

AGENDA ITEM NO:10.....

Date of Meeting:11th June 2021.....

TITLE OF REPORT:	Final Financial Plan.	
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 financial plans for 2021/22.	
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 final financial plans for 2021/22. 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 report 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.	

NHS Bolton CCG

Draft Financial Plan H1 2021/22

Kelly Knowles
Acting Chief Finance Officer

Planning Guidance – Finance H1 2021/22

System Envelopes based on H2 2020/21 with following adjustments:

- CCG Programme uplifted by inflation
- Additional allocations for MHIS, Primary Medical Services & PCN funding
- Provider blocks uplifted by 0.5%, incl. of CIP of 0.28%
- 20/21 Lost income partially funded via COVID monies top-up
- Funding for CNST and Car park funding for specific patient groups via System top-up
- Systems expected to recover proportion of 19/20 Control Total gap

2021/22 ICS Revenue Envelopes	£000s
Cheshire and Merseyside	2,697,959
Greater Manchester Health and Social Care Partnership	2,927,538
Healthier Lancashire and South Cumbria	1,790,425
Total	7,415,922

Outside of Envelope costs reimbursed:

- Specialised High Cost Drugs and Devices
- Specific Covid services.
- 21/22 National Services Development Funds (SDF) - *to be published*

Mental Health

- 12 month plan required to meet MHIS, inclusive of SDF allocations, and additional Covid recovery monies

Elective Recovery Fund

- Systems will be paid at 100% of tariff, where weighted activity levels (DC, EL and OP, with some exclusions) are above specific thresholds (April – 70%, May: 75%, June 80%, Jul – sept: 85%) and 120% where above 85%.
- Includes NHS and non-NHS activity.



2021/22 H1 CCG Deficit Management

Through the ICS planning exercise undertaken nationally, the initial CCG deficit position was £50.3m. CCGs have been allocated £25.2m of the system funding, supported by the Financial Advisory Committee (FAC), which then resulted in a remaining deficit of £25.1m.

GM CFOs agreed that every CCG would be allocated a fair share of this remaining gap which would be met through the release of the 0.5% contingency and an increase to organisational QIPP targets to ensure that all organisations submitted balanced plans.

CCG	Current	Fair Share	Fair Share QIPP	System Funding	Remove Contingency	Revised QIPP (Unidentified)	Final H1 Reported Control Total
Bolton	£2,466	10.1%	£2,533	(£67)	(£1,134)	£1,399	£0
Bury	£3,528	6.5%	£1,639	£1,889	(£855)	£784	£0
Oldham	£3,178	8.2%	£2,060	£1,118	(£1,098)	£962	£0
HMR	£2,211	8.0%	£2,014	£197	(£1,007)	£1,007	£0
Salford	£6,676	9.4%	£2,366	£4,310	(£1,230)	£1,136	£0
Stockport	£5,384	10.2%	£2,563	£2,821	(£1,289)	£1,274	£0
Tameside	£2,500	8.6%	£2,145	£355	(£995)	£1,150	£0
Trafford	£1,101	7.3%	£1,824	(£723)	(£980)	£844	£0
Wigan	£11,272	11.4%	£2,858	£8,414	(£1,267)	£1,591	£0
Manchester	£11,957	20.3%	£5,082	£6,875	(£2,349)	£2,733	£0
Total	£50,273	100%	£25,083	£25,190	(£12,204)	£12,879	£0

FAC also proposed that the distribution of system funding, as per the above table, would be reviewed at Month 3 and Month 5 as recognition that the proposed positions were subject to significant risks. There was an agreement that flexibility to redistribute funding across the system would be maintained through this review process.

CCG Resource

CCG allocations were announced in March 2019 covering a five year period from 2019/20 to 2023/24. Due to the Covid pandemic the 2020/21 allocations were superseded by temporary system wide financial arrangements. These financial arrangements have been rolled forward into H1 of 2021/22.

The total expected funding for Bolton CCG is £255.6m .

	Running Cost	Delegated	Programme	CCG Allocation
	£'000	£'000	£'000	£'000
H1 Published from System Envelope	2,789	21,961	219,009	243,759
Adjustments:				
FYE adjustment: MHIS			(683)	(683)
SpecComm corrections for genomics/complex knees			(25)	(25)
SDF embedded in CCG allocations to transfer to notified SDF allocation			(27)	(27)
Acute IS adjustment			5,798	5,798
Envelope growth - CCG programme allocations			1,972	1,972
Envelope growth - CCG delegated primary care allocations		1,410		1,410
Mental health investment standard			845	845
Total Adjustments	0	1,410	7,880	9,290
Total Expected Allocation for Bolton CCG	2,789	23,371	226,889	253,049
MH SDF and Spend Review Funding			1,015	1,015
Primary Care SDF			34	34
Maternity Transformation			562	562
Primary Care - Access			980	980
Proportion of system funding to meet fair share of deficit			(67)	(67)
Total Expected Funding Envelope for Bolton CCG	2,789	23,371	229,413	255,573

2021/22 H1 Draft Plan

The draft plan has been constructed based on H2 2020/21 expenditure and adjusted for inflation, increased for key areas of national priority and the transfer of nationally commissioned IS back to CCGs.

The first draft expenditure plan indicated a deficit of £2.467m for Bolton CCG. This included the reinstatement of the 0.5% contingency for CCGs, which has subsequently been agreed by the GM Leadership Group to be removed due to lack of affordability across the system. Additional QIPP plans have been mandated to ensure that the CCG based system deficit has been allocated across organisations on a fair shares basis, this equates to £1.399m for Bolton CCG. The final draft plan submitted indicates a breakeven position.

Commissioning Area	First Draft H1 2021/22 Plan	SDF Updates	GM Changes	Final Draft H1 2021/22 Plan
	£'000	£'000	£'000	£'000
CCG ALLOCATIONS	255,253	387	(67)	255,573
Acute Services	121,846			121,846
Mental Health Services	28,995	387		29,382
Community Health Services	23,402			23,402
Continuing Care Services	7,354			7,354
Primary Care Services	32,429			32,429
Primary Care Co-Commissioning	23,371			23,371
Other Programme Services	17,295			17,293
0.5% Contingency	1,134		(1,134)	0
QIPP	(895)		(1,399)	(2,294)
TOTAL COMMISSIONING SERVICES	254,931	387	(2,533)	252,784
Running Costs	2,789			2,789
TOTAL CCG DRAFT PLAN (H1)	257,720			255,573
TOTAL DRAFT DEFICIT	(2,467)			0



Areas of Priority

The continuation of the financial regime results in minimal additional allocation available for new investment into services, which is also in line with the GM planning principles.

However, there is additional system funding available for the priority areas outlined below:

- Primary Care Digital Strategy
- Mental Health
- Local Maternity Systems
- Saving Babies Lives – Pre-term births
- Elective Care Recovery

It has been assumed that there will also be additional financial support for the following priority programmes:

- Implementation of the recommendations through the Ockenden report
- Cancer
- Long COVID

Statutory Duties

An update to the CCG Statutory Duties has been provided based on the 2021/22 draft H1 financial plan.

Description	Financial Performance Targets	Expected Performance	Explanation of the Expected Performance
Revenue Position	Operate within approved revenue resource allocation in each and every year.	Red	The H1 Draft Financial Plan initially identified a £2.9m deficit based on the CCG allocation from within the GM envelope. The total GM deficit after system funding was allocated across CCG's on a fair shares basis to ensure consistent levels of financial pressure. This was then offset by an unidentified QIPP target resulting in all CCG plans being a breakeven position.
Running Costs	Not to exceed the Running Cost Allowance	Amber	The financial budget for running costs is planned to be within the allocation identified for running costs, however the AfC uplift and any increase to the running cost allocation is yet to be agreed nationally.
Cash	Operate within its approved annual cash draw-down limit (ACDR) in each and every year.	Amber	The CCG will develop a cash flow plan that will meet the approved cash draw down limit, if the financial plan is approved and accepted.
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.	Red	The efficiency factor for H1 is 0.28% and growth %'s in the guidance have been calculated as the inflationary pressure and efficiency requirement on H1 2021/22 by reference to H2 2020/21. Additional QIPP that has been required to provide financial balance is currently all unidentified.
Financial Risk	Report the financial risks through the Board Assurance Framework	Red	The guidance released with the planning documentation stated that all financial risks should be mitigated at an individual organisational level. Any mitigations identified by the CCG have been utilised in managing the deficit down to a minimal level.

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Patient Focused Finance.

NHS
Bolton Clinical Commissioning Group

2021/22 H1 QIPP

The QIPP target for Bolton CCG is £2.3m for H1 2021/22. This has been calculated based on the 0.28% efficiency stated in the guidance, plus any specific CCG based cost pressures plus a proportion of the remaining financial deficit which has been allocated on a fair shares basis.

The normal process for QIPP planning had been paused throughout 2020/21, however management of the system wide deficit will be reviewed through the System Finance Group. CCG specific plans that are currently in place are stated in the table below; this results in a value of £1.8m of unidentified QIPP.

	£'000	£'000
Efficiency as per the guidance 0.28%	715	
CHC specific pressure	180	
Deficit Management	1,399	
Total QIPP 2021/22		2,294
Plans currently in place:		
BQC 2% uplift agreement (£511k FYE)		(256)
Woundcare		(50)
CHC financial audit and MDT reviews		(180)
Medicines Management Workplan		TBC
Unidentified QIPP		1,809

2021/22 Financial Risks

It has been acknowledged that there is a level of financial risk within the ICS plans, identified in the table below. There have been areas within the guidance that have not been reflected in the financial plans submitted due to the planning process and the ICS directives. Furthermore, the tight timescales have not allowed for the peer scrutiny that had been in place throughout 2020/21.

Risk	Risk Description
Failure to control demand	Failure to meet the parameters of the Elective Recovery Fund within the ICS whilst exceeding the baseline activity within the locality across Acute NHS and Independent Providers.
Increased costs of Continuing Health Care	Increase in high cost placements across funded care due to complexity of patient ongoing needs.
MH/LD high cost placements.	Failure to control Out of Area Placements and the increase in high cost placements due to the acuity of patients.
Failure to control prescribing spend and deliver efficiency	Failure to control NCSO/CAT M pressures. Failure to control demand.
Gaps in National Guidance	Specific guidance relating to H1 was not available when the plans were being formalised and submitted which may then have an impact in this reporting period.
Unidentified QIPP	Value of the QIPP programme that remains unidentified



Action Requested

- The CCG Board is asked to approve the interim H1 2021/22 financial plan noting the level of unidentified QIPP required to provide a balanced position.
- The CCG Board is asked to note that this position is subject to review and reallocation of funding / savings targets based on Month 3 and Month 5 financial reports.

