

Company number: 09125623

City & Hackney GP Confederation C.I.C.

Report and financial statements
For the year ended 30 September 2021

Contents

For the year ended 30 September 2021

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City & Hackney GP Confederation C.I.C.

Reference and administrative details

For the year ended 30 September 2021

Company number 09125623 – incorporated in the United Kingdom

Registered office and operational address
2nd Floor, The Lawson Practice
85 Nuttall Street
LONDON
N1 5HZ

Directors Directors who served during the year and up to the date of this report were as follows:

Russell Barnes–Heath (Director of Finance & Information)
Shabana Begum
Dr Matthew Bench
Dr Nick Brewer
Tania Fidler
Dr Gopal Mehta
Caroline Millar (Acting Chair, from 1 October 2020)
Dr Nisha Patel
Laura Sharpe (Chief Executive Officer)

Bankers
Lloyds Bank
SME Client Relationship Team
4th Floor, 125 London Wall
LONDON, EC2Y 5AS

The Co-operative Bank
Charity, Co-operative & Social Enterprise Banking
3rd Floor, St Paul's House, 10 Warwick Lane
LONDON, EC4M 7BP

Solicitors
Hempsons
Hempsons House
40 Villiers Street
LONDON, WC2N 6NJ

Auditor
Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House, 108–114 Golden Lane
LONDON, EC1Y 0TL

Directors' report

For the year ended 30 September 2021

The directors present their report and the audited financial statements for the year ended 30 September 2021.

City & Hackney GP Confederation CIC

City & Hackney GP Confederation ("the Confederation") was set up in July 2014 as a Community Interest Company (CIC) with a membership of all GP practices in City and Hackney, with a total registered patient list size of 335,536 (as at 1 October 2021). The company is a not-for-profit organisation in which each of the GP practices in City and Hackney are equal shareholders. Each of the practices pays an annual membership fee to the Confederation based on the size of their registered patient list.

In October 2017, following a procurement exercise led by NHS England, the ownership of three practices changed, one of which resulted in two former practices essentially becoming one practice over two sites. This reduced the total number of practices in City and Hackney from 43 to 42 but there was no corresponding decrease in patient list size overall, or in income to the Confederation as a result. In July 2019, the Sorsby Practice closed and Abney House closed in mid-October 2019, further reducing the number of practices to 40 in October 2019.

The purpose of the Confederation is to support member GP practices to improve quality, resilience and stability in primary care, and to develop innovative, cost-effective services that respond to the needs of local people.

The Confederation's Clinical Board (the Board) is made up of five elected GPs, elected by their peers – one of whom is elected as Chair, with the other four made up of one elected representative from each quadrant of the borough. As at 30 September 2020, Dr Deborah Colvin resigned from the post of Chair, having served in this position since the Confederation was incorporated. No GP member stood to succeed her, and so Caroline Millar, the longest serving Lay Member, was appointed as Acting Chair for an initial period of 6 months from 1 October 2020. This was extended for a further period and at the 2021 AGM, member practices agreed to amend the constitution to allow this position to be filled by someone other than a GP. A special resolution was passed on 01 December 2021 to enact this. Other members of the Board include an elected Practice Manager and Practice Nurse, two Lay Members (one of whom is the acting Chair), and an appointed Chief Executive Officer and a Director of Finance & Information. All the Board members, except the two Lay Members, are directors of the Company, i.e., there are 9 directors in total. At the year-end, (i.e., as at 30 September 2021), 8 directors were in post.

Key Activities and Achievements

Over the past 12 months the Confederation was commissioned by City & Hackney Clinical Commissioning Group (CCG) and the London Borough of Hackney to deliver on a number of enhanced primary care contracts, which it delivered by sub-contracting with its member practices and supporting practices to deliver the contract requirements. Further details of these contracts are included in the Strategic Report that follows.

Directors' report

For the year ended 30 September 2021

From April 2020 the Confederation was commissioned by the CCG to establish and develop a number of primary care services to support GP practices during the COVID19 pandemic, including two COVID19 Treatment Centres, a Doorstep Assessment Service, a home visiting anti-coagulation service, a care homes swabbing service, and a home visiting vaccination service. And from December 2020 the Confederation was asked to set up and manage two Local Vaccination Sites (LVS) as part of the national Covid-19 vaccination programme, which it did until 30 June 2021 at which point responsibility and management was handed over to the local Primary Care Networks.

The Confederation also directly provided a Stop Smoking service commissioned by the London Borough of Hackney and a Childhood Immunisation Service, Extended Access Hubs and Covid-19 Treatment Centres and the Covid-19 LVS's commissioned by City & Hackney Clinical Commissioning Group.

Following a procurement process, a new Stop Smoking Service contract was awarded to Whittington Health as the Lead Provider from 1 July 2018, for 3 years, with the Confederation sub-contracted by the Whittington to provide the GP Hub part of this service. A contract variation was subsequently agreed to extend this contract by a further two years, to 30 June 2023.

A summary of the Confederation's key achievements during the last 12 months of operation is reported in the Strategic Report.

Future Plans

The Confederation continues to be an ambitious and forward-thinking organisation, and work over the coming year will continue to focus on improving and developing primary care services and ensuring that primary care is stable and resilient, and able to play an active and significant part in the development of new service models and approaches to care, especially in light of the coronavirus pandemic.

During 2017/18 the Confederation developed a 7 Year Business Strategy to cover the period of the new 7 Year single contract with City & Hackney Clinical Commissioning Group (CCG), together with an Annual Business Plan setting out 9 key priorities.

This plan was refreshed and the priorities for the 18 months from 1 July 2021 to 30 September 2022, agreed through consultation with member practices and formally signed-off by the Clinical Board, are:

Priority 1 – Service Contract Delivery (protection of our current contract portfolio and plan for expansion of our contract portfolio)

- Work with the CCG to agree what the requirements are, contract by contract, which are in line with the CCG letter around Q1 and July and which also work operationally;
- Communicate and support practices to understand this so that they are able to deliver and know what to do in Q1 and in Qs 2, 3 and 4;

Directors' report

For the year ended 30 September 2021

- Ensure that Q1 payments are agreed and delivered in a timely and transparent way and that they do not cause problems for subsequent payments at year end; ensure monthly block payments are made in a timely way, are clearly communicated and that practices can easily get answers to queries; ensure a smooth end of year process for reporting and payment;
- Continue to deliver the Confederation's contracts commissioned from other sources: London Borough of Hackney (LBH) Sexual Health, LBH NHS Health Checks, Homerton Hospital Tele-dermatology, including delivery of a 50% reduction in the number of rejected referrals;
- For the Sexual Health contract, prepare an alternative proposal for service delivery to discuss with LBH;
- Ensure successful launch and communication about new PSA contract;
- Work with hospitals to access the number of anticoagulation patients to transfer into primary care; work with the Anticoagulation centres to access their capacity to take transfers; develop and deliver the remote monitoring proposal (if funding secured from IT Enabler Board);
- Do everything possible to help practices to demonstrate delivery against the entire contract portfolio: regular communications, guidance, individual practice advice;
- Ensure that we interact constructively with the NEL LIS Equalisation programme to evidence the value of our contract portfolio and to ensure we protect the contract income as much as possible, and seek to influence the number and complexity of KPIs in the contracts;
- Explore opportunities for new contracts around hospital discharge and provision of spirometry services (including training);
- Establish a more formalised process for deciding whether we take on a contract or not;
- Continue to deliver and develop the Stop Smoking Service under contract to Whittington Health (for both Hackney and City);
- Review the Wound Care service and identify whether it can be delivered within the cost envelope;
- Deliver the Childhood Immunisations contract up to end October 2021 when contract sum ends and ensure seamless and planned termination of staff in relation to this contract; prepare a costed proposal for a catch-up event in NE Hackney in partnership with Hatzola; secure funding, deliver and evaluate; if successful deliver a second event in south Hackney. Develop a proposal for an Advanced Nurse Practitioner role in partnership with Hatzola;
- Discuss the role of the GP Confederation in the 2021/22 Flu, Pneumococcal and Shingles campaign (additional resource would be needed).

Priority 2 – Practice support throughout the Covid-19 Pandemic especially now practices are busier than ever

- Work with the CCG to identify additional resource to support practices over the summer so that they can bring in locums to enable all staff to take some leave, given the possibility of a third wave in late summer/early autumn. If such funding is identified, create a mechanism for practices to claim this based on actual spend;
- Deliver the Protected Learning Time (PLT) initiative to enable every practice to close for a half day to reflect on the experience of the pandemic so far and to plan for future practice resilience;
- Review the common themes that emerge from this PLT and seek to put more support in place to respond to these;

Directors' report

For the year ended 30 September 2021

- Lobby at NEL and C&H commissioner level for ongoing regular PLT sessions as part of the NEL Equalisation Programme;
- Support all the practices to stay resilient through reinstating, if needed, the light touch SITREP mechanism – how are you doing/how can we help so that practices do not feel alone (note: additional resource would be needed for this – use the remaining winter resilience funds if we need to invoke this);
- Ensure we can respond quickly and practically to practices which are in danger of closing so that they can stay open (note: additional resource would be needed for this);
- Use the GP Confederation Bulletin to give practices key information so that they can continue to rely on us in this way throughout the next wave and into the autumn/winter;
- Deliver the Doorstep Assessment Service (DAS) and Oximetry at Home Service, deliver this to an extended cohort if required and plan its extension into remote monitoring as this develops at NEL level;
- Be prepared to re-open the Treatment Centre (Hot Hub) on the St Leonard's site if this service is needed during a 3rd wave;
- Operate the Care Settings Covid-19 Service to support care homes and other care settings so that their staff and residents are regularly tested for Covid-19 and are offered infection control and prevention advice;
- Organise an end of vaccination party for all the people who have been involved (when government rules allow);
- Discuss with the CCG and the PCNs the need for a Covid Vaccination Home Visiting Service to support the autumn booster programme (additional resource required);
- Explore the development and provision of an FFP3 mask fit service for primary care (additional resource required).

Priority 3 – Work with the Primary Care Networks and Neighbourhood Team

- Deliver all current aspects of the contract between the PCNs and the GP Confederation and discuss with the PCNs what any new contract should contain;
- Continue to support individual PCN initiatives as they develop (these to be chargeable to each PCN on a case-by-case basis);
- Continue to build the effective working relationship with the Primary Care Networks and Clinical Directors and the Local Medical Committee (LMC) so that the GP Confederation can offer greater support at PCN level and so that we develop a strategic connection between the PCNs, the Confederation and the LMC – the “single voice of primary care”; begin with a meeting in the autumn for us all to get to know each other better, start to have more face-to-face conversation;
- Deliver the PCN Quality Improvement QOF requirements set out in our contract with the PCNs – support the neighbourhood year 3 work to embed and make real Neighbourhood teams by attendance at and input to the new Neighbourhood Health & Care Board, and by articulating what primary care most needs from neighbourhoods;
- Work with the CCG/local system to demonstrate the worth of the Wellbeing Practitioners via a final evaluation, secure recurrent funding via a Business Case and within that a recurrent commitment to Wellbeing Practitioners in each Neighbourhood/PCN.

Directors' report

For the year ended 30 September 2021

Priority 4 – Primary Care Access

- Continue to ensure practices deliver a strong Duty Doctor service, work with our communications partners on making the public more aware of this, develop mystery shopping with Healthwatch if possible, input into the LIS Equalisation Programme review of this contract;
- Continue to deliver the CCG-commissioned Extended Access service at 30 minutes per thousand per week; engage with all practices to ensure consistent delivery and encourage those practices who do not currently deliver, to sign up;
- Through early planning, prepare for a successful transition of the CCG Neighbourhood Extended Access LES and the PCN Extended Access DES contracts to the PCNs for them to go live on 1st April 2022;
- Encourage and support practices to adopt digital approaches to improve access i.e., online consultation, new models of care (Total Triage model), remote monitoring and assess the impact of the approaches on practice workflow, workforce and patients).

Priority 5 – Workforce Development and Workforce Training

- Recruit to the three new key staff posts funded from primary care transformation monies:
 - Primary Care Training Manager;
 - Workforce Planning Manager;
 - Nurse Educator;
 - Develop work plans for all 3 areas of work which support practices' key needs;
- Understand the NEL proposal for a NEL wide staff bank and consider whether this will work for City & Hackney Primary Care. If it will, ensure practices are able to effectively use it, if it will not, develop a proposal for a City & Hackney Staff Bank, explore funding and if successful, begin implementation;
- Apply for new funding for, and continue recruitment of, salaried GPs, and work to retain as many as possible in C&H subject to practice need;
- Identify the options of support we can offer for Nurse recruitment and retention, discuss what practices need with them and deliver a programme accordingly;
- Develop proposals for the support of other practice staff, both clinical and non-clinical;
- Deliver GP and other primary care staff mentoring programmes;
- Play a major role in the C&H Training Hub and Workforce Enabler Board so that primary care workforce needs are clearly articulated and funded, included during next round of applications for enabler monies;
- Link into workforce initiatives at STP/London/national level to maximise the workforce funding and opportunities coming into C&H.

Priority 6 – Adding Value to Practices/Improvement and Resilience Support

- Ensuring all practices understand the Confederation aims and support these by:
 - presenting the Annual Plan to the GP body and taking on board their comments,
 - by communicating with practices and Practice Managers regularly on key issues via Confed meetings and bulletins,
 - by development of the Members' Zone area and its PCN pages so that they contain useful information for practices and PCNs;

Directors' report

For the year ended 30 September 2021

- Develop a plan to support practices in looking at practice demand and capacity via Apex/Edenbridge and to respond to what that data is telling practices about how to plan their work. Use the QI coaches to support practices in this work and in order to do this secure more resource for QI coaches from the CCG;
- Secure funding from the CCG from April 2022 to September 2022 to be able to continue to offer a centralised Data Protection Officer role for all practices;
- Work with the Primary Care Enabler Board, the LMC and the Clinical Effectiveness Group (CEG) to demonstrate the impact of secondary care shift into primary care, and lobby the system for a proportionate shift of resource.

Priority 7 – Patient Participation and Involvement of the Public

- Engage the CCG in a strategic discussion about what the Confederation could offer to support practices in hearing and responding to the views of their patients;
- Subject to this first action: Build momentum on use of Care Opinion with the option available to all 40 practices;
- Build confidence in the Care Opinion practices so that they start to use their Care Opinion stories to open up conversations with their patient groups/Patient Participation Groups (PPGs);
- Identify funding for training to support practices so they are able to run successful PPGs at practice level, both face-to-face and online.

Priority 8 – Confederation Development and Governance

- Review the arrangements of the acting Chair and present options/proposals to the AGM about this, take forward decisions made at the AGM;
- Ensure that the Confederation Board meets regularly, discusses the key issues, is acting properly as a Board in terms of scrutiny and assurance, and that the key decisions of the Board are communicated regularly to the shareholders by bullet points in the bulletin and by posting the finance report and the minutes on the Members' Zone;
- Hold at least one Board and SMT development session face-to-face to review and reflect on board/individual board member performance and development needs;
- Ensure that all staff posts are recruited to and that all staff have been risk assessed and that the majority are working from home successfully;
- Develop a plan for partial return to office working to enable team building whilst at all times maintaining safety (when appropriate);
- Report annually to the Board on our workforce recruitment and our WRES (Workforce, Race & Equality Standard);
- Set up a balanced budget, oversee at Board and share with shareholders regularly through monthly reports; review budget lines monthly at SMT;
- Ensure that all staff have a summer annual leave break and that all annual leave is planned through the rest of the year to avoid staff burnout following the work on the vaccination programme;
- Ensure that the Confederation meets all statutory and regulatory requirements; Senior Management Team (SMT) to review overall checklist regularly and take to Audit Committee for their review before reporting to the Board;
- Revisit our "green plan" to combat climate change;

Directors' report

For the year ended 30 September 2021

- Ensure we continue to communicate clearly with our shareholders and stakeholders;
- Ensure all staff have objectives and personal development plans for the year linked to this Annual Plan and are supported to deliver these. Ensure all staff have done all their statutory and mandatory training;
- Explore the opportunities, via Social Enterprise UK, of our social enterprise status, including applying for possible funding, and potentially recruiting to the vacant Board Lay member post to support this work.

Priority 9 – System Contribution and Role

- Ensure that the Confederation continues to be seen as a vital partner in the health and social care system, so that the voice of general practice/primary care is clearly heard as the new ICS (Integrated Care System) is put into place;
- Ensure strong input via Chair and CEO to the Integrated Care Partnership Board;
- Continue to act in strong partnership with the PCNs CDs and the LMC as the three voices of primary care in the system;
- Continue to develop the wider partnership role of the Confederation, including the development of partnerships with charitable, community and voluntary sector organisations.

Statement of responsibilities of the directors

The directors are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of City & Hackney GP Confederation CIC and its surplus or deficit for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain City & Hackney GP Confederation CIC's transactions and disclose with reasonable accuracy at any time its financial position and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of City & Hackney GP Confederation CIC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report


For the year ended 30 September 2021

The directors are responsible for the maintenance and integrity of the corporate and financial information included on City & Hackney GP Confederation CIC's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditor is unaware. Each of the directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditor.

Sayer Vincent LLP was reappointed as the company's auditor during the year and has expressed its willingness to continue in that capacity.

Approved by the directors on 20 May 2022 and signed on their behalf by



Laura Sharpe
CEO



Russell Barnes-Heath
Director of Finance & Information

Strategic report

For the year ended 30 September 2021

The directors have pleasure in presenting their strategic report for the year ended 30 September 2021.

Strategic review

Over the past 12 months, the Confederation was commissioned by City & Hackney Clinical Commissioning Group (CCG) to deliver on a number of enhanced primary care contracts including:

- Long Term Conditions
- Proactive Care (Home Visiting and Practice Based)
- Extended Hours/Enhanced Access
- Duty Doctor
- Mental Health
- Early Years
- End of Life
- Phlebotomy
- Post-Operative Wound Care
- Community Anticoagulation
- Teledermatology
- Latent TB

The Confederation delivered on these contracts by sub-contracting with its member practices and supporting practices to deliver the contract requirements. It also sub-contracted with member practices to deliver contracts for NHS Health Checks and Sexual Health, commissioned by the London Borough of Hackney.

From April 2020 the Confederation was commissioned by the CCG to establish and develop a number of new primary care services to support GP practices during the Covid-19 pandemic, including two Covid-19 Treatment Centres, a Doorstep Assessment Service, a home visiting anti-coagulation service, a care homes swabbing service, and a home visiting vaccination service. And from December 2020 the Confederation was asked to set up and manage two Local Vaccination Sites (LVS) as part of the national Covid-19 vaccination programme, which it did until 30 June 2021 at which point responsibility and management was handed over to the local Primary Care Networks.

In addition, the Confederation directly provided a Stop Smoking service commissioned by the London Borough of Hackney and Childhood Immunisation Services, Extended Access Hubs, Covid-19 Treatment Centres and 2 Covid-19 LVS's commissioned by City & Hackney Clinical Commissioning Group. Following a procurement process, a new Stop Smoking Service contract was awarded to Whittington Health as the Lead Provider from 1 July 2018, for 3 years, with the Confederation sub-contracted by the Whittington to provide the GP Hub part of this service. A contract variation was subsequently agreed to extend this contract by a further two years, to 30 June 2023.

Strategic report

For the year ended 30 September 2021

Key achievements during the last 12 months of operation included:

- Further developing the organisation with full support and sign-up from all GP practices in City and Hackney;
- Further developing a culture across GP practices of working together collaboratively and supporting each other to achieve total population coverage across a large contract portfolio;
- Embedding the community anti-coagulation service and developing a number of GP practices as anti-coagulation hubs;
- Embedding services for Sexual Health, Latent TB and Teledermatology;
- Establishing and managing a number of primary care services in response to the coronavirus pandemic, including 2 Covid-19 Treatment Centres, a Doorstep Assessment Service, a home visiting anti-coagulation service, a care homes swabbing service, a home visiting vaccination service and 2 Local Vaccination Sites for administering the Covid-19 vaccine;
- Achieving major health gain in the management of Long-Term Conditions, resulting in City and Hackney practices being amongst the most highly performing in the country – see additional information below:

All 40 member practices participate in the Long-Term Conditions service, overseen by the Confederation. By achieving 100% population coverage, we have achieved excellent results under the Quality and Outcome Framework (QOF), the national benchmark used to measure primary care outcomes.

Working together in this way as a Confederation has directly improved patients' outcomes as demonstrated by City and Hackney's QOF rankings when comparing key indicators before and after the Confederation was established. The 2020/21 QOF results are yet to be analysed by the Clinical Effectiveness Group (CEG) so we are not yet in a position to provide City and Hackney figures, however, the results overall show that North East London was either top or second in London for many key clinical indicators with diabetes statin use and blood pressure control being exceptionally good. We can be confident that City and Hackney has played an important part in contributing to these results.

- Offering an additional 40,718 extended hours appointments for patients over the past year, (32,897 in 2019/20), against a target of 34,569), 90% of which were delivered by GPs, against a target of 70%. Our delivery equates to 35.6 minutes per 1,000 patients per week (against a target of 30 minutes per 1,000 patients);
- Continuing to achieve significant improvements in the numbers of local people being supported to give up smoking. The service achieved 1,034 quitters over the 12 months covered by this report, a quit rate of 138% in relation to the annual target of 750 four-week quitters per annum. During the Covid-19 pandemic the team was expanded with additional sessional workers to provide online and telephone support to an increased number of patients wanting to give up smoking;
- Continuing to support the development of the neighbourhood model in City and Hackney, particularly through the establishment and development of a Wellbeing Practitioner pilot to address the needs of very vulnerable patients with complex needs; the provision of training and support to practices in relation to group consultations; and support to establish

Strategic report

For the year ended 30 September 2021

neighbourhood multi-disciplinary team meetings and development of the care navigation system in City and Hackney;

- Delivering a contract to the 8 Primary Care Networks for a PCN Programme Management Office to support the development of PCNs and deliver a range of support functions to the PCNs, including contracts management, finance and HR support;
- Maintaining and extending a Salaried GP scheme which has contributed significantly to the building of additional GP capacity within City and Hackney;
- Continuing to contribute to the development of the Workforce Enabler Board/Training Hub in City and Hackney including hosting the Programme Management function, and successfully securing funding to support the training and development of primary care staff;
- Delivering two mentoring programmes – one offered to all GPs working in City & Hackney and the other providing an offer of mentoring to all primary care staff working in GP practices in City & Hackney. Further development of the programme to train additional Coach Mentors, and to increase the reach of the mentoring scheme is planned for 2021/22;
- Delivering Quality Improvement (QI) support to practices and PCNs particularly in relation to delivery of QI QOF, including the development of a QI QOF toolkit to support improvement work focussed on care to people with learning disabilities and on early cancer diagnosis. A large programme of QI support is planned for 2021/22 to provide training and support for practices in the use of the APEX Edenbridge data system to understand their demand and capacity and apply a QI approach to implement changes for the benefit of both patients and the practice team;
- Reducing attendances at the Primary & Urgent Care Centre (PUCC) at Homerton Hospital by providing a community post-operative wound care service at GP practices during core hours and at hub practices during the weekends. This achievement came at a critically challenging time during the Coronavirus pandemic. Quarter 1 (Apr to June) of 2021–2022 shows a smaller reduction as secondary care procedures resumed following the lifting of national lockdown and GP practices struggled to provide nurse face to face appointments to keep up with the demand.
 - Q3 (Oct to Dec) 2020: a reduction of 62% compared to the same period in 2019
 - Q4 (Jan to Mar) 2021: a reduction of 79% compared to the same period in 2020
 - Q1 (Apr to Jun) 2021: a reduction of 18% compared to the same period in 2020
 - Q2 (Jul to Set) 2021: a reduction of 49% compared to the same period in 2020
- Establishing a Reflective Practice project that allows every practice to close for 1 half day for protected learning time. This enabled multi-disciplinary teams to come together to reflect on the challenges of the last 18 months and to help shape and inform the culture and the plans of their practice in the future.

Strategic report

For the year ended 30 September 2021

Principal risks and uncertainties

The Confederation has a comprehensive and systematic risk management process in place, which culminates in Risk Registers being presented to the Audit & Governance Committee on a quarterly basis for thorough review and scrutiny. Risks are then reported to the Board by exception so that any necessary remedial action can be agreed. The register includes an assessment of the risk, its likelihood and impact, the controls in place, any gaps in control, proposed actions to mitigate the risk, and updates on progress against the latter reported each quarter.

The risk profile has not changed significantly since last year although many of the risks have reduced following management intervention.

Financial review

In the 12 months ending 30 September 2021, the Confederation recorded a deficit after taxation of £45,727 (2020: a surplus of £118,289), (0.2% (2020: 0.8%) of turnover). This was better than the planned deficit of £207,839, primarily due to managing costs below income and ensuring that all new contracts made a positive contribution to the bottom line. This shortfall reduces the retained earnings but still maintains a reserve to mitigate against future risks and unforeseen costs. Monthly finance reports to the Board included detailed analyses of budget variances, surplus and deficit by contract/project, and detailed cash-flow statements and forecasts.

Total income for the 12 months was £18.334m (2020: £14.882m), including £9.756m (2020: £9.015m) of 'pass-through' income in relation to member practices delivering the contracts commissioned by the CCG and Local Authority. This was slightly higher than planned due to income from new contracts exceeding the underperformance on Primary Care, the under-utilisation of some of the income held in Deferred Income compared to what was budgeted to be released in year, and unbudgeted/unforeseen income for running the local Covid-19 vaccination programme.

Total expenditure was £18.407m (2020: £14.751m) which included £9.756m (2020: £9.015m) in relation to payments to practices for contracts commissioned by the CCG and Local Authority.

Total reserves at the year-end stand at £694.6k (2020: £740.4k) (i.e., the accumulated surplus). This will be protected and carried forward to mitigate against unknown costs or unforeseen circumstances. £500k remains earmarked as an Operating Reserve.

The balance sheet remains healthy, with net assets of £694.6k (2020: £740.4k) including a strong cash balance of £4.2m (2020: £6.2m).

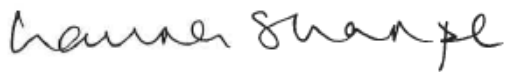
A small deficit budget of £15k has been set for 2021/22 but this can be covered from reserves, if it materialises, in order to support key posts in the organisational structure. The focus is now on restoring recurrent financial balance in 2022/23. The Confederation has developed a 7-year Business Strategy and supporting financial plan, but in addition to the agreed 2021/22 Budget, a

Strategic report

For the year ended 30 September 2021

detailed cash-flow forecast running to April 2023 shows that the organisation is financially viable and solvent. The Confederation continues to try to diversify its income base so that it is less dependent on one or two main commissioners and plans to broaden this further by winning new contracts.

Approved by the directors on 20 May 2022 and signed on their behalf by



Laura Sharpe
CEO



Russell Barnes-Heath
Director of Finance & Information

Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

Opinion

We have audited the financial statements of City & Hackney GP Confederation CIC (the 'company') for the year ended 30 September 2021 which comprise the statement of income and retained earnings, balance sheet, statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit/loss for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on City & Hackney GP Confederation CIC's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

Other information

The other information comprises the information included in the directors' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report and the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out in the directors' annual report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the

Independent auditor's report

To the members of

City & Hackney GP Confederation C.I.C.

financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.

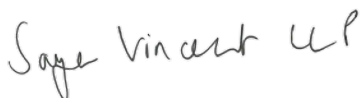
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Orchard (Senior statutory auditor)

7 June 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

City & Hackney GP Confederation C.I.C.

Statement of income and retained earnings

For the year ended 30 September 2021

	Note	2021 Total £	2020 Total £
Income	2	18,334,251	14,882,050
Expenditure on:			
Direct payments to GP Practices		9,756,368	9,015,300
Staff costs	4	5,546,837	3,569,217
Education and training		85,288	96,359
Office and property costs		251,841	231,438
Legal, professional and consultancy fees		463,871	436,207
Project expenditure		926,431	890,842
COVID 19 Treatment Centres – non pay expenditure		232,905	249,856
COVID-19 Vaccination Programme – non pay expenditure		910,938	–
Other		168,587	127,277
Medical Equipment		63,649	134,213
Total expenditure		18,406,715	14,750,709
Surplus on ordinary activities before taxation	3	(72,464)	131,341
Taxation credit/(charge) on ordinary activities	5	26,737	(13,052)
Total comprehensive income		(45,727)	118,289
Retained earnings			
Retained earnings brought forward		740,361	722,072
Dividend to member practices		–	(100,000)
Total comprehensive income		(45,727)	118,289
Retained earnings carried forward		694,634	740,361

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in equity are included within the statement above.

Statement of financial position

Company no. 09125623

As at 30 September 2021

	Note	2021 £	£	2020 £	£
Current assets					
Debtors	6	2,916,084		1,531,938	
Cash at bank and in hand		4,167,909		6,237,356	
		<u>7,083,993</u>		<u>7,769,294</u>	
Creditors: amounts falling due within one year					
	7	<u>6,389,358</u>		<u>7,028,932</u>	
Net current assets			<u>694,635</u>		<u>740,362</u>
Net assets			<u><u>694,635</u></u>		<u><u>740,362</u></u>
Capital and reserves					
Share capital	9		1		1
Operating Reserve			500,000		500,000
Retained earnings			194,634		240,361
			<u>694,635</u>		<u>740,362</u>
Total funds	10		<u><u>694,635</u></u>		<u><u>740,362</u></u>

The financial statements were approved by the Board of Directors on 20 May 2022 and signed on their behalf:



Laura Sharpe
CEO

City & Hackney GP Confederation C.I.C.

Statement of cash flows

For the year ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
(Deficit)/surplus on ordinary activities before Adjustments for:		(72,464)	131,341
Interest received		(5,863)	(14,091)
Dividend to member practices		-	(100,000)
(Increase) in debtors		(1,386,572)	(380,630)
(Decrease)/increase in creditors		(596,773)	1,079,758
Cash (used in)/provided by operating activities before taxation		(2,061,672)	716,378
Corporation tax paid		(13,638)	(21,986)
Net cash (used in)/provided by operating activities		(2,075,310)	694,392
Cash flows from investing activities:			
Interest received		5,863	14,091
Net cash provided by investing activities		5,863	14,091
Net increase in cash and cash equivalents		(2,069,447)	708,483
Cash and cash equivalents at beginning of year		6,237,356	5,528,873
Cash and cash equivalents at end of year		4,167,909	6,237,356

Notes to the financial statements

For the year ended 30 September 2021

1 Accounting policies

a) Statutory information

City & Hackney GP Confederation CIC is a company limited by share capital and is incorporated in England & Wales.

The registered office address is 85 Nuttall Street, London, N1 5HZ.

b) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

c) Going concern

The directors consider that there are no material uncertainties about the Confederation's ability to continue as a going concern.

d) Income

Income represents net invoiced sales of services, exclusive of VAT.

Income is recognised when services have been delivered to customers.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

f) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

g) Property, plant and equipment

Items of equipment are capitalised where the purchase price exceeds £4,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Creditors

Short term trade creditors are measured at the transaction price.

k) Deferred tax

Provision is made on the liability method for all taxation deferred in respect of timing differences to the extent that, in the opinion of the directors, a liability or asset is likely to crystallise in the foreseeable future.

l) Pensions

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions, there is no additional liability to City & Hackney GP Confederation in respect of the scheme. See details in note 12.

Notes to the financial statements

For the year ended 30 September 2021

2 Income

Income is attributable to the principal activity of the company.

	2021 £	2020 £
CCG funding for Primary Care contracts	8,231,115	8,073,018
COVID-19 Vaccination Programme	2,670,014	-
Enhanced Access Project	1,537,789	836,184
Summer and Winter Resilience	1,111,123	-
Salaried GP reimbursement	857,891	932,571
COVID-19 Treatment Centres	609,052	961,919
CCG - funding	392,901	348,286
Confederation membership fees	318,557	314,693
Wellbeing Practitioners	256,963	210,707
Smoking Cessation	243,540	243,540
Primary Care Network Programme Management Office	231,578	56,550
Other contractual/Miscellaneous	230,529	394,995
Estates and Technology Transformation Fund	229,324	250,223
NHS Health Checks contract	214,500	218,906
Sexual Health	209,230	259,472
CEPN Infrastructure	176,493	382,101
FLU/Immunisation programme	171,595	165,527
Community Anticoagulation Contract	166,904	200,075
Care Home Swabbing service	122,859	14,001
Primary Care at Scale/Transformation	85,898	231,779
Demand Management contract	82,945	18,146
Childhood Immunisation project	58,135	89,271
Quality Improvement Programme	45,648	184,668
GP Resilience / Practice support	26,000	94,828
Neighbourhood Projects	25,173	89,226
HEENCEL/CEPN Schemes	17,022	26,798
Bank interest	5,863	14,091
Co-Ordinate My Care AUA	3,050	17,078
Patient Participation Group	2,366	62,000
Substance Misuse contract	194	84,079
Physician Associates	-	107,318
	18,334,251	14,882,050

3 Surplus on ordinary activities before taxation

This is stated after charging:

	2021 £	2020 £
Directors' remuneration	256,708	321,226
Directors' reimbursed expenses	-	103
Auditor's remuneration (excluding VAT):		
Audit	12,250	12,000
Other services	1,000	900
Operating lease rentals:		
Property	40,000	40,000

Notes to the financial statements

For the year ended 30 September 2021

4 Directors' and employees' costs and emoluments

Emoluments cover salaries and employer pension contributions and are paid to directors of the company. This is shown in Note 3 as Directors' remuneration.

Staff costs (including directors) during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,772,440	2,216,238
Social security costs	262,137	236,848
Pension costs	246,262	216,112
Other staff costs	752,842	900,019
Sessional work	1,513,156	-
	5,546,837	3,569,217
Aggregate remuneration in respect of highest paid director	94,980	93,559

The average number of employees (including directors) during the year was as follows:

	Full time equivalent		Number	
	2021	2020	2021	2020
Salaried GPs	8.80	8.72	11.17	11.42
Wellbeing Practitioners	5.84	4.33	6.75	5.13
Project Clinical Leads	.40	.60	1.00	2.00
Board members	2.24	2.64	9.00	10.67
Physicians Associates	-	2.08	-	2.33
Smoking Cessation team	3.90	4.14	4.92	5.38
Childhood Imms Nurses	.88	.70	1.31	1.00
Covid-19 Treatment Centre staff	1.50	1.82	4.97	9.10
Covid-19 Vaccination staff	10.08		55.45	
Admin/Management	15.44	14.63	17.27	16.67
	49.08	39.66	111.84	63.70

The total employee benefits (including employer's national insurance and employer's pension contributions) of the key management personnel were £611,595 (2020: £440,023). The increase compared to last year, reflects the reorganisation of certain roles and the creation of a new (joint) Director of Operations.

5 Taxation

	2021 £	2020 £
(a) Analysis of charge in period:		
Current tax		
UK corporation tax on profits of the period	(29,163)	13,638
Under provision in prior year	-	-
Total current tax	(29,163)	13,638
Deferred tax	2,426	(586)
Total corporation tax recognised in profit or loss	(26,737)	13,052
(b) Factors affecting tax charge for the period		
Profit before tax	(72,464)	131,341
Profit multiplied by the standard rate of UK corporation tax 19%	(13,768)	24,955
Effects of:		
Profits from mutual trading	(12,969)	(11,903)
Pension adjustment	(2,426)	586
Taxation (credit)/charge for the period	(29,163)	13,638

Notes to the financial statements

For the year ended 30 September 2021

5 Taxation (continued)

Deferred taxation

	2021 £	2020 £
At 1 October	(12,626)	(12,040)
(Credited)/charged to the profit & loss account	2,426	(586)
At 30 September	<u>(10,200)</u>	<u>(12,626)</u>

6 Debtors

	2021 £	2020 £
Trade debtors	1,618,724	723,913
Accrued income	1,165,313	669,897
Prepayments	92,684	125,502
Corporation tax recoverable	29,163	–
Deferred tax asset	10,200	12,626
	<u>2,916,084</u>	<u>1,531,938</u>

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	101,833	1,130,502
Accruals	1,589,792	1,413,648
Prepaid income	97,951	99,006
Deferred income (note 8)	4,510,385	4,110,557
Corporation Tax	–	14,441
VAT, PAYE & NIC	15,406	82,942
Pension contributions	73,991	177,836
	<u>6,389,358</u>	<u>7,028,932</u>

Trade Creditors includes £101,812 (2020: £1,128,468) cash held by the GP Confederation on behalf of the Primary Care Networks.

Notes to the financial statements

For the year ended 30 September 2021

8 Deferred income

Income has been deferred where it has been received to meet future commitments or for contracts that specify that any under-spend must be returned or that the contract period may be extended to allow time for the under-spend to be utilised.

	2021			2020		
	£	£	£	£	£	£
Balance at the beginning of the year			4,110,557			3,189,091
	Deferred	Released	Change	Deferred	Released	Change
One Hackney Performance Fund	-	-	-	-	(50,836)	(50,836)
HEENCEL/CEPN Schemes	-	(17,022)	(17,022)	-	(26,798)	(26,798)
CEPN infrastructure	350,857	(176,493)	174,364	353,000	(346,101)	6,899
Quality Improvement	7,500	(45,648)	(38,148)	-	(184,668)	(184,668)
Childhood Immunisation	102,473	(58,135)	44,338	-	(88,472)	(88,472)
Demand Management Contract	-	(82,945)	(82,945)	-	(18,146)	(18,146)
Salaried GP Scheme	-	(318,259)	(318,259)	378,743	(275,349)	103,394
CMC (coordinate My Care) AUA	29,093	(3,050)	26,043	-	(17,078)	(17,078)
GP Resilience/Practice support	53,000	(34,319)	18,681	-	(86,509)	(86,509)
Enhanced Access Hubs	1,498,493	(1,401,562)	96,931	1,362,267	(563,730)	798,537
Primary Care at Scale	352,457	(85,898)	266,559	244,000	(231,779)	12,221
Patient Participation Group	-	(2,366)	(2,366)	53,667	(62,000)	(8,333)
GP Nursing Leadership	-	(1,600)	(1,600)	25,000	(19,088)	5,912
Call and Recall Pilot	-	(318)	(318)	-	(7,951)	(7,951)
GP Retention	-	(17,185)	(17,185)	44,194	(11,513)	32,681
CEPN Primary Care Education	-	(5,120)	(5,120)	-	(11,107)	(11,107)
Physician Associates	-	-	-	12,000	(145,125)	(133,125)
LTC Group Consultations	-	(15,909)	(15,909)	168,390	(139,624)	28,766
Estates and Technology Transformation Fund	207,389	(229,324)	(21,935)	464,446	(250,223)	214,223
Spirometry	-	-	-	-	(5,426)	(5,426)
Wellbeing Practitioner	139,874	(256,963)	(117,089)	371,866	(210,939)	160,927
Nursing Development	9,700	(10,503)	(803)	-	(457)	(457)
Sexual Health	52,327	(48,086)	4,241	139,654	(89,951)	49,703
Latent TB	-	-	-	15,222	(15,222)	-
Teledermatology	24,494	-	24,494	19,370	(19,370)	-
Additional Services	-	(33,952)	(33,952)	-	(24,506)	(24,506)
Coaching and Mentoring	-	(33,704)	(33,704)	165,806	(59,191)	106,615
Recruiting and Retaining Primary Care Nursing Workforce	-	(863)	(863)	65,000	-	65,000
GPN Fellowship	56,000	-	56,000	-	-	-
PCN PMO	327,089	(288,128)	38,961	-	-	-
CARE HOME SWABBING	51,363	(51,363)	-	-	-	-
Restoration and Recovery Planning	909,000	(673,562)	235,438	-	-	-
Covid-19 Vaccination Programme	73,300	(73,300)	-	-	-	-
Round 4 Covid	120,995	-	120,995	-	-	-
Balance at the end of the year			4,510,384			4,110,557

9 Share capital

The company's share capital at the year end was:

	2021 No.	2020 No.
£0.01 ordinary shares: Called up, allotted and fully paid	40	40

(Note: one of the criteria for the Confederation to have access to the NHS Pension Scheme, is that it does not have any Corporate Shareholders. But NHS Pensions do allow for shares to be held by a named GP on behalf of a corporate body. The 1 practice managed by a corporate body has its share held by a named GP and the Confederation's constitution was also amended to allow an NHS Foundation Trust to hold a share. 40 shares are therefore allotted to all 40 member practices).

Notes to the financial statements

For the year ended 30 September 2021

10 Reconciliation of movements on shareholders' funds

	Retained earnings £	Operating Reserve* £	2021 Total £	Retained earnings £	Operating Reserve* £	2020 Total £
Shareholders' funds at the start of the year	240,361	500,000	740,361	722,072	-	722,072
Operating Reserve*	-	-	-	(500,000)	500,000	-
Dividend to member practices	-	-	-	(100,000)	-	(100,000)
Total comprehensive income	(45,727)	-	(45,727)	118,289	-	118,289
Shareholders' funds at the end of the year	<u>194,634</u>	<u>500,000</u>	<u>694,634</u>	<u>240,361</u>	<u>500,000</u>	<u>740,361</u>

* The Clinical Board and member practices have determined to earmark £500,000 of the Shareholders' funds as an Operating Reserve, broadly based on 6 month's operating costs, in-line with good practice.

11 Related party transactions

Payments were made to GP practices for their delivery of the CCG primary care contracts and for being Smoking Cessation Hubs, Enhanced Access Hubs and Childhood Immunisation Hubs. Payments for property rental were also made to the Lawson Practice. These practices employ Confederation members and directors.

No other payments were made to members or directors other than for salary payments and expenses to directors for their employment with the Confederation (see Directors Emoluments, Note 3/4).

12 Pensions

City & Hackney GP Confederation CIC has been granted access to the NHS pension scheme, subject to the Statutory Instrument that came into effect on 01 April 2016 allowing GP practices to pension sub-contracted income, and subject to it holding appropriate contracts and having the necessary shareholding structure.

The NHS Pension Scheme is an unfunded, defined benefit, final salary scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. Contributions for employees and employers are paid to the Exchequer which in turn meets the cost of paying benefits as and when they fall due. In order to assess an appropriate contribution cost historically there has been an associated notional fund of assets deemed to be invested in UK Government stocks. As a consequence it is not possible for City & Hackney GP Confederation to identify its share of the underlying scheme. City & Hackney GP Confederation has no liability in respect of the scheme except in relation to the ongoing employer's contribution.

A full actuarial (funding) valuation is undertaken every four years and its purpose is to assess the 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 1 April 2019 at a rate of 20.6% of pensionable pay, however NHS England continues to centrally fund this increase and so employers continue to pay at a rate of 14.38%.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case. The review of the employer cost cap will assess whether the cost control mechanism is working in line with original government objectives.

The Government announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations can now be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. The final directions to enable completion of the 2020 valuation are expected from HMT in summer 2021, and the results of the 2020 valuation and the employer cost cap will be reported in the 2021/22 NHS Pension accounts.

The employer's contribution rate payable is 14.38% (2020: 14.38%) of pensionable pay with employees contributing between 5.0% and 14.5% of pensionable pay depending on their role/level of pay. The employer's contribution rate increased by 0.08% from 14.30% to 14.38% with effect from 1 April 2016 as a result of the national NHS Pensions Admin Levy.

There are 1.7 million contributors to the scheme, 999,829 pensions in payment and 712,965 deferred pensioners (as at 31 March 2021). Net liabilities of the Scheme as at 31 March 2021 were £756.1 bn.

Employers' pension contribution costs are applied to resources expended as and when they become due. On advice from the Actuary the contribution may be varied from time to time to reflect changes in the Scheme's liabilities. The total employer contribution payable in the 12 month accounting period ending 30 September 2021 by City & Hackney GP Confederation was £246,262. The outstanding amount due to HMRC for employer's and employee's contributions at 30 September 2020 was £73,991.

Notes to the financial statements

For the year ended 30 September 2021

12 Pensions (continued)

The scheme is a "final salary" scheme. Following consultation in 2006, a number of changes to the NHS Pension Scheme were introduced. On 1 April 2008 a new "2008 Section" of the Scheme was set up for new joiners on or after 1 April 2008. Joiners prior to this date are in the "1995 Section". For 1995 Section members, annual pensions are based on 1/80th of the best of the last three years' pensionable pay for each year of service. For members of the 2008 section, pensions are based on 1/60th of the average of the best three consecutive years in the last ten. A lump sum normally equivalent to three years' pension is payable on retirement; for members of the 2008 section the lump sum will be a maximum of 25% of the value of their fund at retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and have historically been based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011/12, the Consumer Price Index replaced the Retail Price Index. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement in some circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension (subject to certain conditions) for death after retirement, is payable.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement City & Hackney GP Confederation can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

A key challenge and success in previous years was the work undertaken to gain access to the NHS Pension scheme, an important benefit for both the Confederation's directly employed staff and for the Confederation's member practices in terms of the treatment of subcontracted income. There remain some residual issues around the processing of pension records for Salaried GPs but the the gap in pensions relating to the period when the Confederation had a gap in access to the Scheme, has now been resolved with Additional Pensions being purchased for affected staff. In terms of sub-contracted income, a rule change governed by a Statutory Instrument came into effect on 01 April 2016 to allow this to be possible. These important changes were worked on with the Department of Health, NHS England and the NHS Pensions Agency and should benefit all other GP Confederations across the country.

13 Operating lease commitments

The Confederation had future commitments at the year end under operating leases expiring as follows:

	Property 2021 £	2020 £
Less than one year: office rental, 3 month's notice	10,000	10,000
	10,000	10,000