

NHS BOLTON CLINICAL COMMISSIONING GROUP



Bolton

Clinical Commissioning Group

AGENDA ITEM NO:10.....

Date of Meeting:9th April 2021.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 11).	
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 11 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 11. 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 11 - February 2021

Kelly Knowles
Acting Chief Finance Officer

Contents

1. Executive Summary

- 1.1 Headlines
- 1.2 Financial Duties

2. Finance and Contract Management

- 2.1 Allocation
- 2.2 Financial Position as at Month 11
- 2.3 Hospital Discharge Programme
- 2.4 Delegated Primary Care
- 2.5 Running Costs
- 2.6 CCG Risk Management

3. Efficiencies

- 3.1 QIPP Performance

4. Financial Control

- 4.1 Statement of Financial Position
- 4.2 Cash Limit Drawdown & Better Payment Code
- 4.3 Capital

5. Actions Requested

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 11 reported forecast position is a GM mandated surplus of £0.586m, once the expected allocation for Independent Sector over performance and Vaccination Programme set up costs are received. This is an improvement in the reported position when compared to the GM approved planned deficit of £1.091m.

February 2021	YTD			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Allocation	(461,034)	(461,034)	0	(509,032)	(509,032)	0
Expenditure	461,944	461,051	892	510,123	508,474	1,649
Surplus/(Deficit)	(909)	(17)	892	(1,091)	558	1,649
Independent Sector Activity	0		0	0	(11)	11
Vaccination	0	(17)	17	0	(17)	17
Expected Allocation	0	(17)	17	0	(28)	28
Final Reported Position	(909)	0	909	(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 M11									Total Confirmed Allocation	Expected allocations	Total Expected Allocation
				MHIE VCSE Funding	CYP Short Breaks Funding	Baby Lifeline Home Birth Bags	Digital First Tranche 2 funding	LGPR Funding 20/21	GP Digitalisation funding	Independent Sector	Hospital Discharge Programme	Total Received M11			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programme	231,036	225,551	456,586	150	13	2	47	55	119	808	867	2,061	458,647	28	458,675
Delegated Primary Care	21,946	22,552	44,498									0	44,498	0	44,498
Total Commissioning	252,982	248,103	501,084	150	13	2	47	55	119	808	867	2,061	503,145	28	503,173
Running Cost	2,796	3,091	5,887									0	5,887	0	5,887
Total Allocation 2020-21	255,777	251,194	506,971	150	13	2	47	55	119	808	867	2,061	509,032	28	509,060

Allocation adjustments

Allocations to cover the additional expenditure incurred for the Hospital Discharge Programme have been received in full up to Month 10 and in line with the current forecasted spend for Months 11 and 12.

Independent Sector allocations have now been received in full for the overspend up to Month 10 and at 80% of the Month 10 forecast rate for Months 11 and 12, in line with guidance. Adjustments to reflect actual spend are anticipated where required, which currently equates to £0.011m.

£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.

It is anticipated that the allocation adjustments to the GM CCG reported positions will be transacted in Month 12. This aims to remove significant variations to the current reported surplus/deficit positions by GM CCGs in line with GM ICS financial governance arrangements.

2.2 Financial Position at Month 11

February 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Allocation	(461,034)	(461,034)	0	(509,032)	(509,032)	0
Acute Services	211,220	211,064	156	230,826	230,571	255
Mental Health	49,735	49,252	483	54,321	54,177	143
Community	43,876	43,767	109	47,851	47,744	107
Other Commissioning	32,178	31,067	1,111	36,503	35,220	1,283
Primary Care	98,849	99,277	(427)	109,249	110,174	(925)
Continuing Care	22,726	21,202	1,525	24,715	22,822	1,893
Running Costs	5,423	5,423	0	5,887	5,887	(0)
Reserves	(2,064)	0	(2,064)	771	1,878	(1,107)
Expenditure	461,944	461,051	892	510,123	508,474	1,649
Surplus/(Deficit)	(909)	(17)	892	(1,091)	558	1,649

Headlines & Actions

- The CCG expects further allocation adjustments to mitigate additional spend within the Vaccination Programme and the Independent Sector. Further adjustments to smooth the position across GM are also anticipated.
- NHS Block contracts have been amended and accounted for as agreed with the Providers and GM. The forecast under spend within Acute Services relates to the reduced activity undertaken within the Independent Sector.
- Mental Health spend has increased in line with the MHIS plans agreed with GM and spend has been transacted through the MH budgets this month, which was previously reported through Other Commissioning. NHS block contracts have been adjusted in line with agreed investments.
- Continuing Care reports an underspend as all allocations have been received for the HDP expenditure.
- The overspend forecast within Primary Care is being driven through a deterioration in the Prescribing position relating to GP Prescribing including Cat M. Additionally, the ARRS scheme is reported to reflect cost of expected recruitment; and the BQC and QOF achievement 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

February 2021	Year to Date £000's	Forecast £000's
Hospital Discharge Scheme 1	7,118	7,118
Hospital Discharge Scheme 2	788	823
CHC Deferred Assessment	91	108
Total	7,997	8,049

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 £0.091m has been spent up to Month 11.
- 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 NHSE Non ISFE submissions, which details the schemes paid for by both CCG and the LA.

2.4 Delegated Primary Care

February 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	39,585	39,770	(185)	44,498	45,068	(569)
Expenditure	39,585	39,770	(185)	44,498	45,068	(569)

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 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

February 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	5,423	5,423	0	5,887	5,887	(0)
Expenditure	5,423	5,423	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.

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
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 has now been funded for all actual spend incurred from Month 7 – Month 11. A further allocation of £0.011m is anticipated in M12. There is no further financial risk to the CCG.

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.

February 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	2,218	2,218	-	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	Feb 2021	Commentary
	£000	£000	
Non current assets	246	138	Property Plant and Equipment
Trade & other receivables	1,026	1,238	Monies owing to CCG by other organisations
Prepayments and accrued income	1,592	30,131	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	4	719	Cash at bank/in hand
Total current assets	2,622	32,088	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,260)	(2,470)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(24,009)	(27,047)	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)	(30,907)	Total monies owed by CCG
Net assets/(liabilities) employed	(31,791)	1,319	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(31,791)	1,319	Total Investment by Taxpayers

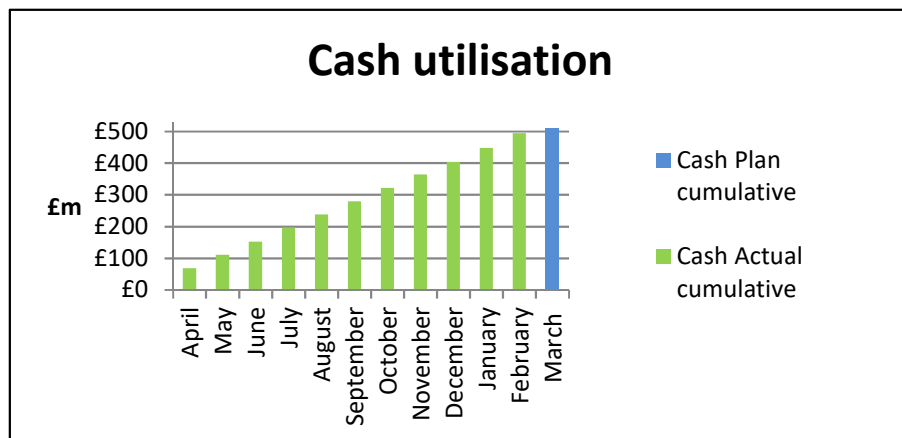
Headlines

The February 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 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 £28.5m. This will return to pre-COVID levels in March 2021 as the final payments in advance were transacted in February for March.
- The CCG has taxpayers equity reflects the timing of cash flows compared to expenditure incurred over time. This value has significantly improved as a result of the additional cash received in advance and is expected to revert to pre-COVID levels in March 2021.

4.2 Cash Utilisation & BPPC



YTD Cash flow Statement	March 2020	Feb 2021
	£000	£000
YTD Expenditure	493,506	461,051
Increase/(decrease) in trade & other receivables	(296)	28,751
(Increase)/decrease in trade & other payables	(3,522)	3,780
(Increase)/decrease in Provisions	(433)	0
Provisions utilised	0	0
Depreciation and Amortisation	(109)	(109)
Increase/(decrease) in capital payables	63	(28)
Increase/(decrease) in cash	(23)	716
YTD Cash drawn	489,186	494,161

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£250k	£409.6k	
% of monthly draw down	<1.25%	0.97%	

% 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 £510m and has received £494.1m cash to the end of February 2021, representing 96.89% of the ACDR. This is greater than the profiled requirement of 91.67% 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.

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	Plans are being developed to enable safe return to office working in accordance with government guidance.
Lever Chambers Centre for Health - Phase 3	Ground floor reconfiguration	Tender process complete and the contractors ready to mobilise	Reconfiguration to accommodate GMMH and homeless services, improved reception and social prescribing area. This has paused whilst space is in 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	In progress	1 scheme in progress and 1 scheme approved in principle.
Horwich Health and Wellbeing Hub	Relocation of 2 GP practices and community health and care services	OBC approved in principle by CCG	Public consultation in progress via Bolton Council.
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	In progress	Share of GM £2.66m. Project nearing completion.
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 11, which currently excludes:
 - funding to offset COVID vaccination site costs
- The Month 11 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. It is anticipated that the GM CCG positions will be adjusted in line with the GM financial governance arrangements.