

**NHS BOLTON CLINICAL COMMISSIONING GROUP**



**Bolton**

Clinical Commissioning Group

**AGENDA ITEM NO:** .....9.....

**Date of Meeting:** .....14<sup>th</sup> May 2021.....

<b>TITLE OF REPORT:</b>	Report of the Chief Finance Officer (Month 12).	
<b>AUTHOR:</b>	Kelly Knowles, Acting Chief Finance Officer	
<b>PRESENTED BY:</b>	Kelly Knowles, Acting Chief Finance Officer	
<b>PURPOSE OF PAPER: (Linking to Strategic Objectives)</b>	To provide the CCG Board with an update on the Month 12 Budgets.	
<b>LINKS TO CORPORATE OBJECTIVES (tick relevant boxes):</b>	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.	√
<b>RECOMMENDATION TO THE BOARD: (Please be clear if decision required, or for noting)</b>	NHS Bolton Clinical Commissioning Group Board is asked to:- 1. Note the update to the associated budgets as at month 12. 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.	
<b>COMMITTEES/GROUPS PREVIOUSLY CONSULTED:</b>	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.	
<b>REVIEW OF CONFLICTS OF INTEREST:</b>	N/A	
<b>VIEW OF THE PATIENTS, CARERS OR THE PUBLIC, AND THE EXTENT OF THEIR INVOLVEMENT:</b>	Views of stakeholders will be obtained as part of the CCG commissioning plans.	
<b>EQUALITY IMPACT ASSESSMENT (EIA) COMPLETED &amp; OUTCOME OF ASSESSMENT:</b>	An EIA assessment is not required necessary for the report.	

# Report of the Chief Finance Officer Month 12 - March 2021

Kelly Knowles  
Acting Chief Finance Officer

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# 1.1 Headlines

## Financial Regime

Subject to external audit, the CCG has fully delivered all of its financial targets for the financial year 2020/21. The CCG Statutory Accounts for 2020/21 will be submitted to NHS England, in accordance with the deadline of 26 April 2021. These will be externally audited by KPMG before final approval by the CCG Board. The CCG has also fully achieved the QIPP target for 2020/21.

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. GM has managed the system wide financial position within this envelope for all areas of spend, the only exception to this being those areas where national funding was available.

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

At month 12, the CCG has reported a breakeven position. This is an improvement in the reported position when compared to the GM approved planned deficit of £1.091m.

March 2021	M12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Allocation	(513,281)	(513,281)	0
Expenditure	514,372	513,281	1,091
<b>Surplus/(Deficit)</b>	<b>(1,091)</b>	<b>0</b>	<b>1,091</b>

# 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	Performance	Explanation of the Performance
Revenue Position	Operate within approved revenue resource allocation in each and every year.	Green	From October the CCG was working under system wide financial arrangements. The CCG had a planned deficit of £1.091m but CCG mitigating actions and the GM deficit management process has enabled the CCG to report a balanced position for 2020/21.
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 had a cash flow plan that has met this target. Processes were 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 aimed 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 monitored 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 had a QIPP plan of 1% of the CCG run rate M7-M12. This equated to £2.6m for this period and the CCG has delivered £3.3m FYE.
Financial Risk	Report the financial risks through the Board Assurance Framework	Green	A number of financial risks were identified throughout the financial year. These have been fully mitigated.

## 2.1 Allocation

Allocation 2020-21	Final M1-M6 Allocation	M7-M11 Allocations	Received M12								Total M1-M12 Allocation
			Various (see narrative)	CAS Digital Licences	System Funding Adjustment	SDF Crisis Funding 20/21	Locality Funding	Out of Envelope Reimbursement	ARRS Allocation Adjustment	Total Received M12	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programme	231,036	231,515	102	(146)	(541)	721	3,740	27		3,903	462,550
Delegated Primary Care	21,946	22,897							345	345	44,843
<b>Total Commissioning</b>	<b>252,982</b>	<b>254,412</b>	<b>102</b>	<b>(146)</b>	<b>(541)</b>	<b>721</b>	<b>3,740</b>	<b>27</b>	<b>345</b>	<b>4,248</b>	<b>507,393</b>
Running Cost	2,796	3,092	1							1	5,888
<b>Total Allocation 2020-21</b>	<b>255,777</b>	<b>257,504</b>	<b>103</b>	<b>(146)</b>	<b>(541)</b>	<b>721</b>	<b>3,740</b>	<b>27</b>	<b>345</b>	<b>4,249</b>	<b>513,281</b>

### Allocation adjustments

The final system allocation adjustments in relation to the H2 2020/21 GM financial envelope were transacted in Month 12, this resulted in the removal of £541k for Bolton CCG.

Allocations to cover the additional expenditure incurred for the Hospital Discharge Programme and the increased Independent Sector spend have been received in full.

The final allocation of £345k for the Additional Roles Reimbursement Scheme was received in Month 12. This relates to the expenditure that was above the 60% of funding within the Delegated baseline allocation.

The £103k of various allocations included NHS111 (£59k) and GPIT (£26k), the remaining funding was pass through funding for providers.

## 2.2 Financial Position at Month 12

March 2021	M12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
<b>Allocation</b>	<b>(513,281)</b>	<b>(513,281)</b>	<b>0</b>
Acute Services	231,246	231,246	0
Mental Health	54,257	54,257	0
Community	48,516	48,516	(0)
Other Commissioning	34,505	34,505	(0)
Primary Care	110,053	110,469	(416)
Continuing Care	28,400	28,400	0
Running Costs	5,888	5,888	0
Reserves	1,507	0	1,507
<b>Expenditure</b>	<b>514,372</b>	<b>513,281</b>	<b>1,091</b>
<b>Surplus/(Deficit)</b>	<b>(1,091)</b>	<b>0</b>	<b>1,091</b>

### Headlines & Actions

- At month 12, the CCG has reported a breakeven position. This is an improvement in the reported position when compared to the GM approved planned deficit of £1.091m.
- The remaining overspend position is the pressure relating to Prescribing, which was overspent by £0.410m against a plan of £48.451m.

## 2.3 Hospital Discharge Programme

March 2021	M12 - Final Position £000's
Hospital Discharge Scheme 1	7,118
Hospital Discharge Scheme 2	827
CHC Deferred Assessment	104
<b>Total</b>	<b>8,049</b>

### 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 1<sup>st</sup> 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 has been 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, with patients then transferred to the most appropriate onward funding stream.
- To aid CCGs and LAs to undertake the deferred assessments from 1st September, funding was made available to support any additional staffing requirements. The total funding available for Bolton was £0.276m, of which £0.104m has been spent.



## 2.4 Delegated Primary Care

March 2021	M12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Primary Care Co-Commissioning	44,843	45,203	(359)
<b>Expenditure</b>	<b>44,843</b>	<b>45,203</b>	<b>(359)</b>

### Delegated Primary Care

- The budget for Delegated Primary Care was set in line with the mandated national model from Month 1 to Month 6 and in line with the published allocations for Delegated Primary Care from Month 7 to Month 12. The budget is reflective of the mandated plan, CCG top up and allocation received for ARRS; for which the CCG received £0.345m in Month 12 for the proportion of funding held centrally.
- Costs associated with the Bolton Quality Contract have been reported through Primary Care Co-Commissioning in line with previous years, including the full financial value for BQC KPIs.

## 2.5 Running Costs

March 2021	M12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Running Costs	5,888	5,888	0
Expenditure	5,888	5,888	0

### Running Costs

- The CCG has maintained running costs expenditure within budget for 2020/21, in line with the CCG statutory duties.

# 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 H2 2020/21 CCG QIPP plan is £2.633m, and the CCG has delivered this in full.

March 2021	M12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
QIPP achieved	2,633	2,633	0

## System Recovery

- A System Finance Group is now well 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	Mar 2021	Commentary
	£000	£000	
Non current assets	246	128	Property Plant and Equipment
Trade & other receivables	1,026	675	Monies owing to CCG by other organisations
Prepayments and accrued income	1,592	99	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	4	99	Cash at bank/in hand
<b>Total current assets</b>	<b>2,622</b>	<b>873</b>	<b>Total monies owed to CCG plus cash /bank</b>
Trade & other payables	(9,260)	(9,642)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(24,009)	(22,926)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,390)	(1,392)	Future liabilities relating to past event
<b>Total current liabilities</b>	<b>(34,659)</b>	<b>(33,960)</b>	<b>Total monies owed by CCG</b>
<b>Net assets/(liabilities) employed</b>	<b>(31,791)</b>	<b>(32,959)</b>	<b>Total monies owed by CCG net of total monies owing to the CCG</b>
Taxpayers equity			
<b>General fund</b>	<b>(31,791)</b>	<b>(32,959)</b>	<b>Total Investment by Taxpayers</b>

### Headlines

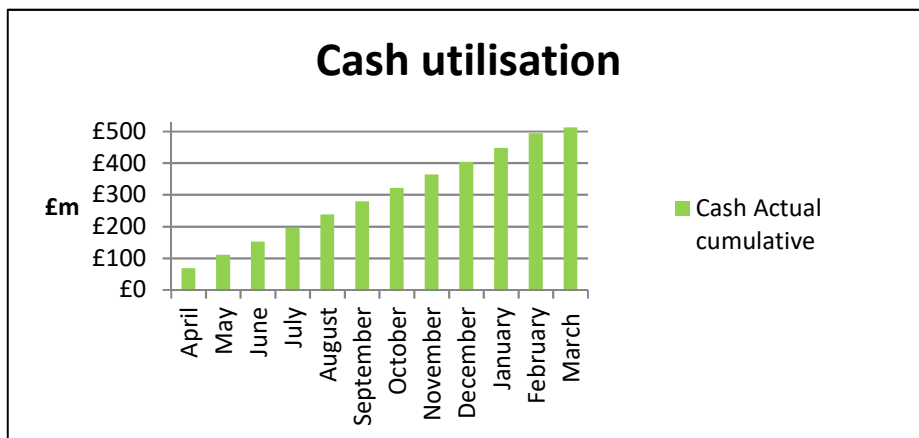
The March 2021 Statement of Financial Position (SoFP) is summarised in the table above and compared to the position at the end of March 2020.

Prepayments and accrued income has reduced significantly compared to February (£30m) as the advance block payments to NHS providers ceased in February.

Prepayments and accrued income compared to March 2020 is due to the release of contract prepayments based tariff paid for future activity that is no longer applicable in the block contract environment.

The CCG has taxpayers equity reflects the timing of cash flows compared to expenditure incurred over time.

## 4.2 Cash Utilisation & BPPC



Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£250k	£110.1k	
% of monthly draw down	<1.25%	0.73%	

YTD Cash flow Statement	March 20	March 21
	£000	£000
YTD Expenditure	493,506	513,281
Increase/(decrease) in trade & other receivables	(296)	(1,845)
(Increase)/decrease in trade & other payables	(3,522)	729
(Increase)/decrease in Provisions	(433)	(248)
Provisions utilised	0	246
Depreciation and Amortisation	(109)	(118)
Increase/(decrease) in capital payables	63	(28)
Increase/(decrease) in cash	(23)	96
<b>YTD Cash drawn</b>	<b>489,186</b>	<b>512,113</b>

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	99.64%	
By Volume	95.00%	98.52%	

### Cash

- The CCG's Annual Cash Drawdown Requirement (ACDR) for 2020-21 is calculated based on the notified allocation. In March 2021 the CCG had an ACDR of £514.2m and received £512.1m cash to the end of March 2021, representing 99.58% of the ACDR.
- The CCG achieved the year end cleared bank balance target which is the lower of £250k or less than 1.25% of the February cash draw down. Performance is shown in the table above. NHSE/I has confirmed that penalties would not be levied on breaches during the year under the current financial regime to enable CCGs to have sufficient cash to pay suppliers during the pandemic.

### 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	A draft Agile Working Policy is under review alongside plans for a proposed phased return to offices at end of May 2021 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 continues to be 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 is progressing 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 expected to conclude in 2021-22
Horwich Health and Wellbeing Hub	Relocation of 2 GP practices and community health and care services	OBC approved in principle by CCG	Awaiting outcome of the public consultation via Bolton Council.
NHS Digital	N365 funding	In progress	Roll out Office 365 Project, continued phased roll out.
Digital First Funding	Primary Care digital transformation	Complete	Infrastructure in place for phased roll out of the technology.
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

- Note that the CCG has achieved all of its financial duties for 2020/21.
- Note the final financial position at Month 12.
- Note that the CCG Statutory Accounts will be submitted to NHS England on 26th April 2020 showing achievement of all financial targets for 2020/21, subject to external audit by the CCG auditors, KPMG.