

# COVID-19 Finance response National Team Update

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NHS England and NHS Improvement



# Agenda

- Welcome
- Recap of what we have released and what is expected
- Cabinet Office and PPN Note
- Cash, payments and key dates
- Year end and agreement of balances
- SBS
- Accelerated discharge
- Other
- Questions

# Welcome

- What are we trying to achieve with the changes we are making?
  - Simplification and certainty
  - Resilience and continuity
  - Support the wider economy
  - Increase our speed of response whilst maintaining appropriate financial governance and control
- Building resilience within our teams is likely to become increasingly important
- Our core purpose in finance is to support and facilitate the response. We need to not be a barrier whilst making sure we have appropriate financial governance and continue to manage public money appropriately.
- We will be working with HFMA and releasing a podcast on Financial Governance shortly.

# Guidance

## **We have released direct to your organisations**

- Guidance on CCG Cash Management and Block Payment Guidance
- Block Contract Methodology
- First Iteration of the FAQs (can be accessed through the webinar)
- NHSE/ I Regional Team and Specialised Commissioning Block Payment Guidance April to July 2020

## **Available on our website**

- [COVID-19 NHS Contracting and payment guidance](#)
- [Updated NHS accounts timetable and year-end arrangement](#)

## **Coming Soon**

- COVID-19 Capital reimbursement process
- Top-up payments methodology
- Guidance on how procurement policy note 02/20 applies to the NHS
- Further iterations of the FAQs

# Procurement Policy Note



Cabinet Office

## Procurement Policy Note - Supplier relief due to COVID-19

Action Note PPN 02/20

March 2020

# Top up payments



## NHS trusts and foundation trusts

- **Block contracts** - CCGs, Specialised and DC moved to block contracts, suspension of PBR and associated admin and processes
- **Top ups** – central top up to cover costs, split into two parts:
  - **Central top up** – made alongside block payment, supplementing other income, to make sure BAU cost base is covered
  - **Retrospective top up** – a true up payment after month end to make sure all reasonable expenditure covered, taking account of extra C19 costs and actual income levels
- Further work underway to establish:
  - final top up payments for 2019/20
  - method and process for the monthly retrospective top-up
  - to include review process to ensure effective use of resources remains in place
- Default suspension of provider to provider billing from 1 April, currently working through exceptions eg NHSPS

## Other providers

- Commissioning for services from other providers as normal other than where nationally co-ordinated, e.g. independent sector acute beds
- Reimbursement for reasonable C19 costs via CCGs

# Cash, Payments and Key Dates

Payment Date	From Commissioners	From NHSE/I Central
1 April 2020 (yesterday)	<ul style="list-style-type: none"> <li>Block payment for April 2020; or April 2020 NHS provider invoice if already received.</li> </ul>	<ul style="list-style-type: none"> <li>On account central top-up payment for April</li> </ul>
15 April 2020	<ul style="list-style-type: none"> <li>Block Payment for May 2020; and</li> <li>Where applicable, adjustment to April 2020 payment made to true up to Block Payment Amount;</li> </ul>	<ul style="list-style-type: none"> <li>Central Top Up Payment for May; and</li> <li>any adjustment to the April on-account payment</li> </ul>
15 May 2020	<ul style="list-style-type: none"> <li>Block Payment for June 2020</li> </ul>	<ul style="list-style-type: none"> <li>Central Top Up Payment for June; and</li> <li>final payment for additional Covid-19 costs for 19/20</li> </ul>
1 June 2020		<ul style="list-style-type: none"> <li>Additional Covid-19 costs for April</li> </ul>
15 June 2020	<ul style="list-style-type: none"> <li>Block Payment for July 2020</li> </ul>	<ul style="list-style-type: none"> <li>Central Top Up Payment for July</li> </ul>

# Year End and Annual Report

## Annual reports and accounts updates

- **Timetable:** detailed letter issued to providers and commissioners following announcement on last webinar
- **Agreement of balances:** revised higher thresholds for AoB agreement now communicated to bodies to ease some of the AoB burden while still ensuring organisations, including smaller ones, get the information they need
- **Annual reports:** updated manuals expected to be published early w/c 13 April. These will reduce the scope of the performance report, but in other parts of annual report we are limited by HMT how far we can go to remove requirements. We are hopeful we can announce further measure to support reduction in scope on 8<sup>th</sup> April

## Agreement of Balances

- We have changed the thresholds for Agreement of Balances

	NEW	PREVIOUS
Receivables / Payables	£500k	£50k
Income / expenditure	£5m	£2m



## General Update

- Daily calls with NHS SBS as Business Continuity implemented.
- Majority of staff in both India and UK have access to work from home.
- Additional staff have been trained in key processing areas, supplier set up, invoice verification, payment processing and cash processing.
- Invoice verification backlog cleared due to overtime, additional resource and weekend working, continued to be monitored and daily stats provided.
- Post room backlog key focus, although volume of invoices appear to have reduced regardless of reduction in royal mail deliveries.
- Monitoring the group transactional approvals as concerns that this is slowing down across the group.
- New 18 CCG merged organisations ledgers went live 1<sup>st</sup> April.

## CCG Block Payments

- NHS SBS successfully managed the upload of the 18 CCG merger block payments and payment processed on 1<sup>st</sup> April.
- Majority of CCGs successfully processed 1<sup>st</sup> April RFT.
- Small number of CCGs did not follow the guidance therefore over 100 emails received by 9am on 1<sup>st</sup> April requesting Urgent RFT payments. SBS had to focus on ensuring RFT and Bacs payments were successfully submitted.
- Small number of CCGs did not have a scheduled RFT run for the 1<sup>st</sup> April hence these were delayed but are being paid on a special RFT run on the 2<sup>nd</sup> April.

# Other

## **Increased fraud risk**

- Phishing emails (directed at public or purporting to be from NHS)
- Mandate fraud attempts
- Non-reputable suppliers seeking support from multiple public bodies
- Procurement controls potentially bypassed to obtain supplied quickly
- HR - Qualifications, experience, criminal and disciplinary issues of returning NHS staff and volunteers
- Payroll – staff potentially paid by multiple organisations, working whilst sick/self-isolating, agency/locums
- Infection control concerns resulting in relaxed controls in primary care

# Other

## **Costing Collections**

- National cost collection delayed until later in the year

## **Capital and Debt**

- DHSC announcements are expected shortly on changes to the cash and debt regime including distress finance
- We also be issuing guidance on the new capital regime for 2020/21. Capital envelopes for each STP/ICS will follow shortly thereafter.
- Separate guidance on accessing capital for Covid-19 will also be available later today