

Going Concern

In considering whether the CCG is a going concern for at least 12 months after the accounting period and that its accounts should be prepared on that basis the CCG needs to document its consideration of any material uncertainties material uncertainties that may cast doubt on the body's ability to continue as a business. It is suggested the CCG should include the following questions in its considerations.

Going Concern Assessment

Question	Management response
1. Is the CCG dependent on significant unidentified cost improvements?	No – In 2017/18 the CCG started the year with a level of unidentified QIPP, which has continued to be worked on throughout the year with the Financial Sustainability Taskforce group. Whilst recurrent QIPP was not delivered to close the gap, other non-recurrent measures were achieved to ensure that the CCG delivered its control total and mandated risk reserve requirements. Looking ahead to 2018/19, the budget was approved by the Governing Body before the start of the financial year and, whilst delivery will be a challenge, there is no unidentified QIPP.
2. Are planned savings e.g. QIPP being achieved?	Yes, in most areas, although some plans have not achieved as much as originally planned, however other areas as noted in 1 have been identified to secure the position for the year.
3. Have any serious concerns been raised by LAT, NHSE or DH about its finances e.g. has the CCG been given a "Red" RAG rating?	No – identified as green all year
4. Is the CCG likely to achieve its agreed budgeted financial position?	Yes – 2017/18 Annual Accounts subject to external audit shows an in-year surplus of £6.374m. The CCG has a good track record of achieving its financial targets.
5. Has the CCG received significant financial support to help meet its financial objective?	No – no financial support has been provided.

Question	Management response
6. Has the CCG failed to comply with the better payment practice code?	No
7. Does the CCG have negative operating cash flows?	No the CCG has operated within its cash limits all year and has cash balances well within tolerance at 31 March 2018.
8. What are the results of the preliminary going concern assessment, including any awareness of the existence of other events or conditions that may cast doubt on the CCG's ability to continue as a going concern.	<p>The CCG remains in a financially stable position for 2017/18 and is delivering a cumulative surplus above the 1% business rules expectation. The CCG has a planned in-year surplus for 2018/19 of £1.234m, however also has a cumulative surplus of £33.5m including the performance achieved in 2017/18, which continues to be significantly in excess of the 1% business rules requirements. The CCG is confident that it will maintain and deliver the targeted in-year surplus, however will continue to still focus on QIPP and delivery of efficiencies.</p> <p>The plan for 2018/19 as been approved by the CCG Governing Body at the March 2018 meeting. Looking beyond 2018/19, the CCG has received indicative resource allocations up to 2020/21 which provide further assurance that it is a going concern.</p> <p>Finally, it is also worth noting that arguably CCGs are a branch element of NHS England and therefore are part of a financial delivery requirement for the whole national perspective, so therefore we are also managed to ensure delivery of our control total and plan to enable the NHS England position to be delivered.</p> <p>Below is an extract from NHS England's accounts from last year and therefore it is useful context in terms of the same approach will equally be the case for 2017/18, 2018/19 etc.</p>

Question	Management response
	<p data-bbox="890 331 1066 360">Going concern</p> <p data-bbox="890 405 1385 965">NHS England’s financial statements are produced on a going concern basis. NHS England is supply financed and draws its funding from the DH. Parliament has demonstrated its commitment to fund DH for the foreseeable future via the latest Spending Review and the passing of the Health and Social Care Act 2012. In the same way, DH has demonstrated commitment to the funding of NHS England, with funding flows for the 2017/18 financial year having already commenced. It is therefore considered appropriate to adopt the going concern basis for the preparation of these financial statements.</p>