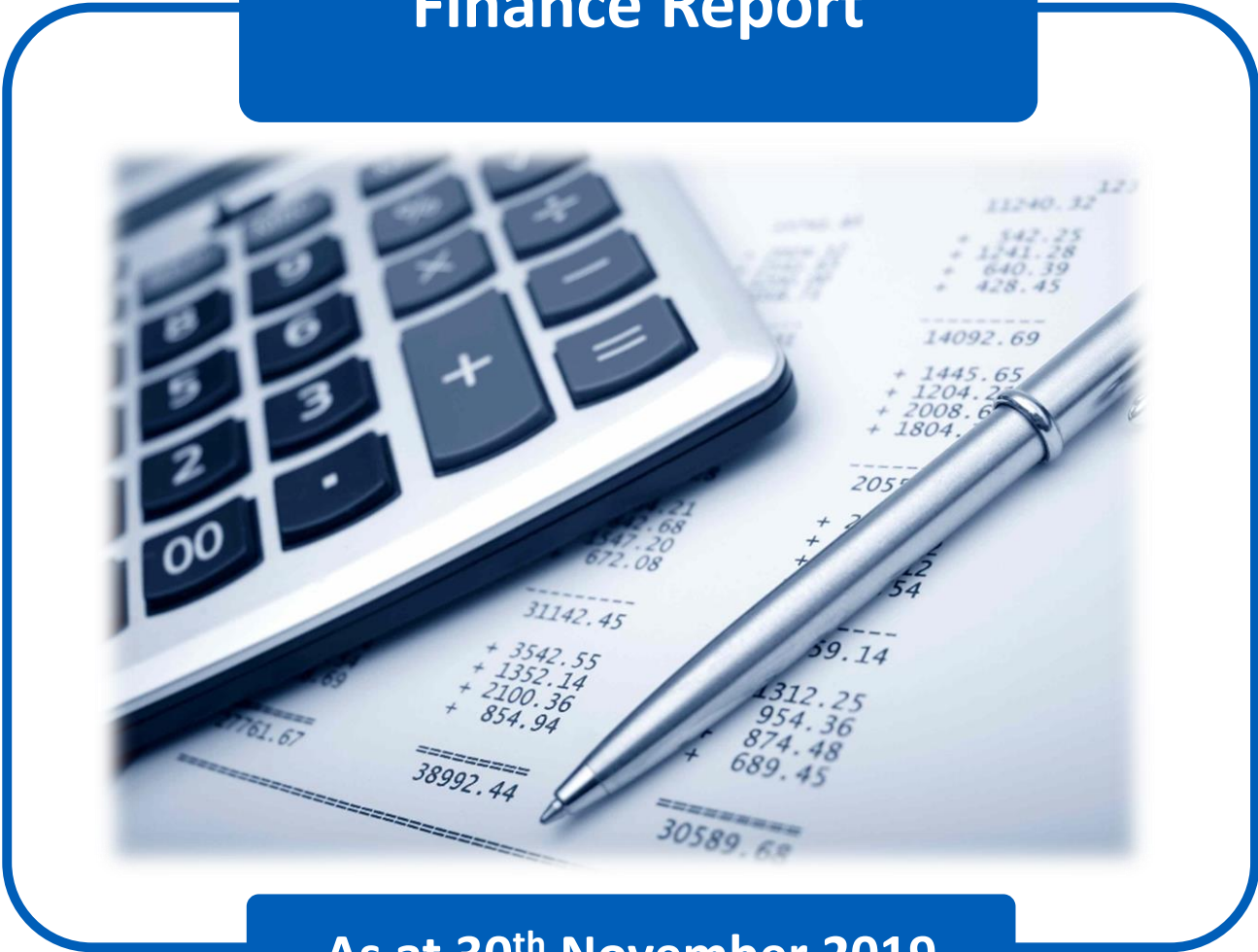


Finance Report



As at 30th November 2019

Finance Report November 2019/20 (Month 8)

Key Points



The month 8 (November 2019) forecast financial position for the CCG is that the budget will be met and the £2m surplus control total will be delivered.



Underlying the current financial position there are a number of risks which would push the CCG in to a £1m overspend if they all crystallise. Although the expectation remains that these risks will be fully mitigated the key issues are identified below for focus and action.



A **£11,607k** pressure in Personal Health Commissioning (PHC), of which over half arises in Continuing Health Care for adults and children. This is a deterioration of £1,112 from the month 6 position previously reported to Governing Body.



A **£2,941k** cost pressure arising in acute services, including non STP acute providers (principally Yeovil and Southampton) and ambulance.



Ambulance activity is currently 4.5% (year to date) above contract and the CCG has incurred £356k additional charges under the break glass clause. The forecast outturn is for an overspend of **£520k**, with a low probability of any potential mitigations of activity levels being sufficient to reduce this over the remainder of the financial year.



Projected overspends in prescribing total **£1,421k** due to price increases, particularly in the Cat M drugs, partly offset by savings plans that are expected to deliver during the later part of the year.



The Integrated Community Equipment Services budget within the Better Care Fund could overspend, with the CCG share being **£470k**. A number of actions are being undertaken by the service and providers to mitigate this risk, with the ambition to bring the spend back to budget levels. Early indications are that the actions are having a measurable impact and that the risk is reducing.



Primary care is on budget and is also forecasted to remain within its £134m allocation at year end. Within the delegated budget there are cost pressures arising from practice closures, locum reimbursements, and anticipated underspends on the Additional Roles Direct Enhanced Services.

Phlebotomy is expected to be over budget by year end, but will be offset by the planned contingency budget.

Primary Care Transformation funds are forecast to be underspent. However, NHS England have suggested that these funds can be used to support practice resilience and staff retention, and plans are underway to ensure that the monies are spent before year end.

Integrated Community and Primary Care Services (ICPCS) continue to be underspent due to challenges in fully recruiting to the new roles.



The CCG QIPP plans are for savings of **£52.9m**. Of this it is forecast that £43.5m will be delivered through existing plans leaving **£9.4m** underachievement. Other savings in CCG budgets have been identified, including release of the contingency, that will result in the CCG achieving the control total.



Capital schemes totalling £1.2m have been allocated to the CCG for 2019/20, including IT and minor improvements. One Estates and Technology Transformation Fund scheme continues to be supported by the Primary Care team.



Ninety eight per cent of CCG invoices are paid within target timescales against a standard of 95% required. Cash balances are managed throughout the year so that they are at the required minimum levels at year end.

Finance Report November 2019/20 (Month 8)

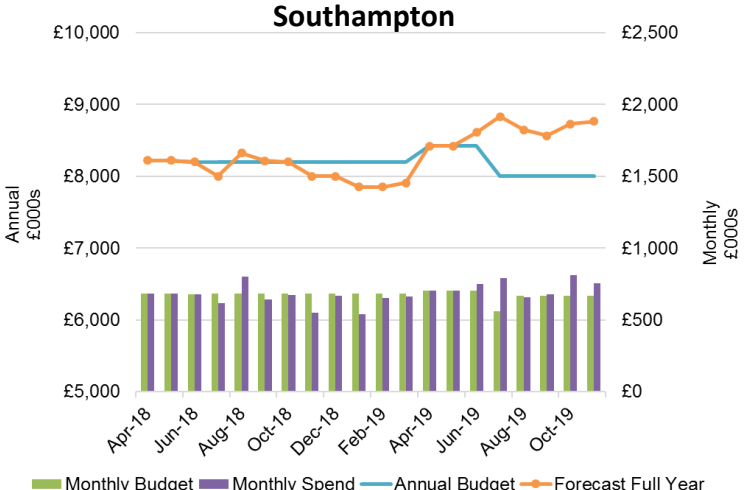
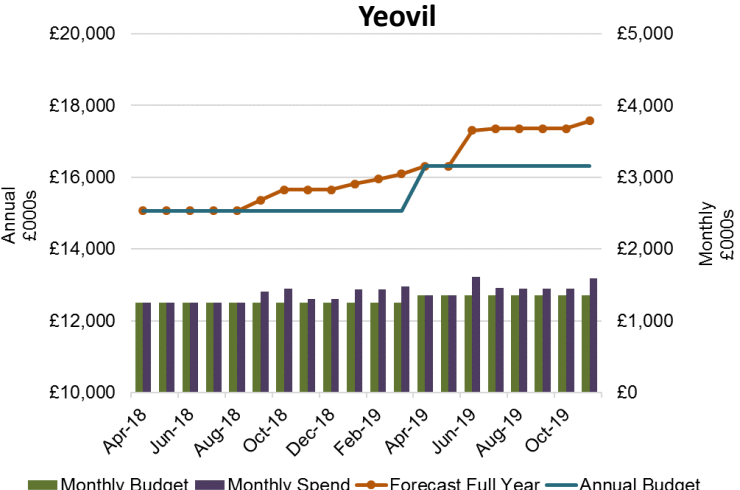
Finance Summary and Risks

CCG Summary

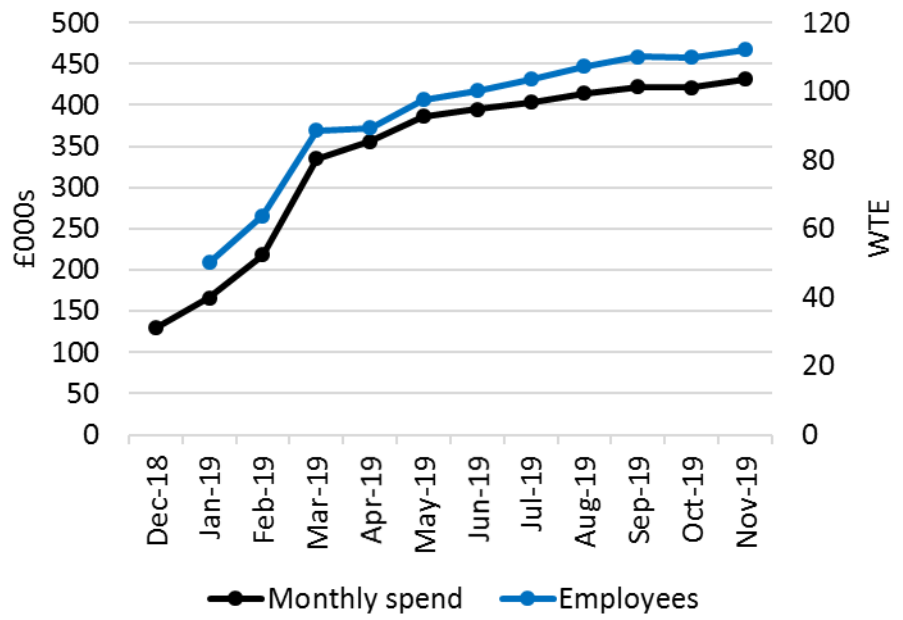
	Annual £000	Reported Year End Position	
		Budget	Outturn (Under) / Overspend
Acute Commissioning	607,469	610,410	2,941
Dorset HealthCare University NHS FT	221,123	221,123	0
Other Mental Health & Learning Disabilities	14,687	14,146	(540)
Primary Care Commissioning	260,629	262,050	1,421
Other Community Health	5,985	6,001	16
Better Care Fund	27,149	27,520	370
Personal Health Commissioning	80,631	92,238	11,607
Other Commissioning	13,510	13,350	(160)
NHS England Business Rules	3,984	(13,671)	(17,655)
Corporate Running Costs	16,341	16,341	0
GRAND TOTAL	1,251,508	1,249,508	(2,000)
Resource Allocation	(1,251,508)	(1,251,508)	0
(Under) / Overspend	0	(2,000)	(2,000)

There are significant cost pressures in both Yeovil and Southampton Hospital contracts. At Yeovil the monthly spend continues to be above contract, forecast to be £1.3m over at year end, and schemes are being developed to mitigate the risk for 2019/20 and 2020/21. These schemes will focus on long length of stay patients, musculoskeletal services and low priority procedures. At Southampton the current forecast is £0.8m overspend but with a greater degree of volatility due to the nature of the services provided.

Other Acute



ICPCS



The ICPCS budget is for 146.5 WTE and an annual spend of £6.5m. For 2019/20, recognising the likely delays in recruitment, a requirement to deliver £1.3m savings was included. With recruitment and spend now only increasing gradually the savings are expected to be delivered in full.

Problems in recruiting to posts are not equally distributed across the localities, with Bournemouth Combined and Poole Central seeing the highest number of vacancies.

Nursing and Allied Health Professionals are the more difficult roles to fill, with a higher number of current vacancies.

CCG QIPP

£000s	Identified QIPP	QIPP plans to be identified	QIPP Plan	QIPP Forecast	Variance (over)/under	Other Non QIPP Variance	Resultant Underlying Position
Low Risk	(38,270)	0	(38,270)	(37,039)	1,231	(14,602)	(13,371)
Medium Risk	(6,238)	(277)	(6,515)	(4,795)	1,721	(817)	904
High Risk	(2,807)	(5,340)	(8,147)	(1,708)	6,439	4,028	10,467
Total	(47,316)	(5,617)	(52,932)	(43,542)	9,390	(11,391)	(2,000)

Dorset CCG has a QIPP plan of 52.9m, of which £5.6m currently has no identified plan. Delivery against the QIPP schemes is forecast to be £9.4m under plan. Other savings, including the release of the contingency will mitigate this position and deliver the CCG control total.

Schemes for Salisbury and prescribing, rated as medium risk of delivery, are forecast to be under plan, as are the high risk schemes related to Yeovil, Southampton, South Western Ambulance and PHC. Work continues to develop savings for these areas and improve this position whilst a process is in place to develop more detailed plans for 2020/21.

		£000s				
	Area	QIPP Plan	QIPP Forecast	Variance (over)/under	Other Non QIPP Variance	Resultant Underlying Position
Low risk	All schemes	(38,270)	(37,039)	1,231	(14,602)	(13,371)
Medium Risk	Salisbury NHS	(761)	(214)	547	(547)	-
	Prescribing	(4,214)	(3,300)	914	507	1,421
	Opening unidentified	(743)	-	743	446	1,189
	On plan schemes	(797)	(1,281)	(484)	(716)	(285)
		(6,515)	(4,795)	1,721	(817)	904
High risk	Yeovil District Hospital	(583)	(283)	300	968	1,268
	Southampton University Hospital	(279)	-	279	488	767
	South Western Ambulance	(867)	(347)	520	1	521
	Funding out of Hospital	(2,933)	(482)	2,451	(1,050)	1,401
	Continuing Healthcare (Adults)	(2,813)	(422)	2,391	3,048	5,439
	Continuing Healthcare (Children)	(672)	(174)	498	573	1,071
		(8,147)	(1,708)	6,439	4,028	10,467
Total		(52,932)	(43,542)	9,390	(11,391)	(2,000)

Capital Scheme	Allocation	Progress
CCG IM&T Capital	£420k	NHSE awarded funding to the CCG in December. IM&T are working with Procurement to ensure amounts can be spent on agreed projects by 31 March 2020.
CCG Fixtures & Fittings Capital	£nil	The CCG's bid for £25k capital funding was rejected by NHSE.
GP IM&T Capital	£385k	NHSE awarded additional £120k funding to the CCG in December. All amounts will be spent by 31 March 2020.
Minor Improvement Grants (Primary Care)	£410k	<p>2019/20 funding has now been agreed by NHS England and the CCG's Primary Care team will work with practices accordingly.</p> <p>The CCG will be returning £5k of unspent 2018/19 funding to NHS England.</p>
Estates & Technology Transformation Fund (Primary Care)	To be confirmed <i>(Three original schemes and five additional schemes)</i>	<p>Of the three original schemes, one has reached completion and a second has dropped out of the ETTF process, leaving one scheme that the Primary Care team continue to support the development of.</p> <p>NHS England approved a further five small estates schemes to be taken to PID stage, of which two have been assessed as appropriate for possible funding, but have not yet received final support.</p>