NHS
Devon

Annual report and accounts

1 July 2022 - 31 March 2023

One Devon

Proud to be part of One Devon: NHS and CARE working with communities and local organisations to improve people's lives

Contents

Foreword from the chair

Welcome to our annual report, the first since NHS Devon Integrated Care Board came into being on 1 July 2022.

It is well understood that the past nine months have been challenging for the NHS – COVID-19 is still with us, waiting times are long, we struggle to recruit enough staff in many areas, and we see frontline colleagues at risk of burnout after three years of intense and unrelenting pressure. Demand is on the rise and budgets are undeniably tight.

We are tackling these challenges. Our Nightingale Hospital in Exeter, for example, has been key in helping people get the treatment they have been waiting for such as knee and hip operations and cataract surgery. We can see real progress in offering people high quality, safe care more quickly. We must still acknowledge that waiting times remain a serious issue for us after the worst of the COVID pandemic.

Here, however, I would like to take a moment to set out why I believe we have cause for optimism. We can, in my view, already see that the new ways of collaborative working – across health, social care, local authorities and the voluntary and community sectors – have the potential to make a real difference to people in Devon.

In joining forces with these partners under the Integrated Care System for Devon, we have set common goals. We want to make people's health better, of course. But we are also committed to giving people a good experience of using services, to making it easier for *everyone* to access those services and receive kind, high quality care when they do. We also want to make the system fairer, to ensure that people in Devon aren't disadvantaged because they may have a learning disability, or no transport, or are from an ethnic minority.

This is where Devon's excellent local voluntary and community groups come in. Within the new partnership, we are already seeing the extraordinary value they add. Our new interpersonal trauma response service, for example, is offering dedicated support for adults who have been affected by domestic abuse, sexual abuse or sexual violence – and every GP in Devon will be able to access it for their patients. We know that without the right support, people suffering this abuse can be left with a deep and lasting impact on their mental or physical health. The service offered by FearLess can step in to help.

While we look to the future with this kind of collaboration, the reorganisation of the NHS from Clinical Commissioning Groups – or CCGs - into the new Integrated Care Boards does not mean that the excellent work of GPs in leading services over many years will be lost. In North Devon, for example, the lead GP for the CCG locality was a driving force in creating One Northern Devon, and this collaboration between a wide range of equal partners is still going from strength to strength, helping people in the community get the support they need to lead the fullest lives they can. Its flagship approach, The High Flow Programme, has transformed the way services support people with multiple or complex needs, focusing on people with the most complex needs who are high users of emergency services and stepping in with holistic and individually tailored approaches to care. These successes continue.

Nor has the “local is best” approach been lost in our new system. GPs continue to make an all-important contribution to the Local Care Partnerships in East, West, North, South Devon and Plymouth, reflecting the differing profiles and needs of Devon’s communities.

I congratulate Devon’s GPs on their huge success in managing to provide their patients with ever-growing numbers of appointments, including on the same day and with the majority once again being face-to-face. Deservedly, they have recently been recognised as being among the best in the country, showing real commitment to their patients. We are lucky to have them.

I would like to thank every member of our workforce across Devon for their commitment to providing the best possible care for the people and communities who rely on our services.

Dr Sarah Wollaston
Chair, NHS Devon Integrated Care Board

Performance report

The purpose of this performance report is to set out the activities of NHS Devon Integrated Care Board and to demonstrate how effective it has been in meeting both national standards and its local objectives.

Our predecessor organisation, NHS Devon Clinical Commissioning Group (CCG), ceased to exist as a statutory body on 30 June 2022, when all CCGs were abolished. Health services are now commissioned by the Devon Integrated Care Board, the organisational form and functions of which are set out below. This report covers the period from 1 July 2022 to 31 March 2023.

Performance Overview

One Devon

Through One Devon (the name for our Integrated Care System), NHS Devon Integrated Care Board (known as NHS Devon) aims to effect the changes to health and care set out in the NHS Long Term Plan. This is intended to meet the growing challenges of providing community and hospital care and social care when demand is dramatically increasing. Through the Devon Plan – made up of our Integrated Care Strategy and our Five-Year Joint Forward Plan – we will show how we will meet the needs of the local population.

The vision for One Devon is: Equal chances for everyone in Devon to lead long, happy and healthy lives

With partners, six strategic objectives – or ambitions - were set for One Devon:

- Collaborate across the system to address quality (safety, effectiveness, experience) and productivity.
- Systematic delivery of integrated – or joined up – care across Devon.
- A citizen-led approach to health and care. We will adopt a new approach to reduce differences in care across the county and will work with communities to identify priorities and tackle the root causes of problems
- Working together with children, young people and their families. We want all children and young people in Devon to have the best start in life, grow up in loving and supportive families, and be happy, healthy and safe
- Invest in a digital Devon: people will only tell their story once, first contact will be digital, and more advice and help will be available online. We want to make the most of advances in digital technology to help people stay well, prevent ill-health, and provide care
- Work together to tackle the physical health inequalities for people with mental illness, learning disabilities and/or autism

One Devon is a collaboration of the NHS and local councils, as well as a wide range of other organisations like the voluntary sector, who are working together to improve the lives of people in Devon.

Integrated Care Strategy

Partners in One Devon published the system's Integrated Care Strategy in February 2023, setting out their approach to health and care for the next five years. Given the very tight timescales for developing the strategy, this built on views that had already been sought from communities and those who use services.

As part of the preparation, an online Change Leaders event was held in October 2022 attended by more than 100 leaders and representatives from a range of sectors, including the NHS; local authorities; hospices; voluntary, community and social enterprise; public health and other local partnerships. The next step has been for the NHS and Local Authorities to agree a Five-Year Joint Forward Plan that sets out how the strategy will be delivered.

Sustainable services across Devon and Cornwall

Hospital trust boards in Devon and Cornwall endorsed a Peninsula Acute Sustainability Programme designed to ensure that all five acute hospitals across the two counties co-operate to make sure their clinical, workforce, and financial sustainability and to improve services.

Medical directors from the hospitals were asked to lead a programme to manage increasing demand, tackle unacceptably long waiting times and growing pressures on unscheduled and emergency care.

The availability of appropriately skilled staff has been a major limiting factor on the ability to provide health and social care in the most appropriate place according to people's need.

Digital progress

Recent data show that Devon's GP practices have seen the biggest improvement nationwide in access for patients since the start of the COVID-19 pandemic.

Data from NHS Digital shows that in January 2023 there were more than 754,000 appointments in general practice in Devon – the highest proportion of appointments per 1,000 people in the country. This means there are now 8% more appointments available locally than before the pandemic started.

The number of face-to-face appointments has also risen dramatically. More than 65% of appointments in general practice in Devon are now face-to-face.

World-first genetic testing in Exeter

A world-first national genetic testing service was developed by the Royal Devon University Healthcare NHS Foundation Trust in collaboration with world-leading genomics research groups at the University of Exeter, alongside clinicians and academics worldwide.

The service, launched during the year, can rapidly process DNA samples of babies and children who become seriously ill in hospital or who are born with a rare disease. Results can be given to medical teams across the country within days – meaning they can potentially start lifesaving treatment plans for more than 6,000 genetic diseases.

Action for children with special educational needs

Partners across the Devon County Council area drew up a declaration of action in response to a critical report from Ofsted and the Care Quality Commission concerning services for children with special educational needs. The declaration describes what will be done to improve services and follows a detailed survey of the views of parents, carers, children and young people using them.

The Torbay local area partnership have been working together to deliver the Written Statement of Action Improvement Plan. A key focus is ensuring that SEND is “everyone’s business”. A new Local Inclusion Plan has been developed and there are early signs of improvement with exclusions and suspensions. New Ways of Working launched to improve the culture of provision and care. A quality improvement approach has been taken to Education Health and Care planning and 7 Joint commissioning projects kick started with a re-formed group to monitor progress and pace.

The partnership in Plymouth have maintained a focus on SEND improvement in preparation for inspection under the new framework in 2023.

Joint working for mental health

A new alliance of organisations from the voluntary, community and social enterprise sector was formed to offer more support locally to people struggling with mental illness. The Devon Mental Health Alliance’s Recovery Practitioners focus on working closely with people living with a wide range of needs who traditionally may have fallen through gaps between services and organisations providing help.

The new role is a key element of Devon’s Community Mental Health Framework (CMHF), which sees the statutory and voluntary and community sectors working in partnership to transform services and enable more people to get the right care at the right time, where they live.

Adult and Older Adult Mental Health in-patient care

A national and local priority for people needing a Mental Health In-patient bed has been to reduce the numbers of people and time spent out-of-area for that provision. Outcomes for people with mental health conditions, and their transitions from in-patient to community care, are significantly helped when local in-patient care can be used. Despite Devon having fewer mental health inpatient beds for its population than most other parts of the country, Devon has significantly reduced its reliance on “Inappropriate Out of Area Placements”.

In the 24 months to December 2022, Devon reduced its reliance on Inappropriate Out of Area bed days by 2,645 days: contributing significantly to the South West Region’s total reduction of 3,875 bed days. This is substantially ahead of the pace of reduction in England and is achieved through the concerted efforts of providers, the opening of a new psychiatric ward in Torbay and key investments in bed-based capacity

Nightingale Hospital tackling waiting times

The Nightingale Hospital in Exeter, originally a COVID-19 hospital, became one of eight such centres to be accredited nationally as meeting top clinical and operational standards in its planned orthopaedic operations and procedures. After the first wave of the pandemic, the

Nightingale Hospital was transformed into a state-of-the-art facility for a range of orthopaedic, ophthalmology, diagnostic, and rheumatology services, helping reduce waiting times.

COVID-19 pandemic

The impact of COVID-19 is still being felt across Devon, in major part in terms of the longer waiting times for planned procedures and operations that were postponed at the height of the pandemic but also because many people are still requiring hospital admission.

NHS Devon continued to coordinate the local response to COVID-19 to ensure the best possible care for people across Devon. This included ensuring the population was up to date with its vaccinations before the winter, and that those living in care homes received support where needed. This work included targeted programmes to encourage greater take-up of the vaccine among people at higher risk.

With its partners, NHS Devon has paid particular attention to reducing waiting times for those whose care and treatment was delayed. This included establishing dedicated theatre time for orthopaedic and eye surgery, including at the former Nightingale Hospital (see above) so that planned treatment was not affected by emergencies or surges in demand for care. Addressing very long waiting times is of the highest priority for NHS Devon and partners.

Care Hotel for Plymouth

Health and care partners in Plymouth worked together to set up a 40-bed ‘Care Hotel’ to help relieve pressure at the city’s Derriford Hospital. It was used to help discharge people who did not need to be in the hospital but did need additional support. Those staying at the hotel, under the care of a registered care agency, were supported to regain their independence, with some returning home without the need for ongoing social care. Care hotels have been used by the NHS in Devon since 2020 and feedback has overall been very positive.

Equalities

NHS Devon has continued to build on the work of the CCG in addressing health inequalities. In particular, it implemented a range of measures to improve experience among ethnically diverse communities. Representation matters and it was important to us that our board and community engagement and involvement reflects the diversity of our communities and staff. Confidence in the COVID-19 vaccination was significantly improved through an outreach programme, which used trusted community representatives as vaccine ambassadors, and resulted in more than 50,000 from diverse communities (including LGBTQ+, migrant workers, gypsy Roma and traveller communities and ethnically diverse groups), receiving their COVID vaccination. This work was subsequently recognised at national level with the Health Equalities award at the NHS Parliamentary Awards.

Research

During the last six months NHS Devon have formed a partnership with research and innovation partners across the South West peninsula (Somerset, Devon and Cornwall and the Isles of Scilly (CIOS) to consider how, as an ICB, we can increase the impact of research and innovation.

Working with NHS CIOS and NHS Somerset, and supported by the Academic Health Science Network for the South West peninsula, we have drawn on the experience of other more mature research and innovation ecosystems to understand how to strengthen the conditions for research and innovation.

This work has resulted in the development of an ambitious and pioneering partnership for health and care research and innovation in the South West peninsula. The purpose of the partnership is to work in collaboration with NHS CIOS and NHS Somerset to bring together the collective capability of the peninsula's two major universities, the NIHR Clinical Research Network, the NIHR Applied Research Collaborative and the Academic Health Science Network to increase the impact of research and innovation.

We are working together as a partnership to develop a shared five-year Peninsula Research and Innovation Strategy (PRIS) focused on our shared population health and system priorities. We are confident this approach – working in partnership at the level of the peninsula – will enable us to integrate the latest evidence, innovation and improvements into our transformation plans. We also believe that working in this way across the peninsular will potentially increase the likelihood that we can draw in greater additional investment and make faster progress than might be possible otherwise.

Performance summary

A summary from the accountable officer

NHS Oversight Framework

The NHS Oversight Framework describes NHS England's approach to its oversight of NHS organisations for 2022/23, and its monitoring of their performance. It aligns to the areas set out in the 2022/23 priorities and operational planning guidance and the legislative changes made by the Health and Care Act 2022, including the formal establishment of Integrated Care Boards and the merging of NHS Improvement (itself created from a previous merger of Monitor and the NHS Trust Development Authority) into NHS England (NHSE).

NHS Devon is currently in segment 4 of the Oversight Framework and in receipt of mandated support from NHSE as set out in the national Recovery Support Programme (RSP). The criteria to move from segment 4 to segment 3 have been agreed and require robust recovery and improvement plan delivery with clear oversight via the NHS Devon governance framework set out later in this report.

The scope of the NHS Oversight Framework covers six domains with the current Devon ICB categorisation based upon three key areas for improvement:

OF Domains

Devon Improvement Areas (2022-23)

- Financial performance including addressing the long-term deficit
- Joint ownership and delivery of a coherent strategy that secures sustainable clinical services and improved performance
- Whole-system approach and collaboration across Devon

The NHS Oversight Framework draws together in one place NHS Constitution and other core performance and finance metrics, outcome goals and transformational challenges, to capture the multi-faceted role of ICSs. The national framework includes an oversight process which follows an ongoing cycle of monitoring performance against the six OF Domains with NHS Devon having a key role alongside NHS England in assessing local healthcare providers.

At the last formal review, the Oversight Framework segmentation due to financial and performance challenges for the One Devon System was agreed as follows:

Organisation	OF segment
NHS Devon	**4**
University Hospitals Plymouth NHS Trust	**4**
Royal Devon and Exeter NHS Foundation Trust	**4**
Torbay and South Devon NHS Foundation Trust	**4**
Devon Partnership NHS Trust	**2**

1

Oversight Framework metrics are updated and released on a monthly basis, with the Oversight Framework published through a range of channels including NHS Futures.

The latest information available for 2022/23 is shown below. The quartiles indicate where the organisation benchmarks compared to all others and is divided into three parts

- Lowest performing quartile (poorest performance)
- Interquartile range (near average performance)
- Highest performance quartile (best performance)

Data was published for the indicators relevant to the Devon ICS area, is as follows:

[1] Livewell SouthWest although do not appear in the segment chart are a provider within the Devon system.

	NHS Devon	RDU	TSD	UHP	DPT	Livewell
Highest performing quartile	13	11	6	11	5	0
Interquartile range	32	18	24	20	9	12
Lowest performing quartile	18	8	7	7	4	0

In making the assessment of both the NHS Devon and providers, it is important to note that One Devon is currently underperforming against constitutional performance standards in:

- Urgent and emergency care (UEC)
- Referral to treatment times (RTT)
- Cancer
- Diagnostics

More detail is provided on these in the **Performance Analysis** section below.

Key issues and risks to our performance

Staff shortages and industrial action by nursing, paramedical and medical staff, including junior doctors, has posed a risk to performance. Across the Devon and Cornwall peninsula, there remain shortages of clinical staff in many disciplines and specialties. The NHS in Devon is addressing this through peninsula-wide plans for sustainable services. It also has robust plans in place to ensure the safety of patients.

NHS Devon is to take on responsibility in the coming year for commissioning dental services. These have been under prolonged pressure and, with no extra funding available, will need intense performance management which will be a focus along with development going forward. NHS Devon also takes on responsibility for pharmacy and optical services.

NHS Devon and its activities

NHS Devon is responsible for the majority of the county's NHS budget and develops plans to improve people's health, deliver high quality care and better value for money.

It is led by a diverse board, which includes representatives from local councils, public health, primary care (GP and other services) acute hospitals, mental health, learning disability and neurodiversity and the VCSE. It was and remains important to the board that we include individuals with lived experience of navigating complex services including for mental health and for young people, and that our board reflects the diversity of our wider community and workforce.

Devon is the fourth largest county in England, with a growing but ageing population. It includes the cities of Plymouth and Exeter. While prosperous in parts, it faces a range of challenges in terms of education, job opportunities, housing and isolation, and an influx of population during the summer season. The seaside town of Salcombe, for example, has a population that declines tenfold from summer to winter, and sees the highest cost of housing of any coastal town in the country.

Commissioning services for local people

With a yearly budget of £2.3 billion, we plan and buy hospital and community NHS services, including:

- Most planned hospital care
- Rehabilitative care
- Urgent and emergency care (including out of hours)
- GP services
- Most community health services such as community nursing and physiotherapy
- Maternity services
- Services for children's and young people's health
- Mental health and learning disability services
- Continuing healthcare for people with ongoing health needs such as nursing care

In planning and developing these services, we involve local patients, carers and the public. We work closely with organisations such as Healthwatch Devon, Plymouth and Torbay to help us better understand local need.

The health and care organisations included in One Devon are:

- Royal Devon University Healthcare NHS Foundation Trust
- University Hospitals Plymouth NHS Trust
- Torbay and South Devon NHS Foundation Trust
- South Western Ambulance Services NHS Foundation Trust
- Livewell Southwest
- Devon Partnership NHS Trust
- NHS Devon Integrated Care Board
- All GP practices in Devon, Plymouth and Torbay
- Devon County Council
- Torbay Council
- Plymouth City Council
- Devon, Plymouth and Torbay Health and Wellbeing Boards
- Voluntary and community sector partners

To ensure we take into account the varied needs of our population, we have five Local Care Partnerships covering:

- Eastern Devon
- Northern Devon
- Plymouth
- South Devon
- Western Devon

We have a Five Year Integrated Care Strategy setting out our goals and targets. A five-year Joint Forward Plan is being developed and is expected to be published at the end of June 2023.

Financial review

NHS Devon was formed three months into the financial year on 1 July 2022. The period of this financial review covers the 9 months to 31 March 2023.

The financial framework put in place by NHS England to enable NHS Devon to take the appropriate financial decisions for their population provided a fixed funding envelope, including primary medical care funding and funding for ongoing COVID related costs.

In line with the requirements of NHS England, NHS Devon produced a £0.14m surplus for the period covering 1 July 2022 to 31 March 2023.

NHS Devon's (ICB) reported position against its revenue resource limit is set out below:

Financial Summary	Period ended 31 March 2023 £ million
Revenue resource limit	1,996.99
Total net operating cost for the financial period	1,996.85
(Overspend) / Underspend	0.14

NHS Devon had purchased capital items totalling £0.53m, meeting its capital resource limit.

NHS Devon also managed to meet the following other financial duties:

- Running costs contained within the agreed allocation: for the ICB this was achieved with reported expenditure of £19.69m.
- Managing cash resources received from NHS England against a mandated threshold, the annual cash drawdown requirement.
- Compliance with the Better Payment Practice Code

How the ICB funds were spent in the period ended 31 March 2023

NHS Devon was responsible to the public in relation to how it allocated and spent taxpayers' money in each financial year.

For the period ended 31 March 2023 the NHS Devon spend was allocated in the following proportions, which largely reflects historical levels of expenditure, trends in current demand. The table below shows the nine-month spend by service type which includes contract and non-contractual expenditure with NHS providers, independent providers, local authorities and the voluntary sector, and shows the running costs for NHS Devon:

Service Type	£'m	%
Acute	1,009.63	51%
Primary Care	359.30	18%
Continuing Care	114.09	6%
Community Health Services	256.98	13%
Mental Health	210.71	11%
Other	26.44	1%
Corporate	19.69	1%
Total	**1,996.85**	**100%**

Going concern

The NHS Devon Board has prepared these financial statements on a going concern basis, in other words the entity will continue to operate for the foreseeable future. Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

Name of external auditor, plus costs

NHS Devon used the services of KPMG LLP as its external auditor and paid £240,000 (£200,000 excluding VAT) for the nine-month period ended 31st March 2023. Included in the accounts is an additional £86,000 (£71,667 excluding VAT) payment to KPMG LLP, previously unaccounted for. This was for the audit of the legacy organisation's (Devon Clinical Commissioning Group) final three month set of accounts, to the period ended 30 June 2022.

Basis of accounting

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

The accounts present our results for, and financial position to, the period ended 31 March 2023. They have been prepared under International Financial Reporting Standards (IFRS) using the accounting policies shown in the notes to the accounts, in accordance with the 2022/23 Group Accounting Manual (GAM) issued by the Department of Health and Social Care. They comprise a Statement of Financial Position, Statement of Comprehensive Net Expenditure, a Statement of Cash Flows, and a Statement of Changes in Taxpayers' Equity, all with related notes.

Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments, and special notation in the accounts to draw them to the attention of Parliament. They are divided into different categories including cash losses, bad debts, extracontractual payments and compensation.

For the period ended 31 March 2023 there have been four payments totalling £26,444.77 for the period to date, three of which are ex-gratia payments adding up to £16,847.04 and a debt write-off for £9,597.73.

2023/24 financial outlook

NHS England confirmed that NHS Devon and NHS primary and secondary care providers are expected to work together, in collaboration with other One Devon system partners, to plan and ensure that spend does not exceed the resources available. The 2023/24 plans are based on the need to recover our core services and productivity, making progress towards delivering the key ambitions in the NHS Long Term Plan.

NHS Devon received recurrent base growth funding in 2023/24 of 4.77% which equates to £100.1m. For the running costs of NHS Devon there is no growth in funding for 2023/24 with an expectation of considerable savings required in coming years in excess of 30%.

Despite the additional funding received the efficiency requirement is going to make 2023/24 very challenging. There is a continued need to reduce the waiting times, maximising recovery opportunities, driving system efficiency and reinvesting in less expensive, innovative and more effective integrated care models.

Devon ICB has responsibility for delivering a balanced financial position across Devon. Whilst the ICB has submitted a surplus plan (£48.6m) for 23/24 the overall Devon system has submitted a deficit plan of £42.3m. The deficit is driven by the 3 acute provider organisations in Devon all of whom are in the highest level of national escalation for both finance and performance (System Oversight Framework level 4 (SOF4)). Due to the financial and performance position across Devon, the ICB having lead responsibility for the system is also in SOF4.

The Devon system has developed a system recovery plan that will improve both finance and performance across the acute provider organisations. Delivery of this plan will ensure that the system can exit SOF4 by Quarter 1 of 2024/25.

Managing our financial risks

The 2023/24 NHS Devon plan carries a level of risk, some of which has been contained with partner organisations, requiring close collaborative working across Devon.

The plan is dependent on the on-going evaluation and mitigation of a number of broad financial risks through 2023/24:

- The arrangements for returning to business-as-usual post COVID, recovering our core services and productivity, presents a challenge to Devon both from an operational and financial management perspective. We must ensure Devon receives adequate resources to cover the additional resource commitments for the NHS made by the Government, for example the Hospital Discharge Fund.
- Funding provider contracts and commitments into 2023/24 and managing in-year financial risk. This will be particularly challenging given the level of system savings required.
- Managing within the running costs allowance which has been capped for a number of years and will be considerably reduced going forward. This will inevitably result in a risk of staffing pressures due to workforce requirements of the NHS Devon and system working.

NHS Devon must also play an active role in the mitigation of risk to the overall system position, supporting providers in the delivery of their challenging cost reduction plans through delivering a level of demand management which will support a step change and support a transformational approach to the capacity within the provider sector.

NHS Devon will achieve its objectives only through effective collaboration with its partners. It continues to work closely with local authorities, primary care services and local hospitals to improve the outcomes and experience of patients. The organisation seeks the involvement of service-users and members of the public to enhance its understanding of the health needs and experience of the local population.

In addition to those outlined above, there are other risks because of the environment NHS Devon operates in, with NHS funding principally voted by Parliament. As such, it is reliant on the elected government for its income.

It is not possible for NHS Devon to mitigate all the risks it faces. Risk is managed within the organisation using a risk register. Risks are scored against the likelihood of occurrence, the potential impact, and the strength of the risk controls in place. Responsibility for managing each risk is assigned to an appropriate individual. The risk register is reviewed periodically by the Audit and Risk Committee, the Senior Leadership Team and the Board to ensure that appropriate controls are in place.

Performance analysis

The NHS Constitution sets out key targets for NHS organisations. From 2020-23, many services were affected by the COVID-19 pandemic, resulting in large increases in waiting lists and waiting times in many areas. Throughout the pandemic those patients with the greatest clinical need for hospital treatment were prioritised and when pressure on services relaxed, services were restored as quickly and as safely as possible. However, continuing operational pressures have resulted in the majority of constitutional performance targets being missed.

While joint mutual support arrangements were already in place and working well across the Devon system, even closer joint working between organisations has been an important element of the drive for improvement. Despite this, NHS Devon has seen a challenging year in terms of performance with many of the key metrics being impacted by staffing challenges, capacity in acute hospitals and community, strikes and infection outbreaks resulting in increased length of stay for patients with many having delayed discharges after their admission to an acute hospital. Our growing and ageing population means that we are caring for more people than ever before who are living with complex conditions leading to unprecedented demand for services.

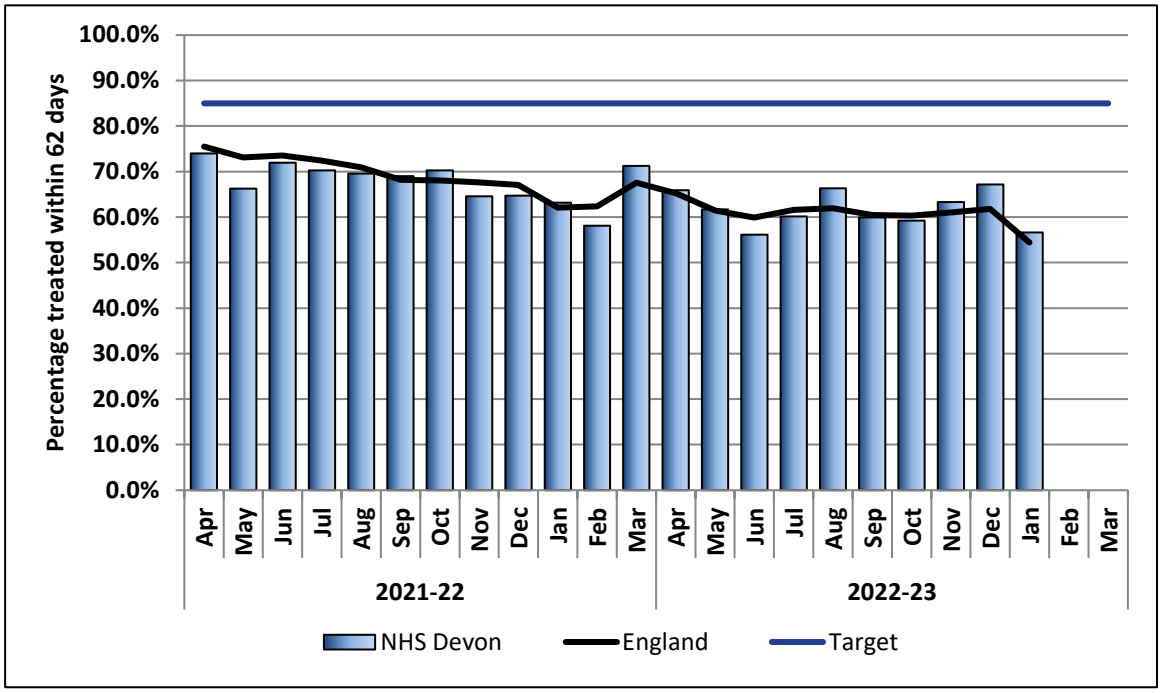
Work on the recovery of performance is gathering pace with plans developed to achieve or to move closer to achieving national targets, for example with detailed urgent care recovery plans and a programme to tackle the backlog of people whose treatment has been delayed.

More detail regarding 2022/23 performance against each of the key national standards is provided below.

KPI	Target	ICS Devon	RDU	UHP	TSDFT	England
Referral to treatment - Percentage treated within 18 weeks - Incomplete Pathways	92%	52.7%	53.0%	57.0%	48.6%	60.7%
Proportion of over-52-week waiters	0	9.8%	9.7%	6.8%	11.3%	5.50%
Proportion of over-78-week waiters	0	2.1%	1.9%	2.2%	1.9%	0.09%
Proportion of over-104-week waiters	0	0.4%	0.4%	0.7%	0.2%	0.01%
Diagnostic waiting times - Percentage treated within 6 weeks	99%	62.7%	54.0%	80.6%	68.2%	72.0%
Accident and emergency percentage seen within four hours (type 1)	85%	46.4%	51.4%	N/A	36.1%	56.5%
Accident and emergency percentage seen within four hours (All)	95%	62.7%	60.6%	N/A	57.4%	70.4%
Ambualnce handover delayes over 15 min (Feb)		74.8%	64.8%	83.7%	75.9%	NA
Mean ambulance response time category 2 (Average YTD)		75.00				50.5
Two Week Wait From GP Urgent Referral to First Consultant Appointment	93%	66.8%	67.7%	79.4%	51.0%	78.0%
Two Week Wait Breast Symptomatic	93%	51.2%	59.5%	28.7%	69.1%	70.2%
One Month Wait from a Decision to Treat to a First Treatment for Cancer	96%	92.9%	87.4%	94.8%	95.3%	70.2%
One Month Wait from a Decision to Treat to a Subsequent Treatment for Cancer (Anti-Cancer Drug Regimen)	98%	98.9%	97.3%	99.8%	99.6%	70.2%
One Month Wait from a Decision to Treat to a Subsequent Treatment for Cancer (Radiotherapy)	94%	98.1%	98.6%	98.5%	96.5%	70.2%
One Month Wait from a Decision to Treat to a Subsequent Treatment for Cancer (Surgery)	94%	83.9%	73.8%	88.2%	91.8%	70.2%
Two Month Wait from GP Urgent Referral to a First Treatment for Cancer	85%	62.1%	59.2%	65.4%	69.8%	61.5%
Two Month Wait from a National Screening Service to a First Treatment for Cancer	90%	68.6%	22.6%	71.5%	80.9%	69.1%
Two Month Wait Following a Consultant Upgrade to a First Treatment for Cancer	85%	71.5%	72.8%	68.2%	53.3%	75.1%
Four Week (28 days) Wait From Urgent Referral to Patient Told they have Cancer, or Cancer is Definitively Excluded	75%	73.9%	71.4%	78.6%	70.1%	69.8%

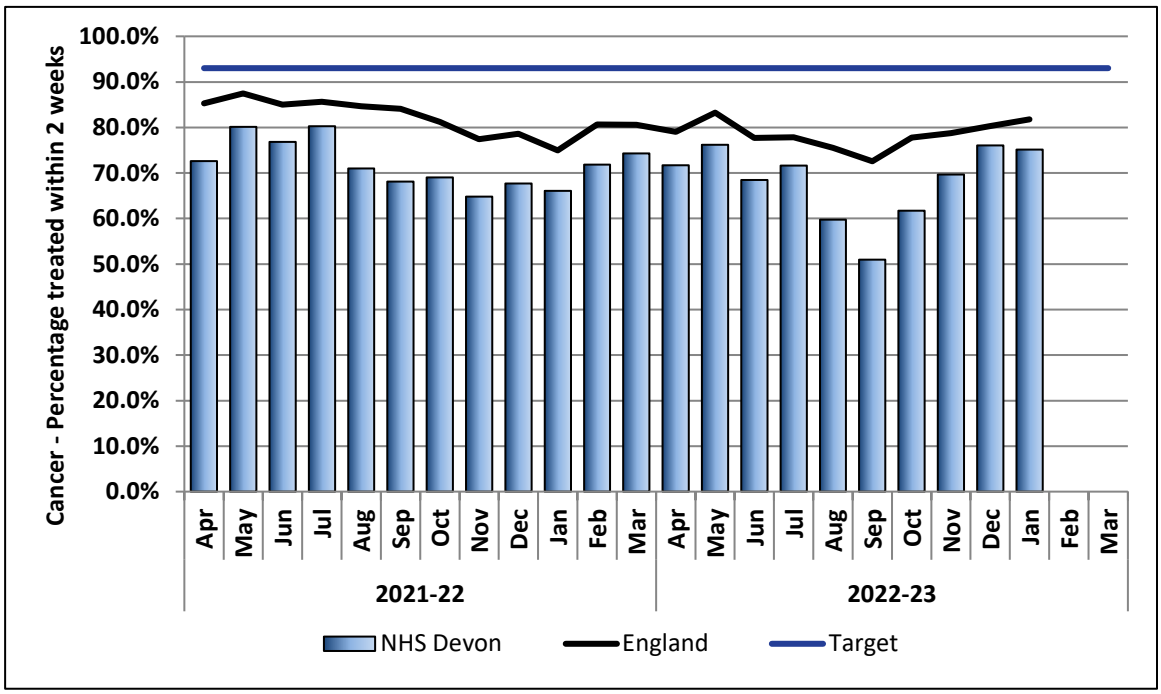
Cancer - percentage treated within 62 days - urgent referral to first definitive treatment

Although under the national target, the One Devon position has remained above the national average of 61.5%. As at January 2023, the One Devon System treated 62.1% of patients within 62 days.



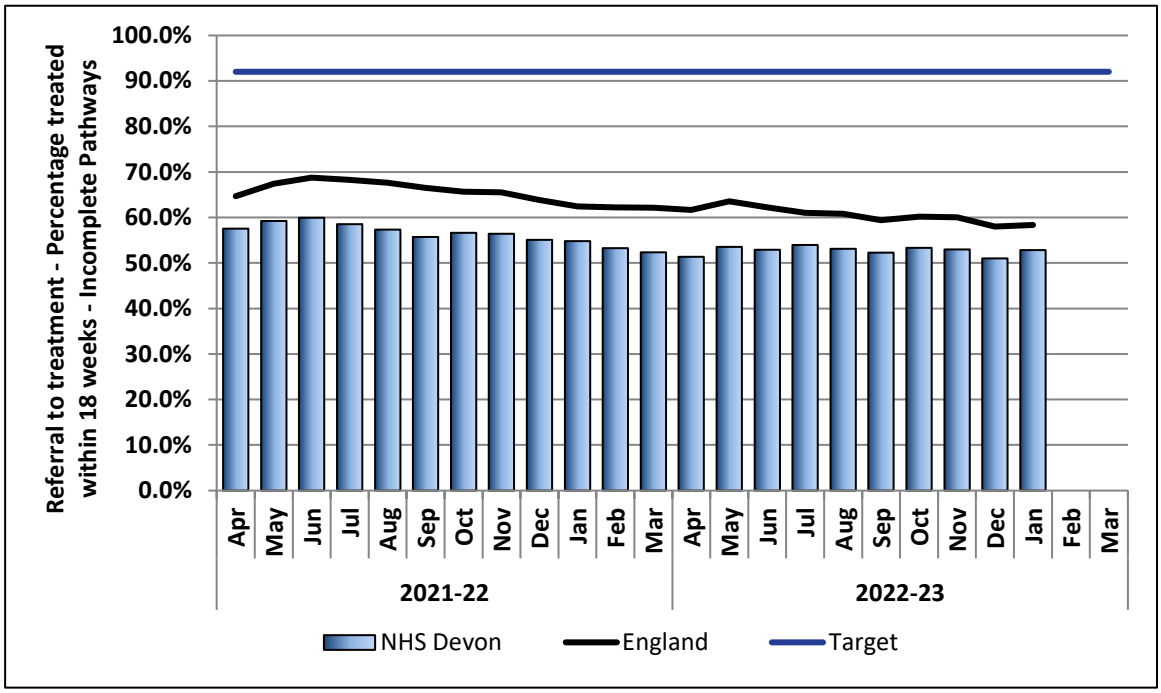
Cancer - percentage seen within 2 weeks – urgent referral to first seen

One Devon system performance remained below the national 93% target throughout the year at 66.8% and below the national average of 78%.



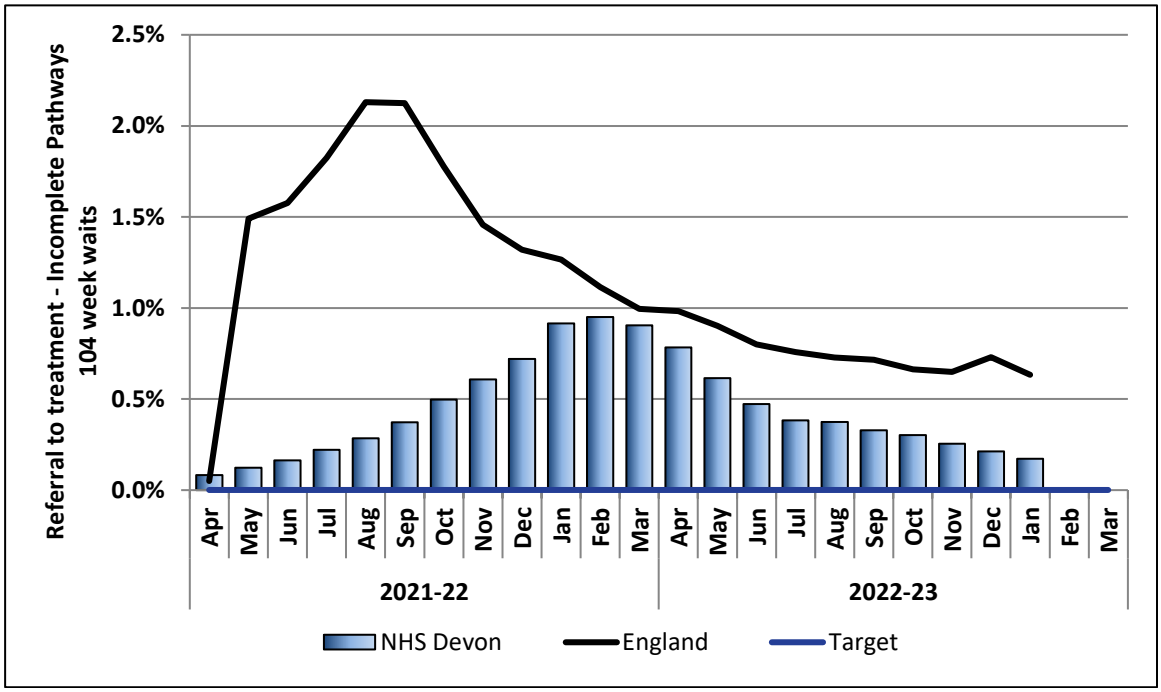
18-Week referral to treatment (RTT)

The One Devon system saw 52.7% of patients within 18 weeks compared to a national average of 60.7% and a target of 92%.



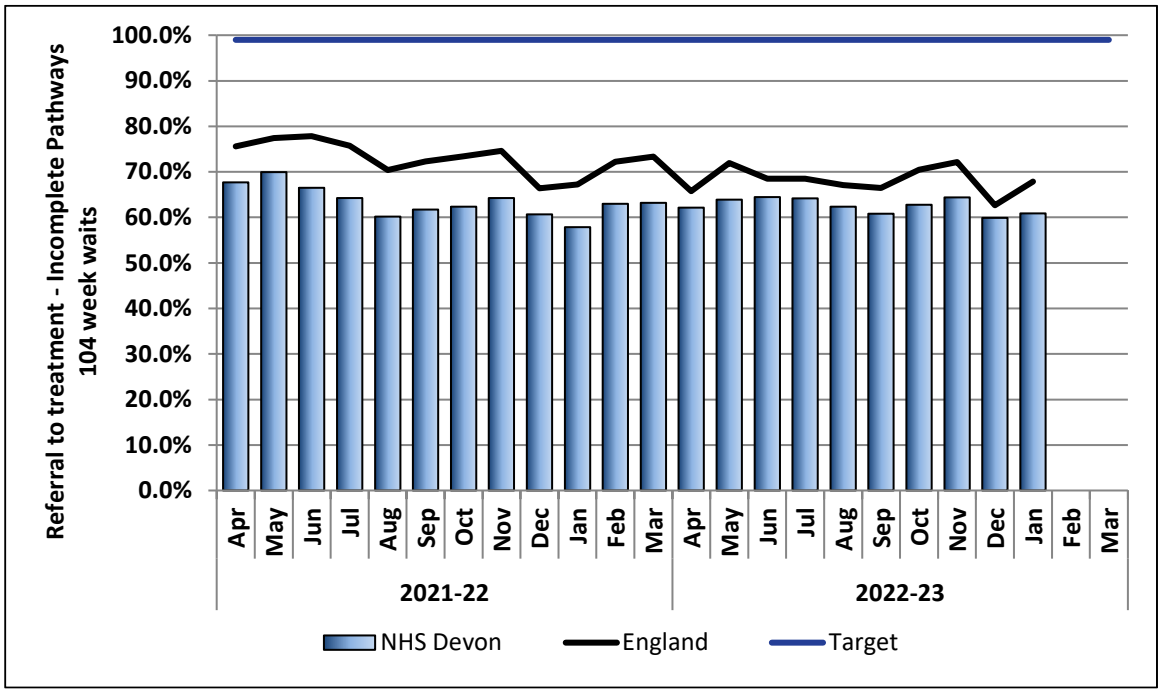
Number of people waiting over 104 weeks for treatment (RTT)

The number of people waiting more than two years for treatment has decreased from 1,198 in April 2022 to 272 patients in January 2023.



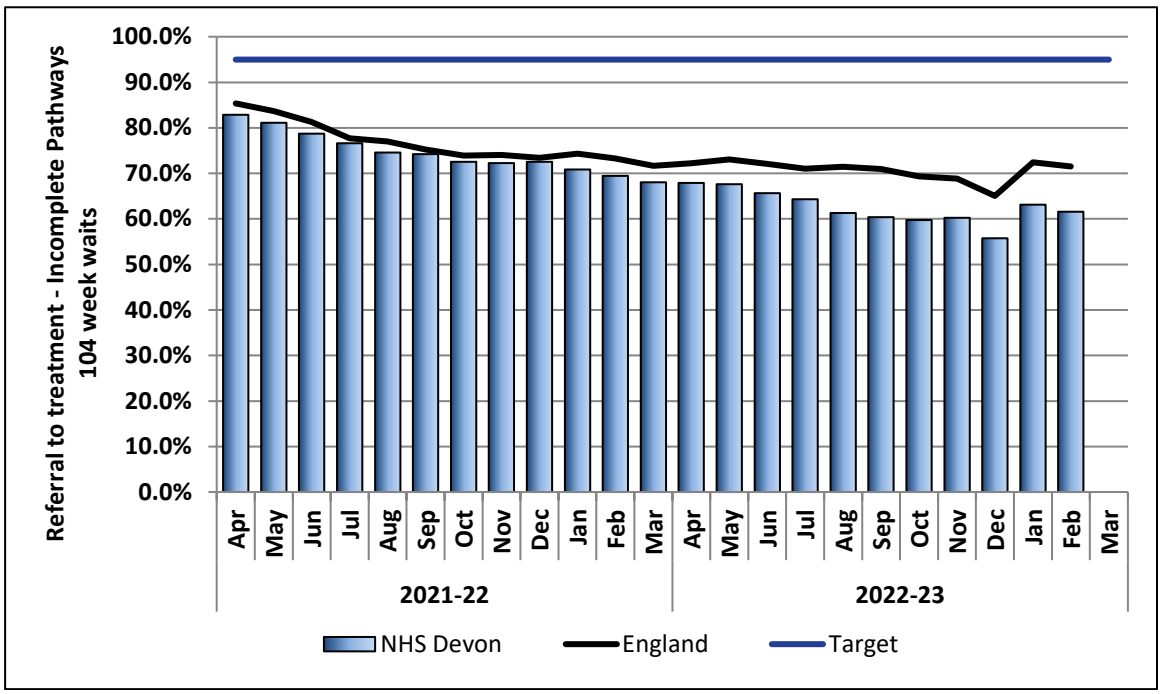
6-Week diagnostic waits

Performance rates remain low at 62.7% of people seen within six weeks, which is below the national average of 72% and target of 99%.

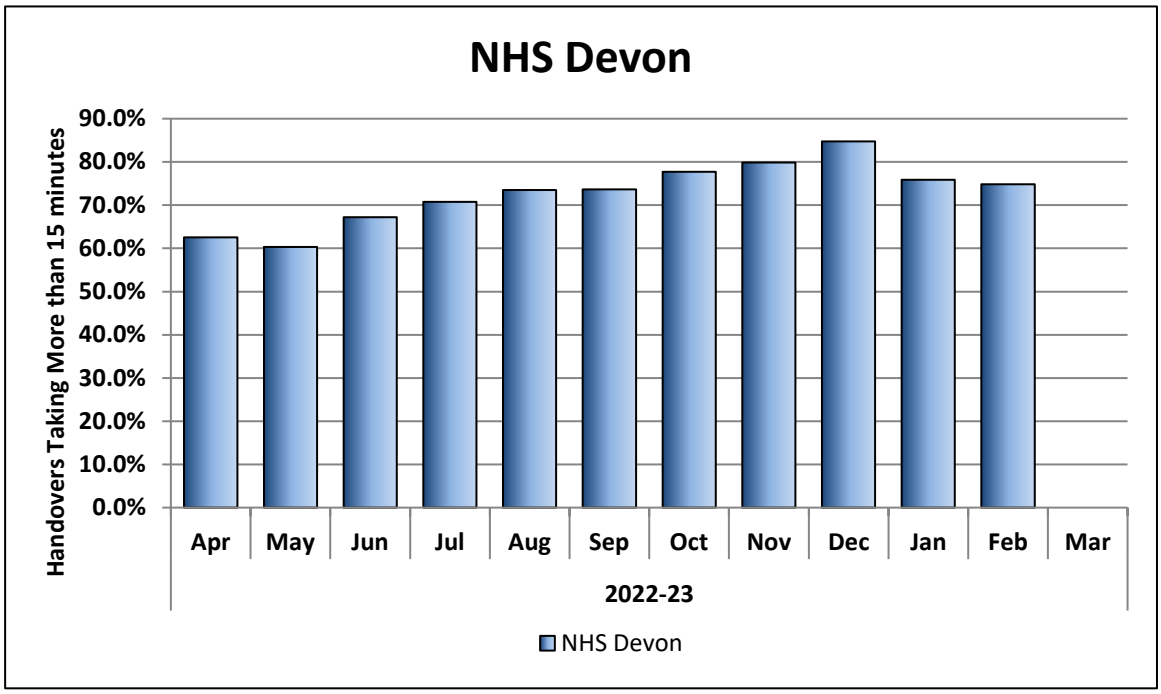


A&E 4-hour waits

A&E performance was below the 95% target at One Devon system level during 2022/23 with all providers below target, reflecting the deteriorating national position.

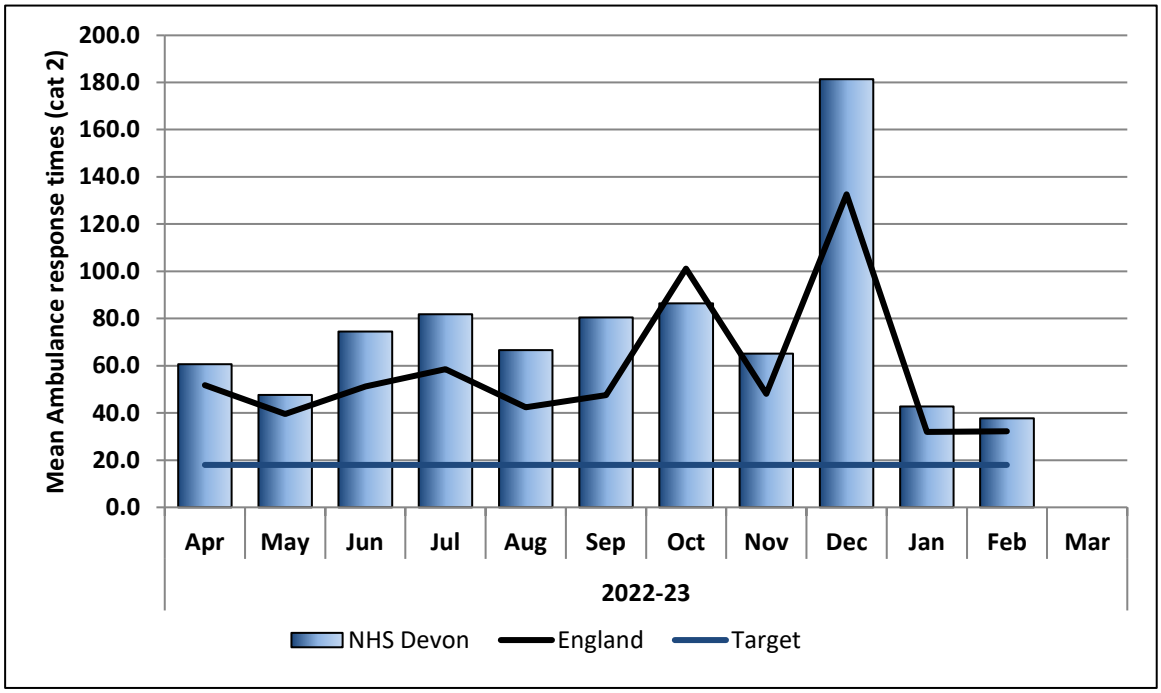


Ambulance arrivals – handover delays of more than 15 minutes



Mean ambulance response times category 2

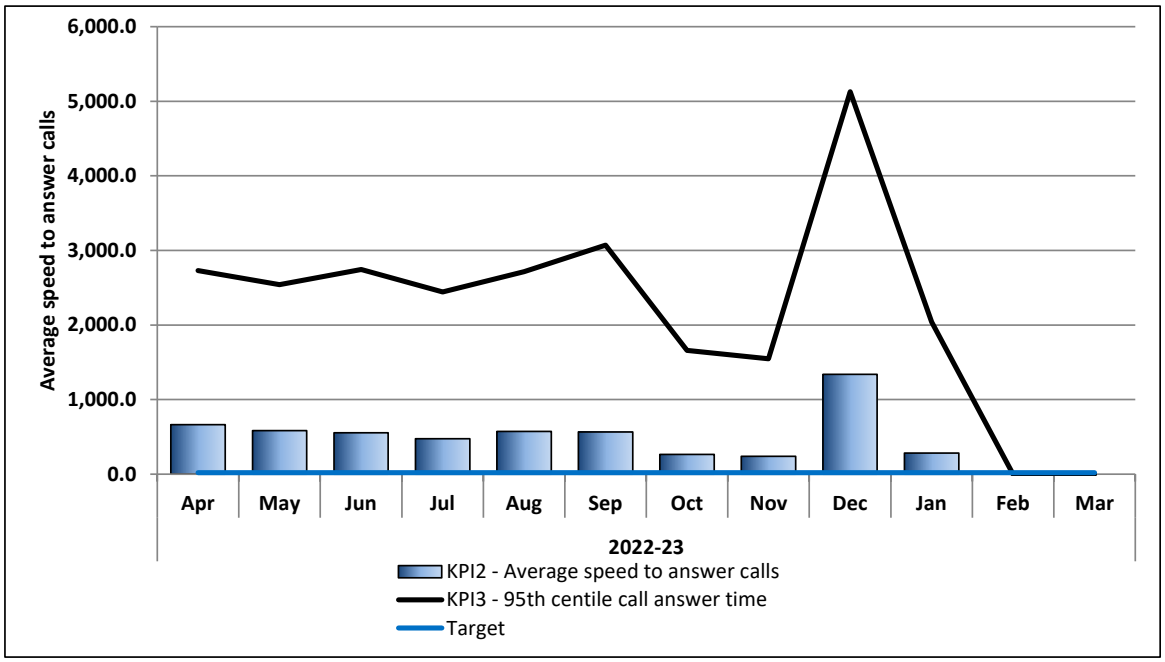
February national position = 32.2 minutes, Devon = 37.7 minutes



NHS 111 response times

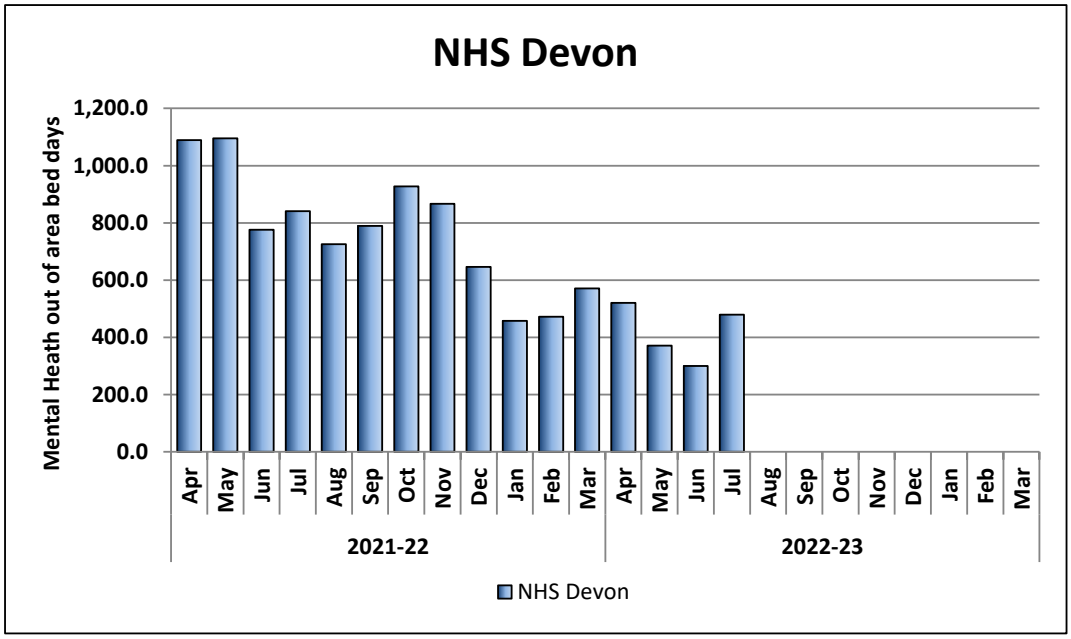
The national average speed to answer calls from April 2022 was 451 seconds, with Devon at 555 seconds.

There have been improvements in performance since a new provider took over the service in October 2022. December 2022 saw an unprecedented spike in demand due to community infections.



Mental health – out of area bed days

NHS Devon has seen a large reduction in the number of (inappropriate) out-of-area placement bed days from 1,089 in April 2021 to 479 in July 2022, which is the latest available data.



Physical health checks for patients with severe mental illness

The latest national performance is 47.8% against a target of 60%, with NHS Devon achieving 46.6% on an improving trajectory.

Mental Health

The Mental Health Investment Standard (MHIS), set by NHS England (NHSE), requires all integrated care boards in England to increase their planned spending on Mental Health services by a greater proportion than their overall increase in budget allocation each year.

Based on the above expectations, NHSE sets an annual MHIS uplift target for each Integrated Care Board (ICB) which is used to calculate the total expenditure to be achieved. This target is calculated using the prior year's spend and applies the percentage uplift. In 2022/23, NHS Devon had a 7.22% MHIS uplift target to achieve.

As shown in the table below, the 2022/23 annual spend on mental health services totalled £269.9 million equating to a MHIS uplift of 10.3% (£25.2m) in comparison to the 7.22% target.

	2021/22 (Audited)	**2022/23 (Unaudited)**
Mental health spend	£244.7m	£269.9m
ICB programme allocation	£1,989.4m	£2,305.0m
Mental health spend as a proportion of ICB programme allocation	12.3%	11.7%

The total spend on Mental Health services in 2022/23 equated to 11.7% of the overall NHS Devon programme allocation.

The overall programme allocation has increased by 15.9% due to additional allocations in-year for Service Development Framework (SDF) transformation, virtual wards, Demand and Capacity and Elective Recovery, which contributes to the reduction in the proportion of mental health spend within NHS Devon.

The majority of mental health investments in 2022/23 were placed in core mental health provider contracts for adults and children and young people's services, aligning with the priorities of the NHS Long Term Plan. In addition, expenditure increased with voluntary sector organisations, Individual Patient Placements and Continuing Healthcare.

Through this investment in 2022/23, across NHS Devon, we have made good progress towards realising the mental health ambitions articulated in the NHS Long Term Plan. The following section sets out the key progress achieved in 2022/23.

In line with national policy for Integrated Care Systems, in 2022/23 Devon has established a Provider Collaborative for Mental Health, Learning Disabilities and Neurodiversity.

Infrastructure to support the provider collaborative has been developed, including its Clinical Senate, Strategic Oversight Group and Executive Group, and, in 2022/23, that collaborative group, led within Devon Partnership NHS Trust, has had oversight of the progress outlined below. This is formative step for MHLDN commissioning in Devon, and during the coming year formal delegations and responsibilities are due to be further developed in line with NHS Devon's priorities for it population.

Perinatal Mental Health: In Devon there are around 11,200 births per year; around one in four mothers experience mental health problems in pregnancy and during the 24 months after giving birth. Around 2,800 women in our area will experience a perinatal mental health problem, the

NHS Long Term Plan ambition was to support 1,115 women and birthing people per year, to extend the period of perinatal care up to 24 months postnatally, extend the range of therapies and offer partners mental health assessment and signposting as needed.

In 2022/23, in the Plymouth area services expanded their offer and moved towards delivering the wider Long Term Plan ambitions, supporting people for up to 24 months postnatally. Across Devon, perinatal mental health teams have continued to access wider training, broadening their offer of support for women and birthing people.

Children and Young People's Mental Health: The Long Term Plan recognised that children and young people represent a third of our population and that mental health problems often develop in childhood and adolescence, and that ensuring access to support gives children and young people the best chance for a happy and healthy life. We also know that children and young people's mental health has been adversely impacted by the Covid-19 pandemic.

Across Devon in 2022/23 we have:

- Continued to increase access to NHS-funded mental health support
- Continued the expansion of Mental Health Support Teams in schools. Three additional Mental Health Support Teams have completed training and become operational, bringing the total number of operational teams to 7. Some 83 education settings are now working with a Mental Health Support in Team, covering around 52,500 children and young people (22,500 more children and young people than in 2021/22).
- Worked with VCSE partners to bring youth workers into our acute hospitals to support children and young people who are experiencing or approaching mental health crisis. This support provides practical and emotional support to enable them to return home as soon as clinically appropriate.

We know that there remains significant un-met need in this area.

NHS Talking Therapies for Adults: Nine out of ten people with mental health problems are supported in primary care. NHS Talking Therapies ((formerly known as Improving Access to Psychological Therapies, IAPT), support people experiencing stress, anxiety and depression. These conditions are also a leading cause of lost workdays, and so recovery is both good for the individual and has a positive economic impact.

Across Devon in 2022/23:

- People who accessed NHS Talking Therapies continued to get prompt access to the service with over 90% of people having their first appointment within six weeks of referral
- The rate of recovery across Devon continues to achieve the national standard
- Demand for NHS Talking Therapies continues to be lower than anticipated
- Teams continue to diversify the therapeutic offer in response to the needs of people in Devon following the Covid pandemic.

All-age online support for mental health and wellbeing: An online digital platform called QWELL can be accessed by adults (aged 18+) across Devon. This platform enables individuals to access a range of resources including peer support, articles and journals to enable people to manage their own emotional health and wellbeing. Individuals can also access one-to-one anonymous counselling through 'type talk/.' Across Devon there is now an all-age online platform that anyone can access, regardless of age. This includes care-experienced young people who may not currently be living in Devon but who once were cared for by Devon.

Community mental health transformation: The Community Mental Health Framework has continued to be implemented in 2022/23 and the core offer is now rolled out to all 31 Primary Care Networks, multi-agency teams working across mental health, primary care and the VCSE

sector, who are working differently to respond to the needs of adults and older adults across Devon. Recovery practitioners employed by Devon Mental Health Alliance are in place across Devon and are working holistically with people with mental illness to respond to their personalised and holistic needs. This is beginning to have an impact on referral patterns and there is growing qualitative evidence that people and their families are benefitting.

Physical health checks for adults with severe mental illness: Helping people with severe mental illness to access physical health care is essential to addressing the 15-20-year gap in life expectancy which people with severe mental illness experience, compared to the wider population. The physical health check is a key step in identifying the physical health needs of people with severe mental illness and helping them to access the care and treatment they need to be equally well.

Since December 2020, the number of people accessing a physical health check in the last 12 months has increased by 95%, or 2,170 people. This is significant progress which continues to move towards achievement of the national target.

Helping people with eating disorders: Across Devon, our mental health providers, primary care, acute hospitals and wider partners held a summit to agree how we can better meet the needs of people living with eating disorders and disordered eating. Children and young people across Devon can now access eating disorder services within one week of an urgent referral and the average waiting time for routine referrals continues to improve towards the national waiting time standard. Additional investments have enabled new community clinics to better monitor the physical health impacts of these conditions.

Urgent and crisis mental health heeds: Across Devon, the Urgent and Crisis Mental Health Programme continues to support improvement in delivery. The team collaboratively secured additional investment in 2022/23 from the system discharge funding which enabled a temporary increase in capacity in Devon's Place of Safety, commissioning of additional bed-based provision and commissioning of an alternative to the emergency department in Plymouth.

Mental health practitioners are now working within South Western Ambulance Service NHS Foundation Trust, supporting improved responses to people in mental health crisis, which has resulted in fewer people experiencing a mental health crisis being taken to emergency departments by ambulance while ensuring that they receive the care and support required.

During 2022/23, all-age 24-hour crisis phone lines continued, with some internal changes that enabled resilience from a staffing perspective. Investment has also been used to enable children and young people presenting in a crisis to receive an assessment, response and intervention until 10pm at night.

Adult and older adults inpatient care: Across Devon, a major focus of recent years has been working towards the elimination of inappropriate out-of-area placements. Inappropriate out-of-area placements occur where there are not enough beds available in Devon for the people that need them. To keep people safe and help them access care, they can be placed out of area. We are working to eliminate inappropriate out-of-area placements because they are associated with worse long-term outcomes, longer lengths of stay and are more expensive.

Between December 2020 and December 2022, nationally there was a 5.5% decrease in inappropriate out of area bed days. In the same period, Devon achieved 58.5% reduction in inappropriate out of area bed days. This demonstrates significant progress in this area.

Children and young people (CYP) safeguarding

Safeguarding – context

The Internal Audit for Safeguarding reported in the summer of 2022 found that the arrangements surrounding the safeguarding function for the then Clinical Commissioning Group (CCG) had been significantly strengthened and gave an overall assurance opinion of 'Satisfactory'.

Through the transfer of safeguarding responsibilities from the CCG to NHS Devon, robust reporting arrangements are in place that facilitate direct reporting from the Safeguarding and Protection of Vulnerable People Steering Group to the Quality and Performance Committee. The Steering Group is chaired by the deputy chief nursing officer.

The Steering Group's membership has been strengthened to include commissioning lead representation from across service areas. The management of safeguarding risks was found to be strong with close scrutiny and detailed updates provided to the Safeguarding Steering Group and the Quality Assurance Committee.

The Safeguarding and Protection of Vulnerable People Steering Group meets on a quarterly basis and is the key group overseeing the work of the Safeguarding team and providers' performance regarding safeguarding controls and issues or concerns arising. Reporting to the Quality and Performance Committee ensures responsibilities and statutory duties are met. The NHS Devon Board routinely receives the Quality and Performance Committee Chair's report which summarises quality and safety matters, including safeguarding activity and related risks.

In November 2022, a South West Integrated Care System safeguarding meeting took place between the assistant director for nursing (safeguarding) and regional safeguarding lead, NHS England South West, and key strategic leads for safeguarding within NHS Devon. Feedback from this meeting highlighted:

- safeguarding remains a priority during times of pressure and change within the system
- improved relationships and workings between safeguarding and commissioning across the commissioning cycle
- the value of the Domestic Abuse and Serious Violence Pathfinder Lead, the commissioning of a primary care interpersonal trauma response service and the Health Service Journal highly commended award for NHS Devon
- clear communication flows and oversight of delivered workstreams and also workstreams in progress to fulfil the One Devon's statutory duties, including supervision and training requirements
- there is strong health engagement and presence within the safeguarding partnerships and the NHS Devon CNO chair two of them, with other NHS Devon team members leading on sub-group work.

Children and young people

NHS Devon has secured the expertise of designated professionals for safeguarding children, adults and children in care and care leavers, in addition to a Domestic Abuse and Sexual Violence lead, and a Liberty Protection Safeguards (LPS) lead. Furthermore, individual Designated Professionals have taken on lead roles around Prevent and Exploitation.

An LPS Steering Group has been established to ensure readiness for the Liberty Protection Safeguards and a number of workstream programmes have been set up, led by the head of safeguarding. Although the implementation of the new LPS arrangements has been delayed, NHS Devon is monitoring developments, considering options and planning in readiness for the new 'Responsible Bodies' duties as far as possible.

NHS Devon, as one of the three key safeguarding partners, works together with local authority and police partners to safeguard and promote the welfare of children across the three safeguarding children's partnerships within the NHS Devon footprint.

Each Safeguarding Children Partnership Executive Meeting is attended by either the chief nursing officer or deputy chief nursing officer. Designated nurses for safeguarding children further support the local arrangements through attendance at Board meetings, and attendance at, and chairing of relevant subgroups.

There is regular designated nurse contribution to the Child Death Overview Panel meetings, and a process has been embedded that supports improved information sharing between CDOP and the safeguarding children partnerships.

Provision of safeguarding supervision and attendance at provider organisations' internal safeguarding committee meetings support robust monitoring of action plans and recommendations for health partners across the system, in addition to the quality assurance of safeguarding processes through contractual arrangements. Any concerns are escalated by exception to the NHS Devon Safeguarding and Protection of Vulnerable People Steering Group.

Further details of the partnership governance structures can be found within the local safeguarding arrangements published on the corresponding partnership websites as below:

http://torbaysafeguarding.org.uk/

https://plymouthscb.co.uk/

https://www.dcfp.org.uk/

Each partnership publishes an annual report, which details how the NHS Devon executive safeguarding lead and designated professionals have supported progression of the safeguarding arrangements and identified priorities.

They can be found here:

http://torbaysafeguarding.org.uk/media/1545/tscp-annual-report-2021-22.pdf

https://www.dcfp.org.uk/document/annual-report-on-safeguarding-arrangements-2021-22/

https://www.plymouthscb.co.uk/wp-content/uploads/2022/08/PSCP-Annual-Report-April-2022-Published.pdf

Emerging themes from child safeguarding practice reviews, rapid reviews and child death overview panel, have included safe sleeping, neglect, adolescent mental health and suicide and non-accidental injury in babies.

Significant work has been undertaken by the designated professionals to support the health and safeguarding arrangements for asylum seekers and refugees across the NHS Devon geographical patch. Working with commissioners and the local authority, there is clear oversight of safeguarding concerns and contribution to relevant meetings, in addition to working with health providers supporting the people in hotels locally.

Adults

The NHS Devon safeguarding team delivers the statutory functions as directed within the Care Act 2014, the Children Act 1989 and 2004, the Health of Children in Care 2015, the Domestic Abuse Act 202, the Police, Crime, Sentencing and Courts Act 2022 and the counter terrorism strategy including Prevent and the Mental Capacity Act 2005. Consideration is also given to other statutory legislation linked to safeguarding which includes child sexual exploitation, female genital mutilation and modern slavery. NHS Devon also works to the Safeguarding Children, Young People and Adults at Risk in the NHS: Safeguarding Accountability and Assurance Framework 2022. Safeguarding is a high priority for the organisation.

NHS Devon ensures it has robust arrangements in place to provide strong leadership, vision and direction for safeguarding. NHS Devon has clear and accessible policies in line with relevant legislation, statutory guidance and best practice. NHS Devon has a clear line of accountability for safeguarding in that an Accountable Officer and Executive Lead for Safeguarding is in place. Designated health professional roles are in place as outlined in the Intercollegiate Guidance and additional safeguarding nurse capacity has been implemented to support NHS Devon in its role as a delegated commissioner for primary care medical services. The team has also expanded its expertise and capacity to improve the health response in Devon to interpersonal trauma and serious violence.

The integrated safeguarding team supports both health providers and multi-agency partners working at a local, strategic and national level on safeguarding issues that have an impact on the health and wellbeing of children, young people and adults. NHS Devon works in partnership with the police and local authorities to share the responsibility for arrangements that safeguard and promote the welfare of children and adults in Devon. It takes an active strategic leadership role, supporting and engaging others; and implementing local and national learning, including from child safeguarding practice reviews, safeguarding adult reviews and domestic homicide reviews. The safeguarding team works in collaboration with commissioned providers to gain assurances regarding statutory responsibilities. There is regular reporting and assurance through the Safeguarding and Protection of Vulnerable People Steering Group and quarterly reports to the Quality and Performance Committee.

Environmental matters

The One Devon system supports the co-ordination of carbon reduction across the system through the actions to reach net-zero outlined in the Devon Greener NHS plans and the Devon Carbon Plan. One Devon also recognises the need to identify the key risks to our system from climate change and to develop a plan to adapt to and mitigate these risks. Addressing the climate and ecological emergency is an opportunity to create a fairer, healthier, more resilient and more prosperous society. Encouraging everyone to be more active by walking and cycling; improving air quality through the electrification of vehicles; insulating homes and workplaces, and eating more sustainable and balanced diets will all improve public health and reduce pressures on the NHS and social care.

In order for the NHS to reach net zero carbon emissions by 2040, for the emissions it controls directly, and 2045 for those it can influence, we are aiming to achieve the following through the Green Plan:

WORKFORCE AND SYSTEM LEADERSHIP

- Support our staff to become carbon champions
- Encourage our staff to be green innovators
- Create an environment that promotes a highly motivated, engaged green workforce

SUSTAINABLE MODELS OF CARE

- Consider carbon reduction principles when delivering care across the whole system

DIGITAL TRANSFORMATION

- Continue to provide options for staff to work flexibly
- Actively promote the digital option for our patients across the system

TRAVEL AND TRANSPORT

- Actively support and promote travel that does not use petrol- and diesel-powered vehicles
- Promote a good balance of home and office working

ESTATE AND FACILITIES

- Purchase our energy supply from renewable energy sources
- Ensure all new and future developments are green positive
- Reduce gas, electric and water usage to cut carbon emissions

MEDICINES

- Optimise the use of carbon friendly medical gases where possible
- Prioritise the prescribing of lower carbon inhalers
- Reduce the use of single-use plastics.

SUPPLY CHAIN AND PROCUREMENT

- Apply the Social Value Act in all procurement processes
- Buy locally where possible
- All suppliers of goods and services to be aligned to the NHS Net Zero Target

FOOD AND NUTRITION

- Offer healthier lower carbon options for all – staff, patients and visitors
- Buy locally where possible.

ADAPTATION

- Ensure we and our patients are prepared for future extreme weather conditions

Achievements to date include the recruitment of a Primary Care Clinical Green Lead who is creating a network of other primary care leads across ICS boundaries, the cessation of the use of Desflurane, an anaesthetic that has a global warming potential 2,500 times greater than carbon dioxide, across all of our Trusts and the Social Vale/Green Agenda being a key factor in our procurement and commissioning decision-making.

Improving quality

NHS Devon functions

NHS Devon continues to undertake statutory and non-statutory functions. Quality Systems and Assurance processes that enable this include:

- Statutory safeguarding, quality and equality assurance
- Ongoing implementation of Better Births through the Local Maternity and Neonatal System (LMNS), including the recommendations from the Ockenden Report
- Continued provision of continuing healthcare services for those with ongoing needs, ensuring that people can access the care that they need in a timely way
- Monitoring of patient safety serious incidents
- Learning from deaths
- Medical examiners
- Infection prevention and control (IPC); antimicrobial resistance (AMR), Healthcare associated infections (HCAI)
- Independent investigations (including mental health homicides)
- Regulation 28 reports
- Judicial reviews
- Controlled drugs assurance and oversight
- Complaints
- Whistleblowing and Freedom to Speak Up
- Review of provider quality accounts

Quality Governance:

Quality is defined for the purposes of the Quality and Performance Committee in line with the National Quality Board (NQB) definition of quality, a shared single view of quality, that there is “high-quality, personalised and equitable care for all, now and into the future”. Systems that support the delivery of care are expected to be:

- Safe – delivered in a way that minimises things going wrong and maximises things going right; continuously reduces risk, empowers, supports and enables people to make safe choices and protects people from harm, neglect, abuse and breaches of their human rights; and ensures improvements are made when problems occur.
- Effective – informed by consistent and up to date high quality training, guidelines and evidence; designed to improve the health and wellbeing of a population and address inequalities through prevention and by addressing the wider determinants of health; delivered in a way that enables continuous quality improvements based on research, evidence, benchmarking and clinical audit.
- A positive experience – responsive and personalised, shaped by what matters to people, their preferences and strengths; empowers people to make informed decisions and design their own care; coordinated; inclusive and equitable
- Caring – delivered with compassion, dignity and mutual respect.
- Well-led – driven by collective and compassionate leadership, which champions a shared vision, values and learning; delivered by accountable organisations and systems with proportionate governance; driven by continual promotion of a just and inclusive culture, allowing organisations to learn rather than blame.
- Sustainably-resourced – focused on delivering optimum outcomes within financial envelopes, reduces impact on public health and the environment.

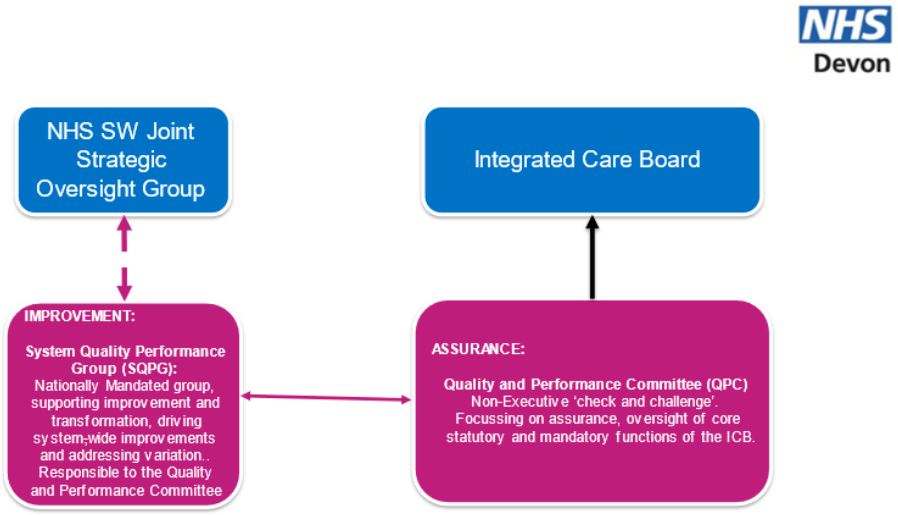
- Quality care is also equitable – everybody should have access to high-quality care and outcomes, and those working in systems must be committed to understanding and reducing variation and inequalities.

In line with the formation of NHS Devon from 1 July 2022 onwards, the Quality and Performance Committee (QPC) was established.

The committee supports a single framework of governance that enables NHS Devon and its Local Care Partnerships (LCP) to collaboratively to drive improvement to quality, delivery, and outcomes against each of the dimensions of quality set out in the 'Shared Commitment to Quality' and enshrined in the Health and Care Act 2022.

We have been working collectively to ensure we are effectively discharging the purpose of our role: to scrutinise the robustness of, and gain and provide assurance to NHS Devon, that there is an effective system of quality governance and internal control that supports it to effectively deliver its strategic objectives and provide sustainable, high quality care.

NHS Devon Quality Governance Structure:



Wrapped around this is a defined governance and escalation process for quality which ensures that risks are identified, mitigated and escalated effectively through the Devon Integrated Care Board System Quality and Performance Group (SQPG).

The group continues to form a key part of the governance structure for system partners to address quality and safety risks, share learning and drive improvement.

NHS Devon is reviewing the way its governance works to support the ongoing development of our approach to Quality Governance, so that we can best provide the assurance needed as one of the committees of the NHS Devon Board as we move into 2023/24.

NHS Devon has drafted a Quality Strategy that will be signed off in 2023. The strategy reflects how improving quality, listening to and learning from patient experience, safety and effectiveness and reducing unwarranted variation and inequalities remains at the centre of NHS Devon's policy and strategy.

CQC Inspection – ICBs

From 1 April 2023, both the regulatory scope and regulatory process undertaken by the Care Quality Commission will change, with NHS Devon being subject to regulation compliance and review. NHS Devon is ensuring that the foundation of our CQC preparedness has been put in place.

NHS Devon looks forward to the opportunity of working closely with both system partners and the regulator in the coming year in order to demonstrate its commitment to improving provision of safe, effective, high quality care across the Devon footprint.

Devon's 'harm profile'

The One Devon System continues to be extremely challenged in urgent, elective, community and primary care. Multiple factors contributed to this position of increased risk, including unprecedented urgent care activity leading to pressures in emergency departments and a further stepping down of some planned procedures. With on-going COVID-19 and other infections in the community and hospital settings, coupled with challenges within social and domiciliary care, patient flow issues have continued through the whole health and social care system throughout the year.

Through collation of evidence across the system, the impact on patients continues to be assessed, including incidents and complaints. This information informs the risk profile and actions required to improve safety and experience. For example, work to assess the impact on patients of long waits for planned care includes analysis of serious incidents and provider complaints. This has informed several workstreams to improve communication with and support of people experiencing long waits.

Experience

Patient, family and carer feedback enables the system to embed the experience of care at the centre of improvement and transformation programmes including coproduction with people with lived experience.

NHS Devon figures from 1 July 2022 – 31 March 2023 show an overall increase in patient experience reporting from the previous year, with over double the number of formal complaints (25 compared to 14 last year). Feedback is analysed and reflects greater pressures on delivery services such as mental health care and access to services. Continuing Healthcare remains an significant theme within patient experience.

There has been increased activity from the Parliamentary and Health Service Ombudsman (PHSO), a sign of that service managing its backlogs and in turn requiring NHS Devon's input into its investigations.

PITCH* submission has increased by over 20%.

- Formal Complaints – 25
- Patient Experience – 742
- NHS England Complaint Reviews – 55
- Parliamentary and Health Service Ombudsman (PHSO) – 6
- PITCH – 960

**PITCH: our health and care professionals' alerting system in place across Devon and Cornwall (Cornwall figures are excluded and managed by NHS Cornwall and Isles of Scilly).*

Safety

NHS Devon continues to have oversight and approval of all serious incident investigations, in addition to supporting providers with multi-agency investigations and assisting and completing investigations for general practice. This financial year, there has been a slight reduction in the number of serious incidents reported. This is likely to be due a combination of factors: some providers combining incidents into one overarching report, and mental health providers reporting in combination with other mental health trusts nationally.

The patient safety specialist, and safety systems team within NHS Devon has started the implementation plan to move from the current Serious Incident 2015 Framework to the new Patient Safety Incidents Response Framework (PSIRF), whilst also supporting the providers within the system. NHS Devon will need to approve providers' PSIRF plans and policies within the next financial year prior to them being published.

In addition to PSIRF, there is a new national reporting database for the recording of all levels of incidents, known as the Learning from Patient Safety Events (LfPSE). The new database will replace the current National Reporting and Learning System (NRLS) and the Strategic Executive Information System (StEIS). NHS Devon is supporting all providers within the system to transition as they will need to be compliant and reporting to LfPSE by September 2023.

The patient safety specialist and safety systems team continue to have oversight on national patient safety alerts, ensuring that all relevant alerts are actioned timely by providers and closed within the required time allocated. If alerts become overdue, NHS Devon monitors these in accordance with the providers' local action plans.

NHS Devon has allocated funding and plans in place to recruit two patient safety partners at the beginning of the next financial year.

Effectiveness

NHS Devon has continued to ensure effectiveness through processes that include the monitoring of National Clinical Audits, providers' compliance with NICE health and care guidance, quality standards and technology appraisals and Getting it Right First Time (GIRFT) reports.

The One Devon Elective Recovery Pilot is a system programme which includes leads from all trusts in Devon for ophthalmology and orthopaedics. A system delivery group and a steering group with national and regional colleagues has been set up with workstream groups progressing activities across all providers.

Transformation and quality improvement

Local transformation and improvement priorities have continued to reflect Devon's commitment to keep quality at the heart of commissioned services. These include maternity, learning disabilities and autism, screening programmes, continuing healthcare, personal health budgets, infection prevention and control, digital transformation programmes, clinical pathways.

This year has seen a significant shift towards whole system quality improvement, with partners embedded in programmes together, for example the Local Care Partnership demonstrator projects.

Additionally, system quality leads have begun the process of safety training together, as we move towards the new incident reporting model (PSIRF).

Within NHS Devon itself, patient safety and quality teams have undertaken Silver QI training and are supporting commissioners with projects across the localities, again drawing in partners to support transformation and quality improvement.

The Quality, Equality Impact Assessment (QEIA):

The QEIA process continues to be a key tool for Devon. NHS Devon's QEIA process and panel has been successfully operating for over seven years, pausing briefly during the recent pandemic. The pause provided an opportunity to review the QEIA processes, learning from ways of working in response to the pandemic. Changes to the process included:

- Virtual panels (via teams as a group or individually via email distribution) which has increased panel attendance and allowed QEIA to be reviewed flexibly
- The introduction of a concise QEIA tool, which has helped increase engagement from colleagues in the process and is much simpler to complete
- Simplified process (including the lookback review process)

Development of the equality section of the QEIA tool is continuing, with the support of our colleagues from the health equality and inequality workstreams.

The majority of QEIAs reviewed within the NHS Devon panel are regarding internal service, policy, and process and pathway and commissioning changes, with a small proportion of QEIAs regarding our provider organisations.

Involving and engaging people and communities

NHS Devon has continued to pursue excellence in its engagement and involvement.

Involvement to support equality of access and inclusion

Who did we talk to?	About what? (Project/programme)	How did we say it (E.g. Survey/social media/masterclass)	What did we ask?	What was the outcome? (inc any useful evidence)
Contain Outbreak Management Fund	Addressing inequalities in Covid 19 vaccine uptake Increasing vaccine confidence and access to vaccinations through innovative approaches to vaccine delivery (through 2022/23)	Emails Conversations Through conversations with relevant networks and VCSE organisations Landing page on the Involve platform	To propose/run innovative engagement activities to increase vaccine confidence and uptake among our communities where the uptake was low.	In total 12 different vaccine outreach initiatives across Devon County Council footprint were awarded funding. Insight will be used to inform Devon vaccine outreach approach.
Vaccine Outreach	Addressing inequalities in uptake and increasing access to flu and covid vaccinations across Devon (April 2022 onwards)	Outreach clinics Social media targeted campaigns (between November 2022 and March 2023) Emails		From April 2022 to 31 January 2023 we ran 740 outreach clinics providing 55,260 vaccinations. Winter vaccine campaigns helped to

		Through involvement with relevant networks and VCSE organisations		increase vaccine uptake for specific cohorts: The campaigns have successfully generated a significant number of link clicks to the NHS vaccination page (19,807) and reached 332,673 people.
Exeter Pride (LGBTQ+ communities)	Diversifying recruitment Improving staff retention Understanding barriers to accessing services to help reduce health inequalities (May 2022)	Survey Conversations	What do you want health and care to know about you?	Improved insight from our LGBTQ+ communities to inform development/priorities in the new NHS Devon Equality, Diversity and Inclusion (EDI) Strategy. Insights help informed inclusion pledges for staff to sign up to as part of the launch of the new organisation. Insights used to inform approach taken for Pride Month and LGBT+ History Month. Insights included in involvement audit so when planning to involve our people and communities – avoids asking them questions we already know the answer to.
Exeter Respect (Ethnically diverse communities)	Diversifying recruitment Improving staff retention Understanding barriers to accessing services to help reduce health inequalities (June 2022)	Survey Conversations	What do you want health and care to know about you?	Improved insight from our ethnically diverse communities to inform development/priorities in the NHS Devon EDI strategy. Insights help informed inclusion pledges for staff to sign up to as part of

				the launch of the new organisation. Fulfilment of NOUS recommendations Insights used to inform approach taken for Black History Month and other events/festivals that celebrate our ethnically diverse communities. Insights included in involvement audit so when planning to involve our people and communities – avoids asking them questions we already know the answer to.
Plymouth Pride (LGBTQ+ communities)	Diversifying recruitment Improving staff retention Understanding barriers to accessing services to help reduce health inequalities (August 2022)	Survey Conversations	What do you want health and care to know about you?	Improved insight from our LGBTQ+ communities to inform development/priorities in the NHS Devon EDI strategy. Insights used to inform approach taken for LGBT+ History Month. Insights included in involvement audit so when planning to involve our people and communities – avoids asking them questions we already know the answer to.
Plymouth Respect (Ethnically diverse communities)	Diversifying recruitment Improving staff retention Understanding barriers to accessing services to help reduce health inequalities (July 2022)	Survey Conversations	What do you want health and care to know about you?	Improved insight from our ethnically diverse communities to inform development/priorities in NHS Devon EDI strategy. Insights help informed inclusion pledges for staff to sign up to as part of

				the launch of the new organisation. Fulfilment of NOUS recommendations Insights used to inform approach taken for Black History Month and other events/festivals that celebrate our ethnically diverse communities. Insights included in involvement audit so when planning to involve our people and communities – avoids asking them questions we already know the answer to.
Totnes Pride (LGBTQ+ communities)	Diversifying recruitment Improving staff retention Understanding barriers to accessing services to help reduce health inequalities (September 2022)	Survey Conversations	What do you want health and care to know about you?	Improved insight from our LGBTQ+ communities to inform development/priorities in the new NHS Devon EDI strategy. Insights used to inform approach taken for LGBT+ History Month. Insights included in involvement audit so when planning to involve our people and communities – avoids asking them questions we already know the answer to.
NHS Devon staff Staff from across the Integrated Care VCSE organisations	Development of Anti-racism statement for One Devon (June 2022)	Survey Through conversations with relevant networks and VCSE organisations	Do you think having an anti-racism statement is a good idea? Does your organisation currently have an anti-racism statement/charter or something	

Members of the public			similar that you are aware of? What do you think an anti-racism statement should include? Is there anything else you would like to tell us?	
NHS Devon staff One Devon staff -LGBTQ+ -Ethnically Diverse staff -Staff with disabilities	Staff Listening events x3 Supporting EDI calendar (June 2022)	Listening events	What are your experiences of working in health and care in Devon? What could be done to make the organisation more inclusive? Is there any additional support that would be helpful? Is there anything else you would like to tell us?	Ensure any issues are being addressed by planned EDI work. High level themes and trends shared with staff/EDI reference group to increase awareness. Insights helped inform approach for EDI celebrations and events.

Wider involvement and engagement

Who did we talk to?	About what? (Project/programme)	How did we say it (E.g. Survey/social media/masterclass)	What did we ask?	What was the outcome? (inc any useful evidence)
People on waiting list for orthopaedic, and ophthalmic care (Devon's largest waiting lists), focusing on people with protected characteristics	Protecting Elective Care – supporting people waiting for care and tackling the backlog in waiting for care.	Dedicated focus groups giving information about the currently challenges and impacts on waiting times, along	What the most important considerations for each of those groups of people were when deciding where to have treatment. What we (as the NHS) can do better to support people while they wait.	A comprehensive report compiled by Healthwatch, that fed directly into the development of the NHS Devon's planned care strategy. https://healthwatchdevon.co.uk/report/protected-elective-care-feedback-report/

Who did we talk to?	About what? (Project/programme)	How did we say it (E.g. Survey/social media/masterclass)	What did we ask?	What was the outcome? (inc any useful evidence)
covered by Equality, Diversity, and Inclusion (EDI), and those people impacted by rurality. Clinicians and operational NHS staff were also engaged	Including engagement on potential options for elective care redesign (May 2022)	with the potential options for elective care redesign Separate focus groups for NHS staff were also run	Which options (on consideration of further information) would offer them the most confidence in tackling the backlog on waiting times for care.	
Children and Younger people in West Devon (11–19-year-olds)	Seeking feedback on children and young people's mental health services in West Devon (March 2023)	Survey (included supporting completion with younger children)	Did they feel supported and know where to go for help? What did they think of the help they were currently getting Are there things that were good/bad/needed to change with MH services	In progress 2022/23 (full report to be published)
People and communities, and the VCSE in Eastern Devon	Eastern LCP conference (November 2022)	1 day Conference	Renew the LCP vision and values Establish and develop relationships Understand the changing ICB Strengthen VCSE voice	Full conference report available at - https://involve.onedevon.co.uk/easternlcp
People and communities across Devon	Winter recall engagement on communications messages (March 2023)	Survey	If people remembered any of our communication messages and testing if they did something different as a result	In progress 2022/23 (full report to be published)
Cost of living summit	Engaging with VCSE and members of the public on how people are being supported with the rise in the cost of living (November 2023)	1 day event	The event set out the development of the Devon Cost of Living Dashboard, heard presentations from Local Authorities, representatives from the NHS and Voluntary Community and Social Enterprise (VCSE) sector.	Full event report and outcomes can be found here: https://involve.onedevon.co.uk/costofliving
People visiting ED departments across Devon	Gathering feedback from people attending ED across Devon to get feedback on	Face to face, guided conversations	Why people decided to come to ED Did they use other services prior to attending If they would have preferred to go somewhere else, how	In progress 22/23 (full report to be published) Following on from previous work in 21/22 - https://healthwatchdevon.co.uk/report/emergency-department-survey-report/

Who did we talk to?	About what? (Project/programme)	How did we say it (E.g. Survey/social media/masterclass)	What did we ask?	What was the outcome? (inc any useful evidence)
	their experience and why they chose ED (February 2023)		could we support them to make alternative choices	
Devon Association of Local Councils	Provide an update on One Devon, why it has been introduced, how people can get involved and what benefits it will bring to improve health and care in Devon (October 2022)	1 day event	What do you see as your role in the new system? How would you like us to work together with you? What does success look like? And how do we achieve it?	Development of understanding of the ICB within Local councils and to support genuine partnership working https://devonalc.org.uk/event_locations/exeter-racecourse/
NHS Devon and the people and communities of Devon	The launch of the new online involvement platform (July 2022)	Opening access to people and communities across Devon	Multiple projects, engagement activities, access to	involve.onedevon.co.uk
Devon Involvement Network – NHS, VCSE and other health and care professional	Bringing involvement professionals from across Devon together to support involvement activities with P&C (Monthly 2022/23)	Monthly meetings	Supporting each other and involvement projects	2 March 2023 meeting 17 January 2023 meeting 14 October 2022 meeting

Involvement with the Voluntary Community and Social Enterprise sector

Who did we talk to?	About what? (Project/programme)	How did we say it (E.g. Survey/social media/masterclass)	What did we ask?	What was the outcome? (inc any useful evidence)

People living in Ilfracombe and North Dartmoor	Core20 Plus 5 (2022)	Face to face via Community Connectors	What are the main barriers to accessing health care?	GP and Community Podiatry services now delivered in community settings.
People living in income deprived households	Cost of Living Crisis (2022)	Face to face via the VCSE	What would help you the most during the current crisis?	Management and delivery of a VCSE led Cost of Living Community Fund (£300k)
People returning to "normality" after the pandemic	Post Covid recovery (2022)	Face to face via the VCSE	What would make the biggest difference in making you feel safe?	Management and delivery of a VCSE led Covid Outbreak Management Fund (£1.2m)
Young people	Anxiety (2022)	Face to face via the VCSE	Would linking in with nature support you in managing your anxiety	Resilient Young Minds – a project that delivers workshops on Dartmoor that enables young people to access Green Social Prescribing
Virtual Ward Patients	Virtual Ward (2023)	Face to face via the VCSE	What would enable you to become a Virtual Ward patient safely?	We have commissioned a VCSE led Virtual Ward Digital Befriending Service
People on waiting lists.	Waiting Well (2022)	Face to face via the VCSE, survey and telephone calls via DRSS.	What would enable you to stay safe and well whilst you wait for your procedure?	We have commissioned a VCSE-led Waiting Well support service.

Political involvement: Health and wellbeing boards / Overview and Scrutiny Committees / MPs and Elected members

Who did we talk to?	About what? (Project/programme)	How did we say it (E.g. Survey/social media/masterclass and date)	What did we ask?	What was the outcome? (inc any useful evidence)
Devon County Council Health and Adult Care Overview and Scrutiny Committee	Update on Modernising Health and Care Services in the Teignmouth and Dawlish area (June 2022)	Paper presented at committee	Recommendation: The progress and outcomes in the report are noted and that the CCG (to become NHS Devon from 1 July 2022) and the scrutiny committee welcome the advice of the IRP in Recommendation 6 and continue to build on the recent progress in working more closely together.	The motion to refer the proposed closure of Teignmouth Hospital to Rt Hon Sajid Javid MP, Secretary of State for Health and Social Care was put to a vote and lost. The report recommendation was resolved.
Devon County Council Health and Adult Care	Development of the Integrated Care System for Devon (which would be known as 'One	Paper presented at committee	To note the update provided in the report.	The Chair thanked the NHS officers for their attendance and Report and indicated the

Overview and Scrutiny Committee	Devon' from 1 July 2022)			Committee's support for the continued development of the Integrated Care System in Devon.
Devon MPs	Digital innovation (electronic patient records, shared care records, population health management platform) (May 2022)	In-person meeting and written briefing		Better understanding of the role that digital healthcare can play in people's lives and the challenges to delivering it
Plymouth City Council elected members	Overview of the new ICS for Devon (June 2022)	In-person meeting and presentation	What the local councils see as their role in the new system	Better understanding on Devon's new system, challenges and how they can be involved
Devon MPs	GP strategy for Devon (July 2022)	In-person meeting and presentation	Feedback on the strategy	Better understanding of the pressures facing GP practices and work underway to address demand and capacity issues through the strategy
Plymouth City Council Health and Adult Social Care Overview and Scrutiny Committee	Urgent and Emergency Care (July 2022)	Paper presented at committee	Presentation on Integrated Urgent Care, 111 and Out of Hours Primary Care.	Questions taken and answered during the meeting.
Devon County Council Health and Adult Care Overview and Scrutiny Committee	System Development and Improvement (Sept 2022)	Paper presented at committee	The Report highlighted the significant challenges faced by health and social care partners and how new ways of working could make a difference to patients and join up the entire urgent and emergency care pathway.	a) that a report be made to the Committee for its next meeting on 22 November 2022 on the budget position and progress in addressing the target saving/efficiency savings of £142m across the Devon NHS system for the current financial year (b) that an update report on System Development and Improvement:

				Winter Evaluation be presented to the March 2023 (c) that a Review of Community Pharmacy be added to the Work Programme (Spotlight or Task Group review).
Devon County Council Health and Adult Care Overview and Scrutiny Committee	Maximising the Role of Community Urgent Care (November 2022)	Paper presented at committee	The paper highlighted that the programme aims to provide patients with high-quality, accessible and consistent services at a lower acuity than Emergency Departments and that it is a long-term strategy (2-5 years), and it does not offer short-term solutions to current issues which are being managed by our providers. To note the report and next steps. Respond to the test public engagement questions.	The Chair requested that a further report is made following the consultation / engagement exercise to the next meeting of this Committee on 22 November 2022.
Devon County Council Health and Adult Care Overview and Scrutiny Committee	General Practice Draft Strategy (November 2022)	Paper presented at committee	To consider the report which set the vision for General Practice in Devon for the next 10 years.	Questions related to the paper were taken and answered during the committee. There is the potential for a follow up discussion on the commissioning of additional GP services within growth areas in the county and in line with District Local Plan Reviews.
Plymouth City Council Health and Adult Social Care Overview and	General Practice Draft Strategy (September 2022)	Paper presented at committee	Introduced the draft Primary Care Strategy to the Committee.	Recommend the final Primary Care Strategy must include a variety of access methods to ensure inclusivity (digital, phone, and in-person), to allow

Scrutiny Committee				Patients to access GP services in a timely manner
Devon MPs	New government priorities for the NHS (ambulances, backlogs, social care, doctors and dentists) Housing and homelessness (Oct 2022)	In-person meeting and presentation	• Recognise and communicate with constituents about the scale of the challenge facing urgent care services • Reassure constituents on waiting lists that they will be seen • Recognise the challenges facing GPs and dentists	• Better understanding of Devon's progress against the new government priorities for the NHS • Better understanding of the housing market and needs in Devon, and how challenges could be addressed
Devon Association of Local Councils	Overview of the new ICS for Devon (Oct 2022)	In-person meeting and presentation	• What the local councils see as their role in the new system • How they would like us to work with them, what success looks like • How we can achieve it	Better understanding on Devon's new system, challenges and how they can be involved
Torbay Council Adult Social Care and Health Overview and Scrutiny Sub-Board	GP Strategy for Devon (October 2022)	Paper presented at committee	To consider the draft GP Strategy for Devon and how it impacts on Torbay residents.	Questions taken and answered during committee. No further actions.
Devon County Council Health and Adult Care Overview and Scrutiny Committee	NHS Devon Financial Overview	Paper presented at committee	The report covered the financial model for the ICB, historic challenges and the current financial position across the system.	Provided members with a better understanding of the financial position and challenges. Questions were taken and answered during the meeting. No further actions required.
Devon County Council Health and Adult Care	Integrated Care Strategy Development (November 2022)	Paper presented at committee	Review the proposed strategic goals, based on the needs analysis and	Members recommended areas to reference in the strategy.

Overview and Scrutiny Committee			involvement feedback and comment on any perceived gaps. Note the next steps in terms of engagement with wider representatives and advise on any missing representative groups.	
Torbay Council Adult Social Care and Health Overview and Scrutiny Sub-Board	One Devon Partnership Integrated Care Strategy (November 2022)	Paper presented at committee	Update on the One Devon Partnership Integrated Care Strategy.	The Board noted the progress of the One Devon Partnership Integrated Care Strategy and recommended that further details around prevention, housing and workforce are included as well as ensuring the voice of the child and young person is heard.
Devon County Council Health and Adult Care Overview and Scrutiny Committee	Spotlight Review into South Western Ambulance Service Trust: Six-month update (January 2023)	Paper presented at committee by SWAST Executive Director of Operations and the County Commander	The progress against the recommendation were detailed in the Report with an overview of the current system pressures and mitigations in place where the system was unable to progress on actions due to pressures locally, regionally and nationally.	The Committee would be keen to have a report about the NHS 111 service in due course now that there was a new operator in place and the impact on SWAST and the hospitals.
Plymouth City Council Health and Wellbeing Board	Integrated Care strategy (January 2023)	Paper presented at board.	Review the strategic goals set out within the Strategy and advise which organisation should take lead responsibility for responding to the goals, to ensure that appropriate partners are involved, and existing strategies/plans are reflected.	The report was noted and feedback logged. Agenda for Health and Wellbeing Board on Thursday 26 January 2023, 10.00 am - Modern Council (plymouth.gov.uk)
Plymouth City Council Health and Adult Social Care Overview	Urgent and emergency care performance (February 2023)	Paper presented at committee.	Update on integrated urgent care (111 and out of hours) performance	The report was noted and feedback logged. Agenda for Health and Adult Social Care Overview and

and Scrutiny Committee				Scrutiny Committee on Wednesday 8 February 2023, 2.00 pm - Modern Council (plymouth.gov.uk)
Torbay Council Health and Wellbeing Board	Integrated Care Strategy (March 2023)	Paper presented at board.	Members were asked to review the strategic goals set out within the Integrated Care Strategy. Members were asked to confirm the process for their response to the Joint Forward Plan.	Members welcomed the draft plan and its strategic goals which presented an opportunity for change where that was needed. Members resolved that the draft Joint Forward Plan takes proper account of the Joint Local Health and Wellbeing Strategy.
Plymouth City Council Health and Adult Social Care Overview and Scrutiny Committee	West End Hub Programme Delivery (Cavell Centre) (Additional meeting March 2023)	Paper discussed at committee	This paper identifies the options for the future of the Plymouth Cavell project and addressing the primary care and inequality challenges in the west of the city following the withdrawal of capital from NHS England.	Recommendations received from Plymouth City Council.
Devon County Council Health and Adult Care Overview and Scrutiny Committee	System Development and Improvement: Winter Update (March 2023)	Paper presented at committee	A report to update committee members of the winter performance of the health and social care system across Devon mid-way through the season.	An action was suggested that Healthwatch could be asked to review the performance of the 111 Service.

Social media involvement

Who did we talk to?	About what? (Project/ programme)	How did we say it (E.g. Survey/social media /masterclass)	What did we ask?	What was the outcome? (inc any useful evidence)
Follow up from talking to people attending Exeter Pride 2022	What would you like the NHS to know – catered to specific communities. (June 2022)	Social Media sharing survey and follow up article in the One Devon Bulletin: https://www.icsdevon.co.uk/listening-to-lgbtqia-communities-at-exeter-pride/	Thank you for those who spoke to us on Saturday @ExeterPride and provided feedback for the NHS in Devon. If you missed the opportunity we have an anonymous online feedback form for the LGBTQ+ community #LGBTQ+ #IDAHOBIT Visit: http://ow.ly/j3Gg50J7eaT	897 Instagram followers 11.4k Twitter followers 7.8k followers on Facebook
Posted on social media – online communities and followers/system colleagues. Specifically targeting ethnically diverse, faith and belief communities in Devon (Exeter)	What would you like the NHS to know – catered to specific communities. (June 2022)	Social Media sharing survey	Today at Exeter Respect we are asking our ethnically diverse, faith and belief communities in Devon – what would they like us to know? Help us improve our services for our ethnically diverse, faith and belief communities in Devon and answer our short survey - https://forms.office.com/r/Ys8wAiifyW	897 Instagram followers 11.4k Twitter followers 7.8k followers on Facebook
Posted on social media – online communities and followers/system colleagues. Specifically targeting ethnically diverse, faith and belief communities in Devon (Plymouth)	What would you like the NHS to know – catered to specific communities. (Summer 2022)	Social Media sharing survey	Today at Plymouth Respect we are asking our ethnically diverse, faith and belief communities in Devon – what would they like us to know? If you are unable to attend and would like to contribute, please answer our short survey - https://forms.office.com/r/Ys8wAiifyW	897 Instagram followers 11.4k Twitter followers 7.8k followers on Facebook

Posted on social media – online communities and followers/system colleagues. Specifically targeted to people with disabilities.	What would you like the NHS to know – catered to specific communities. (Summer 2022)	Social Media sharing survey	Help us improve our services for our disabled colleagues and patients in Devon and answer our short survey: http://ow.ly/mioQ50JTZ82	897 Instagram followers 11.4k Twitter followers 7.8k followers on Facebook
Follow up from talking to people attending Totnes Pride 2022	What would you like the NHS to know – catered to specific communities. (Summer 2022)	Social Media sharing survey	Thank you to all who got involved today at Totnes pride, we value speaking to the LGBTQ+ community and allies about local services. If you want to join the conversation and visit: http://ow.ly/ZMsE50Kzwl9 #totnespride #nhsdevon #lgbtqpluspride @TorbaySDevonNHS @NHSDevon	897 Instagram followers 11.4k Twitter followers 7.8k followers on Facebook

Reducing health inequality

NHS Devon replaced the clinical commissioning Group on 1 July 2022 and includes a clear priority to address health inequalities. The Health Inequalities and Prevention Team has built on the previous two years work developed within the Devon CCG and established a broad and ambitious programme of work including enabling actions, access to healthcare and prevention activity around lifestyles.

We have consolidated our response to the COVID-19 pandemic and embedded the learning into our core programmes of work, this includes continuing to learn with citizens, patients, families and communities through ‘Community Connectors’ work, linked to CORE20+5, young people and adults.

This section sets out some of our achievement during 2022/23 and points towards our continued actions and ambitions for the future. It also provides an overview of the emerging delivery structure of the agenda.

It also provides further context to the delivery and development of the programme by highlighting some of the limitations, risks and issues that readers need to be aware of.

Delivery and governance structures

During the latter part of 2022/23 a Population Health team was established within the Medical Directorate. The Directorate brings together, innovation, learning and evaluation with Population Health Management, Health Inequalities and Prevention. This is a positive development in building intelligence, system learning and transformational capacity and capability to address health inequalities and the prevention agenda.

The strategic direction and resourcing is overseen by a Population Health Steering Group, comprising senior representatives of key partners. The meeting is Co-Chaired by the Director of Public Health for Torbay and a Representative of the Voluntary and Community Sector Alliance.

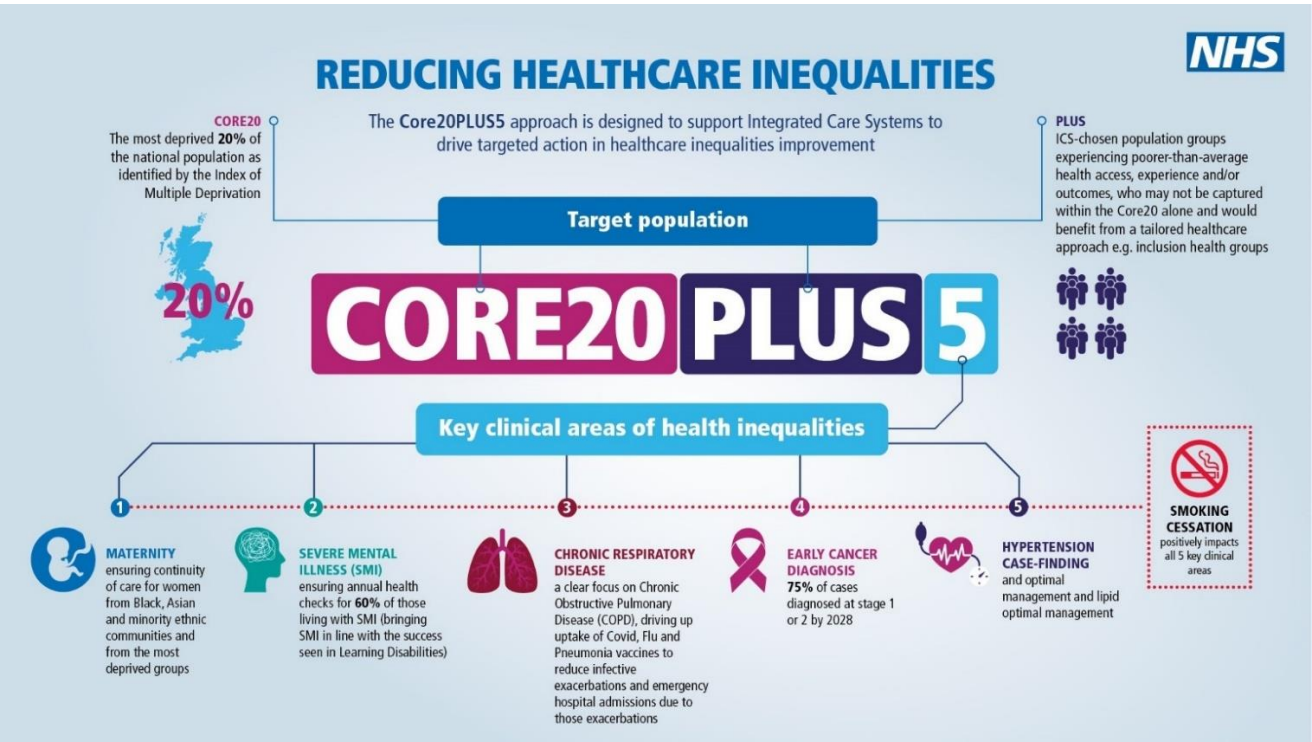
Translation of strategy into action and progressing the action is led by the Population Health Delivery Group. This group includes LCP Population Health Management Leads, VCSE representatives, and representatives of Public Health. The group has developed a clear action plan against which progress is checked.

Local Care Partnerships have continued to develop over the course of the year, and we are working with our LCP colleagues to develop governance and delivery structure that maximise our focus on action and impact.

Major conditions/clinical pathways – Core 20Plus 5

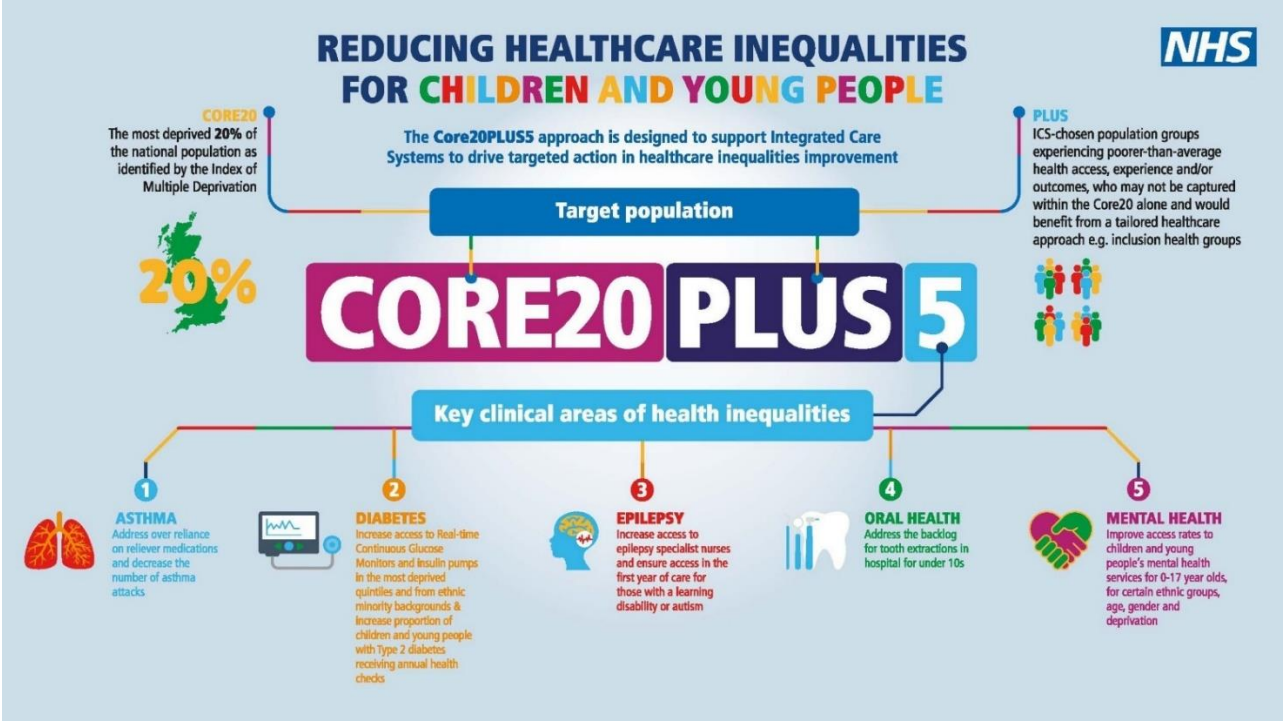
We have continued to develop our focus on the "CORE20PLUS5" framework (below) which requires us to develop a clear focus on places and populations where the experience of health outcomes across a range of health conditions are poorest. Smoking is implicated in all of these conditions, and we are further asked to continue to develop smoking cessation support in these areas.

We have spent the year mapping the pathways and identifying opportunities to impact on unwarranted variation. We have recruited a pool of 20 Community Connectors as part of a national pilot to give us lived experience insight on the context and experience of our Core20+ populations. The intelligence and insight we generated will help us strengthen links between commissioning decisions and the inequalities experienced within local communities.



- We have been pleased to see the introduction of Core20PLUS5 for young people in 2022/23. Like the adult version, the approach defines a target population cohort and identifies '5' focus clinical areas requiring accelerated improvement.

- The approach, which initially focussed on healthcare inequalities experienced by adults, has now been adapted to apply to children and young people. The illustration below outlines the Core20PLUS5 approach for children and young people.
- We have established a Children and Families Health Inequalities Lead post who has mapped the activity, health inequalities issues and improvement opportunity against each of the focus areas. 2023/24 will see us move to action on developing the opportunities to impact health inequalities and promote prevention.
- We are developing a Community Connector pilot to mirror the adult version. This will help us build insight to add quality to the data picture we are developing. The insight generated will be ed into business planning and commissioning processes.



- We have undertaken waiting list analysis for elective care against deprivation and ethnicity. Analysis will help us identify actions to support 'Waiting Well' initiatives across the system.
- We are developing our learning in relation to implementation of digital technology in a way which mitigates against digital exclusion (a key area of interest e.g. cardiovascular disease prevention)
- The One Devon Data set is now ready for SystmOne practices enabling the restart of our Population Health Management Programme. PHM coordinators are well embedded within LCPs.
- We are progressing our utility of PHM and have identified the following pieces of work

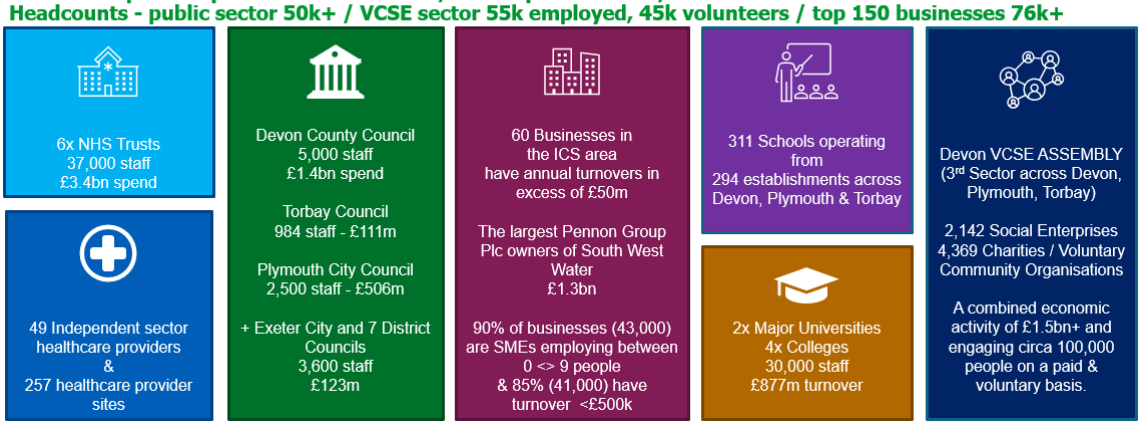
Wider determinants – including the 4 purpose of Integrated Care Systems, Anchor institutions

- We have established an Anchor Institution steering group to explore the potential of (initially) our larger public bodies to add social value through the exercising of their core duties. We have undertaken some preliminary mapping to make visible something of the scale of our Public Sector Anchors – Illustration below.
- We will build from this mapping work, to explore current practice mapped against wider determinants and examples of good practice elsewhere.

Devon Anchor Institution Profile

Headlines

Combined spends – public sector £5.5bn+ / VCSE Spend £1.5bn / 60 businesses in ICS area £50m+ turnovers
Headcounts - public sector 50k+ / VCSE sector 55k employed, 45k volunteers / top 150 businesses 76k+



- We have delivered the Pathways needs assessment building upon work already undertaken by the Plymouth Local Care Partnership. We are working with a national homeless charity to refresh our 2010 Homeless Health Needs Assessment across the whole of Devon.
- We continue to build the reach and capability of the three Trauma Networks across Devon, Plymouth and Torbay to built trauma informed system change. We are testing approaches to trauma support in Urgency and Emergency care and complex trauma pathways.

Enabling systems working – support to Local Care Partnerships (LCPs)

- It has been a very successful year in terms of securing external investment into our programme to allow us to deliver a range of targeted interventions, complementing ongoing targeted investment of the annual prevention funding.
- We have developed links with academic and other partnership which has helped is to be successful in a number of funding bids. These include InHip, programme with the Academic Health Science Network.
- We have commissioned ATTAIN to support LCPs to develop priorities around Health Inequalities and Prevention within the context of the developing LCP priorities.

- We have supported the development of the Devon Intelligence Function meeting, the Devon Data Dashboard – cost of living index.

https://www.devonhealthandwellbeing.org.uk/public-health-dashboards/cost-of-living/

- Having achieved national Digital Inclusion Pioneer status for Devon, we have secured both funding and specialist support from NHSX to better understand the digital inequalities experienced by those living in our most rural communities. This work will inform the development of a Digital Inclusion Strategy for Devon, ensuring that we consider the needs of those less confident, or practically able, to interact with our services and support using digital channels.

Healthy behaviours – prevention

- We have secured Long Term Plan funding for 2.5 years for the treatment of tobacco dependence in those admitted to our acute hospitals, and women and their partners using our maternity services.

- We are investing in additional staffing to build upon the Alcohol Care Team within Torbay Hospital, providing a five-day-a-week service to patients, with enhanced links to community services, mental health teams and allied health professionals.

Access, experience, outcomes

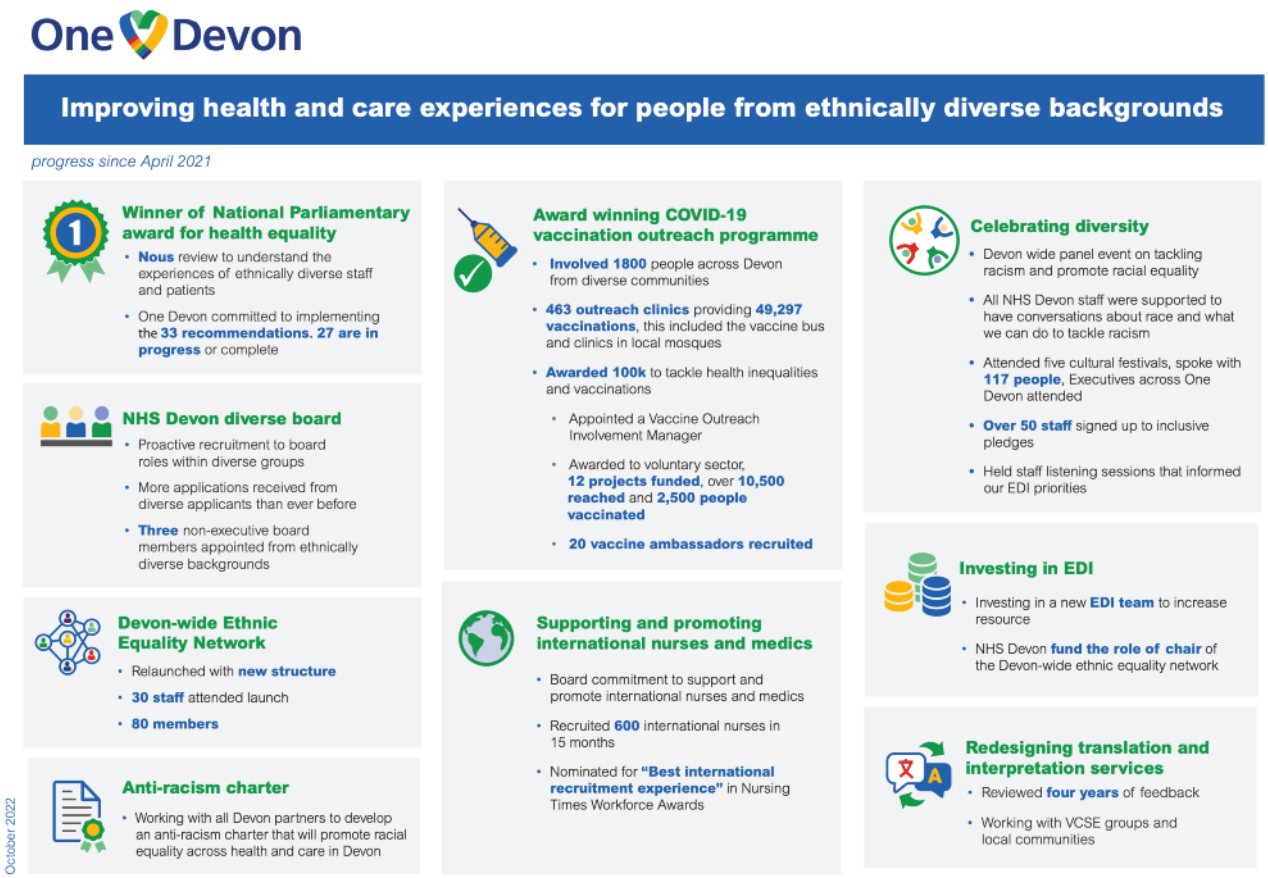
- We have contributed to the development of virtual wards in Devon with a particular focus on health inequalities and digital. Ours is the first system nationally to build a parallel pathway of support that draws on VSCE support to enhance people's access, experience and outcomes.

- We are commissioning a learning partner to support us to take a whole systems approach to the 'complications of excess weight'. This will be rooted in 'lived experience and help us to generate new insights and innovations of a complex, system challenge.

- Data quality audit – highlighted some gaps in data fields relating to ethnicity and sexuality e.g. We are using the findings to develop a workforce development and communication plan.

- We have undertaken a range of activity to improve health and care experiences for people from ethnically diverse backgrounds. The illustration below summarises this work.

- We have commissioned the development of insight work as part of our Quality and Equality Assessment. The insights will give us a clearer understand of where we need to focus our attention in improving access, experience and outcomes.



The NHS Devon contribution to the delivery of the Joint Health and Wellbeing Strategies

The NHS Devon geographical area covers three top tier local authorities and associated Health and Wellbeing Boards (HWBs), in Plymouth, Devon and Torbay.

ICB representatives on the Health and Wellbeing Boards work with the Boards on an ongoing basis to ensure the priorities are being addressed. Some examples of joint working are:

- During the year 2022/23, the CCG supported the Plymouth system by allocating an additional £5 million of funding as part of fair share distribution of funding. This targeted investment was allocated to the Plymouth locality of the ICB and a decision was taken to align this to the Plymouth Local Care Partnership (LCP). The LCP applied this funding to meet the programmes identified as part of the local system plan. This local Plymouth plan is centred around the HWBB priorities and was signed off through the Plymouth HWBB.

  The £5 million investments focused on areas/interventions that would address inequalities in access and in outcomes. Examples of how some of this funding was used include, health inclusion work with targeted investments in dental services for individuals with a history of addiction and investment in a network of community builders to map community assets that have then been linked into statutory services, social prescribing and used to inform future community asset development. Both of these examples have directly supported the delivery of both the LCP plan and the HWBB priorities.

HWBs have identified a vision and key priorities within their Joint Health and Wellbeing Strategies (JHWSs). These strategies have been used to form the basis of the locality care partnership (LCP) plans for each place. Local authority and health organisations along with other stakeholders work closely together to provide leadership for the LCPs.

The JHWSs have also informed the development of the One Devon Partnership's Integrated Care Strategy. The strategy was developed during the second half of 2022/23 by a system-wide working group representing all health and care sectors. It sets the strategic direction for the system and identifies a set of strategic goals to which NHS Devon is responding through its first Five-year Joint Forward Plan.

Plymouth	**Devon**	**Torbay**
JHWBS Vision Statements		
To be one of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone.	***Health outcomes and health equality in Devon will be amongst the best in the world and will be achieved by Devon's communities, businesses and organisations working in partnership.***	***To create a healthy Torbay where individuals and communities can thrive***
JHWBS Priorities		
Delivering solutions and creating environments which address the wider determinants of health and wellbeing and make healthy choices available.	Create opportunities for all-inclusive economic growth, education and social mobility	Working together, at scale, to promote good health and wellbeing and prevent illness
Reducing health and wellbeing inequalities and the burden of chronic diseases in the city.	Healthy, safe and strong communities creating conditions for good health and wellbeing where we live, work and learn	Enable children to have the best start in life and address the inequalities in their outcomes
Delivering the best health, wellbeing and social outcomes for all people, and reducing and mitigating the impact of poverty, especially child poverty.	Focus on mental health building good emotional health and wellbeing, happiness and resilience	Build emotional resilience in children and young people
Helping ensure that children, young people and adults feel safe and confident in their communities, with all people treated with dignity and respect.	Maintain good health for all supporting people to stay as healthy as possible for as long as possible	Create places where people can live healthy and happy lives
Building strong and safe communities in good quality neighbourhoods with decent		Support those who are at risk of harm and living complex lives, addressing the

homes for all, health-promoting natural and built environments, community facilities and public spaces and accessible local services, alongside supporting restoration of natural habitats and ecosystems.		underlying factors that increase vulnerability
Enabling people of all ages to play an active role in their community and engage with arts and culture and other activities to promote social cohesion and good mental health and wellbeing.		Enable people to age well
Providing a safe, efficient, accessible and health-enabling transport network which supports freedom of movement and active travel and promotes low carbon lifestyles that are beneficial to physical and mental health.		Promote good mental health
Providing vibrant, effective and modern education settings that enable children and young people to develop as active citizens in the community and enjoy a good quality of life in a dynamic and modern economy, and delivering quality lifelong learning which is available to everyone and can be tailored to quality employment and social opportunities.		
Ensuring people get the right care from the right people at the right time to improve their health, wellbeing and social outcomes.		
Making Plymouth a centre of clinical excellence and innovation to benefit the sustainability and growth of the medical and health care sectors in the city and to create education and employment opportunities.		

Jane Milligan

Accountable Officer, Chief Executive Officer

6 September 2023

Accountability report

The Accountability Report describes how we meet key accountability requirements and embody best practice to comply with corporate governance norms and regulations.

It comprises three sections:

The **Corporate Governance Report** sets out how we have governed the organisation during the period 1 July 2022 – 31 March 2023, including membership and organisation of our governance structures and how they supported the achievement of our objectives.

The **Remuneration and Staff Report** describes our remuneration polices for executive and non-executive directors, including salary and pension liability information. It also provides further information on our workforce, remuneration and staff policies.

The **Parliamentary Accountability and Audit Report** brings together key information to support accountability, including a summary of fees and charges, remote contingent liabilities, and an audit report and certificate.

Corporate Governance Report

Director's report

The members of the NHS Devon Board took responsibility for determining the governing arrangements for NHS Devon, including arrangements for clinical leadership which are set out in the NHS Devon Constitution.

Composition of Board

The Board ensured that NHS Devon operated effectively and efficiently, with good governance. The Board, in line with the ICB Constitution, most recently had 16 voting members, of which eight were men and eight women. Our Non-Executive Members had a clear statutory role in acting as an independent and expert voice on the Board. All voting members of the Board started their tenure on 1 July 2022.

Sarah Wollaston
Independent Chair r

Jane Milligan
Chief Executive Officer

Bill Shields
Chief Finance Officer** r

Nigel Acheson
Chief Medical Officer

Liz Davenport
NHS and Foundation Trust Partner Member ®

Darryn Allcorn
Chief Nursing Officer**

Graham Clarke
Non-Executive Member, Audit**

Kevin Orford
Non-Executive Member, Finance and Remuneration** r

Thandiwe Hara
Non-Executive Member, People and Culture r

Professor Hisham Khalil, Non-Executive Director, Quality**

Professor Sheena Asthana
Non-Executive Memberʳ**

Judy Hargadon
Non-Executive Member, Primary Careʳ

Tracey Lee
Local Authority Partner Member ®

Sarah-Lou Glover
Mental Health Partner Member ®

Frank O'Kelly
Primary Care Partner Member ®

Steve Brown
Local Authority Partner Member ®

Anthony Fitzgerald
Chief Delivery Officer*

Andrew Millward
Chief Communications and Corporate Affairs Officer***ʳ**

Simon Tapley
Chief Transformation and Strategic Planning Officer*

Paul Renshaw
Director of Strategic Workforce*ʳ

*non-voting member
**member of Audit Committee
ʳ member of Remuneration Committee
® voting member of Remuneration Committee when approving non-executive remuneration

The above represents the membership of the NHS Devon Board as of 31 March 2023.

The NHS Devon Board regularly invited the following individuals to attend any or all of its meetings as attendees who are non-voting:

The Chief Executive of Cornwall and the Isles of Scilly Integrated Care Board and the Chair of the Integrated Care Partnership.

Biographies for our Board members are available on the website: https://devon.icb.nhs.uk/nhs-devon-board/board-members/

Register of Interests

The declaration of interests register for decision making Board members, employees and members of committees or subcommittees (including committees and subcommittees of the Board). It is published on our website: https://onedevon.org.uk/download/nhs-devon-conflict-of-interests/

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

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

- Directorships, including non-executive directorships, held in private companies or PLCs
- Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the ICB
- Shareholdings (more than 5%) of companies in the field of health and social care
- A position of authority in an organisation (eg, charity or voluntary organisation) in the field of health and social care
- Any connection with a voluntary or other organisation contracting for NHS services
- Research funding/grants that may be received by the individual or any organisation in which they have an interest or role
- Any other role or relationship which the public could perceive would impair or otherwise influence the individual's judgement or actions in their role within the ICB.

Personal data related incidents

Personal data breaches are reported to Datix via the 'Internal Incidents' icon available to every member of staff on their desktop. All incidents are reviewed, graded and investigated further by SCW Information Governance Services and the data protection officer (DPO).

During the period of 1 July 2022 – 31 March 2023, NHS Devon reported 134 internal incidents. The majority of incidents were graded as 'green' and therefore considered as minor incidents with no/low risk.

There were two incidents reported to the Independent Commissioner's Office (ICO) - one in November 2022 and another in February 2023. Both incidents have been closed with no further action taken from the ICO. Necessary actions have been considered and put in place.

Slavery Act

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

Statement of Accountable Officer's Responsibilities

Under the National Health Service Act 2006 (as amended), NHS England has directed each Integrated Care Board to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NHS Devon ICB and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and,
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The National Health Service Act 2006 (as amended) states that each Integrated Care Board shall have an Accountable Officer and that Officer shall be appointed by NHS England.

NHS England has appointed the Chief Executive Officer to be the Accountable Officer of NHS Devon ICB. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper accounting records (which disclose with reasonable accuracy at any time the financial position of the Integrated Care Board and enable them to ensure that the accounts comply with the requirements of the Accounts Direction), and for safeguarding the NHS Devon ICB assets (and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities), are set out in the Accountable Officer Appointment Letter, the National Health Service Act 2006 (as amended), and Managing Public Money published by the Treasury.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NHS Devon's auditors are aware

of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Jane Milligan

Accountable Officer, Chief Executive Officer

6 September 2023

Annual governance statement

Introduction and context

NHS Devon Integrated Care Board (ICB) is a body corporate established by NHS England on 1 July 2022 under the National Health Service Act 2006 (as amended).

The ICB's statutory functions are set out under the National Health Service Act 2006 (as amended).

NHS Devon's general function is arranging the provision of services for persons for the purposes of the health service in England. NHS Devon is, in particular, required to arrange for the provision of certain health services to such extent as it considers necessary to meet the reasonable requirements of its local population.

Between 1 July 2022 and 31 March 2023, the Integrated Care Board was not subject to any directions from NHS England issued under Section 14Z21 of the National Health Service Act 2006 (as amended).

Since 13 July 2022 NHS Devon has been under segment 4 of the NHS Oversight Framework. This means NHS Devon has been under the national Recovery Support Programme that has provided intensive support to the ICB. At the same time as helping to address the specific issues that have triggered mandated intensive support, NHS England have considered long-term solutions and any structural issues affecting NHS Devon's ability to ensure high quality, sustainable services for the public.

NHS Devon improvement areas for 2022-23 are:

- Financial performance including addressing the system's long-term deficit.
- Joint ownership and delivery of a coherent strategy that secures sustainable clinical services and improved performance.
- Whole-system approach and collaboration across Devon.

The system has agreed robust recovery plans, with clear oversight by a Strategic Recovery Board.

Scope of responsibility

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

I am responsible for ensuring that NHS Devon ICB is administered prudently and economically and that resources are applied efficiently and effectively, safeguarding financial propriety and regularity. I also have responsibility for reviewing the

effectiveness of the system of internal control within the ICB as set out in this governance statement.

Governance arrangements and effectiveness

The ICB is a statutory body with the general function of arranging for the provision of services for the purposes of the health service in England and is an NHS body for the purposes of the 2006 Act.

The membership and attendance record for the Board and its committees, together with highlights of their work are at Appendix 1, with the Terms of Reference being contained within the Governance Handbook.

The Board has six committees reporting to it. This includes two statutory committees being the Audit and Risk Committee and the Remuneration and Internal ICB Workforce Committee, and an additional four committees, namely the Quality and Performance Committee, Finance Committee, Primary Care Commissioning Transitional Committee and the People and Culture Committee.

I confirm that NHS Devon has maintained a strong focus on effective governance. An internal review of governance during 2022-23 has resulted in a number of changes to the Board's committees. Changes made include:

For the NHS Devon (ICB) Board it was agreed to:

- move public meetings to be held every other month while private meetings to continue monthly; and
- move Board meetings to the first week of the month to enable more timely financial reporting.
-

Changes to the Committees of the Board include:

- Audit and Risk Committee meet no more than five times per annum
- People and Culture Committee to meet six times per annum
- Finance/ Quality and Primary Care Commissioning Committees continue monthly
- Finance Committee to oversee performance and will be known as Finance and Performance Committee.
- Quality Committee will review its terms of reference to ensure it maintains oversight on quality metrics and at the same time assess the impact of performance on patient safety and experience.

Further consideration has been given to establishing a Population Health Committee.

The effectiveness of the Board and its Committees will be undertaken as part of the NHS England Governance and Partnership Review in 2023/24.

UK Corporate Governance Code

NHS Bodies are not required to comply with the UK Code of Corporate Governance.

NHS Devon ICB reports its corporate governance arrangements by drawing on best practice available, including those aspects of the UK Corporate Governance Code it considers to be relevant to the ICB and best practice. This governance statement is therefore intended to demonstrate the ICB's compliance with the principles set out in the Code.

Discharge of Statutory Functions

On 1 July 2022 NHS Devon was established and took on its statutory powers and duties and powers conferred on it by the National Health Service Act 2006 (as amended) and other associated legislature and regulations. As a result, I can confirm that the ICB is clear about the legislative requirements associated with each of the statutory functions for which it is responsible, including any restrictions on delegation of those functions.

Responsibility for each duty and power has been clearly allocated to a lead Executive Director. Responsibility for each duty and power is clearly outlined in the ICBs scheme of reservation and delegation, within the financial limits policy delegations are allocated to a lead Director. Directorates have confirmed that their structures provide the necessary capability and capacity to undertake all of the ICB's statutory duties.

Risk management arrangements and effectiveness

NHS Devon is committed to a strategy that minimises risks to the organisation, staff and patients and stakeholders through a comprehensive system of internal controls, while providing maximum potential for flexibility, innovation and best practice in delivery of its strategic objectives.

NHS Devon works to all applicable legislation and NHS guidance, and where risk forms a part of the ICB's work, this is assessed and recorded on the risk register. In November 2022 the Board undertook a review of its strategic risks and risk appetite, with the resulting Board Assurance Framework (BAF) reported to the public at its meeting in March 2023. Starting from February 2023 each assurance committee now receives a report on Board assurance risks, relating to each committee's area of responsibility.

NHS Devon's approach to risk management has been assessed by internal audit as limited and work is underway to strengthen its approach through the introduction of a single risk management system to strengthen and streamline the management process.

The ICB maintains a corporate risk register which reports on all significant risks, scoring 15 and above. Each assurance committee received reports from the corporate risk register on those relating to each committee's area of responsibility.

A comprehensive review was undertaken in February 2023 on all risks held on the corporate risk register. The results were reported to the executive team and to the assurance committees to ensure oversight and agreement on all the amendments.

Capacity to Handle Risk

All NHS Devon staff are involved in risk management – the Executive Director has responsibility to approve risks that go onto the ICB corporate risk register; senior managers as risk-owners have responsibility for ensuring that risks are operationally managed, and, administrative staff, such as risk co-ordinators, record and update controls, assurances and action plans on the team risk register.

NHS Devon identified 12 new corporate risks and closed a total of seven risks between 1 July 2022 and 31 March 2023 to give a total of 36 open corporate risks remaining as at the end of this reporting period.

Corporate risks are reported to the Senior Executive Team and assurance sought from the Assurance Committees prior to a summary being presented to the Board through the Chair's report of these Committees. The NHS Devon Board papers can be found on the ICB website - https://devon.icb.nhs.uk/nhs-devon-board/meetings-and-papers/

Guidance on risk management and frequency of training is contained in the NHS Devon risk management framework. The Board is assured that risk management is effective by the Audit and Risk Committee. The Audit and Risk Committee receives regular updates on the way in which risk is being managed across the ICB and reports on this discussion as part of the Committee's Chair's Report to the Board.

Risk Assessment

At its March 2023 meeting, the NHS Devon Board agreed an assurance framework that reports the 12 strategic risks against the 14 strategic objectives as shown below.

- If the Anchor Organisation programme of work is not part of a more strategic plan then there will be a lack of focus to address the social determinants of health. As a consequence the partner and community organisations will become disengaged and the ICB will fail to achieve this objective.

- If there is insufficient capacity and capability in NHS Devon to undertake the enabling work with partners (Public Health and locality teams) then the ICB will not be able to articulate the programmes of work needed, and associated governance arrangements, to support the objective of reducing health inequalities. The consequence will be that health inequalities will continue across Devon and worsen in some areas.

- If NHS Devon is not proactive in its approach and priorities around population health management and prevention then it will not successfully drive the shift to prevention. This will impact on the system's ability to successfully target interventions at those groups most at risk, prevent ill-health and address health inequalities.

- If the system does not have robust recovery plans, that are continually monitored for impact, then the ICB will continually fail to ensure timely access

to both elective and unplanned care. This will result in poor patient experience, failure to ensure the best possible physical and mental health outcomes and resulting quality of life; generating inappropriate and inefficient use of resource in primary care and a and loss of confidence from the community and regulators.

- If NHS Devon does not support the post-Covid recovery and transformation of general medical, dental, pharmaceutical and optical practice then Devon will not have adequate Primary Care Services. The consequence will be increased population morbidity, increased health inequalities and increased pressure across other parts of the health and care system.

- If NHS Devon does not improve access to mental health, learning disability and neurodiversity services then patients will continue to experience significant waits for specialist care which means more people are likely to access healthcare when in crisis. Consequence will be a worsening in mental health conditions leading to poor health outcomes. This may lead to an increased population morbidity, increased health inequalities and increased pressure across other parts of the health and care system.

- If NHS Devon does not work with its partners to prioritise resources on how we support people and communities to stay healthy and live independently the consequence will be that we will always be in a state of crisis management, which will lead to poorer outcomes for the population.

- If NHS Devon fails to obtain commitment from all partners in the ICS to achieve financial balance. This will undermine our ability to move greater resource to prevention and our ability to exit segment 4 of the NHS Oversight Framework.

- If NHS Devon does not produce an agreed system wide workforce strategy that meets the health and care needs of the population, is affordable and can be delivered by system partners, then it will continue to have high costs and be unable to ensure resilient, safe, and effective services. As a consequence, the ICB will continue to fail to meet statutory constitutional targets.

- If NHS Devon fails to resource and work collaboratively towards the common priorities presented in the Digital Strategy we will not be able to maximise the benefits afforded by the advances in digital and data, including the ability to identify and tackle health inequalities.

- If NHS Devon does not support the co-ordination of carbon reduction across the ICS and embed the principles for Healthier Planet, Healthier People then it will not create a greener, sustainable health service in a way that contributes to the NHS Target of reaching net zero by 2040 (for emissions it controls directly and by 2045 for those it can influence (such as the supply chain). The consequence will be that we fail in our responsibilities to tackle the impact of the climate emergency on the health of the population and for future generations.

The detail of how these risks are being managed, including mitigations and assurances, are detailed within the BAF and will be updated on a quarterly basis and presented to the Board.

Other sources of assurance

Internal Control Framework

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

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

The external auditors provide me with their opinion through their Auditor's Annual Report. Internal audit has provided limited assurance in their Head of Internal Audit Opinion (included at the end of this section of the report).

The systems of internal control related to risk management are monitored by the Governance Team to ensure regular reviews of risk are carried out and reporting any breaches should they occur. The risk reports for the Board, Audit and Risk Committee, Quality and Performance Committee, Finance Committee, Primary Care Commissioning Transitional Committee and ICB Executive Committee are produced by the Governance Team. Between 1 July 2022 and 31 March 2023 there were occasions when risk reports were not produced for Committees, namely in November and December 2022. Regular reporting has resumed and has been in place since January 2023

Annual audit of conflicts of interest management

The revised statutory guidance on managing conflicts of interest (published June 2016) requires commissioners to undertake an annual internal audit of conflicts of interest management. To support ICBs to undertake this task, NHS England has published a template audit framework.

Since its establishment on 1 July 2022 NHS Devon has maintained good oversight on managing its conflicts of interest and this was acknowledged in the Internal Audit satisfactory assurance on the design and operation of the arrangements and controls the ICB has in place to manage conflicts of interest.

I can confirm there have been no conflict of interest breaches reported between 1 July 2022 and 31 March 2023.

Data Quality

The Board, in addition to its committees and sub-committees (working groups), receives information provided by the ICB business intelligence team that is sourced from national mandatory returns and NHS Digital information. This data is subject to data quality checks from providers prior to submission, from NHS Digital as part of the national collation process and from the ICB as part of its data management processes.

Information is also sourced directly from local providers, and this is validated by the ICB business intelligence team on receipt, as well as against national information/guidance when that becomes available. NHS Devon works with providers through oversight meetings to understand both performance and any data quality issues.

Information Governance

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

The Data Security and Protection Toolkit (DSPT) submission date for 2021/22 was 30 June 2022. The Data Protection Officer (DPO), following approval from both the Senior Information Risk Owner (SIRO) and Caldicott Guardian, submitted its full 2021/2022 submission in June 2022 as 'Standards Met'. For 22/23 the ICBs DSPT has moved to a category 1 toolkit which is the same as provider Trusts. A baseline submission was published on the 23 February 2023 and the final submission will be published before the end of June 2023.

NHS Devon records all risks relating to data security on a risk register and has taken steps to ensure that all data is held securely, as mandated by the UK Data Protection Act and NHS requirements. This includes the risk identified due to the increase in home-working and shared working premises with non-ICB individuals.

As a result of continued improvements for safer working, NHS Devon has further embedded staff training and continues to use the NHS Digital and e-Learning for Health Data Security Awareness training modules via the Electronic Staff Record portal and this continues to form part of the annual mandatory training for all staff. NHS Devon regularly reviews its processes in relation to fair processing, subject access requests, incident reporting and investigation, and updates its Privacy Notice at least every six months, this now includes a section on Covid-19.

The Internal Incidents portal available via the icon on every staff member's desktop permits direct and quick access to Datix for the reporting of incidents, breaches and near misses. It provides a consistent approach for all staff for reporting whether that be data protection or for example, health and safety. The ongoing reviews and staff

engagement ensured awareness surrounding information risk culture throughout the organisation.

We place high importance on ensuring there are robust information governance systems and processes in place to help protect patient and corporate information. We have established a data protection framework and have data protection processes and procedures in line with the DSPT.

NHS Devon routinely reports any untoward incidents involving personal data to its Data Protection Steering Group which meets every quarter and reports are produced for the Audit and Risk Committee. Two incidents were reported to the Information Commissioner's Office (ICO) during the period covered by this report. Having reviewed the incidents the ICO confirmed that no further action would be taken.

Business Critical Models

An appropriate framework and environment are in place, in line with best practice recommendations of the 2013 MacPherson review, to provide quality assurance of business-critical models – including service planning and provision, budget-setting and allocations. This framework is informed by the role of the Audit and Risk Committee and the internal audit programme to review systems of internal control to identify areas for improvement.

As Accountable Officer, I receive assurance through service auditor reports that relevant controls are in place and have been operating throughout the year. NHS England undertakes a quarterly assurance review which covers the output from these business-critical models. All business-critical models have been identified and information about quality assurance processes for those models has been provided to Audit and Risk Committee.

Third party assurances

The following third party assurance reports are received from the following organisations:

- ISAE Third Party Assurance Report in respect of NHS Shared Business Services – Finance and Accounting Services
- ISAE Third Party Assurance Report in respect of NHS General Practitioners Extraction and Processing of General Practitioner Data Services
- ISAE Third Party Assurance Report in respect of NHS Business Services Authority – Prescription Payments
- ISAE Third Party Assurance Report in respect of NHS Business Services Authority – Dental Payments
- ISAE Third Party Assurance report in respect of IT General Controls in respect of the Electronic Staff Record (ESR)

These are Service Auditor Reports which typically set out the following:

- Respective responsibilities in the Service end-to-end process;

- A high level description of the governance and assurance arrangements in place at the Service Organisation including arrangements for effective risk management and assurance;
- A high level description of the Service control environment;
- An assertion by the Service Organisation management regarding the design of internal controls over the process; and,
- A low level description of the Service's control objectives and supporting key controls. Service Auditor Reports are an internationally recognised method for Service Organisations to provide details of controls and their operation in a specified period to their clients and are prepared to internationally recognised standards (typically ISAE 3000 and 3402).

For this reporting period, a qualified opinion was given for three of the Third Party Assurance Reports as whilst the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved and that they had operated effectively, the exceptions set out below were identified.

Third Party Report	**Exception**
NHS Business Services Authority – Prescription Payments	Controls relating to periodic review of user access to applications did not operate effectively; and in a number of instances the controls relating to timely removal of leavers' access to applications and the network did not operate effectively.
General Practitioners Extraction and Processing of General Practitioner Data services	In a number of instances controls relating to approval of new user access to DPS and removal of leavers from GPDC, DPS and PDS did not operate effectively and, in addition, controls were not in place to provide appropriate segregation of duties between the production and the development environments of the GPDC application
NHS Business Services Authority – Dental Payments	In number of instances, the controls relating to timely removal of leavers' access to applications and the network were not operating effectively.

Actions have been agreed to address the exceptions identified in respect of the Prescription Payments and Dental Payments report whilst the issues identified in respect of General Practitioner Data have already been addressed.

In drawing a conclusion on the control environment at the end of this Governance Statement, I recognise there have been a number of reported deficiencies in controls in 2022-23. Therefore, I am unable to conclude that there are no significant deficiencies in control.

Control Issues

During the year, three significant control issues faced NHS Devon, two of which were identified in the January 2022 Governance Statement return. The first issue related to the challenges in appointing an external auditor, which could have a significant impact on the timeline for the auditing of the ICB's accounts. This issue was escalated to NHS England and NHS Devon has now appointed external Auditors.

The second issue was the System Oversight Framework assessment of NHS Devon at level 4 which is the most significant level given by NHS England.

The final issue relates to a review undertaken by NHS Devon ICB's internal auditors, Audit South West in May 2023 in relation to the circumstances surrounding the payment of two invoices which did not appear to have gone through expected procurement processes.

The review, which is in the process of being finalised, highlighted a number of areas of concern and control failures, not only with regards to compliance with financial and governance arrangements in this case, but also in relation to a lack of consistent oversight and monitoring of service delivery, including adequate commissioning and due diligence of non-framework suppliers.

Work continues to finalise the review and determine the most appropriate approach to addressing its findings. To date:

- Action has been with regard to the behaviour of specific individuals who have not complied with agreed governance arrangements
- A further independent review is being established in relation to relevant systems and processes (i.e. financial and procurement procedures, and contract performance management arrangements).
- Spot checks are being undertaken in relation to compliance with relevant systems and processes (for example the Single Tender Waivers).

NHS Devon has received a limited assurance opinion by its Internal Auditors, as while it was considered that there were system and processes in place these were not always applied consistently. Areas of concern highlighted included:

- The time taken to formally approve a Board Assurance Framework and inconsistencies around Corporate Risk reporting. The Board Assurance Framework how now been approved and Corporate Risks are being reported to each meeting of the Board's Committees. A Risk Manager has now been appointed to ensure that risk management arrangements are consistently applied and oversee the introduction of a single risk management system.
- The dependence on manual procedures for maintaining the ICB's Register of Interests and how this resulted in reduced compliance when there was reduced capacity within the Governance Team. In response, an electronic Conflicts of Interest system is being procured. With regard to staff declaring private business ownership, while the overall process enables potential conflicts to be managed appropriately, it was recommended that the procurement and contracting teams should access the central Register of Interests as part of their process.
- While there were appropriate Business Continuity policies and arrangements at an organisational level, there were areas identified for improvement regarding EPRR training and the testing of Business Continuity Plan. Work is underway to manage these areas more effectively going forward.
- Overall, NHS Devon has an appropriate system of controls to manage cyber security related risks, operated both internally, and via the IT services

provided by DELT. However, there are areas where improvement could be made/clarification of service provision is needed.

- Overall sound financial controls have been designed and are in operation within all of the key financial systems reviewed, as set out below, and are documented across a suite of financial procedures. Levels of aged debt are managed. However, the review of the completed self-assessment against Financial Sustainability checks reported that on average most areas received an assessment score of requires action with the key areas of improvement focused on being business and financial planning, budget monitoring, forecasting, training and financial management.

In addition, a review of the NHS Devon's preparedness for the Delegation of Pharmacy, Ophthalmic and Dental Services from 1 April 2023. While it was confirmed that there are appropriate governance arrangements in place to complete the Safe Delegation Checklist required by NHSE, there are significant risks involved with taking on these services. These risks have now been included within the Corporate Risk Register.

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

The Board has responsibility for ensuring that NHS Devon has appropriate arrangements in place to manage its functions economically, efficiently and effectively. The Board makes sure that NHS Devon operates within the corporate governance framework (i.e. its standing orders, scheme of delegations and standing financial instructions) and has established an Audit and Risk Committee to assist the Board in delivering its responsibilities for the conduct of public business, and the stewardship of funds under its control; a Finance Committee to provide a performance framework that proactively manages the ICB's financial agenda.

The Quality and Performance Committee supports a single framework of governance that enables NHS Devon and its Local Care Partnerships (LCP)s to collaboratively drive improvement to quality, delivery, and outcomes against each of the dimensions of quality set out in the 'Shared Commitment to Quality' and enshrined in the Health and Care Act 2022.

In addition, there are Quality, equality, inclusion assessments (QEIA) and local key performance indicators in relation to quality and performance.

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

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

NHS Devon has a procurement policy that seeks to be an effective way to help ensure quality and value for money requirements are achieved; helping the ICB commission the right services to improve the lives of those who live in Devon.

NHS Devon uses internal audit functions to confirm controls are operating effectively, to provide independent assurance and advise on areas of improvement. Audit report findings are discussed in detail at Audit and Risk Committee and summarised in the Head of Internal Audit Opinion Statement.

Delegation of functions

NHS Devon has delegated responsibility for commissioning local primary care services. The Board receives assurance on the discharge of these functions through the Primary Care Commissioning Transition Committee and receives regular reports from the Committee's Chair and via the Board Assurance Framework.

An internal audit review of Primary Care Commissioning undertaken in respect of the reporting period resulted in a "Satisfactory" rating as previously agreed actions/controls had been implemented and continue to operate as part of the ICB's Primary Care Commissioning arrangements, and that these controls are operating effect

As referred to previously, with effect from 1 April 2023 will also have delegated responsibility for commissioning Pharmacy, Ophthalmic and Dental Services. As with local primary care services, assurance on the discharge of these functions will be reported through the Primary Care Commissioning Transition Committee to the Board via regular reports from the Committee's Chair. In addition, in light of the internal review undertaken in respect of the delegation of these services, a risk is now included within the Corporate Risk Register.

As with the other six ICBs across the South West, Devon jointly exercises its commissioning functions in relation to emergency ambulance services via the Ambulance Joint Commissioning Committee (AJCC) which functions as a corporate decision-making body for the management and exercise of these commissioning functions. The AJCC reports into the Dorset ICB, as lead commissioning organisation, twice yearly. The first report presents the annual workplan with the second being a year-end performance report. Regular reporting with regard to ambulance performance is included within the IQPR which is presented to the Finance Committee, Quality and Performance Committee and to the ICB Board.

Delegated functions are set out in the articles of the constitution, scheme of reservation and delegation or the standing orders.

No control issues have been raised by the auditors.

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

NHS Devon reported its compliance against the NHS England Core Standards for EPRR to the Board 15 March 2023. NHS Devon was assessed as Substantially Compliant. Papers can be found here for full details:
https://onedevon.org.uk/documents/

Counter Fraud arrangements

Audit South West Assurance and their accredited Counter Fraud Specialists provide an independent counter-fraud service to NHS Devon.

NHS Devon has a Counter Fraud, Bribery and Corruption policy which deals with the specific issues in the title. The ICB's policies relating to Conflicts of Interest, Gifts and Hospitality, and its Disciplinary policy link to Counter Fraud.
Additionally, appropriate policies are reviewed throughout the year for Fraud resilience and, where applicable, are updated to protect the ICB from economic crime and wrongdoing.

The Audit and Risk Committee receives regular reports from the Counter Fraud team and provides assurance to the Board that an appropriate system of internal control is in place to ensure reasonable steps are taken to prevent and detect fraud and other irregularities.

Training and awareness raising has included:

- A series of webinars for ICB Finance Officers for International Fraud Awareness Week (IFAW), 13-19 November 2022. These sessions concentrated on Bank Mandate Fraud and, using real life examples, highlighted the 'finite details' in fraudulent communications.
- A briefing with regard to Bank Mandate Fraud, tailored for finance and payroll staff. Following this briefing, procedures have been updated by the Finance Team and are reviewed by the Counter Fraud Team.
- Publishing a "Fraud Counts" newsletter focusing on cyber-enabled scams.
- Notifying the Finance Team of the Fraud Prevention Notice (FPN) CFO Cyber Enabled Mandate Fraud and foreign payments to ensure that the recommended safeguards are in place at the ICB.
- Alerting finance and procurement staff of the Fraud Prevention Notice regarding fraudsters impersonating suppliers and sending invoices for goods (often clinical consumables) which were never ordered and, in many cases, never supplied. The ICB is in turn alerting and advising GP colleagues.

In addition, the NHS Devon Audit and Risk Committee receives an annual report against each of the Standards for Commissioners. Part of this report includes the Trust's submission of its "Counter Fraud Functional Standard Review" (CFFSR) to the NHS Counter Fraud Authority. The 2022/23 CFFSR assessed NHS Devon with an overall rating of Green.

No investigations, losses or significant control issues were reported between 1 July 2022 and 31 March 2023.

Head of Internal Audit Opinion

Following completion of the planned audit work for the period 1 July 2022 – 31 March 2023 for the ICB, the Head of Internal Audit issued an independent and objective opinion on the adequacy and effectiveness of the ICB's system of risk management, governance and internal control. The Head of Internal Audit concluded that:

"My overall opinion on the internal control, governance and risk management arrangements for the ICB is limited assurance, as although the ICB has sound financial systems covering the ledger, weaknesses in the design, and inconsistent application of controls put the achievement of some of the organisation's objectives at risk, namely the Board Assurance Framework and the Risk Management processes have not been in place and operational between 1 July 2022 and March 2023 and there are other areas where improvements are required as set out below.

The opinion includes a draft report. The assurance rating for the draft report will not change on finalising the reports and as such will not change the overall opinion statement."

During the period, Internal Audit issued the following audit reports:

Area of Audit	**Level of Assurance Given**
High Level Financial Controls	Satisfactory
Managing Conflicts of Interest	Satisfactory
Cyber / IT Security	Satisfactory
Board Assurance Framework and Risk Management	Design - Satisfactory / Application - Limited
Business Continuity / Emergency Planning	Satisfactory
Primary Care Commissioning	Satisfactory
Payroll	Satisfactory (draft)
DSPT (Information Governance)	Moderate (NHS Digital rating)
ICB Preparedness for the Delegation of Pharmaceutical, Ophthalmic and Dental (POD) Services	Limited
Management of Staff Declarations Regarding Private Business Ownership	Satisfactory

The issues identified in these reports are set out at the "Internal Controls" section of this Annual Governance Statement.

Review of the effectiveness of governance, risk management and internal control

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and executive managers within NHS Devon who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. The absence of external auditors has been raised as a key issue and the appointment of KPMG should provide NHS Devon with an important view on the effectiveness of governance and internal controls, on completion of their audit.

Our assurance framework provides me with evidence that the effectiveness of controls that manage risks to NHS Devon achieving its principles objectives have been reviewed.

I have been advised on the implications of the result of this review by:

- The Board
- The Audit and Risk Committee
- The Quality and Patient Experience Committee
- The Finance and Performance Committee
- Internal Audit
- External Audit

Conclusion

In line with the HIAO I can confirm that there is limited assurance for the internal control, governance and risk management arrangements for NHS Devon. Whilst NHS Devon has sound financial systems covering the ledger, weaknesses in the design, and inconsistent application of controls put the achievement of some of the organisation's objectives at risk, namely the Board Assurance Framework and the Risk Management processes have not been in place and operational between 1 July 2022 and March 2023

Jane Milligan
Accountable Officer, Chief Executive Officer
NHS Devon Integrated Care Board
6 September 2023

Remuneration and Staff Report

Remuneration report

Remuneration and Internal ICB Workforce Committee

The Remuneration and Internal ICB Workforce Committee fulfils the remuneration committee functions required by statute, principally to determine remuneration, fees and allowances payable to NHS Devon staff, and make recommendations to the board. As well as this, the committee deals with remuneration and terms of service in relation to the board and the executive team.

The committee consists of both executive members and non-executive members of the board. The quorum is a minimum of three of the non-executive members, including the Chair or Vice Chair. The committee is advised by the associate director of human resources and organisational development and, where required, the chair and the accountable officer of the ICB.

Pay ratio information

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded annual remuneration of the highest paid director / member in NHS Devon ICB in the reporting period 1st July – 31st March 2022/2023 was £197,500 (£195,000-£200,000). This salary is in line with the executive salary scale for Integrated Care Boards.

The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

2022/23	25th percentile	Median pay ratio	75th percentile pay ratio
Total remuneration (£)	26,282	41,659	56,164
Salary component of total remuneration (£)	26,282	41,659	56,164
Pay ratio information	7.51	4.74	3.52

This was 7.51 times the 25th percentile of remuneration of the workforce, which was £26,282. This was 4.74 times the median remuneration of the workforce, which was £41,659. This was 3.52 times the 75th percentile of remuneration of the workforce, which was £56,164.

During the reporting period 2022/23, no employees received remuneration in excess of the highest-paid director/member. Remuneration ranged from £14,923 to £197,000.

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

Policy on the remuneration of senior managers

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

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

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

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

Senior manager performance related pay

Devon ICB does not have performance related pay.

Remuneration of Very Senior Managers

Senior manager remuneration (including salary and pension entitlements) July-March 2022/23 (subject to audit)

Name and Title	Note	July-March 2022/23					
		(a) Salary (bands of £5,000)	(b) Expense payments (taxable) to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e) (bands of £5,000)
		£000	£	£000	£000	£000	£000
Nigel Acheson Chief Medical Officer		105-110	100			55-57.5	160-165
Darryn Allcorn Chief Nurse		100-105	0			30-32.5	130-135
Sheena Asthana Independent Non Executive Director Population Health Management, Health Inequalities and Digital Transformation	1	10-15	0			0	10-15
Graham Clarke Independent Non Executive Director Audit and Risk	2	10-15	0			0	10-15
John Dowell Chief Finance Officer	3	55-60	0			0	55-60
Anthony Fitzgerald Chief Delivery Officer	4	45-50	1600			12.5-15	65-70
Sarah Lou Glover Ordinary member - Mental health	5	15-20	0			0	15-20
Thandiwe Hara Independent Non Executive Director People and Culture	6	10-15	0			0	10-15
Judith Hargadon Independent Non Executive Director Primary Care		10-15	0			0	10-15
Hisham Khalil Independent Non Executive Director Quality and Performance	7	10-15	0			0	10-15
Jane Milligan CEO ICS for Devon		145-150	100			22.5-25	170-175
Andrew Millward Chief Communications and Corporate Affairs Officer		105-110	0			30-32.5	135-140
Frank O'Kelly Ordinary member - Primary care	8	25-30	0			0	25-30
Kevin Orford Independent Non Executive Director Finance and Remuneration	9	10-15	100			0	10-15
Paul Renshaw Director of Workforce Strategy		95-100	600			20-22.5	115-120

Bill Shields Chief Finance Officer	10	75-80	13200			0	85-90
Simon Tapley Chief Transformation and Strategic Planning Officer		110-115	200			30-32.5	145-150
Sarah Wollaston Chair ICS for Devon		45-50	0			0	45-50

Note:

1 Sheena Asthana began role on 1st July 2022
2 Graham Clarke began role on 1st July 2022
3 John Dowell finished role on 4th November 2022
4 Anthony Fitzgerald began role on 1st November 2022
5 Sarah Lou Glover began role on 1st July 2022
6 Thandiwe Hara began role on 1st July 2022
7 Hisham Khalil began role on 1st July 2022
8 Frank O'Kelly began role on 1st July 2022
9 Kevin Orford began role on 1st July 2022
10 Bill Shields began role on 7th November 2022 and opted not to be covered by the pension arrangements during the period.

Additional governing body members and attendees not receiving remuneration from Devon ICB

Steve Brown is Director of Public Health - Devon County Council. No payments are made for attendance.

Liz Davenport is Chief Executive Officer, Torbay and South Devon NHS Foundation Trust. No payments are made for attendance.
Tracey Lee is Chief Executive, Plymouth City Council. No payments are made for attendance.

Kate Shields is an invited attendee CEO, NHS Cornwall and Isles of Scilly ICB. No payments are made for attendance.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual.

The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Factors determining the variation in the values recorded between individuals include but is not limited to:

- A change in role with a resulting change in pay and impact on pension benefits
- A change in the pension scheme itself
- Changes in the contribution rates
- Changes in the wider remuneration package of an individual

Pension benefits relate to the total employment with Devon ICB even if the member has a split role but are pro rata to time spent in senior management position.

Pension benefits – 2022/23 Q2-Q4 (subject to audit)

Name and Title	(a) Real increase in pension at pension age (bands of £2,500) £000	(b) Real increase in pension lump sum at pension age (bands of £2,500) £000	(c) Total accrued pension at pension age at 31 March 2023 (bands of £5,000) £000	(d) Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000) £000	(e) Cash Equivalent Transfer Value at 1 July 2022 £000	(f) Real increase in Cash Equivalent Transfer Value £000	(g) Cash Equivalent Transfer Value at 31 March 2023 £000	(h) Employer's contribution to stakeholder pension £000
Nigel Acheson Chief Medical Officer	2.5-5	2.5-5	75-80	150-155	1448	65	1568	0
Darryn Allcorn Chief Nurse	0-2.5	0	50-55	95-100	825	25	882	0
John Dowell Chief Finance Officer	0	0-2.5	55-60	100-105	1168	0	0	0
Anthony Fitzgerald Chief Delivery Officer	0-2.5	0	40-45	110-115	825	13	880	0
Jane Milligan Designate CEO ICS for Devon	0-2.5	0	70-75	150-155	1358	27	1436	0
Andrew Millward Chief Communications and Corporate Affairs Officer	0-2.5	0	55-60	125-130	1186	37	1265	0
Paul Renshaw Director of Workforce Strategy	0-2.5	0-2.5	15-20	0-5	212	9	240	0
Simon Tapley Chief Transformation and Strategic Planning Officer	0-2.5	0	60-65	115-120	1005	29	1072	0

NHS Business Services Authority (NHS BSA) only provide information as at 31 March each year. With the ICB commencing 1 July 2022, figures had to be re-calculated on a pro rata basis to 31 March 2023. This was determined to be the best available approach given NHS BSA information was only available for 31 March 2022 and 31 March 2023.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023 to 24 CETV figures.

John Dowell's CETV is disclosed as at 1 April 2022 as no value was attainable as at 30 June 2022.

No CETV will be shown for pensioners or senior managers over NPA. Age 60 in the 1995 Section, age 65 in the 2008 Section or SPA or age 65, whichever is the later, in the 2015 Scheme.

• Lay members do not receive pensionable remuneration; there are no entries in respect of pensions for lay members.
• Only members with an NHS pension have been included.
• Pension benefits have not been included for those who are currently drawing their NHS pension.

Taxable expenses

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

Expenses, all of which relate to mileage claims and relocation costs, give rise to a tax liability and have been disclosed separately as benefits in kind. The tax liability arises as either the rate per mile reimbursed by the ICB exceeds that allowed as a tax-free amount by HMRC, or the total annual amount paid by the ICB exceeds that allowed as a tax-free amount by HMRC respectively.

Cash equivalent transfer values

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

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement).

Compensation on early retirement of for loss of office

There was no early retirement through ill health during July – March 2022/23.

Payments to past directors

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

Staff Report

Number of senior managers

The number of senior managers is set out below in the gender profile and senior staff composition table.

Staff numbers and costs

The average number of ICB staff is presented below

	Permanent	Other	Total
Average number of full time equivalent staff (2022/23)*	491.49	35.47	526.96

* Non-Executive Directors and staff on outward secondment have been excluded

Staff composition

As at 31 March 2023, the ICB employed 612 employees in 531.38 full-time equivalent posts. The breakdown of these staff by staff grouping is presented below.

Staff Grouping	Total (FTE)
Medical and dental	10.2
Administration and estates	418.44
Healthcare assistants and other support staff	1.6
Nursing, midwifery and health visiting staff	61.31
Scientific, therapeutic and technical staff	39.84
Social Care Staff	0
Total	531.38

The gender profile and senior staff composition for the ICB as at 31 March 2023 is presented below:

Category	Male (%)	Female (%)	Total Number
ICB Board [1] [2]	44.44%	55.56%	9
Very Senior Managers (Executives)	76.92%	23.08%	13
Employees	23.73%	76.27%	590

[1] - Members of the Executive team who sit on the ICB Board have been counted within the Very Senior Managers data only.

[2] - Partner members of the Board have been excluded

Staff Costs

The table below sets out the breakdown of employee benefits for the period ending 31 March 2023.

Period ended 31 March 2023	Total			Admin			Programme		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Salaries and wages	23,392	20,424	2,968	11,438	10,769	669	11,954	9,655	2,299
Social security costs	2,208	2,208	-	1,499	1,499	-	709	709	-
Employer Contributions to NHS Pension scheme	3,567	3,567	-	2,633	2,633	-	934	934	-
Other pension costs	9	9	-	8	8	-	1	-	-
Apprenticeship Levy	89	89	-	89	89	-	-	-	-
Termination benefits	264	264	-	264	264	-	-	-	-
Gross employee benefits expenditure	29,529	26,561	2,968	15,931	15,262	669	13,598	11,299	2,299
Less recoveries in respect of employee benefits	(448)	(448)	-	(403)	(403)	-	(45)	(45)	-
Net admin employee benefits	29,081	26,113	2,968	15,528	14,859	669	13,553	11,254	2,299

Sickness absence data

The sickness rate for the ICB for July 2022 – March 2023 was 3.39% (calculated as FTE calendar days lost divided by total FTE calendar days within the period).

The ICB has a sickness absence policy in place to ensure that staff are treated fairly and equitably, and supported when experiencing and recovering from illness, and this policy is applied across the organisation.

Sickness absence data for NHS Devon ICB is available at the following link:

[NHS Sickness Absence Rates - NHS Digital]

Staff turnover percentages

The staff turnover rate (FTE) for the ICB for July 2022 – March 2023 was 11.7% (calculated as total FTE leavers divided by average FTE of staff within the period)

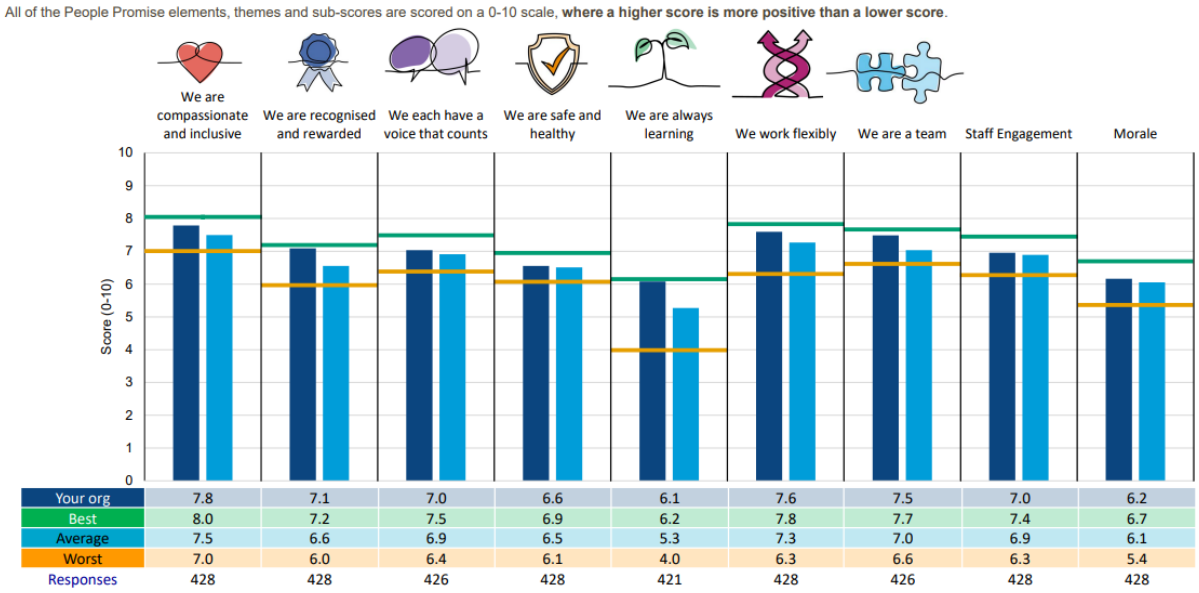
Staff turnover for the ICB is included in the NHS workforce statistics reported on the NHS Digital website. A link has been provided below:

[NHS workforce statistics - NHS Digital]

Staff engagement percentages

The ICB is committed to involving and communicating with staff across a range of matters. This is done through a variety of channels such as our weekly staff bulletin and fortnightly staff briefings, and engagement groups such as the Staff Partnership Forum, the staff Equality, Diversity and Inclusion group and our Health and Wellbeing Champions.

The ICB participates in the NHS National Staff Survey and, in 2022, the staff engagement score for NHS Devon was 7.0 (out of 10). In 2021 the engagement score was 7.1. Staff survey results by theme in 2022 are provided below.



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.8	7.1	7.0	6.6	6.1	7.6	7.5	7.0	6.2
Best	8.0	7.2	7.5	6.9	6.2	7.8	7.7	7.4	6.7
Average	7.5	6.6	6.9	6.5	5.3	7.3	7.0	6.9	6.1
Worst	7.0	6.0	6.4	6.1	4.0	6.3	6.6	6.3	5.4
Responses	428	428	426	428	421	428	426	428	428

NHS Devon results are better than the ICB average for every theme and are amongst the best in the country for two themes (recognition and reward, and learning and development).

Each year the ICB analyses the staff survey results, shares them with the ICB Board and staff, and works with staff and teams to continue to build on the areas where we are doing really well and to jointly produce action plans to tackle and address emergent themes and issues.

Staff policies

NHS Devon is committed to promoting diversity and equality of opportunity and providing an inclusive working environment in which all staff feel valued and supported.

The ICB has a range of human resources policies in place to ensure clear, fair and transparent practices across the organisation. All policies are approved by the Staff Partnership Forum and Executive and available to all staff on our intranet. All HR policies have been equality impact assessed to ensure they are not detrimental to any staff with protected characteristics, including persons with disabilities. All policies are developed with due regard to the Equality Act and the Public Sector Equality Duty and are in line with Agenda for Change Terms and Conditions where applicable.

We are an accredited “Disability Confident” employer, which ensures all applicants who have declared that they have a disability are guaranteed an interview if they meet the essential requirements of the person specification of a role. The recruitment policy and process outlines the requirements for recruiting managers to make reasonable adjustments for candidates with disabilities and this is reinforced through recruitment training courses run for all staff who are required to sit on recruitment panels. All staff with a declared disability or who become disabled during their employment will have access to appropriate training courses, and career development opportunities, and access to promotional opportunities. Reasonable adjustments are made to support these people with accessing and benefitting from these opportunities.

Results from the 2022 staff survey indicate that 90% of staff feel that the organisation made reasonable adjustments to enable them to carry out their work (compared to an average score for ICBs of 79%). 96% of staff stated that they had not experienced discrimination from managers or colleagues (compared to an average score for ICBs of 93%).

The ICB has a staff Equality, Diversity and Inclusion Reference Group which influences and leads change projects within the staff base to increase knowledge and visibility of EDI issues, create a more diverse workforce and improve overall staff wellbeing and satisfaction.

In addition, the ICB continues to monitor and report on compliance with the workplace disability equality standard and the workforce race equality standard.

Trade union facility time reporting requirements

The trade union (facility time publication requirements) regulations 2017 came into force on 1 April 2017. In line with these regulations, all organisations employing more than 49 staff, must publish information on facility time, which is agreed time off from an individual's job to carry out a trade union role.

The information provided below is for the relevant period of 1 July 2022 to 31 March 2023. It captures details of employee’s time spent on duties carried out for a trade union or as a union learning representative, for example, attending meetings, accompanying an employee to disciplinary or grievance hearing etc. It also applies

to, if applicable, training received, and duties carried out under the Health and Safety at Work Act 1974.

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

Table 1: the number of trade union representatives in our organisation

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	531.38

Table 2: the percentage of time spent on facility time

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

Table 3: the amount spent on facility time

First column	**Figures**
Provide the total cost of facility time	0
Provide the total pay bill	£23,612,748
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100	0

Table 4: the percentage of paid facility time spent on paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x 100	0

Other employee matters

Health and safety

The ICB is fully committed to providing an attractive and inclusive working environment that values wellbeing and diversity. We recognise our wider legal and moral obligation to provide a safe and healthy working environment for employees, visitors and members of the public and we manage and comply with our legal duties outlined in the Health and Safety at Work Act 1974.

As with all organisations, we adapted our working arrangements to ensure working practices remained COVID-19 secure throughout the year. The majority of staff have been able to work from home and the ICB has supported staff with the provision of home office equipment where required. Line managers have been responsible for broader welfare checks with all staff to ensure the level of support remained appropriate. As it became possible and appropriate to return to our offices, we worked with the staff partnership forum, governance team, health and safety advisors and other stakeholders to support staff in making the return and ensure that the office environment was safe, attractive and fit for purpose. Following engagement with staff the ICB operates an agile working arrangement in which staff can work flexibly between home and any of the offices across Devon.

Consultation

The ICB's consultative body is the Staff Partnership Forum which was established to provide a regular and formal means of information, consultation and negotiation between managers, elected SPF members and trade union representatives. The forum is involved with consulting on key issues affecting the terms and conditions of employment and representatives have the opportunity to influence decisions and their application. It helps to ensure staff views are taken into account and staff are informed of all relevant matters, including the performance or and plans for NHS Devon, staff are supported with consultation and employment issues.

Expenditure on consultancy

During the period ended 31 March 2023 the ICB spent £1.21 million on consultancy costs.

Staff Costs

The table below sets out the breakdown of employee benefits for the period ending 31 March 2023.

Period ended 31 March 2023	Total			Admin			Programme		
	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000	Total £000	Permanent Employees £000	Other £000
Salaries and wages	23,396	20,424	2,972	11,442	10,769	673	11,954	9,655	2,299
Social security costs	2,208	2,208	-	1,499	1,499	-	709	709	-
Employer Contributions to NHS Pension scheme	3,568	3,568	-	2,633	2,633	-	935	935	-
Other pension costs	9	9	-	8	8	-	1	1	-
Apprenticeship Levy	89	89	-	89	89	-	-	-	-
Termination benefits	264	264	-	264	264	-	-	-	-
Gross employee benefits expenditure	29,534	26,562	2,972	15,935	15,262	673	13,599	11,300	2,299
Less recoveries in respect of employee benefits	(448)	(448)	-	(403)	(403)	-	(45)	(45)	-
Net admin employee benefits	29,086	26,114	2,972	15,532	14,859	673	13,554	11,255	2,299

Off-payroll engagements

Table 1: Length of all highly paid off-payroll engagements

For all off-payroll engagements as at 31 March 2023 for more than £245* per day:

	Number
Number of existing engagements as of 31 March 2023	2
Of which, the number that have existed:	
for less than one year at the time of reporting	
for between one and two years at the time of reporting	2
for between 2 and 3 years at the time of reporting	
for between 3 and 4 years at the time of reporting	
for 4 or more years at the time of reporting	

*The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.

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

Table 2: Off-payroll workers engaged at any point during the financial year

For all off-payroll engagements between 1 July 2022 – 31 March 2023, for more than £245(1) per day:

	Number
No. of temporary off-payroll workers engaged between 1 July 2022 – 31 March 2023	6
Of which:	
No. not subject to off-payroll legislation(2)	
No. subject to off-payroll legislation and determined as in-scope of IR35(2)	
No. subject to off-payroll legislation and determined as out of scope of IR35(2)	6
the number of engagements reassessed for compliance or assurance purposes during the year	
Of which: no. of engagements that saw a change to IR35 status following review	

(1) The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.

(2) A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

Table 3: Off-payroll engagements / senior official engagements

For any off-payroll engagements of Board members and / or senior officials with significant financial responsibility, between 1 July 2022 – 31 March 2023

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during reporting period(1)	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the reporting period. This figure should include both on payroll and off-payroll engagements. (2)	19

1 There should only be a very small number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, permitted only in exceptional circumstances and for no more than six months

2 As both on payroll and off-payroll engagements are included in the total figure, no entries here should be blank or zero.

In any cases where individuals are included within the first row of this table the ICB/CCG should set out:

- Details of the exceptional circumstances that led to each of these arrangements.
- Details of the length of time each of these exceptional engagements lasted.

Exit packages, including special (non-contractual) payments

Table 1: Exit Packages

Exit package cost band (inc. any special payment element	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s	WHOLE NUMBERS ONLY	£s
Less than £10,000	0	0	0	0	0	0
£10,000 - £25,000	3	£66,497	1	£11,047	4	£77,544
£25,001 - £50,000	1	£26,000	0	0	1	£26,000
£50,001 - £100,000	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
£150,001 – £200,000	1	£160,000	0	0	1	£160,000
>£200,000	0	0	0	0	0	0
TOTALS	5	£252,497	1	Agrees to A below	6	£263,544

Redundancy and other departure cost have been paid in accordance with the provisions of the NHS terms and conditions handbook, NHS pension Scheme and NHS standard contract where applicable. Exit costs in this note are accounted for in full in the year of departure. Where NHS Devon ICB has agreed early retirements, the additional costs are met by NHS Devon ICB and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Table 2: Analysis of Other Departures

	Agreements	Total Value of agreements
	Number	**£000s**
Voluntary redundancies including early retirement contractual costs	0	
Mutually agreed resignations (MARS) contractual costs	0	
Early retirements in the efficiency of the service contractual costs	0	
Contractual payments in lieu of notice	1	**£11,047**
Exit payments following Employment Tribunals or court orders	0	
Non-contractual payments requiring HMT approval**	0	
TOTAL	1	**A – agrees to total in table 1**

As a single exit package can be made up of several components each of which will be counted separately in this note, the total number above will not necessarily match the number of individuals.

Parliamentary Accountability and Audit Report

NHS Devon Integrated Care Board is not required to produce a Parliamentary Accountability and Audit Report but has opted to include disclosures on remote contingent liabilities, losses and special payments, gifts, and fees and charges in this Accountability Report at page 14 and 15. An audit certificate and report is also included in this Annual Report.

Annual accounts

Contents

Statement of Comprehensive Net Expenditure for the period ended 31 March 2023

	Note	Period ending 31 March 2023 £'000
Income from sale of goods and services	2	(448)
Other operating income	2	(18,977)
Total operating income		**(19,425)**
Staff costs	4	29,534
Purchase of goods and services	5	1,984,953
Depreciation and impairment charges	5	552
Other Operating Expenditure	5	1,206
Total operating expenditure		**2,016,245**
Net Operating Expenditure		**1,996,820**
Other gains and losses		-
Finance expense	8	32
Net expenditure for the Period		**1,996,852**
Net (Gain)/Loss on Transfer by Absorption		-
Total Net Expenditure for the Financial Period		**1,996,852**
Comprehensive Expenditure for the Period		**1,996,852**

NHS Devon ICB has taken on the commissioning functions, assets and liabilities of NHS Devon CCG from 1 July 2022, hence the accounts cover a period of 9 months 1 July 2022 to 31 March 2023.

The notes on the following pages form part of this statement

Statement of Financial Position as at 31 March 2023

	Note	Period ending 31 March 2023 £'000	1 July 2022 £'000
Non-current assets:			
Property, plant and equipment	10	621	559
Right-of-use Assets	11	2,243	2,267
Intangible assets	12	167	225
Other financial assets	15	0	0
Total non-current assets		**3,031**	3,051
Current assets:			
Inventories	13	1,212	896
Trade and other receivables	14	5,576	8,866
Cash and cash equivalents	16	1,013	731
Total current assets		**7,801**	10,493
Total assets		**10,832**	13,544
Current Liabilities			
Trade and other payables	17	(146,588)	(134,884)
Lease liabilities	11	(625)	(463)
Borrowings	19	(2,497)	(2,489)
Provisions	20	-	-
Total current liabilities		**(149,710)**	(137,836)
Total Assets less Current Liabilities		**(138,878)**	(124,292)
Non-current liabilities			
Other financial liabilities	18	-	-
Lease liabilities	11	(1,899)	(1,854)
Total non-current liabilities		**(1,899)**	(1,854)
Assets less Liabilities		**(140,777)**	(126,146)
Financed by Taxpayers' Equity			
General fund		(140,777)	(126,146)
Total taxpayers' equity:		**(140,777)**	(126,146)

The balances as at 1 July 2022 relate to those transferred by absorption accounting (note 9).

The notes on the following pages form part of this statement

The financial statements on the following pages were approved by the Governing Body on 6 September 2023 and signed on its behalf by:

Jane Milligan
Accountable Officer

Statement of Changes In Taxpayers Equity for the period ended 31 March 2023

		General fund £'000	Total reserves £'000
Changes in taxpayers' equity for Period ending 31 March 2023			
Balance at 01 July 2022		-	-
Transfer between reserves in respect of assets transferred from closed NHS bodies	9	(126,174)	(126,174)
Adjusted ICB balance		**(126,174)**	**(126,174)**
Changes in NHS ICB taxpayers' equity for Period ending 31 March 2023			
Net expenditure for the financial period		(1,996,852)	**(1,996,852)**
Net Recognised NHS ICB Expenditure for the Financial period		**(2,123,025)**	**(2,123,025)**
Net funding		1,982,249	**1,982,249**
Balance at 31 March 2023		**(140,777)**	**(140,777)**

The notes on the following pages from part of this statement

Statement of Cash Flows for the period ended 31 March 2023

	Note	Period ending 31 March 2023 £'000
Cash Flows from Operating Activities		
Net operating expenditure for the financial year		(1,996,852)
Depreciation and amortisation	5	552
Movement due to transfer by Modified Absorption	9	868
Interest paid	8	32
(Increase)/decrease in inventories	13	(1,212)
(Increase)/decrease in trade & other receivables	14	3,290
Increase/(decrease) in trade & other payables	17	11,704
Net Cash Inflow (Outflow) from Operating Activities		**(1,981,618)**
(Payments) for property, plant and equipment	10	(243)
(Payments) for intangible assets	12	-
Net Cash Inflow (Outflow) from Investing Activities		(243)
Net Cash Inflow (Outflow) before Financing		**(1,981,861)**
Cash Flows from Financing Activities		
Grant in Aid Funding Received		1,982,249
Repayment of lease liabilities	11	(114)
Net Cash Inflow (Outflow) from Financing Activities		**1,982,135**
Net Increase (Decrease) in Cash & Cash Equivalents	16	**274**
Cash & Cash Equivalents at the Beginning of the Financial Period		-
Transfer from other public bodies under absorption (including bank overdrafts)		(1,758)
Cash & Cash Equivalents at the End of the Financial Period		**(1,484)**

The notes on the following pages form part of this statement

Notes to the financial statements

1 **Accounting Policies**

NHS England has directed that the financial statements of Integrated Care Boards (ICBs) shall meet the accounting requirements of the Group Accounting Manual (GAM) issued by the Department of Health and Social Care. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 2022-23 issued by the Department of Health and Social Care. The accounting policies contained in the Group Accounting Manual follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to ICBs, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Group Accounting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the ICB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the ICB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 **Going Concern**

Management is required to assess, at the time of preparing the financial statements, the entity's ability to continue as a going concern. The accounting concept of a going concern refers to the basis on which an organisation's assets and liabilities are recorded and included in the accounts. If an organisation is a going concern it is expected to operate for the foreseeable future, usually 12 months from the date the final accounts have been approved by the Board. An organisation that was not a going concern would prepare its accounts on a different basis, reflecting their value on the winding up of the entity. Consequently, assets are more likely to be recorded at a much lower break-up value and medium and long-term liabilities would become short-term liabilities.

The Health and Social Care Bill was introduced into the House of Commons on 6 July 2021. The Bill allowed for the establishment of ICBs across England and abolished Clinical Commissioning Groups (CCG). ICBs took on the commissioning functions of CCGs. The CCG functions, assets and liabilities were transferred to an ICB on 1 July 2022.

The Department of Health and Social Care Group Accounting Manual 2022-23 states that for non-trading entities in the public sector, the anticipated continuation of the provision of service in the future, as evidenced by inclusion of financial provision of that service in published documents, is normally sufficient evidence of going concern. The 2022-23 Annual Report for the period ended 31 March 2023 discusses and reviews the ICBs future service plans and aims for their local populations.

With the above in mind the accounts have been prepared these financial statements on a going-concern basis. This is effectively in relation to the ICBs intention to continue its operations for the foreseeable future and the awareness of any circumstances affecting this in its preparation of these financial statements.

1.2 **Accounting Convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.3 **Movement of Assets within the Department of Health and Social Care Group**

As Public Sector Bodies are deemed to operate under common control, business reconfigurations within the Department of Health and Social Care Group are outside the scope of IFRS 3 Business Combinations. Where functions transfer between two public sector bodies, the Department of Health and Social Care GAM requires the application of absorption accounting. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Usually, where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Comprehensive Net Expenditure, and is disclosed separately from operating costs. However, transfers from CCGs to ICBs fall under the modified absorption approach in which the corresponding debit/credit to reflect the gain/loss on transfer is recognised directly in reserves.

Other transfers of assets and liabilities within the Department of Health and Social Care Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

From 1 July 2022 NHS Devon ICB took on the commissioning functions, assets and liabilities of NHS Devon CCG.

1.4 **Joint arrangements**

Arrangements over which the ICB has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the ICB is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts.

The ICB has entered into five arrangements, four of which has been assessed as joint operations.

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

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

The third arrangement is with Torbay Council for the Joint Community Equipment Store and the fourth concerns the Better Care Fund with Torbay Council.

The arrangement for Torbay is hosted by the ICB. The ICB accounts for its share of the income and expenditure arising from the activities of the arrangements, identified in accordance with the pooled budget agreements.

If the ICB is involved in a joint venture, the parties that have joint control have rights to the net assets of the arrangement. This must involve a separate vehicle and will need to account for their interest as an investment. Joint ventures are accounted for using the equity method.

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

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

The ICB holds a shareholding interest in DELT in respect of 1 A ordinary Share with a nominal total value of £1 being 50% of the total shareholding and 30 B ordinary shares with a total nominal value of £30 being 30% of the total shareholding.

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

1.5 **Revenue**

The ICB receives its main funding through a resource allocation from NHS England. This is drawn down and credited to the general fund.

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

• As per paragraph 121 of the Standard the ICB will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,

• The ICB is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.

• The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the ICB to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of funding for the ICBs is from NHS England. This is drawn down and credited to the general fund. Funding is recognised in the period in which it is received.

Other income the ICB receives is pass-through funds from organisations, for example from NHS England, as well as refunds for drugs that the ICB purchased during the year.

Notes to the financial statements

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.
Payment terms are standard reflecting cross government principles.
The value of the benefit received when the ICB accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

1.6 **Employee Benefits**

1.6.1 **Short-term Employee Benefits**

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

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

1.6.2 **Retirement Benefit Costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the ICB commits itself to the retirement, regardless of the method of payment. The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Some employees have joined the National Employment Savings Trust (NEST) pension scheme which is a defined contribution scheme and was set up by the government. The contributions the employee makes, along with the level of growth from the investments, will determine the size of the pension available on retirement.

1.7 **Other Expenses**

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

1.8 **Grants Payable**

Where grant funding is not intended to be directly related to activity undertaken by a grant recipient in a specific period, the ICB recognises the expenditure in the period in which the grant is paid. All other grants are accounted for on an accruals basis.

1.9 **Property, Plant & Equipment**

1.9.1 **Recognition**

Property, plant and equipment is capitalised if:

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

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

1.9.2 **Measurement**

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

Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use; and,
- Specialised buildings – depreciated replacement cost.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Net Expenditure.

1.9.3 **Subsequent Expenditure**

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

1.10 **Intangible Assets**

1.10.1 **Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the ICB's business or which arise from contractual or other legal rights. They are recognised only:

- When it is probable that future economic benefits will flow to, or service potential be provided to, the ICB;
- Where the cost of the asset can be measured reliably; and,
- Where the cost is at least £5,000.

Notes to the financial statements

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

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

1.10.2 **Measurement**

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost or the value in use where the asset is income generating . Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances. Revaluations and impairments are treated in the same manner as for property, plant and equipment.

1.10.3 **Depreciation, Amortisation & Impairments**

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the ICB expects to obtain economic benefits or service potential from the asset. This is specific to the ICB and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

At each reporting period end, the ICB checks whether there is any indication that any of its property, plant and equipment assets or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.11 **Leases**

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. The ICB assesses whether a contract is or contains a lease, at inception of the contract.

1.11.1 **The ICB as Lessee**

A right-of-use asset and a corresponding lease liability are recognised at commencement of the lease.

The lease liability is initially measured at the present value of the future lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the prescribed HM Treasury discount rates are used as the incremental borrowing rate to discount future lease payments.

The HM Treasury incremental borrowing rate of 0.95% (3.51%) is applied for leases commencing, transitioning or being remeasured in the 2022 (2023) calendar year under IFRS 16.

Lease payments included in the measurement of the lease liability comprise

-Fixed payments;
-Variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement;
-The amount expected to be payable under residual value guarantees;
-The exercise price of purchase options, if it is reasonably certain the option will be exercised; and
-Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured by increasing the carrying amount for interest incurred using the effective interest method and decreasing the carrying amount to reflect the lease payments made. The lease liability is remeasured, with a corresponding adjustment to the right-of-use asset, to reflect any reassessment of or modification made to the lease.

The right-of-use asset is initially measured at an amount equal to the initial lease liability adjusted for any lease prepayments or incentives, initial direct costs or an estimate of any dismantling, removal or restoring costs relating to either restoring the location of the asset or restoring the underlying asset itself, unless costs are incurred to produce inventories.

The subsequent measurement of the right-of-use asset is consistent with the principles for subsequent measurement of property, plant and equipment. Accordingly, right-of-use assets that are held for their service potential and are in use are subsequently measured at their current value in existing use.

Right-of-use assets for leases that are low value or short term and for which current value in use is not expected to fluctuate significantly due to changes in market prices and conditions are valued at depreciated historical cost as a proxy for current value in existing use.

Other than leases for assets under construction and investment property, the right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is tested for impairment if there are any indicators of impairment and impairment losses are accounted for as described in the 'Depreciation, amortisation and impairments' policy.

Peppercorn leases are defined as leases for which the consideration paid is nil or nominal (that is, significantly below market value). Peppercorn leases are in the scope of IFRS 16 if they meet the definition of a lease in all aspects apart from containing consideration.

For peppercorn leases a right-of-use asset is recognised and initially measured at current value in existing use. The lease liability is measured in accordance with the above policy. Any difference between the carrying amount of the right-of-use asset and the lease liability is recognised as income as required by IAS 20 as interpreted by the FReM.

Leases of low value assets (value when new less than £5,000) and short-term leases of 12 months or less are recognised as an expense on a straight-line basis over the term of the lease.

1.12 **Inventories**

Inventories are valued at the lower of cost and net realisable value. The ICB's share of the inventory in the Better Care Fund with Devon County Council is disclosed in note 13.

1.13 **Cash & Cash Equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the ICB's cash management.

1.14 **Provisions**

Provisions are recognised when the ICB has a present legal or constructive obligation as a result of a past event, it is probable that the ICB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate as follows:

All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

• A nominal short-term rate of 3.27% (2021-22: 0.47%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.

• A nominal medium-term rate of 3.20% (2021-22: 0.70%) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.

• A nominal long-term rate of 3.51% (2021-22: 0.95%) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.

• A nominal very long-term rate of 3.00% (2021-22: 0.66%) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the ICB has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

1.15 **Clinical Negligence Costs**

NHS Resolution operates a risk pooling scheme under which the ICB pays an annual contribution to NHS Resolution, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with ICB. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the ICB is disclosed in Note 19.

1.16 **Non-clinical Risk Pooling**

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

1.17 **Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the ICB, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

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

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

1.18 **Financial Assets**

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

Financial assets are classified into the following categories:

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

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

1.18.1 **Financial Assets at Amortised cost**

Financial assets measured at amortised cost are those held within a business model whose objective is achieved by collecting contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables and other simple debt instruments. After initial recognition these financial assets are measured at amortised cost using the effective interest method less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

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

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

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

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

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

The ICB's only financial assets are trade receivables and cash and cash equivalents which are disclosed in note 21.2. Trade receivables are recognised at the consideration agreed at the date of the transaction and the cash and cash equivalents are recognised at face value.

1.18.4 **Impairment**

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

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

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

Notes to the financial statements

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

1.19 **Financial Liabilities**

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

1.19.1 **Financial Guarantee Contract Liabilities**

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

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

1.19.2 **Financial Liabilities at Fair Value Through Profit and Loss**

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the ICB's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability. The ICB has no embedded derivatives that are required to be accounted for separately.

1.19.3 **Other Financial Liabilities**

The ICB's other financial liabilities are trade payables and loans with external bodies. These are disclosed in note 21.3. Trade payables are recognised at the consideration agreed at the date of the transactions. Loans with external bodies is a technical overdraft with the bank due to the ICB meeting its obligation to pay general practitioners, at the start of the month, while ensuring the bank account balance is within 1.25% of the ICB's March's funding. Loans with external bodies is recognised as the full value of the BACs run processed.

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

1.20 **Value Added Tax**

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

1.21 **Foreign Currencies**

The ICB's functional currency and presentational currency is pounds sterling and amounts are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. No significant foreign currency transactions occurred during the year.

1.22 **Third Party Assets**

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

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

In the application of the ICB's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.23.1 **Critical accounting judgements in applying accounting policies**

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

Apart from the accounting treatment of the better care fund budgets mentioned in 1.3 above and those involving estimations (see below), management has made no other critical accounting judgements in the process of applying the ICB's accounting policies that have would have a significant effect on the amounts recognised in the financial statements:

1.23.2 **Sources of estimation uncertainty**

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

Estimation techniques are used to ensure that the correct levels of income and expenditure relating to current year are included through the inclusion of accruals. These are based on known commitments and local knowledge. Historically the difference between the estimated accruals and actual cost have not been material and it is expected to follow suit this period. The accruals will be carried forward into the period 1 April 2023 to 31 March 2024 and matched against the actual costs incurred within the ICB.

For the main acute contracts the period end forecasts are based on the 9 month effect of the financial framework put in place in 2022/23.

Regarding prescribing costs, the ICB relies on the Business Services Authority's (BSA) forecasting methodology applied to primary care prescribing as well as local factors that fall outside of the national model. Due to the timing of published data the year end position includes an estimate for both February and March's prescribing costs.

Other estimates and judgements made in applying the ICB's accounting policies relate to the valuation of Property, Plant and Equipment and Intangibles. The nature of the assumptions and carrying value of the assets and liabilities are detailed in note 10 and 12 respectively.

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

The Department of Health and Social Care GAM does not require the following IFRS Standard and Interpretation to be applied for the period ended 31 March 2023.

- IFRS 14 Regulatory Deferral Accounts – Not UK-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore, not applicable to DHSC group bodies.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be April 2025: early adoption is not therefore permitted. This standard will apply to companies that write insurance contracts and as such would have no effect on the ICB's financial position.

2 Other Operating Revenue

	Period ending 31 March 2023 Total £'000
Income from sale of goods and services (contracts)	
Recoveries in respect of employee benefits	**448**
Total Income from sale of goods and services	**448**
Other operating income	
Non cash apprenticeship training grants revenue	**47**
Other non contract revenue	**18,930**
Total Other operating income	**18,977**
Total Operating Income	**19,425**

The main ICB funding is not included in this note. Revenue received from NHS England is drawn down directly into the bank account of the ICB and credited to the General Fund.

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

The ICB receives income as part of the joint arrangements with its partner organisations. Income also includes reimbursments for cost of drugs that the ICB purchased during the year.

4 Employee benefits and staff numbers

4.1.1 Employee benefits

	Total		Period ending 31 March 2023
	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	20,424	2,972	23,396
Social security costs	2,208	-	2,208
Employer Contributions to NHS Pension scheme	3,568	-	3,568
Other pension costs	9	-	9
Apprenticeship Levy	89	-	89
Termination benefits	264	-	264
Gross employee benefits expenditure	26,562	2,972	29,534
Less recoveries in respect of employee benefits (note 4.1.2)	(448)	-	(448)
Total - Net admin employee benefits including capitalised costs	26,114	2,972	29,086
Less: Employee costs capitalised	-	-	-
Net employee benefits excluding capitalised costs	26,114	2,972	29,086

4.1.2 Recoveries in respect of employee benefits

	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits - Revenue			
Salaries and wages	(439)	-	(439)
Social security costs	(4)	-	(4)
Employer contributions to the NHS Pension Scheme	(5)	-	(5)
Other pension costs	-	-	-
Other post-employment benefits	-	-	-
Other employment benefits	-	-	-
Termination benefits	-	-	-
Total recoveries in respect of employee benefits	(448)	-	(448)

4.2 Average number of people employed

	Period ending 31 March 2023		
	Permanently employed Number	Other Number	Total Number
Total	**491.49**	**35.47**	**526.96**
Of the above:			
Number of whole time equivalent people engaged on capital projects	**-**	**-**	**-**

4.3 Staff Annual Leave Accrual Balances	Period ending 31 March 2023		
	Total £000s	Permanent Staff £000s	Temp/Agency £000s
	(296)	**(296)**	**-**

4.4 Exit packages agreed in the financial year

	Period ending 31 March 2023 Compulsory redundancies		Period ending 31 March 2023 Other agreed departures		Period ending 31 March 2023 Total	
	Number	£	Number	£	Number	£
Less than £10,000	-	-	-	-	-	-
£10,001 to £25,000	3	66,497	1	11,047	4	77,543
£25,001 to £50,000	1	26,000	-	-	1	26,000
£50,001 to £100,000	-	-	-	-	-	-
£100,001 to £150,000	-	-	-	-	-	-
£150,001 to £200,000	1	160,000	-	-	1	160,000
Over £200,001	-	-	-	-	-	-
Total	**5**	**252,497**	**1**	**11,047**	**6**	**263,543**

	Period ending 31 March 2023 Departures where special payments have been made	
	Number	£
Less than £10,000	-	-
£10,001 to £25,000	-	-
£25,001 to £50,000	-	-
£50,001 to £100,000	-	-
£100,001 to £150,000	-	-
£150,001 to £200,000	-	-
Over £200,001	-	-
Total	**-**	**-**

4.5 Analysis of Other Agreed Departures

	Period ending 31 March 2023 Other agreed departures	
	Number	£
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	1	11,047
Exit payments following Employment Tribunals or court orders	-	-
Non-contractual payments requiring HMT approval*	-	-
Total	**1**	**11,047**

As a single exit package can be made up of several components each of which will be counted separately in this table, the total number will not necessarily match the total number in the table above, which will be the number of individuals.

These tables report the number and value of exit packages agreed in the financial year. The expense associated with these departures may have been recognised in part or in full in a previous period.

Exit costs are accounted for in accordance with relevant accounting standards and at the latest in full in the year of departure.

No non-contractual payments were made to individuals where the payment value was more than 12 months' of their annual salary.

4.6 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

4.6.1 Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

4.6.2 Full actuarial (funding) valuation
The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

5 Operating expenses

	Period ending 31 March 2023 Total £'000
Purchase of goods and services	
Services from other ICBs and NHS England	1,148
Services from foundation trusts	883,568
Services from other NHS trusts	475,126
Services from Other WGA bodies	-
Purchase of healthcare from non-NHS bodies	236,360
Purchase of social care	32,110
General Dental services and personal dental services	-
Prescribing costs	170,549
Pharmaceutical services	-
General Ophthalmic services	522
GPMS/APMS and PCTMS	173,115
Supplies and services – clinical	586
Supplies and services – general	1,512
Consultancy services	1,212
Establishment	5,437
Transport	121
Premises	1,365
Audit fees	326
Other non statutory audit expenditure	
· Internal audit services	-
· Other services	24
Other professional fees	351
Legal fees	464
Education, training and conferences	1,010
Non cash apprenticeship training grants	47
Total Purchase of goods and services	**1,984,953**
Depreciation and impairment charges	
Depreciation	494
Amortisation	58
Total Depreciation and impairment charges	**552**
Other Operating Expenditure	
Chair and Non Executive Members	143
Grants to Other bodies	1,017
Clinical negligence	1
Research and development (excluding staff costs)	-
Expected credit loss on receivables	(148)
Expected credit loss on other financial assets (stage 1 and 2 only)	-
Inventories relate to the ICB's share of inventories held within the Devon Bette	-
Inventories consumed	-
Other expenditure	193
Total Other Operating Expenditure	**1,206**
Total operating expenditure	**1,986,711**

In accordance with SI 2008 no.489, The Companies Regulations 2008, the contract the ICB has with the external auditors, KPMG UK LLP, has a limitation on their liability set at £5m.
The external audit fee, payable to KPMG UK LLP, is £200,000 plus VAT totalling £240,000 for the period ended 31 March 2023. Included in the 2022/23 audit fee is £71,403 plus VAT totalling £85,684 which relates to additional costs for the audit of the previous organisations (CCG) accounts for the period ended 30 June 2022.

6.1 Better Payment Practice Code

Measure of compliance	Period ending 31 March 2023 Number	Period ending 31 March 2023 £'000
Non-NHS Payables		
Total Non-NHS Trade invoices paid in the Year	50,005	471,252
Total Non-NHS Trade Invoices paid within target	49,769	468,711
Percentage of Non-NHS Trade invoices paid within target	**99.53%**	**99.46%**
NHS Payables		
Total NHS Trade Invoices Paid in the Year	985	1,367,003
Total NHS Trade Invoices Paid within target	965	1,366,369
Percentage of NHS Trade Invoices paid within target	**97.97%**	**99.95%**

The better payment practice code requires the ICB to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

6.2 The Late Payment of Commercial Debts (Interest) Act 1998	Period ending 31 March 2023 £'000
Amounts included in finance costs from claims made under this legislation	-
Compensation paid to cover debt recovery costs under this legislation	-
Total	**-**

7 Income Generation Activities

The ICB undertakes income generation activities with an aim of achieving profit, which is then used in commissioning healthcare services. None of these activities had a full cost which exceeded £1m or was otherwise material.

8 Finance costs

	Period ending 31 March 2023 £'000
Interest	
Interest on obligations under finance leases	32
Total finance costs	**32**

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

NHS Devon ICB has taken on the commissioning functions of NHS Devon CCG from 1 July 2022. Transfers as part of a reorganisation fall to be accounted for by use of absorption accounting in line with the Government Financial Reporting Manual, issued by HM Treasury. The Government Financial Reporting Manual does not require retrospective adoption, so prior year transactions have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Usually, where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Comprehensive Net Expenditure, and is disclosed separately from operating costs. However, transfers from CCGs to ICBs fall under the modified absorption approach in which the corresponding debit/credit to reflect the gain/loss on transfer is recognised directly in reserves.

The table below identifies the Statement of Financial Position at 1 July 2022 for NHS Devon ICB. The corresponding net debit reflecting the loss is recognised within income and expenses as disclosed within the Statement of Comprehensive Net Expenditure, but outside of operating activities.

	1 July 2022 £'000	Transfer during period £'000	Total £'000
Transfer of property plant and equipment	559	-	559
Transfer of right of use assets	2,267	-	2,267
Transfer of intangibles	225	-	225
Transfer of inventories	896	-	896
Transfer of cash and cash equivalents	731	-	731
Transfer of receivables	8,866	-	8,866
Transfer of payables	(134,884)	-	(134,884)
Transfer of Right Of Use liabilities	(2,317)	-	(2,317)
Transfer of borrowings	(2,489)	-	(2,489)
Transfer of PUPOC liability	-	(28)	(28)
Net loss on transfers by absorption	**(126,146)**	**(28)**	**(126,174)**

10 Property, plant and equipment

Period ending 31 March 2023	Buildings £'000	Plant & machinery £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation at 01 July 2022	-	-	-	-	-
Additions purchased	-	-	243	-	243
Disposals other than by sale	-	-	-	-	-
Impairments charged	-	-	-	-	-
Transfer (to)/from other public sector body	-	4	1,211	74	1,289
Cumulative depreciation adjustment following revaluation	-	-	-	-	-
Cost/Valuation at 31 March 2023	**-**	**4**	**1,454**	**74**	**1,532**
Depreciation 01 July 2022	-	-	-	-	-
Impairments charged	-	-	-	-	-
Charged during the year	-	-	177	5	182
Transfer (to)/from other public sector body	-	4	658	67	729
Depreciation at 31 March 2023	**-**	**4**	**835**	**72**	**911**
Net Book Value at 31 March 2023	**-**	**-**	**619**	**2**	**621**
Purchased	-	-	619	2	621
Total at 31 March 2023	**-**	**-**	**619**	**2**	**621**
Asset financing:					
Owned	-	-	619	2	621
Total at 31 March 2023	**-**	**-**	**619**	**2**	**621**

Revaluation Reserve Balance for Property, Plant & Equipment

	Buildings £'000	Plant & machinery £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Balance at 01 July 2022	-	-	-	-	-
Revaluation gains	-	-	-	-	-
Impairments	-	-	-	-	-
Release to general fund	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 March 2023	**-**	**-**	**-**	**-**	**-**

10 Property, plant and equipment cont'd

10.1 Cost or valuation of fully depreciated assets

The cost or valuation of fully depreciated assets still in use was as follows:

	Period ending 31 March 2023 £'000
Land	-
Buildings	-
Plant & machinery	4
Transport equipment	-
Information technology	424
Furniture & fittings	60
Total	**488**

10.2 Economic lives

	Minimum Life (years)	Maximum Life (Years)
Information technology	-	5
Furniture & fittings	-	2

11 Leases Right-of-use assets

Period ending 31 March 2023	Land £'000	Buildings £'000	Total £'000	Of which: leased from DHSC group bodies £'000
Cost or valuation at 01 July 2022	-	-	-	-
IFRS 16 Transition Adjustment	-	-	-	-
Additions	-	305	305	305
Upward revaluation gains	-	-	-	-
Lease remeasurement	-	(17)	(17)	(17)
Modifications	-	-	-	-
Derecognition for early terminations	-	-	-	-
Transfer (to) from other public sector body	-	2,364	2,364	886
Cost/Valuation at 31 March 2023	**-**	**2,652**	**2,652**	**1,174**
Depreciation 01 July 2022	-	-	-	-
Charged during the year	-	312	312	152
Impairments charged	-	-	-	-
Reversal of impairments	-	-	-	-
Transfer (to) from other public sector body	-	97	97	44
Depreciation at 31 March 2023	**-**	**409**	**409**	**196**
Net Book Value at 31 March 2023	**-**	**2,243**	**2,243**	**978**
NBV by counterparty				
Leased from DHSC				-
Leased from the NHS England Group				-
Leased from NHS Providers				-
Leased from Executive Agencies				-
Leased from Non-Departmental Public Bodies				-
Leased from other group bodies				978
Net Book Value at 31 March 2023				**978**

Revaluation Reserve Balance for Right-of-use-assets

	Land £'000	Buildings £'000	Total £'000
Balance at 01 July 2022	-	-	-
Revaluation gains	-	-	-
Impairments	-	-	-
Release to general fund	-	-	-
Other movements	-	-	-
Balance at 31 March 2023	**-**	**-**	**-**

11 Leases Right-of-use assets cont'd

11.1 Lease liabilities

	Period ending 31 March 2023 £'000
Lease liabilities at 1 July 2022	-
IFRS 16 Transition Adjustment	-
Addition of Assets under Construction & Payments on Account	-
Additions	(305)
Reclassifications	-
Interest expense relating to lease liabilities	(32)
Repayment of lease liabilities (capital and interest)	114
Lease remeasurement	17
Modifications	-
Disposals on expiry of lease term	-
Derecognition for early terminations	-
Transfer (to) from other public sector body	(2,317)
Lease liabilities at 31 March 2023	**(2,524)**

11.2 Lease liabilities - Maturity analysis of undiscounted future lease payments

	Period ending 31 March 2023 £'000	Of which: leased from DHSC group bodies £'000	1 July 2022 £'000	Of which: leased from DHSC group bodies £'000
Within one year	(661)	(261)	(482)	(173)
Between one and five years	(1,413)	(778)	(1,534)	(691)
After five years	(548)	(93)	(364)	-
	(2,622)	(1,132)	(2,380)	(864)
Effect of discounting	98	63	63	19
Included in:				
Current lease liabilities	(625)	(235)	(463)	(166)
Non-current lease liabilities	(1,899)	(834)	(1,854)	(679)
Total	**(2,524)**	**(1,069)**	(2,317)	(845)
Balance by counterparty		-		-
Leased from DHSC		-		-
Leased from the NHS England Group		-		-
Leased from NHS Providers		-		-
Leased from Executive Agencies		-		-
Leased from Non-Departmental Public Bodies		-		-
Leased from other group bodies		(1,069)		(845)
Balance as at 31 March 2023		**(1,069)**		(845)

11.3 Amounts recognised in Statement of Comprehensive Net Expenditure

	Period ending 31 March 2023 £'000
Depreciation expense on right-of-use assets	312
Interest expense on lease liabilities	32
Expense relating to variable lease payments not included in the measurement of the lease liability	-

11.4 Amounts recognised in Statement of Cash Flows

	Period ending 31 March 2023 £'000
Total cash outflow on leases under IFRS 16	114
Total cash outflow for lease payments not included within the measurement of lease liabilities	21

The ICB 's leases relate to the organisations offices. County Hall (Exeter), Pomona House (Torquay) and The Stone Barn (South Molton).

Irrecoverable VAT is not included in the measurement of leases and so the ICB has an estimated £186k of future VAT payments related to the leases disclosed above.

12 Intangible non-current assets

Period ending 31 March 2023	Computer Software: Purchased £'000	Total £'000
Cost or valuation at 01 July 2022	-	-
Additions purchased	-	-
Transfer (to)/from other public sector body	244	**244**
Cumulative amortisation adjustment following revaluation	-	-
Cost / Valuation At 31 March 2023	**244**	**244**
Amortisation 01 July 2022	-	-
		-
Charged during the year	58	**58**
Transfer (to) from other public sector body	19	**19**
Cumulative amortisation adjustment following revaluation	-	-
Amortisation At 31 March 2023	**77**	**77**
Net Book Value at 31 March 2023	**167**	**167**
Purchased	167	**167**
Donated	-	-
Government Granted	-	-
Total at 31 March 2023	**167**	**167**

Revaluation Reserve Balance for intangible assets

	Computer Software: Purchased £'000	Total £'000
Balance at 01 July 2022	-	-
Revaluation gains	-	-
Impairments	-	-
Release to general fund	-	-
Other movements	-	-
Balance at 31 March 2023	-	-

12 Intangible non-current assets cont'd

12.1 Cost or valuation of fully amortised assets

The cost or valuation of fully depreciated assets still in use was as follows:

	Period ending 31 March 2023 £'000
Computer software: purchased	-
Computer software: internally generated	-
Licences & trademarks	-
Patents	-
Development expenditure (internally generated)	-
Total	-

12.2 Economic lives

	Minimum Life (years)	Maximum Life (Years)
Computer software: purchased	1	4
Computer software: internally generated	-	-
Licences & trademarks	-	-
Patents	-	-
Development expenditure (internally generated)	-	-

13 Inventories

	Drugs £'000	Consumables £'000	Other £'000	Total £'000
Balance at 01 July 2022	-	-	-	-
Additions	-	316	-	**316**
Inventories recognised as an expense in the period	-	-	-	-
Write-down of inventories (including losses)	-	-	-	-
Reversal of write-down previously taken to the statement of comprehensive net expenditure	-	-	-	-
Transfer from other public sector body by Absorption	-	824	72	**896**
Balance at 31 March 2023	-	**1,140**	**72**	**1,212**

Inventories relate to the ICB's share of inventories held within the Devon Better Care Fund managed by Devon County Council as host of the pooled fund.

14.1 Trade and other receivables

	Current Period ending 31 March 2023 £'000	Non-current Period ending 31 March 2023 £'000	Current 1 July 2022 £'000	Non-current 1 July 2022 £'000
NHS receivables: Revenue	2,176	-	980	-
NHS accrued income	183	-	585	-
Non-NHS and Other WGA receivables: Revenue	1,365	-	3,764	-
Non-NHS and Other WGA prepayments	1,219	-	2,887	-
Non-NHS and Other WGA accrued income	1,083	-	664	-
Expected credit loss allowance-receivables	(581)	-	(729)	-
VAT	131	-	710	-
Other receivables and accruals	-	-	5	-
Total Trade & other receivables	**5,576**	**-**	**8,866**	**-**
Total current and non current	**5,576**		**8,866**	

As at 31 March 2023 there were no non-current trade and other receivables (none as at 1 July 2022). -
There are no prepaid pensions contributions as at 31 March 2023 (none as at 1 July 2022). -
The great majority of trade is with NHS England. As NHS England is funded by Government to provide funding to ICB's to commission services, no credit scoring of them is considered necessary.

14.2 Receivables past their due date but not impaired

	Period ending 31 March 2023 DHSC Group Bodies £'000	Period ending 31 March 2023 Non DHSC Group Bodies £'000
By up to three months	386	57
By three to six months	118	294
By more than six months	27	115
Total	**531**	**466**

£33k of the amount above has subsequently been recovered post period end as at 18th April 2023.
The ICB did not hold any collateral against receivables outstanding at 31 March 2023.
Receivables past their due date are stated at the consideration agreed at the date of the transaction and the carrying amount and terms have not been renegotiated.

14.3 Loss allowance on asset classes

	Trade and other receivables - Non DHSC Group Bodies £'000	Other financial assets £'000	Total £'000
Balance at 01 July 2022	-	-	**-**
Transfer by Absorption from other entity	(729)		**(729)**
Lifetime expected credit loss on credit impaired financial assets	-	-	**-**
Lifetime expected credit losses on trade and other receivables-Stage 2	-	-	**-**
Lifetime expected credit losses on trade and other receivables-Stage 3	-	-	**-**
Credit losses recognised on purchase originated credit impaired financial assets	-	-	**-**
Amounts written off	-	-	**-**
Financial assets that have been derecognised	-	-	**-**
Changes due to modifications that did not result in derecognition	-	-	**-**
Other changes	148	-	**148**
Total	**(581)**	**-**	**(581)**

Other changes include income received relating to brought forward credit loss.

15 Other financial assets

15.1 Non-Current: capital analysis

The ICB holds a shareholding interest in DELT in respect of 1 A ordinary Share with a nominal total value of £1 being 50% of the total shareholding and 30 B ordinary shares with a total nominal value of £30 being 30% of the total shareholding. Due to the immaterial value it is not visible in the annual accounts.

16 Cash and cash equivalents

	Period ending 31 March 2023 £'000	1 July 2022 £'000
Balance at 01 July 2022	-	(1,758)
Transfer from other public bodies under absorption	(1,758)	-
Net change in year	274	-
Balance at 31 March 2023	**(1,484)**	**(1,758)**
Made up of:		
Cash with the Government Banking Service (GBS)	1,012	730
Cash in hand	1	1
Cash and cash equivalents as in statement of financial position	**1,013**	**731**
Bank overdraft: Government Banking Service	(2,497)	(2,489)
Bank overdraft: Commercial banks	-	-
Total bank overdrafts	**(2,497)**	**(2,489)**
Balance at 31 March 2023	**(1,484)**	**(1,758)**

The ICB is in a technical overdraft which is partly due to the requirement for the ICB to pay general practices at the start of the month. The bank is in credit (Cash with the Government Banking Service) while the BACS payment is in progress (Bank overdraft: Government Banking Services). NHS England funds are deposited into the ICB account on the day the general practices payments leave the account.

17 Trade and other payables	Current Period ending 31 March 2023 £'000	Non-current Period ending 31 March 2023 £'000	Current 1 July 2022 £'000	Non-current 1 July 2022 £'000
NHS payables: Revenue	5,104	-	1,687	-
NHS accruals	10,505	-	17,108	-
Non-NHS and Other WGA payables: Revenue	17,211	-	9,514	-
Non-NHS and Other WGA accruals	72,184	-	71,110	-
Non-NHS and Other WGA deferred income	1,830	-	-	-
Social security costs	357	-	387	-
Tax	332	-	305	-
Other payables and accruals	39,065	-	34,773	-
Total Trade & Other Payables	**146,588**	**-**	**134,884**	**-**
Total current and non-current	**146,588**		**134,884**	

Other payables and accruals include those for Primary Care, Placements, Acute Care and Community Services that are not part of Whole Government Accounts (WGA), as well as outstanding pension contributions.

18 Borrowings	Current Period ending 31 March 2023 £'000	Non-current Period ending 31 March 2023 £'000	Current 1 July 2022 £'000	Non-current 1 July 2022 £'000
Bank overdrafts:				
· Government banking service	2,497	-	2,489	-
· Commercial banks	-	-	-	-
Total overdrafts	**2,497**	**-**	**2,489**	**-**
Total	**2,497**	**-**	**2,489**	**-**
Total current and non-current	**2,497**		**2,489**	

The ICB is in a technical overdraft which is partly due to the requirement for the ICB to pay general practices at the start of the month. The bank is in credit while the BACS payment is in progress. NHS England funds are deposited into the ICB account on the day the general practices payments leave the account.

18.1 Repayment of principal falling due

	Department of Health Period ending 31 March 2023 £'000	Other Period ending 31 March 2023 £'000	Total Period ending 31 March 2023 £'000
Within one year	-	2,497	2,497
Between one and two years	-	-	-
Between two and five years	-	-	-
Between one and five years	**-**	**-**	**-**
After five years	-	-	-
Total	**-**	**2,497**	**2,497**

	Department of Health 1 July 2022 £'000	Other 1 July 2022 £'000	Total 1 July 2022 £'000
Within one year	-	2,489	2,489
Between one and two years	-	-	-
Between two and five years	-	-	-
Between one and five years	**-**	**-**	**-**
After five years	-	-	-
Total	**-**	**2,489**	**2,489**

19 Provisions

Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with ICB. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the ICB is £nil as at 31 March

20 Contingencies

The ICB had no contingent assets or liabilities for the period ended 31 March 2023.

21 Financial instruments

Financial instruments are disclosed at fair value. Due to the short term nature of the transactions, fair value for cash is recognised at its sterling value; trade receivables, trade payables, other financial assets and liabilities are stated at the consideration agreed at the date of the transaction, hence the carrying value is considered to be a reasonable approximation to fair value.

21.1 Financial risk management

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

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

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

21.1.1 Currency risk

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

21.1.2 Interest rate risk

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

21.1.3 Credit risk

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

21.1.4 Liquidity risk

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

21.1.5 Financial Instruments

As the cash requirements of NHS England are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NHS England's expected purchase and usage requirements and NHS England is therefore exposed to little credit, liquidity or market risk.

21 Financial instruments cont'd

21.2 Financial assets

	Financial Assets measured at amortised cost Period ending 31 March 2023 £'000	Equity Instruments designated at FVOCI Period ending 31 March 2023 £'000	Total Period ending 31 March 2023 £'000	Financial Assets measured at amortised cost 1 July 2022 £'000	Equity Instruments designated at FVOCI 1 July 2022 £'000	Total 1 July 2022 £'000
Trade and other receivables with NHSE bodies	2,226	-	**2,226**	1,211	-	1,211
Trade and other receivables with other DHSC group bodies	246	-	**246**	504	-	504
Trade and other receivables with external bodies	2,335	-	**2,335**	4,284	-	4,284
Cash and cash equivalents	1,013	-	**1,013**	731	-	731
Total	**5,820**	**-**	**5,820**	6,730	-	6,730

21.3 Financial liabilities

	Financial Liabilities measured at amortised cost Period ending 31 March 2023 £'000	Other Period ending 31 March 2023 £'000	Total Period ending 31 March 2023 £'000	Financial Liabilities measured at amortised cost 1 July 2022 £'000	Other 1 July 2022 £'000	Total 1 July 2022 £'000
Loans with external bodies	2,497		**2,497**	2,489		2,489
Trade and other payables with NHSE bodies	1,217	-	**1,217**	410	-	410
Trade and other payables with other DHSC group bodies	15,568	-	**15,568**	19,695	-	19,695
Trade and other payables with external bodies	129,808	-	**129,808**	116,405	-	116,405
Other financial liabilities	-	-	**-**	-	-	-
Total	**149,089**	**-**	**149,089**	138,999	-	138,999

Loans with external bodies are the outstanding payments yet to leave the bank account and has resulted in a technical overdraft.

21.4 Maturity of financial liabilities

	Payable to DHSC Period ending 31 March 2023 £'000	Payable to Other bodies Period ending 31 March 2023 £'000	Total Period ending 31 March 2023 £'000	Payable to DHSC 1 July 2022 £'000	Payable to Other bodies 1 July 2022 £'000	Total 1 July 2022 £'000
In one year or less	15,951	131,239	**147,190**	19,426	117,719	137,145
In more than one year but not more than two years	240	210	**450**	167	208	375
In more than two years but not more than five years	501	405	**906**	512	607	1,119
In more than five years	93	450	**543**	-	360	360
Total	16,785	132,304	**149,089**	20,105	118,894	138,999

22 Operating segments

The ICB consider they have only one segment, commissioning of healthcare services.

	Gross expenditure	Income	Net expenditure	Total assets	Total liabilities	Net assets
	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning of Healthcare Services	2,016,277	(19,425)	**1,996,852**	10,832	(151,609)	**(140,777)**

Wherever possible the ICB manages resources and commissioning on a locality basis. Whilst this covers gross expenditure, which is reported using segmental analysis, this is not sufficient to necessitate a full reanalysis of the ICB's spend within these accounts.

23 Joint arrangements - interests in joint operations

23.1 Interests in joint operations

Name of arrangement	Parties to the arrangement	Description of principal activities	Amounts recognised in Entities books ONLY Period ending 31 March 2023 Assets	Liabilities	Income	Expenditure
			£'000	£'000	£'000	£'000
Devon Better Care Fund	Devon County Council	Provision of integrated care	1,212	-	21,526	52,236
Plymouth Integrated Fund	Plymouth City Council	Provision of integrated care	-	-	9,493	145,603
Joint Community Equipment Store	Torbay Council	Provision of community equipment	-	-	-	637
Better Care Fund Torbay	Torbay Council	Provision of integrated care services	-	-	-	9,840

23.2 Interests in entities not accounted for under IFRS 10 or IFRS 11

Name of entity	Description of principal activities	Basis for treatment eg materiality
DELT Shared Services Ltd	IT Services	Materiality

24 Related party transactions

Period ending 31 March 2023

During the year, apart from the following transactions none of the Department of Health Ministers, leadership or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Devon ICB.

Details of related party transactions are as follows:

	Period ending 31 March 2023 Payments to Related Party £'000	Period ending 31 March 2023 Receipts from Related Party £'000	Period ending 31 March 2023 Amounts owed to Related Party £'000	Period ending 31 March 2023 from Related Party £'000
DELT SHARED SERVICES LTD	1,133	-	-	-
DEVON COUNTY COUNCIL	14,729	(2,698)	7,662	(264)
PLYMOUTH CITY COUNCIL	4,806	(11,150)	837	(86)
TORBAY COUNCIL	187	(454)	139	(94)

The Department of Health and Social Care is regarded as a related party. During the year, the ICB has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. The most significant transactions for the ICB were with the following:

Devon Partnership NHS Trust
Leeds Teaching Hospitals NHS Trust
NHS England
NHS Property Services Ltd
North Bristol NHS Trust
Royal Brompton & Harefield NHS Foundation Trust
Royal Cornwall Hospitals NHS Trust
Royal Devon University Healthcare NHS Foundation Trust
South Western Ambulance NHS Foundation Trust
Taunton & Somerset NHS Foundation Trust
Torbay and South Devon NHS Foundation Trust
University College London Hospitals NHS Foundation Trust
University Hospitals Bristol and Weston NHS Foundation Trust
University Hospitals Plymouth NHS Trust

In addition, the ICB has had a number of material transactions with other Government Departments and other central and local Government bodies. The most significant of these transactions have been with Torbay Council, Devon County Council and Plymouth County Council, details of which are included above.

25 Events after the end of the reporting period

25.1 ICB reorganisation

Subsequent to the reporting period the ICB will be going through a reorganisation which is partly due to the reduction in funding the ICB is able to use to run the entity. The reorganisation will streamline operations, optimise resources and improve operational efficiency.

25.2 Financial Statements
The financial statements were approved by the Board and authorised for issue on 6 September 2023.

The above mentioned post balance sheet events have no material effect on the accounts for the period ended 31 March 2023.

26 Financial performance targets
NHS Integrated Care Board have a number of performance targets

The ICB performance against those targets was as follows:

	Period ending 31 March 2023 Target	Period ending 31 March 2023 Performance	Period ending 31 March 2023 Duty
	£'000	£'000	Achieved?
Expenditure not to exceed income	2,016,943	2,016,808	Y
Capital resource use does not exceed the amount specified in Directions	531	531	Y
Revenue resource use does not exceed the amount specified in Directions	1,996,987	1,996,852	Y
Revenue administration resource use does not exceed the amount specified in Directions	19,690	19,690	Y

The ICB met the requirement for spend not to exceed the capital and overall revenue resources received during the year. The ICB's overall expenditure was less than the income and revenue resource received during the year resulting in a surplus of £0.135m.

Summary of Programme and Administration, Income and Expenditure	Period ending 31 March 2023 £000
Programme Expenditure	1,996,030
Administration Expenditure	20,247
Total Expenditure	**2,016,277**
Programme Income	(18,868)
Administration Income	(557)
Total Income	**(19,425)**
Total Net Expenditure for the financial period	**1,996,852**
Revenue Resource Limit (RRL)	**1,996,987**
Surplus/(Deficit)	**135**
Surplus/(Deficit) % of Revenue Resource Limit	**0.01%**

Accountable Officer

6 September 2023

Appendices

Appendix 1: Membership and Attendance Record for the Board and its Committees

NHS Devon ICB	Attendances/ Possible Attendance
Dr Sarah Wollaston, Chair, NHS Devon	10/ 10
Graham Clarke, Non-Executive Member for Audit and Risk	09/10
Kevin Orford, Non-Executive Member for Finance and Remuneration	10/ 10
Professor Sheena Asthana, Non-Executive Member for Health Inequalities and Population Health	08/ 10
Professor Hisham Khalil, Non-Executive Member for Quality and Patient Experience	10/ 10
Judith Hargadon, Non-Executive Member for Primary Care	10/ 10
Dr Thandiwe Hara, Non-Executive Member for Citizen and Community Involvement	09/ 10
Jane Milligan, Chief Executive Officer, NHS Devon	10/ 10
Bill Shields, Chief Finance Officer, NHS Devon (from November 22)	04/ 05
John Dowell, Chief Finance Officer, NHS Devon (to end of October 22)	04/ 05
Nigel Acheson, Chief Medical Officer, NHS Devon	06/ 10
Darryn Allcorn, Chief Nursing Officer, NHS Devon	08/ 10
Andrew Millward, Chief Communications and Corporate Affairs Officer, NHS Devon	10/ 10
Anthony Fitzgerald, Chief Delivery Officer, NHS Devon (from November 22)	03/ 04
Paul Renshaw, Director of Strategic Workforce, NHS Devon	07/ 10
Simon Tapley, Chief Transformation and Strategic Planning Officer, NHS Devon	04/ 10
Tracey Lee, Partner Member for Local Authorities	09/ 10
Steve Brown, Partner Member for Local Authorities	08/ 10
Liz Davenport, Partner Member for NHS Trusts and Foundation Trusts	09/ 10
Sarah Lou Glover, Partner Member for Mental Health, Learning Disabilities and Neurodiversity	08/ 10
Frank O'Kelly, Partner Member for Primary Care	10/ 10

Highlights of work over the reporting period:

At its first meeting on 1 July 2022 the NHS Devon Board appointments of the Chair, Statutory Board roles and Chairs of ICB Board Committees and Integrated Care Partnership were confirmed as well as approval of key ICB policies.

The Board has covered a wide range of issues during the reporting period particular focus has been on the development of the Operating Model, Financial and performance recovery plans and the Board Assurance Framework and Risk Management Framework.

The Board approved the Integrated Care Strategy, Digital Strategy and the delegation of Podiatry, Ophthalmic and Dentistry services from NHS England.

The Board has also valued hearing and learning from the lived experience of patients, carers and frontline staff and is grateful to Healthwatch for helping to put the board in touch with individuals who have shared their experiences with them in areas relating to the Board's agenda.

Regular reviews of quality, performance and finance are undertaken at each meeting as is assurance and escalation from the assurance committees.

Audit and Risk Committee

Audit and Risk Committee	**Attendances/ Possible Attendance**
Graham Clarke, Non-Executive Member for Audit and Risk (Committee Chair)	06/07
Kevin Orford, Non-Executive Member for Finance and Remuneration	07/07
Professor Sheena Asthana, Non-Executive Member for Health Inequalities and Population Health	06/07
Professor Hisham Khalil, Non-Executive Member for Quality and Patient Experience	07/07
Bill Shields, Chief Finance Officer, NHS Devon (from November 22)	03/04
John Dowell, Chief Finance Officer, NHS Devon (to end of October 22)	03/03
Darryn Allcorn, Chief Nursing Officer, NHS Devon	03/07
Andrew Millward, Chief Communications and Corporate Affairs Officer, NHS Devon	04/07

Sarah Wollaston, NHS Devon Chair attended two meetings as a guest as part of establishment of the ICB.

Highlights of work over the reporting period:

The Audit and Risk Committee has covered a wide range of issues during the reporting period, with particular focus on the development of the ICB's Board Assurance Framework and Risk Management Framework.

Regular updates have been received from Audit South West around the progress of the Internal Audit programme and Counter Fraud Programme with consideration being given to the recommendations resulting from the programmes of work.

The Committee has considered the Information Governance policies and procedures being assured as to compliance and progress against the DPST and has also reviewed the risks associated with the delegation of Pharmacy, Ophthalmology and Dentistry from NHS England to the ICB, escalating its concerns to the ICB Board.

The challenges in securing external auditors for the ICB has been a regular agenda item.

The Chair of the Audit and Risk Committee has also been working with Chairs from across the system to establish an Audit Chairs' Forum.

Remuneration and Internal ICB Workforce Committee

Remuneration and Internal ICB Workforce Committee	**Attendances/ Possible Attendance**
Dr Sarah Wollaston, Chair, NHS Devon	02/03
Kevin Orford, Non-Executive Member for Finance and Remuneration (Committee chair)	03/03
Professor Sheena Asthana, Non-Executive Member for Health Inequalities and Population Health	01/03
Judith Hargadon, Non-Executive Member for Primary Care	03/03
Dr Thandiwe Hara, Non-Executive Members for Citizen and Community Involvement	02/03

Highlights of work over the reporting period:

Agreed the remuneration of the Chair Executive Officer of the ICB and of its Executive Directors and Non-Executive Members.

The Committee received a briefing on the "Freedom to Speak Up" work being undertaken at the ICB and the staff survey results.

Primary Care Transformation Commissioning Committee

Primary Care Transformation Commissioning Committee	Attendances/ Possible Attendance
Judith Hargadon, Non-Executive Member for Primary Care (Committee chair)	06/07
Dr Thandiwe Hara, Non-Executive Member for Citizen and Community Involvement	07/07
Darryn Allcorn, Chief Nursing Officer, NHS Devon	01/07 (deputy in attendance for 07/07)
Nigel Acheson, Chief Medical Officer, NHS Devon	05/07
Frank O'Kelly, Partner Member for Primary Care	06/07
Bill Shields, Chief Finance Officer, NHS Devon (from November 22)	0/03 (deputy in attendance)
John Dowell, Chief Finance Officer, NHS Devon (to end of October 22)	0/03 (deputy in attendance)

Highlights of work over the reporting period:

The main focus of the Committee has been preparing for the delegation of Pharmacy, Ophthalmology and Dentistry services from NHS England as of 1 April 2023.

The Committee has overseen the development of the NHS Devon Primary Care Strategy and Community First Strategy.

Regular focus has been given to population health management, support for GP practices, contractual and resilience matters and resolving issues around individual providers within the system.

People and Culture Committee

People and Culture Committee	Attendances/ Possible Attendance
Judith Hargadon, Independent Non-Executive Member	04/05
Dr Thandiwe Hara, Non-Executive Member for Citizen and Community Involvement (Committee chair)	05/05
Jane Milligan, Chief Executive Officer, NHS Devon	04/05
Paul Renshaw, Director of Strategic Workforce, NHS Devon	05/05
Tracey Lee, Partner Member for Local Authorities	04/05

Andrew Millward, Chief Communications and Corporate Affairs Officer, NHS Devon	01/05
Michelle Thomas, Partner Member for Provider Organisation	01/05

Highlights of work over the reporting period:

The main focus has been the development of the ICS Workforce Strategy. During the year the Committee has received briefings on the work of the Devon Learning Academy, the Health and Social Skills Accelerator Programme and hear from Chief Medical Officer regarding the ICB's research, innovation, and improvement work.

Specific issues of focus included the international recruitment of nurses and social care staff, the Devon Wellbeing Hub, agency spend, staff turnover and workforce productivity.

Quality and Performance Committee

Quality and Performance Committee	**Attendances/ Possible Attendance**
Kevin Orford, Non-Executive Member for Finance and Remuneration	06/07
Professor Hisham Khalil, Non-Executive Member for Quality and Patient Experience (Committee chair|)	07/07
Judith Hargadon, Non-Executive Member for Primary Care	06/07
Nigel Acheson, Chief Medical Officer, NHS Devon	04/07
Darryn Allcorn, Chief Nursing Officer, NHS Devon	07/07

Highlights of work over the reporting period:

The Committee has covered a wide range of issues during the reporting period with risk management, incident reporting thematic analysis and patient safety featuring on each agenda.

Reviews have been undertaken in respect of elective care patients, 111 services, ambulance handovers, ICS CQUIN schemes, with the implications of reports such as the Maternity and Neonatal services in East Kent and the Peninsula Trauma Network Peer Review.

Work has begun to prepare for the implementation of the revisions to the National Patient Safety Framework which will have an impact on the way in which incidents are managed across the NHS.

Finance Committee

Finance Committee	Attendances/ Possible Attendance
Graham Clarke, Non-Executive Member for Audit and Risk	08/08
Kevin Orford, Non-Executive Member for Finance and Remuneration (Committee chair)	08/08
Professor Sheena Asthana, Non-Executive Member for Health Inequalities and Population Health	07/08
John Dowell, Chief Finance Officer, NHS Devon (to end of October 22)	03/04
Nigel Acheson, Chief Medical Officer, NHS Devon	05/08
Simon Tapley, Chief Transformation and Strategic Planning Officer, NHS Devon	03/08
Bill Shields, Chief Finance Officer, NHS Devon (from November 22)	04/04
Anthony Fitzgerald, Chief Delivery Officer, NHS Devon (from November 22)	01/04

Highlights of work over the reporting period:

The financial position of the ICB and ICS has driven the work of the Finance Committee during this period with monthly consideration being given to the SOF 4 exit criteria, financial risks and equities reporting.

The Committee also considered the full business case for the Plymouth Cavell Centre and made its recommendation for approval to the ICB Board. It also considered the contract recommendation for the Home Oxygen Service. Procurement updates were considered and an update to the Procurement Policy approved.

Other areas of focus have included the estates portfolio, Patient Transport Service procurement, the system's investment process and approach to financial risk management.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF NHS DEVON INTEGRATED CARE BOARD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NHS Devon Integrated Care Board ("the ICB") for the nine-month period ended 31 March 2023 which comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Changes in Taxpayers' Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the ICB's affairs as at 31 March 2023 and of its income and expenditure for the nine month period then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State on 26 April 2023 as being relevant to ICBs in England and included in the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the ICB in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Accountable Officer of the ICB ("the Accountable Officer") has prepared the financial statements on the going concern basis, as they have not been informed by the relevant national body of the intention to either cease the ICB's services or dissolve the ICB without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Accountable Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the ICB over the going concern period.

Our conclusions based on this work:

- we consider that the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Accountable Officer's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ICB's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the ICB will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit & Risk Committee and internal audit and inspection of policy documentation as to the ICB's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the ICB's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported expenditure as a result of the need to achieve statutory targets delegated to the ICB by NHS England.
- Reading Board and Audit & Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated statutory resource limits, we performed procedures to address the risk of management override of controls, in particular the risk that ICB management may be in a position to make inappropriate accounting entries. In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we recognised a fraud risk related to expenditure recognition, specifically, the risk associated with the recognition of NHS and non-NHS Expenditure, excluding prescribing expenditure, at the period end.

On this audit we did not identify a fraud risk related to revenue recognition because of the nature of funding provided to the ICB, which is transferred from NHS England and recognised through the Statement of Changes in Taxpayers' Equity.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual postings to cash, unusual postings to expenditure, and journals that move expenditure between programme and administrative expenditure.
- Inspecting transactions in the period prior to and following 31 March 2023 to verify expenditure had been recognised in the correct accounting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Board and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The ICB is subject to laws and regulations that directly affect the financial statements including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the ICB is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

The Accountable Officer is responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial period is consistent with the financial statements.

Annual Governance Statement

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2022/23. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared, in all material respects, in accordance with the Department of Health and Social Care Group Accounting Manual 2022/23.

Accountable Officer's responsibilities

As explained more fully in the statement set out on pages 60 and 61, the Accountable Officer of the ICB is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the ICB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the ICB or dissolve the ICB without the transfer of its services to another public sector entity.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Opinion on regularity

We are required to report on the following matters under Section 21(4) and (5) of the Local Audit and Accountability Act 2014.

In our opinion, in all material respects, the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report on the ICB's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the ICB to secure economy, efficiency and effectiveness in its use of resources.

Our work in this area is not yet complete. The outcomes of our procedures will be reported within our commentary on the ICB's arrangements as part of our Auditor's Annual Report.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained more fully in the statement set out on pages 60 and 61, the Accountable Officer is responsible for ensuring that the ICB exercises its functions effectively, efficiently and economically. We are required under section 21(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the ICB has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the ICB's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We planned our work and undertook our review in accordance with the Code of Audit Practice and related statutory guidance, having regard to whether the ICB had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if we refer a matter to the Secretary of State and NHS England under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the ICB, or an officer of the ICB, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

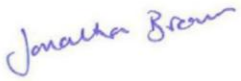
We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Members of the Board of NHS Devon Integrated Care Board, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Members of the Board of the ICB, as a body, 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 Members of the Board of the ICB, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to determine whether there are any significant weaknesses in the ICB's arrangements for securing economy, efficiency and effectiveness in its use of resources. We will report the outcome of this work in the commentary included in our Auditor's Annual Report and include any exception reporting in respect of significant weaknesses in our audit completion certificate. We are satisfied that this work does not have a material impact on the financial statements.



Jonathan Brown
for and on behalf of KPMG LLP
Chartered Accountants
Bristol
7 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF NHS DEVON INTEGRATED CARE BOARD

AUDIT COMPLETION CERTIFICATE

In our audit report dated 7 September 2023 we stated that we could not certify that we had completed the audit of the accounts of NHS Devon Integrated Care Board (the "ICB") for the year ended 31 March 2023 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"). We could not certify completion at 7 September 2023 because we had not completed our assessment of whether there were any significant weaknesses in the arrangements that have been made by the ICB to secure economy, efficiency and effectiveness in its use of resources.

This work has now been completed.

No matters have come to our attention since 7 September 2023 that would have had a material effect on our audit opinion on the financial statements for the year ended 31 March 2023, which was unmodified.

REPORT ON THE ICB'S ARRANGEMENTS FOR SECURING ECONOMY, EFFICIENCY AND EFFECTIVENESS IN ITS USE OF RESOURCES

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the ICB to secure economy, efficiency and effectiveness in its use of resources.

Since our audit report dated 7 September 2023, we have concluded on the following significant weaknesses:

Significant weakness – Financial sustainability

The auditors for the predecessor body, NHS Devon CCG identified a significant weakness in arrangements in relation to financial sustainability in their audit for the year ended 31 March 2022, due to the Devon Integrated Care System's (ICS) significant cumulative deficit position and its reliance on a significant savings plan which it is at risk of not delivering.

The final financial plan for the Devon ICS for 2023/24 is for the delivery of a £42.3m deficit for the system as a whole. The plan is reliant on the delivery of a Cost Improvement Programme (CIP) of £212.2m which represents 8.3% of the ICB's resource allocation. Given the system's historic delivery performance on CIP, there is a risk that this will not be achieved.

We have therefore concluded that there is a significant weakness over the arrangements that the ICB has in place to deliver financial sustainability.

Recommendation

We recommend that the ICB ensures that there is a robust process for ensuring CIP schemes are deliverable and monitored so that any required mitigations can be identified and actioned.

Significant weakness – Governance

From October 2022, the reporting of Corporate Risks and the Corporate Risk Register to both Board and delegated sub-committees was effectively paused, to allow time to complete the internal review of the Board Assurance Framework (BAF) and supporting corporate risk reporting. As a result, the ICB operated without a BAF for several months and overall risk management arrangements had not been consistently applied during the year.

An Internal Audit review in May 2023 also highlighted a number of areas of concern and failures in the controls relating to compliance with the ICB's financial procedures and established procurement practices.

We have therefore concluded that there was a significant weakness in the ICB's arrangements for ensuring effective governance arrangements were in operation for the whole of 2022/23.

Recommendation

The ICB should ensure that the updated BAF and risk management arrangements are embedded into the ICB's systems and processes and ensure there is a robust plan in place to address the findings of the Internal Audit review.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The ICB is responsible for ensuring that the ICB exercises its functions effectively, efficiently and economically. We are required under section 21(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the ICB has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the ICB's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the ICB had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Members of the Board of NHS Devon Integrated Care Board, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Members of the Board of the ICB, as a body, 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 Members of the Board of the ICB, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of NHS Devon Integrated Care Board for the nine-month period ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Jonathan Brown
for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

10 November 2023