

Meeting: Governing Body			
Meeting Date	28 July 2021	Action	Receive
Item No.	7b	Confidential	No
Title	Month 3 CCG Finance Report		
Presented By	Simon O'Hare, Acting Deputy CFO		
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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). For H1, the CCG received a baseline allocation of £171m, based on expenditure to February 2020 uplifted for inflation and growth. In addition to this, the CCG has received £1.9m of growth monies from GMHSCP, based on local pressures, and £1.7m non-recurrently for the Primary Care and Mental Health elements of the Long Term Plan and COVID. The total CCG H1 allocation notified to month 3 is £174.6m.

This budget does not include Hospital Discharge Programme (HDP) monies 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.

In accepting this allocation, the CCG as will all NHS organisations, 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. The financial framework for the remainder of the financial year is not yet known.

At Month 3, 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 £2.5m deficit position, made up of an £3.7m overspend in CHC & £0.3m in community services offset by underspends in other programmes. Both overspends primarily relate to HDP which is a recoverable expenditure for the first half of 2021/22. It should be noted that from month 4 until month 6, HDP will only cover 4 weeks post discharge not the 6 weeks covered in the first 3 months of 2021/22.

In month 3 a data cleanse was carried out on the CHC database, and these plus other actions have led to a reduction in the forecast overspend. It should be noted that despite this, there are still significant pressures on the CHC budget associated with additional activity, increases in the cost of packages of care and high cost discharges. GM colleagues are aware of these pressures and the risk to break even.

Recurrent savings associated with the Transformation Fund, along with non recurrent savings following a long running dispute with Community Health Partnerships and reduced achievement against QOF targets in 2020/21 have been used at month 3 to support the delivery of a break even position and to make up the shortfall of unidentified QIPP. Additional schemes are anticipated to start delivering benefits from month 4, and non recurrent mitigations are available if CHC QIPP savings are not returned in the final 2 months of this half year.

The CCG has delivered on the Better Payment Practice Code with 97% 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 3 forecast financial position of breakeven.
- Note the risks around the financial position specifically linked to CHC costs and activity, the work to date and the potential 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	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

Implications						
requested?						
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 Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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 3 Finance Report

1. Introduction

1.1. This report provides a summary of the financial position of the CCG in 2021/22 at Month 3.

2. 2021/2 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). For H1, the CCG received a baseline allocation of £171m, based on expenditure to February 2020 uplifted for inflation and growth. In addition to this, the CCG has received £1.9m of growth monies from GMHSCP, based on local pressures, and £1.7m non-recurrently for the Primary Care and Mental Health elements of the Long Term Plan and COVID. The total CCG H1 allocation notified to month 3 is £174.6m.

2.2. These allocations do not include Hospital Discharge Programme (HDP) monies 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 as will all NHS organisations, 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. The financial framework for the remainder of the financial year is not yet known.

2.4. From a system perspective it should be noted that the ERF threshold for achievement and reimbursement has been increased from 85% to 95% in July and whilst this does not have a direct impact upon the CCG this will mean reduced income for NCA and other trusts.

3. Financial Position at Month 3

At Month 3, 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 £2.5m deficit position, £3.7m overspend in CHC & £0.4m in community services offset by underspends in other programmes. Both overspends primarily relate to HDP which is a recoverable expenditure for the first half of 2021/22.

Financial Performance		£000's				
Area	YTD Budget	YTD Actual	YTD Variance	H1 Budget	FOT	FOT Variance
Allocations	(85,128)	(85,128)	0	(174,573)	(174,573)	0
Acute Services	43,645	43,743	98	87,584	87,669	85
Community Health Services	8,584	8,757	173	17,177	17,524	348
Continuing Care Services	3,972	5,781	1,809	8,477	12,211	3,734
Mental Health Services	9,162	9,167	6	18,566	18,684	118
Other Programme Services	692	241	(453)	3,890	2,304	(1,587)
Primary Care Services	10,816	10,752	(64)	21,519	21,538	19
Primary Care Co-commissioning	7,303	6,992	(311)	15,455	15,256	(199)
Programme Costs	84,174	85,433	1,258	172,668	175,186	2,518
Running Cost	953	953	0	1,905	1,905	0
Total Costs	85,127	86,386	1,258	174,573	177,091	2,518

Acute

3.1. Acute shows a forecast overspend of £0.1m to month 6 as at month 3. This is due to increased activity at independent providers, specifically CARE UK and diagnostic providers. This activity will be monitored closely and commissioners engaged to understand if this trajectory is likely to continue. Work is also ongoing to understand how this relates to achievement of Elective access targets and if therefore ERF monies can be claimed to support this position.

Acute Analysis		£000's				
Cost centre	YTD Budget	YTD Actual	YTD Variance	Half Year Budget	Half Year FOT	Half Year FOT Variance
ACUTE COMMISSIONING	40,648	40,754	106	81,589	81,692	102
AMBULANCE SERVICES	2,214	2,214	0	4,429	4,429	0
MATERNITY SERVICES	110	103	(8)	220	203	(18)
NCAS/OATS	47	47	0	95	95	0
PLANNED CARE	50	50	0	100	100	0
URGENT CARE	280	280	0	560	560	0
Winter Resilience	296	296	0	591	591	0
Total Cost	43,645	43,744	98	87,584	87,670	84

Acute Analysis 2021-22

Mental Health

3.2. Mental health services are reporting a small year to date overspend at the end of month 3 with a £0.1m forecast outturn overspend due to a specialist placement. The underspend on CAMHs relates to reduced costs in medium to long term placements, not the area of current system pressure which is commissioned by NHS England.

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	6,599	6,600	0	13,365	13,365	0
Mental Health Placements	1,677	1,704	26	3,355	3,527	172
CAMHS	434	397	(37)	868	783	(84)
Learning Difficulties	10	4	(6)	20	26	6
NCA's	25	31	6	50	54	4
Other	415	431	15	908	928	19
Total Mental Health	9,161	9,166	5	18,566	18,683	117

Community

3.4. Community services are reporting a year to date overspend of £0.2m and a forecast overspend of £0.3m within intermediate care which relates to domiciliary care costs recoverable through HDP. All other budgets are broadly in balance at this stage.

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	5,579	5,577	(3)	11,167	11,159	(8)
Hospices	128	125	(2)	255	255	0
Intermediate Care	2,863	3,041	178	5,727	6,082	356
Other	14	14	0	28	28	0
Total Community Health	8,584	8,757	173	17,177	17,524	348

Continuing Health Care

3.5. The forecast outturn for Continuing Healthcare is an overspend of £3.7m. The overspend is predominantly because of increased activity and costs relating to CHC placements of which £2.1m is reclaimable via HDP.

3.6. In month three a data cleanse of the CHC database which reviewed patient level information to ensure the accuracy of the database took place. While the data integrity has improved, more work is required, and the move to a standalone database remains a key priority.

3.7. Due to the priority of the work and long term sickness in the CHC team, existing internal resource, across both the CCG and the council, as well as from another GM CCG, has been identified to support with a review of joint funded patients and the implementation of the CHC database, as well as a review of Mental Health and children's placements.

3.8. The review has identified that the increased activity is being driven by new patients requiring CHC support either in a residential setting or domiciliary care. In a two-week period, an additional 75 patients were added to the CHC database. Staff are focused upon the review of these patients to ensure that CHC is the correct and appropriate

funding for the care that they require.

3.9. Conversations have also taken place with colleagues at Fairfield General Hospital with regard to Fast Track discharges and discharge documentation and in the 2 weeks since this there has been a noticeable reduction in these Fast Track discharges and this will continue to be monitored.

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	904	1,121	217	1,808	2,255	447
Continuing Care: Adult Joint Funded (PHB)	57	53	(4)	114	106	(8)
CHC: Adult Fully Funded (PHB)	320	409	89	640	822	182
CHC: Adult Fully Funded	1,822	3,265	1,443	4,176	7,100	2,924
Continuing Care: Childrens	185	264	79	370	531	161
Continuing Care: Childrens (PHB)	122	135	13	244	272	27
Continuing Healthcare Assessment & Support	183	203	20	366	458	92
Funded Nursing Care	379	331	(48)	759	668	(91)
Total Cost	3,972	5,781	1,809	8,477	12,212	3,734

Continue Care Services Analysis 2021-22

Primary Care & Co-Commissioning

3.10. Primary care services and co-commissioning are jointly reporting a year to date underspend of £0.4m and a forecast underspend of £0.2m which mainly relates to the outcome of the 20/21 QOF Achievement. The overspend shown in Drugs (Prescribing & Central) in the table below relates to 1 month actual PMD spend. This is partially offset by unrequired growth in other budgets.

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	678	648	(31)	1,357	1,296	(61)
Drugs (Prescribing & Central)	8,471	8,535	65	16,941	17,052	111
Out of Hours	582	562	(20)	991	971	(20)
Primary Care IT	514	514	0	1,027	1,029	2
Oxygen	59	58	(2)	119	117	(2)
Other	512	435	(77)	1,084	1,073	(11)
Total Primary Care	10,816	10,752	(64)	21,519	21,538	19
PRC Delegated Co-commissioning	7,303	6,992	(311)	15,455	15,256	(199)
Total Primary Care	18,119	17,744	(375)	36,974	36,794	(180)

Other

3.11 Other programme spend which includes NHS 111, estates and non-recurrent programmes is reporting a forecast underspend of £1.6m. Of this £0.7m is a non-recurrent benefit relating to prior year estates charges, the remaining £1m 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.

4. COVID and the Hospital Discharge Programme

4.1. The CCG reported £1.5m of expenditure on COVID related costs to Month 3, broken down in the table below.

CCG COVID Expenditure Analysis to month 3	Expenditure £'000
Hospital Discharge Programme	1,259
Support for stay at home models	178
Existing workforce additional shifts to meet increased demand	49
Other Covid-19	11
Total CCG Net Expenditure	1,497

4.2. The largest area of expenditure is £1.3m 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.

5. QIPP

5.1. The CCG has identified QIPP schemes totalling £1.1m (0.6% of allocation) for the first half of the year. Non recurrent savings following a long running dispute with Community Health Partnerships and reduced achievement against QOF targets in 2020/21 have been used at month 3 to support the delivery of a break even position and to make up the shortfall of unidentified QIPP. Additional schemes are anticipated to start delivering benefits from month 4, and non recurrent mitigations are available if CHC QIPP savings are not returned in the final 2 months of this half year.

Project	Risk rating	Actual			Forecast	Forecast	Forecast	Forecast (actual YTD plus remaining FOT)	H1 Financial Plan
		30/04/2021	31/05/2021	30/06/2021					
Desc 31/03/2022 Year Ending FREE TEXT	Plan 31/03/2022 Year Ending DROP-DOWN	Month 1 £'000	Month 2 £'000	Month 3 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	31/10/2021 H1 SUB-TOTAL £'000	31/10/2021 £'000
CHC packages	High	0	0	0	0	225	250	475	475
Prescribing	Medium	0	0	0	33	33	34	100	100
Intermediate Care Service Change	Low	0	0	0	83	83	83	249	249
TF Savings	Low	50	50	50	50	50	50	300	300
2020/21 QOF underachievement	Low	0	0	282	0	0	0	282	0
Credit arising from dispute with CHP resolved in 2021/22.	Low	0	0	406	0	0	0	406	0
Other smaller non recurrent mitigations	Low	0	0	251	0	0	0	251	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 97% of 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 3 forecast financial position of breakeven.
- Note the risks around the financial position specifically linked to CHC costs and activity, the work to date and the potential remaining risk to the forecast break even position.
- Note the delivery of financial performance targets for the year.

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