

# Finance Report



As at 31st May 2019

# Finance Report May 2019/20 (Month 2)

## Key Points



The month 2 (May 2019) financial position for the CCG is that the budget will be met and the £2m surplus control total will be delivered.



Some of the financial risks previously anticipated have now been quantified and indicate pressures of **£14m**. Should these materialise the CCG has £11m of potential mitigations, which would result in an **overspend of £1m**, a position **£3m away from control total**.

Most of the risk arises within Personal Health Care, predominantly Continuing care commissioning where there has been an increase in average weekly costs per package of care.

Additional risks include the Better Care Fund, where guidance is expected to require higher than planned growth, and ambulance activity which is currently 2.9% above contracted levels. These are not sufficiently certain to be included in the risk position but will be monitored.



Of the **£53m** Quality, Innovation, Productivity and Prevention (QIPP) requirement in the budget **£6m** is unidentified, with £5m relating to additional savings required from PHC for which plans are still being developed. A further **£2m** is considered high risk, relating to areas with significant cost pressures including Yeovil Hospital and Personalised Health Commissioning (PHC).



NHS-E have approved a further five small estates schemes to be taken to PID stage for funding approval assessment. PIDs for two other schemes, totalling under £1m, have been submitted and three existing schemes are being taken forward with the support of Primary Care for completion by March 2020.



A number of actions are in place to deal with emerging risks:

- A programme of work within PHC to implement QIPP schemes and identify additional savings.
- Discussions with partners to alter the Interim Funding processes.
- Managing cost pressures related to use of Yeovil Hospital although difficulties are anticipated in finding capacity to repatriate the ophthalmology work.
- The pressure arising from section 117 patients is being closely monitored, with longer term work on dementia care expected to make some impact on the volumes of patients.
- Close monitoring of non-NHS provider spend, which were under pressure at the end of 2018/19, and are expected to continue this trend in to 2019/20
- Linking in to national intelligence on the potential impact of EU Exit on drugs supply and prices, together with close monitoring of price trends to facilitate early action
- A change in delivery of Patient Transport Advice is expected to deliver savings and will be monitored through the year



Overall the system will meet the combined control total of £5.9m.

The Dorset Integrated Care System (ICS) agreed to link the **full £14m** of Provider Sustainability Funding (PSF) to delivery of the system control total (not including South Western Ambulance).

A total of **£100m (3.9%) efficiencies** are included within the health system plans, which is an **increase of £27m** compared to last year (£73m, 3.0%). **£14m** of this savings requirement is currently unidentified.

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## Finance Summary

CCG Summary

	Annual £000 Budget	Forecast Year End Outturn	Forecast Year End (Under) / Overspend
Acute Commissioning	609,769	609,769	0
Dorset HealthCare University NHS FT	203,649	203,649	0
Other Mental Health & Learning Disabilities	20,787	20,787	0
Primary Care Commissioning	274,503	274,503	0
Other Community Health	4,975	4,975	0
Better Care Fund	27,279	27,279	0
Continuing Care	73,639	73,639	0
Other Commissioning	9,419	9,419	0
NHS England Business Rules	(2,566)	(4,566)	(2,000)
Corporate Running Costs	16,341	16,341	0
<b>GRAND TOTAL</b>	<b>1,237,795</b>	<b>1,235,795</b>	<b>(2,000)</b>
Resource Allocation	(1,238,911)	(1,238,911)	0
(Under) / Overspend	<b>(1,116)</b>	<b>(3,116)</b>	<b>(2,000)</b>

System Summary

	Total Organisation Income		Control Total	Surplus / (deficit)	Variance	Impact on payment of PSF
	£000	Plan	Plan	Forecast	Variance	Variance
NHS Dorset CCG		1,238,911	2,000	2,000	0	0
Dorset County Hospital NHS Foundation Trust		194,663	0	0	0	0
Dorset Healthcare University NHS Foundation Trust		280,358	2,036	2,056	20	0
Poole Hospital NHS Foundation Trust		279,764	0	36	36	0
Royal Bournemouth & Christchurch Hospitals NHS FT		309,968	0	0	0	0
<b>Sub-Total - Dorset Provider CT (For PSF)</b>			<b>4,036</b>	<b>4,036</b>	<b>56</b>	<b>0</b>
South Western Ambulance Service NHS FT		243,748	1,924	1,937	13	0
<b>Sub-Total - Dorset NHS Position - Surplus/ (Deficit)</b>			<b>5,960</b>	<b>6,029</b>	<b>69</b>	<b>0</b>
Bournemouth, Christchurch Poole Council			0	0	0	0
Dorset Council			0	0	0	0
<b>Total - Dorset ICS Position - Surplus/ (Deficit)</b>			<b>5,960</b>	<b>6,029</b>	<b>69</b>	<b>0</b>

NB: Provider total income figures include funding from other CCGs and other organisations. £755,252k of Dorset CCG income is passed to Dorset Providers, including SWASFT.

CCG QIPP

	GP forward view assumed funding	Non recurrent funding – movement of Control Total	Delivered through Contract setting £000	Delivered through budget setting £000	Unidentified £000	QIPP PLAN £000
Low Risk	(5,120)	(3,000)	(29,168)	(497)	-	(29,665)
Medium Risk	-	-	(1,103)	(6,033)	(1,020)	(8,155)
High Risk	-	-	-	(1,807)	(5,280)	(6,941)
<b>Total</b>	<b>(5,120)</b>	<b>(3,000)</b>	<b>(30,270)</b>	<b>(8,337)</b>	<b>(6,299)</b>	<b>(53,026)</b>

System CIP

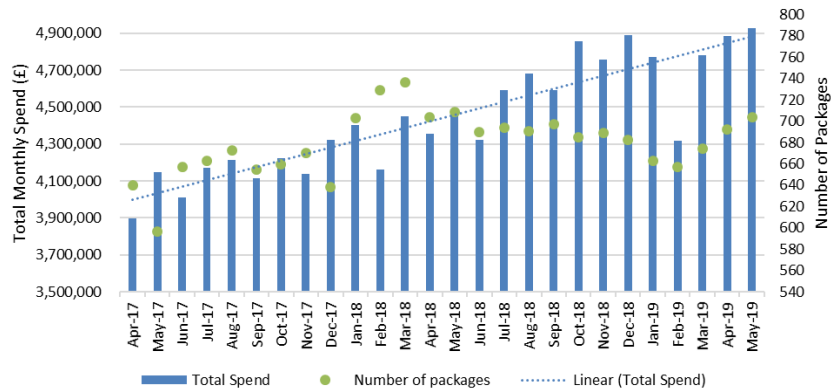
	Total Savings Plan			Total Savings Actual		
	Total £000	Of which Unidentified £000	Non-Recurrent £000	Forecast £000	Variance £000	Achievement %
NHS Dorset CCG	53,026	6,299	14,942	53,026	0	100%
Dorset County Hospital NHS Foundation Trust	7,130	2,110	2,871	7,130	0	100%
Dorset Healthcare University NHS Foundation Trust	10,431	3,069	6,169	10,431	0	100%
Poole Hospital NHS Foundation Trust	9,031	0	4,448	9,031	0	100%
Royal Bournemouth & Christchurch Hospitals NHS FT	10,452	2,426	3,976	10,452	0	100%
<b>Sub-Total - Dorset Provider</b>	<b>90,070</b>	<b>13,904</b>	<b>32,406</b>	<b>90,070</b>	<b>0</b>	<b>100%</b>
South Western Ambulance Service NHS FT	9,506	0	2,700	9,506	0	100%
<b>Sub-Total - Dorset NHS Position - Surplus/ (Deficit)</b>	<b>99,576</b>	<b>13,904</b>	<b>35,106</b>	<b>99,576</b>	<b>0</b>	<b>100%</b>
Bournemouth, Christchurch Poole Council	10,798	0	0	10,798	0	100%
Dorset Council (Savings TBC subject to approval)	0	0	0	0	0	100%
<b>Total - Dorset ICS Position - Surplus/ (Deficit)</b>	<b>110,374</b>	<b>13,904</b>	<b>35,106</b>	<b>110,374</b>	<b>0</b>	<b>100%</b>

NB: BCP Council savings are their total, not just Adult and Social care related

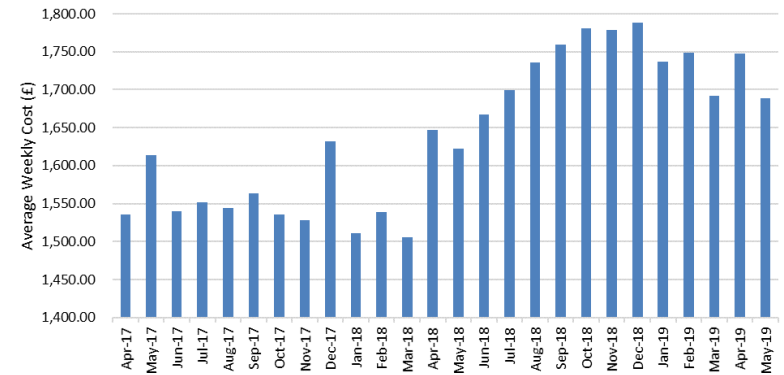
Provider unidentified savings have reduced by £0.5m from month 1, with plans being developed for remaining £7.6m. Of the total system savings of £110m, £19m are classified as high risk, £29m as medium risk and £62m as low risk.

PHC Trends

Adults' CHC Activity and Spend

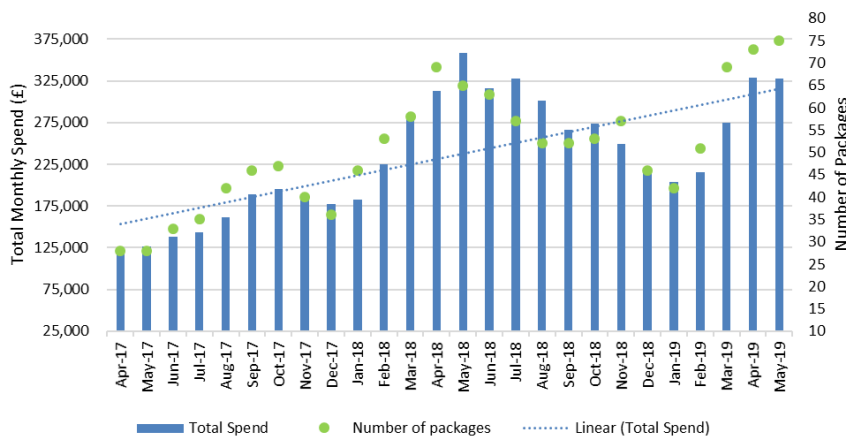


Adults' CHC Average Weekly Cost

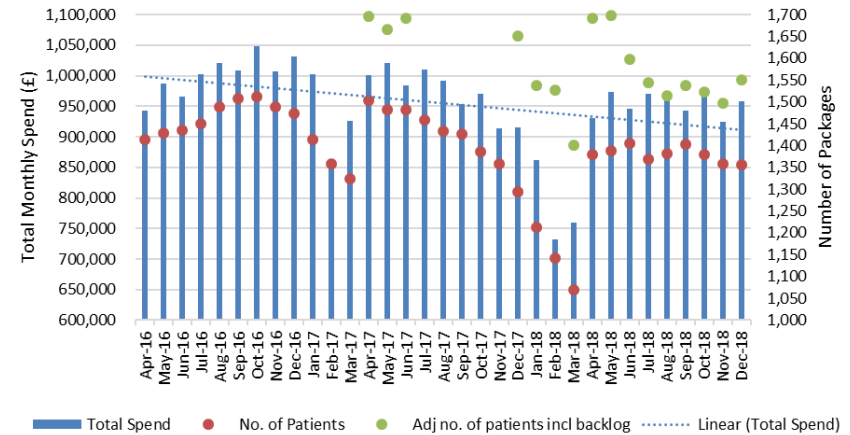


CHC Adults' spend increasing over past 2 years, despite number of packages remaining fairly constant since April 2018. Increasing average weekly cost per package shows a step-change in summer 2018, possibly now reducing.

Interim Funding (FOH) Activity and Spend



Funded Nursing Care Activity and Spend



Interim Funding growth linked to the number of packages.

Fixed costs per package so variance is solely driven by number of packages.