

Date:	13/04/2017
Meeting:	Governing Body
Item Number:	9.4
Public/Private:	Public <input type="checkbox"/> Private <input checked="" type="checkbox"/>

Author: <i>(Name, Title)</i>	Louise Tilley – Senior Finance Manager
GB Lead: <i>(Name, Title)</i>	Ian Holborn - CFO
Director approval <i>(Name)</i>	Ian Holborn - CFO

Report Title:	FINANCE REPORT: MONTH 11 (FEBRUARY) 2016/17
Decisions to be made:	To receive and note the Finance Report.

Continue to improve the quality of services	<input type="checkbox"/>	Improve patient experience	<input type="checkbox"/>
Reduced unwarranted variations in services	<input type="checkbox"/>	Reduce the inequalities gap in North Lincolnshire	<input type="checkbox"/>
Deliver the best outcomes for every patient	<input type="checkbox"/>	Statutory/Regulatory	<input checked="" type="checkbox"/>

Executive Summary (Question, Options, Recommendations):
<p><u>Purpose</u></p> <p>To brief the Governing Body members on the finance position so far for 2016/17 (as at end of February 2017).</p> <p><u>Recommendation</u></p> <p>To Receive and Note</p>

Equality Impact	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Sustainability	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Risk	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Legal	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Finance	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

Patient, Public, Clinical and Stakeholder Engagement to date									
	N/A	Y	N	Date		N/A	Y	N	Date
Patient:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Clinical:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Public:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

North Lincolnshire CCG : Finance Report

Financial Year 2016 / 17


Month 11 (February 2017)


Appendix 1 - Contents


Section	Item
1	Executive Summary 1.1 Headlines 1.2 Financial Duties
2	Financial Management 2.1 Summary Financial Position 2.2 Acute Services 2.3 Allocations 2.4 QIPP
3	Financial Control 3.1 Statement of Financial Position (including Aged Debtors and BPCC) 3.2 Cash

1. Executive Summary






1.1 Headlines

-  At Month 11 the CCG has reported a YTD over-spend of £7.331m and is still forecasting a year end overspend of £8.5m against planned targets which represents delivery of the headroom but failure to deliver the surplus of £2,230k, hence a net deficit of £6,270k (i.e. £8,500k - £2,230k = £6,270k).
At M12 the 1% headroom will be released by increasing our surplus / reducing our deficit, however the outturn before this release will be used for performance management. After this adjustment the reported deficit will be circa £4,099k.

-  Achievement of the £8.5m year end variance is reliant on Management Actions of £6m in Q4. The CCG is currently on course to deliver this, however this is reliant on there being no new emerging cost pressures in M12.

-  Areas of financial risk remain in the following areas:
 - Acute Services - though activity is moving closer to Cap than in first half forecasting giving some opportunities
 - Prescribing - CCG challenging NECS performance, NECs are offering some Q4 initiatives to improve year end performance.
 - Specialist Mental Health and Learning Disability Services - particularly out of area cases
 - Mental Health and Learning Disability Pooled Budgets - in discussion with NLC re risk share
 - CHC upward pressure - Case management process improvements are revealing additional liability cases

1.2 Financial Duties

Financial Duties	Target	Outturn RAG	RAG Explanation
1 Maintain expenditure within the revenue resource limit and deliver a 1% surplus	Planned surplus or greater achieved		At month 11 the CCG is forecasting to overspend by £8.5m against planned targets, resulting in failure to achieve its 1% surplus.
2 Maintain expenditure within the allocated cash limit	Cash drawdown less than cash limit		At month 11 the CCG is forecasting to spend within its agreed cash limit.
3 Maintain capital expenditure within the delagated limit from the Area Team	N/A		The CCG do not currently have any delegated capital funds from the Area Team.
4 Ensure running costs do not exceed our agreed admin allocation	Expenditure less than or equal to allocation		At month 11 the CCG is forecasting that running costs will be within its allocated budget.
5 Ensure the 1% headroom remains uncommitted	1%		At month 11 the CCG is forecasting to maintain a 1% headroom.
6 Ensure compliance with the better payment practice code (BPPC)	Greater than or equal to 95% by Number/Value		BPPC was achieved in month and YTD for both NHS and Non NHS suppliers, for both number and value of invoices

2. Financial Management

2.1 Summary Financial Position

	YEAR TO DATE - February 2017			FULL YEAR FORECAST 2016/17		
	LATEST BUDGET	ACTUAL	VARIANCE	ANNUAL BUDGET	ACTUAL	VARIANCE
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
TOTAL CCG ALLOCATION	202,701		202,701	223,737		223,737
TOTAL PLANNED SPEND		202,092	(202,092)		221,507	(221,507)
PLANNED SURPLUS	202,701	202,092	609	223,737	221,507	2,230
Acute Services	100,779	106,220	5,441	109,986	121,004	11,019
Mental Health Services	13,050	12,966	(83)	14,267	14,267	0
Community Health services	23,330	23,053	(278)	25,451	25,188	(263)
Continuing Care	14,448	15,597	1,149	15,711	16,871	1,161
Mental Health and LD Out Of Area	5,695	7,201	1,506	6,237	7,874	1,637
Mental Health and LD Pooled Budgets	422	925	503	460	1,217	757
Prescribing	29,868	30,587	719	32,583	33,745	1,162
Primary Care Services	1,349	969	(380)	1,472	1,330	(142)
Other Programme Services	8,553	7,813	(740)	9,401	9,147	(255)
1% Headroom	0	0	0	2,171	2,171	0
Running Costs	3,453	2,946	(507)	3,767	3,243	(524)
TOTAL EXPENDITURE	200,946	208,277	7,331	221,507	236,059	14,552
Management Actions	0	0	0	0	(6,052)	(6,052)
TOTAL NET EXPENDITURE	200,946	208,277	7,331	221,507	230,007	8,500

*Note:
The CCG has reported a £8.5m forecast overspend to NHS England, which is the net position after £6m of savings are achieved. This represents a reported deficit of £6,270k. After headroom release the M12 reported deficit will be £4,099k as explained in section 1.1.*

~ The CCG has reported a £7.331m over spend at Month 11 which is mainly due to overtrades in Acute Services. More detail on this is shown in section 2.2.

~ This reflects an improved YTD position which is mainly due to a reduction in activity at NLAG, bringing us below contract cap.

~ The gross forecast position at M11 is a £14.552m over spend by 31 March 2017. Forecast Management actions of £6m will bring this down at a net £8.5m variance to plan. The CCG has plans in place to achieve the required £6m of savings, however this is reliant on status quo across all other budget areas.

2.2 Acute Services

Providers	YEAR TO DATE - February 2017			FULL YEAR FORECAST 2016/17 (Do Nothing Position)			NOTE:
	LATEST BUDGET	ACTUAL	VARIANCE	LATEST BUDGET	ACTUAL	VARIANCE	
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	
Northern Lincolnshire & Goole Hospitals NHS FT	74,000	79,083	5,084	80,772	90,126	9,354	1) Actual expenditure is based on the latest contract monitoring reports extrapolated to month 11. 2) The position takes into account the value of any penalties/financial sanctions.
Hull & East Yorkshire NHS Trust	10,542	10,464	(78)	11,500	11,500	0	
Doncaster & Bassetlaw NHS FT	3,289	3,043	(246)	3,588	3,338	(250)	
Sheffield Teaching Hospitals NHS FT	1,153	1,522	369	1,258	1,658	400	
Sheffield Children's Hospital NHS FT	528	525	(3)	576	576	0	
United Lincolnshire Hospitals NHS Trust	784	782	(2)	855	855	0	
Leeds Teaching Hospitals NHS Trust	711	713	2	776	776	0	
East Midlands Ambulance Trust	4,767	4,874	107	5,200	5,326	126	
Other Secondary & Tertiary Care Services	1,728	2,116	388	1,885	2,376	491	
Exclusions / Non-Contract Activity	2,261	2,783	522	2,467	3,043	576	
Resilience	1,018	314	(703)	1,110	690	(420)	
Referral to Treatment (RTT catch up)	0	0	0	0	742	742	
TOTAL ACUTE SERVICES	100,779	106,220	5,441	109,986	121,004	11,019	

~ The YTD overspend on Acute services mainly relates to our over performance at NLAG. Without management actions the full year variance is currently forecast to be £9.354m overspent. This includes £1.175m of unresolved prior year issues.

~ The CCG has received additional RTT funding to improve RTT Performance in Q4 2016/17. This is not reflected in the figures above as any additional activity completed is assumed to have no cost impact for the CCG.

2.3 Allocations

	RECURRENT BUDGET			NON RECURRENT BUDGET			TOTAL BUDGET £ 000s
	OPENING	MOVEMENT	TOTAL	OPENING	MOVEMENT	TOTAL	
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	
Initial CCG Programme Allocation	£217,072		£217,072			£0	£217,072
Initial CCG Running Cost Allocation	£3,767		£3,767			£0	£3,767
Return of Surplus (2015/16)				£2,210		£2,210	£2,210
2015-16 recurrent transfers post allocation setting	(£94)		(£94)			£0	(£94)
Q1 Eating Disorder Service			£0		£90	£90	£90
Transfer of NHSE Support re Embed and Third Party			£0		£19	£19	£19
GP Development Programme - reception and clerical training			£0		£15	£15	£15
CYP Local Transformation Mental Health					£38	£38	£38
Mth08 CEOV adjustment					£353	£353	£353
Mth 9 Maternity – Maternal Smoking					£75	£75	£75
Mth 9 QUALITY PREMIUM AWARDS 2015/16					£114	£114	£114
Month 10 - Perinatal / IAPT Allocation					£13	£13	£13
Month 10 - Transforming Mental Health (2nd Tranche)					£38	£38	£38
Month 11 - CYP underspend MH Champions					£28	£28	£28
CONFIRMED ALLOCATIONS AT MONTH 11	220,745	0	220,745	2,210	782	2,992	223,737

2.4 QIPP

	£000's
Planned Savings Requirement from QIPP <i>(net of investment)</i>	£8,710
QIPP schemes with plans to deliver savings <i>(net of investment)</i>	£8,710
Shortfall of Schemes from Plan	£0

QIPP SCHEMES - PERFORMANCE	YEAR TO DATE - February 2017			FULL YEAR FORECAST 2016/17		
	PLAN £ 000s	ACTUAL £ 000s	VARIANCE £ 000s	PLAN £ 000s	ACTUAL £ 000s	VARIANCE £ 000s
Continuing Care	280	0	(280)	300	0	(300)
Prescribing	590	0	(590)	650	0	(650)
Acute Services	7,110	3,480	(3,630)	7,760	4,080	(3,680)
TOTAL	7,980	3,480	(4,500)	8,710	4,080	(4,630)

~ The CCG's QIPP target required to deliver a balanced financial position for 2016/17 was £8.71m at planning stage. The split of this by area is shown in the table above and this is reported to NHS England each month.

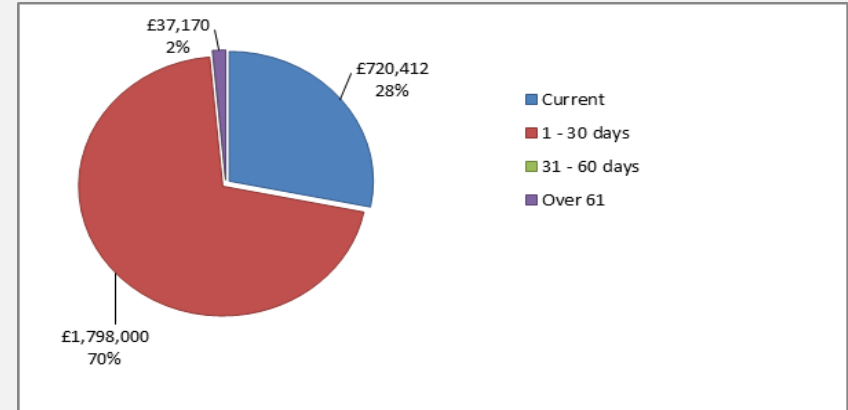
3. Financial Control

3.1 Statement of Financial Position

	OPENING POSITION	YTD POSITION	FORECAST POSITION
	£000s	£000s	£000s
Plant, Property & Equipment (PPE)	14	10	10
Total Non-Current Assets	14	10	10
Cash	71	61	70
Accounts Receivable	1,911	2,585	1,706
Accrued Income	301	387	1,098
Prepayments *	592	4,142	0
Inventory	0	0	0
Other Current Assets	17	17	17
Total Current Assets	2,892	7,193	2,891
Total Assets	2,906	7,202	2,901
Accounts Payable	(2,739)	(11,328)	(3,767)
Accrued Liabilities	(9,422)	(10,169)	(8,616)
Other - Payables	(221)	(434)	0
Current Liabilities	(12,382)	(21,931)	(12,383)
Total Liabilities	(12,382)	(21,931)	(12,383)
Assets less Liabilities	(9,476)	(14,729)	(9,482)
Financed by Taxpayers' Equity			
General Fund	9,476	14,729	9,482
Total Taxpayers' Equity	9,476	14,729	9,482

* Opening prepayments are the maternity pathway balances, notified as part of the agreement of balances exercise. Movements in year relate to faster payments, which are coded here until the invoice and payment are matched, but which are not genuine prepayments.

AGED DEBT



~ In Month 11 the CCG has seen no movement in debts outstanding for over 61 Days (3 invoices, totalling £37k). For these 3 invoices, the CCG is considering further measures to recover the debt after initial debt recovery procedures have failed.

~ The balance overdue by 1 to 30 days reflects the M9 invoice raised to NLAG for the BCF Income. Discussions are ongoing as to when this will be settled.

BPPC

	Target %	Actual % (Volume)	Actual % (Value)
In Month			
NHS	95.00%	✓ 100.00%	✓ 100.00%
Non NHS	95.00%	✓ 97.70%	✓ 99.51%
YTD			
NHS	95.00%	✓ 99.27%	✓ 99.92%
Non NHS	95.00%	✓ 98.19%	✓ 98.69%

3.2 Cash

In Month Performance	Feb-17 £000s	Jan-17 £000s
Cash Drawdown Amount	19,100	16,000
Cash Balance at Month End	62.004	142.28
%	0.32%	0.89%
Performance against target - <i>balance held is less than 1.25% or £250K of drawdown value</i>	✔	✔

Full Year Performance	OPENING MCD £000s	MOVEMENT £000s	CLOSING MCD £000s
Opening Cash Limit (MCD)	224,720		224,720
Month 3 Allocations		90	90
Month 4 Allocations		19	19
Month 5 Allocations		15	15
Month 7 Allocations		37.5	37.5
Month 8 Allocations		353	353
Month 9 Allocations		75	75
Month 9 Allocations		114	114
Month 10 Allocations		50.5	50.5
ACF1 Adj at M10		416	416
Month 11 Allocations		28	28
Total Agreed Cash Limit at Month 10	224,720	1,198	225,918
Forecast Cash Spend			225,848
Forecast Cash Balance at Year End			70
Performance against target - <i>expenditure within agreed cash limit</i>			✔

Notes:

~ The forecast cash spend includes cash which is top sliced for drugs and home oxygen.

~ The CCG is currently forecasting to achieve its cash target, ending the year with a £70k cash balance.

~ In Month 10 the MCD has been adjusted in line with the ACF submission in Month 9. This includes a reduction in cash relating to the 1% uncommitted headroom.

