

NHS BOLTON CLINICAL COMMISSIONING GROUP



Bolton

Clinical Commissioning Group

AGENDA ITEM NO:10.....

Date of Meeting:8th October 2021.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 5).	
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 5 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"> 1. Note the update to the associated budgets as at month 5. 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 05 - August 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 5, 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. Prescribing spend has increased this month which contributes to this risk.

August 2021	YTD			H1 (April - September)		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(215,259)	(215,259)	0	(256,785)	(256,785)	0
Expenditure	215,259	216,212	(953)	256,785	258,132	(1,348)
Surplus/(Deficit)	0	(953)	(953)	0	(1,348)	(1,348)
Hospital Discharge Programme	0	(908)	908	0	(1,284)	1,284
Covid 19 - Vaccination Programme	0	(45)	45	0	(64)	64
Expected Allocation	0	(953)	953	0	(1,348)	1,348
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 M5, 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	Green	The expenditure for running costs is planned to be within the allocation identified.
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 for H1 has been achieved. However, as the majority of this is on a non recurrent basis, the risk to delivering a full recurrent QIPP saving into H2 has been maintained as Amber. This will be reviewed alongside H2 planning.
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 M5						Total Confirmed Allocation	Hospital Discharge Programme	Covid 19 - Vaccination Programme	Expected allocations	Total Expected Allocation
		MH funding transferred to Trafford CCG	Mental Health SDF/SR allocation transferred to Trafford CCG	GM-CYP clinical and management leadership Asthma Improvement	Online Consultations	Primary Care for Long Covid	Legal Costs - Ref S Roscoe/J Brooks					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programme	231,232	(173)	(234)	(380)	22			230,467	1,284	64	1,348	231,815
Delegated Primary Care	23,371					157		23,528			0	23,528
Total Commissioning	254,603	(173)	(234)	(380)	22	157	0	253,995	1,284	64	1,348	255,343
Running Cost	2,789						1	2,790			0	2,790
Total Allocation 2021-22	257,392	(173)	(234)	(380)	22	157	1	256,785	1,284	64	1,348	258,133

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 5 included Primary Care funding for Long Covid (£0.157m), Online consultations (£0.022m) and Legal costs (£0.001m).

Allocations that have transferred out include MH funding (£0.173m), MH SDF/SR funds (£0.234m) and Hosted funds (£0.380m).

Allocations are expected to mitigate the additional expenditure forecast to be incurred under the Hospital Discharge Programme (£1.284m) and Covid 19 – Vaccination Programme (£0.064m).

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.

2.2 Financial Position at Month 05

August 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	(215,259)	(215,259)	0	(256,785)	(256,785)	0
Acute Services	101,248	101,245	3	121,521	121,520	1
Mental Health	24,204	24,182	22	29,045	29,066	(21)
Community	20,212	20,425	(213)	24,178	24,425	(247)
Other Commissioning	13,801	13,485	315	16,348	16,292	56
Primary Care	46,058	46,539	(481)	56,157	57,106	(949)
Continuing Care	6,382	8,025	(1,644)	7,527	9,212	(1,685)
Running Costs	2,311	2,311	0	2,790	2,790	0
Reserves	1,044	0	1,044	(782)	(2,279)	1,497
Expenditure	215,259	216,212	(953)	256,785	258,133	(1,348)
Surplus/(Deficit)	0	(953)	(953)	0	(1,348)	(1,348)

Headlines & Actions

- At Month 5, 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 and complexity
 - 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.
 - Increases in Children's placements, currently reported as an overspend through Community, and Childrens PHB's
 - Increase to Prescribing spend observed in the Month 3 actuals (reported in Month 5)

2.3 Hospital Discharge Programme

August 2021	Year to Date £000's	Forecast £000's
LA commissioned	866	1,076
CCG commissioned	716	881
Total	1,582	1,957

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

August 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	18,791	18,813	(22)	23,528	23,842	(314)
Expenditure	18,791	18,813	(22)	23,528	23,842	(314)

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.
- The cost alignment exercise was partially completed in Month 5 and Primary Care Strategic Estates support has been transferred into the Delegated budget. Further adjustments will be finalised in Month 6.
- 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

August 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	6,382	8,025	(1,644)	7,527	9,212	(1,685)
Expenditure	6,382	8,025	(1,644)	7,527	9,212	(1,685)

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).
- There has been an increase in Children's PHB packages approved through the Children's Complex Case panel. A review of the panel objectives and a benchmarking exercise has been requested to be shared through CCG Executive to demonstrate the impact on patient outcomes.
- Within this reported overspend is expenditure relating to the Hospital Discharge Programme for which funding is expected. This equates to £0.908m YTD and £1.284m 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

August 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	2,311	2,311	0	2,790	2,790	0
Expenditure	2,311	2,311	0	2,790	2,790	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. The 3% pay award for the Agenda for Change roles has been included in the forecast, with the payments expected to be made in September.

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 is now being received monthly, M1-M3 indicates a pressure which is reflected in the position. The risk will be maintained at Medium whilst the current pressure is analysed.
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.	L	All national guidance has been received for the outstanding areas. The M3 review meetings have been undertaken and it is expected that the M5 process will be similar.
Unidentified QIPP	Value of the QIPP programme that remains unidentified	M	The H1 QIPP position has been met. 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 has identified QIPP in full for H1, however £2.0m has been delivered through non recurrent adjustments.

Schemes in Place	£'000
BQC 2% uplift agreement	255
NHSPS credits and PY benefit	267
PHB financial and clinical audit	441
CHC PY Benefit	500
Medicines Management - drugs rebate	8
SPH delapidations	214
QOF	365
Unutilised Provisions	51
Other PY Benefit	193
Total QIPP Schemes 2021/22	2,294

August 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	1,912	1,694	218	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 and developing a finance strategy for 2022/23 and beyond.

4.1 Statement of Financial Position

Statement of Financial Position	March 2021	Aug 2021	Commentary
	£000	£000	
Non current assets	128	78	Property Plant and Equipment
Trade & other receivables	675	663	Monies owing to CCG by other organisations
Prepayments and accrued income	99	1,714	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	99	101	Cash at bank/in hand
Total current assets	873	2,478	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,642)	(5,311)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(22,926)	(22,602)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,392)	(1,019)	Future liabilities relating to past event
Total current liabilities	(33,960)	(28,932)	Total monies owed by CCG
Net assets/(liabilities) employed	(32,959)	(26,376)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(32,959)	(26,376)	Total Investment by Taxpayers

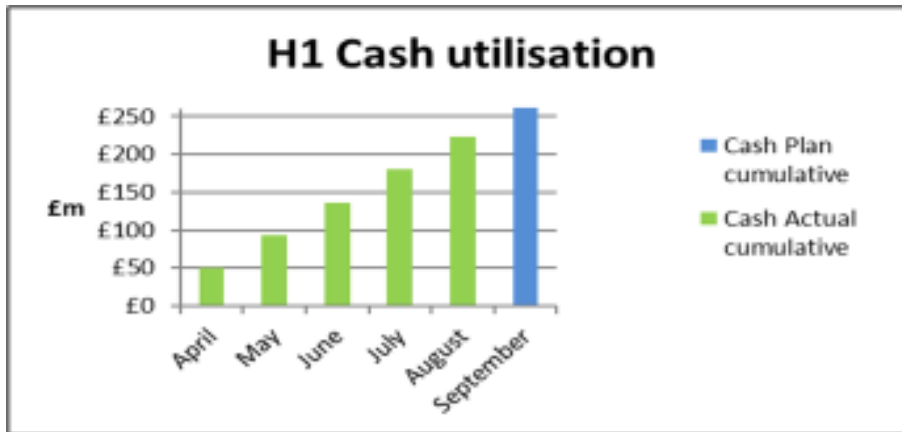
Headlines

The August 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	Aug 2021
	£000	£000
YTD Expenditure	513,281	216,212
Increase/(decrease) in trade & other receivables	(775)	1,602
(Increase)/decrease in trade & other payables	32,596	4,655
(Increase)/decrease in Provisions	(248)	265
Provisions utilised	246	108
Depreciation and Amortisation	(128)	(50)
Increase/(decrease) in capital payables	(28)	0
Increase/(decrease) in cash	96	2
YTD Cash drawn	545,040	222,794

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£481.3k	£110.2k	
% of monthly draw down	<1.25%	0.29%	

% 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 August 2021 the H1 CDR was £256.6m, the CCG received £222.8m cash YTD, representing 86.8% of the H1 ACDR. This exceeds the 83.3% of completed months in H1 due to invoices paid in quarter 1 that were received but unpaid as at 31st March 2021, and anticipated retrospective allocations for HDP and vaccination programme.
- The CCG achieved the month end cleared bank balance of 0.29% 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.	Supported by GMHSCP	Scheme approved in principle and to be added to GM capital pipeline matrix for commitment in 2022-23
Horwich Health and Wellbeing Hub	Relocation of 2 GP practices.	Supported by GMHSCP	Confirmation from GMHSCP decision to support OBC to FBC. Grant offer phased over 3 financial years.
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 5, which currently excludes the Month 4 and Month 5 allocation for expenditure incurred under both the Hospital Discharge Programme and the Covid 19 - Vaccination Programme.
- The Month 5 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 increase in Prescribing spend.