

Meeting: Governing Body			
Meeting Date	22 September 2021	Action	Receive
Item No.	7b	Confidential	No
Title	Month 5 CCG Finance Report		
Presented By	Sam Evans Executive Director of Finance		
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Clinical Lead	N/A		

Executive Summary

The national command and control framework put in place by NHS E / I in response to COVID-19 has continued into the first six months of 2021/22 (H1). The total CCG H1 allocation notified to month 5 is £176.2m. Made up of a baseline allocation of £171m, £1.9m of growth monies from GMHSCP, based on local pressures, £1.7m non-recurrently for the Primary Care and Mental Health elements of the Long Term Plan and COVID and £1.3m in Hospital discharge funding.

In accepting this allocation, the CCG must return a break-even position for H1 and any deviation from this will bring local and regional scrutiny. Based upon anticipated expenditure the CCG will need to deliver £2.1m of QIPP to achieve break even in H1. There are to be formal regional reviews of organisational positions at month 3, month 5 and month 6, to ensure that growth funding is allocated appropriately and to ensure whole system break even. A high level overview of the financial framework for the remainder of the financial year was discussed in a webinar on 9th September and will be covered in the CFO update

At month 5, the CCG is reporting a year to date and forecast outturn breakeven position post anticipated recoverable cost reimbursements. Pre reimbursement the CCG is reporting a forecast £1.5m deficit position, made up of a £3.3m overspend in CHC and small overspends in community and mental health services offset by a £1.5m underspend in other programmes and £0.6m in primary care.

CHC is still experiencing significant pressures in month five, despite the ongoing reviews of joint funded patients, Mental Health and children's placements and further emphasised the requirement to progress the implementation of the CHC database. Given the importance of the work and absences in the CHC team, resource from across other existing CCG and Council teams, and from another GM CCG continues to be utilised.

The CCG identified QIPP schemes totalling £1.1m (0.6% of allocation) for the first half of the year against an overall QIPP requirement of £2.1m. In month 3 non-recurrent mitigations were identified to address the shortfall supporting the delivery of a break even position and this has been necessary again in month 5 to support the non delivery of CHC QIPP. Remaining programmes, CHC aside have begun to deliver benefits from month 4 in line with plan. The plan anticipates CHC QIPP in month 6 and in H2 and this is considered

high risk for achievement.

The CCG has delivered on the Better Payment Practice Code with 99.5% of supplier invoices paid within target. The CCG has also delivered its cash balance target to have no more than 1.25% of its maximum monthly cash drawdown remaining at the end of the month.

Recommendations

It is recommended that the Governing Body:

- Note the Month 5 forecast financial position of breakeven.
- Note the risks around the financial position specifically linked to CHC costs and activity, the ongoing lack of QIPP delivery in this area and the remaining risk to the forecast break even position.
- Note the delivery of financial performance targets for the year.

Links to CCG Strategic Objectives

SO1 - To support the Borough through a robust emergency response to the Covid-19 pandemic.	<input type="checkbox"/>
SO2 - To deliver our role in the Bury 2030 local industrial strategy priorities and recovery.	<input type="checkbox"/>
SO3 - To deliver improved outcomes through a programme of transformation to establish the capabilities required to deliver the 2030 vision.	<input type="checkbox"/>
SO4 - To secure financial sustainability through the delivery of the agreed budget strategy.	<input checked="" type="checkbox"/>
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	
GBAF	

Implications

Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Have any departments/organisations who will be affected been consulted ?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any financial Implications?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Is an Equality, Privacy or Quality Impact	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

Implications						
Assessment required?						
Are there any associated risks including Conflicts of Interest?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Are the risks on the CCG's risk register?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>

Month 5 Finance Report

1. Introduction

1.1. This report provides a summary of the financial position of the CCG in 2021/22 at Month 5.

2. 2021/22 Financial Framework

2.1. The national command and control framework put in place by NHS E / I in response to COVID-19 has continued into the first six months of 2021/22 (H1). The total CCG H1 allocation notified to month 5 is £176.2m. Made up of a baseline allocation of £171m, £1.9m of growth monies from GMHSCP, based on local pressures, £1.7m non-recurrently for the Primary Care and Mental Health elements of the Long Term Plan and COVID and £1.3m in Hospital discharge funding.

2.2. These allocations do not include a further £1.5m in Hospital Discharge Programme (HDP) monies which is expected to be reimbursed in H1 or Elective Recovery Fund (ERF) monies which are held centrally and will be transferred to organisations upon receipt of appropriate claims and achievement of necessary gateway criteria.

2.3. In accepting this allocation, the CCG must return a break-even position for H1 and any deviation from this will bring local and regional scrutiny. Based upon anticipated expenditure the CCG will need to deliver £2.1m of QIPP to achieve break even in H1. There are to be formal regional reviews of organisational positions at month 5 and month 6, to ensure that growth funding is allocated appropriately and to ensure whole system break even. A high level overview of the financial framework for the remainder of the financial year was discussed in a webinar on 9th September and will be covered in the CFO update.

3. Financial Position at Month 5

At month 5, the CCG is reporting a year to date and forecast outturn breakeven position post anticipated recoverable cost reimbursements. Pre reimbursement the CCG is reporting a forecast £1.5m deficit position, made up of a £3.3m overspend in CHC and small overspends in community and mental health services offset by a £1.5m underspend in other programmes and £0.5m in primary care.

Financial Performance		£000's				
Area	YTD Budget	YTD Actual	YTD Variance	Annual Budget	FOT	FOT Variance
Allocations	(143,803)	(143,803)	0	(176,247)	(176,247)	0
Acute Services	72,741	72,680	(61)	87,584	87,584	0
Community Health Services	14,484	14,559	75	17,355	17,518	163
Continuing Care Services	8,034	10,283	2,249	9,536	12,798	3,262
Mental Health Services	15,121	15,228	107	18,566	18,683	117
Other Programme Services	1,757	699	(1,058)	4,188	2,686	(1,502)
Primary Care Services	17,964	17,780	(184)	21,555	21,389	(166)
Primary Care Co-commissioning	12,114	11,733	(381)	15,558	15,193	(365)
Programme Costs	142,215	142,961	746	174,342	175,852	1,510
Running Cost	1,588	1,588	0	1,905	1,905	0
Total Costs	143,803	144,549	746	176,247	177,757	1,510

Acute

3.1. Acute shows a forecast breakeven to month 6 and year to date. There has been increased activity at independent providers, specifically CARE UK and diagnostic providers. These overspends have been nullified by under performance in other acute areas such as maternity services and planned care. This activity will be monitored closely. The Independent sector activity is being managed at a GM level with under performance and over performances being balanced out amongst Commissioners. Currently Bury CCG is holding a £0.4m adjustment within position to account for the Independent sector treatment methodology between CCG's.

Acute Analysis		£000's				
Cost centre	YTD Budget	YTD Actual	YTD Variance	Half Year Budget	Half Year FOT	Half Year FOT Variance
ACUTE COMMISSIONING	67,746	67,745	(2)	81,590	81,675	85
AMBULANCE SERVICES	3,690	3,690	0	4,428	4,428	0
MATERNITY SERVICES	183	144	(39)	220	174	(46)
NCAS/OATS	79	55	(24)	95	66	(29)
PLANNED CARE	83	87	3	100	90	(10)
URGENT CARE	467	466	0	560	560	0
Winter Resilience	493	493	0	591	591	0
Total Cost	72,741	72,680	(62)	87,584	87,584	0

Mental Health

3.2. Mental health services are reporting a small year to date and forecast overspend of £0.1m. The overspend is attributable to high cost placements which is a highly variable area of expenditure dependant on case mix of patients. High cost placements are administratively managed within the CHC team and so forms part of the on-going review and cleanse work in this area.

3.3. The CCG has a core budget mental health investment standard target of £0.7m for the first half of 2021/22 and has worked with system partners to identify schemes to fund from this investment. Delivery is in progress to ensure that the target is met this year. The CCG has also received £0.6m in spending review (SR) and service development funding (SDF) for the first half of 2021/22. Work is underway with partners in GM to ensure that all planned schemes funded by SDF and SR monies (which are not part of the MHIS calculation) are also delivered.

Mental Health Analysis		£000's				
Mental Health Services	YTD Budget	YTD Actual	YTD Variance	Half Year Budget	Half Year FOT	Half Year FOT Variance
Contracts	10,999	10,999	0	13,365	13,365	0
Mental Health Placements	2,796	2,886	91	3,355	3,458	103
CAMHS	772	789	17	926	938	11
Learning Difficulties	17	2	(15)	20	2	(18)
NCA's	42	49	8	50	58	8
Other	496	502	6	850	862	12
Total Mental Health	15,121	15,228	107	18,566	18,683	117

Community

3.4. Community services are reporting a small overspend to month 5 following the reimbursement of HDP expenditure for the first 3 months of the year. The forecast overspend of £0.16m within intermediate care relates to domiciliary care costs recoverable through HDP for the remainder of H1.

Community Health Analysis		£000's				
Community Health Services	YTD Budget	YTD Actual	YTD Variance	Half Year Budget	Half Year FOT	Half Year FOT Variance
Contracts	9,298	9,307	9	11,167	11,173	5
Hospices	213	208	(5)	255	255	0
Intermediate Care	4,950	5,022	71	5,905	6,063	158
Other	23	23	(0)	28	28	0
Total Community Health	14,484	14,559	75	17,355	17,519	164

Continuing Healthcare

3.5. The forecast outturn for Continuing Healthcare is an overspend of £3.3m. the overspend is predominantly due to increased activity and costs relating to CHC placements, of which £1.5m is reclaimable via HDP.

3.6. CHC is still experiencing significant pressures in month five despite the ongoing reviews of joint funded patients, Mental Health and children's placements and this has further emphasised the requirement to progress the implementation of the CHC database. The process of discharging patients from Fairfield General Hospital as Fast Track patients has now been improved. Nurses are assigned to each patient upon entering a placement as opposed to when the CCG receive the information from the Council bed brokerage team, reducing the time to assessment by 2 weeks. This along with the reviews of patients has helped to stabilise the activity numbers which has seen a levelling of activity in the month 5 position

3.7. Given the importance of the work and absences in the CHC team, resource from across other existing CCG and Council teams, and from another GM CCG, have been identified to support the review of joint funded patients, Mental Health and children's placements and the implementation of the CHC database. The month 5 QIPP target has not been delivered and the month 6 target is considered to be high risk for

achievement.

- 3.8. Work is ongoing within the CHC team to work through the increased activity to ensure that patients are being supported and placed in the most effective setting for their individual needs, along with ensuring these placements are the most efficient use of resources.

Continuing Healthcare Analysis		£000's				
Continuing Healthcare Analysis	YTD Budget	YTD Actual	YTD Variance	Half Year Budget	Half Year FOT	Half Year FOT Variance
Continuing Care: Adult Joint Funded	1,624	1,931	308	1,925	2,310	385
Continuing Care: Adult Joint Funded (PHB)	95	88	(7)	114	106	(8)
CHC: Adult Fully Funded (PHB)	533	692	159	640	828	188
CHC: Adult Fully Funded	4,333	5,912	1,579	5,118	7,535	2,418
Continuing Care: Childrens	308	482	173	370	576	206
Continuing Care: Childrens (PHB)	204	230	26	244	275	30
Continuing Healthcare Assessment & Support	305	389	84	366	500	134
Funded Nursing Care	632	559	(74)	759	668	(91)
Total Cost	8,034	10,283	2,248	9,536	12,798	3,262

Continue Care Services Analysis 2021-22

Primary Care & Co-Commissioning

- 3.9. Primary care services and co-commissioning are jointly reporting a year to date underspend of £0.6m with a forecast underspend of £0.5m. This underspend is non-recurrent resulting from the finalisation of 20/21 outturn and release of prior year accruals, in particular, QOF Achievement.
- 3.10. In addition to baseline primary care and delegated co-commissioning budgets additional funding is available to primary care to support PCN development, new enhanced services for long COVID £0.1m, GP COVID support funding of £0.4m in H1 and access to £2.55m for the recruitment of additional roles to support PCN's including pharmacists, paramedics and mental health practitioners.

Primary Care Performance		£000's				
Primary Care Services	YTD Budget	YTD Actual	YTD Variance	Half Year Budget	Half Year FOT	Half Year FOT Variance
Local Enhanced Services	513	460	(53)	739	681	(58)
Drugs (Prescribing & Central)	14,135	14,124	(12)	16,941	16,933	(8)
GP Forward View	654	654	0	654	654	0
Out of Hours	681	657	(24)	818	792	(25)
Primary Care IT	856	856	0	1,027	1,029	2
Oxygen	99	100	1	119	120	1
Other	1,026	929	(97)	1,258	1,180	(78)
Total Primary Care	17,964	17,780	(184)	21,555	21,389	(166)
PRC Delegated Co-commissioning	12,114	11,733	(381)	15,558	15,193	(365)
Total Primary Care	30,078	29,513	(565)	37,113	36,582	(531)

Other

3.11. Other programme spend which includes NHS 111, estates and non-recurrent programmes is reporting a forecast underspend of £1.5m. Of this £0.6m is a non-recurrent benefit relating to prior year estates charges, the remaining £0.9m is a forecast of budgets no longer required in H1 as a result of the current financial framework.

3.12. The CCG running cost spend is in line with its allocation of £1.9m.

4. COVID and the Hospital Discharge Programme

4.1. The CCG reported £2.2m of expenditure on COVID related costs to Month 5, broken down in the table below.

CCG COVID Expenditure Analysis to month 5	Expenditure £'000
Hospital Discharge Programme	2,005
Support for stay at home models	201
Other COVID-19 virus / antibody (serology) testing (not included elsewhere)	27
Other Covid-19	(50)
Total CCG Net Expenditure	2,183

4.2. The largest area of expenditure is £2.0m for the Hospital Discharge Programme (HDP). All HDP Costs are expected to be reimbursed. Other key areas of expenditure are £0.2m for support for stay at home models with the remainder spread across multiple categories. Bury CCG are expecting a small benefit received from some COVID-19 based activity that has been agreed to be funded by Bury LA. This is represented within the "Other COVID-19" category to the value of £0.06m. The remaining costs within that Section are spread across multiple areas.

5. QIPP

5.1 The CCG identified QIPP schemes totalling £1.1m (0.6% of allocation) for the first half of the year against an overall QIPP requirement of £2.1m. In month 3 non-recurrent mitigations were identified to address the shortfall supporting the delivery of a break even position and this has been necessary again in month 5 to support the non delivery of CHC QIPP. Remaining QIPP schemes, CHC aside, have begun to deliver benefits from month 4 in line with plan. The plan anticipates CHC QIPP in month 6 and in H2 and this is considered high risk for achievement. Please see table overleaf for more detail.

Project	Risk Rating	YTD £'000	H1 Plan £'000	H1 Forecast £'000	H1 Variance £'000
CHC packages	High	£0	£475	£250	-£225
Prescribing	Medium	£66	£100	£100	£0
Intermediate Care Service Change	Low	£166	£249	£249	£0
TF Savings	Low	£250	£300	£300	£0
2020/21 QOF underachievement	Low	£282		£282	£282
Credit arising from dispute with CHP resolved in 2021/22.	Low	£406		£406	£406
Other smaller non recurrent mitigations	Low	£486		£486	£486
Unidentified	High		£949		-£949
Total		£1,656	£2,073	£2,073	£0

6. Balance Sheet

6.1. The CCG has delivered its balance sheet targets including the Better Payment Practice Code (BPPC) which measures the timeliness of payments to suppliers. The CCG has achieved this target (95%) year to date, with 99.5% of Non NHS supplier invoices being paid within the timeframe. The CCG has also delivered its cash balance target which is to have no more than 1.25% of its maximum monthly cash drawdown remaining at the end of the month.

7. Actions Required

Governing Body members are asked to:

- Note the Month 5 forecast financial position of breakeven.
- Note the risks around the financial position specifically linked to CHC costs and activity, the ongoing lack of QIPP delivery in this area and the remaining risk to the forecast break even position.
- Note the delivery of financial performance targets for the year.

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