

AGENDA ITEM NO:8.....

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

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 10).	
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 10 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 10. 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 10 - January 2021

Kelly Knowles
Acting Chief Finance Officer

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1.1 Headlines

Financial Regime

The CCG was working under temporary financial arrangements in response to COVID-19 for the period 1 April 2020 to 30 September 2020. The final retrospective allocation adjustment for April to September was received in Month 8 bringing 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 10 reported position remains at £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 £1.857m. This is an improvement in the reported position when compared to the GM approved planned deficit of £1.091m.

January 2021	YTD			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Allocation	(417,727)	(417,727)	0	(506,971)	(506,971)	0
Expenditure	418,454	418,754	(300)	508,062	508,242	(180)
Surplus/(Deficit)	(727)	(1,027)	(300)	(1,091)	(1,271)	(180)
Hospital Discharge Programme	0	(620)	620	0	(928)	928
Independent Sector Activity	0	(390)	390	0	(912)	912
Vaccination	0	(17)	17	0	(17)	17
Expected Allocation	0	(1,027)	1,027	0	(1,857)	1,857
Final Reported Position	(727)	0	727	(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 from 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 M10								Total Confirmed Allocation	Expected allocations	Total Expected Allocation	
				GM Capacity Expansion Fund	BAME Phase 2 (Yaran)	GM PCN Development Funding for Bolton Federation	GM CYP Integrated health programme	Mth7 & Mth8 - Hospital Discharge Programme	Pension (6.3% uplift)	Flash Glucose Monitoring – Final Annual Allocation	Total Received M10				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Programme	231,036	224,964	455,999	(790)	23	76	386	778			114	587	456,586	1,840	458,426
Delegated Primary Care	21,946	21,762	43,708	790								790	44,498	0	44,498
Total Commissioning	252,982	246,726	499,707	0	23	76	386	778	0	114	1,377	501,084	1,840	502,924	
Running Cost	2,796	2,789	5,585						302		302	5,887	17	5,904	
Total Allocation 2020-21	255,777	249,515	505,292	0	23	76	386	778	302	114	1,679	506,971	1,857	508,828	

Allocation adjustments

Allocations are expected to cover the additional expenditure incurred under the Hospital Discharge Programme for Months 9 and 10 (£0.620m) and Independent Sector Activity in Months 9 and 10 (£0.390m). These are anticipated to be received prior to the year end, however the CCG is yet to receive final confirmation.

In addition, £0.017m is due to offset the COVID vaccination programme set up costs incurred.

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 10

January 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Allocation	(417,727)	(417,727)	0	(506,971)	(506,971)	0
Acute Services	191,633	191,970	(337)	230,331	230,971	(641)
Mental Health	45,149	44,423	726	54,321	53,876	445
Community	39,804	39,699	105	47,686	47,585	101
Other Commissioning	29,490	28,807	683	34,755	33,914	841
Primary Care	89,415	89,212	203	109,013	109,137	(124)
Continuing Care	20,413	19,684	729	23,848	23,344	504
Running Costs	4,958	4,958	0	5,887	5,887	0
Reserves	(2,409)	0	(2,409)	2,221	3,526	(1,305)
Expenditure	418,454	418,754	(300)	508,062	508,242	(180)
Surplus/(Deficit)	(727)	(1,027)	(300)	(1,091)	(1,271)	(180)

Headlines & Actions

- The reported year to date overspend relates to the expenditure incurred under the Hospital Discharge Programme in months 9 and 10 (£0.620m), Independent Sector activity in month 9 and 10 (£0.390m) and COVID Vaccination programme set up costs (£0.016m)
- 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 to reflect cost of expected recruitment; and the BQC is reported at 100% of the available allocation to ensure that all financial commitments are reflected in the year to date and forecast positions.

2.3 Hospital Discharge Programme

January 2021	Year to Date £000's	Forecast £000's
Hospital Discharge Scheme 1	7,118	7,118
Hospital Discharge Scheme 2	611	890
CHC Deferred Assessment	73	103
Total	7,802	8,111

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 are 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 £0.073m has been spent up to Month 10.
- All outstanding CHC deferred assessments are now complete and no further funding will be reclaimed under scheme 1.
- 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.

2.4 Delegated Primary Care

January 2021	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	35,402	35,297	105	44,498	44,690	(191)
Expenditure	35,402	35,297	105	44,498	44,690	(191)

Delegated Primary Care

- The budget for Delegated Primary Care has been set in line with the mandated national model plus all retrospective allocations from Month 1 – Month 6 and in line with the published allocations for Delegated Primary Care from Month 7 – Month 12.
- Costs associated with the Bolton Quality Contract continue to be reported through Primary Care Co-Commissioning 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.
- Non recurrent benefit from credits relating to 2019/20 have been received in the month, resulting in an underspend in the year to date reported position.
- The forecast position includes the protection of income for QOF and BQC KPI's for GP Practices as well as the expected spend for 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 (£0.342m) and is in line with the remaining overspend within the forecast position.

2.5 Running Costs

January 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Running Costs	4,958	4,958	0	5,887	5,887	0
Expenditure	4,958	4,958	0	5,887	5,887	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.
- Additional allocation of £302k was received in the period to fund the 6.3% Pension uplift in employer contributions which are included in the forecast spend

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. This risk has been mitigated through the GP Capacity Expansion Fund was received in Month 10 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. This is yet to be received for Months 7-10.

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.

January 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
QIPP achieved	1,803	1,803	-	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	Jan 2021	Commentary
	£000	£000	
Non current assets	246	147	Property Plant and Equipment
Trade & other receivables	1,026	1,191	Monies owing to CCG by other organisations
Prepayments and accrued income	1,592	29,774	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	4	323	Cash at bank/in hand
Total current assets	2,622	31,288	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,260)	(5,269)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(24,009)	(27,910)	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)	(34,569)	Total monies owed by CCG
Net assets/(liabilities) employed	(31,791)	(3,134)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(31,791)	(3,134)	Total Investment by Taxpayers

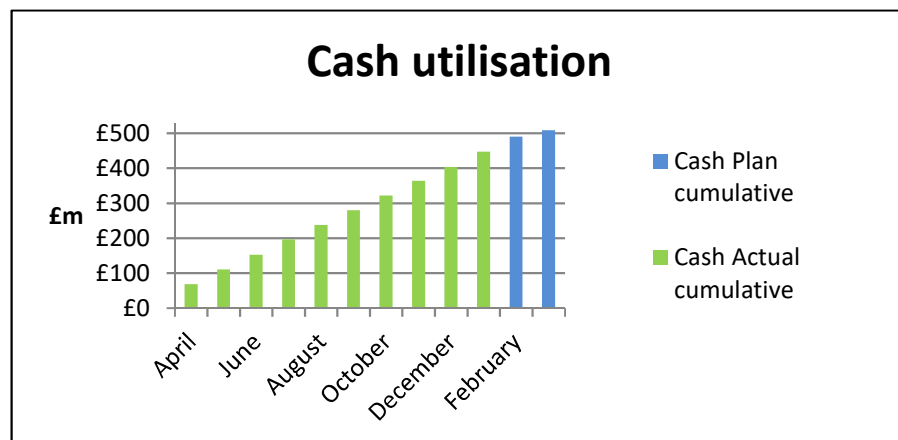
Headlines

The January 2021 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 £28.3m.
- 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	Jan 2021
	£000	£000
YTD Expenditure	493,506	418,754
Increase/(decrease) in trade & other receivables	(296)	28,348
(Increase)/decrease in trade & other payables	(3,522)	118
(Increase)/decrease in Provisions	(433)	0
Provisions utilised	0	0
Depreciation and Amortisation	(109)	(99)
Increase/(decrease) in capital payables	63	(28)
Increase/(decrease) in cash	(23)	319
YTD Cash drawn	489,186	447,412

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£250k	£324k	
% of monthly draw down	<1.25%	0.84%	

% 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 £507.9m and has received £447.4m cash to the end of January 2021, representing 88.08% of the ACDR. This is greater than the profiled requirement of 83.33% 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, internally reviewed and following governance approval processes.
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 10, which currently excludes:
 - the month 9 and 10 allocations for expenditure incurred under the Hospital Discharge Programme
 - the month 9 and 10 allocations for Independent Sector over-performance.
 - funding to offset COVID vaccination site costs
- The Month 10 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.