

NHS BOLTON CLINICAL COMMISSIONING GROUP

AGENDA ITEM NO:9.....

Date of Meeting:13th May 2022.....

TITLE OF REPORT:	Report of the Chief Finance Officer (Month 12).	
AUTHOR:	Claire Donovan, Interim Deputy CFO	
PRESENTED BY:	Annette Walker, Interim CFO	
PURPOSE OF PAPER: (Linking to Strategic Objectives)	To provide the CCG Board with an update on the Month 12 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 12. 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 12 - March 2022

Annette Walker
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 12
- 2.3 Hospital Discharge Programme
- 2.4 Delegated Primary Care
- 2.5 Continuing Care Services
- 2.6 Running Costs

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.

The final allocations to cover Additional Roles Reimbursement Scheme and Winter Access Funding are expected to be received once the year end validation process with NHSE has been undertaken.

As at Month 12, the CCG has reported a balanced position once the expected allocations have been received.

March 2022	Month 12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Allocation	(531,292)	(531,292)	0
Expenditure	531,292	531,872	(580)
Surplus/(Deficit)	0	(580)	(580)
Hospital Discharge Programme	0	(7)	7
Covid 19 - Vaccination Programme	0	7	(7)
Additional Roles (ARRS)	0	(409)	409
Winter Access Funding	0	(171)	171
Expected Allocation	0	(580)	580
Final Reported Position	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 M12 and all identified risks have been 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 within the allocation identified.
Cash	Operate within its approved annual cash draw-down limit (ACDR) in each and every year.	Green	The CCG had a cash flow plan that has met this target. Processes were in place to monitor and report performance.
Business Conduct	Comply with the Better Payments Practices Code of paying 95% of invoices within 30 days.	Green	The CCG aimed 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 monitored 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 both H1 and H2 has been achieved.
Financial Risk	Report the financial risks through the Board Assurance Framework	Green	A number of financial risks were identified throughout the financial year. These have been fully mitigated.

2.1 Allocation

Allocation 2021-22	M1 - M12 Baseline Allocation	Received M12								Total Confirmed Allocation	Expected allocations	Total Expected Allocation
		GM - Digital Funding - pass through	GM - Contracts for Housing & Health Pathways Pilot	GM - H2 Funding	COVID Reimburse Q4	ARRS funding	WAF funding	Continuing Care	other			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Programme	474,915	75	90	(750)	967			319	48	475,664	0	475,664
Delegated Primary Care	47,961					1,100	651		19	49,731	580	50,311
Total Commissioning	522,876	75	90	(750)	967	1,100	651	319	67	525,395	580	525,975
Running Cost	5,897									5,897	0	5,897
Total Allocation 2021-22	528,773	75	90	(750)	967	1,100	651	319	67	531,292	580	531,872

Allocation adjustments

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

Allocations received in Month 12 include: GM Digital funding (pass through) (£0.075m), GM housing and health pathways pilot (£0.090m), COVID spend reimbursement - quarter 4 (£0.967m) which includes HDP and Vaccination costs. WAF funding (£0.651m), ARRS (£1.100m), Continuing Care funding (£0.329m).

Funding re Independent Sector (£0.750m) was transferred out in line with the GM principles of supporting IS expenditure across GM CCGs.

Further allocations are anticipated for the Additional Roles Reimbursement Scheme for expenditure incurred throughout the financial year (£0.409m) and Winter Access Funding (£0.171m).

2.2 Financial Position at Month 12

March 2022	Month 12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Allocation	(531,292)	(531,292)	0
Acute Services	247,913	247,913	(0)
Mental Health	57,954	57,955	(0)
Community	51,630	51,630	0
Other Commissioning	31,727	31,727	0
Primary Care	114,549	115,129	(580)
Continuing Care	21,621	21,785	(164)
Running Costs	5,897	5,733	164
Reserves	0	0	0
Expenditure	531,292	531,872	(580)
Surplus/(Deficit)	0	(580)	(580)

Headlines & Actions

- At Month 12, the CCG has reported a balanced position in line with the financial plan, once allocations have been received.
- The deficit outlined in the table above represents the outstanding allocations for spend relating to Additional Roles Reimbursement Scheme and Winter Access Funding.
- Reserves have been transferred to the appropriate commissioning areas in line with expectations.

2.3 Hospital Discharge Programme

March 2022	M12 - Final Position £000's
LA commissioned	1,931
CCG commissioned	1,928
Total	3,859

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.
- 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

March 2022	Month 12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Primary Care Co-Commissioning	49,731	50,311	(580)
Expenditure	49,731	50,311	(580)

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 received until after the end of the financial year following a robust validation process. The allocation expected is £0.409m.
 - **Winter Access Funding**
Funding has been drawn down from NHSE and the balance will be received following a validation process supported by the CCG Primary Care team. The remaining allocation expected is £0.171m
- 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

March 2022	Month 12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Continuing Care	21,621	21,785	(164)
Expenditure	21,621	21,785	(164)

Continuing Care Services

- Within the reported position is £3.859m relating to the Hospital Discharge Programme for which funding has been received in full.

2.6 Running Costs

March 2022	Month 12 - Final Position		
	Plan £000's	Actual £000's	Variance £000's
Running Costs	5,897	5,733	164
Expenditure	5,897	5,733	164

Running Costs

- The CCG has incurred expenditure within the budget for 2021/22, in line with the CCG statutory duties.

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	Mar 2022	Commentary
	£000	£000	
Non current assets	128	10	Property Plant and Equipment
Trade & other receivables	675	437	Monies owing to CCG by other organisations
Prepayments and accrued income	99	124	Expenditure paid in advance /income not yet invoiced
Cash & cash equivalents	99	155	Cash at bank/in hand
Total current assets	873	715	Total monies owed to CCG plus cash /bank
Trade & other payables	(9,642)	(5,013)	Invoices received from providers/suppliers but not yet paid
Accruals & deferred income	(22,926)	(22,986)	Expenditure for services received not yet invoiced by provider/supplier
Provisions	(1,392)	(731)	Future liabilities relating to past event
Total current liabilities	(33,960)	(28,731)	Total monies owed by CCG
Net assets/(liabilities) employed	(32,959)	(28,006)	Total monies owed by CCG net of total monies owing to the CCG
Taxpayers equity			
General fund	(32,959)	(28,006)	Total Investment by Taxpayers

Headlines

The March 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

- Trade and other payables has reduced significantly (£4.6m) 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	Mar 2022
	£000	£000
YTD Expenditure	513,281	531,872
Increase/(decrease) in trade & other receivables	(775)	214
(Increase)/decrease in trade & other payables	32,596	4,572
(Increase)/decrease in Provisions	(248)	565
Provisions utilised	246	150
Depreciation and Amortisation	(128)	(118)
Increase/(decrease) in capital payables	(28)	0
Increase/(decrease) in cash	96	56
YTD Cash drawn	545,040	536,882

Performance of month end cash position	Target	Actual	Trend
Cleared bank balance	£511.5k	£156.9k	
% of monthly draw down	<1.25%	0.38%	

% of invoices paid within payment terms	Target	Actual	Trend
By Value	95.00%	98.54%	
By Volume	95.00%	99.73%	

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 March 2022 the ACDR was £536.9m, the CCG received £536.9m cash YTD, representing 100% of the ACDR.
- The CCG achieved the month end cleared bank balance of 0.38% 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. However, to provide assurance to the CCG a FBC will be presented to the May Board. 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 12, which currently excludes the final allocations for expenditure incurred under both Additional Roles Reimbursement Scheme and Winter Access Funding.
- The final 2021/22 Month 12 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 12.