	0
Dr Simon Kerr Eastern Locality Chair	0	0	15 - 20	45 - 50	0	0	323	0
Dr Sonja Manton* Joint Director of Strategy with NEW Devon CCG	0 - 2.5	0	10 - 15	25 - 30	155	0	155	0
Dr Shelagh McCormick Chair, Western locality	0 - 2.5	2.5 - 5	10 - 15	30 - 35	196	31	228	0
Dr Nick Roberts Chief Clinical Officer	7.5 - 10	22.5 - 25	20 - 25	60 - 65	255	177	435	0
Rob Sainsbury Chief Operating Officer	2.5 - 5	2.5 - 5	30 - 35	70 - 75	348	74	425	0

* Sonja Manton - figures updated as per revised 2017/18 figures provided by NHS Pensions in 2018/19.

Taxable expenses

No expenses, other than reimbursement of those actually incurred and in support of training and development of Senior Managers, have been paid.

Expenses which give rise to a tax liability have been disclosed separately as benefits in kind. These all relate to mileage claims. The tax liability arises as the rate per mile reimbursed by the CCG exceeds that allowed as a tax-free amount by HMRC.

Cash equivalent transfer values

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

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to

transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

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

Payments on early retirement or for loss of office

There was one early retirement through ill health during 2018/19 with a total cost of £119,631, which is met by the NHS Pensions Scheme.

Payments to past senior managers

There were no awards made to past senior managers in-year.

Pay multiples

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

The banded annualised remuneration of the highest-paid member of the Governing Body in NEW Devon CCG in the financial year 2018/19 was £140,000-£145,000 (2017/18, £120,000-£125,000). This was 4.29 times (2017/18, 3.73) the median remuneration of the workforce, which was £33,222 (2017/18, £32,731).

In 2018/19 no employees (2017/18, 2) received remuneration in excess of the highest-paid director. Remuneration, annualised and adjusted to full-time equivalent, ranged from £17,460 to £142,194 (2017/18 £12,709 to £142,500).

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

Staff report

The CCG takes pride in the strength and commitment of its workforce which demonstrates an effective range of skills, abilities and experience across all of our functions. It continues to support and develop its workforce to ensure we are responsive and adaptable to the changing political environment and the need to work more closely with system partners across Devon.

Staff numbers

As of 31 March 2019, the CCG employed 445 individuals in a full-time equivalent of 367.09 posts. The following table describes the staff composition in terms of banding, contract type and gender.

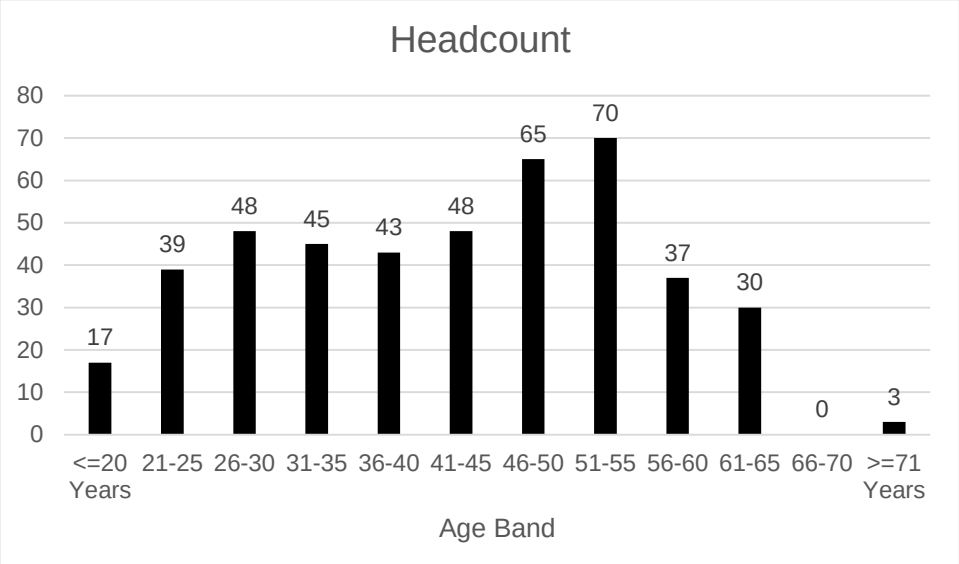
Pay grade	Contract	Female	Male	Headcount	%	FTE
Band 2	Permanent	3	0	3	0.67%	2.17
	Other	14	6	20	4.43%	19.00
Band 3	Permanent	62	7	69	15.30%	60.96
	Other	7	1	8	1.77%	3.00
Band 4	Permanent	43	3	46	10.20%	44.01
	Other	3	0	3	0.67%	1.00
Band 5	Permanent	39	10	49	10.86%	45.31
	Other	3	0	3	0.67%	3.00
Band 6	Permanent	19	7	26	5.76%	24.37
	Other	5	1	6	1.33%	3.50
Band 7	Permanent	36	14	50	11.09%	46.95
	Other	5	3	8	1.77%	7.40
Band 8 - Range A	Permanent	31	13	44	9.76%	38.70
	Other	3	0	3	0.67%	1.64
Band 8 - Range B	Permanent	18	8	26	5.76%	23.31
	Other	1	0	1	0.22%	1.00
Band 8 - Range C	Permanent	9	4	13	2.88%	11.63
	Other	0	0	0	0.00%	0.00
Band 8 - Range D	Permanent	6	3	9	2.00%	8.22
	Other	0	0	0	0.00%	0.00
Band 9	Permanent	1	8	9	2.00%	8.80
	Other	0	1	1	0.22%	1.00
Other Non AFC	Permanent	18	6	24	5.32%	6.31
	Other	14	16	30	6.65%	5.81
Grand Total		**340**	**111**	**451**	**100.00%**	**367.09**

* Note: Where staff have more than one role across different bands or categories their headcount is duplicated. Figures exclude Non-Executive Directors/ Lay Governing Body Members and staff on onward secondment but include executive board members/ Governing Body Members and staff on inward secondment/ recharged by other Department of Health and Social Care Bodies.

As of 31 March 2019, the governing body had a total of 16 members, of which 60 per cent are men (9), and 40 per cent are women (7).

The tables and charts below illustrate our employee distribution relating to age and gender as of 31 March 2019.

Age Band	Headcount	FTE
<=20 Years	17	17.00
21-25	39	34.64
26-30	48	43.29
31-35	45	39.61
36-40	43	32.90
41-45	48	38.04
46-50	65	54.59
51-55	70	60.18
56-60	37	25.64
61-65	30	19.60
66-70	0	0.00
>=71 Years	3	1.60
Grand Total	**445**	**367.09**



Gender	Headcount	FTE
Female	335	276.63
Male	110	90.46
Grand Total	**445**	**367.09**

The table below illustrates our employee distribution relating to staff group as of 31 March 2019.

Staff Group	Headcount	FTE
Administration and estates staff	333	302.62
Medical and dental staff	45	9.36
Nursing, midwifery and health visiting staff	33	27.51
Scientific, therapeutic and technical staff	34	27.6
Grand Total	**445**	**367.09**

Average full time equivalent of staff

The average full time equivalent over the previous 12 months (01 April 2018 - 31 March 2019) was 353.51 posts. This excludes staff on onward secondment and includes staff on inward secondment.

Staff costs

The table below sets out the breakdown of employee benefits for 2018/19.

2018/19	Total			Admin			Programme		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Salaries and wages	13,114	12,182	932	7,896	7,570	326	5,218	4,612	606
Social security costs	1,340	1,340	-	919	919	-	420	420	-
Employer Contributions to NHS Pension scheme	1,787	1,787	-	1,155	1,155	-	632	632	-
Other pension costs	2	2	-	2	2	-	0	-	-
Apprenticeship Levy	50	50	-	50	50	-	0	-	-
Other post-employment benefits									
Other employment benefits									
Termination benefits	234	234	0	234	234	0	0	0	0
Gross employee benefits expenditure	**16,527**	**15,595**	**932**	**10,257**	**9,931**	**326**	**6,270**	**5,664**	**606**
Less recoveries in respect of employee benefits (note 4.1.2)									
Net admin employee benefits including capitalised costs	**16,527**	**15,595**	**932**	**10,257**	**9,931**	**326**	**6,270**	**5,664**	**606**
Less: employee costs capitalised									
Net employee benefits excluding capitalised costs	**16,527**	**15,595**	**932**	**10,257**	**9,931**	**326**	**6,270**	**5,664**	**606**

Sickness absence data

The CCGs sickness absence data is published via NHS Digital from the ESR Data Warehouse, with the latest publication at December 2018. This data is based on a calendar year from January 2018 to December 2018 and shows the FTE days lost to sickness absence. Data on days available and days recorded sick are based on a 365-day year. The Average Annual Sick Days per FTE is estimated by dividing the estimated number of FTE days sick by the average FTE and multiplying by 225 (the typical number of working days per year).

Sum of FTE Days Sick (a)	Sum of FTE Days Available (b)	Average Annual Sick Days per FTE (c)	Occurrences (months of data)
3,673	130,839	6.3	12

* c= a/b*225

Staff policies

The CCG has a range of human resources policies in place to ensure clear, fair and transparent practices that cover all aspects of the CCG. All policies are approved by the staff partnership forum and senior leadership committee and are available to all staff on our intranet. Equalities issues are incorporated into policies covering all aspects of human resources to ensure that individuals are treated equally and fairly, and that decisions on recruitment, selection, training, promotion and career management are based solely on objectives and job-related criteria. The CCG's aims are to promote diversity and equality of opportunity, and provide an inclusive working environment in which all staff feel valued and supported.

The CCG has been working closely with South Devon and Torbay Devon CCG throughout the year with a single lead focusing on Equality and Diversity for both organisations. The work has involved aligning practices and policies for both staff and the public around Equality Diversity and inclusion (EDI). In addition, along with South Devon and Torbay CCG, the CCG leads the Devon-wide equality co-operative (the co-operative) that adopts a system-wide approach to addressing EDI issues and works together to identify priorities for EDI, service improvement and commissioning through the use of the national Equality Delivery System tool.

For our workforce we have continued to seek increased diversity and this year shared information about board vacancies for lay members to a more diverse audience than previously. Staff are able to request reasonable adjustments are made and internally we support national EDI awareness days. Through the co-operative, the CCGs continue to explore joint provision of support groups for staff with protected characteristics and to improve their understanding of workforce diversity by improving how equality monitoring data is collected.

In addition, the CCG continues to monitor providers compliance with the Workforce race equality Standard, The Accessible information standard and the new Sexual orientation monitoring standard.

Staff Consultation

The CCG believes that consultation and engagement with employees is essential. The CCG participates in the national NHS Staff Survey and the Executive Team holds monthly briefings to inform staff of key organisational strategies, priorities and decisions, and provide employees with a regular opportunity to directly engage with the most senior managers in the organisation. The CCG also operates a Staff Partnership Forum, which plays an important role in consultation and engagement with staff.

Staff Partnership Forum

The Staff Partnership Forum is made up of managers and elected staff representatives. It meets every two months and has elected staff representatives covering every department. It provides a forum for consultation and information on key issues affecting staff, including local terms and conditions, and general office matters. It also provides an opportunity for staff representatives to influence decisions and speak on behalf of staff, and meeting minutes are available to all staff on the internal intranet.

Expenditure on consultancy

During 2018/19 the CCG spent £205k on external consultancy costs (£254k in 2017/18).

Off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees, published by the chief secretary to the Treasury on 23 May 2012, CCGs must publish information on their highly paid and/or senior off-payroll engagements.

Table 1: Off-payroll engagements longer than six months

For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2019	1
Of which, the number that have existed:	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	1
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

The CCG confirms that all existing off-payroll engagements have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary.

Table 2: New off-payroll engagements

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than 6 months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	0
Of which:	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0

Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: Off-payroll engagements / senior official engagements

For any off-payroll engagements of Board members and / or senior officials with significant financial responsibility, between 01 April 2018 and 31 March 2019.

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	15

Exit packages, including special (non-contractual) payments

Exit packages are agreements made in year for payments to employees on termination of employment. These include the additional costs where the CCG has agreed early retirements.

The Exit Packages agreed and paid in 2018/19 are detailed below.

Table 1: Exit packages

Exit Package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payment have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£s
Less than £10,000	0	0	1	£6,814	1	£6,814	0	£0
£10,000-£25,000	1	£14,797	0	£0	1	£14,797	0	£0
£25,001-£50,000	4	£157,584	1	£33,000	5	£190,584	0	£0
£50,001-£100,000	0	0	0	£0	0	£0	0	£0
£100,001-£150,000	0	0	0	£0	0	£0	0	£0
£150,001-£200,000	0	0	0	£0	0	£0	0	£0
>£200,000	0	0	0	£0	0	£0	0	£0
Totals	**5**	**£172,382**	**2**	**£39,814**	**7**	**£212,196**	**0**	**£0**

Note - Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Terms and Conditions Handbook, NHS Pension Scheme and the NHS Standard contract where applicable. Exit costs in this note are accounted for in full in the year of departure. Where the NEW Devon CCG has agreed early retirements, the additional costs are met by NEW Devon CCG and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Table 2: Analysis of other departures

	Agreements	Total of Agreements
	Number	£'
Voluntary redundancies including early retirement contractual costs	1	£6,814
Mutually agreed resignations (MARS) contractual costs	0	£0
Early retirements in the efficiency of the service contractual costs	0	£0
Contractual payments in lieu of notice	1	£33,000
Exit payments following Employment Tribunals or court orders	0	£0
Non-contractual payments requiring HMT approval (Special Severance Payments)	0	£0
Total	**2**	**£39,814**

Note - There were no non-contractual payments made in 2018/19.

The Trade Union (Facility Time Publication Requirements) Regulations 2017
The Trade Union (Facility Time Publication Requirements) Regulations 2017 took effect on 1 April 2017, this means that NHS employers are now required to publish certain information on trade union officials and facility time on their website and within annual reports.

The information provided below is for the relevant period of 1 April 2018 to 31 March 2019. It captures details of employee's time spent on duties carried out for a trade union or as a union learning representative, for example, attending meetings, accompanying an employee to disciplinary or grievance hearing etc. It also applies to, if applicable, training received and duties carried out under the Health and Safety at Work Act 1974.

It is important to note that the CCG's formal consultation mechanism is through the Staff Partnership Forum. Representatives of the forum are staff members who are not required to be part of a Trade Union or indeed be a representative of a Trade Union and therefore this information does not reflect staff time spent on forum duties.

Table 1: Relevant union officials

What was the total number of your employees who were relevant union official during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Table 2: Percentage of time spent on facility time

How many of your employees who were relevant union official employed during the relevant period spent a) 0%, b) 1-50%, c) 51-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	0
1%-50%	1
51-99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time

Provide the figure requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	Figures
Provide the total cost of facility time	£721.09
Provide the total pay bill	£16,764,882
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100	0.004%

Table 4: Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employee who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	16%

Parliamentary accountability and audit report

NEW Devon CCG is not required to produce a Parliamentary Accountability and Audit Report. Included, as notes, are disclosures on contingencies (see page 113) and special payments (see page 101). An audit certificate and report are also included on page 120.

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Primary statements

NHS Northern Eastern Western Devon CCG - Annual Accounts 2018-19

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Income from sale of goods and services	2	-	-
Other operating income	2	(44,173)	(39,090)
Total operating income		**(44,173)**	**(39,090)**
Staff costs	4	16,527	18,947
Purchase of goods and services	5	1,268,392	1,256,704
Depreciation and impairment charges	5	1,460	1,615
Provision expense	5	-	-
Other Operating Expenditure	5	987	1,180
Total operating expenditure		**1,287,367**	**1,278,446**
Net Operating Expenditure		**1,243,194**	**1,239,356**
Finance income		-	-
Finance expense		-	-
Net expenditure for the year		**1,243,194**	**1,239,356**
Net (Gain)/Loss on Transfer by Absorption		-	-
Total Net Expenditure for the Financial Year		**1,243,194**	**1,239,356**
Other Comprehensive Expenditure			
Items which will not be reclassified to net operating costs			
Net (gain)/loss on revaluation of PPE		-	-
Net (gain)/loss on revaluation of Intangibles		-	-
Net (gain)/loss on revaluation of Financial Assets		-	-
Actuarial (gain)/loss in pension schemes		-	-
Impairments and reversals taken to Revaluation Reserve		-	-
Items that may be reclassified to Net Operating Costs			
Net gain/loss on revaluation of available for sale financial assets		-	-
Reclassification adjustment on disposal of available for sale financial assets		-	-
Sub total		**-**	**-**
Comprehensive Expenditure for the year		**1,243,194**	**1,239,356**

Statement of Financial Position as at 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Non-current assets:			
Property, plant and equipment	9	3,006	4,355
Intangible assets	10	10	48
Trade and other receivables	12	-	162
Other financial assets		0	0
Total non-current assets		3,016	4,565
Current assets:			
Inventories	11	328	328
Trade and other receivables	12	13,854	13,899
Other financial assets		-	-
Other current assets		-	-
Cash and cash equivalents	14	(240)	123
Total current assets		**13,941**	14,350
Non-current assets held for sale		-	-
Total current assets		**13,941**	14,350
Total assets		**16,957**	18,915
Current liabilities			
Trade and other payables	15	(97,404)	(95,637)
Other financial liabilities		-	-
Total current liabilities		**(97,404)**	(95,637)
Non-Current Assets plus/less Net Current Assets/Liabilities		**(80,446)**	(76,722)
Non-current liabilities			
Trade and other payables		-	-
Other financial liabilities		-	-
Total non-current liabilities		**-**	**-**
Assets less Liabilities		**(80,446)**	(76,722)
Financed by Taxpayers' Equity			
General fund		(80,446)	(76,722)
Revaluation reserve		**-**	**-**
Other reserves		-	-
Charitable Reserves		-	-
Total taxpayers' equity:		**(80,446)**	(76,722)

The notes on pages 92 – 119 form part of this statement.

The financial statements on pages 88 – 119 were approved by the Governing Body on 23 May 2019 and signed on behalf by:

Interim Accountable Officer
Simon Tapley

Statement of Changes In Taxpayers Equity for the year ended 31 March 2019

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2018-19				
Balance at 01 April 2018	(76,722)	-	-	**(76,722)**
Transfer between reserves in respect of assets transferred from closed NHS bodies	-	-	-	-
Impact of applying IFRS 9 to Opening Balances	-	-	-	-
Impact of applying IFRS 15 to Opening Balances	-			-
Adjusted NHS CCG balance at 31 March 2018	(76,722)	-	-	**(76,722)**
Changes in NHS CCG taxpayers' equity for 2018-19				
Net operating expenditure for the financial year	(1,243,194)			**(1,243,194)**
Net gain/(loss) on revaluation of property, plant and equipment		-		-
Net gain/(loss) on revaluation of intangible assets		-		-
Net gain/(loss) on revaluation of financial assets		-		-
Total revaluations against revaluation reserve	-	-	-	-
Net gain (loss) on available for sale financial assets	-	-	-	-
Net gain/(loss) on revaluation of other investments and Financial Assets (excluding available for sale financial assets)			-	-
Net gain (loss) on revaluation of assets held for sale	-	-	-	-
Impairments and reversals	-	-	-	-
Net actuarial gain (loss) on pensions	-	-	-	-
Movements in other reserves	-	-	-	-
Transfers between reserves	-	-	-	-
Release of reserves to the Statement of Comprehensive Net Expenditure	-	-	-	-
Reclassification adjustment on disposal of available for sale financial assets	-	-	-	-
Transfers by absorption to (from) other bodies	-	-	-	-
Reserves eliminated on dissolution	-	-	-	-
Net Recognised NHS CCG Expenditure for the Financial Year	(1,243,194)	-	-	**(1,243,194)**
Net funding	1,239,469	-	-	**1,239,469**
Balance at 31 March 2019	(80,446)	-	-	**(80,446)**

	General fund £'000	Revaluation reserve £'000	Other reserves £'000	Total reserves £'000
Changes in taxpayers' equity for 2017-18				
Balance at 01 April 2017	(53,975)	-	-	(53,975)
Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition	-	-	-	-
Adjusted NHS CCG balance at 31 March 2018	(53,975)	-	-	(53,975)
Changes in NHS CCG taxpayers' equity for 2017-18				
Net operating costs for the financial year	(1,239,356)			(1,239,356)
Net gain/(loss) on revaluation of property, plant and equipment		-		-
Net gain/(loss) on revaluation of intangible assets		-		-
Net gain/(loss) on revaluation of financial assets		-		-
Total revaluations against revaluation reserve	-	-	-	-
Net gain (loss) on available for sale financial assets	-	-	-	-
Net gain (loss) on revaluation of assets held for sale	-	-	-	-
Impairments and reversals	-	-	-	-
Net actuarial gain (loss) on pensions	-	-	-	-
Movements in other reserves	-	-	-	-
Transfers between reserves	-	-	-	-
Release of reserves to the Statement of Comprehensive Net Expenditure	-	-	-	-
Reclassification adjustment on disposal of available for sale financial assets	-	-	-	-
Transfers by absorption to (from) other bodies	-	-	-	-
Reserves eliminated on dissolution	-	-	-	-
Net Recognised NHS CCG Expenditure for the Financial Year	(1,239,356)	-	-	(1,239,356)
Net funding	1,216,609	-	-	1,216,609
Balance at 31 March 2018	(76,722)	-	-	(76,722)

The notes on pages 92 – 119 form part of this statement.

Statement of Cash Flows for the year ended 31 March 2019

	Note	2018-19 £'000	2017-18 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(1,243,194)	(1,239,356)
Depreciation and amortisation	5	1,460	1,615
Impairments and reversals		0	0
Non-cash movements arising on application of new accounting standards		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	567
(Increase)/decrease in trade & other receivables	12	207	16,348
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade & other payables	15	1,767	15,435
Increase/(decrease) in other current liabilities		0	0
Provisions utilised		0	0
Increase/(decrease) in provisions		0	0
Net Cash Inflow (Outflow) from Operating Activities		**(1,239,760)**	(1,205,391)
Cash Flows from Investing Activities			
Interest received		0	0
(Payments) for property, plant and equipment		(73)	(285)
(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
Non-cash movements arising on application of new accounting standards		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		**(73)**	(285)
Net Cash Inflow (Outflow) before Financing		**(1,239,833)**	(1,205,676)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		1,239,469	1,216,609
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
Non-cash movements arising on application of new accounting standards		0	0
Net Cash Inflow (Outflow) from Financing Activities		**1,239,469**	1,216,609
Net Increase (Decrease) in Cash & Cash Equivalents	14	**(363)**	10,933
Cash & Cash Equivalents at the Beginning of the Financial Year		**123**	(10,810)
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		**(240)**	124

The notes on pages 8 to 35 form part of this statement

The notes on pages 92 – 119 form part of this statement.

Notes to the accounts

NHS Northern Eastern Western Devon CCG - Annual Accounts 2018-19

Notes to the financial statements

1 **Accounting Policies**

NHS England has directed that the financial statements of Clinical Commissioning Groups (CCGs) shall meet the accounting requirements of the Group Accounting Manual issued by the Department of Health and Social Care. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 2018-19 issued by the Department of Health and Social Care. The accounting policies contained in the Group Accounting Manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to CCGs, 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 CCG for the purpose of giving a true and fair view has been selected. The particular policies adopted by the CCG are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 **Going Concern**

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 CCG 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.

Management are required to assess, at the time of preparing the financial statements, whether the entity is a going concern. In other words will the entity continue to operate for the foreseeable future.

limit, or operating with negative cash flows. In 2018/19 the CCG achieved an in year balanced position and so worked within its resource limit requirement.

On the 1st April 2019 Northern, Eastern and Western Devon CCG and South Devon and Torbay CCG are merging to form NHS Devon CCG.

The merged CCG has submitted a plan approved by the Governing Body that delivers a £25m deficit. This represents no deterioration on the prior year's performance. The plan is challenging and does require £34m of Cost and Commissioning Improvements which represents 1.8% of the total recurrent baseline resource.

This deficit budget plan will have a significant impact on the cash flow of the CCG. However, overall cash is managed at an NHS England level. Therefore as long as the total cash used by NHS England does not breach its cash limit, set by HM Treasury and the Department of Health and Social Care, NHS England will have the flexibility to provide cash support to CCGs when needed. While the financial circumstances of the CCG in 2019/20 will be demanding, the deficit budget plan and the cash flow forecast has been considered, and whilst not formally signed off, has been incorporated into NHS England's overarching plans within the overall resources available to it.

Despite the uncertainties, for the CCG to be dissolved would require parliamentary intervention and there is no indication of this currently. Even if the organisation was dissolved by Parliament its functions would be transferred to various new or existing public sector entities. The Secretary of State has directed that, where Parliamentary funding continues to be voted to permit the relevant services to be carried out elsewhere in the public sector and as evidenced by inclusion of financial provision for that service in published documents, this is normally sufficient evidence of going concern. With the above in mind the Governing Body of Northern, Eastern and Western Devon CCG has prepared these financial statements on a going-concern basis. This is effectively in relation to its intention to continue its operations for the foreseeable future and the awareness of any circumstances affecting this in its preparation of these financial statements.

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 **Subsidiaries**

Entities over which the CCG has the power to exercise control are classified as subsidiaries and are consolidated. The CCG has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities. The income, expenses, assets, liabilities, equity and reserves of the subsidiary are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the CCG or where the subsidiary's accounting date is not coterminous.

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

1.5 **Associates**

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

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

1.6 **Joint arrangements**

There are two types of joint arrangements, joint operations and joint ventures.

If the CCG is in a joint operation the CCG recognises:

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

The CCG has entered into two arrangements, each of which has been assessed as joint operations.

The first of which is a joint operation under a Section 75 agreement with Plymouth City Council (PCC) to form the Plymouth Integrated Fund to manage Health and Social Care spending for the population of Plymouth. There are two elements to the integrated fund being 1) pooled funds (including the Plymouth Better Care Fund) and 2) aligned funds where they cannot be managed within the pool but can be aligned for inclusion in the risk share arrangements. Under the section 75 agreement the CCG is the host to the pooled element of the fund however PCC remain lead commissioner for their element of spend within the pool. Under a joint operation each entity accounts for its share of the arrangement.

The second of which is a joint operation under a Section 75 agreement with Devon County Council (DCC) to form the Devon Better Care Fund (BCF). DCC are host to the fund and the CCG is lead commissioner to some of the funds elements. The net cost of the Devon BCF is reported within other programme costs. Under a joint operation each entity accounts for its share of the arrangement.

Notes to the financial statements

If the CCG is involved in a joint venture, the parties that have joint control have rights to the net assets of the arrangement. This must involve a separate vehicle and will need to account for their interest as an investment. 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'.

The CCG has entered into a joint venture with Plymouth City Council for the provision of IT services through the company DELT Shared Services (DELT). DELT commenced providing services on 1st September 2014. No IT assets transferred from the CCG to DELT. Existing IT assets remain on the CCG's fixed asset register with the exception of GPIT assets which remain on the NHS England's fixed asset register.

The CCG holds a shareholding interest in DELT in respect of 1 A ordinary Share with a nominal total value of £1 being 50% of the total shareholding and 30 B ordinary shares with a total nominal value of £30 being 30% of the total shareholding. This shareholding is held within the CCG's fixed asset register but due to the immaterial value is not visible in the annual accounts.

The CCG has considered the materiality of DELT as an entity and has concluded that the value falls below a materiality threshold and therefore group accounts have not been prepared.

Notes to the financial statements

1.7 **Revenue**

The CCG receives its main funding through a resource allocation from NHS England. This is accounted for as an addition to reserves when it is approved by NHS England. Where funding through the Commissioner Sustainability Fund is receivable, this is included in the resource allocation.
The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.
In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;
• As per paragraph 121 of the Standard the CCG will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
• The CCG is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
• The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the CCG to reflect the aggregate effect of all contracts modified before the date of initial application.
Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.
Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.
Payment terms are standard reflecting cross government principles.
The majority of the income the CCG receives is pass-through funds from organisations, for example from NHS England, as well as refunds for drugs the CCG purchased during the year.
The value of the benefit received when the CCG accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

1.8 **Employee Benefits**

1.8.1 **Short-term Employee Benefits**

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including bonuses earned but not yet taken.
The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.8.2 **Retirement Benefit Costs**

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the CCG of participating in a 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 CCG commits itself to the retirement, regardless of the method of payment.

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

1.9 **Other Expenses**

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.
Expenses and liabilities in respect of grants are recognised when the CCG has a present legal or constructive obligation, which occurs when all of the conditions attached to the payment have been met.

1.10 **Property, Plant & Equipment**

1.10.1 **Recognition**

Property, plant and equipment is capitalised if:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.10.2 **Measurement**

All property, plant and equipment is 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 treated are measured subsequently at valuation.
Land and buildings used for the CCG'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.
Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date
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. Current values in existing use 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.

Notes to the financial statements

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.
IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, 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.

1.10.3 **Subsequent Expenditure**

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

Notes to the financial statements

1.11 **Intangible Assets**

1.11.1 **Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the CCG'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 CCG;
- Where the cost of the asset can be measured reliably; and,
- Where the cost is at least £5,000.

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

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

1.11.2 **Measurement**

Intangible assets acquired separately are initially recognised at cost. 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 amortised 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. Revaluations and impairments are treated in the same manner as for property, plant and equipment.

1.11.3 **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 CCG expects to obtain economic benefits or service potential from the asset. This is specific to the CCG 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 CCG checks whether there is any indication that any of its property, plant and equipment assets 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.

1.12 **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.

Notes to the financial statements

1.12.1 **The CCG 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 CCG'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.

1.12.2 **The CCG as Lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the CCG'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 CCG'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.

1.13 **Inventories**

Inventories are valued at the lower of cost and net realisable value. The CCG's share of the inventory in the Better Care Fund with Devon County Council and South Devon & Torbay CCG is disclosed in note 11.

1.14 **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 CCG's cash management.

1.15 **Provisions**

Provisions are recognised when the CCG has a present legal or constructive obligation as a result of a past event, it is probable that the CCG 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): 0.76% (previously: minus 2.42%)
- Timing of cash flows (6 to 10 years inclusive): 1.14% (previously: minus 1.85%)
- Timing of cash flows (over 10 years): 1.99% (previously: minus 1.56%)

All 2018-19 percentages are expressed in nominal terms with 2017-18 being the last financial year that HM Treasury provided real general provision discount rates.

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 CCG 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.

1.16 **Clinical Negligence Costs**

NHS Resolution operates a risk pooling scheme under which the CCG pays an annual contribution to NHS Resolution, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with CCG. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the CCG is disclosed in Note 16.

1.17 **Non-clinical Risk Pooling**

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

1.18 **Contingent liabilities and contingent assets**

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

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

Notes to the financial statements

1.19 **Financial Assets**

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

Financial assets are classified into the following categories:

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

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

1.19.1 **Financial Assets at Amortised cost**

Financial assets measured at amortised cost are those held within a business model whose objective is achieved by collecting contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables and other simple debt instruments.

After initial recognition these financial assets are measured at amortised cost using the effective interest method less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

1.19.2 **Financial assets at fair value through other comprehensive income**

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

1.19.3 **Financial assets at fair value through profit and loss**

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

The CCG has no embedded derivatives that are required to be accounted for separately.

The CCG's only financial assets are cash, trade receivables and other trade receivables which are disclosed in note 18.2.

1.19.4 **Impairment**

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

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

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

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

1.20 **Financial Liabilities**

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

1.20.1 **Financial Guarantee Contract Liabilities**

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

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

1.20.2 **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 CCG's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability. The CCG has no embedded derivatives that are required to be accounted for separately.

1.20.3 **Other Financial Liabilities**

The CCG's other financial liabilities are trade payables. Trade payables are recognised at the consideration agreed at the date of the transaction. These are disclosed in note 18.3.

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

1.21 **Value Added Tax**

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

Notes to the financial statements

1.22 **Third Party Assets**

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

1.23 **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 CCG not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.24 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the CCG'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.

1.24.1 **Critical accounting judgements in applying accounting policies**

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

Apart from the accounting treatment of the better care fund pooled budgets mentioned in 1.7 above and those involving estimations (see below), management has made no other critical accounting judgements in the process of applying the CCG's accounting policies that have would have a significant effect on the amounts recognised in the financial statements:

1.24.2 **Sources of estimation uncertainty**

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

Estimation techniques are used to ensure that the correct levels of income and expenditure relating to current year are included through the inclusion of accruals. These are based on known commitments and local knowledge.

For the main acute contracts the year end forecasts are based on the full year effect of expected activity. This has been discussed and agreed with providers. Partially completed spells are based on an assessment of the actual patients treated at the year end.

The CCG relies on the Business Services Authority's forecasting methodology applied to Primary Care Prescribing. An autoregressive integrated moving average (ARIMA) model is also run in parallel as a comparison, however although the ARIMA model has the advantage of being quick to adapt to trends in the system, it can overcompensate for recent noise in the data. The models used provided a range of year end positions. These varied from an underspend of £1,257k to an overspend of £2,810k. The Business Services Authority forecast resulted in a total overspend of £1,369k. Due to the timing of published data the year end position includes an estimate for February and March's prescribing costs.

Other estimates and judgements made in applying the CCG's accounting policies relate to the valuation of Property, Plant and Equipment and Intangibles. The nature of the assumptions and carrying value of the assets and liabilities are detailed in note 9 and 10 respectively.

Historically the difference between the estimated accruals and actual cost are not material. The accruals will be carried forward into 2019/20 and matched against the actual costs incurred within Devon CCG (new CCG created 1st April 2019).

1.25 **Accounting Standards That Have Been Issued But Have Not Yet Been Adopted**

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2018-19. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2019-20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

The above listed accounting standards have been reviewed and IFRS 17 and 23 would have no material impact on the 2018/19 accounts if they were applied in that year.

IFRS 16 specifies how an organisation will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. It is likely that this would require the CCG to recognise the current operating leases for its headquarters as non-current assets with a corresponding lease liability.

2 Other Operating Revenue

	2018-19 Total £'000	2017-18 Total £'000
Income from sale of goods and services (contracts)		
Education, training and research	-	-
Non-patient care services to other bodies	-	-
Patient transport services	-	-
Prescription fees and charges	-	-
Dental fees and charges	-	-
Income generation	-	-
Other Contract income	-	-
Recoveries in respect of employee benefits	-	-
Total Income from sale of goods and services	-	-
Other operating income		
Rental revenue from finance leases	-	-
Rental revenue from operating leases	-	-
Charitable and other contributions to revenue expenditure: NHS	-	-
Charitable and other contributions to revenue expenditure: non-NHS	-	-
Receipt of donations (capital/cash)	-	-
Receipt of Government grants for capital acquisitions	-	-
Continuing Health Care risk pool contributions	-	-
Non cash apprenticeship training grants revenue	31	-
Other non contract revenue	44,142	39,090
Total Other operating income	44,173	39,090
Total Operating Income	44,173	39,090

The comparators have been restated to account for the implementaion of the international financial reporting standard 15 - Revenue from contracts with customers in 2018/19.

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

Income the CCG receives is not contract income but pass-through funds from other organisations including cost of drugs and GP IT the CCG purchased during the year.

4. Employee benefits and staff numbers

4.1.1 Employee benefits

Total 2018-19

	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	12,182	932	13,114
Social security costs	1,340	-	1,340
Employer Contributions to NHS Pension scheme	1,787	-	1,787
Other pension costs	2	-	2
Apprenticeship Levy	50	-	50
Other post-employment benefits	-	-	-
Other employment benefits	-	-	-
Termination benefits	234	-	234
Gross employee benefits expenditure	15,595	932	16,527
Less recoveries in respect of employee benefits (note 4.1.2)	-	-	-
Total - Net admin employee benefits including capitalised costs	15,595	932	16,527
Less: Employee costs capitalised	-	-	-
Net employee benefits excluding capitalised costs	15,595	932	16,527

4.1.1 Employee benefits

Total 2017-18

	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	13,655	814	14,469
Social security costs	1,552	-	1,552
Employer Contributions to NHS Pension scheme	2,017	-	2,017
Other pension costs	1	-	1
Apprenticeship Levy	57	-	57
Other employment benefits	-	-	-
Termination benefits	851	-	851
Gross employee benefits expenditure	18,133	814	18,947
Less recoveries in respect of employee benefits (note 4.1.2)	-	-	-
Total - Net admin employee benefits including capitalised costs	18,133	814	18,947
Less: Employee costs capitalised	-	-	-
Net employee benefits excluding capitalised costs	18,133	814	18,947

4.1.2 Recoveries in respect of employee benefits

	Permanent Employees £'000	Other £'000	2018-19 Total £'000	2017-18 Total £'000
Employee Benefits - Revenue				
Salaries and wages	-	-	-	-
Social security costs	-	-	-	-
Employer contributions to the NHS Pension Scheme	-	-	-	-
Other pension costs	-	-	-	-
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Total recoveries in respect of employee benefits	-	-	-	-

4.2 Average number of people employed

	2018-19			2017-18		
	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number	Total Number
Total	**353.51**	**16.35**	**369.86**	361.47	26.31	387.78
Of the above:						
Number of whole time equivalent people engaged on capital projects	**-**	**-**	**-**	-	-	-

4.3 Exit packages agreed in the financial year

	2018-19 Compulsory redundancies		2018-19 Other agreed departures		2018-19 Total	
	Number	£	Number	£	Number	£
Less than £10,000	-	-	1	6,814	1	6,814
£10,001 to £25,000	1	14,797	-	-	1	14,797
£25,001 to £50,000	4	157,584	1	33,000	5	190,584
£50,001 to £100,000	-	-	-	-	-	-
£100,001 to £150,000	-	-	-	-	-	-
£150,001 to £200,000	-	-	-	-	-	-
Over £200,001	-	-	-	-	-	-
Total	**5**	**172,381**	**2**	**39,814**	**7**	**212,195**

	2017-18 Compulsory redundancies		2017-18 Other agreed departures		2017-18 Total	
	Number	£	Number	£	Number	£
Less than £10,000	-	-	-	-	-	-
£10,001 to £25,000	-	-	4	72,719	4	72,719
£25,001 to £50,000	-	-	5	183,593	5	183,593
£50,001 to £100,000	-	-	6	434,708	6	434,708
£100,001 to £150,000	-	-	-	-	-	-
£150,001 to £200,000	1	160,000	-	-	1	160,000
Over £200,001	-	-	-	-	-	-
Total	**1**	**160,000**	**15**	**691,019**	**16**	**851,019**

	2018-19 Departures where special payments have been made		2017-18 Departures where special payments have been made	
	Number	£	Number	£
Less than £10,000	-	-	-	-
£10,001 to £25,000	-	-	-	-
£25,001 to £50,000	-	-	-	-
£50,001 to £100,000	-	-	-	-
£100,001 to £150,000	-	-	-	-
£150,001 to £200,000	-	-	-	-
Over £200,001	-	-	-	-
Total	**-**	**-**	**-**	**-**

Analysis of Other Agreed Departures

	2018-19 Other agreed departures		2017-18 Other agreed departures	
	Number	£	Number	£
Voluntary redundancies including early retirement contractual costs	1	6,814	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	15	691,019
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	1	33,000	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval*	-	-	-	-
Total	**2**	**39,814**	**15**	**691,019**

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

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

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

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

No non-contractual payments were made to individuals where the payment value was more than 12 months' of their annual salary.

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

4.4 Pension costs

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

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

4.4.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

4.4.2 Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

For 2018-19, employers' contributions of £1,813,928 were payable to the NHS Pensions Scheme (2017-18: £2,042,754) were payable to the NHS Pension Scheme at the rate of 14.38% of pensionable pay. These costs are included in the NHS pension line of note 4.1.1 and chair and Non Executive Members costs in Note 5.

5. Operating expenses

	2018-19 Admin £'000	2018-19 Programme £'000	2018-19 Total £'000	2017-18 Total £'000
Purchase of goods and services				
Services from other CCGs and NHS England	404	353	757	569
Services from foundation trusts	2	348,827	348,829	336,223
Services from other NHS trusts	-	424,358	424,358	418,393
Services from Other WGA bodies	-	-	-	7
Purchase of healthcare from non-NHS bodies	-	289,057	289,057	297,919
Purchase of social care	-	31,727	31,727	32,705
General Dental services and personal dental services	-	-	-	-
Prescribing costs	-	141,493	141,493	144,897
Pharmaceutical services	-	1	1	-
General Ophthalmic services	-	1	1	11
GPMS/APMS and PCTMS	-	15,046	15,046	13,220
Supplies and services – clinical	-	1,069	1,069	1,289
Supplies and services – general	138	4,332	4,469	3,026
Consultancy services	142	104	246	283
Establishment	2,195	5,169	7,364	6,781
Transport	19	23	43	94
Premises	1,226	1,590	2,816	482
Audit fees	69	-	69	69
Other non statutory audit expenditure				
· Internal audit services	-	-	-	-
· Other services	12	-	12	-
Other professional fees	391	258	650	249
Legal fees	166	-	166	265
Education, training and conferences	67	152	219	225
Funding to group bodies	-	-	-	-
CHC Risk Pool contributions	-	-	-	-
Total Purchase of goods and services	**4,832**	**1,263,560**	**1,268,392**	**1,256,704**
Depreciation and impairment charges				
Depreciation	280	1,142	1,422	1,567
Amortisation	38	-	38	47
Impairments and reversals of property, plant and equip	-	-	-	-
Impairments and reversals of intangible assets	-	-	-	-
Impairments and reversals of financial assets				
· Assets carried at amortised cost	-	-	-	-
· Assets carried at cost	-	-	-	-
· Available for sale financial assets	-	-	-	-
Impairments and reversals of non-current assets held f	-	-	-	-
Impairments and reversals of investment properties	-	-	-	-
Total Depreciation and impairment charges	**318**	**1,142**	**1,460**	**1,615**
Provision expense				
Change in discount rate	-	-	-	-
Provisions	-	-	-	-
Total Provision expense	**-**	**-**	**-**	**-**
Other Operating Expenditure				
Chair and Non Executive Members	416	-	416	432
Grants to Other bodies	-	212	212	80
Clinical negligence	-	-	-	-
Research and development (excluding staff costs)	-	39	39	89
Expected credit loss on receivables	-	280	280	-
Expected credit loss on other financial assets (stage 1	-	-	-	-
Inventories written down	-	-	-	567
Inventories consumed	-	-	-	-
Non cash apprenticeship training grants	31	-	31	-
Other expenditure	9	-	9	12
Total Other Operating Expenditure	**456**	**532**	**987**	**1,180**
Total operating expenditure	**5,605**	**1,265,234**	**1,270,839**	**1,259,499**

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

In accordance with SI 2008 no.489, The Companies Regulations 2008, the contract the CCG has with the external auditors, Grant Thornton UK LLP, has a limitation on their liability set at £2m.

The external audit fee, paid to Grant Thornton UK LLP, is £57,500 plus VAT totalling £69,000.

Other services obtain from Grant Thornton UK LLP is £10,000 plus VAT, totalling £12,000, for the Mental Health Investment Standard assurance work,

6 Better Payment Practice Code

Measure of compliance	2018-19 Number	2018-19 £'000	2017-18 Number	2017-18 £'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	12,653	375,622	13,086	364,904
Total Non-NHS Trade Invoices paid within target	12,574	373,533	12,964	363,727
Percentage of Non-NHS Trade invoices paid within target	**99.38%**	**99.44%**	**99.07%**	**99.68%**
NHS Payables				
Total NHS Trade Invoices Paid in the Year	4,450	774,158	4,109	755,397
Total NHS Trade Invoices Paid within target	4,392	773,082	4,088	755,275
Percentage of NHS Trade Invoices paid within target	**98.70%**	**99.86%**	**99.49%**	**99.98%**

The better payment practice code requires the CCG to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

7 Income Generation Activities

The CCG undertakes income generation activities with an aim of achieving profit, which is then used in commissioning healthcare services. None of these activities had a full cost which exceeded £1m or was otherwise material.

8. Operating Leases

8.1 As lessee

8.1.1 Payments recognised as an Expense

	2018-19				2017-18			
	Land	**Buildings**	**Other**	**Total**	Land	Buildings	Other	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Payments recognised as an expense								
Minimum lease payments	-	581	1	**582**	-	579	22	601
Contingent rents	-	-	-	**-**	-	-	-	-
Sub-lease payments	-	-	-	**-**	-	-	-	-
Total	**-**	**581**	**1**	**582**	-	579	22	601

The CCG occupies property owned or managed by NHS Property Services Ltd. In 2015/16 the arrangements with NHS Property Services were formalised as contractual estates management. The contracts encompass all rental charges, business rates and other operating costs and management charges and therefore are accounted for as contract management payments rather than operating leases. These arrangements have continued in 2018/19.

8.1.2 Future minimum lease payments

	2018-19				2017-18			
	Land	**Buildings**	**Other**	**Total**	Land	Buildings	Other	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Payable:								
No later than one year	-	171	1	**172**	-	494	20	514
Between one and five years	-	171	1	**172**	-	685	11	696
After five years	-	-	-	**-**	-	222	-	222
Total	**-**	**342**	**2**	**344**	-	1,401	31	1,432

9 Property, plant and equipment

2018-19	Land £'000	Buildings excluding dwellings £'000	Dwellings £'000	Assets under construction and payments on account £'000	Plant & machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation at 01 April 2018	-	208	-	-	1,857	-	8,152	614	10,831
Addition of assets under construction and payments on account				-					-
Additions purchased	-	-	-	-	-	-	73	-	73
Additions donated	-	-	-	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-	-	-	-
Additions leased	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-	-
Transfer (to)/from other public sector body	-	-	-	-	-	-	-	-	-
Cumulative depreciation adjustment following revaluation	-	-	-	-	-	-	-	-	-
Cost/Valuation at 31 March 2019	-	208	-	-	1,857	-	8,225	614	10,904
Depreciation 01 April 2018	-	71	-	-	1,094	-	4,934	376	6,476
Reclassifications	-	-	-	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-	-	-
Charged during the year	-	12	-	-	192	-	1,174	44	1,422
Transfer (to)/from other public sector body	-	-	-	-	-	-	-	-	-
Cumulative depreciation adjustment following revaluation	-	-	-	-	-	-	-	-	-
Depreciation at 31 March 2019	-	83	-	-	1,286	-	6,108	420	7,898
Net Book Value at 31 March 2019	-	125	-	-	571	-	2,117	193	3,006
Purchased	-	125	-	-	571	-	2,117	193	3,006
Donated	-	-	-	-	-	-	-	-	-
Government Granted	-	-	-	-	-	-	-	-	-
Total at 31 March 2019	-	125	-	-	571	-	2,117	193	3,006
Asset financing:									
Owned	-	125	-	-	571	-	2,117	193	3,006
Held on finance lease	-	-	-	-	-	-	-	-	-
On-SOFP Lift contracts	-	-	-	-	-	-	-	-	-
PFI residual interests	-	-	-	-	-	-	-	-	-
Total at 31 March 2019	-	125	-	-	571	-	2,117	193	3,006

Revaluation Reserve Balance for Property, Plant & Equipment

	Land £'000	Buildings £'000	Dwellings £'000	Assets under construction & payments on account £'000	Plant & machinery £'000	Transport equipment £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Balance at 01 April 2018	-	-	-	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-	-
Release to general fund	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Balance at 31 March 2019	-	-	-	-	-	-	-	-	-

9 Property, plant and equipment cont'd

9.1 Cost or valuation of fully depreciated assets

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

	2018-19 £'000	2017-18 £'000
Land	-	-
Buildings excluding dwellings	-	-
Dwellings	-	-
Plant & machinery	339	248
Transport equipment	-	-
Information technology	2,815	1,699
Furniture & fittings	161	-
Total	**3,315**	**1,947**

Prior year figures have been restated.

9.2 Economic lives

	Minimum Life (years)	**Maximum Life (Years)**
Buildings excluding dwellings	6	12
Dwellings	-	-
Plant & machinery	1	7
Transport equipment	-	-
Information technology	-	4
Furniture & fittings	-	10

10 Intangible non-current assets

2018-19	Computer Software: Purchased £'000	Computer Software: Internally Generated £'000	Licences & Trademarks £'000	Patents £'000	Development Expenditure (internally generated) £'000	Total £'000
Cost or valuation at 01 April 2018	322	-	-	-	68	389
Additions purchased	-	-	-	-	-	-
Additions internally generated	-	-	-	-	-	-
Additions donated	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-
Additions leased	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-
Transfer (to)/from other public sector body	-	-	-	-	-	-
Cumulative amortisation adjustment following revaluation	-	-	-	-	-	-
Cost / Valuation At 31 March 2019	322	-	-	-	68	389
Amortisation 01 April 2018	294	-	-	-	47	341
Reclassifications	-	-	-	-	-	-
Reclassified as held for sale and reversals	-	-	-	-	-	-
Disposals other than by sale	-	-	-	-	-	-
Upward revaluation gains	-	-	-	-	-	-
Impairments charged	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-
Charged during the year	28	-	-	-	10	38
Transfer (to) from other public sector body	-	-	-	-	-	-
Cumulative amortisation adjustment following revaluation	-	-	-	-	-	-
Amortisation At 31 March 2019	322	-	-	-	58	379
Net Book Value at 31 March 2019	0	-	-	-	10	10
Purchased	-	-	-	-	10	10
Donated	-	-	-	-	-	-
Government Granted	-	-	-	-	-	-
Total at 31 March 2019	-	-	-	-	10	10

Revaluation Reserve Balance for intangible assets

	Computer Software: Purchased £'000	Computer Software: Internally Generated £'000	Licences & Trademarks £'000	Patents £'000	Development Expenditure (internally generated) £'000	Total £'000
Balance at 01 April 2018	-	-	-	-	-	-
Revaluation gains	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Release to general fund	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Balance at 31 March 2019	-	-	-	-	-	-

10 Intangible non-current assets cont'd

10.1 Compensation from third parties

No compensation has been received from third parties for assets impaired, lost or given up, that is included in the Statement of Comprehensive Net Expenditure (2017-18 - nil)

10.2 Write downs to recoverable amount

There are no assets written down to recoverable amounts nor previous write-downs (2017-18 - nil)

10.3 Non-capitalised assets

There are no significant intangible assets controlled by the NHS CCG but not recognised as assets because they didn't meet the recognition criteria of IAS 38 (2017-18 - nil)

10.4 Temporarily idle assets

There are no temporarily idle assets (2017-18 - nil)

10.5 Cost or valuation of fully amortised assets

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

	2018-19 £'000	2017-18 £'000
Computer software: purchased	322	261
Computer software: internally generated	-	-
Licences & trademarks	-	-
Patents	-	-
Development expenditure (internally generated)	30	-
Total	**352**	**261**

Prior year figures have been restated.

10.6 Economic lives

	Minimum Life (years)	Maximum Life (Years)
Computer software: purchased	-	-
Computer software: internally generated	-	-
Licences & trademarks	-	-
Patents	-	-
Development expenditure (internally generated)	-	3

11 Inventories

	Drugs £'000	Consumables £'000	Energy £'000	Work in Progress £'000	Loan Equipment £'000	Other £'000	Total £'000
Balance at 01 April 2018	-	328	-	-	-	-	328
Additions	-	-	-	-	-	-	-
Inventories recognised as an expense in the period	-	-	-	-	-	-	-
Write-down of inventories (including losses)	-	-	-	-	-	-	-
Reversal of write-down previously taken to the statement of comprehensive net expenditure	-	-	-	-	-	-	-
Transfer (to) from -Goods for resale	-	-	-	-	-	-	-
Balance at 31 March 2019	-	328	-	-	-	-	328

Inventories relate to the CCG's share of inventories held within the Devon Better Care Fund managed by Devon County Council as host of the pooled fund.

12.1 Trade and other receivables

	Current 2018-19 £'000	Non-current 2018-19 £'000	Current 2017-18 £'000	Non-current 2017-18 £'000
NHS receivables: Revenue	4,767	-	5,555	-
NHS receivables: Capital	-	-	-	-
NHS prepayments	2,352	-	2,446	-
NHS accrued income	310	-	(111)	-
NHS Contract Receivable not yet invoiced/non-invoice	-	-	-	-
NHS Non Contract trade receivable (i.e pass through funding)	-	-	-	-
NHS Contract Assets	-	-	-	-
Non-NHS and Other WGA receivables: Revenue	4,752	-	3,424	-
Non-NHS and Other WGA receivables: Capital	-	-	-	-
Non-NHS and Other WGA prepayments	1,602	-	1,717	162
Non-NHS and Other WGA accrued income	(121)	-	541	-
Non-NHS and Other WGA Contract Receivable not yet invoiced/non-invoice	-	-	-	-
Non-NHS and Other WGA Non Contract trade receivable (i.e pass through funding)	-	-	-	-
Non-NHS Contract Assets	-	-	-	-
Expected credit loss allowance-receivables	(361)	-	(641)	-
VAT	564	-	969	-
Private finance initiative and other public private partnership arrangement prepayments and accrued income	-	-	-	-
Interest receivables	-	-	-	-
Finance lease receivables	-	-	-	-
Operating lease receivables	-	-	-	-
Other receivables and accruals	(12)	-	(0)	-
Total Trade & other receivables	**13,854**	**-**	**13,899**	**162**
Total current and non current	**13,854**		**14,061**	
Included above:				
Prepaid pensions contributions	-		-	

The majority of trade is with NHS England (funded by government) to provide funding to CCGs to commission services of NHS provider Trusts and Foundations Trusts (whose income streams are through CCGs to provide healthcare services). No credit scoring is considered necessary.

12.2 Receivables past their due date but not impaired

	2018-19 DHSC Group Bodies £'000	2018-19 Non DHSC Group Bodies £'000	2017-18 DHSC Group Bodies £'000	2017-18 Non DHSC Group Bodies £'000
By up to three months	1,610	3,760	1,902	696
By three to six months	68	-	317	2
By more than six months	73	112	960	371
Total	**1,751**	**3,871**	**3,179**	**1,069**

£1.6m of the amount above has subsequently been recovered as at 23rd April 2019.

The CCG holds no collateral against the receivables past their due date.

12.3 Impact of Application of IFRS 9 on financial assets at 1 April 2018

	Trade and other receivables - NHSE bodies £000s	Trade and other receivables - other DHSC group bodies £000s	Trade and other receivables - external £000s	Other financial assets £000s	Total £000s
Classification under IAS 39 as at 31st March 2018					
Financial Assets held at FVTPL	-	-	-	-	-
Financial Assets held at Amortised cost	123	5,444	-	3,965	9,532
Financial assets held at FVOCI	-	-	-	-	-
Total at 31st March 2018	**123**	**5,444**	**-**	**3,965**	**9,532**
Classification under IFRS 9 as at 1st April 2018					
Financial Assts designated to FVTPL	-	-	-	-	-
Financial Assets mandated to FVTPL	-	-	-	-	-
Financial Assets measured at amortised cost	123	5,444	-	3,965	9,532
Financial Assets measured at FVOCI	-	-	-	-	-
Total at 1st April 2018	123	5,444	-	3,965	9,532
Changes due to change in measurement attribute	-	-	-	-	-
Other changes	-	-	-	-	-
Change in carrying amount	-	-	-	-	-

12.4 Movement in loss allowances due to application of IFRS 9

	Trade and other receivables - NHSE bodies £000s	Trade and other receivables - other DHSC group bodies £000s	Trade and other receivables - external £000s	Other financial assets £000s	Total £000s
Impairment and provisions allowances under IAS 39 as at 31st March 2018					
Financial Assets held at Amortised cost (ie the 1718 Closing Provision)	-	-	(641)	-	(641)
Financial assets held at FVOCI	-	-	-	-	-
Total at 31st March 2018	**-**	**-**	**(641)**	**-**	**(641)**
Loss allowance under IFRS 9 as at 1st April 2018					
Financial Assets measured at amortised cost	-	-	(641)	-	(641)
Financial Assets measured at FVOCI	-	-	-	-	-
Total at 1st April 2018	**-**	**-**	**(641)**	**-**	**(641)**
Change in loss allowance arising from application of IFRS 9	-	-	-	-	-

13 Non-Current: capital analysis

	2018-19 £'000	2017-18 £'000
Capital revenue	-	-
Capital expenditure	-	-

The CCG holds a shareholding interest in DELT in respect of 1 A ordinary Share with a nominal total value of £1 being 50% of the total shareholding and 30 B ordinary shares with a total nominal value of £30 being 30% of the total shareholding. This shareholding is held within the CCG's fixed asset register but due to the immaterial value is not visible in the annual accounts. (This is in line with 31 March 2018).

14 Cash and cash equivalents

	2018-19 £'000	2017-18 £'000
Balance at 01 April 2018	123	(10,810)
Net change in year	(363)	10,933
Balance at 31 March 2019	**(240)**	**123**
Made up of:		
Cash with the Government Banking Service	(241)	123
Cash with Commercial banks	-	-
Cash in hand	1	0
Current investments	-	-
Cash and cash equivalents as in statement of financial position	**(240)**	**123**
Bank overdraft: Government Banking Service	-	-
Bank overdraft: Commercial banks	-	-
Total bank overdrafts	**-**	**-**
Balance at 31 March 2019	**(240)**	**123**
Patients' money held by the CCG, not included above	-	-

The (£0.241m) is made up of a cash balance of £1.315m in its Government Banking Service bank account with £1.556m of payments to clear in April 2019.

15 Trade and other payables	Current 2018-19 £'000	Non-current 2018-19 £'000	Current 2017-18 £'000	Non-current 2017-18 £'000
Interest payable	-	-	-	-
NHS payables: Revenue	6,966	-	8,924	-
NHS payables: Capital	-	-	-	-
NHS accruals	9,447	-	5,782	-
NHS deferred income	209	-	255	-
NHS Contract Liabilities	-	-	-	-
Non-NHS and Other WGA payables: Revenue	14,919	-	17,061	-
Non-NHS and Other WGA payables: Capital	-	-	-	-
Non-NHS and Other WGA accruals	41,779	-	44,396	-
Non-NHS and Other WGA deferred income	-	-	93	-
Social security costs	202	-	209	-
VAT	-	-	-	-
Tax	168	-	192	-
Payments received on account	-	-	-	-
Other payables and accruals	23,714	-	18,726	-
Total Trade & Other Payables	**97,404**	**-**	**95,637**	**-**
Total current and non-current	**97,404**		**95,637**	

Other payables include £222k outstanding pension contributions at 31 March 2019. (Outstanding contributions £275k as at 31 March 2018)
Comparators have been restated to mirror the payable categories used in 2018/19.

15.1 Impact of Application of IFRS 9 on financial liabilities at 1 April 2018

	Trade and other payables - NHSE bodies £000s	Trade and other payables - other DHSC group bodies £000s	Trade and other payables - external £000s	Other borrowings (including finance lease obligations) £000s	Other financial liabilities £000s	Total £000s
Classification under IAS 39 as at 31st March 2018						
Financial Assets held at FVTPL	-	-	-	-	-	-
Financial Assets held at Amortised cost	14,706	889	43,886	-	35,407	**94,888**
Total at 31st March 2018	**14,706**	**889**	**43,886**	**-**	**35,407**	**94,888**
Classification under IFRS 9 as at 1st April 2018						
Financial Liabilities designated to FVTPL	-	-	-	-	-	-
Financial Liabilities mandated to FVTPL	-	-	-	-	-	-
Financial Liabilities measured at amortised cost	14,706	889	43,886	-	35,407	**94,888**
Financial Assets measured at FVOCI	-	-	-	-	-	-
Total at 1st April 2018	14,706	889	43,886	-	35,407	**94,888**
Changes due to change in measurement attribute	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Change in carrying amount	-	-	-	-	-	-

16 Provisions

The CCG had no provisions in 2018/19 (2017/18- nil)

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before establishment of the CCG. However, legal liability remains with the CCG. The total value of legacy NHS Continuing Healthcare accounted for by NHS England on behalf of this CCG as at 31 March 2019 is £747k (£1,168k as at 31 March 2018).

£ 3k is included in the provisions of NHS Resolution as at 31 March 2019 in respect of liabilities to third parties (£nil 31 March 2018).

17 Contingencies

There are no contingent liabilities or assets to report in 2018/19. (2017/18- nil)

18 Financial Instruments

18.1 Financial risk management

Financial instruments are disclosed at fair value. Due to the short term nature of the transactions, fair value for cash is recognised at its sterling value; trade receivables, trade payables, other financial assets and liabilities are stated at the consideration agreed at the date of the transaction.

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

Because the CCG 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 CCG 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 CCG in undertaking its activities.

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

18.1.1 Currency risk

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

18.1.2 Interest rate risk

The CCG 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 CCG therefore has low exposure to interest rate fluctuations.

18.1.3 Credit risk

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

18.1.4 Liquidity risk

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

18.1.5 Financial Instruments

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

18 Financial Instruments cont'd

18.2 Financial assets

	Financial Assets measured at amortised cost 2018-19 £'000	Equity Instruments designated at FVOCI 2018-19 £'000	Total 2018-19 £'000
Loans receivable with group bodies	-	-	-
Loans receivable with external bodies	-	-	-
Trade and other receivables with NHSE bodies	4,565	-	4,565
Trade and other receivables with other DHSC group bodies	512	-	512
Trade and other receivables with external bodies	4,632	-	4,632
Other financial assets	(12)	-	(12)
Cash and cash equivalents	(240)	-	(240)
Total at 31 March 2019	**9,457**	**-**	**9,457**

18.3 Financial liabilities

	Financial Liabilities measured at amortised cost 2018-19 £'000	Other 2018-19 £'000	Total 2018-19 £'000
Loans with group bodies	-	-	-
Loans with external bodies	-	-	-
Trade and other payables with NHSE bodies	262	-	262
Trade and other payables with other DHSC group bodies	18,088	-	18,088
Trade and other payables with external bodies	54,761	-	54,761
Other financial liabilities	23,714	-	23,714
Private Finance Initiative and finance lease obligations	-	-	-
Total at 31 March 2019	**96,825**	**-**	**96,825**

18.4 Maturity of financial liabilities

	Payable to DH 2018-19 £'000	Payable to Other bodies 2018-19 £'000	Total 2018-19 £'000
In one year or less	-	96,825	96,825
In more than one year but not more than two years	-	-	-
In more than two years but not more than five years	-	-	-
In more than five years	-	-	-
Total at 31 March 2019	**-**	**96,825**	**96,825**

19 Joint arrangements - interests in joint operations

The CCG has joint arrangements in place as follows:-

Name of arrangement	Parties to the arrangement	Description of principal activities	Amounts recognised in Entity's books only 2018-19			
			Assets	Liabilities	Income	Expenditure
			£'000	£'000	£'000	£'000
Devon Better Care Fund	Devon County Council, SD&T CCG	Provision of integrated care	328	- -	24,437	42,147
Plymouth Integrated Fund	Plymouth City Council	Provision of integrated care	-	- -	7,915	149,284

Name of arrangement	Parties to the arrangement	Description of principal activities	Amounts recognised in Entity's books only 2017-18			
			Assets	Liabilities	Income	Expenditure
			£'000	£'000	£'000	£'000
Devon Better Care Fund	Devon County Council, SD&T CCG	Provision of integrated care	328	- -	17,138	41,361
Plymouth Integrated Fund	Plymouth City Council	Provision of integrated care	-	- -	7,915	145,703

20 Operating segments

	Gross expenditure	Income	Net expenditure	Total assets	Total liabilities	Net assets
	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning of Healthcare Services	1,287,367	(44,173)	1,243,194	16,957	(97,404)	(80,446)

Wherever possible the CCG manages resources and commissioning on a locality basis. Whilst this covers gross expenditure, which is reported using segmental analysis, this is not sufficient to necessitate a full reanalysis of the CCG's spend within these accounts. Accordingly the CCG has chosen not to analyse expenditure by segment.

21 Related party transactions

During the year, apart from the following transactions none of the Department of Health Ministers, leadership or members of the key management staff, or parties related to any of them, has undertaken any material transactions with NEW Devon CCG.

Details of related party transactions with individuals are as follows:

	2018-19				2017-18			
	Payments to Related Party £'000	Receipts from Related Party £'000	Amounts owed to Related Party £'000	Amounts due from Related Party £'000	Payments to Related Party £'000	Receipts from Related Party £'000	Amounts owed to Related Party £'000	Amounts due from Related Party £'000
Governing Body and Locality Practice Members								
Access Health Ltd	239							
Astra Zeneca Ltd		(120)		(90)		(186)		(72)
Barton Surgery	1							
Beacon Medical Group	1,047	(8)			772	(5)	31	
Beaumont Villa Surgery	101				128		3	
Budshead Medical Practice	360				83			
Caen Medical Centre					158		20	
Castle Place Practice					179			
Coleridge Medical Centre	213				209		1	
Combe Coastal Practice	217				201		132	
Devon Health					78			
Devon LMC	53				44			
East Devon Health Ltd	1,370	(5)						
Exeter Primary Care Ltd	1,304				559	(44)	66	
Foxhayes Practice	38				44			
Litchdon Medical Centre	656				574		3	
Lynton Health Centre	48				32		6	
Mid Devon Medical Practice					741		10	
Townsend House Medical Practice					167		1	
Wallingbrook Health Centre	944	(1)		(1)	927		1	
Woodbury Surgery					501			
Wycliffe Surgery	78				69		13	
Wyndham house surgery	523							
Yealm Medical Centre	734				742			
Delt Shared Services Ltd	8,039	(265)		(0)	6,959	(342)	1,171	
Devon Doctors Ltd	15,553	(2)			12,488	(10)	1,812	(16)
Sentinel Healthcare CIC	1,579				1,638		27	
Livewell Southwest CIC	85,597		7,043		87,649	(126)	258	(9)

Payments to GP surgeries detailed above are the amounts payable under the Primary Medical Services (PMS) or General Medical Services (GMS) contracts, as well as reimbursement for drugs purchased by the practice and dispensed to patients. Further payments relating to this year may be due to the practice, however this will be determined by various outcomes which will be known later in 2018/19. As such not all amounts owed to and amounts owed from related parties has been detailed above.

Kingskerswell and Ipplepen Medical Practice is a rural dispensing practice; this figure includes reimbursement for drugs purchased by the practice and dispensed to patients living more than 1.6km from a pharmacy.

Several of the CCG governing body members are GP partners at practices which are shareholders of Devon Doctors Ltd.

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 of Health is regarded the parent department. The most significant transactions for the clinical Commissioning Group were with the following:

Devon Partnership NHS Trust
NHS England
Northern Devon Healthcare NHS Trust
Plymouth Hospitals NHS Trust
Royal Devon and Exeter NHS Foundation Trust
South Western Ambulance Services NHS Foundation Trust

The most significant transactions with other Government bodies were with the following organisations
Devon County Council
Plymouth City Council

22 Events after the end of the reporting period

CCG Merger
From 1 April 2019, NHS Devon CCG will be a new statutory organisation, with a membership of 131 GP practices across Devon, Plymouth and Torbay. It will be formed from the South Devon and Torbay CCG and Northern, Eastern and Western Devon CCG.

2019/20 CCG Plans

The merged CCG financial plans for 2019/20 forecast an overspend indicating failure to achieve one or more of its statutory financial duties. Although this has implications for the going concern of the new CCG, for the CCG to be dissolved it would require parliamentary intervention and there is no indication of this currently. Even if the organisation was dissolved by Parliament its functions would be transferred to various new or existing public sector entities. The Secretary of State has directed that, where Parliamentary funding continues to be voted to permit the relevant services to be carried out elsewhere in the public sector, this is normally sufficient evidence of going concern.

Delegated Primary Care Commissioning

The CCG has been engaged in co-commissioning primary care services with NHS England. From 1st April 2019 the merged CCG will take full responsibility for primary care commissioning of practices cross Devon, Plymouth and Torbay.

Financial Statements

The financial statements were approved by the Governing Body and authorised for issue on 23rd May 2019.

The above mentioned post balance sheet events has no effect on the 2018/19 financial statements of the CCG.

23 Financial performance targets

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

	2018-19 Target £'000	2018-19 Performance £'000	2017-18 Target £'000	2017-18 Performance £'000
Expenditure not to exceed income	1,287,440	1,287,440	1,228,817	1,278,731
Capital resource use does not exceed the amount specified in Directions	73	73	285	285
Revenue resource use does not exceed the amount specified in Directions	1,243,194	1,243,194	1,189,442	1,239,356
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	-	-
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	-	-
Revenue administration resource use does not exceed the amount specified in Directions	19,523	15,499	19,422	17,206

In year control totals set by NHS England have been achieved.

24 Effect of application of IFRS 15 on current year closing balances

A detailed note on the effect of the application of IFRS 15 - Revenue from contracts with consumers was removed as the impact of the standard on the CCG's accounts is not material.

Independent auditor's report

Independent auditor's report to the members of the Governing Body of NHS Devon Clinical Commissioning Group in relation to NHS Northern, Eastern and Western Devon Clinical Commissioning Group

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NHS Northern, Eastern and Western Clinical Commissioning Group (the 'CCG') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the CCG as at 31 March 2019 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19; and
- have been prepared in accordance with the requirements of the Health and Social Care Act 2012.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the CCG in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accountable Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the CCG's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter – Demise of the organisation

In forming our opinion on the financial statements, which is not modified, we draw attention to note 31 in the financial statements, which indicates that NHS Northern, Eastern and Western CCG merged with NHS South Devon and Torbay CCG to become NHS Devon CCG with effect from 1 April 2019.

Other information

The Accountable Officer is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by the NHS Commissioning Board or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19 and the requirements of the Health and Social Care Act 2012; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the CCG gained through our work in relation to the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report and Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion on regularity required by the Code of Audit Practice

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

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the CCG, or an officer of the CCG, is about to make, or has made, a decision which involves or would involve the body incurring unlawful

expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or

- we make a written recommendation to the CCG under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

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

Responsibilities of the Accountable Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Accountable Officer's responsibilities set out on pages 46 to 47, the Accountable Officer is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the CCG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the CCG without the transfer of its services to another public sector entity.

The Accountable Officer is responsible for ensuring the regularity of expenditure and income in the financial statements.

The NHS Devon CCG Audit Committee are Those Charged with Governance. Those charged with governance are responsible for overseeing the CCG's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We are also responsible for giving an opinion on the regularity of expenditure and income in the financial statements in accordance with the Code of Audit Practice.

Report on other legal and regulatory requirements – Conclusion on the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

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

Responsibilities of the Accountable Officer

As explained in the Annual Governance Statement, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the CCG's resources.

Auditor's responsibilities for the review of the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(1)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the CCG's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, the CCG had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the CCG put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the CCG has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of NHS Northern, Eastern and Western Devon CCG in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

Alex Walling

Alex Walling, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

28 May 2019

Appendices

Appendix 1: Meeting attendance and membership of NHS Northern, Eastern and Western Devon Clinical Commissioning Group Governing Body 2018/19

Meeting attendance and membership of NHS Northern, Eastern & Western Devon Clinical Commissioning Group Governing Body 2018/19											
Member	Role	Governing Body Number of Meetings Attended (out of 6)	Audit Committee Number of Meetings Attended (out of 7)	Remuneration Committee Number of Meetings Attended (out of 9)	Finance Committee Number of Meetings Attended (out of 12)	Quality Committee Number of Meetings Attended (out of 12)	Engagement Committee Number of Meetings Attended (out of 6)	Senior Leadership Committee Number of Meetings Attended (out of 11)	Primary Care Joint Committee Number of Meetings Attended (out of 12)	Northern & Eastern Locality Board Number of Meetings Attended (out of 4)	Western Locality Board Number of Meetings Attended (out of 5)
Nick Ball	Lay Member, governance and probity	6/6	7/7	7/9	10/12	-	-	-	8/12	-	-
Tim Burke*	CCG Chair	4/6	4/7	5/9	7/12	8/12	-	7/11	10/12	-	-
Lorna Collingwood-Burke	Chief Nursing Officer	3/6	3/7	-	*1/12*	9/12	-	8/11	0/12	-	-
Sophia Christie**	Interim Accountable Officer	3/3	-	1/3	-	-	-	4/7	-	-	-
John Dowell	Chief Finance Officer	6/6	3/7	-	12/12	1/12	-	9/11	1/12	-	-
Chris Hanvey	Lay member, safeguarding	5/5	3/7	0/9	-	12/12	-	-	-	-	-
Nick Kennedy	Lay member - Secondary care doctor	4/6	-	6/9	-	11/12	-	-	9/12	-	-
Simon Kerr	Eastern Locality Chair	4/6	4/5	-	-	6/12	-	8/11	-	3/4	-

Michelle Law***	Lay member, finance	5/5	1/1	4/8	8/12	-	-	-	-	-	-
Sonja Manton	Director of Strategy	5/6	3/4	-	-	-	-		-	-	-
Shelagh McCormick	Western Locality Chair	5/6	-	-	-	7/12	-	10/11	-	-	4/5
Andrew Millward	Systems Director of Communications & Engagement	5/5		-	-	-	5/6	3/8	-	-	-
Simon Tapley**	Interim Accountable Officer and Director of Commissioning	5/6	1/5	-	8/12	1/12	1/6	11/11	-	-	-
Jennie Willmott	Lay member, patients and public Engagement	4/6	6/7	7/9	-	-	5/6	-	7/12	-	-
John Womersley	Northern Locality Chair	3/5	4/7	-	7/12	2/12	-	7/11	-	4/4	-
Virginia Pearson[#]	Director of Public Health for Devon	2/6	-	-	-	-	-	-	0/12	-	-
Ruth Harrell[#]	Director of Public Health for Plymouth	2/6	-	-	-	-	-	-	0/12	-	-
*Tim Burke left the organisation on 31/3/19											
**Sophia Christie joined the organisation on 03/09/2018 and left on 30/11/2018. Simon Tapley was Interim Accountable Officer 01/04/18 to 02/09/18 and 01/12/18 to 31/03/19											
***Michelle Law left the organisation on 03/02/2019											
[#]Virginia Pearson & Ruth Harrell co-opted, not employed by the CCG											

Appendix 2: Risks Opened during 2018/19

NEW Devon CCG Open Risks 2018-2019						
Risk ID	**Risk description**	**Date risk opened**	**Risk Score**	**Adequacy Score**	**Date closed**	**Reason for closure**
86	There is a risk that the commissioning system may find itself short of mission critical staff. This may adversely impact on delivery of primary care related strategies and work plans. Senior commissioning staff review across both Devon CCGs identified shortfall in mission critical staff in relation to Change Managers and Primary Care commissioning support staff (See risk 23 SDT CCG Risk Register)	26/04/2018	High	Moderate	14 February 2019	Following organisation review of risk register (22nd November 2018) conducted by senior commissioning directorate managers, it was proposed to close this risk as the total number of vacancies is now comparable to those one might expect due to normal staff turnover rates. Closed by Primary Care Committee 07 February 2019
87	There is a risk that the 111 non-clinical call handling service (111 clinical triage) commissioned by the Integrated Urgent Care Service (IUCS) is not providing safe, effective care for its service users. The impact of this is that some patients may be put at risk or may have a poor experience of the service and that patient safety could be compromised. (Duplicated on SDT RR - risk number 25)	26/04/2018	High	Moderate		
88	Following recent internal review process against the 2014 changes to the definition of deprivation of liberty whereby more people in the community may be subject to a DoL, the CCG has identified that some patients have not had a community DOL application, which could have a financial impact on the CCGs, the level of which is currently unknown. (Duplicated on SDT RR - risk number 24)	18/05/2018	Medium	Moderate		
90	The CCG is not assured that NDHT is able to fully demonstrate safe and effective service. Northern Devon Healthcare NHS Trust (NDHT) cannot appropriately demonstrate that quality & safety of patient care is being met by the for key services including Maternity, end of life and outpatient services due to system, leadership & workforce issues that are currently impacting on the provider's ability to maintain these services and as highlighted in the CQC report (Feb 2018).	26/06/18	Very High	Strong		

91	There is a risk that a combination of reduced infection prevention and control (IPC) capacity within the joint CCGs, combined with systemic issues in accessing, analysing and storing the necessary primary care data, will result in a failure to achieve the E coli bloodstream infection audits requested within the national Quality Premium. duplicated on SDT RR - risk number 92	0607/2018	Medium	Moderate		
93	There is a risk that targets for Heath Care Associated Infection (HCAI) targets will not be met across the CCG area. The HCAI targets include MRSA, MSSA, C-Difficile & E-Coli. The impact of this is that patients receiving care may be exposed to and at risk of contracting infections as a result of their episode of care. This could lead to additional or longer periods of ill health and a poor experience of care. (Duplicated on SDT RR - risk number 32)	06/07/2018	Medium	Strong	14 February 2019	Routine processes in place to monitor & report and plans to implement the Community Infection Management Service (CIMS) closed by Quality Committee 14 Feb 2019
95	No Third Party Delegation Process in use within some localities. There is a risk that NHS providers who do not utilise and support a third party delegation framework or process for level 3 patient/client interventions are unable to support patient choice or the personalisation/Integrated Personalised Commissioning (IPC) agenda. This leads to Registered Nurse packages of care being required to enable the patient/client to remain at home.	22/08/2018	Very High	Moderate		
97	There is a risk that the Mayflower procurement will not be successful within the global sum. The impact of this is that there could (a) be no provider, (b) continue with emergency framework or (c) have to top up the contract value.	27/11/2018	High	Strong		
98	There is a risk that following restructure in 2018 there be a lack of workforce Capacity within the CCGs. The impact of this is that the CCGs are unable to deliver on all aspects of their corporate objectives, see risk 99 SDT CCG	08/01/2019	High	Moderate		
100	There is a risk that the population of Devon will not receive timely access to 999 emergency ambulance care when needed. The impact of this is upon public and professional confidence in the system; patient experience and safety and CCG reputation. (Duplicated on SDT RR - ID 101)	21/01/2019	Very High	Strong		
102	There is a risk that the number of DPTs overdue RCA Serious Incident (SI) reports might affect the embedding of learning and improvement. The impact of this to the CCG is a lack of assurance that patient safety improvements from	25/01/2019	Very High	Moderate		

	incident learning are identified and actioned in a timely way. (Duplicated on SDT RR - ID 103)					