

NHS BOLTON CLINICAL COMMISSIONING GROUP



Bolton

Clinical Commissioning Group

AGENDA ITEM NO:9.....

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

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 2).	
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 2 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)	<p>NHS Bolton Clinical Commissioning Group Board is asked to:-</p> <ol style="list-style-type: none"> Note the update to the associated budgets as at month 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:	<p>The CCG Executive has discussed and supports the recommendations to the Board.</p> <p>The Finance & QIPP Committee has reviewed and discussed the reports at the meeting prior to the Board.</p> <p>The Board will be kept up to date on financial plans and QIPP delivery.</p>	
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 02 - May 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 02
- 2.3 Hospital Discharge Programme
- 2.4 Delegated Primary Care
- 2.5 Continuing Care Services
- 2.6 Running Costs
- 2.7 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

A system wide financial envelope has been allocated to Greater Manchester (GM) for the period 1 April 2021 to 30 September 2021. This comprises of initial allocations for both CCGs and Providers, COVID funding, growth funding and system top up. GM has managed the financial plan within this envelope for all areas of spend, with the exception to this being those areas where national funding was available.

Any expenditure relating directly to the Hospital Discharge Programme has been captured and reported separately within the monthly Non ISFE submissions to NHSE. Allocations to cover these costs are expected to be received once the validation process with NHSE has been undertaken.

At month 2, the CCG has reported a balanced position however it should be noted that this is at significant risk due to pressures within Continuing Care Services, as a result of an increase in occupancy and compounded by the unidentified QIPP, which is currently valued at £2.04m.

May 2021	YTD			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(84,902)	(84,902)	0	(255,556)	(255,556)	0
Expenditure	84,902	85,300	(398)	255,556	256,571	(1,015)
Surplus/(Deficit)	0	(398)	(398)	0	(1,015)	(1,015)
Hospital Discharge Programme	0	(398)	398	0	(1,015)	1,015
Expected Allocation	0	(398)	398	0	(1,015)	1,015
Final Reported Position	0	0	0	0	0	0

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.	Red	The reported position is breakeven at M2, however there is significant risk to this position due to the level of unidentified QIPP and pressures with CHC. There are further risks identified in Section 2.7.
Running Costs	Not to exceed the Running Cost Allowance	Amber	The expenditure for running costs is planned to be within the allocation identified, 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.	Green	The CCG has developed a cash flow plan that ensures the CCG will meet the approved cash draw down limit.
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 QIPP target has been calculated using the efficiency factor for H1 (0.28%) plus the known inflationary increase for CHC rates agreed through Joint Commissioning Committee. There is then additional QIPP which was required to provide financial balance. The unidentified QIPP is currently £2.04m.
Financial Risk	Report the financial risks through the Board Assurance Framework	Red	A number of risks have been identified and further details are outlined in Section 2.7.

2.1 Allocation

Allocation 2021-22	M1 - M6 Baseline Allocation	Expected allocations - HDP	Total Expected Allocation
	£'000	£'000	£'000
Programme	229,396	1,015	230,411
Delegated Primary Care	23,371	0	23,371
Total Commissioning	252,767	1,015	253,782
Running Cost	2,789	0	2,789
Total Allocation 2021-22	255,556	1,015	256,571

Allocation adjustments

The CCG has set budgets as outlined in the financial plan submitted to NHSE. The allocation currently reported is for the financial period 1st April to 30th September 2021.

Allocations are expected to mitigate the additional expenditure forecast to be incurred under the Hospital Discharge Programme (£1.015m).

Further allocation is also anticipated for the Additional Roles Reimbursement Scheme to cover the expenditure that is above the 55.6% of funding within the Delegated baseline allocation. The CCG is currently expecting this to be £0.716m for the 6 months to September 2021.

2.2 Financial Position at Month 02

May 2021	Year to Date			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(84,902)	(84,902)	0	(255,556)	(255,556)	0
Acute Services	40,557	40,556	1	121,672	121,681	(9)
Mental Health	9,817	9,845	(28)	29,452	29,495	(43)
Community	7,835	7,892	(57)	23,506	23,570	(64)
Other Commissioning	5,764	5,806	(42)	17,294	17,261	33
Primary Care	18,234	18,449	(215)	55,527	56,416	(889)
Continuing Care	2,450	3,009	(558)	7,354	8,856	(1,502)
Running Costs	924	924	(0)	2,789	2,789	(0)
Reserves	(679)	(1,182)	503	(2,039)	(3,497)	1,459
Expenditure	84,902	85,300	(398)	255,556	256,571	(1,015)
Surplus/(Deficit)	0	(398)	(398)	0	(1,015)	(1,015)

Headlines & Actions

- At month 2, the CCG has reported a balanced position.
- The balanced position includes significant risk due to:
 - Pressures within Continuing Care Services due to increased occupancy
 - Unidentified QIPP which is currently valued at £2.04m
 - Funding for forecast Additional Roles Reimbursement Scheme spend (£0.716m) adjusted in reserves, but not expected to be received until the end of H1.

2.3 Hospital Discharge Programme

May 2021	Year to Date £000's	Forecast £000's
LA commissioned	233	657
CCG commissioned	165	358
Total	398	1,015

Hospital Discharge Programme Expenditure Detail

- The Hospital Discharge Programme is an element of the COVID-19 response aimed to prevent and reduce admissions into the acute sector and promote swift discharge into the community.
- The scheme is set to continue for the period April 1st to September 30th 2021.
 - For the period April to June 2021, funding relating to the first six weeks of care following discharge can be claimed by the CCG.
 - For the period July to September 2021, funding relating to the first four 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 designated time frame, with patients then transferred to the most appropriate onward funding stream.

2.4 Delegated Primary Care

May 2021	Year to Date			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Primary Care Co-Commissioning	7,516	7,631	(114)	23,371	24,014	(643)
Expenditure	7,516	7,631	(114)	23,371	24,014	(643)

Delegated Primary Care

- The forecast Additional Roles Reimbursement Scheme spend is the primary reason for the reported variance. Only 55.6% of the cost is funded within the plan. The remaining funding is drawn down from NHSE and is not expected to be received until the end of H1 following a robust validation process.
- Costs associated with the Bolton Quality Contract have been reported through Primary Care Co-Commissioning in line with previous years.

2.5 Continuing Care Services

May 2021	Year to Date			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Continuing Care	2,450	3,009	(558)	7,354	8,856	(1,502)
Expenditure	2,450	3,009	(558)	7,354	8,856	(1,502)

Continuing Care Services

- Continuing Care Services reports significant pressures due to increased occupancy and patient numbers observed in the first two months of the financial year which is in excess of those reported through the final six months of 2020/21 (baseline period).
- Within this reported overspend is expenditure relating to the Hospital Discharge Programme for which funding is expected. This equates to £0.4m YTD and £1.02m reported in the forecast.
- Internal mitigations to this position are being assessed.

2.6 Running Costs

May 2021	Year to Date			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Running Costs	924	924	(0)	2,789	2,789	(0)
Expenditure	924	924	(0)	2,789	2,789	(0)

Running Costs

- The CCG is forecast to maintain running costs expenditure within budget for H1 2021/22, in line with the CCG statutory duties.

2.7 CCG Risk Management

CCG Financial Risks Identified

It has been acknowledged that there is a level of financial risk within the ICS plans, identified in the table below.

Risk	Risk Description	Risk Rating	Risk Rating Narrative
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.	L	Provided at a low level risk as further information has been received regarding ERF. There are GM level programme leads and the Bolton locality is represented through the GM meetings.
Increased costs of Continuing Health Care	Increase in high cost placements across funded care due to complexity of patient ongoing needs.	H	Increases in patient numbers have been observed in both Month 1 and 2 and the forecast for the remaining months of H1 have applied this increase. Numbers are being monitored monthly and the Finance and Funded Care Team are working closely to understand the pressures.
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.	M	Until the full impact of COVID-19 is understood, MH placements remain a potential pressure. There are also a high number of high cost childrens packages that are transitioning to MH adults which will require monitoring closely.
Failure to control prescribing spend and deliver efficiency	Failure to control NCSO/CAT M pressures. Failure to control demand	M	Data for this financial year is not yet available. This risk will remain as Medium until 3 months data has been received and reviewed.
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.	M	National guidance is still being received for multiple areas including Acute, Primary Care and ongoing COVID-19 support. In addition to this, the GM financial position review meetings are expected to take place in M3 and M5 for which local guidance is anticipated.
Unidentified QIPP	Value of the QIPP programme that remains unidentified	H	The QIPP programme for 2021/22 is still under development and as such a high level of risk is associated with delivery.

3.1 QIPP Performance

Headlines

- 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 GM financial deficit which has been allocated on a fair shares basis.
- The CCG has delivered £0.256m towards the H1 target, resulting in a value of £2.038m undelivered QIPP

May 2021	Year to Date			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
QIPP achieved	765	86	679	2,294	256	2,038

System Savings

- A System Finance Group is now well established and has oversight of the financial challenge faced by Bolton Health and Care organisations.
- Management of the system wide deficit will be reviewed through the System Finance Group.
- 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 2021	May 2021	Commentary
	£000	£000	
Non current assets	128	108	Property Plant and Equipment
Trade & other receivables	675	67	Monies owing to CCG by other organisations
Prepayments and accrued income	99	2,365	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	99	167	Cash at bank/in hand
Total current assets	873	2,599	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,642)	(2,871)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(22,926)	(23,514)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,392)	(1,376)	Future liabilities relating to past event
Total current liabilities	(33,960)	(27,761)	Total monies owed by CCG
Net assets/(liabilities) employed	(32,959)	(25,054)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(32,959)	(25,054)	Total Investment by Taxpayers

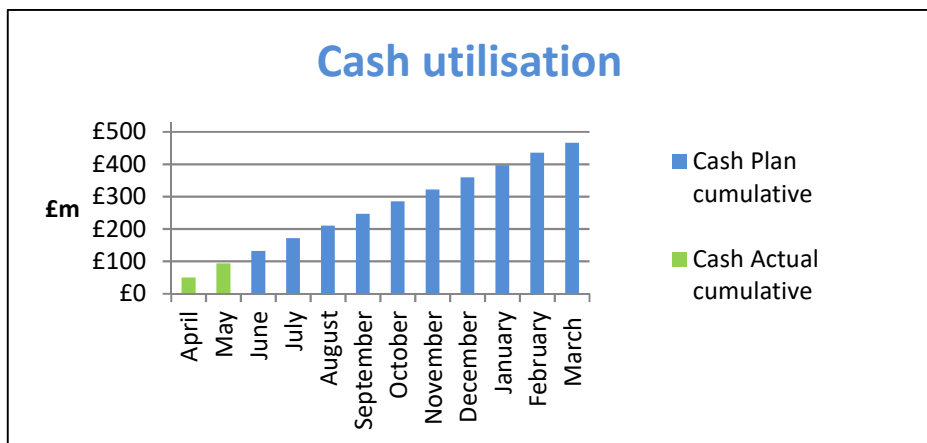
Headlines

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

Significant areas to note

- Prepayments and accrued income has increased compared to March 21 in relation to annual contracts paid at the start of the year.
- Trade and other payables has reduced significantly as a result of invoices paid in April and May that were received but unpaid as at 31st March 2021.
- The CCG's taxpayers equity reflects the timing of cash flows compared to expenditure incurred over time.

4.2 Cash Utilisation & BPPC



YTD Cash flow Statement	March 2021	May 2021
	£000	£000
YTD Expenditure	513,281	85,300
Increase/(decrease) in trade & other receivables	(775)	1,657
(Increase)/decrease in trade & other payables	32,596	6,183
(Increase)/decrease in Provisions	(248)	16
Provisions utilised	246	0
Depreciation and Amortisation	(128)	(20)
Increase/(decrease) in capital payables	(28)	0
Increase/(decrease) in cash	96	68
YTD Cash drawn	545,040	93,204

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£250k	£181.3k	
% of monthly draw down	<1.25%	0.47%	

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	0.00%	
By Volume	95.00%	0.00%	

Cash

- The CCG's Annual Cash Drawdown Requirement (ACDR) for 2021/22 is calculated based on the notified allocation for H2 plus the expected cash flows for the remainder of the financial year.
- In May 2021 the H1 ACDR was £255.4m, the CCG received £93.2m cash YTD, representing 36.49% of the H1 ACDR.
- The CCG achieved the month end cleared bank balance target which is the lower of £250k or less than 1.25% of the monthly cash draw down. Performance is shown in the table above.

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.

Scheme	Project	Status	Commentary
Lever Chambers Centre for Health - Phase 3	Ground floor reconfiguration	Tendered - contractors ready to mobilise	Reconfiguration to accommodate GMMH and homeless services, improved reception and social prescribing area.
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	1 Estates and Technology Transformation Fund (ETTF) PIDs	Pending formal GM approval to proceed	Schemes approved in principle with queries. Scheme emanated accordingly - pending approval to go ahead.
Horwich Health and Wellbeing Hub	Relocation of 2 GP practices	OBC submitted th GMHSCP	Awaiting outcome of GMHSCP decision to progress to FBC
NHS Digital	N365 funding - Year 2	In progress	Roll out Office 365 Project, continued phased roll out.

5.0 Actions Requested

Actions Requested

The CCG Board is asked to note:

- The financial position at Month 2, which currently excludes the Month 2 YTD allocation for expenditure incurred under the Hospital Discharge Programme.
- The Month 2 position is reporting a balanced position compared to the financial plan approved via CCG Board and GM Partnership Executive Board.
- The stated risks to this balanced position including volatility of CHC spend and the unidentified QIPP value.