

AGENDA ITEM NO:11.....

Date of Meeting:12th February 2021.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 9).	
AUTHOR:	Kelly Knowles, Acting Chief Finance Officer	
PRESENTED BY:	Kelly Knowles, Acting Chief Finance Officer	
PURPOSE OF PAPER: (Linking to Strategic Objectives)	To provide the CCG Board with an update on the Month 9 Budgets.	
LINKS TO CORPORATE OBJECTIVES (tick relevant boxes):	Deliver the outcomes in the Bolton Joint Health and Care Plan.	
	Ensure compliance with the NHS statutory duties and NHS Constitution.	√
	Deliver financial balance.	
	Regulatory Requirement.	
	Standing Item.	√
RECOMMENDATION TO THE BOARD: (Please be clear if decision required, or for noting)	NHS Bolton Clinical Commissioning Group Board is asked to:- 1. Note the update to the associated budgets as at month 9. 2. Recognise the level of risk identified and note the process in place by the Executive Team and Finance & QIPP Committee to review scenarios on a monthly basis.	
COMMITTEES/GROUPS PREVIOUSLY CONSULTED:	The CCG Executive has discussed and supports the recommendations to the Board. The Finance & QIPP Committee has reviewed and discussed the reports at the meeting prior to the Board. The Board will be kept up to date on financial plans and QIPP delivery.	
REVIEW OF CONFLICTS OF INTEREST:	N/A	
VIEW OF THE PATIENTS, CARERS OR THE PUBLIC, AND THE EXTENT OF THEIR INVOLVEMENT:	Views of stakeholders will be obtained as part of the CCG commissioning plans.	
EQUALITY IMPACT ASSESSMENT (EIA) COMPLETED & OUTCOME OF ASSESSMENT:	An EIA assessment is not required necessary for the report.	

Report of the Chief Finance Officer Month 9 - December 2020

Kelly Knowles
Acting Chief Finance Officer

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1.1 Headlines

Financial Regime

The temporary financial regime put in place in response to COVID-19 for the period 1 April 2020 to 31 July 2020 was extended to cover August and September. The final retrospective allocation adjustment for April to September has now been received which brings the CCG to a breakeven position for the first half of the financial year.

A system wide financial envelope was allocated to Greater Manchester for the period 1 October 2020 to 31 March 2021. This is comprised of initial allocations for both CCGs and Providers, COVID funding, growth funding and system top up. It is expected that GM will manage the system wide financial position within this envelope for all areas of spend, the only exception to this will be those areas where national funding is still available.

Any expenditure relating directly to COVID-19 has been captured and reported separately within the monthly Non ISFE submissions to NHSE.

The Month 9 reported position is a GM mandated surplus of £0.586m, once the expected allocations for the Hospital Discharge Programme, Independent Sector over performance and Vaccination Programme set up costs are received. The value of this is £3.302m. This is an improvement in the reported position when compared to the GM approved planned deficit of £1.091m.

December 2020	YTD			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Allocation	(376,382)	(376,382)	0	(505,292)	(505,292)	0
Expenditure	376,927	377,825	(897)	506,383	508,008	(1,625)
Surplus/(Deficit)	(546)	(1,443)	(897)	(1,091)	(2,716)	(1,625)
Hospital Discharge Programme	0	(1,207)	1,207	0	(1,909)	1,909
Independent Sector Activity	0	(236)	236	0	(1,024)	1,024
Vaccination	0	0	0	0	(369)	369
Expected Allocation	0	(1,443)	1,443	0	(3,302)	3,302
Final Reported Position	(546)	(0)	546	(1,091)	586	1,677

1.2 Financial Duties

Statutory Financial Duties and Performance Targets

The CCG's statutory financial duties and performance targets are a requirement of NHS England. More detailed updates on these duties are provided throughout the report.

Description	Financial Performance Targets	Expected Performance	Explanation of the Expected Performance
Revenue Position	Operate within approved revenue resource allocation in each and every year.	Green	From October the CCG is working under system wide financial arrangements. The CCG has a planned deficit of £1.091m but CCG mitigating actions and the GM deficit management process has enabled the CCG to report a surplus in M9.
Running Costs	Not to exceed the Running Cost Allowance	Green	The financial budget for running costs is in line with the operational plan and is within the allowance.
Cash	Operate within its approved annual cash draw-down limit (ACDR) in each and every year.	Green	The CCG has a cash flow plan that meets this target. Processes are in place to monitor and report performance.
Business Conduct	Comply with the Better Payments Practices Code of paying 95% of invoices within 30 days.	Green	The CCG aims to pay supplier invoices within 7 days as per Procurement Policy Notices 02/20 and 04/20.
Statement of Financial Position	Net Current Assets matches Taxpayers Equity.	Green	The CCG monitors taxpayers equity reflecting the timing of cash flows compared to expenditure incurred over time.
Quality, Innovation, Productivity & Prevention (QIPP)	Deliver an efficiency across the CCG's expenditure baseline in order to meet the QIPP challenge.	Green	Through the operational plan submitted in October 2020, the CCG has a QIPP plan of 1% of the CCG run rate M7-M12. This equates to £2.6m for this period and planned to deliver £3.3m FYE.
Financial Risk	Report the financial risks through the Board Assurance Framework	Amber	A number of financial risks have been identified and a separate table provides the detail in Section 2.7

2.1 Allocation

Allocation 2020-21	Final M1-M6 Allocation	Baseline M7-M12 Allocations	Total M1-M12 Allocation	Received M9							Total Received M8	Total Confirmed Allocation	M7, M8 and M9 HDP	M9 Independent Sector	Total Expected Allocation
				GM SDF Leder	SDF Community	SDF Funding	Ageing Well	Oximetry @ Home	GM Capacity Expansion Fund						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Programme	231,036	224,638	455,673	15	100	79	15	10	790	1,009	456,682	1,207	236	456,918	
Delegated Primary Care	21,946	21,302	43,248							0	43,248			43,248	
Total Commissioning	252,982	245,940	498,921	15	100	79	15	10	790	1,009	499,930	1,207	236	500,166	
Running Cost	2,796	2,566	5,362							0	5,362			5,362	
Total Allocation 2020-21	255,777	248,506	504,283	15	100	79	15	10	790	1,009	505,292	1,207	236	505,528	

Allocation adjustments

Allocations are expected to cover the additional expenditure incurred under the Hospital Discharge Programme for Months 7 to 9 (£1.207m) and Independent Sector Activity in Month 9 (£0.236m) . This is anticipated to be received in Month 9, however the CCG is yet to receive final confirmation.

The £790k GP Capacity Expansion fund relates to Delegated Primary Care and will be re-categorized next month.

Further allocation is also expected for the Additional Roles Reimbursement Scheme to cover any expenditure that is above the 60% of funding within the Delegated baseline allocation.

2.2 Financial Position at Month 9

December 2020	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Allocation	(376,382)	(376,382)	0	(505,292)	(505,292)	0
Acute Services	172,439	172,713	(274)	230,079	230,819	(741)
Mental Health	40,604	40,118	486	54,554	54,102	452
Community	35,526	35,409	118	47,349	47,235	113
Other Commissioning	26,787	26,430	357	34,655	34,136	519
Primary Care	80,757	80,601	156	108,823	109,231	(408)
Continuing Care	18,125	18,362	(237)	23,073	23,474	(401)
Running Costs	4,191	4,191	0	5,585	5,585	0
Reserves	(1,503)	0	(1,503)	2,265	3,425	(1,160)
Expenditure	376,927	377,825	(897)	506,383	508,008	(1,625)
Surplus/(Deficit)	(546)	(1,443)	(897)	(1,091)	(2,716)	(1,625)

Headlines & Actions

- The reported year to date overspend relates to the expenditure incurred under the Hospital Discharge Programme in months 7, 8 and 9 (£1,207) and Independent Sector activity (£236k)
- NHS Block contracts have been amended and accounted for as agreed with the Providers and GM. The forecast over spend within Acute Services relates to the expected expenditure incurred for AQP services.
- Mental Health spend has increased in line with the MHIS plans agreed with GM. NHS block contracts have been adjusted in line with agreed investments.
- Continuing Care overspends are in direct response to COVID-19 and in particular actions taken, in collaboration with Bolton Council, under the Hospital Discharge Programmes (schemes 1 and 2).
- The overspend forecast within Primary Care includes mandated PCN schemes that have not been included in the CCG allocations. The ARRS scheme is reported at 100% of the available allocation; as is the BQC to ensure that all financial commitments are reflected in the year to date and forecast positions.

2.3 Hospital Discharge Programme

December 2020	Year to Date £000's	Forecast £000's
Hospital Discharge Scheme 1	7,144	7,144
Hospital Discharge Scheme 2	414	1,023
CHC Deferred Assessment	53	146
Total	7,611	8,313

Hospital Discharge Programme Expenditure Detail

- The Hospital Discharge Programme was an element of the COVID-19 response that aimed to prevent and reduce admissions into the acute sector and promoted swift discharge into the community/ social care.
- The Hospital Discharge Programme Scheme 1 ceased to accept new patients/packages from 1st September 2020 as CHC transition into recovery, with a new discharge to assess model being implemented from this date. Funding relating to the first six weeks of care following discharge can be claimed by the CCG.
- The CCG Funded Care Team will be responsible for assessing all patients discharged into this model within the six week time frame, which will then see patients transferred to the most appropriate onward funding stream.
- To aid CCGs and LAs to undertake the deferred assessments from 1st September, funding has been made available to support any additional staffing requirements. The total funding available for Bolton is £0.276m, of which £0.053m has been spent up to Month 9.
- The process to access these funding streams is through the NHSEI Non ISFE submissions, which details the schemes paid for by both CCG and the LA.
- Funding under Scheme 2 is available for individuals who either do not have a previously agreed care package; or who require enhanced / additional support due to changes in needs. This funding may also be used for step up and step down of packages of care via:
 - rehabilitation and reablement services.
 - urgent community response provided within 2 hours to prevent an acute admission.

2.4 Delegated Primary Care

December 2020	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Primary Care Co-Commissioning	32,159	32,142	18	44,498	45,089	(590)
Expenditure	32,159	32,142	18	44,498	45,089	(590)

Delegated Primary Care

- The budget for Delegated Primary Care has been set in line with the mandated national model from Month 1 – Month 6 and in line with the published allocations for Delegated Primary Care from Month 7 – Month 12. The budgets have been set appropriately across the reporting categories and variance analysis and reporting will now re-commence under the GM Delegated Primary Care Team.
- Costs associated with the Bolton Quality Contract have continued to be reported through Primary Care Co-Commissioning this month in line with previous years reporting. The retrospective budgets have been fully received and the CCG has confirmed the transfer of budget into the Co-Commissioning area to cover any Month 1 – 6 overspends which were as a result of the mandated regime.
- The forecast position includes the protection of income for QOF and BQC KPI's for GP Practices as well as the expected spend for 100% of the Additional Roles Reimbursement Scheme (ARRS). It is expected that the CCG will receive the proportion of the required 40% of the ARRS funding which is currently held nationally (£0.459m) and is in line with the remaining overspend within the forecast position.

2.5 Running Costs

December 2020	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Running Costs	4,191	4,191	0	5,585	5,585	0
Expenditure	4,191	4,191	0	5,585	5,585	0

Running Costs

- The CCG has a plan in place to ensure that the Running Costs expenditure is within budget for 2020/21, through the QIPP schemes in place.

2.6 CCG Risk Management

CCG Financial Risks Identified

A number of financial risks have been identified and are detailed in the table below. The most significant risks are those associated with the increased response to COVID and national issues relating to CAT M prices. A significant amount of funding is expected to be received from outside of the system financial envelopes that have been allocated, which if not received will cause a financial pressure.

Risk	Risk detail and mitigating actions
Increased expenditure due to further waves / COVID spikes	No further expenditure is included in the CCG run rate for support to Primary Care in the response to COVID. The GP Capacity Expansion Fund has been received and will flow to Primary Care to support with capacity planning in line with the guidance.
MH/LD pressures on local capacity	Service redesign continued from 18/19, with additional local placement provision sought for complex patients. Continued joint working with GMMH to reduce high cost OOA placements and to understand and fully utilise local capacity.
Failure to control prescribing spend and deliver efficiency	Bolton Quality Contract continues and the medicines management QIPP programme is well established. Full suite of monitoring in place, with reports regularly presented to the CCG Executive.
Risk of funding expected from outside of the system does not materialise	Additional expenditure for AQP and Independent Sector activity is expected to be funded from outside of the system financial envelope. Additional MH funding is also expected from outside the system envelope.
Elective Incentive Scheme (EIS)	Further implementation guidance due which would enable the CCG to assess any financial risk to the Bolton System.

3.1 QIPP Performance

Headlines

- Under the guidance of the temporary financial regime that was in place for Months 1 - 6, formal reporting of provider CIP and CCG QIPP plans was paused.
- As part of the revised operational plan for Months 7 - 12 submitted in October, GM CCG's and Providers were required to submit efficiency plans that would achieve at least 1% of the proposed position during this period.
- The CCG QIPP plan is £2.633m, and the CCG is currently forecasting to deliver this in full.

December 2020	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
QIPP achieved	1,389	1,389	-	2,633	2,633	-

System Recovery

- A System Finance Group has been established and has oversight of the financial challenge faced by Bolton Health and Care organisations.
- The group is focussed on driving financial improvement across the system, monitoring progress and impact against the agreed work programme.
- Priority areas include; workforce, estates, prescribing and appraisal of system spend.

4.1 Statement of Financial Position

Statement of Financial Position	March 2020	Dec 2020	Commentary
	£000	£000	
Non current assets	246	157	Property Plant and Equipment
Trade & other receivables	1,026	962	Monies owing to CCG by other organisations
Prepayments and accrued income	1,592	28,968	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	4	3	Cash at bank/in hand
Total current assets	2,622	29,933	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,260)	(3,319)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(24,009)	(32,044)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,390)	(1,390)	Liabilities relating to past event
Total current liabilities	(34,659)	(36,753)	Total monies owed by CCG
Net assets/(liabilities) employed	(31,791)	(6,663)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(31,791)	(6,663)	Total Investment by Taxpayers

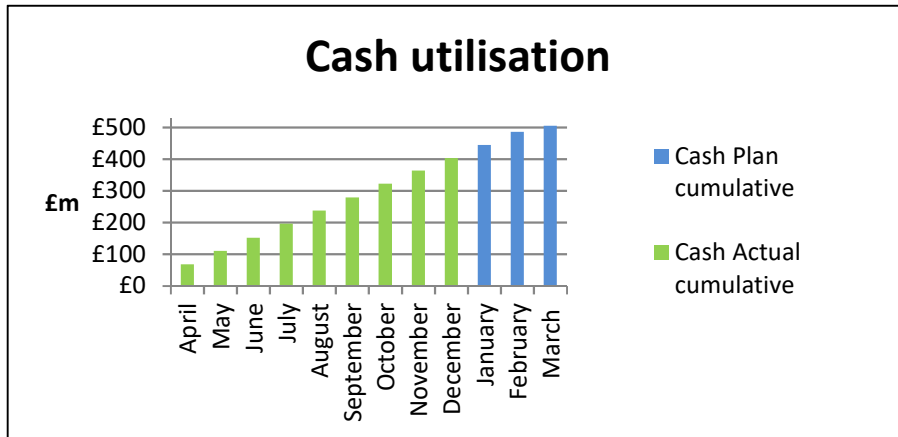
Headlines

The December 2020 Statement of Financial Position (SoFP) is summarised in the table above and compared to the position at the end of March 2020.

The COVID-19 temporary financial regime requires that nationally mandated NHS Provider block contracts are paid 1 month in advance. This has resulted in the following significant variances

- Prepayments and accrued income has increased by £28m.
- The CCG has negative taxpayers equity which reflects the timing of cash flows compared to expenditure incurred over time. This value has significantly reduced as a result of the additional cash received in advance.

4.2 Cash Utilisation & BPPC



YTD Cash flow Statement	March 2020	Dec 2020
	£000	£000
YTD Expenditure	493,506	377,825
Increase/(decrease) in trade & other receivables	(296)	27313
(Increase)/decrease in trade & other payables	(3,522)	(2,066)
(Increase)/decrease in Provisions	(433)	0
Provisions utilised	0	0
Depreciation and Amortisation	(109)	(89)
Increase/(decrease) in capital payables	63	-28
Increase/(decrease) in cash	(23)	-1
YTD Cash drawn	489,186	402,954

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£250k	£295.6k	
% of monthly draw down	<1.25%	0.87%	

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	99.70%	
By Volume	95.00%	98.23%	

Cash

- The CCG's Annual Cash Drawdown Requirement (ACDR) for 2020-21 is calculated based on the allocation notified prior to the COVID-19 financial regime updated for COVID allocation adjustments. The CCG has an annual ACDR of £505.1m and has received £402.9m cash to the end of December 2020, representing 79.77% of the ACDR. This is greater than the profiled requirement of 75.0% to enable the nationally mandated NHS Provider block contract payments 1 month in advance.
- Performance of the cleared bank balance target is lower of £250k or less than 1.25% of the monthly cash draw down is shown in the table above. NHSE/I has confirmed that should this be breached penalties will not be levied under the current financial regime to enable CCGs to have sufficient cash to pay suppliers.

Business Conduct – Better Payment Practice Code (BPPC)

- The CCG achieved the Better Payment Practice Code (BPPC) target paying over 95% of valid invoices by volume and value within 30 days. The performance is shown in the table above.
- During the COVID-19 response, the CCG is aiming to pay supplier invoices within 7 days in accordance with NHSE/I guidance.

4.3 Capital Programme

Capital Programme

Details of the capital projects in progress are detailed below. Building designs in progress have been reviewed in the context of operating in COVID compliant manner and amended where appropriate.

Scheme	Project	Status	Commentary
Lever Chambers Centre for Health - Phase 2	CCG Relocation	Complete	COVID compliance work paused following Government guidance advising work from home if you can.
Lever Chambers Centre for Health - Phase 3	Ground floor reconfiguration	Out to tender	Reconfiguration to accommodate GMMH and homeless services, improved reception and social prescribing area. This has paused whilst space is being proposed for use as a PCN vaccination site.
Little Lever Health Centre and Library	Relocation of 3 GP practices to be co-located with the library	In progress	Building work commenced on site.
Primary Care improvement Grants	2 Estates and Technology Transformation Fund (ETTF) PIDs	Pending GM approval	Schemes approved in 2019-20 with queries. 1 approval letter received and 1 pending approval to go ahead.
Horwich Health and Wellbeing Hub	Relocation of 2 GP practices	OBC review in progress	Scheme reassessed for COVID, design adjusted accordingly. Outline Business Case received and in review.
NHS Digital	N365 funding	In progress	Roll out Office 365 Project, implementation stage for primary care and CCG.
Digital First Funding	Primary Care digital transformation	GM Approved	Share of GM £2,66m. GM MoU signed. Implementation in progress.
COVID Capital	Primary Care premises improvements	Complete	Share of GM £1.2m capital funding allocated to GP practices for improving primary care premises to enable COVID compliant working practices.

5.0 Actions Requested

Actions Requested

The CCG Board is asked to note:

- The financial position at Month 9, which currently excludes the Month 7 - 9 allocations for expenditure incurred under the Hospital Discharge Programme and Month 9 Independent Sector over-performance.
- The Month 9 position is reporting an improved position compared to the financial plan approved via CCG Board and GM Partnership Executive Board to include the mandated surplus as agreed through GM CFOs/DOFs. Discussions are ongoing, at GM level, around resubmitting the financial plans to reflect the improved locality positions.