

Meeting: Governing Body			
Meeting Date	24 March 2021	Action	Receive
Item No.	9C	Confidential	No
Title	Month 11 Finance Report		
Presented By	Pat Crawford, CFO		
Author	Carol Shannon-Jarvis, Associate CFO & Simon O'Hare, Deputy CFO		
Clinical Lead	N/A		

Executive Summary
<p>As has been reported in previous months, in response to the COVID-19 pandemic a national top down command and control framework was put in place by NHSE / I for the period from 1st April to 30th September 2020. For the first half year, the CCG received a baseline allocation based on expenditure to February 2020 uplifted for inflation and growth. In addition to this, based upon expenditure to Month 6, the CCG received a retrospective allocation of £7.1m to contribute to COVID related and business as usual expenditure and £8.2m (with £4.1m shown to Month 6) planned non recurrent surplus draw down. This has enabled the CCG to report a balanced position for the first 6 Months of 2020/21.</p> <p>For the second half of 2020/21 (1st October 2020 to 31st March 2021) the CCG must manage day to day expenditure within its notified allocation. The CCG notified baseline allocation for Month 7 to 12 is £168.8m with additional allocations received to Month 11 of £8.3m. This brings the total CCG allocation for the year to £359.3m. This allocation includes £3.2m of retrospective allocations to fund the Hospital Discharge Programme costs.</p> <p>Operational guidance issued in January 2021 confirmed that the planning and contracting round for 2021/22 will not take place before the end of the year and that the current financial block contracts will be rolled over for Quarter 1 of 2021/22. The total NHS funding for Quarter 1 has not yet been confirmed and is still subject to discussion with government.</p> <p>At Month 11, the CCG is reporting a year to date underspend of £0.6m and forecast outturn after receipt of anticipated allocations of our GM control total, a £410k surplus. The underspend is primarily as a result of receiving the HDP allocation for the year, removing overspends within the system and some small prior year benefits across the services.</p> <p>The CCG is forecast to achieve its Mental Health Investment Scheme target spend of £34.1m and remain within a running cost target of £4.1m.</p> <p>The CCG has delivered on the Better Payment Practice Code with 99% 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.</p>

Recommendations
<p>It is recommended that the Governing Body:</p> <ul style="list-style-type: none"> • Note the financial position and current forecast, after receipt of anticipated allocations, of breakeven. • Note the forecast QIPP delivery position at Month 11. • Note the risk to delivery of a breakeven position for 2020/21.

Links to CCG Strategic Objectives	
<p>SO1 People and Place To enable the people of Bury to live in a place where they can co-create their own good health and well-being and to provide good quality care when it is needed to help people return to the best possible quality of life</p>	<input type="checkbox"/>
<p>SO2 Inclusive Growth To increase the productivity of Bury's economy by enabling all Bury people to contribute to and benefit from growth by accessing good jobs with good career prospects and through commissioning for social value</p>	<input type="checkbox"/>
<p>SO3 Budget To deliver a balanced budget</p>	<input checked="" type="checkbox"/>
<p>SO4 Staff Wellbeing To increase the involvement and wellbeing of all staff in scope of the OCO.</p>	<input 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 type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Has an Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" 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 type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

Month 11 Finance Report

1. Introduction

1.1. This report provides a summary of the financial position of the CCG in 2020/21 at Month 11.

2. 2020/21 Financial Framework

2.1. In response to the COVID-19 pandemic a national top down command and control framework was put in place by NHSE/I for the period from 1st April to 30th September 2020. For this period the CCG received a baseline allocation based on expenditure to February 2020 uplifted for inflation and growth. In addition to this, based upon expenditure to Month 6, the CCG received a retrospective allocation of £7.1m to contribute to COVID related and business as usual expenditure and £8.2m (with £4.1m shown to Month 6) planned non recurrent surplus draw down. This has enabled the CCG to report a balanced position for the first 6 months of 2020/21.

2.2. For the second six months of 2020/21 (1st October 2020 to 31st March 2021) the CCG must manage day to day expenditure within its notified allocation. The CCG notified baseline allocation for Months 7 to 12 is £168.8m with additional allocations received to Month 11 of £8.3m. This brings the total CCG allocation for the year to £359.3m. This allocation includes £3.2m of retrospective allocations to fund the Hospital Discharge Programme (HDP) costs.

2.3. In Month 11 the CCG received £5.0m in additional allocations. Of this £2.9m is the full reimbursement of historic surplus being returned to the CCG, while £2.0m relates to Months 9 to 12 of the HDP costs, and £0.1m is for other areas.

3. 2021/22 Financial Framework

3.1. Due to the third wave of the pandemic NHSE confirmed that the planning and contracting round for 2021/22 would not take place before the end of the year and that the current financial block contracts will be rolled over for 2021/22 Quarter 1 (April – June). The total NHS funding for Quarter 1 has not yet been confirmed and is still subject to discussion with government.

4. Financial Position at Month 11

4.1. At Month 11, the CCG is reporting a year to date underspend of £0.6m, made up of £0.8m in mental health services, a £0.4m overspend in CHC and a number of offsetting over and underspends across other directorates. The CCG is forecasting, after receipt of anticipated allocations, The CCG is forecasting a £410k surplus, after receipt of anticipated allocations, as at Month 11. This is in line with our GM control total.

Financial Performance	£000's					
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	FOT	FOT Variance
Allocations	(327,982)	(327,982)	0	(359,279)	(359,279)	0
Acute Services	154,661	154,631	(29)	168,513	168,946	433
Community Health Services	32,091	31,909	(182)	35,210	35,005	(205)
Continuing Care Services	21,367	21,778	412	22,919	23,881	962
Mental Health Services	32,953	32,175	(778)	36,065	35,137	(928)
Other Programme Services	14,702	14,715	13	16,794	15,804	(990)
Primary Care Services	40,337	40,363	26	43,993	44,054	61
Primary Care Co-commissioning	25,279	25,239	(40)	28,875	28,829	(47)
Programme Costs	321,390	320,810	(579)	352,369	351,656	(713)
Running Cost	3,738	3,738	0	4,056	4,056	0
Total Costs	325,128	324,548	(579)	356,425	355,612	(713)
Required Surplus	2,854	2,854	0	2,854	2,854	0
(Surplus)/Deficit	0	(579)	(579)	0	(713)	(713)
HDP Claw back					170	170
Independent Sector Claw Back					133	133
Anticipated Allocations	0	0	0	0	303	303
(Surplus)/Deficit	0	(579)	(579)	0	(410)	(410)

Acute

4.2. The Year to date acute services is a break even position. In Month 12, this will move to a £0.4m overspend as a result of the cancelling out of partially completed spells and maternity provisions (£0.1m) and costs relating to EPR system for Pennine Acute NHST (£0.3m). This is offset by a number of underspends notably in planned care due to reduced activity and in Non Contract Activity which has been stood down this year.

Cost Centre Description	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Sum of Annual Budget	Sum of Forecast Outturn	Sum of Forecast Variance
ACUTE COMMISSIONING	£144,286,719	£144,605,284	£318,565	£157,174,568	£157,914,015	£739,447
AMBULANCE SERVICES	£7,985,680	£7,973,950	£-11,730	£8,711,650	£8,699,909	£-11,741
CLINICAL ASSESSMENT AND TREATMENT CENTRES	£0	£-13,372	£-13,372	£0	£-13,372	£-13,372
MATERNITY SERVICES	£359,115	£347,098	£-12,017	£391,761	£376,052	£-15,709
NCAS/OATS	£79,893	£-77,973	£-157,866	£90,302	£-44,653	£-134,955
PLANNED CARE	£296,048	£111,224	£-184,824	£322,325	£114,602	£-207,723
Winter Resilience	£1,080,753	£1,080,752	£-1	£1,179,000	£1,179,000	£0
URGENT CARE	£572,655	£604,479	£31,824	£643,658	£720,351	£76,693
Grand Total	£154,660,863	£154,631,442	£-29,421	£168,513,264	£168,945,904	£432,640

Mental Health

4.3. Mental health services are reporting a forecast underspend of £0.9m. Of this £0.5m relates to prior year final outturn credits from PCFT relating to Quarter 4 activity for enhanced capacity beds. A further £0.4m relates to lower levels of high cost placement activity than expected to Month 11. Mental health placement activity can be volatile

mostly due to the cost of individual packages of care but also due to changes in volume and so is being closely monitored. Despite this the CCG remains on target to meet the Mental Health Investment Standard for the 2020/21.

Cost Centre Description	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Sum of Annual Budget	Sum of Forecast Outturn	Sum of Forecast Variance
⊕ CHILD AND ADOLESCENT MENTAL HEALTH	£1,162,646	£1,201,918	£39,273	£1,267,362	£1,315,248	£47,887
⊕ DEMENTIA	£69,503	£69,634	£131	£75,794	£75,794	£1
⊕ IMPROVING ACCESS TO PSYCHOLOGICAL THERAPIES	£77,842	£70,449	-£7,393	£84,270	£77,128	-£7,142
⊕ LEARNING DIFFICULTIES	£36,266	£36,266	£1	£39,564	£39,563	-£1
⊕ MENTAL CAPACITY ACT	£95,848	£81,197	-£14,651	£105,495	£91,403	-£14,092
⊕ MENTAL HEALTH CONTRACTS	£24,127,168	£23,643,015	-£484,153	£26,415,139	£25,929,680	-£485,459
⊕ MENTAL HEALTH SERVICES - ADULTS	£6,691,431	£6,455,786	-£235,645	£7,290,164	£6,861,340	-£428,824
⊕ MENTAL HEALTH SERVICES - ADVOCACY	£27,885	£27,500	-£385	£30,420	£30,000	-£420
⊕ MENTAL HEALTH SERVICES - NOT CONTRACTED ACTIVITY	£94,296	£40,764	-£53,531	£104,774	£60,000	-£44,774
⊕ MENTAL HEALTH SERVICES - OTHER	£570,440	£548,465	-£21,975	£652,376	£657,073	£4,697
Grand Total	£32,953,323	£32,174,995	-£778,329	£36,065,357	£35,137,229	-£928,127

Community

4.4. Community services are reporting a forecast underspend of £0.2m. £0.1m is as a result of AQP activity not returning to pre-pandemic levels at the rate anticipated in the October plan and £0.1m a benefit from the release of prior year accruals.

Continuing Health Care

4.5. The forecast outturn for Continuing Healthcare is an overspend of £0.4m. Of this £0.3m relates to Hospital Discharge Programme (HDP) 2 patients, those discharged after 31st August 2020, whose placement length is in excess of the six weeks of funding provided NHS England and for whom the CCG and local authority have agreed to a 50/50 split of costs. The remaining is a result of unforeseen price increases and dementia top-ups that were not funded at the start of the year.

Primary Care & Co-Commissioning

4.6. Primary care services and co-commissioning at a directorate level are forecast to spend in line with plan together reporting a breakeven position. Underlying this is a forecast overspend of £0.4m costs relating to the continuation of the CMS service offset by prescribing underspend of £0.3m and a number of smaller underspends across the directorate. Prescribing costs are currently running at 4% more than 19/20. This is 1% lower than plan which was based on the run rate in the early part of the year being 5%.

Other

4.7. 'Other programme' spend is reporting a forecast underspend of £1m. Funds have been held in reserves to meet the required contribution to the GM control total and to offset overspends in other directorates.

4.8. The CCG running cost spend is in line with its allocation.

5. COVID and the Hospital Discharge Programme

5.1. The CCG reported £11.1m of expenditure on COVID related costs to Month 11, broken down in the table below.

CCG COVID Expenditure Analysis to month 11	Expenditure £'000
Hospital Discharge Programme	6,341
HDP Scheme 2 +6 weeks care home costs	349
Support for stay at home models	1,698
Remote management of patients	1,077
Existing workforce additional shifts to meet increased demand	271
Other COVID-19 Virus/Antibody (Serology) Testing - Not Reimbursed	187
PPE + Locally procured	171
Remote working for non-patient activities	167
Other Covid-19	907
Total CCG Net Expenditure	11,168

5.2. The largest area of expenditure is £6.7m for the hospital discharge programme (£0.36m of which is +6 week scheme 2 costs) of which £3.7m relates to local authority costs mainly with Bury based care homes. Other key areas of expenditure are £1.7m for stay at home models and £1.1m for remote management of patients with the remainder spread across multiple categories.

5.3. In Month 11, the CCG received an allocation of £2.0m for “out of envelope” costs for the remaining year, this predominantly relating to HDP costs. This brings the total allocation received to date for COVID related costs to £10.8m.

6. QIPP

6.1. The CCG has QIPP schemes totalling £0.9m (0.5% of allocation) for the second half of the year. The stipulation of block contract values with NHS providers severely restricts the QIPP opportunities available to the CCG and so those identified come from continuing healthcare, prescribing and primary care areas. The schemes are delivering in line with plan and on track to deliver in full this year.

Forecast	£000
Continuing Healthcare	350
Prescribing	306
Quality in Primary Care	250

6.2. The centrally set block payment arrangement for NHS Trusts in 2020/21 brought in due to COVID-19, and reduced urgent care activity in 2020/21, again due to COVID-19, have resulted in the CCG not incurring demand growth in 2020/21. This will allow the CCG to realise £2.3m of QIPP on demand growth in future years when acute budgets are no longer centrally set and CCG allocations return back to their previous basis.

7. Risk

- 7.1. The £410k forecast surplus and delivery of the GM control total, after receipt of HDP allocation, is a significant improvement on the £11m deficit forecast position reported to this Committee at the start of the year. At Month 11 as we start to recover from the third wave of the pandemic and with only a month remaining of this financial year the risk to the CCG of not achieving financial balance is now low.
- 7.2. The prescribed value of provider payments continuing for at least the first quarter of 2021/22, restriction on investment, maintenance of capacity and ability to respond to COVID-19, focus on testing and vaccinations, supporting system colleagues during winter reducing time to work up QIPP plans and no clear guidance on the basis of the CCG allocation moving forward means the longer term risk to the CCG cannot yet be fully understood. Whilst the CCG is planning based on historic planning guidance and early indicators of the financial regime for Quarter 1 that indicate the underlying deficit remains at c£20m, it is still difficult to assess what the effect of the 2021/22 financial regime will be for the CCG and wider Bury system. Work is ongoing both within the OCO and with partners across the locality to ensure a financially sustainable system recovery to the pandemic, ensuring that any beneficial financial impact of pathway changes and improvements made are embedded in the longer term.

8. Balance Sheet

- 8.1. 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% 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.

9. Actions Required

The Governing Body is asked to:

- Note the financial position and current forecast outturn of £410k surplus following receipt of anticipated allocations.
- Note the forecast QIPP delivery position at Month 11.
- Note the lowered risk to delivery of financial balance for 2020/21.

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