

Date:	14/12/17
Meeting:	CCG Governing Body
Item Number:	10.1
Public/Private:	Public <input checked="" type="checkbox"/> Private <input type="checkbox"/>

Report Title:	Month 7 Finance Report
Decisions to be made:	To receive and note

Author: <i>(Name, Title)</i>	Louise Tilley (Senior Finance Manager)
GB Lead: <i>(Name, Title)</i>	Ian Holborn (CFO)
Director approval/signature (MUST BE SIGNED)	
Date:	6.12.17

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>The attached paper presents the CCG's YTD and Forecast Outturn position at Month 7 (October 2017).</p> <p>The CCG has reported a YTD over spend of £3.4m.</p> <p>The main areas driving the overspend continue to be CHC (£1.5m over) and Prescribing (£1.6m over)</p> <p>At Month 7 the CCG has continued to report a year end forecast surplus of £90k to NHSE, with £6.3m of risk. It is anticipated that the risk will be moved in to forecast at M8.</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"/>	Risk of not meeting Constitutional obligations, incurring more interventions and scrutiny
Legal	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Finance	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Ongoing financial sustainability impacted

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 2017 / 18


Month 7 (October 2017)


Appendix 1 - Contents


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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 7 the CCG has reported a Year to Date overspend of £3,378k. This is a deterioration of £1,424k from Month 6. The main areas driving this overspend are as follows:
 - * **An overspend of £314k on Mental Health Services**, which is due to Specialist Mental Health and Learning Disability Placements.


 - * **An overspend of £1,723k on Continuing Healthcare Services**

 - * **An overspend of £1,529k on Primary Care Services**, which is due primarily to Prescribing.

-  **The CCG's Aged Debt position** at Month 7 was £164k of which 85% is current.

-  **QIPP** - the Year to Date QIPP achievement at Month 7 was £4.36m against a target of £6.53m. This is an under achievement of £2.16m, 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 M7 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 M6 system reporting shows a total system YTD Deficit of £14.2m against the systems annual control total (i.e. of -£23.5m). System performance risk for Month 6 is as follows: NL CCG (£6.3m over), (NEL CCG breakeven) , and NLAG (circa £19.8m over) all figures still to be confirmed by each organisation.

2. Financial Management

2.1 Summary Financial Position

	YEAR TO DATE - OCTOBER 2017			FULL YEAR FORECAST 2017/18		
	LATEST BUDGET £ 000s	ACTUAL £ 000s	VARIANCE £ 000s	ANNUAL BUDGET £ 000s	ACTUAL £ 000s	VARIANCE £ 000s
Acute Services	69,335	69,260	(76)	117,763	117,763	0
Mental Health Services	12,741	13,056	314	21,505	21,505	0
Community Health services	14,717	14,678	(39)	25,228	25,228	0
Continuing Healthcare and Funded Nursing Care	8,830	10,553	1,723	14,542	14,542	0
Primary Care Services	19,440	20,968	1,529	31,753	31,753	0
Other Programme Services	5,283	5,306	23	8,188	8,188	0
Running Costs	2,070	2,027	(43)	3,312	3,312	0
Headroom (0.5%)	0	0	0	1,107	1,107	0
Planned In Year Surplus	53	0	(53)	90	0	(90)
TOTAL IN YEAR POSITION	132,469	135,848	3,378	223,488	223,398	(90)
Deficit B/F	(2,391)	0	2,391	(4,098)	0	4,098
TOTAL CUMULATIVE POSITION	130,079	135,848	5,769	219,390	223,398	4,008

* At Month 7, the CCG has reported a year to date overspend of £3,378k. This is a deterioration of £1,424k from Month 6.

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

£314k Mental Health Services - Overspend on Out of Area/Specialist Placements

£1,723k CHC & FNC - Overspend on packages (includes Adults, Older People and Children's)

£1,529k Primary Care Services - Overspend on Prescribing

* At Month 7 the CCG continues to forecast a £90k surplus to NHS England, although there are significant risks to delivery of this position which are detailed in Section 2.5 of this report.

2.2 Acute Services

Providers	YEAR TO DATE - OCTOBER 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	51,536	51,536	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 7. 2) The position takes into account the value of any penalties/financial sanctions.
Hull & East Yorkshire NHS Trust	6,824	6,946	122	11,600	11,600	0	
Doncaster & Bassetlaw NHS FT	1,949	2,000	51	3,342	3,342	0	
Sheffield Teaching Hospitals NHS FT	834	800	(35)	1,430	1,430	0	
Sheffield Children's Hospital NHS FT	261	239	(22)	447	447	0	
United Lincolnshire Hospitals NHS Trust	523	520	(4)	897	897	0	
Leeds Teaching Hospitals NHS Trust	400	435	35	686	686	0	
East Midlands Ambulance Trust	3,447	3,447	1	5,909	5,909	0	
Main Independent Sector Providers	971	1,382	411	1,664	1,664	0	
Other Secondary & Tertiary Care Services	163	311	148	280	280	0	
Exclusions / Non-Contract Activity	1,680	1,798	118	2,880	2,880	0	
Resilience / RTT/ Demand Management	746	(153)	(900)	1,280	1,280	0	
TOTAL ACUTE SERVICES	69,335	69,260	(76)	117,763	117,763	0	

* At Month 7 cost pressures remain with some of our Acute Contracts, in particular HEY (£122k over spent), Spire (£308k over spent) and St Hughs (£103k over spent).

* The £118k over spend on Exclusions / Non Contract Activity all relates to higher than planned costs at the Goole Neuro Rehabilitation Centre.

* The Resilience/RTT/Demand Management budget was underspent by £900k at Month 7. £621k of this relates to balance sheet flexibilities which have been released in to the position. The remaining £279k is underspends against budget, 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 and Q4.

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
Correction to IR Adjustments	Programme	Month 7					(1)	(1)	(1)
Confirmed Allocation at Month 7			225,084	0	225,084	(2,810)	(2,884)	(5,694)	219,390

ALLOCATION SPLIT	£ 000s
In year allocation	223,488
Cumulative b/f deficit	(4,098)
Confirmed Allocation at Month 7	219,390

2.4 QIPP

CCG EFFICIENCY PLANS	TOTAL QIPP							
	Year to Date				Forecast			
	Plan	Actual	Variance	% Achieved	Plan	Actual	Variance	% Achieved
	£m	£m	£m	%	£m	£m	£m	%
Prescribing	1.01	0.00	(1.01)	0.0 %	3.30	3.30	0.00	100.0 %
Specialist MH & LD placements	0.15	0.00	(0.15)	0.0 %	0.34	0.34	(0.00)	100.0 %
CHC cases	0.74	0.00	(0.74)	0.0 %	1.66	1.66	0.00	100.0 %
Cost Avoidance - NLAG	1.84	1.84	0.00	100.0 %	4.15	4.15	0.00	100.0 %
BCF Review	1.63	1.63	0.00	100.1 %	3.66	3.66	0.00	100.0 %
Cost Avoidance - HEY (CEP Scheme 2)	0.18	0.06	(0.12)	34.9 %	0.40	0.40	0.00	100.0 %
Use of Contingency and Other Technical Adjustments	0.35	0.35	(0.00)	100.0 %	0.98	0.98	(0.00)	100.0 %
RCA savings	0.15	0.15	0.00	100.0 %	0.50	0.50	0.00	100.0 %
Other Programme Non Pay	0.20	0.20	0.00	100.0 %	0.45	0.45	0.00	100.0 %
Total CCG Efficiencies	6.53	4.36	(2.16)	66.8 %	16.21	16.22	0.00	100.0 %

* The table above is an extract from the Month 7 Non ISFE submission to NHS England.

* At Month 7 the CCG has achieved £4.36m of QIPP savings against a plan of £6.53m. 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 however there are risks to this delivery which are reported in Section 2.5 of this report.

2.4a QIPP Objective / Risk

	LATEST PLAN			EXPECTED DRAFT FORECAST OUT-TURN SAVINGS RANGE : AT MONTH 7 2017/18			DRAFT FORECAST OUT-TURN SAVINGS SHORTFALL : AT MONTH 7 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	
12) TOTAL	9,860	6,355	16,215	5,255	To	11,715	(10,960)	To	(4,500)	Gross CEP / QIPP Risk

2.5 CCG RISK

At Month 7 the CCG reported the following Risks and Opportunities:

CCG RISKS & MITIGATIONS	Forecast Net Expenditure				RISKS		MITIGATIONS	TOTAL NET (RISK) / MITIGATION
	Plan	Actual	Variance	Variance	Contract	QIPP	Other Mitigations	
	£m	£m	£m	%	£m	£m	£m	
Acute Services	120.1	120.7	(0.6)	(0.5%)	(0.8)	0.0		(0.8)
Mental Health Services	21.6	21.6	0.0	0.0%	(0.2)	(0.3)		(0.5)
Community Health Services	22.5	22.5	0.0	0.0%		0.0	0.3	0.3
Continuing Care Services	14.5	14.5	0.0	0.0%		(2.2)		(2.2)
Primary Care Services	32.6	32.0	0.6	1.8%		(3.1)		(3.1)
Primary Care Co-Commissioning	0.0	0.0	0.0	0.0%		0.0		0.0
Other Programme Services	8.9	8.9	0.0	0.0%		0.0		0.0
Commissioning Services Total	220.1	220.1	(0.0)	(0.0%)	(1.0)	(5.6)	0.3	(6.3)
Running Costs	3.3	3.3	0.0	0.0%		0.0		0.0
Unidentified QIPP						0.0		0.0
TOTAL CCG NET EXPENDITURE	223.4	223.4	(0.0)	(0.0%)	(1.0)	(5.6)	0.3	(6.3)

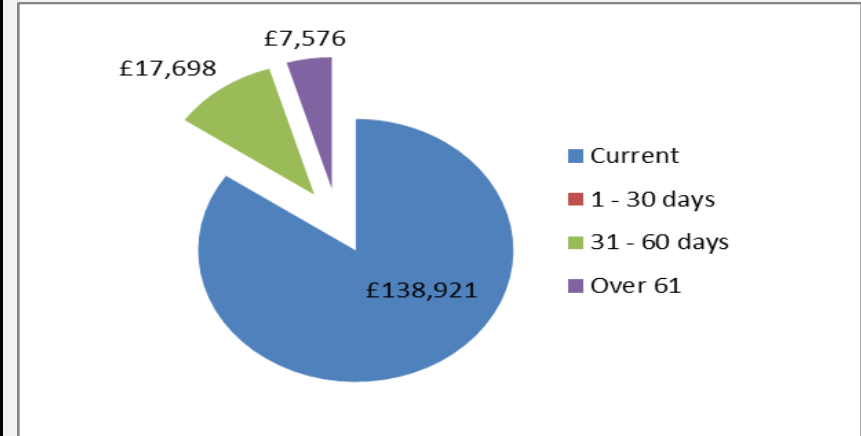
3. Financial Control

3.1 Statement of Financial Position

	OPENING POSITION	CLOSING POSITION	FORECAST POSITION
	£000s	£000s	£000s
Plant, Property & Equipment (PPE)	9	0	0
Total Non-Current Assets	9	0	0
Cash	70	65	70
Accounts Receivable	2,839	330	701
Accrued Income	481	97	450
Prepayments *	603	631	0
Inventory	0	0	0
Other Current Assets	17	16	17
Total Current Assets	4,010	1,139	1,238
Total Assets	4,019	1,139	1,238
Accounts Payable	(5,214)	(2,155)	(5,214)
Accrued Liabilities	(10,747)	(14,701)	(8,410)
Other - Payables	(387)	(278)	0
Current Liabilities	(16,348)	(17,134)	(13,624)
Total Liabilities	(16,348)	(17,134)	(13,624)
Assets less Liabilities	(12,329)	(15,995)	(12,386)
Financed by Taxpayers' Equity			
General Fund	12,329	15,995	12,386
Total Taxpayers' Equity	12,329	15,995	12,386

* 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 7 were £164k (Month 6: £293k). eMBED continue to pursue payment of these invoices on our behalf and at Month 7 we are not aware of any bad debts which require write off.

BPPC

	Target %	Actual % (Volume)	Actual % (Value)
In Month			
NHS	95.00%	✓ 100.00%	✓ 100.00%
Non NHS	95.00%	✓ 99.26%	✓ 99.67%
YTD			
NHS	95.00%	✓ 99.84%	✓ 100.00%
Non NHS	95.00%	✓ 99.20%	✓ 98.97%

3.2 Cash

In Month Performance	OCTOBER 2017 £000s	SEPTEMBER 2017 £000s
Cash Drawdown Amount	16,800	18,200
Cash Balance at Month End	27.5	177.6
%	0.16%	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		225,877
Month 2 Allocations		(4,098)	(4,098)
Month 3 Allocations		825	825
Month 4 Allocations		61	61
Month 5 Allocations		329	329
Month 6 Allocations		0	0
Month 7 Allocations		-1	-1
Total Agreed Cash Limit at Month 7	225,877	(2,884)	222,993
Forecast Cash Spend			222,923
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 hit its month end cash target for October 2017.

~ The CCG is currently forecasting to maintain spend within existing cash limits, however achievement of this Cash Target is linked to the I&E Position which currently carries significant risks.

4. System Position

4.1 Systems : Financial Position

PROVISIONAL SYSTEM SAVINGS & YTD SYSTEM POSITION AT MONTH 6 (SEPTEMBER) 2017/18

	Annual Plan	YTD M6
	Gross System Risk £000s	Variance To Plan £000s
Organisation		
NLaG NHS FT	(27,000)	(12,300)
NL CCG	(5,660)	(1,954)
NEL CCG	(6,335)	0
Less : CEP Savings Realignment	1,095	0
SYSTEMS TOTALS	(37,900)	(14,254)

Notes :

1. Figures at M6 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.