

Company number: 09125623

City & Hackney GP Confederation C.I.C.

Report and financial statements
For the year ended 30 September 2023

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For the year ended 30 September 2023

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City & Hackney GP Confederation C.I.C.

Reference and administrative details

For the year ended 30 September 2023

Company number 09125623 – incorporated in the United Kingdom

Registered office and operational address 1st 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, resigned 31 December 2023)

Shabana Begum

Dr Nick Brewer

Tania Fidler (Resigned 30 June 2023)

Andreas Lambrianou (Chief Executive Officer, from 16 January 2023)

Dr Gopal Mehta

Caroline Millar (Chair)

Dr Nisha Patel

Khurram Shahzad From 1 August 2023

Laura Sharpe (Chief Executive Officer, resigned 1 November 2022)

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
110 Golden Lane
LONDON, EC1Y 0TG

Directors' report

For the year ended 30 September 2023

The directors present their report and the audited financial statements for the year ended 30 September 2023.

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 345,602 (as at 1 October 2023). 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.

Since the Confederation was established, the total number of practices has reduced from 43 to 39, but there has been no corresponding decrease in patient list size overall, or in income to the Confederation as a result.

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 three elected GPs, elected by their peers, a Chair, an elected Practice Manager, an elected Practice Nurse, one Lay Member, and an appointed Chief Executive Officer and a Director of Finance & Information. All the Board members, except the Lay Member, are directors of the Company, i.e., the expected number of directors is 8.

Key Activities and Achievements

Over the past 12 months the Confederation was commissioned by City & Hackney Integrated Care Board, (ICB), formerly the Clinical Commissioning Group, 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.

The Confederation continued to provide a Doorstep Assessment Service (DAS), and a care settings infection control service to February 2023, which were first established as part of the response to the coronavirus pandemic.

The Confederation also directly provided a Stop Smoking service commissioned by the London Borough of Hackney.

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. Contract variations were

Directors' report

For the year ended 30 September 2023

subsequently agreed to extend this contract by a further two years, to 30 June 2023, and then by a further year until 30 June 2024.

In April 2023, The City of London Corporation and London Borough of Hackney announced their intention to retender for a specialist community-based stop smoking service. In June 2023, a "Meet the Buyers" event was held and in September 2023, the detailed service specification was published, with a deadline for submission of tenders being the 27 October 2023. An update on the outcome of this tender process will be reported in next year's annual report.

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.

Work has also begun and will continue, on exploring the benefits of working more closely with our 8 local Primary Care Networks (PCNs), which operate together under an umbrella company, the Office of PCNs Ltd, (OoPCNs). Such collaboration could provide a stronger voice for primary care in the local health economy, ensure a successful response to the re-procurement of the contract for enhanced primary care services from the ICB, and provide opportunities for efficiencies and economies of scale.

The Confederation previously developed a 7 Year Business Strategy to cover the period of the 7 Year single contract with City & Hackney Clinical Commissioning Group (CCG), together with an Annual Business Plan. The latter was recently revised to focus on the following 7 key broad strategic priorities up to 31 March 2024:

Priority 1 – Ensure a secure and stable future within the local City & Hackney health system

This priority includes playing an active role in the development and delivery of the City & Hackney Primary Care Strategy Board, identifying opportunities to work collaboratively with the Office of PCNs and other local providers, working closely with the Office of PCNs to deliver a transition to a unified single primary care provider, ensuring the Confederation is a valued partner in the delivery of local integrated care, and providing strong governance to decision making and balance the Confederation's income and expenditure.

Priority 2 – Deliver all contracted services to high quality and extend the range of high quality out of hospital services provided directly or through GP Practices and PCNs.

This priority focuses on working collaboratively with practices, PCNs and other local partners to restore and improve service and quality levels, being proactive in identifying opportunities

Directors' report

For the year ended 30 September 2023

to expand the range of Out of Hospital services provided, and supporting practices to use software tools and data to identify patient cohorts and deliver improved health outcomes.

Priority 3 – Support our GP Practices to thrive

This priority covers supporting practices to respond to future challenges including new priorities for improving patient access, supporting GP practices to be able to plan practice demand and capacity more efficiently, providing training and development support for practice and PCN staff, providing support to recruitment of permanent and locum staff, identifying and supporting practices with resilience funding and resources when needed, providing signposting advice and support with CQC audits, and facilitating operational efficiency and quality improvement in care pathways.

Priority 4 – Provide strong leadership to primary care and demonstrate positive system working

This priority covers working with other local leaders to influence and make strategic decisions in the interest of patients, working collaboratively with local organisations to deliver effective and integrated care neighbourhoods, contributing to local 'place based' and NEL level health and well-being Boards, engaging with practices and PCNs to understand and represent their needs to other system partners and inform provider communication to practices, and taking a lead in developing and sharing innovation, and piloting new approaches.

Priority 5 – Provide workforce development and training

Through the Training Hub, deliver our contract and broaden the offer to encompass workforce enablement for Out of Hospital roles for PCNs, support recruitment and training by developing workforce infrastructure, make City & Hackney an attractive place for staff to work and support cohorts of staff with structured support and training.

Priority 6 – Ensure the Confederation is fit for purpose and efficient in its delivery of services, and has robust governance and decision-making processes.

This priority covers ensuring the Confederation is a good employer, ensuring all Confederation staff are developed to their potential, and ensuring decision making systems are robust.

Priority 7 – Work towards Net Zero carbon emissions

This priority will identify a strategy and plans to deliver the Confederation's Net Zero commitments.

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

Directors' report

For the year ended 30 September 2023

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.

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 23 February 2024 and signed on their behalf by



Caroline Millar
Chair



Andreas Lambrianou
Chief Executive

Strategic report

For the year ended 30 September 2023

The directors have pleasure in presenting their strategic report for the year ended 30 September 2023.

Strategic review

Over the past 12 months, the Confederation was commissioned by City & Hackney Integrated Care Board (ICB), formerly the 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)
- 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 & Reproductive Health services, commissioned by the London Borough of Hackney.

The Confederation continued to provide a Doorstep Assessment Service (DAS), (a service which continues to be delivered beyond the period covered by this report), and a care settings infection control service until February 2023. Both of these services were first established as part of the response to the coronavirus pandemic.

In addition, the Confederation directly provided a Stop Smoking service commissioned by the London Borough of Hackney.

Key achievements during the last 12 months of operation included:

- Successfully transitioned the Enhanced Access service to the Office of the Primary Care Networks to enable them to manage the contract from 1 October 2022.
- Exceeded delivery of the annual Stop Smoking contract target of 750 4-week quitters, achieving a total of 1,041 quitters for the 12-month period covered by this report, a quit rate of 139% in relation to the target;

Strategic report

For the year ended 30 September 2023

- Supported the ongoing use of an automated Primary Care Staff Bank for City & Hackney to support practices to fill reception, admin, health care assistant, phlebotomy, vaccination and nursing shifts;
- Managed a Protected Learning Time initiative to enable practices to close for 4 hours every quarter for whole practice teams to have protected time for reflection, learning and development;
- Managed the continuation of the Doorstep Assessment Service (DAS) and Pulse Oximetry service to support practices in relation to COVID recovery;
- Delivered Quality Improvement (QI) support to practices and Primary Care Networks, particularly in relation to delivery of QI QOF (Quality Outcomes Framework), including the development of a QI QOF toolkit for 2023/24 to support improvement work around access to general practice, and staff health and well-being;
- Delivered a large programme of facilitation and development support to enable practices to use the APEX Edenbridge data system to understand their demand and capacity and apply a QI approach to implement change for the benefit of both patients and the practice team, working with 23 practices;
- Established a Primary Care Nursing Task Force and developed a work-plan to support the recruitment, training and development of Health Care Assistants, Nursing Associates and Practice Nurses in City & Hackney;
- Managed a programme of support to 23 practices to use Care Opinion to encourage patients to provide feedback about their experience of primary care services, and to enable practices to be able to respond to patient feedback and make improvements where necessary;
- Delivered two successful Coach 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;
- Developed collaborative working with the 8 Primary Care Networks, including several joint workshops between the GP Confederation Board and the Office of Primary Care Networks;
- Delivered three whole organisation staff half day development sessions and a joint staff development session with staff from the Office of Primary Care Networks;
- Achieved major health gain in the management of Long-Term Conditions (LTC), resulting in City & Hackney practices being amongst the most highly performing in the country and in North East London (NEL), due in no small part to the high levels of achievement in the local LTC contract.

Strategic report

For the year ended 30 September 2023

All 39 member practices participate in the Long-Term Conditions service, overseen by the Confederation. By achieving 100% population coverage, excellent results were achieved 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. QOF results are now only provided at a North East London level and unfortunately, it's not possible to separately extract the City and Hackney achievement. However, the work that City and Hackney practices undertook within the remit of the LTC contract is no doubt a contributory factor to the excellent results NEL has achieved. For example, NEL is ranked top overall in England in all cardiovascular metrics and in the top 10 for most other clinical QOF metrics.

- Reduced 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. The Confederation works closely with colleagues at PUCC to ensure that patients are directed to their GP practice for post operative wound care to embed the use of the GP practice for this purpose.
- Continued to contribute to the development of the Workforce Enabler Board/Training Hub in City & Hackney including hosting the Programme Management function, and successfully securing funding to support the training and development of primary care staff;

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 and the Risk Register has been redesigned to link to the Confederation's objectives as set out in its Annual Plan.

Financial review

In the 12 months ending 30 September 2023, the Confederation recorded a surplus of £3,682 (2023: 0.03% of turnover), (2022: a surplus of £85,479 (0.7% of turnover)). This was better than the planned deficit of £80,742, primarily due to managing costs below income and ensuring that all new contracts made a positive contribution to the bottom line. This surplus increases the retained earnings and we still maintain a Contingency Reserve of £500k to mitigate against future

Strategic report

For the year ended 30 September 2023

risks and unforeseen costs, formerly described as an Operating Reserve. 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 £11.620m (2022: £15.082m), including £7.719m (2022: £9.968m) of 'pass-through' income in relation to member practices delivering the contracts commissioned by the ICB and Local Authority. This was higher than planned due to income from new contracts exceeding the underperformance on Primary Care and the under-utilisation of some of the income held in Deferred Income compared to what was budgeted to be released in year, but lower than the prior year due to some enhanced primary care services being decommissioned by the CCG.

Total expenditure was £11.616m (2022: £14.984m) which included £7.719m (2022: £9.968m) in relation to payments to practices for contracts commissioned by the ICB and Local Authority.

Total reserves at the year-end stand at £635.3k (2022: £631.7k) (i.e., the accumulated surplus). This will be protected and carried forward to mitigate against unknown costs or unforeseen circumstances. £500k remains earmarked as a Contingency Reserve (formerly called an Operating Reserve).

The balance sheet remains healthy, with net assets of £635.3k (2022: £631.6k) including a cash balance of £3.7m (2022: £5.9m).

A small deficit budget of £69k has been set for 2023/24 but this can be covered from reserves, if it materialises, in order to support key posts in the organisational structure and give a pay award to reward and retain staff. The focus is now on restoring recurrent financial balance from 2024/25 and working more closely with the OoPCNs. The Confederation updated its Annual Plan, and in addition to the agreed 2023/24 Budget, a detailed cash-flow forecast running to January 2025 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 23 February 2024 and signed on their behalf by

Caroline Millar
Chair

Andreas Lambrianou
Chief Executive

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 2023 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 2023 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.

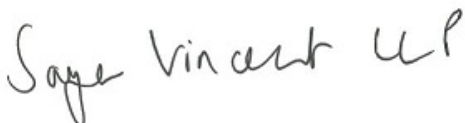
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess 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)

Date 24 April 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, London, EC1Y 0TG

City & Hackney GP Confederation C.I.C.

Statement of income and retained earnings

For the year ended 30 September 2023

	Note	2023 Total £	2022 Total £
Income	2	11,619,552	15,082,420
Expenditure on:			
Direct payments to GP Practices		7,718,581	9,967,603
Staff costs	4	1,974,997	2,720,296
Project expenditure		1,471,686	817,969
Legal, professional and consultancy fees		109,592	552,845
COVID-19 Vaccination Programme – non pay expenditure		–	489,488
Office and property costs		182,044	212,469
Education and training		130,222	101,967
Medical Equipment		13,315	92,308
Other		15,881	28,853
Total expenditure		11,616,318	14,983,798
Surplus/(deficit) on ordinary activities before taxation	3	3,234	98,622
Taxation credit/(charge) on ordinary activities	5	448	(13,143)
Total comprehensive income		3,682	85,479
Retained earnings			
Retained earnings brought forward		631,665	694,634
Prior period adjustment	14	–	(148,448)
Retained earnings brought forward (as restated)		631,665	546,186
Total comprehensive income		3,682	85,479
Retained earnings carried forward		635,347	631,665

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.

As at 30 September 2023

	Note	2023 £	£	2022 £	£
Current assets					
Debtors	6	1,415,280		1,663,779	
Cash at bank and in hand		3,731,212		5,850,073	
		<u>5,146,492</u>		<u>7,513,852</u>	
Creditors: amounts falling due within one year					
	7	<u>4,511,144</u>		<u>6,882,186</u>	
Net current assets			<u>635,348</u>		<u>631,666</u>
Net assets			<u><u>635,348</u></u>		<u><u>631,666</u></u>
Capital and reserves					
Share capital	9		1		1
Contingency Reserve			500,000		500,000
Retained earnings			135,347		131,665
Total funds	10		<u><u>635,348</u></u>		<u><u>631,666</u></u>

The financial statements were approved by the Board of Directors on 23 February 2024 and signed on their behalf:

Caroline Millar
Chair

City & Hackney GP Confederation C.I.C.

Statement of cash flows

For the year ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Surplus on ordinary activities before taxation		3,234	98,622
Adjustments for:			
Interest received		(31,924)	(8,531)
Decrease in debtors		248,571	1,243,246
(Decrease)/increase in creditors		(2,395,745)	340,296
Cash (used in)/provided by operating activities before taxation		(2,175,864)	1,673,633
Corporation tax (recovered)/paid		25,079	-
Net cash (used in)/provided by operating activities		(2,150,785)	1,673,633
Cash flows from investing activities:			
Interest received		31,924	8,531
Net cash provided by investing activities		31,924	8,531
Net change in cash and cash equivalents		(2,118,861)	1,682,164
Cash and cash equivalents at beginning of year		5,850,073	4,167,909
Cash and cash equivalents at end of year		3,731,212	5,850,073

Notes to the financial statements

For the year ended 30 September 2023

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 2023

2 Income

Income is attributable to the principal activity of the company.

	2023 £	2022 £
CCG funding for Primary Care contracts	7,895,029	8,576,053
Summer and Winter Resilience	544,052	541,869
CCG – funding	422,127	381,563
Other contractual/Miscellaneous	417,083	336,162
Confederation membership fees	345,925	322,167
Sexual Health	258,746	221,009
Smoking Cessation	214,339	231,588
CEPN Infrastructure	207,031	294,859
Enhanced Access Project	181,216	1,536,731
HEE Pan London GPN and NA Competencies Framework Project	140,000	-
Roving Home Visiting Vaccination and Flu & Immunisations	136,680	133,667
Community Anticoagulation Contract	128,523	194,911
NHS Health Checks contract	122,667	99,000
Salaried GP reimbursement	122,407	240,370
Quality Improvement Programme	104,107	94,668
FLU/Immunisation programme	96,297	112,889
COVID-19 Vaccination Programme	61,591	722,139
GP Resilience / Practice support	58,688	15,738
Estates and Technology Transformation Fund	51,355	141,538
Care Home Swabbing/Care Settings Infection Control service	32,040	163,295
Bank interest	31,924	8,531
Primary Care at Scale/Transformation	23,840	295,902
Demand Management contract	8,260	73,860
Co-Ordinate My Care (Avoidance of Urgent Admissions)	6,750	27,647
Wellbeing Practitioners	5,720	142,958
Afghan Children Immunisation project	2,079	96,292
Primary Care Network Programme Management Office	1,076	14,386
Patient Participation Group	-	18,250
Co-Ordinate My Care (Frail Home Visiting)	-	14,304
Neighbourhood Projects	-	14,243
Childhood Immunisation project	-	8,181
HEENCEL/CEPN Schemes	-	7,650
	11,619,552	15,082,420

3 Surplus on ordinary activities before taxation

This is stated after charging:

	2023 £	2022 £
Directors' remuneration	226,951	210,747
Directors' reimbursed expenses	-	-
Auditor's remuneration (excluding VAT):		
Audit	14,800	12,850
Other services	4,579	-
Operating lease rentals:		
Property	40,000	40,000

Notes to the financial statements

For the year ended 30 September 2023

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:

	2023 £	2022 £
Wages and salaries	1,033,051	1,312,714
Social security costs	114,961	142,825
Pension costs	150,797	114,694
Other staff costs	611,808	864,620
Sessional work	64,380	285,443
	<u>1,974,997</u>	<u>2,720,296</u>
Aggregate remuneration in respect of highest paid director	<u>115,704</u>	<u>95,687</u>

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

	Full time equivalent		Number	
	2023	2022	2023	2022
Salaried GPs	.99	2.11	1.17	2.83
Wellbeing Practitioners	-	2.88	-	3.50
Project Clinical Leads	.34	.30	1.00	1.00
Board members	2.40	2.37	9.33	9.25
Smoking Cessation team	3.18	2.93	4.00	3.58
Childhood Imms/Wound Care Nurses	-	.21	-	.33
Admin/Management	11.12	12.63	15.08	15.75
	<u>18.03</u>	<u>23.43</u>	<u>30.58</u>	<u>36.24</u>

The total employee benefits (including employer's national insurance and employer's pension contributions) of the key management personnel were £553,242 (2022: £557,470).

5 Taxation

	2023 £	2022 £
(a) Analysis of charge in period:		
Current tax		
UK corporation tax on profits of the period	(376)	4,084
Total current tax	<u>(376)</u>	<u>4,084</u>
Deferred tax	(72)	9,059
Total corporation tax recognised in profit or loss	<u>(448)</u>	<u>13,143</u>
(b) Factors affecting tax charge for the period		
Profit before tax	3,234	98,622
Profit multiplied by the standard rate of UK corporation tax 19%	614	18,738
Effects of:		
Profits from mutual trading	(1,062)	(5,595)
Pension adjustment	72	(9,059)
Taxation charge/(credit) for the period	<u>(376)</u>	<u>4,084</u>
Deferred taxation		
	2023 £	2022 £
At 1 October	(1,141)	(10,200)
Charged to the statement of income and retained earnings	(72)	9,059
At 30 September	<u>(1,213)</u>	<u>(1,141)</u>

Notes to the financial statements

For the year ended 30 September 2023

6 Debtors

	2023	2022
	£	£
Trade debtors	1,177,869	1,033,795
Accrued income	203,905	552,204
Prepayments	31,917	47,476
Corporation tax recoverable	376	29,163
Deferred tax asset	1,213	1,141
	1,415,280	1,663,779

Trade Debtors includes £287,405 (2022: £1,055,918 Credit Balance) cash owed to the GP Confederation by behalf of the Primary Care

7 Creditors: amounts falling due within one year

	2023	As restated 2022
	£	£
Trade creditors	-	1,198,487
Accruals	667,966	1,633,100
Prepaid income	1,049	1,049
Deferred income (note 8)	3,759,757	3,959,854
Corporation tax payable	-	4,084
VAT, PAYE & NIC	27,873	34,749
Pension contributions	54,499	50,863
	4,511,144	6,882,186

Notes to the financial statements

For the year ended 30 September 2023

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.

	2023			2022		
	£	£	£	£	£	£
Balance at the beginning of the year			3,959,854			4,510,384
	Deferred	Released	Change	Deferred	Released	Change
HEENCEL/CEPN Schemes	-	-	-	-	(49,758)	(49,758)
CEPN infrastructure	145,605	(199,228)	(53,624)	438,693	(399,242)	39,451
Quality Improvement	-	(104,107)	(104,107)	172,430	(94,668)	77,762
Childhood Immunisation	-	(78,793)	(78,793)	-	(13,603)	(13,603)
Demand Management Contract	-	(8,260)	(8,260)	-	(73,860)	(73,860)
Salaried GP Scheme	1,266	(55,633)	(54,367)	423,144	(87,266)	335,878
CMC (coordinate My Care) FHV	-	-	-	-	(14,304)	(14,304)
CMC (coordinate My Care) AUA	-	(6,750)	(6,750)	-	(27,647)	(27,647)
Clinical Pharmacy	-	-	-	-	(5,417)	(5,417)
GP Resilience/Practice support	-	(27,722)	(27,722)	250,000	(18,681)	231,319
Enhanced Access Hubs	564,773	(30,609)	534,164	1,089,813	(2,289,051)	(1,199,238)
Primary Care at Scale	-	(23,840)	(23,840)	53,000	(295,902)	(242,902)
Patient Participation Group	-	-	-	-	(6,625)	(6,625)
GP Nursing Leadership	48,148	(68,179)	(20,030)	25,260	(4,650)	20,610
Call and Recall Pilot	-	-	-	-	(49,215)	(49,215)
GP Retention	5,463	(9,642)	(4,179)	11,115	(18,421)	(7,306)
CEPN Primary Care Education	-	-	-	21,094	(25,121)	(4,027)
LTC Group Consultations	-	-	-	-	(3,326)	(3,326)
Estates and Technology Transformation Fund	3,204	(54,559)	(51,355)	-	(138,893)	(138,893)
Spirometry	-	-	-	-	(585)	(585)
Wellbeing Practitioner	-	(48,925)	(48,925)	116,058	(142,958)	(26,900)
Nursing Development	15,649	(42,550)	(26,901)	69,744	(58,705)	11,039
Sexual Health	94,731	(81,217)	13,514	52,327	(47,505)	4,822
Leadership Development	70,000	(28,800)	41,200	-	-	-
Teledermatology	33,000	(23,542)	9,458	-	(24,494)	(24,494)
Additional Services	-	-	-	8,025	(15,796)	(7,771)
Coaching and Mentoring	-	(40,979)	(40,979)	94,647	(47,910)	46,737
Recruiting and Retaining Primary Care Nursing Workforce	-	(38,191)	(38,191)	967	(20,700)	(19,733)
GPN Fellowship	-	-	-	-	(56,000)	(56,000)
PCN PMO	-	(1,076)	(1,076)	12,551	(14,106)	(1,555)
CARE HOME SWABBING	-	-	-	70,000	(70,000)	-
Restoration and Recovery Planning	-	(198,129)	(198,129)	499,000	(536,309)	(37,309)
GPN VTS Scheme	50,339	(21,422)	28,917	-	-	-
Round 4 Covid	-	(46,477)	(46,477)	-	(74,518)	(74,518)
Summer Resilience	-	(55,880)	(55,880)	499,000	(443,120)	55,880
Reflective Practice Sessions	-	(48,459)	(48,459)	80,000	(31,541)	48,459
FLU/IMMUNISATION	23,575	(119,872)	(96,297)	551,801	(311,851)	239,950
GP Confederation staff training	-	(9,208)	(9,208)	14,054	(3,457)	10,597
GP PRACTICE RESILIENCE 2	90,656	(100,885)	(10,229)	200,000	(36,927)	163,073
Smoking Cessation	301,378	(214,340)	87,038	62,879	(34,000)	28,879
Health Checks	343,380	(268,047)	75,333	220,000	-	220,000
DAS Oximetry Home Visits	64,057	-	64,057	-	-	-
Balance at the end of the year			3,759,757			3,959,854

9 Share capital

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

	2023	2022
	No.	No.
£0.01 ordinary shares: Called up, allotted and fully paid	39	39

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. 39 shares are therefore allotted to all 39 member practices.

Notes to the financial statements

For the year ended 30 September 2023

10 Reconciliation of movements on shareholders' funds

	Retained earnings £	Contingency reserve £	2023 Total £	Retained earnings £	Contingency reserve £	2022 Total £
Shareholders' funds at the start of the year	131,665	500,000	631,665	194,634	500,000	694,634
Prior period adjustment	-	-	-	(148,448)	-	(148,448)
Shareholders' funds at the start of the year (as restated)	131,665	500,000	631,665	46,186	500,000	546,186
Total comprehensive income	3,682	-	3,682	85,479	-	85,479
Shareholders' funds at the end of the year	135,347	500,000	635,347	131,665	500,000	631,665

The Clinical Board and member practices have determined to earmark £500,000 of the Shareholders' funds as a Contingency Reserve, broadly based on 3 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 and Enhanced Access 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 assessed whether the cost control mechanism was working in line with original government objectives

The Government announced in October 2021 that the pause had been lifted, and that the cost control element of the 2016 valuations was complete. This showed that the cost gap control was within the +/-2% corridor specified by HMT regulations and so no changes to benefits or member contributions were required.

The 2020 valuation will set the employer contribution rate payable from April 2024 and test the cost of the Scheme relative to the employer cost cap and is currently in progress and will be based upon further valuation directions provided by HMT. Results will be reported in future Annual Reports of NHS Pensions.

The employer's contribution rate payable is 14.38% (2022: 14.38%) of pensionable pay with employees contributing between 5.1% and 13.5% 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 1.851 million contributors to the scheme, 1.098 million pensions in payment and 772,560 deferred pensioners (as at 31 March 2023). Net liabilities of the Scheme as at 31 March 2023 were £459.6 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 2023 by City & Hackney GP Confederation was £90,713. The outstanding amount due to NHS Pensions for employer's and employee's contributions at 30 September 2023 was £15,118.

Notes to the financial statements

For the year ended 30 September 2023

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. The residual historical issues around the processing of pension records for Salaried GPs has now been resolved, and the gap in pensions relating to the period when the Confederation had a gap in access to the Scheme, was 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 2023 £	2022 £
Less than one year: office rental, 3 month's notice	10,000	10,000
	10,000	10,000

14 Prior period adjustment

Reserves position

	At 30 September 2022			At 1 October 2021		
	Retained earnings £	Contingency reserve £	Total £	Retained earnings £	Contingency reserve £	Total £
Reserves previously reported	280,113	500,000	780,113	194,634	500,000	694,634
Adjustments on restatement						
Remove excess accrued costs	42,886	-	42,886	42,886	-	42,886
Removed excess accrued income	(191,334)	-	(191,334)	(191,334)	-	(191,334)
Reserves as restated	131,665	500,000	631,665	46,186	500,000	546,186

The adjustment relate entirely to two historic balances which have been found to be incorrect. These have been removed from the financial statements, the effect on reserves is shown above. There is no effect on income and expenditure for the year ended 30 September 2022.