

# Finance Report



As at 31<sup>st</sup> July 2019

# Finance Report July 2019/20 (Month 4)

## Key Points



The month 4 (July 2019) forecast financial position for the CCG is that the budget will be met and the **£2m surplus control total will be delivered.**



Included within this forecast are significant anticipated overspends in acute commissioning and Personal Health Commissioning (PHC). The following are the main variances included in the forecast:

- An **£10,344k** pressure in PHC
- An **£1,968k** cost pressure arising in non STP acute providers (principally Yeovil, as well as Portsmouth and Southampton)
- Reduced expenditure on the CCG contribution to the Learning Disabilities Valuing People Now cohort (**£276k** saving)
- Ambulance activity is above contracted levels (3.0%) which will result in an additional payment at the end of month 4, estimated at **£137k**

As previously reported, the CCG is required to increase the contribution to the Better Care Fund by more than planned. Discussions with the local authorities are underway to complete the plans for 2019/20.

These forecast overspends are offset by the use of the CCG in year non-recurrent income.



Work within Personal Health Commissioning is reducing the financial risk, with processes being revised and performance improving.



The CCG QIPP (Quality, Innovation, Productivity and Prevention) plans are for savings of **£53m**. Of this, £47m will be delivered through existing plans leaving **£6m** that currently has no identified plan for delivery. The Finance Sustainability Taskforce, chaired by the Chief Finance Officer, is working to develop plans for the remainder and monitors achievement of the total QIPP requirement.



Delegated Primary Care expenditure is forecast to be on budget overall for 2019/20, although with some variances on individual areas. The key risk to this continuing are the increasing numbers of GPs applying and being successfully taken up on the retainer scheme.

An additional pressure is due to an increase in Networks to that assumed at budget setting, however this is being mitigated by slippage in the delay to recruiting social prescriber and pharmacist posts.

The Integrated Community and Primary Care Services (ICPCS) programme has recruited 105 Whole Time Equivalent (WTE) staff against a full model of 143 WTE. There has only been a small increase since April and as a result the expectation is that spend will remain below budget and the required QIPP will be delivered.

The latest indication for Primary Care Prescribing budgets is that the category M prices will increase from August which will put a cost pressure on that budget. This will be monitored and future forecasts amended if necessary.



The key Financial Duties for the CCG in 2019/20 are currently on track to be delivered. This includes achieving the control total, remaining within the Running Cost Allowance (£16,341k) and adhering to the Better Payments Practice Code to pay providers within 30 days (98% achievement rate against a target of 95%).



Overall the system continues to report that it will meet the combined control total of £5.9m and so receive the **full £14m** of Provider Sustainability Funding (PSF).

Workforce cost pressures are a significant factor across the health system, with increases in the number of employees and in agency spend.

CCG Summary

	Annual £000 Budget	Forecast Year End Outturn	Forecast Year End (Under) / Overspend
Acute Commissioning	607,332	609,715	2,382
Dorset HealthCare University NHS FT	221,123	221,123	0
Other Mental Health & Learning Disabilities	14,687	14,321	(366)
Primary Care Commissioning	260,976	261,050	74
Other Community Health	4,384	4,384	0
Better Care Fund	26,573	26,573	0
Personal Health Commissioning	80,631	90,975	10,344
Other Commissioning	13,394	13,394	0
NHS England Business Rules	2,077	(12,358)	(14,435)
Corporate Running Costs	16,341	16,341	0
<b>GRAND TOTAL</b>	<b>1,247,518</b>	<b>1,245,518</b>	<b>(2,000)</b>
Resource Allocation	(1,247,518)	(1,247,518)	0
(Under) / Overspend	<b>0</b>	<b>(2,000)</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		1,247,518	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	2,036	0	0
Poole Hospital NHS Foundation Trust		279,764	0	0	0	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>0</b>	<b>0</b>
South Western Ambulance Service NHS FT		243,748	1,924	1,984	60	0
<b>Sub-Total - Dorset NHS Position - Surplus/ (Deficit)</b>			<b>5,960</b>	<b>6,020</b>	<b>0</b>	<b>0</b>
Bournemouth, Christchurch Poole Council			0	0	0	0
Dorset Council			0	(7,104)	(7,104)	0
<b>Total - Dorset ICS Position - Surplus/ (Deficit)</b>			<b>5,960</b>	<b>(1,084)</b>	<b>(7,044)</b>	<b>0</b>

Dorset NHS organisations are forecasting delivery of the system control total.

South Western Ambulance is forecasting to exceed the control total. This does not contribute towards the system control total.

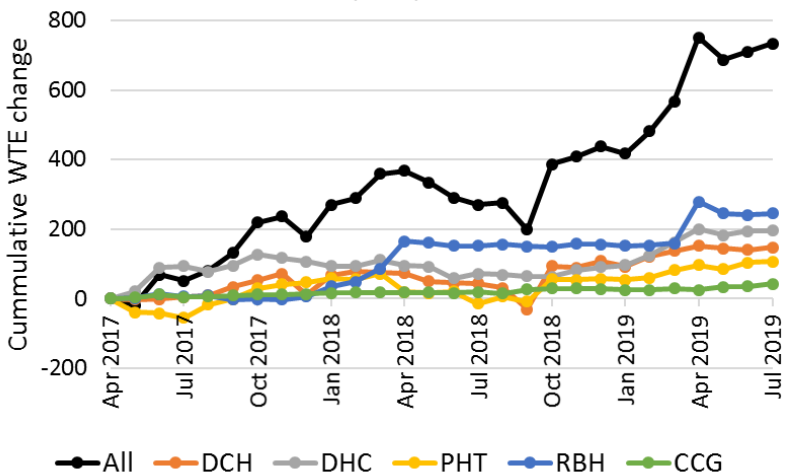
Dorset Council deficit is primarily due to Looked after Children and Adult Social Care pressures.

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.

# Finance Report July 2019/20 (Month 4)

## Workforce

Movement in employee numbers since April 2017 (WTE)



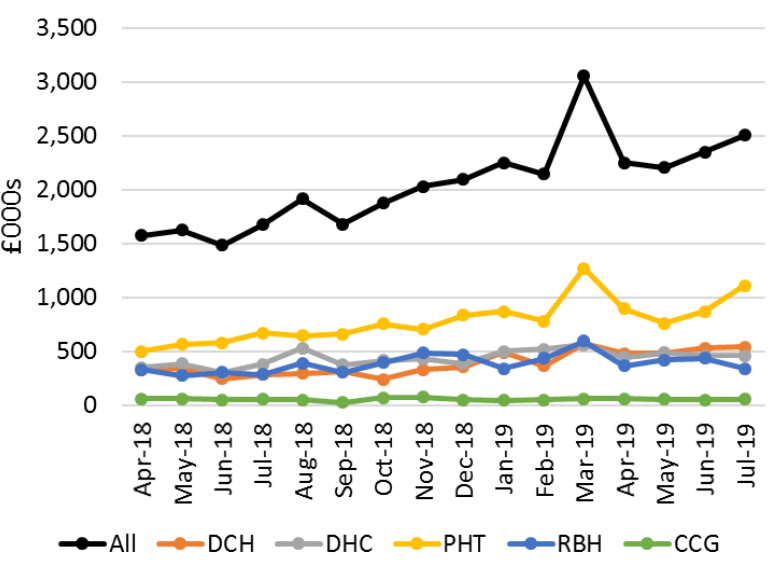
Across the system substantive workforce numbers have increased by 734 WTE (5.2%) since April 2017 and are currently at 14,822 (July 2019). The largest percentage increase is in CCG employees.

Organisation	% Change
CCG	13.8%
DCH	6.5%
RBH	6.5%
DHC	4.4%
PHT	3.2%
All	5.2%

Since April 2018 the increase is 367 WTE (2.5%).

(Data from Provider Workforce returns to NHS I)

Monthly agency spend

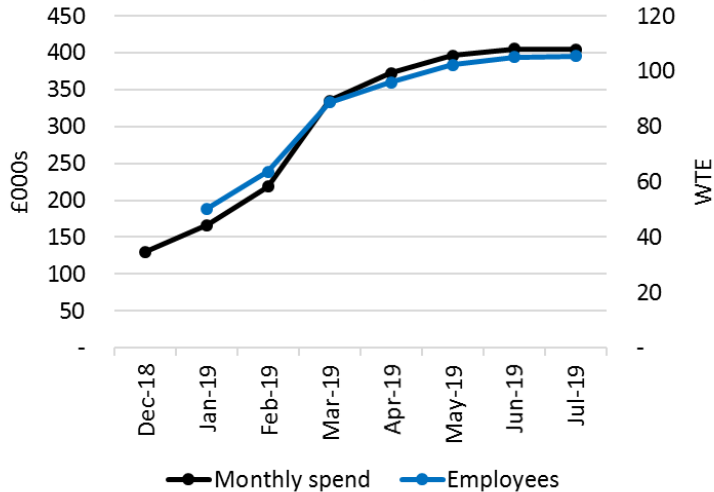


Monthly expenditure on agency staff has increased by £934k since April 2018, which is a 59.3% increase in 16 months. Although there is monthly variation the trend has been consistently upwards.

Poole Hospital have the largest agency costs, with monthly spend in July 2019 exceeding £1m.

The increase in agency costs is despite the increase in substantive WTE and an increase in bank staff spend of 25%.

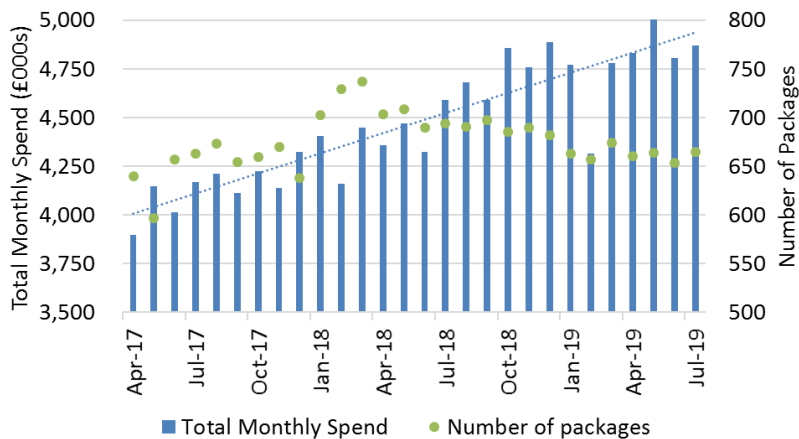
### Monthly ICPCS expenditure



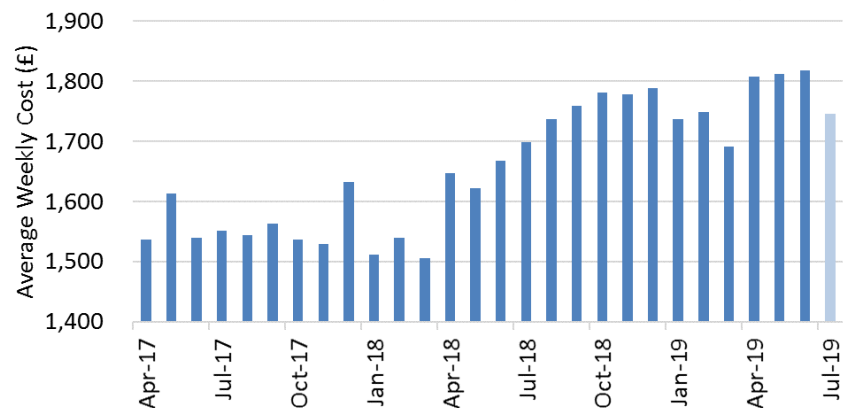
ICPCS expenditure has increased since the start of the programme as recruitment in to the new roles has progressed. A total of £6.6m planned expenditure is built in to the CCG budget for 2019/20, with an anticipation as part of our QIPP plan that delays to recruitment and in year vacancies will realise £1.3m of savings.

Recruitment and spend have currently plateaued at £400k per month and 105 employees.

### Adult CHC monthly spend and activity



### Adult average weekly cost of packages



Cost pressures in adult Continuing Healthcare Commissioning (CHC) have risen steadily since April 2017, with a marked change in the average weekly cost of packages since April 2018. Current indications are that the work within PHC is stabilising the costs in 2019/20, with an expectation that they will now start to reduce.

(NB: Due to delays arising from the system, data on package costs can be more than a month behind so July 2019 is likely to be understated in the chart)

CCG QIPP

	£000	Non recurrent funding – movement of Control	Delivered through Contract setting	Identified Plan	Unidentified	QIPP PLAN
		Total				
Low Risk	(13,189)	(18,979)	(5,617)	-	(29,665)	
Medium Risk	-	(1,103)	(6,033)	(1,166)	(8,155)	
High Risk	-	-	(1,661)	(5,280)	(6,941)	
<b>Total</b>	<b>(13,189)</b>	<b>(20,081)</b>	<b>(13,311)</b>	<b>(6,445)</b>	<b>(53,026)</b>	

Dorset CCG has £6.4m unidentified QIPP, an increase of £0.1m since month 2. Plans for savings in relation to Yeovil and PHC totalling £1.7m are considered a high risk of non-delivery.

System CIP

	Total Savings Plan			Total Savings Actual		
	Total	Of which Unidentified	Non-Recurrent	Forecast	Variance	Achievement
	£000	£000	£000	£000	£000	%
NHS Dorset CCG	53,026	6,445	14,942	53,026	0	100%
Dorset County Hospital NHS Foundation Trust	7,130	1,838	2,546	7,130	0	100%
Dorset Healthcare University NHS Foundation Trust	10,431	3,069	6,029	10,431	0	100%
Poole Hospital NHS Foundation Trust	9,031	931	5,562	9,031	0	100%
Royal Bournemouth & Christchurch Hospitals NHS FT	10,452	2,426	2,991	10,452	0	100%
<b>Sub-Total - Dorset Provider</b>	<b>90,070</b>	<b>14,709</b>	<b>32,070</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>14,709</b>	<b>34,770</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	0	0	0	0	0	100%
<b>Total - Dorset ICS Position - Surplus/ (Deficit)</b>	<b>110,374</b>	<b>14,709</b>	<b>34,770</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, Dorset Council are still to confirm their final figure.

Of the total system savings of £110m, £19m are classified as high risk, £29m as medium risk and £62m as low risk.