

# North Lincolnshire CCG : Finance Report

**Financial Year 2017 / 18**

**Month 5 (August 2017)**

## Appendix 1 - Contents








---

Section	Item
<b>1</b>	<b>Executive Summary</b>
1.1	Key Messages / Headlines
<b>2</b>	<b>Financial Management</b>
2.1	Summary Financial Position
2.2	Acute Services
2.3	Allocations
2.4	QIPP
2.4a	QIPP Risk
2.5	CCG Risk
<b>3</b>	<b>Financial Control</b>
3.1	Statement of Financial Position (including Aged Debtors and BPCC)
3.2	Cash
<b>4</b>	<b>System Position</b>
4.1	System Financial Position

# 1. Executive Summary

## 1.1 Key Messages / Headlines

---

-  **North Lincolnshire CCG** has been placed under Legal Directions, which requires the CCG to be in financial balance by 31 March 2018. Work is currently on-going to address this requirement, and in particular to highlight further areas of QIPP savings / mitigating actions to compensate for under performance on some current QIPP schemes.
  
-  **The CCG is forecasting** to achieve its planned in Year surplus of £90k. This will rely on delivery of a challenging QIPP plan (of which more detail can be found in Section 2.4. of this report), as well as strict budget management and scrutiny of all spend to ensure that budget is not exceeded.
  
-  At Month 5 the CCG has reported a Year to Date overspend of £1,308k. This is a deterioration of £657k from Month 4. The main areas driving this overspend are as follows:
  - \* **An overtrade on Acute Services of £202k**, of which £355k relates to increased activity at Spire and St Hughs as a result of activity switching away from NLAG.
  
  - \* **An overspend of £77k on Mental Health Services**, which is due to Specialist Mental Health and Learning Disability Placements.
  
  - \* **An overspend of £499k on Continuing Healthcare Services**
  
  - \* **An overspend of £758k on Primary Care Services**, which is due primarily to Prescribing.
  
-  **The CCG's Aged Debt position** at Month 5 was £98k which is a slight deterioration from M4 (£38k), however 66% of this is current.
  
-  **QIPP** - the Year to Date QIPP achievement at Month 5 was £2.13m against a target of £3.06m. This is an under achievement of £0.93m, mainly as a result of Continuing Healthcare and Prescribing. The CCG is forecasting to achieve the annual QIPP target of £16.21m.
  
-  **CCG Outlook** : review of QIPP at M6 will determine a view on delivery risk. Areas of material risk include CHC and Prescribing. Targeted support for QIPP implementation has been requested from the national QIPP support team for these areas in particular.
  
-  **System Outlook** : A review of M4 system reporting shows a total system YTD Deficit of £7.8m against the systems annual control total (i.e. of -£23.5m). Expected system performance for Month 5 is as follows: NL CCG (£1.3m over), (NEL CCG breakeven) , and NLAG (circa £10m over) all figures still to be confirmed by each organisation.

## 2. Financial Management

## 2.1 Summary Financial Position

	YEAR TO DATE - AUGUST 2017			FULL YEAR FORECAST 2017/18		
	LATEST BUDGET £ 000s	ACTUAL £ 000s	VARIANCE £ 000s	ANNUAL BUDGET £ 000s	ACTUAL £ 000s	VARIANCE £ 000s
Acute Services	49,949	50,150	202	117,728	117,728	0
Mental Health Services	9,091	9,168	77	21,541	21,541	0
Community Health services	10,512	10,427	(85)	25,228	25,228	0
Continuing Healthcare and Funded Nursing Care	6,526	7,025	499	14,617	14,617	0
Primary Care Services	14,240	14,998	758	31,753	31,753	0
Other Programme Services	4,091	4,084	(7)	8,113	8,113	0
Running Costs	1,532	1,434	(98)	3,312	3,312	0
Headroom (0.5%)	0	0	0	1,107	1,107	0
Planned In Year Surplus	38	0	(38)	90	0	(90)
<b>TOTAL IN YEAR POSITION</b>	<b>95,979</b>	<b>97,287</b>	<b>1,308</b>	<b>223,489</b>	<b>223,399</b>	<b>(90)</b>
Deficit B/F	(1,708)	0	1,708	(4,098)	0	4,098
<b>TOTAL CUMULATIVE POSITION</b>	<b>94,271</b>	<b>97,287</b>	<b>3,016</b>	<b>219,391</b>	<b>223,399</b>	<b>4,008</b>

\* At Month 5, the CCG has reported a year to date overspend of £1,308k. This is a deterioration of £675k from Month 4.

\* This overspend is due to a number of areas as follows:

£202k Acute Services - Overspends with Independent Sector Providers. More detail can be found in Section 2.2.

£77k Mental Health Services - Overspend on Out of Area/Specialist Placements

£499k CHC & FNC - Overspend on packages (includes Adults, Older People and Children's)

£758k Primary Care Services - Overspend on Prescribing

\* At Month 5 the CCG is forecasting to achieve its planned in year surplus of £90k. Combining this with the deficit brought forward will leave the CCG with a cumulative deficit of £4,008k at the end of 2017/18.

## 2.2 Acute Services

Providers	YEAR TO DATE - AUGUST 2017			FULL YEAR FORECAST 2017/18			
	LATEST BUDGET	ACTUAL	VARIANCE	LATEST BUDGET	ACTUAL	VARIANCE	
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	
Northern Lincolnshire & Goole Hospitals NHS FT	37,212	37,212	0	87,348	87,348	0	NOTE: 1) Where applicable (i.e. for PBR contracts) actual expenditure is based on the latest contract monitoring reports extrapolated to month 5. 2) The position takes into account the value of any penalties/financial sanctions.
Hull & East Yorkshire NHS Trust	4,912	4,976	65	11,600	11,600	0	
Doncaster & Bassetlaw NHS FT	1,392	1,436	44	3,342	3,342	0	
Sheffield Teaching Hospitals NHS FT	596	541	(54)	1,430	1,430	0	
Sheffield Children's Hospital NHS FT	186	156	(30)	447	447	0	
United Lincolnshire Hospitals NHS Trust	374	364	(9)	897	897	0	
Leeds Teaching Hospitals NHS Trust	286	333	47	686	686	0	
East Midlands Ambulance Trust	2,462	2,463	0	5,909	5,909	0	
Main Independent Sector Providers	693	1,049	355	1,664	1,664	0	
Other Secondary & Tertiary Care Services	116	214	97	280	280	0	
Exclusions / Non-Contract Activity	1,200	1,235	36	2,880	2,880	0	
Resilience / RTT/ Demand Management	519	171	(348)	1,245	1,245	0	
<b>TOTAL ACUTE SERVICES</b>	<b>49,949</b>	<b>50,150</b>	<b>202</b>	<b>117,728</b>	<b>117,728</b>	<b>0</b>	

\* The Month 5 over spend for Acute Services is driven primarily by higher than planned activity levels with Independent Sector Providers. Of these overtrades, £355k relates specifically to Spire and St Hughs. Discussions are on-going with these Providers to ensure that activity is managed within agreed contract plans.

\* The Resilience budget was underspent by £348k at Month 5. However, due to the nature of this budget and its focus on winter pressures it is expected that levels of spend will increase during Q3.

## 2.3 Allocations

DESCRIPTION	FUNDING STREAM	MONTH	RECURRENT BUDGET			NON RECURRENT BUDGET			TOTAL BUDGET £ 000s
			OPENING	MOVEMENT	TOTAL	OPENING	MOVEMENT	TOTAL	
			£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	
Hep C Funding re NLAG	Programme	Month 1	(94)		(94)			0	(94)
Initial CCG Programme Allocation	Programme	Month 1	221,420		221,420			0	221,420
Initial CCG Running Cost Allocation	Running Costs	Month 1	3,758		3,758			0	3,758
IR Changes	Programme	Month 1			0	(1,021)		(1,021)	(1,021)
HRG4+ changes	Programme	Month 1			0	(1,789)		(1,789)	(1,789)
Surplus/Deficit Carry Forward	Programme	Month 2			0		(4,098)	(4,098)	(4,098)
GPFV Reception and clerical training	Programme	Month 3			0		28	28	28
GPFV Reception and clerical training - Reversed due to calculation error	Programme	Month 3					(28)	(28)	(28)
Reception and clerical training - (Training Care Navigators and Medical Assistants)	Programme	Month 3					30	30	30
NHS WiFi	Programme	Month 3					103	103	103
Market Rents - Admin adjustment	Running Costs	Month 3					54	54	54
Market rents adjustment	Programme	Month 3					444	444	444
Paramedic Rebanding Additional Funding 2017-18	Programme	Month 3					61	61	61
£113,046 - HSCN - GP funding , £19,483 - HSCN - CCG funding ,	Programme	Month 3					133	133	133
EMAS Resilience Funding 2017/18	Programme	Month 4					61	61	61
Additional Month 5 IR Changes	Programme	Month 5					329	329	329
<b>Confirmed Allocation at Month 5</b>			<b>225,084</b>	<b>0</b>	<b>225,084</b>	<b>(2,810)</b>	<b>(2,883)</b>	<b>(5,693)</b>	<b>219,391</b>

ALLOCATION SPLIT	£ 000s
In year allocation	223,489
Cumulative b/f deficit	(4,098)
<b>Confirmed Allocation at Month 5</b>	<b>219,391</b>



## 2.4 QIPP

	17/18 Target		YTD				Forecast			
	£m	% of Allocation	Plan £m	Actual £m	Var £m	RAG	Actual £m	Var £m	% of Plan	RAG
<b>Transactional QIPP</b>										
Acute services	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
Mental Health Services	0.34	0.2%	0.08	0.00	-0.08	R	0.34	0.00	100.0%	G
Community Health Services	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
Continuing Care Services	1.66	0.7%	0.37	0.00	-0.37	R	1.66	0.00	100.0%	G
Primary Care services	3.30	1.5%	0.37	0.00	-0.37	R	3.30	0.00	100.0%	G
Other Programme Services	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
Primary Care Co-Commissioning	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
<b>Commissioning Services Total</b>	<b>5.30</b>	<b>2.4%</b>	<b>0.81</b>	<b>0.00</b>	<b>-0.81</b>	<b>R</b>	<b>5.30</b>	<b>0.00</b>	<b>100.0%</b>	<b>G</b>
Running Costs	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
<b>Transactional QIPP TOTAL</b>	<b>5.30</b>	<b>2.4%</b>	<b>0.81</b>	<b>0.00</b>	<b>-0.81</b>	<b>R</b>	<b>5.30</b>	<b>0.00</b>	<b>100.0%</b>	<b>G</b>
<b>Transformational QIPP</b>										
Acute services	4.55	2.0%	1.01	0.95	-0.06	A	4.55	0.00	100.0%	G
Mental Health Services	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
Community Health Services	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
Continuing Care Services	.50	0.2%	0.06	0.00	-0.06	R	0.50	0.00	100.0%	G
Primary Care services	.28	0.1%	0.06	0.06	0.00	G	0.28	0.00	100.0%	G
Other Programme Services	5.09	2.3%	1.07	1.06	0.00	G	5.09	0.00	100.0%	G
Primary Care Co-Commissioning	0.00	0.0%	0.00	0.00	0.00		0.00	0.00		
<b>Commissioning services Total</b>	<b>10.41</b>	<b>4.7%</b>	<b>2.19</b>	<b>2.07</b>	<b>-0.12</b>	<b>A</b>	<b>10.41</b>	<b>0.00</b>	<b>100.0%</b>	<b>G</b>
Running Costs	.50	0.2%	0.06	0.06	0.00	G	0.50	0.00	100.0%	G
<b>Transformational QIPP TOTAL</b>	<b>10.91</b>	<b>4.9%</b>	<b>2.25</b>	<b>2.13</b>	<b>-0.12</b>	<b>A</b>	<b>10.91</b>	<b>0.00</b>	<b>100.0%</b>	<b>G</b>
<b>Unidentified QIPP</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		
<b>TOTAL QIPP</b>	<b>16.21</b>	<b>7.3%</b>	<b>3.06</b>	<b>2.13</b>	<b>-0.93</b>	<b>R</b>	<b>16.21</b>	<b>0.00</b>	<b>100.0%</b>	<b>G</b>

\* The table to the left is an extract from the Month 5 Non ISFE submission to NHS England.

\* At Month 5 the CCG has achieved £2.13m of QIPP savings against a plan of £3.06m. The CCG has reported over spends in Mental Health & Learning Disability Placements, Continuing Health Care and Prescribing, therefore the cash releasable QIPP savings for these transactional schemes is reported as zero.

\* The anticipated savings from the QIPP schemes are phased from July onwards. We are currently forecasting full achievement of our QIPP target.

## 2.4a QIPP Objective / Risk

	LATEST PLAN			EXPECTED DRAFT FORECAST OUT-TURN SAVINGS RANGE : AT MONTH 5 2017/18			DRAFT FORECAST OUT-TURN SAVINGS SHORTFALL : AT MONTH 5 2017/18			COMMENT
	Plan QIPP	CEP Savings	Total	£000s		£000s	£000s		£000s	
	£000s	£000s	£000s	FROM :	To	CURRENT	FROM :	To	CURRENT	
1) Cost Avoidance HEY	0	400	400	0	To	400	(400)	To	0	These CEP figures (£250k PA) relate to MH CHC Cases (Line 6) These CEP figures (£250k PA) relate to LD CHC Cases (Line 6)
2) BCF Review	1,660	2,000	3,660	1,830	To	3,660	(1,830)	To	0	
3) MH Right Care Stretch			0	0	To	0	0	To	0	
4) LD Right Care Stretch			0	0	To	0	0	To	0	
5) Specialist MH & LD Placements	340		340	340	To	340	0	To	0	
6) CHC Cases	1,660	500	2,160	580	To	1,160	(1,580)	To	(1,000)	
7) Prescribing	2,000	1,300	3,300	600	To	1,800	(2,700)	To	(1,500)	
8) Other Programme Non Pay	450		450	450	To	450	0	To	0	
9) Risk Management:										
a) Net use of Contingency		976	976	976	To	976	0	To	0	
b) Practice Transformation Fund		279	279	279	To	279	0	To	0	
10) NLAG - Extra Growth Removed	3,750	400	4,150	0	To	2,150	(4,150)	To	(2,000)	Share of crystallising risk - subject to testing of "best behaviours"
11) RCA Savings		500	500	200	To	500	(300)	To	0	
<b>12) TOTAL</b>	<b>9,860</b>	<b>6,355</b>	<b>16,215</b>	<b>5,255</b>	<b>To</b>	<b>11,715</b>	<b>(10,960)</b>	<b>To</b>	<b>(4,500)</b>	Gross CEP / QIPP Risk

## 2.5 CCG RISK

At Month 5 the CCG reported the following Risks and Opportunities:

Risk Area	Potential Risk Value £m's	Commentary
Acute SLAs	0.50	Reflective of the YTD overtrade for Acute Services
QIPP Under-Delivery	2.50	QIPP under delivery in CHC £0.5m, Prescribing £1m and BCF £1m
Other Risks	2.00	CCG's initial share of CEP risk identified by NLAG £2m, plus £0.6m re NEL Drawdown
<b>TOTAL RISKS</b>	<b>5.00</b>	
<b>MITIGATIONS</b>	<b>(0.50)</b>	Strict contract management to bring Acute activity back in line with plan
<b>NL CCG NET RISK</b>	<b>4.50</b>	
<b>NEL - CEP DRAWDOWN RISK</b>	<b>0.60</b>	Risk held by NL CCG in Year - but charged to NEL if risk crystallised.

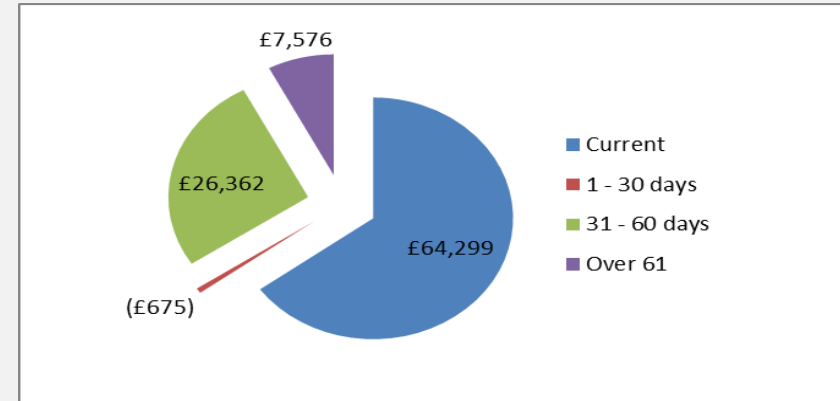
## 3. Financial Control

### 3.1 Statement of Financial Position

	OPENING POSITION	CLOSING POSITION	FORECAST POSITION
	£000s	£000s	£000s
Plant, Property & Equipment (PPE)	9	0	0
<b>Total Non-Current Assets</b>	<b>9</b>	<b>0</b>	<b>0</b>
Cash	70	58	70
Accounts Receivable	2,839	114	1,706
Accrued Income	481	277	450
Prepayments *	603	638	0
Inventory	0	0	0
Other Current Assets	17	19	17
<b>Total Current Assets</b>	<b>4,010</b>	<b>1,107</b>	<b>2,243</b>
<b>Total Assets</b>	<b>4,019</b>	<b>1,107</b>	<b>2,243</b>
Accounts Payable	(5,214)	(3,484)	(5,214)
Accrued Liabilities	(10,747)	(14,755)	(8,616)
Other - Payables	(387)	(197)	0
<b>Current Liabilities</b>	<b>(16,348)</b>	<b>(18,435)</b>	<b>(13,830)</b>
<b>Total Liabilities</b>	<b>(16,348)</b>	<b>(18,435)</b>	<b>(13,830)</b>
<b>Assets less Liabilities</b>	<b>(12,329)</b>	<b>(17,329)</b>	<b>(11,587)</b>
<b>Financed by Taxpayers' Equity</b>			
General Fund	12,329	17,329	11,587
<b>Total Taxpayers' Equity</b>	<b>12,329</b>	<b>17,329</b>	<b>11,587</b>

\* 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






~ Total debts outstanding at Month 5 were £98k (Month 4: £38k). eMBED continue to pursue payment of these invoices on our behalf and at Month 4 we are not aware of any bad debts which require write off.

#### BPPC

	Target %	Actual % (Volume)	Actual % (Value)
<b>In Month</b>			
NHS	95.00%	✓ 100.00%	✓ 100.00%
Non NHS	95.00%	✓ 99.78%	✓ 99.99%
<b>YTD</b>			
NHS	95.00%	✓ 99.78%	✓ 100.00%
Non NHS	95.00%	✓ 99.66%	✓ 99.78%

## 3.2 Cash

In Month Performance	AUGUST 2017 £000s	JULY 2017 £000s
Cash Drawdown Amount	15,900	16,350
Cash Balance at Month End	68.551	160.7
%	0.43%	0.98%
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)	225,877		<b>225,877</b>
Month 2 Allocations		(4,098)	<b>(4,098)</b>
Month 3 Allocations		825	<b>825</b>
Month 4 Allocations		61	<b>61</b>
Month 5 Allocations		329	<b>329</b>
Total Agreed Cash Limit at Month 4	225,877	(2,883)	<b>222,994</b>
Forecast Cash Spend			<b>222,924</b>
Forecast Cash Balance at Year End			<b>70</b>
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 hit its month end cash target for August 2017.

## 4. System Position

## 4.1 Systems : Financial Position

### PROVISIONAL SYSTEM SAVINGS & YTD SYSTEM POSITION AT MONTH 5 (AUGUST) 2017/18

	Annual Plan	YTD M5
	Gross System Risk £000s	Variance To Plan £000s
<b>Organisation</b>		
NLaG NHS FT	(27,000)	(10,000)
<b>NL CCG</b>	<b>(5,660)</b>	<b>(1,308)</b>
NEL CCG	(6,335)	0
Less : CEP Savings Realignment	1,095	0
<b>SYSTEMS TOTALS</b>	<b>(37,900)</b>	<b>(11,308)</b>

**Notes :**

1. Figures at M5 have been reported to NHSE and have been or will be - reported to respective boards
2. Plans include a £5.1m transfer from Independent Providers into NLaG from NEL CCG, which NEL have committed to undertake.
3. Phasing of Recovery Plans are largely loaded into the second half-year so, the straight line extrapolation of savings requires caution.