

AGENDA ITEM NO:10.....

Date of Meeting:10th September 2021.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 4).	
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 4 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 4. 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 04 - July 2021

Kelly Knowles
Acting Chief Finance Officer

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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 and the Covid 19 - Vaccination 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 4, the CCG has reported a balanced position however it should be noted that this continues to be under significant risk due to pressures within Continuing Care Services, as a result of an increase in occupancy.

July 2021	YTD			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(173,124)	(173,124)	0	(257,392)	(257,392)	0
Expenditure	173,124	173,399	(274)	257,392	258,142	(751)
Surplus/(Deficit)	0	(274)	(274)	0	(751)	(751)
Hospital Discharge Programme	0	(244)	244	0	(664)	664
Covid 19 - Vaccination Programme	0	(30)	30	0	(87)	87
Expected Allocation	0	(274)	274	0	(751)	751
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 M4, however there is significant risk to pressures within 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.	Amber	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 £0.193m.
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	Received M4							Total Confirmed Allocation	Hospital Discharge Programme	Covid 19 - Vaccination Programme	Expected allocations	Total Expected Allocation
		Primary Care: GPIT Infrastructure and Resilience	GM Maternity SDF Funding - return of allocation	Transforming Community Services GM QTR 1	CYPM4 Regional allocation details - CEW CLINCS	PEoLC Match Funding - 1st tranche payment	Hospital Discharge Programme	Covid 19 - Vaccination Programme					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Programme	230,407	17	(534)	383	199	14	673	73	231,232	664	87	751	231,983
Delegated Primary Care	23,371								23,371			0	23,371
Total Commissioning	253,778	17	(534)	383	199	14	673	73	254,603	664	87	751	255,354
Running Cost	2,789								2,789			0	2,789
Total Allocation 2021-22	256,567	17	(534)	383	199	14	673	73	257,392	664	87	751	258,143

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.

The allocation received in Month 4 included reimbursement for months 1 to 3 expenditure incurred under Hospital Discharge Programme (£0.673m) and Covid vaccination programme (£0.073m), Transforming Community Services GM (£0.383m), Tier 3 Obesity fund (£0.199m).

Allocations are expected to mitigate the additional expenditure forecast to be incurred under the Hospital Discharge Programme (£0.664m) and Covid 19 – Vaccination Programme (£0.087m).

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 £0.840m for the 6 months to September 2021.

Maternity SDF (£0.534m) received into Bolton CCG during the initial allocations is now being held centrally, and was transacted in Month 4.

2.2 Financial Position at Month 04

July 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	(173,124)	(173,124)	0	(257,392)	(257,392)	0
Acute Services	81,090	81,088	1	121,636	121,636	(0)
Mental Health	19,635	19,616	18	29,452	29,454	(2)
Community	16,246	16,412	(166)	24,558	24,787	(229)
Other Commissioning	11,084	11,042	42	16,455	16,390	65
Primary Care	37,189	37,328	(140)	56,248	56,619	(371)
Continuing Care	5,240	6,063	(823)	7,527	8,784	(1,256)
Running Costs	1,848	1,848	0	2,789	2,789	0
Reserves	793	0	793	(1,274)	(2,315)	1,041
Expenditure	173,124	173,399	(274)	257,392	258,143	(751)
Surplus/(Deficit)	0	(274)	(274)	0	(751)	(751)

Headlines & Actions

- At Month 4, the CCG has reported a balanced position.
- To enable the CCG to report in line with the agreed control total, the following risks and pressures are being mitigated through the reserves position:
 - Pressures within Continuing Care Services due to increased occupancy
 - Unidentified QIPP which is currently valued at £0.193m
 - Funding for forecast Additional Roles Reimbursement Scheme spend (£0.840m) is not expected to be received until the end of H1. Until receipt the expenditure has been adjusted through reserves.
 - Any potential increases in Children's placements, currently reported as an overspend through Community

2.3 Hospital Discharge Programme

July 2021	Year to Date £000's	Forecast £000's
LA commissioned	512	800
CCG commissioned	405	537
Total	917	1,337

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

July 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	15,033	15,021	12	23,371	23,405	(34)
Expenditure	15,033	15,021	12	23,371	23,405	(34)

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. The allocation expected is £0.840m.
- Credits received from NHSPS (£0.299m) and prior year accrual benefit re QOF (£0.345m) reduce the reported forecast overspend.
- A cost alignment exercise will be undertaken in Month 5 to ensure that Primary Care expenditure is coded correctly between Delegated and CCG budgets.
- 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

July 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	5,240	6,063	(823)	7,527	8,784	(1,256)
Expenditure	5,240	6,063	(823)	7,527	8,784	(1,256)

Continuing Care Services

- Continuing Care Services continues to report significant pressures due to increased occupancy and patient numbers observed in the first few months of the financial year which is in excess of those reported through the final six months of 2020/21 (the baseline period).
- Within this reported overspend is expenditure relating to the Hospital Discharge Programme for which funding is expected. This equates to £0.244m YTD and £0.664m reported in the forecast.
- Internal mitigations have been assessed and are reflected in the position. It should be noted that these mitigations are non recurrent and therefore present a financial risk to the H2 position.

2.6 Running Costs

July 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	1,848	1,848	0	2,789	2,789	0
Expenditure	1,848	1,848	0	2,789	2,789	0

Running Costs

- The CCG is reporting to maintain the running costs expenditure within the 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
Increased costs of Continuing Health Care	Increase in high cost placements across funded care due to complexity of patient ongoing needs.	M	The increased patient numbers are included in the reported year to date and the forecast position. Numbers are being monitored monthly and the Finance and Funded Care Team are working closely to identify any further 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	M	The majority of the H1 QIPP position has been met with £0.2m to be identified. It should be noted that a significant proportion (89%) is non recurrent and therefore represents a potential risk to the H2 position

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 still has £0.193m of unidentified QIPP

SCHEMES	£'000
BQC 2% uplift agreement	255
NHSPS credits	215
PHB financial and clinical audit	441
CHC Balance Sheet	500
Property - 20/21 balance sheet benefit	52
Medicines Management - drugs rebate	8
SPH delapidations	214
QOF	365
Unused Provisions	51
Unidentified	193
	2,294

July 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	1,529	901	628	2,294	2,294	0

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 with priority areas include; workforce, estates, prescribing and appraisal of system spend.

4.1 Statement of Financial Position

	£000	£000	
Non current assets	128	88	Property Plant and Equipment
Trade & other receivables	675	447	Monies owing to CCG by other organisations
Prepayments and accrued income	99	1,345	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	99	444	Cash at bank/in hand
Total current assets	873	2,236	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,642)	(3,353)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(22,926)	(24,188)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,392)	(1,372)	Future liabilities relating to past event
Total current liabilities	(33,960)	(28,913)	Total monies owed by CCG
Net assets/(liabilities) employed	(32,959)	(26,589)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(32,959)	(26,589)	Total Investment by Taxpayers

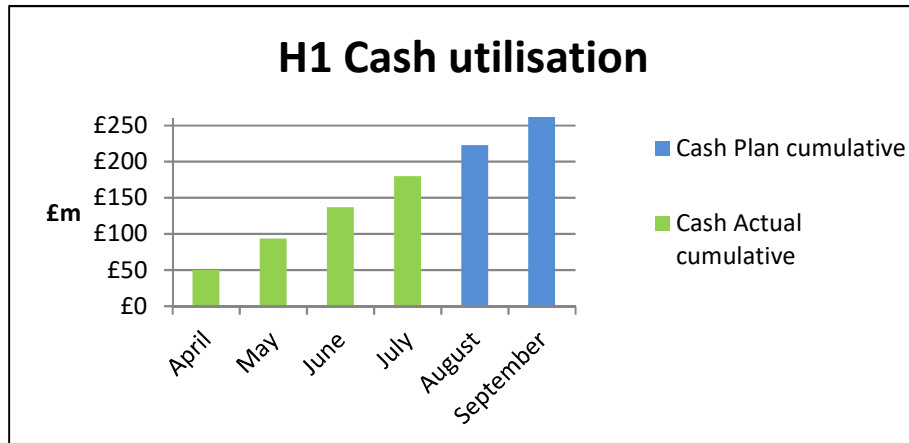
Headlines

The July 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, this is expected to reduce as the year progresses.
- Trade and other payables has reduced significantly as a result of invoices paid in quarter 1 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	July 2021
	£000	£000
YTD Expenditure	513,281	173,399
Increase/(decrease) in trade & other receivables	(775)	1,017
(Increase)/decrease in trade & other payables	32,596	5,026
(Increase)/decrease in Provisions	(248)	0
Provisions utilised	246	21
Depreciation and Amortisation	(128)	(40)
Increase/(decrease) in capital payables	(28)	0
Increase/(decrease) in cash	96	345
YTD Cash drawn	545,040	179,768

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£250k	£462.50	
% of monthly draw down	<1.25%	1.19%	

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	99.99%	
By Volume	95.00%	99.90%	

Cash

- The CCG's H1 Cash Drawdown Requirement (H1 CDR) for 2021/22 is calculated based on the notified H1 allocation
- In July 2021 the H1 CDR was £257.4m, the CCG received £179.8m cash YTD, representing 69.9% of the H1 ACDR. This exceeds the 66.7% of completed months in H1 due to invoices paid in quarter 1 that were received but unpaid as at 31st March 2021.
- The CCG achieved the month end cleared bank balance of 0.99% of 1.25% cash drawdown target, 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 continues to progress 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 amended accordingly - pending approval to proceed.
Horwich Health and Wellbeing Hub	Relocation of 2 GP practices.	OBC submitted to GMHSCP.	Awaiting formal 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 4, which currently excludes the Month 4 allocation for expenditure incurred under both the Hospital Discharge Programme and the Covid 19 - Vaccination Programme.
- The Month 4 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.