

Paper Title: Annual Report and Accounts 2020/21

Agenda item: 12 (Public session)

Report by: Julian Kelly, Chief Financial Officer
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Paper type: For noting

Organisation Objective:

NHS Mandate from Government	<input type="checkbox"/>	Statutory item	<input type="checkbox"/>
NHS Long Term Plan	<input type="checkbox"/>	Governance	<input checked="" type="checkbox"/>
NHS People Plan	<input type="checkbox"/>		

Executive summary:

To provide the Boards with a high-level timetable and update on the next steps for production of NHS England's and NHS Improvement's (Monitor and NHS TDA) Annual Report and Accounts for 2020/21 and the Consolidated NHS Provider Accounts.

Action required:

The Board are invited to:

1. Note the outline timetable as agreed by the Audit and Risk Assurance Committees (ARACs) in February and make any further recommendations it would wish to see incorporated at this planning stage. **Appendix A**.
 2. Approve the high-level content structure and make any further recommendations it would wish to see included. **Appendix B**.
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Background

1. The 2019/20 Annual Reports and Accounts for NHS England, NHS TDA and Monitor were laid in Parliament on 28 January 2021, as part of the laying of the larger DHSC family of ALB reports. Reports were published on Gov.uk on the 28 January.
2. Following work to identify and document lessons learned, planning workshops were held in March to prepare for the 2020/21 reporting cycle and set out requirements for content providers / reviewers.
3. In line with requirements of the NHS Act 2006 and the Health and Social Care Act 2012, NHS England and all CCGs, NHS TDA and Monitor must produce an Annual Report and Accounts, including a governance statement.
4. Each year, the Department of Health and Social Care's (DHSC) 'Group Accounting Manual' (GAM) sets out the core structure and content of the annual report as mandated by HM Treasury.



5. Our Annual Reports and Accounts must contain an assessment of:
 - the extent to which the organisation met any objectives or requirements specified in the Government's joint accountability framework to NHS England and NHS Improvement for the year that is being reported;
 - the extent to which the organisation gave effect to the proposals for that year in its business plan;
 - how effectively, in the case of NHS England, it discharged its duties to improve the quality of services, reduce inequalities and ensure public involvement and consultation; and
 - how effectively, in the case of NHS Improvement, it discharged its duties to support providers.
6. In addition to the 2020/21 Annual Reports and Accounts, under the direction of the Secretary of State, NHS Improvement will prepare the consolidated NHS Provider Accounts.

Considerations

7. The 2020/21 GAM states: 'The ongoing COVID-19 pandemic response continues to significantly impact on public sector resources. It is for this reason that the reduced reporting requirements in place for 2019 to 2020 have been carried forward to 2020 to 2021. [and] ...identifies previously mandatory inclusions to the Annual Report that are designated optional to omit for DHSC Group bodies: -
 - The performance analysis, but not the (CEO's) overview.
 - Sickness absence data.
 - Staff turnover disclosure.'
8. The annual reporting team have explored options relating to the format of this year's performance report with both CFO/SRO and Office of the CEO. Naturally both are keen that unnecessary burden is not placed on already stretched teams at a time when many continue to support the COVID-19 response / vaccination programme. The intention this year is therefore to produce a shortened performance analysis, broadly in line with that in our 2019/20 reports, i.e., the performance of key policy areas / programmes will each be described in approximately one page and largely through the lens of COVID-19.
9. A Parliamentary laying date for the 2020/21 Annual Reports and Accounts remains to be confirmed, however DHSC have indicated that laying will occur after the summer recess. Therefore, the 2020/21 annual reporting production cycle is scheduled to span from March to September. The high-level schedule is set out at Appendix A for information.
10. To support preparation of CCG annual accounts, virtual finance roadshows were held in November and February. These were delivered by the financial accounts team and supported by the annual reporting team. The process and templates to support CCGs in the preparation of annual reports have been revised to reflect new requirements set out in the 2020/21 GAM.
11. A full month 9 account has been prepared for NHS England, TDA and Monitor,

following the HMT Financial Reporting Manual and the DHSC Group Accounting Manual. The NHS England account comprises the NHS England parent account (NHS England and Commissioning Support Units) and the NHS England group account (parent plus CCGs) for the period ending 31 December 2020.

Next steps

12. The high-level schedule for the 2020/21 annual reporting cycle is attached at **Appendix A**.
13. Draft reports will be presented to the ARACs for review at their meeting on 21 May.

Appendix A

2020/21 Annual Report and Accounts - High-level Schedule

25 February	ARACs approved schedule and proposed content structure
W/C 15 March	2020/21 webinar for internal stakeholders / content providers
25 March	Commission draft Annual Reports and Accounts content
25 March	Board meeting
19 April	Deadline for submission of ND-approved content
23 – 30 April	SRO / CFO review of Annual Reports and Accounts
7 May	SRO-reviewed reports shared with ARAC (cc to NAO, DHSC and Board members)
21 May	ARACs meetings
24 June	Boards review the Annual Reports and Accounts and delegate authority to the individual ARACs to approve the final reports and recommend CEOs sign
02 July	Commission final content/updates
16 July	Deadline for submission of ND-approved year-end content/updates
23 - 27 July	SRO to review draft Annual Reports and Accounts
30 July	Share draft Annual Reports and Accounts with NAO, DHSC and Board members
13 August	Deadline for Chairs to review and provide comment
27 August	Deadline for CEO's final comments
3 September	Share final versions with NAO, DHSC and Board members
15 September	ARACs to review final reports and make recommendation to sign
TBC	Accounting Officer to sign & submit to NAO for certification
TBC	C&AG certification
TBC	Annual Reports and Accounts laid before Parliament

Appendix B

Section
Chair's Welcome
About the organisation: The Government's mandate to the NHS, Our values and the NHS Constitution, How we are governed and managed, How we operate
Performance Report:
Performance Report - CEO's Overview
Performance Report - Performance Analysis (optional to omit: propose shortened performance analysis)
Performance Report - How we supported the wider NHS (+ supporting providers for NHS-I)
Performance Report - Chief Financial Officer's Report
Performance Report - Our priorities for 2021/22
Accountability Report:
Corporate Governance Report – Directors Report
Corporate Governance Report – Boards & Committees
Corporate Governance Report – Statement of Accounting Officer's Responsibilities
Annual Governance Statement
Staff and Remuneration Report
Parliamentary accountability and audit report
Certificate and Report of the Comptroller and Auditor General to the HoC
Annual Accounts:
Appendices: including Mandate, PSED, Sustainability, Patient and public involvement.