

NHS BOLTON CLINICAL COMMISSIONING GROUP



Bolton

Clinical Commissioning Group

AGENDA ITEM NO:9.....

Date of Meeting:14th January 2022.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 8).	
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 8 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 8. 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 08 - November 2021

Kelly Knowles
Acting Chief Finance Officer

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1.1 Headlines

Financial Regime

The NHS financial regime for the second six months of 2021/22 (H2) continues the approach introduced during the second six months of 2020/21 and adopted in the first half of 2021/22 (H1). Integrated Care Systems (ICSs) across England have been allocated a set financial envelope for the period based on historic spending patterns largely from the 2019/20 financial year. The baseline envelope has additional funding allocated to each ICS to allow for extra spend on COVID activity, growth in costs and other additional cost not covered within the funding envelope.

The CCG H2 plan includes baseline funding and additional system funding.

Allocations to cover Hospital Discharge Programme, Covid 19 Vaccination Programme and Additional Roles Reimbursement Scheme are expected to be received once the validation process with NHSE has been undertaken.

As at Month 8, the CCG has reported a balanced position once the expected allocations have been received.

November 2021	YTD			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(348,715)	(348,715)	0	(527,840)	(527,840)	0
Expenditure	348,715	349,767	(1,052)	527,840	531,696	(3,857)
Surplus/(Deficit)	0	(1,052)	(1,052)	0	(3,857)	(3,857)
Hospital Discharge Programme	0	(598)	598	0	(2,081)	2,081
Covid 19 - Vaccination Programme	0	(25)	25	0	(49)	49
Additional Roles (ARRS)	0	(429)	429	0	(1,727)	1,727
Expected Allocation	0	(1,052)	1,052	0	(3,857)	3,857
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 M8, however there is significant risk to this due to the non recurrent mitigations in place to ensure a balanced position. 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.	Red	The QIPP target for H1 has been achieved. The QIPP target for H2 has been agreed through the GM deficit management process and includes a high level of unidentified QIPP at Month 8. Plans continue to be reviewed.
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 - M12 Baseline Allocation	Received M8									Total Confirmed Allocation	Expected allocations	Total Expected Allocation
		System Funding	Winter Pressures	Enhanced Services - IIF Aspiration	Long Covid	CYP Funding	MH SDF	Transforming Community Services	Other	Transfer out of allocation			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programme	469,410	4,236			396	322	301	383	1	(256)	474,793	2,130	476,923
Delegated Primary Care	46,899		52	517							47,468	0	47,468
Total Commissioning	516,309	4,236	52	517	396	322	301	383	1	(256)	522,260	2,130	524,390
Running Cost	5,579										5,579	0	5,579
Total Allocation 2021-22	521,888	4,236	52	517	396	322	301	383	1	(256)	527,839	2,130	529,969

Allocation adjustments

The CCG has set budgets in line with the financial plan submitted to NHSE and supported through GM.

System funding allocation has been received in Month 8 to reflect funding of cost pressures identified through the H2 plan, which included H1 pressures.

Other allocations received in Month 8 include Long Covid (£0.396m), CYP Funding (£0.322m), Delegated Primary Care (£0.569m), Mental Health SDF (£0.301m), Transforming Community Services (£0.383m) and transfer of allocation (£0.256m).

Further allocation is anticipated for spend incurred on Hospital Discharge Programme, Covid 19 Vaccination Programme and the Additional Roles Reimbursement Scheme.

2.2 Financial Position at Month 08

November 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(348,715)	(348,715)	0	(527,840)	(527,840)	0
Acute Services	164,202	164,214	(12)	246,682	246,696	(14)
Mental Health	39,699	39,669	30	59,884	60,047	(162)
Community	33,244	33,252	(8)	49,793	49,785	8
Other Commissioning	22,209	22,033	176	33,883	33,612	271
Primary Care	73,214	74,184	(970)	112,267	113,797	(1,530)
Continuing Care	12,593	12,267	327	18,202	19,183	(980)
Running Costs	3,720	3,720	0	5,579	5,579	0
Reserves	(166)	429	(595)	1,548	2,998	(1,450)
Expenditure	348,715	349,767	(1,052)	527,840	531,696	(3,857)
Surplus/(Deficit)	0	(1,052)	(1,052)	0	(3,857)	(3,857)

Headlines & Actions

- At Month 8, the CCG has reported a balanced position in line with the financial plan.
- The reported deficit represents outstanding allocations for spend relating to Hospital Discharge Programme, Covid 19 Vaccination Programme, and Additional Roles Reimbursement Scheme
- Following approval of the H2 plan, which included H1 pressures, the CCG has funded the pressures identified in the appropriate commissioning area budgets.

2.3 Hospital Discharge Programme

November 2021	Year to Date £000's	Forecast £000's
LA commissioned	1,342	2,047
CCG commissioned	1,188	1,966
Total	2,530	4,013

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 until March 31st 2022.
 - For the period April to June 2021, funding relating to the first six weeks of care following discharge was claimed by the CCG.
 - For the period July to March 2021, funding relating to the first four weeks of care following discharge can be claimed by the CCG.
 - There will be no funding after March 31st 2022, regardless of the patient discharge date.
- 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

November 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Primary Care Co-Commissioning	30,028	31,004	(976)	47,468	48,904	(1,436)
Expenditure	30,028	31,004	(976)	47,468	48,904	(1,436)

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 the financial year following a robust validation process. The allocation expected is £1.7m.
- 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

November 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Continuing Care	12,593	12,267	327	18,202	19,183	(980)
Expenditure	12,593	12,267	327	18,202	19,183	(980)

Continuing Care Services

- The pressures reported through Continuing Care Services have been funded in line with the H2 plan.
- Within this reported overspend is expenditure relating to the Hospital Discharge Programme for which funding is expected. This equates to £0.538m year to date, and £1.893m 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 run rate position.

2.6 Running Costs

November 2021	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Running Costs	3,720	3,720	0	5,579	5,579	0
Expenditure	3,720	3,720	0	5,579	5,579	0

Running Costs

- The CCG is reporting to maintain the running costs expenditure within the budget for 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.
High cost placements - MH/LD and Childrens	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-M4 indicates a pressure which is reflected in the position. The risk will be maintained at Medium whilst the current pressure is analysed.
Unidentified QIPP	Value of the QIPP programme that remains unidentified	M	The H1 QIPP position was met, however a significant proportion (89%) was non recurrent. Currently, 41% of H2 position is unidentified. The CCG is reviewing all mitigations to ensure that the QIPP position is delivered in year.

3.1 QIPP Performance

Headlines

- The QIPP target for Bolton CCG was £2.294m for H1 2021/22 which was calculated to include the mandated 0.28% efficiency, plus the specific CCG based cost pressures plus a proportion of the remaining financial GM deficit which was allocated on a fair shares basis. The CCG closed the H1 position reporting an achieved QIPP position.
- The CCG has a target of £2.152m for H2 2021/22. As at M8 £1.265m was identified; of which £0.855m is recurrent.

		H1 £'000	H2 £'000	Total 21/22
Efficiency as per the guidance		715		715
CHC specific pressure		180		180
Deficit management		1,399	1,297	2,696
QIPP included in H2 plan			855	855
Total QIPP 2021/22		2,294	2,152	4,446
Schemes in Place				
BQC 2% uplift agreement	Recurring	255	255	510
Medicines Management / Prescribing	Recurring	0	600	600
NHSPS credits and PY benefit	Non-Recurring	267	53	320
PHB financial and clinical audit	Non-Recurring	441	56	497
CHC PY Benefit	Non-Recurring	500	0	500
Medicines Management - drugs rebate	Non-Recurring	8	0	8
SPH delapidations	Non-Recurring	214	0	214
QOF	Non-Recurring	365	0	365
Unutilised Provisions	Non-Recurring	51	0	51
Other PY Benefit	Non-Recurring	193	301	494
Total QIPP Schemes 2021/22		2,294	1,265	3,559
Unidentified		0	887	887
		2,294	2,152	4,446

4.1 Statement of Financial Position

Statement of Financial Position	March 2021	Nov 2021	Commentary
	£000	£000	
Non current assets	128	45	Property Plant and Equipment
Trade & other receivables	675	788	Monies owing to CCG by other organisations
Prepayments and accrued income	99	2,350	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	99	217	Cash at bank/in hand
Total current assets	873	3,355	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,642)	(2,028)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(22,926)	(24,452)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,392)	(960)	Future liabilities relating to past event
Total current liabilities	(33,960)	(27,440)	Total monies owed by CCG
Net assets/(liabilities) employed	(32,959)	(24,040)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(32,959)	(24,040)	Total Investment by Taxpayers

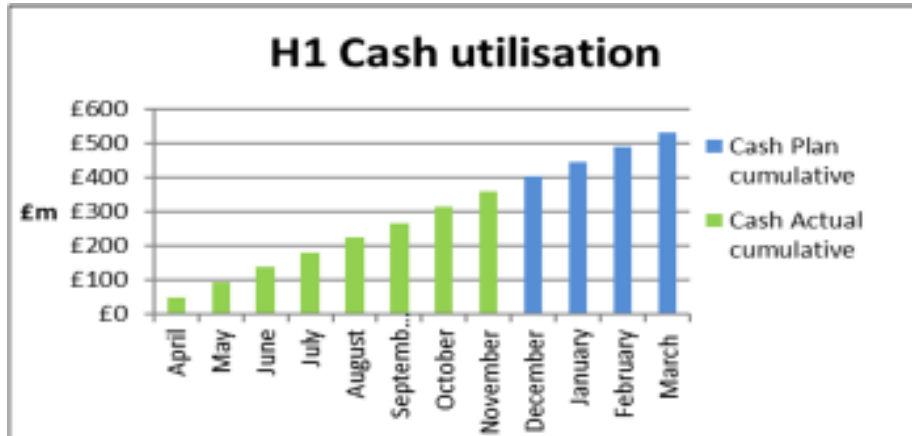
Headlines

The November 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, and Q3 invoices received in October. This is expected to reduce as the year end approaches.
- 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	Mar 2021	Nov 2021
	£000	£000
YTD Expenditure	513,281	349,338
Increase/(decrease) in trade & other receivables	(775)	2,364
(Increase)/decrease in trade & other payables	32,596	6,087
(Increase)/decrease in Provisions	(248)	282
Provisions utilised	246	150
Depreciation and Amortisation	(128)	(83)
Increase/(decrease) in capital payables	(28)	0
Increase/(decrease) in cash	96	118
YTD Cash drawn	545,040	358,256

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£487.5k	£230.2k	
% of monthly draw down	<1.25%	0.59%	

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	99.72%	
By Volume	95.00%	99.81%	

Cash

- The CCG's Annual Cash Drawdown Requirement (ACDR) for 2021/22 is calculated based on the notified M1 allocation adjusted for RRL movements throughout the year.
- In November 2021 the ACDR was £530.2m, the CCG received £358.3m cash YTD, representing 67.6% of the ACDR. This exceeds the ACDR profile of 66.7% at M8 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 0.596% 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.

Board Report			
Scheme	Project	Status	Commentary
Lever Chambers Centre for Health - Phase 3	Ground floor reconfiguration.	Tendered - contractors ready to mobilise.	Reconfiguration to accommodate homeless services, improved reception, social prescribing area and flexible booking space.
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 submitted in prior years	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	Grant offer phased over 3 financial years. Procurement to secure 3rd party development partner initiated.
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 8, which currently excludes the Month 8 allocations for expenditure incurred under both the Hospital Discharge Programme and the Covid 19 - Vaccination Programme.
- The Month 8 position is reporting a balanced position compared to the financial plan approved for H1 via CCG Board and GM Partnership Executive Board and against the draft allocations for Month 8.
- The stated risks to this balanced position including volatility of CHC spend, prescribing and continued pressure in placement spend.