

**NHS BOLTON CLINICAL COMMISSIONING GROUP**  
**Public Board Meeting**

**AGENDA ITEM NO: .....10.....**

**Date of Meeting: .....14<sup>th</sup> January 2022.....**

<b>TITLE OF REPORT:</b>	Bolton CCG Financial Plan H2 2021/22	
<b>AUTHOR:</b>	Kelly Knowles, Acting Chief Finance Officer	
<b>PRESENTED BY:</b>	Kelly Knowles, Acting Chief Finance Officer	
<b>PURPOSE OF PAPER: (Linking to Strategic Objectives)</b>	To provide the CCG Board with an update on the financial plans for 2021/22.	
<b>LINKS TO CORPORATE OBJECTIVES (tick relevant boxes):</b>	<b>Deliver the outcomes in the Bolton Joint Health and Care Plan.</b>	
	<b>Ensure compliance with the NHS statutory duties and NHS Constitution.</b>	x
	<b>Deliver financial balance.</b>	
	<b>Regulatory Requirement.</b>	x
	<b>Standing Item.</b>	
<b>RECOMMENDATION TO THE BOARD: (Please be clear if decision required, or for noting)</b>	NHS Bolton Clinical Commissioning Group Board is asked to:- <ul style="list-style-type: none"> <li>• Approve the H2 financial plan</li> <li>• Note the Month 9 review process</li> </ul>	
<b>COMMITTEES/GROUPS PREVIOUSLY CONSULTED:</b>	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.	
<b>REVIEW OF CONFLICTS OF INTEREST:</b>	N/A	
<b>VIEW OF THE PATIENTS, CARERS OR THE PUBLIC, AND THE EXTENT OF THEIR INVOLVEMENT:</b>	Views of stakeholders will be obtained as part of the CCG commissioning plans.	
<b>EQUALITY IMPACT ASSESSMENT (EIA) COMPLETED &amp; OUTCOME OF ASSESSMENT:</b>	An EIA assessment is not required necessary for the report.	

# NHS Bolton CCG Financial Plan H2 2021/22

Kelly Knowles  
Chief Finance Officer

# GM ICS Financial Envelope – H2 2021/22

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 ICS settlement for H2 2021/22 also includes an efficiency requirement against the envelope allocation and a reduction in the additional funds as the NHS tries to re-establish levels of expenditure that are nearer to the pre-pandemic levels.

As with the last two half year budget periods ICSs are required to maintain expenditure within the total envelope set for that specific ICS.

The total funding for GM is set out in the table below together with the funding provided for the first half of 2021/22 for comparison purposes:

	H1	H2 adjustments									H2	Total Inc / (dec)
		Pay + growth	Backpay	Prov incom- contrib. inc	Spec comm backpay	Covid red'n	Efficiency	Prov loss inc	PAHT adj	Capacity		
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Envelope	2,520.5	43.0	31.1				(13.6)				2,581.1	60.5
System top up	195.9	2.4	3.6	5.2	(0.5)		(28.4)		14.8		193.0	(2.9)
System covid	164.1	2.1	2.3			(9.4)		(3.0)			156.1	(8.1)
System growth	50.5	0.5	0.5						(14.0)	18.6	55.4	4.9
Sub-total system	410.5	5.0	6.4	5.2	(0.5)	(9.4)	(28.4)	(3.0)	0.0	18.6	404.4	(6.1)
<b>Total</b>	<b>2,931.1</b>	<b>47.9</b>	<b>37.5</b>	<b>5.2</b>	<b>(0.5)</b>	<b>(9.4)</b>	<b>(42.0)</b>	<b>(3.0)</b>	<b>0.0</b>	<b>18.6</b>	<b>2,985.5</b>	<b>54.4</b>

# 2021/22 H2 CCG Deficit Management

Through the ICS planning exercise undertaken nationally, the initial GM CCG deficit position is £38.2m. It is proposed that CCGs are allocated £23.6m of the additional system funding, supported by the Financial Advisory Committee (FAC), a further £5.8m has been identified as mitigations to the H2 deficit and to address the H1 residual pressures.

Description	£'000	Comments
H2 System funding	23,563	Agreed through H2 planning group
Mitigation - MH	3,000	Agreed through CFOs 27/11/21
Mitigation - GMSS	2,753	Notified by GMSS
<b>Total Mitigation</b>	<b>29,316</b>	
Less H1 specific pressures	(1,889)	Agreed funding for H1 pressures
<b>Total Mitigation to be distributed</b>	<b>27,427</b>	

In line with the H1 principles, GM CFOs have agreed that every CCG will be allocated a fair share of the remaining gap of £8.9m as an increase to organisational QIPP targets. This will ensure that all organisations submit a balanced plan.

A key principle agreed is that the financial position of each CCG will be reviewed at Month 9 as recognition that the proposed positions are subject to significant risks. There is agreement that flexibility to redistribute funding across the system will be maintained through this review process.

# 2021/22 H2 Plan

The draft plan has been constructed based on H1 2021/22 expenditure and adjusted for any non recurrent mitigations that allowed the CCG to report a balanced financial position. The initial plan reported a deficit of £6.6m that was then supported through additional system funding, GM mitigations and a “fair share” of the residual deficit through an increase to the CCG QIPP target.

The final plan submitted indicates a breakeven position.

Commissioning Area	Draft H2 2021/22 Plan	GM Changes	Final Draft H2 2021/22 Plan
	£'000	£'000	£'000
<b>CCG ALLOCATIONS</b>	<b>(264,222)</b>	<b>(5,271)</b>	<b>(269,493)</b>
Acute Services	125,113		125,113
Mental Health Services	31,139		31,139
Community Health Services	24,944		24,944
Continuing Care Services	9,050		9,050
Primary Care Services	33,755		33,755
Primary Care Co-Commissioning	23,465		23,465
Other Programme Services	21,390		21,390
0.5% Contingency	0		0
QIPP	(855)	(1,297)	(2,152)
<b>TOTAL COMMISSIONING SERVICES</b>	<b>268,001</b>	<b>(1,297)</b>	<b>266,704</b>
Running Costs	2,789		2,789
<b>TOTAL CCG DRAFT PLAN (H1)</b>	<b>270,790</b>	<b>(1,297)</b>	<b>269,493</b>
<b>TOTAL DRAFT DEFICIT</b>	<b>(6,568)</b>	<b>6,568</b>	<b>0</b>



# 2021/22 QIPP

The QIPP target for Bolton CCG is £2.3m 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 included QIPP plans of £0.9m in the financial plan for H2, resulting in a deficit position of £6.6m. The total QIPP target, including the fair share of the H2 GM deficit, is £2.2m.

		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
<b>Total QIPP 2021/22</b>		<b>2,294</b>	<b>2,152</b>	<b>4,446</b>
<b>Schemes in Place</b>				
BQC 2% uplift agreement	Recurring	255	255	510
NHSPS credits and PY benefit	Non-Recurring	267	0	267
PHB financial and clinical audit	Non-Recurring	441	0	441
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	0	193
Medicines Management / Prescribing	Recurring	0	600	600
<b>Total QIPP Schemes 2021/22</b>		<b>2,294</b>	<b>855</b>	<b>3,149</b>
Unidentified		0	1,297	1,297
		<b>2,294</b>	<b>2,152</b>	<b>4,446</b>



# 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.

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	H	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



# Action Requested

- The CCG Board is asked to approve the H2 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 9 financial reporting.

