

Meeting: Governing Body			
Meeting Date	26 January 2022	Action	Receive
Item No.	10.2	Confidential	No
Title	Month 9 CCG Finance Report		
Presented By	Sam Evans, Executive Director of Finance		
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Clinical Lead	N/A		

Executive Summary
<p>The national command and control framework put in place by NHS E / I in response to COVID-19 has continued into 2021/22. The total CCG allocation notified to month 9 is £361.7m. Made up of the following: A baseline allocation of £346.1m, £4.8m of growth monies from GMHSCP, based on local pressures, £2.4m in Hospital Discharge Funding, and £8.4m non-recurrent funding to support projects in primary Care, Mental Health, Clinical Assessment Service (CAS), Long COVID and cancer.</p> <p>At month 9, 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 £3m deficit position, made up of a £3.8m overspend in CHC, £0.6m in community services offset by costs recoverable under the HDP of £2.4m, underspends of £0.5m Acute, £0.1m each in primary care and mental health and £0.6m in other.</p> <p>In H1 the CCG identified QIPP schemes totalling £1.1m (0.6% of allocation) against the overall QIPP requirement of £2.1m. In H1, non-recurrent mitigations were identified to address both the shortfall in the initial plan and the non-achievement of £0.48m QIPP in CHC and individual placements, allowing the delivery of a break-even position. The QIPP plan for H2 is £2.7m made up of £0.9m CHC and individual placements, community £1.6m and prescribing £0.2m and these are high risk, low risk and medium risk respectively. To month 9 QIPP targets have been achieved. All schemes are anticipated to deliver to plan for the remainder of the year.</p> <p>Draft guidance has been received for 2022/23 and this is viewed with cautious optimism as it includes growth for the GM Integrated Care System (ICS) and is based upon locality H2 budgets being grossed up for a full year (exclusive at this stage of additional support received). However due to the delay in the start of the ICS to 1st July 2022, this guidance is draft and subject to change and therefore until allocations and the allocation of this to localities is finalised, it is not possible to confirm what locality budgets and therefore pressures there are for 2022/23. A briefing note on the guidance is attached as appendix 1.</p>

Recommendations

It is recommended that the Governing Body:

- Note the Month 9 forecast financial position of breakeven.
- Note the delivery of financial performance targets for the year.
- Note the draft 2022/23 guidance has been issued and the briefing note detailing the impact of this locally.

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 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 type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" 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 9 Finance Report

1. Introduction

1.1. This report provides a summary of the financial position of the CCG in 2021/22 at Month 9.

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 2021/22. The total CCG allocation notified to month 9 is £361.7m. Made up of the following: A baseline allocation £346.1m, £4.8m of growth monies from GMHSCP (based on local pressures), £2.4m in Hospital Discharge Funding and £8.4m non-recurrently to support projects in Primary Care, Mental Health, Long COVID, Clinical Assessment Service CAS and cancer.

2.2. In H1 the CCG was able to report delivery of a breakeven position following receipt of £2.4m HDP reimbursement and use of non-recurrent measures including prior year benefits and budgets not required. The receipt of growth funding from GMHSCP and continuation of HDP reimbursement in H2 has enabled Bury CCG, following an assumed delivery of a £2.7m QIPP (CHC £0.9m, community £1.6m and prescribing £0.2m) to submit a breakeven plan.

2.3. In accepting this allocation, the CCG must return a break-even position for 2021/22 and any deviation from this will bring local and regional scrutiny. A formal regional review of organisational positions is expected during Q4 to ensure that growth funding is allocated appropriately and to ensure whole system break even.

3. Financial Position at Month 9

At month 9, 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 £3m deficit position, made up of a £3.8m overspend in CHC, £0.6m in community services offset by costs recoverable under HDP of £2.4m, underspends of £0.5m Acute, £0.1m each in primary care and mental health and £0.6m in other.

Financial Performance		£000's				
Area	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
Allocations	(263,876)	(263,876)	0	(358,878)	(358,878)	0
Acute Services	132,394	132,078	(317)	177,609	177,079	(529)
Community Health Services	26,534	26,752	217	36,413	37,004	591
Continuing Care Services	16,665	19,741	3,077	22,835	26,589	3,754
Mental Health Services	27,190	27,144	(46)	37,791	37,694	(97)
Other Programme Services	3,706	2,621	(1,085)	6,109	5,504	(605)
Primary Care Services	32,789	32,635	(154)	43,571	43,211	(360)
Primary Care Co-commissioning	21,740	21,328	(412)	30,741	31,026	285
Programme Costs	261,019	262,299	1,280	355,068	358,107	3,039
Running Cost	2,857	2,857	0	3,810	3,810	0
Total Costs	263,876	265,156	1,280	358,878	361,917	3,039
(Surplus)/Deficit	(0)	1,279	1,280	0	3,039	3,039

Acute

- 3.1. Acute reports a forecast underspend of £0.5m at month 9, which primarily relates to activity with Independent Sector providers. In month 9 the CCG enacted a £0.4m allocation adjustment to support the GM risk share position on Independent sector providers as this is being managed at a GM level. The CCG is also holding a further £0.4m back in anticipation of GM needing further support in H2.

Acute Analysis	£000's					
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
ACUTE COMMISSIONING	123,867	123,558	(309)	165,318	164,807	(510)
AMBULANCE SERVICES	6,720	6,720	0	8,936	8,936	0
MATERNITY SERVICES	306	288	(18)	392	385	(7)
NCAS/OATS	143	156	13	191	209	18
PLANNED CARE	154	151	(3)	208	188	(19)
URGENT CARE	774	774	(0)	1,378	1,368	(10)
Winter Resilience	431	431	0	1,187	1,187	0
Total Cost	132,395	132,078	(317)	177,609	177,079	(529)

Mental Health

- 3.2. Mental health services are reporting a broadly breakeven year to date position with a small forecast underspend of £0.1m. The net overall underspend is the result of overspends in adult high cost placements which is a highly variable area of expenditure dependant on case mix of patients offset by underspends in child mental health placements and other activity driven contracts.
- 3.3. The CCG is required to achieve a mental health investment standard target (MHIS) each year which is calculated based on analysis of spend in the one commissioning organisation directorate, prescribing and continuing healthcare. For 2021/22 the CCG must increase spend on mental health by £1.4m. Delivery is underway for schemes developed with system partners to ensure this target is met. In addition to MHIS the CCG is holding within the mental health budgets £1.0m of spending review (SR) and service development funding (SDF). This funding is co-ordinated at a GM level with partners across the system to ensure that all planned schemes funded by SDF and SR monies are delivered.

Mental Health Analysis	£000's					
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
Contracts	19,698	19,697	(2)	26,341	26,339	(2)
Mental Health Placements	5,114	5,215	101	6,863	6,971	108
CAMHS	1,429	1,291	(138)	2,113	1,913	(200)
Learning Difficulties	3	7	3	23	26	4
NCA's	78	84	5	106	109	2
Other	867	851	(17)	2,345	2,337	(8)
Total Mental Health	27,190	27,144	(46)	37,791	37,694	(97)

Community

3.4. Community services are reporting a year to date overspend of £0.2m and forecast overspend of £0.6m driven by domiciliary care costs within intermediate care and HDP related equipment costs recoverable through HDP.

Community Health Analysis		£000's				
Community Health Services	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
Contracts	18,075	18,318	243	24,869	25,233	364
Hospices	383	310	(73)	511	426	(85)
Intermediate Care	8,034	8,098	63	10,977	11,305	328
Other	42	25	(17)	56	40	(17)
Total Community Health	26,534	26,752	217	36,413	37,004	591

Continuing Healthcare

3.5. The forecast outturn for Continuing Healthcare is an overspend of £3.8m. The overspend is predominantly due to increased activity and costs relating to CHC and individual placements, of which £1.7m is expected to be reclaimable via HDP.

3.6. This area continues to experience significant pressures in month 9 despite the ongoing reviews of patients across all pathways and funding types. At Month 9 the CCG is forecasting overspends in the following key areas: learning disabilities £1.3m, physical disabilities £0.8m, CHC related mental health £0.6m. The overspend is partially offset by £0.3m in non-recurrent benefits found within the directorate and underspends due to changed pathways because of HDP.

3.7. Within the CHC Budgets there is a £0.9m H2 QIPP and this is being delivered through reconciliation work with providers and changed pathways as a result of HDP.

Continuing Healthcare Analysis		£000's				
Continuing Healthcare Analysis	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
Continuing Care: Adult Joint Funded	3,096	3,694	598	4,267	4,903	635
Continuing Care: Adult Joint Funded (PHB)	168	159	(9)	222	211	(12)
CHC: Adult Fully Funded (PHB)	1,066	1,253	187	1,492	1,663	171
CHC: Adult Fully Funded	9,479	11,280	1,801	13,035	15,352	2,318
Continuing Care: Childrens	674	839	165	979	1,114	135
Continuing Care: Childrens (PHB)	386	657	271	528	874	346
Continuing Healthcare Assessment & Support	701	819	118	883	1,091	208
Funded Nursing Care	1,094	1,041	(53)	1,429	1,382	(47)
Total Cost	16,665	19,741	3,077	22,835	26,589	3,754

Primary Care & Co-Commissioning

3.8. Primary care services and co-commissioning are jointly reporting a year to date underspend of £0.6m and forecast outturn underspend of £0.01m. This underspend is non-recurrent resulting from the finalisation of 20/21 outturn, receipt of income and

release of prior year accruals, in particular, Quality and Outcome Framework (QOF) Achievement. The forecast this month includes the Winter Access Fund which the CCG is expected to receive funding for to support the GPs.

- 3.9. Within the primary care baseline is £1.4m for the recruitment of additional roles to support Primary Care Networks (PCN's) including pharmacists, paramedics and mental health practitioners. The CCG is working closely with the GPFED to support the maximum utilisation of these funds. In addition to baseline primary care and delegated co-commissioning budgets the CCG has received additional funding to support PCN development, COVID and winter pressures.

Primary Care Performance	£000's					
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast Outturn	Forecast Variance
Local Enhanced Services	771	712	(59)	1,430	1,353	(77)
Drugs (Prescribing & Central)	25,545	25,651	106	33,849	33,871	23
GP Forward View	1,336	1,336	0	1,336	1,336	0
Out of Hours	1,221	1,085	(136)	1,624	1,484	(140)
Primary Care IT	1,544	1,544	0	2,057	2,057	0
Oxygen	180	202	22	241	284	43
Other	2,192	2,106	(87)	3,034	2,825	(210)
Total Primary Care	32,789	32,635	(154)	43,571	43,211	(360)
PRC Delegated Co-commissioning	21,740	21,328	(412)	30,741	31,026	285
Total Primary Care	54,529	53,963	(566)	74,312	74,237	(75)

Other

- 3.10. Other programme spend which includes NHS 111, estates and non-recurrent programmes is reporting a year to date underspend of £1.1m relating to non-recurrent benefits in H1. The forecast outturn following the notification of H2 budgets is a small underspend of £0.6m.

- 3.11. The CCG running cost spend is in line with its allocation of £3.8m.

4. COVID and the Hospital Discharge Programme

- 4.1. The CCG reported £4.3m of expenditure on COVID related costs to Month 9, broken down in the table below.

CCG COVID Expenditure Analysis to month 9	Expenditure
	£'000
Hospital Discharge Programme	3,701
GP Services – Covid expansion fund	404
Support for stay at home models	174
Remote management of patients	72
Other Covid-19	3
Total CCG Net Expenditure	4,354

4.2. The largest area of expenditure is £3.7m for the Hospital Discharge Programme (HDP). All HDP Costs are expected to be reimbursed. Other key areas of expenditure are GP Services – COVID-19 expansion fund £0.4m, £0.2m for support for stay-at-home models, remote management of patients £0.01m with the remainder spread across multiple areas.

5. QIPP

5.1 In H1 the CCG identified QIPP schemes totalling £1.1m (0.6% of allocation) against an overall QIPP requirement of £2.1m. In months 3, 5 and 6 non-recurrent mitigations were identified to address the shortfalls in both delivering the break even position and to make good the non delivery of CHC and individual placement QIPP.

5.2 The QIPP plan for H2 totals £2.7m which is made up of £0.9m CHC and individual placements, community £1.6m (split between Intermediate Care and former Transformation Fund schemes) and prescribing £0.2m. Of this the CHC QIPP is high risk, prescribing is medium risk and the community is low risk.

5.3 To months 9 all schemes are delivering to plan, with CHC QIPP being delivered through reconciliation work with providers and changed pathways as a result of HDP. All schemes are anticipated to deliver to plan for the remainder of the year.

5.4 H1 and H2 QIPP plans and delivery are shown in the table below.

Project	Risk Rating	H1 Plan £'000	H1 Actual £'000	H1 Variance £'000	H2 Plan £'000	H2 YTD Plan £'000	H2 YTD Actual £'000	H2 YTD Variance £'000	H2 Forecast £'000
CHC Packages	High	£475	£0	-£475	£900	£450	£450	£0	£900
Prescribing	Medium	£100	£100	£0	£198	£99	£99	£0	£198
Intermediate Care Service Change	Low	£249	£249	£0	£498	£162	£162	£0	£498
TF savings	Low	£300	£300	£0	£1,140	£377	£377	£0	£1,140
2020/21 QOF underachievement	Low	£0	£282	£282					
Credit arising from dispute with CHP resolved in 2021/22	Low	£0	£406	£406					
Other smaller non recurrent mitigations	Low	£0	£736	£736					
Unidentified	High	£949	£0	-£949					
Total		£2,073	£2,073	£0	£2,736	£1,088	£1,088	£0	£2,736

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 99.7% of supplier invoices by number and 99.8% by value 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. 2022/23 draft planning guidance

7.1 Draft guidance has been received for 2022/23 and this is viewed with the cautious optimism as it includes growth for the GM Integrated Care System (ICS) and is based upon locality H2 budgets being grossed up for a full year (exclusive at this stage of

additional support received). However due to the delay in the start of the ICS to 1st July 2022, this guidance is draft and subject to change and therefore until allocations and the allocation of this to localities is finalised, it is not possible to confirm what locality budgets and therefore pressures there are for 2022/23. The table below shows the high level similarities and differences between H2 2021/22 and the draft guidance for 2022/23 and a briefing note on the guidance is attached as appendix 1.

	H2 2021/22	2022/23
Inflation	Y	Y
Specific locality growth	Y	TBC
Efficiency Requirement	Y	Y
SDF allocations	Y	Y
Hospital Discharge Programme	Y	N
COVID testing budget	Y	Y
Vaccination budget	Y	Y
Locality responsible for payments to NHS providers	Y	N
System break even responsibility	Y	Y
Mental Health Investment Standard (MHIS)	Y	Y
Better Care Fund (BCF)	Y	Y
Community & Primary Care Investment Stands	Y	Y

8. Actions Required

Governing Body is asked to:

- Note the Month 9 forecast financial position of breakeven.
- Note the delivery of financial performance targets for the year.
- Note the draft 2022/23 guidance has been issued and the briefing note detailing the impact of this locally.

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