

NHS BOLTON CLINICAL COMMISSIONING GROUP

AGENDA ITEM NO:8.....

Date of Meeting:8th April 2022.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 11).	
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 11 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 11. 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 11 - February 2022

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 11
- 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

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 expenditure 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, Additional Roles Reimbursement Scheme and Winter Access Funding are expected to be received once the validation process with NHSE has been undertaken.

As at Month 11, the CCG has reported a balanced position once the expected allocations have been received.

February 2022	YTD			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(478,591)	(478,591)	0	(528,773)	(528,773)	0
Expenditure	478,592	480,348	(1,756)	528,773	531,773	(3,000)
Surplus/(Deficit)	0	(1,756)	(1,756)	0	(3,000)	(3,000)
Hospital Discharge Programme	0	(535)	535	0	(949)	949
Covid 19 - Vaccination Programme	0	(8)	8	0	(19)	19
Additional Roles (ARRS)	0	(1,100)	1,100	0	(1,381)	1,381
Winter Access Funding	0	(114)	114	0	(651)	651
Expected Allocation	0	(1,756)	1,756	0	(3,000)	3,000
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.	Green	The reported position is breakeven at M11 and all identified risks are being managed. It should be noted that the mitigations used to balance the 2021/22 position are predominantly non recurrent.
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.	Green	The QIPP target for H1 has been achieved. The QIPP target for H2 has been agreed through the GM deficit management process and is reported as achieved in M11.
Financial Risk	Report the financial risks through the Board Assurance Framework	Green	A number of risks have been identified and further details are outlined in Section 2.7. However, it is expected that these risks will be managed.

2.1 Allocation

Allocation 2021-22	M1 - M12 Baseline Allocation	Received M11									Total Confirmed Allocation	Expected allocations	Total Expected Allocation
		Digital CAS Funding	System funding	COVID Reimburse Q3	Cyber Tech Remediation	Funding for Security - GP Practices	21-22 Local GP Retention	WAF funding	H1 SDF/SR Funding Reversal	other			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programme	472,912	85	539	995	20	54	39		234	37	474,915	968	475,882
Delegated Primary Care	47,732							228		1	47,961	2,032	49,993
Total Commissioning	520,644	85	539	995	20	54	39	228	234	38	522,876	3,000	525,875
Running Cost	5,897										5,897	0	5,897
Total Allocation 2021-22	526,541	85	539	995	20	54	39	228	234	38	528,773	3,000	531,772

Allocation adjustments

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

Allocations received in Month 11 include: the H2 system funding agreed through the GM plan (£0.539m), COVID spend reimbursement - quarter 3 (£0.995m) which includes HDP and Vaccination costs, WAF funding (£0.228m), Digital CAS (£0.085m), H1 SDF/SR funding (£0.234m), Cyber Tech (£0.020m), Security - GP Practices (£0.054m), Local GP Retention (£0.039m)

Further allocation is anticipated for spend incurred on Hospital Discharge Programme for expenditure incurred in Q4 (£0.949m), Covid 19 Vaccination Programme (£0.019m), the Additional Roles Reimbursement Scheme for expenditure incurred throughout the year (£1.381m) and Winter Access Funding (£0.651m).

2.2 Financial Position at Month 11

February 2022	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Allocation	(478,591)	(478,591)	0	(528,773)	(528,773)	0
Acute Services	227,475	227,431	44	248,014	247,954	61
Mental Health	53,561	52,847	714	58,700	57,884	816
Community	46,963	46,839	125	51,425	51,297	129
Other Commissioning	28,581	28,371	210	31,529	31,272	257
Primary Care	101,749	102,512	(763)	113,203	114,786	(1,583)
Continuing Care	17,834	16,942	892	19,308	18,709	599
Running Costs	5,406	5,406	0	5,897	5,897	0
Reserves	(2,978)	0	(2,978)	697	3,976	(3,279)
Expenditure	478,592	480,348	(1,756)	528,773	531,773	(3,000)
Surplus/(Deficit)	0	(1,756)	(1,756)	0	(3,000)	(3,000)

Headlines & Actions

- At Month 11, the CCG has reported a balanced position in line with the financial plan.
- The deficit outlined in the table above represents the outstanding allocations for spend relating to Hospital Discharge Programme, Covid 19 Vaccination Programme, Additional Roles Reimbursement Scheme and Winter Access Funding
- Continuing Care is now reported as an underspend due to the receipt of HDP funding.
- Reserves have been transferred to the appropriate commissioning areas in line with expectations.
- Underspends continue to be reported in Mental Health as per last month.

2.3 Hospital Discharge Programme

February 2022	Year to Date £000's	Forecast £000's
LA commissioned	1,697	1,931
CCG commissioned	1,741	1,921
Total	3,438	3,852

Hospital Discharge Programme Expenditure Detail

- The Hospital Discharge Programme (HDP) 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.
- The forecast has reduced in line with the costs incurred by system partners.
- It was confirmed on the National NHS Finance Directors and Chief Finance Officers call on March 14th that HDP will end on March 31st with no further national funding available.

2.4 Delegated Primary Care

February 2022	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	41,918	42,697	(778)	47,961	49,428	(1,468)
Expenditure	41,918	42,697	(778)	47,961	49,428	(1,468)

Delegated Primary Care

- The two key reasons for the reported forecast variance are:
 - Additional Roles Reimbursement Scheme**
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 £1.381m.
 - Winter Access Funding**
The funding will be drawn down from NHSE and will be received following a validation process supported by the CCG Primary Care team. £0.491m allocation has already been received, and remaining allocation expected is £0.651m
- 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

February 2022	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Continuing Care	17,834	16,942	892	19,308	18,709	599
Expenditure	17,834	16,942	892	19,308	18,709	599

Continuing Care Services

- Within the reported position is expenditure relating to the Hospital Discharge Programme for which funding is expected. The allocation equates to £0.535m year to date, and £0.949m in the forecast.
- The underlying CHC position is reported as an underspend. During December and January a number of nursing and care homes in Bolton had to temporarily cease accepting new patients, following Omicron outbreaks. Lower infection rates has allowed a number of the homes to accept discharges from hospital, however there are still three homes currently not accepting new patients which has impacted on occupancy assumptions used to calculate the forecast.

2.6 Running Costs

February 2022	Year to Date			Forecast		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Forecast £000's	Variance £000's
Running Costs	5,406	5,406	0	5,897	5,897	0
Expenditure	5,406	5,406	0	5,897	5,897	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.	L	The increased patient numbers are included in the reported year to date and the forecast position. Numbers have been monitored monthly, however further pressures are not expected in this financial year.
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.	L	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, the H1 pressure has been fully funded. Data to M9 has now been received.

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. The full target has been 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	233	733
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	955	1,148
Total QIPP Schemes 2021/22		2,294	2,152	4,446
Variance		0	0	0

4.1 Statement of Financial Position

Statement of Financial Position	Mar 2021	Feb 2022	Commentary
	£000	£000	
Non current assets	128	11	Property Plant and Equipment
Trade & other receivables	675	177	Monies owing to CCG by other organisations
Prepayments and accrued income	99	1,566	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	99	61	Cash at bank/in hand
Total current assets	873	1,803	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,642)	(3,250)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(22,926)	(19,387)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,392)	(677)	Future liabilities relating to past event
Total current liabilities	(33,960)	(23,314)	Total monies owed by CCG
Net assets/(liabilities) employed	(32,959)	(21,500)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(32,959)	(21,500)	Total Investment by Taxpayers

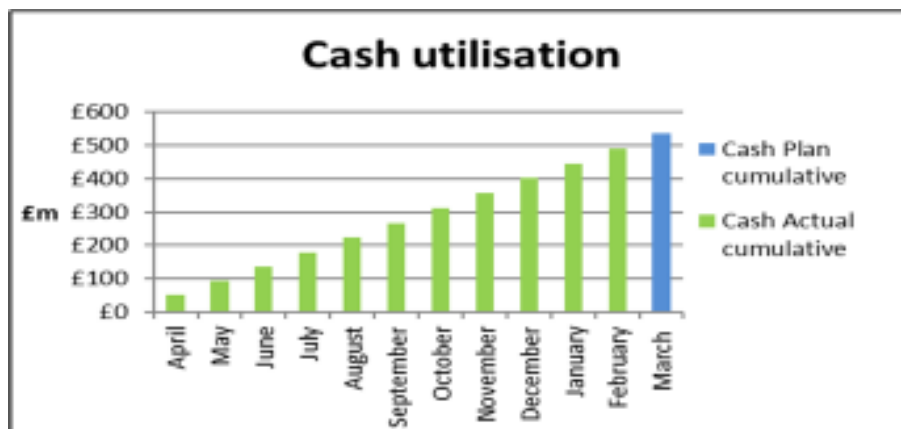
Headlines

The February 2022 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 end approaches.
- Trade and other payables has reduced significantly (£6.4m) as a result of invoices paid in quarter 1 that were received but unpaid as at 31st March 2021.
- Accruals & deferred income has reduced by £3.5m. From November 2021, Pharmacies received “payment on account” from NHS BSA in respect of prescribing activity. The payment on account is netted off against accruals, and the February payment was £3.1m.
- 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	Feb 2022
	£000	£000
YTD Expenditure	513,281	480,348
Increase/(decrease) in trade & other receivables	(775)	969
(Increase)/decrease in trade & other payables	32,596	9,930
(Increase)/decrease in Provisions	(248)	565
Provisions utilised	246	150
Depreciation and Amortisation	(128)	(117)
Increase/(decrease) in capital payables	(28)	0
Increase/(decrease) in cash	96	(38)
YTD Cash drawn	545,040	491,806

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£517.5k	£70.8k	
% of monthly draw down	<1.25%	0.17%	

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	99.75%	
By Volume	95.00%	98.86%	

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 February 2022 the ACDR was £531.6m, the CCG received £491.8m cash YTD, representing 92.5% of the ACDR.
- The CCG achieved the month end cleared bank balance of 0.17% 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 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 now complete, snagging to be completed. Council now instructed legals re end June occupation.
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 re-phased over the agreed 3 financial years. Procurement to secure 3rd party development partner completed and United Healthcare Developments Ltd has been appointed. GMHSCP have confirmed an FBC is not required due to 3PD appointment. Next step is acquiring planning permission.
NHS Digital	N365 funding - Year 2.	In progress.	Roll out Office 365 Project, continued phased roll out.
Primary Care Improvement Grants	3 further bids supported following additional funds awarded to GM	In progress.	GMHSCP issued letters to the practices confirming the grant and conditions.

5.0 Actions Requested

Actions Requested

The CCG Board is asked to note:

- The financial position at Month 11, which currently excludes the Month 10-11 allocations for expenditure incurred under both the Hospital Discharge Programme and the Covid 19 - Vaccination Programme.
- The Month 11 position is reporting a balanced position compared to the financial plan approved for 2021/22 via CCG Board and GM Partnership Executive Board and against the draft allocations for Month 11.