

**Statement of Comprehensive Net Expenditure for the year ended
31 March 2021**

	Note	2020-21 £'000	2019-20 £'000
Income from sale of goods and services	2	(4,897)	(16,019)
Total operating income		(4,897)	(16,019)
Staff costs	4	20,455	18,013
Purchase of goods and services	5	1,538,011	1,327,930
Depreciation and impairment charges	5	100	105
Provision expense	5	(325)	-
Other Operating Expenditure	5	572	1,602
Total operating expenditure		1,558,813	1,347,650
Net Operating Expenditure		1,553,917	1,331,631
Net expenditure for the Year		1,553,917	1,331,631
Total Net Expenditure for the Financial Year		1,553,917	1,331,631
Comprehensive Expenditure for the year		1,553,917	1,331,631

**Statement of Financial Position as at
31 March 2021**

		2020-21	2019-20
	Note	£'000	£'000
Non-current assets:			
Property, plant and equipment	13	200	300
Total non-current assets		<u>200</u>	<u>300</u>
Current assets:			
Inventories	16	182	182
Trade and other receivables	17	21,942	22,015
Cash and cash equivalents	20	(392)	(17)
Total current assets		21,732	22,180
Total assets		<u>21,932</u>	<u>22,480</u>
Current liabilities			
Trade and other payables	22	(111,167)	(104,331)
Provisions	28	-	(792)
Total current liabilities		(111,167)	(105,123)
Non-Current Assets plus/less Net Current Assets/Liabilities		<u>(89,235)</u>	<u>(82,643)</u>
Assets less Liabilities		<u>(89,235)</u>	<u>(82,643)</u>
Financed by Taxpayers' Equity			
General fund		(89,235)	(82,643)
Total taxpayers' equity:		<u>(89,235)</u>	<u>(82,643)</u>

The notes on pages 101 to 118 form part of this statement

The financial statements on pages 97 to 100 were approved by the Governing Body on 10 June 2021 and signed on its behalf by:

Jan Thomas
Chief Accountable Officer

**Statement of Changes In Taxpayers Equity for the year ended
31 March 2021**

	General fund £'000	Total reserves £'000
Changes in taxpayers' equity for 2020-21		
Balance at 01 April 2020	(82,643)	(82,643)
Adjusted NHS Clinical Commissioning Group balance at 31 March 2020	(82,643)	(82,643)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2020-21		
Net operating expenditure for the financial year	(1,553,917)	(1,553,917)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial year	(1,553,917)	(1,553,917)
Net funding	1,547,324	1,547,324
Balance at 31 March 2021	(89,235)	(89,235)
Changes in taxpayers' equity for 2019-20		
Balance at 01 April 2019	(96,792)	(96,792)
Transfer of assets and liabilities from closed NHS bodies	0	0
Adjusted NHS Clinical Commissioning Group balance at 31 March 2020	(96,792)	(96,792)
Changes in NHS Clinical Commissioning Group taxpayers' equity for 2019-20		
Net operating costs for the financial year	(1,331,631)	(1,331,631)
Net Recognised NHS Clinical Commissioning Group Expenditure for the Financial Year	(1,331,631)	(1,331,631)
Net funding	1,345,780	1,345,780
Balance at 31 March 2020	(82,643)	(82,643)

The notes on pages 101 to 118 form part of this statement

**Statement of Cash Flows for the year ended
31 March 2021**

	Note	2020-21 £'000	2019-20 £'000
Cash Flows from Operating Activities			
Net operating expenditure for the financial year		(1,553,917)	(1,331,631)
Depreciation and amortisation	5	100	105
(Increase)/decrease in trade & other receivables	17	73	(4,190)
Increase/(decrease) in trade & other payables	22	6,836	(8,186)
Provisions utilised	28	(467)	(2,092)
Increase/(decrease) in provisions	28	(325)	0
Net Cash Inflow (Outflow) from Operating Activities		(1,547,699)	(1,345,994)
Cash Flows from Investing Activities			
Net Cash Inflow (Outflow) from Investing Activities		0	0
Net Cash Inflow (Outflow) before Financing		(1,547,699)	(1,345,994)
Cash Flows from Financing Activities			
Grant in Aid Funding Received		1,547,324	1,345,780
Net Cash Inflow (Outflow) from Financing Activities		1,547,324	1,345,780
Net Increase (Decrease) in Cash & Cash Equivalents	20	(375)	(213)
Cash & Cash Equivalents at the Beginning of the Financial Year		(17)	196
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year		(392)	(17)

The notes on pages 101 to 118 form part of this statement

Notes to the financial statements

1 Accounting Policies

NHS England has directed that the financial statements of clinical commissioning groups shall meet the accounting requirements of the Group Accounting Manual issued by the Department of Health and Social Care. Consequently, the following financial statements have been prepared in accordance with the Group Accounting Manual 2020-21 issued by the Department of Health and Social Care. The accounting policies contained in the Group Accounting Manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to clinical commissioning groups, 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 clinical commissioning group for the purpose of giving a true and fair view has been selected. The particular policies adopted by the clinical commissioning group are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

These accounts have been prepared on a going concern basis. Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

Where a clinical commissioning group ceases to exist, it considers whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern for the final set of financial statements. If services will continue to be provided the financial statements are prepared on the going concern basis.

The following is clear evidence that the clinical commissioning group meets the requirements highlighted above and as set out in section 4.13 of the Department of Health Manual of Accounts:

- the clinical commissioning group was established on 1 April 2013 as a separate statutory body;
- the clinical commissioning group has an agreed constitution which it is operating to for the governance of its activities;
- the clinical commissioning group has a notified allocation from NHS England for the first six months of 2021-22 and an indicative allocation to 2023-24;
- NHS England have agreed to provide cash funding as required.

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 Revenue

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 clinical commissioning group will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less.
- The clinical commissioning group 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 clinical commissioning group to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of funding for the Clinical Commissioning Group 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.

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 clinical commissioning group 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.

1.4 Employee Benefits

1.4.1 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.

1.4.2 Retirement Benefit Costs

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as if they were a defined contribution scheme; the cost recognised in these accounts represents the contributions payable for the year. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

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 clinical commissioning group 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.

1.4.3 Local Government Pensions

Some employees are members of the Local Government Pension Scheme (LGPS), which is a defined benefit pension scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the clinical commissioning group commits itself to the retirement, regardless of the method of payment.

1.5 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.

1.6 Grants Payable

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

Notes to the financial statements

1.7 Property, Plant & Equipment

1.7.1 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 clinical commissioning group;
- 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.

1.7.2 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.

1.7.3 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.

1.8 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 clinical commissioning group expects to obtain economic benefits or service potential from the asset. This is specific to the clinical commissioning group 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.

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.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.9 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.9.1 The Clinical Commissioning Group as Lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the clinical commissioning group's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.10 Services Received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Notes to the financial statements

1.12 Cash & Cash Equivalents

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

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

1.13 Provisions

Provisions are recognised when the clinical commissioning group has a present legal or constructive obligation as a result of a past event, it is probable that the clinical commissioning group 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 0.02% (2019-20: 0.51%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 0.18% (2019-20: 0.55%) 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 1.99% (2019-20: 1.99%) 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 1.99% (2019-20: 1.99%) 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.

1.14 Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the clinical commissioning group 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 clinical commissioning group.

1.15 Non-clinical Risk Pooling

The clinical commissioning group participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the clinical commissioning group 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.

1.16 Carbon Reduction Commitment Scheme

The Carbon Reduction Commitment scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The clinical commissioning group is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

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 clinical commissioning group, 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 clinical commissioning group. 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 clinical commissioning group 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.

1.19 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 clinical commissioning group recognises a loss allowance representing the expected credit losses on the financial asset.

The clinical commissioning group 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 clinical commissioning group 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 clinical commissioning group does not recognise allowances for stage 1 or stage 2 impairments against these bodies.

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

Notes to the financial statements

1.20 Financial Liabilities

Financial liabilities are recognised on the statement of financial position when the clinical commissioning group 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.

1.21 Other Financial Liabilities

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.

1.22 Value Added Tax

Most of the activities of the clinical commissioning group 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.

1.23 Foreign Currencies

The clinical commissioning group'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. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the clinical commissioning group's surplus/deficit in the period in which they arise.

1.24 Critical accounting judgements and key sources of estimation uncertainty

In the application of the clinical commissioning group's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

1.24.1 Critical accounting judgements in applying accounting policies

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

The clinical commissioning group has entered into a partnership agreement and a pooled budget with Cambridgeshire County Council, Peterborough City Council, Hertfordshire County Council and Northamptonshire County Council in respect of the Better Care Fund. This is a national policy initiative and the funds involved are material in the clinical commissioning group accounts. Having reviewed the terms of the partnership agreement, the Department of Health manual for accounts and the appropriate financial reporting standards, the clinical commissioning group has determined that there are two elements to the Better Care Fund and they are accounted for as follows:

- the first element is controlled by the Councils which commission services from various non-NHS providers. Whilst the services are determined in partnership, the risks and rewards of the contracts remain wholly with the council. The clinical commissioning group accounts for this as expenditure with the local authority.

- the second element is controlled by the clinical commissioning group which commissions various services from NHS and non-NHS providers. The risks and rewards of these contracts are the responsibility of the clinical commissioning group, which it considers to be acting as a lead commissioner for those services on behalf of the partnership. The clinical commissioning group accounts for these costs as healthcare purchased from NHS and non-NHS providers.

As a result of the above, the clinical commissioning group have accounted for the arrangements as jointly controlled operations.

1.24.2 Sources of estimation uncertainty

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

The clinical commissioning group has been advised by NHS England not to include any liability relating to the Cambridgeshire Local Government Pension Scheme. The in-year liability is immaterial and full IAS19 accounting and related disclosures are not warranted.

Material accounting estimates include Prescribing, whereby the NHS Business Services Authority provide a report which forecasts final Prescribing spend for each GP Practice and is used to calculate a year-end accrual of £18,434k (2019-20 £17,732k).

The continuing healthcare accrual as at 31 March 2021 is £13,749k (31 March 2020 £7,805k). The accrual is calculated by comparing ledger costs with the costs forecast from Health Analytics, a database of clients' agreed funding.

1.25 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 Standards and Interpretations to be applied in 2020-21. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2022/23, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases – The Standard is effective 1 April 2022 as adapted and interpreted by the FReM.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

The impact of the adoption of the above accounting standards has been reviewed and is not material to the Accounts.

2 Other Operating Revenue

	2020-21 Admin £'000	2020-21 Programme £'000	2020-21 Total £'000	2019-20 Total £'000
Income from sale of goods and services (contracts)				
Education, training and research	-	50	50	15
Non-patient care services to other bodies	56	2,442	2,498	6,543
Other Contract income	(0)	1,766	1,766	8,802
Recoveries in respect of employee benefits	582	-	582	660
Total Income from sale of goods and services	638	4,258	4,897	16,019
Total Other operating income	-	-	-	-
Total Operating Income	638	4,258	4,897	16,019

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

	Education , training and research £'000	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000
Source of Revenue				
NHS	-	2,492	-	448
Non NHS	50	6	1,766	134
Total	50	2,498	1,766	582

	Education , training and research £'000	Non-patient care services to other bodies £'000	Other Contract income £'000	Recoveries in respect of employee benefits £'000
Timing of Revenue				
Point in time	50	2,498	1,766	582
Over time	-	-	-	-
Total	50	2,498	1,766	582

4. Employee benefits and staff numbers

4.1.1 Employee benefits

	Total		2020-21
	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	14,189	2,004	16,194
Social security costs	1,532	-	1,532
Employer Contributions to NHS Pension scheme	2,674	-	2,674
Apprenticeship Levy	57	-	57
Gross employee benefits expenditure	18,451	2,004	20,455
Less recoveries in respect of employee benefits (note 4.1.2)	(582)	-	(582)
Total - Net admin employee benefits including capitalised costs	17,868	2,004	19,873
Net employee benefits excluding capitalised costs	17,868	2,004	19,873

4.1.1 Employee benefits

	Total		2019-20
	Permanent Employees £'000	Other £'000	Total £'000
Employee Benefits			
Salaries and wages	12,353	2,042	14,394
Social security costs	1,288	-	1,288
Employer Contributions to NHS Pension scheme	2,278	-	2,278
Apprenticeship Levy	53	-	53
Gross employee benefits expenditure	15,971	2,042	18,013
Less recoveries in respect of employee benefits (note 4.1.2)	(660)	-	(660)
Total - Net admin employee benefits including capitalised costs	15,312	2,042	17,354
Less: Employee costs capitalised	-	-	-
Net employee benefits excluding capitalised costs	15,312	2,042	17,354

4.1.2 Recoveries in respect of employee benefits

	Permanent Employees £'000	Other £'000	2020-21	2019-20
			Total £'000	Total £'000
Employee Benefits - Revenue				
Salaries and wages	(582)	-	(582)	(660)
Total recoveries in respect of employee benefits	(582)	-	(582)	(660)

4.2 Average number of people employed

	2020-21			2019-20		
	Permanently employed Number	Other Number	Total Number	Permanently employed Number	Other Number	Total Number
Total	325.22	24.09	349.31	296.06	32.03	328.09
Of the above:						
Number of whole time equivalent people engaged on capital projects	-	-	-	-	-	-

The numbers included within the table above are based on the Monthly whole time equivalent average.

4.3 Exit packages agreed in the financial year

	2020-21		2020-21		2020-21	
	Compulsory redundancies Number	£	Other agreed departures Number	£	Total Number	£
Less than £10,000	-	-	1	6,482	1	6,482
£50,001 to £100,000	-	-	1	60,000	1	60,000
Total	-	-	2	66,482	2	66,482

	2019-20		2019-20		2019-20	
	Compulsory redundancies Number	£	Other agreed departures Number	£	Total Number	£
Total	-	-	-	-	-	-

	2020-21		2019-20	
	Departures where special payments have been made Number	£	Departures where special payments have been made Number	£
Total	-	-	-	-

Analysis of Other Agreed Departures

	2020-21		2019-20	
	Other agreed departures Number	£	Other agreed departures Number	£
Contractual payments in lieu of notice	2	66,482	-	-
Total	2	66,482	-	-

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

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

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

Where the clinical commissioning group has agreed early retirements, the additional costs are met by the clinical commissioning group and not by the NHS Pension Scheme, and are included in the tables. Ill-health retirement costs are met by the NHS Pension Scheme and are not included in the tables.

The Remuneration Report includes the disclosure of exit payments payable to individuals named in that Report.

4.4 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.

Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the clinical commissioning group of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

The employer contribution rate for NHS Pensions increased from 14.3% to 20.6% from 1st April 2019 (plus the administration levy of 0.08%). Clinical commissioning groups continued to pay over contributions at the former rate with the additional amount being paid by NHS England on CCGs behalf. The full cost and related funding has been recognised in these accounts.

4.4.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2019 updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

4.4.2 Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

For 2020/21, employers' contributions of £2,674k (2019/20 £2,278k) were payable to the NHS Pension Scheme at the rate of 20.68% of pensionable pay (2019/20 20.68%). These costs are included in the NHS pension line of note 4.1.

5. Operating expenses

	2020-21	2019-20
	Total	Total
	£'000	£'000
Purchase of goods and services		
Services from other CCGs and NHS England	86	1,636
Services from foundation trusts	933,851	775,701
Services from other NHS trusts	73,740	74,763
Purchase of healthcare from non-NHS bodies	222,365	190,795
Prescribing costs	130,030	121,235
Pharmaceutical services	1,111	1,079
GPMS/APMS and PCTMS	162,688	147,314
Supplies and services – clinical	3,110	3,265
Supplies and services – general	5,367	7,348
Consultancy services	-	47
Establishment	3,777	2,945
Premises	355	401
Audit fees	82	93
Other non statutory audit expenditure		
· Internal audit services	74	75
Other professional fees	1,092	1,086
Legal fees	244	98
Education, training and conferences	39	49
Total Purchase of goods and services	1,538,011	1,327,930
Depreciation and impairment charges		
Depreciation	100	105
Total Depreciation and impairment charges	100	105
Provision expense		
Provisions	(325)	-
Total Provision expense	(325)	-
Other Operating Expenditure		
Chair and Non Executive Members	236	244
Research and development (excluding staff costs)	416	1,501
Expected credit loss on receivables	(80)	(142)
Total Other Operating Expenditure	572	1,602
Total operating expenditure	1,538,358	1,329,637

The limitation on auditors' liability for external audit work is £2m.

6.1 Better Payment Practice Code

Measure of compliance	2020-21	2020-21	2019-20	2019-20
	Number	£'000	Number	£'000
Non-NHS Payables				
Total Non-NHS Trade invoices paid in the Year	48,283	285,050	54,360	280,265
Total Non-NHS Trade Invoices paid within target	37,831	245,677	39,015	229,128
Percentage of Non-NHS Trade invoices paid within target	78.35%	86.19%	71.77%	81.75%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,484	1,022,178	5,633	879,931
Total NHS Trade Invoices Paid within target	2,182	963,753	5,071	855,081
Percentage of NHS Trade Invoices paid within target	87.84%	94.28%	90.02%	97.18%

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

The clinical commissioning group had no costs for the late payment of commercial debts (Interest) Act 1998.

7 Income Generation Activities

The clinical commissioning group did not undertake any income generation activities.

8. Investment revenue

The clinical commissioning group had no investment revenue.

9. Other gains and losses

The clinical commissioning group had no other gains and losses.

10.1 Finance costs

The clinical commissioning group had no finance costs.

10.2 Finance income

The clinical commissioning group had no finance income.

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

There were no transferred functions that gave rise to a recognised gain or loss.

12. Operating Leases

12.1 As lessee

12.1.1 Payments recognised as an Expense

	2020-21		2019-20	
	Other £'000	Total £'000	Other £'000	Total £'000
Payments recognised as an expense				
Minimum lease payments	2	2	13	13
Contingent rents	3	3	31	31
Sub-lease payments	-	-	-	-
Total	5	5	44	44

13 Property, plant and equipment

2020-21	Plant & machinery £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost or valuation at 01 April 2020	49	965	51	1,064
Cost/Valuation at 31 March 2021	49	965	51	1,064
Depreciation 01 April 2020	49	665	51	764
Charged during the year	-	100	-	100
Depreciation at 31 March 2021	49	765	51	864
Net Book Value at 31 March 2021	0	200	0	200
Purchased	0	200	0	200
Total at 31 March 2021	0	200	0	200
Asset financing:				
Owned	0	200	0	200
Total at 31 March 2021	0	200	0	200

14 Intangible non-current assets

The clinical commissioning group did not hold any intangible non-current assets.

15 Investment property

The clinical commissioning group had no investment property as at 31 March 2021.

16 Inventories

	Total £'000
Balance at 01 April 2020	182
Balance at 31 March 2021	182

17.1 Trade and other receivables

	Current 2020-21 £'000	Current 2019-20 £'000
NHS receivables: Revenue	17,309	12,466
NHS prepayments	-	3,496
Non-NHS and Other WGA receivables: Revenue	3,230	4,628
Non-NHS and Other WGA prepayments	1,285	1,450
Expected credit loss allowance-receivables	(229)	(309)
VAT	335	261
Other receivables and accruals	13	24
Total Trade & other receivables	21,942	22,015
Total current and non current	21,942	22,015

Included above:

Prepaid pensions contributions	-	-
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17.2 Receivables past their due date but not impaired

	2020-21 DHSC Group Bodies £'000	2020-21 Non DHSC Group Bodies £'000	2019-20 DHSC Group Bodies £'000	2019-20 Non DHSC Group Bodies £'000
By up to three months	1,698	389	4,433	691
By three to six months	522	13	246	47
By more than six months	1,336	1,998	2,988	2,668
Total	3,556	2,400	7,667	3,406

17.3 Loss allowance on asset classes

	Trade and other receivables - Non DHSC Group Bodies £'000	Total £'000
Balance at 01 April 2020	(309)	(309)
Lifetime expected credit losses on trade and other receivables-Stage 2	80	80
Total	(229)	(229)

18 Other financial assets

The clinical commissioning group had no other financial assets as at 31 March 2021.

19 Other current assets

The clinical commissioning group had no other current assets as at 31 March 2021.

20 Cash and cash equivalents

	2020-21	2019-20
	£'000	£'000
Balance at 01 April 2020	(17)	196
Net change in year	(375)	(213)
Balance at 31 March 2021	(392)	(17)
Made up of:		
Cash with the Government Banking Service	(393)	(18)
Cash in hand	-	1
Cash and cash equivalents as in statement of financial position	(393)	(17)
Balance at 31 March 2021	(393)	(17)

21 Non-current assets held for sale

There were no impairments or reversals during 2020/21.

	Current	Current
	2020-21	2019-20
	£'000	£'000
22 Trade and other payables		
NHS payables: Revenue	11,173	16,804
NHS accruals	1,112	9,951
Non-NHS and Other WGA payables: Revenue	23,729	18,275
Non-NHS and Other WGA accruals	72,676	56,223
Social security costs	259	228
Tax	229	209
Payments received on account	-	2
Other payables and accruals	1,989	2,640
Total Trade & Other Payables	111,167	104,331
Total current and non-current	111,167	104,331

23 Other financial liabilities

The clinical commissioning group had no other financial liabilities as at 31 March 2021.

24 Other liabilities

The clinical commissioning group had no other liabilities as at 31 March 2021.

25 Borrowings

The clinical commissioning group had no borrowing as at 31 March 2021.

26 Finance lease obligations

The clinical commissioning group had no finance lease obligations.

27 Finance lease receivables

The clinical commissioning group had no finance lease receivables.

28 Provisions

	Current 2020-21 £'000	Current 2019-20 £'000
Continuing care	-	792
Total	-	792
Total current and non-current	-	792
	Continuing Care £'000	
Balance at 01 April 2020	792	
Utilised during the year	(467)	
Reversed unused	(325)	
Balance at 31 March 2021	-	

The continuing care provision relates to a backlog of cases that are yet to be assessed. The value and eligibility of each case varies according to needs and condition of the individual, which result in uncertainties in the value of the continuing care backlog.

Legal claims are calculated from the number of claims currently lodged with the NHS Resolution and the probabilities provided by them. £19k (2019-2020: £142k) is included in the provisions of NHS Resolution as at 31 March 2021 in respect of clinical negligence liabilities of the clinical commissioning group. £3k (2019-2020: £0k) is included in the provisions of NHS Resolution as at 31 March 2021 in respect of the Liabilities to Third Parties Scheme (LTPS).

Pension payments are made quarterly and amounts are known. The pension provision is based on life expectancy.

Under the Accounts Direction issued by NHS England on 12 February 2014, NHS England is responsible for accounting for liabilities relating to NHS Continuing Healthcare claims relating to periods of care before establishment of the clinical commissioning group. However, the legal liability remains with the clinical commissioning group. The total value of legacy NHS Continuing Healthcare provisions accounted for by NHS England on behalf of the clinical commissioning group at 31 March 2021 is £935k (£654k 2019-20).

29 Contingencies

The clinical commissioning group had no contingencies.

30 Commitments

The clinical commissioning group had no capital or financial commitments (which are not leases, private finance initiative contracts or other service concession arrangements).

31 Financial instruments**31.1 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 NHS clinical commissioning group 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 clinical commissioning group 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 clinical commissioning group in undertaking its activities.

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

31.1.1 Currency risk

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

31.1.2 Interest rate risk

The clinical commissioning group has low exposure to interest rate fluctuations as it does not have any borrowings.

31.1.3 Credit risk

The majority of revenue comes from parliamentary funding, which means the clinical commissioning group 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.

31.1.4 Liquidity risk

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

31.1.5 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.

31 Financial instruments cont'd

31.2 Financial assets

	Financial Assets measured at amortised cost 2020-21 £'000	Total 2020-21 £'000
Trade and other receivables with NHSE bodies	3,680	3,680
Trade and other receivables with other DHSC group bodies	14,059	14,059
Trade and other receivables with external bodies	2,814	2,814
Cash and cash equivalents	(392)	(392)
Total at 31 March 2021	20,159	20,159

31.3 Financial liabilities

	Financial Liabilities measured at amortised cost 2020-21 £'000	Total 2020-21 £'000
Trade and other payables with NHSE bodies	257	257
Trade and other payables with other DHSC group bodies	12,497	12,497
Trade and other payables with external bodies	97,925	97,925
Total at 31 March 2021	110,679	110,679

32 Operating segments

The clinical commissioning group has considered the definition of an operating segment contained within IFRS 8 in determining its operating segments, in particular considering the internal reporting to the Governing Body, considered to be the 'chief operating decision maker' of the clinical commissioning group, which was used for the purpose of resource allocation and assessment of performance. All activity performed by the clinical commissioning group relates to its role as a commissioner of healthcare for its relevant population. As a result, the clinical commissioning group considers that it has only one operating segment, being the commissioning of healthcare services. An analysis of both the income and expenditure and net assets relating to the segment can be found in the Statement of Comprehensive Net Expenditure and Statement of Financial Position respectively.

33 Pooled budgets

The clinical commissioning group contributed to a pooled budget with Cambridgeshire County Council, Peterborough City Council, Hertfordshire County Council and Northamptonshire County Council in respect of the Better Care Fund. The contributions include £40,770k to the Cambridgeshire fund and £12,992k to the Peterborough fund.

The clinical commissioning group contributed into two other pooled budget agreements with Cambridgeshire County Council during 2020-2021. Under the arrangements, funds are pooled under S75 of the NHS Act 2006 for Integrated Community Equipment Services (ICES) and the Learning Disability Partnership (LDP).

The ICES and LDP are hosted by Cambridgeshire County Council. As a commissioner of healthcare services, the clinical commissioning group makes contributions to the pools, which are then used to purchase healthcare services. The clinical commissioning group accounts for its share of the assets, liabilities, income and expenditure of the pool as determined by the pooled budget agreement.

The contribution to the LDP for the year was £20,209k (2019-2020: £19,109k), which represents a share of 20% with the remaining contribution of 80% made by Cambridgeshire County Council.

The contribution to the ICES for the year was £2,286k (2019-2020: £2,242k), which represents a share of 48% with the remaining contribution of 52% made by Cambridgeshire County Council.

34 Related party transactions

Details of related party transactions with individuals are as follows:

	31 March 2021			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£'000	£'000	£'000	£'000
Dr Mark Brookes, Partner, Nuffield Road Medical Centre	1,731	-	6	-
Dr Jane Collyer, Salaried GP at Granta Medical Practice	8,834	-	311	-
Dr Gary Howsam, Partner, Octagon Medical Practice	1,784	-	160	-
Dr Adnan Tariq, Partner, Boroughbury Medical Centre	4,095	-	8	-
Dr Sripat Pai, Permanent Assistant Director of GP Studies at University of Cambridge	917	-	611	-
Fiona Head, Retained GP, East Barnwell Health Centre	899	-	-	-
Laura Hill, Volunteer Member of Patient Participation Group, Bourn Surgery	1,525	-	-	-
Dr Jane Collyer, GP Appraiser NHS England	895	(7,644)	257	(3,680)
Dr Adnan Tariq, Partner, Provision of Weekend/Bank Holiday medical services at CPFT Peterborough ICS	178,454	(106)	7,208	(154)
Jess Bawden, Partnership Governor at Cambridge University Hospitals Foundation Trust	337,154	(1,432)	-	(10,449)
Dr Katherine Rowe (from 27/11/2020), Consultant at West Suffolk Hospital NHS FT	1,213	(3)	11	(4)
Dr Sripat Pai, spouse employee of Royal Papworth Hospital NHS FT	41,605	-	-	-
Dr Gary Howsam, stepson employee of North West Anglia NHS FT	356,026	(1,527)	2,582	(23)
Dr Gary Howsam, brother in law employed part time by Cambridgeshire Community Services NHS Trust	20,143	(22)	1,202	(15)
Dr Gary Howsam, Partner, Step-son working locum sessions as physio at Greater Peterborough Network GP Hub	4,580	-	-	(271)

As of 1 April 2017 the clinical commissioning group accepted delegated co-commissioning arrangements whereby spend has been transferred to the clinical commissioning group by NHS England. This expenditure is shown within the Statement of Comprehensive Net Expenditure and the amounts are included above where relevant.

The Department of Health is regarded as a related party. During the year the clinical commissioning group has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. These entities with material values are listed below:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Cambridge University Hospitals NHS Foundation Trust	337,154	(1,432)	-	(10,449)
North West Anglia NHS Foundation Trust	356,026	(1,527)	2,582	(23)
Cambridgeshire & Peterborough NHS Foundation Trust	178,454	(106)	7,208	(154)
East of England Ambulance Service NHS Trust	42,609	-	61	-
Cambridgeshire Community Services NHS Trust	20,143	(22)	1,202	(15)
The Queen Elizabeth Hospital, King's Lynn, NHS Foundation Trust	28,501	(36)	109	(36)
Royal Papworth Hospital NHS Foundation Trust	41,605	-	-	(2,655)
West Suffolk NHS Foundation Trust	3,543	(10)	11	(4)
NHS England	895	(7,644)	257	(3,680)
East & North Hertfordshire NHS Trust	2,648	-	-	-
Department of Health	-	(2,303)	-	-
NHS Property Services	4,233	-	665	-

In addition, the clinical commissioning group has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with local County Councils, see below for values.

Cambridgeshire County Council	53,768	2,347	7,928	1,882
Hertfordshire County Council	2,373	-	270	-
Peterborough City Council	16,787	1,482	8,628	369

* Related Party transactions have been calculated on a cash and not an accruals basis, as the headings provided by the Department of Health imply.

34 Related party transactions (Comparables)

During the year the Board Members or members of the key management staff or parties related to them have undertaken material transactions with the clinical commissioning group as follows:

Certain local General Practitioners sit on the clinical commissioning governing body. During the year payments were made to those General Practitioner's practices, in line with the practices' role as independent contractors. The payments below were made to the practices and not to the doctors personally for services provided by those practices. In addition, there have been transactions in the ordinary course of the clinical commissioning group's business with a number of provider Trusts with which Directors of the clinical commissioning group are connected. Details of directors' and senior managers' remuneration are given in the Remuneration Report included in the clinical commissioning group's Annual Report.

Details of related party transactions with individuals are as follows:

	Payments to Related Party*	31 March 2020		
		Receipts from Related Party*	Amounts owed to Related Party	Amounts due from Related Party
	£'000	£'000	£'000	£'000
Dr Mark Brookes, Partner, Nuffield Road Medical Centre	2,146	-	6	-
Dr Jane Collyer, Salaried GP at Granta Medical Practice (from 01/08/19)	5,099	-	189	-
Dr Jane Collyer, Salaried GP at Staploe Medical Practice (until 30/06/19)	927	-	-	-
Dr Gary Howsam, Partner, Octagon Medical Practice	4,130	-	160	-
Dr Alex Manning (until 01/09/19), Partner, Burwell Surgery	565	-	-	-
Dr Adnan Tariq, Partner, Boroughbury Medical Centre	3,711	-	8	-
Dr Ge Yu, Partner (until 06/05/19), Melbourn Practice	103	-	-	-
Dr Alex Manning (until 01/09/19), clinical work for Herts Urgent Care	5,731	-	-	-
Dr Alex Manning (until 01/09/19), Trustee, Arthur Rank Hospice	1,213	-	-	-
Dr Sripat Pai, Permanent Assistant Director of GP Studies at University of Cambridge	1,786	-	896	-
Jane Webster (from 01/08/19) employed by Ipswich & East Suffolk CCG	796	-	164	-
Jane Webster (from 01/08/19) employed by West Suffolk CCG	16	(34)	5	(50)
Dr Christopher Scrase (until 29/02/2019) employed by East Suffolk & North Essex NHS FT	402	-	-	-
Dr Sripat Pai, spouse employee of Royal Papworth Hospital NHS FT	13,567	-	91	-
Dr Gary Howsam, stepson employee of North West Anglia NHS FT	298,884	(1,531)	3,494	(3,206)
Dr Gary Howsam, brother in law employed part time by Cambridgeshire Community Services NHS Trust	16,179	(22)	600	(15)
Brian Ashton (until 30/09/19), spouse member of Patient Participation Group, St Mary's Surgery, Ely	1,364	-	-	-

As of 1 April 2017 the clinical commissioning group accepted delegated co-commissioning arrangements whereby spend has been transferred to the clinical commissioning group by NHS England. This expenditure is shown within the Statement of Comprehensive Net Expenditure and the amounts are included above where relevant.

The Department of Health is regarded as a related party. During the year the clinical commissioning group has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. These entities with material values are listed below:

	Payments to Related Party*	Receipts		Amounts	
		from Related Party*	owed to Related Party	owed to Related Party	due from Related Party
	£000	£000	£000	£000	£000
Cambridge University Hospitals NHS Foundation Trust	267,348	(9,821)	4,610	(3,062)	
North West Anglia NHS Foundation Trust	298,884	(1,531)	3,494	(3,206)	
Cambridgeshire & Peterborough NHS Foundation Trust	160,840	(219)	9,823	(81)	
East of England Ambulance Service NHS Trust	44,672	-	-	(713)	
Cambridgeshire Community Services NHS Trust	16,179	(22)	600	(15)	
The Queen Elizabeth Hospital, King's Lynn, NHS Foundation Trust	29,980	(31)	-	(769)	
Royal Papworth Hospital NHS Foundation Trust	13,567	-	91	-	
NHS England	574	(3,132)	963	(7,644)	
East & North Hertfordshire NHS Trust	2,817	-	-	(61)	
Department of Health	-	(2,854)	-	-	
NHS Property Services	3,038	-	2,035	-	

In addition, the clinical commissioning group has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with local County Councils, see below for values.

	Payments to Related Party*	Receipts		Amounts	
		from Related Party*	owed to Related Party	owed to Related Party	due from Related Party
	£000	£000	£000	£000	£000
Cambridgeshire County Council	41,501	(2,416)	7,257	(2,347)	
Hertfordshire County Council	3,014	(47)	307	-	
Peterborough City Council	13,581	(1,666)	8,660	(1,476)	

* Related Party transactions have been calculated on a cash and not an accruals basis, as the headings provided by the Department of Health imply.

35 Events after the end of the reporting period

There are no post balance sheet events which will have a material effect on the financial statements of the clinical commissioning group.

36 Third party assets

The clinical commissioning group did not hold any cash or cash equivalents on behalf of other parties as at 31 March 2021.

37 Financial performance targets

NHS Clinical Commissioning Group have a number of financial duties under the NHS Act 2006 (as amended). NHS Clinical Commissioning Group performance against those duties was as follows:

NHS Act Section	2020-21	2020-21	2020-21	2019-20	2019-20	2019-20
	Target	Performance	Achieved? Yes/ No	Target	Performance	Achieved? Yes/ No
223H (1) Expenditure not to exceed income	1,558,951	1,558,814	Yes	1,272,662	1,347,650	No
223I (2) Capital resource use does not exceed the amount specified in Directions	17	-	Yes	-	-	Yes
223I (3) Revenue resource use does not exceed the amount specified in Directions	1,554,054	1,553,917	Yes	1,256,643	1,331,631	No
223J(1) Capital resource use on specified matter(s) does not exceed the amount specified in Directions	-	-	Yes	-	-	Yes
223J(2) Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	134,405	134,355	Yes	129,667	126,510	Yes
223J(3) Revenue administration resource use does not exceed the amount specified in Directions	17,730	17,700	Yes	19,812	19,808	Yes

* expenditure is defined as the aggregate of gross expenditure on revenue and capital in the financial year; and, income is defined as the aggregate of the notified maximum revenue resource, notified capital resource and all other amounts accounted as received in the financial year (whether under provisions of the Act or from other sources, and included here on a gross basis).

When the expenditure of £1,553,917k is deducted from the Revenue Resource Limit of £1,554,054k, it shows an in year surplus of £137k (2019-20 deficit of £74,988k). The clinical commissioning group has achieved the financial performance target in 2020/21 with a surplus of £137k against the revenue resource Limit.

When the 2020-21 in year surplus of £137k is deducted from the cumulative deficit of £133,022k, it shows a cumulative deficit of £132,885k.

38 Going concern

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in Section 4 of the Department of Health and Social Care (DHSC) Group Accounting Manual 2020/21, which outlines the interpretation of IAS1 'Presentation of Financial Statements' as 'anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents'.

For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision (funding allocation) for that service in published documents, is normally sufficient evidence of going concern.

DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity. A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up.

In carrying out its assessment, the Governing Body has taken into account the following key considerations:

NHS contracting and payment framework during 2020/21

During 2020/21 the NHS financial planning and funding arrangement landscape has been adapted as a result of the need to respond swiftly to the Covid-19 pandemic.

Therefore, instead of being issued with an annual allocation before the start of the year NHS England issued an allocation for the first four months of the year, with a further two months' allocation being issued at the end of July 2020. NHSE/I also reviewed CCG and provider positions at the end of each month and provided retrospective top up funding to cover any additional reasonable costs incurred so that at the end of the six month period all organisations achieved financial break even.

For months 7-12 NHS England issued a fixed allocation which included a level of top up funding for the CCG and providers within the system; this funding was deemed sufficient for organisations to breakeven without any additional retrospective top ups.

As a result, the CCG reported a surplus of £137k as shown in Note 37 – Financial Performance Targets.

2021/22 to 2023/24 Indicative financial planning

Due to the ongoing Covid-19 pandemic the months 7-12 2020/21 financial regime is continuing into months 1-6 of 2021/22 with NHSE issuing a fixed allocation which included a level of top up funding for the CCG and providers within the system. Financial planning shows that this funding will be sufficient for the CCG and providers within the system to breakeven for months 1-6 of 2021/22.

The CCG has also been notified formally of the level of allocations it will receive from the Department of Health, through NHS England, for the years 2021/22 to 2023/24 as set out in the table below.

CCG Notified Funding	2021/22	2022/23	2023/24
	£'000	£'000	£'000
CCG Recurrent Allocation	1,333,748	1,389,193	1,444,583

NHS England has indicated that legislation may be passed during the 2021 calendar year to put Integrated Care Systems (ICS's) on a statutory footing by 1 April 2022. The Cambridgeshire and Peterborough health system has been successful in its application for ICS designation and will operate in shadow form in 2021/22, if the legislation is passed it will become a statutory ICS organisation from 1 April 2022. Cambridgeshire and Peterborough CCG will still be the statutory commissioners of NHS services until that point. The commissioning of health services (continuation of service) will continue after April 2022 but may be located in a different structure within the Department of Health umbrella. Mergers or a change to the NHS Structure, such as an ICS way of working, is not considered to impact on going concern.

Conclusion

Our considerations cover the period through to 30 June 2022, being 12 months beyond the date of authorisation of these financial statements. Taking into account these considerations and the governance structures in place both within the CCG and through the NHS E/I assurance process, the Governing Body have a reasonable expectation that the CCG will have adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing these financial statements.