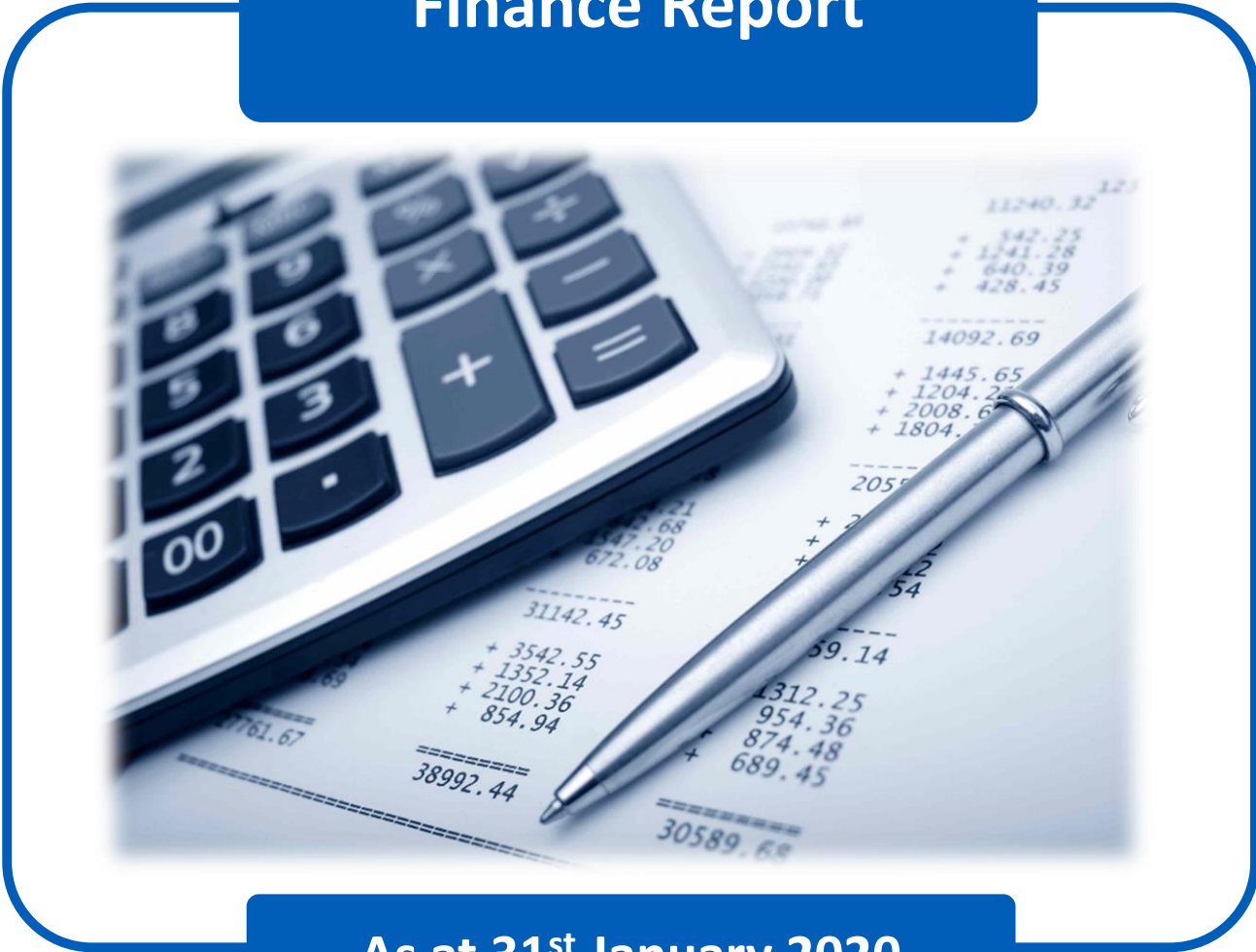


# Finance Report



As at 31<sup>st</sup> January 2020

# Finance Report January 2019/20 (Month 10)

## Key Points



The month 10 (January 2020) 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 and mitigations which are being managed to ensure the control total is delivered. The key issues are identified below for focus and action.



A **£11,231k** pressure in Personal Health Commissioning (PHC), of which over half arises in Continuing Health Care for adults and children. Although there has been considerable work to address processes and reduce costs the forecast overspend has remained fairly static throughout the year to date. A separate paper is presented to this meeting outlining the latest PHC position.



A **£4,914k** cost pressure arising in acute services, including non STP acute providers (principally Yeovil and Southampton) and ambulance. This is a deterioration of **£1,973k** from the previous report to governing body (month 8). Further detail is provided on page 3.



Projected overspends in prescribing total **£2,471k** due to price increases, particularly in the Cat M drugs. This was previously expected to be a short term issue but has now been confirmed nationally as an ongoing adjustment.



Other primary care budgets are forecast to be slightly underspent. The previously anticipated cost pressures in the delegated budget remain, including practice closures and locum reimbursements.



The CCG QIPP (Quality Innovation Productivity and Prevention) plans are for savings of **£52.9m**. Of this it is forecast that £43.1m will be delivered through existing plans leaving **£9.8m** underachievement. Other savings in CCG budgets have been identified, including release of the contingency, that will result in the CCG achieving the control total.

The primary areas of QIPP slippage are the contracts with non STP acute providers and in PHC. In addition to the financial risk in the current year this also puts further pressure on to the 2020/21 plan, with a higher than expected cost base to tackle.

Plans for QIPP in 2020/21 have begun to be developed and approved by CCG Directors. At the time of reporting there is a requirement to identify a further £13.2m of specific QIPP plans for delivery in 2020/21. A number of additional schemes have been identified but require more detailed analysis to quantify their value.



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.



The ICS is reporting that we will collectively deliver the system control total. There are a number of underlying risks in each organisation for which agreed mitigations are now planned. Achieving the system control total ensures that no Provider Sustainability Fund or Financial Recovery Fund income is lost.

The draft Operational Plan for 2020/21 is presented to this meeting in a separate paper.

### CCG Summary

	Annual £000 Budget	Forecast Year End Outturn	Forecast Year End (Under) / Overspend
Acute Commissioning	609,734	614,648	4,914
Dorset HealthCare University NHS FT	223,378	223,378	0
Other Mental Health & Learning Disabilities	14,687	14,578	(108)
Primary Care Commissioning	260,921	263,342	2,421
Other Community Health	5,996	6,000	4
Better Care Fund	27,149	27,520	370
Personal Health Commissioning	80,631	91,862	11,231
Other Commissioning	13,631	13,721	90
NHS England Business Rules	4,557	(16,364)	(20,921)
Corporate Running Costs	17,138	17,138	0
<b>GRAND TOTAL</b>	<b>1,257,822</b>	<b>1,255,822</b>	<b>(2,000)</b>
Resource Allocation	(1,257,822)	(1,257,822)	0
(Under) / Overspend	<b>0</b>	<b>(2,000)</b>	<b>(2,000)</b>

### Acute Commissioning

	Annual £000 Budget	Forecast Year End Outturn	Forecast Year End (Under) / Overspend
Royal Bournemouth and Christchurch	195,865	196,665	800
Poole Hospital	172,045	172,187	142
Dorset County Hospital	129,670	130,159	489
South Western Ambulance Service	28,140	28,660	520
Salisbury Hospital	23,569	23,511	-58
Yeovil District Hospital	16,303	17,410	1,107
NHS Non Contract Activity	17,194	17,065	-129
Non NHS Contracts	15,655	17,129	1,474
Southampton University Hospitals	8,000	8,804	804
Non NHS Individual Patient Treatment	156	53	-103
Acute Commissioning Other	3,136	3,005	-131
<b>Acute Commissioning Total</b>	<b>609,734</b>	<b>614,648</b>	<b>4,914</b>

### Quality Premium

We received £1,455k Quality Premium income in December 2019 related to performance achieved in 2018/19. Due to ambiguities within the guidance we had not anticipated this income as we did not think we had met all the criteria. However, we achieved our trajectory for reducing 1+ LOS emergency admissions (against our plan) and there we no constitutional adjustment for the Emergency Demand elements.

Forecast overspends in the three Dorset NHS acute Trusts relate to CCG agreed matched funding to mitigate 52 week wait breaches.

Pressures at Yeovil include ophthalmology and long length of stay patients although ongoing management is reducing these risks.

Non NHS contracts are overspent as the additional capacity is utilised to support the system.

The Southampton financial position is volatile as the they are for specialised services for a small number of patients.

CCG QIPP

£000s	Identified QIPP	QIPP plans to be identified	QIPP Plan	QIPP Forecast	Variance (over)/under	Other Non QIPP Variance	Resultant Underlying Position
<b>Low Risk</b>	(38,270)	0	(38,270)	(37,039)	<b>1,231</b>	(17,622)	(16,390)
<b>Medium Risk</b>	(6,238)	(277)	(6,515)	(4,345)	<b>2,170</b>	1,770	3,940
<b>High Risk</b>	(2,807)	(5,340)	(8,147)	(1,708)	<b>6,439</b>	4,011	10,449
<b>Total</b>	<b>(47,316)</b>	<b>(5,617)</b>	<b>(52,932)</b>	<b>(43,092)</b>	<b>9,840</b>	<b>(11,840)</b>	<b>(2,000)</b>

Dorset CCG has a QIPP plan of £52.9m and delivery against the QIPP schemes is forecast to be £9.8m 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. Identification of schemes for 2020/21 continues, with a number of schemes proposed that now need detailed analysis to define the savings.

		£000s				
	Area	QIPP Plan	QIPP Forecast	Variance (over)/under	Other Non QIPP Variance	Resultant Underlying Position
<b>Low risk</b>	All schemes	<b>(38,270)</b>	<b>(37,039)</b>	<b>1,231</b>	<b>(17,622)</b>	<b>(16,390)</b>
<b>Medium Risk</b>	Salisbury NHS	(761)	(214)	547	(58)	489
	Prescribing	(4,214)	(3,109)	1,105	1,366	2,471
	Opening unidentified	(743)	-	743	662	1,405
	On plan schemes	(797)	(1,022)	(225)	(200)	(424)
		<b>(6,515)</b>	<b>(4,345)</b>	<b>2,170</b>	<b>1,770</b>	<b>3,940</b>
<b>High risk</b>	Yeovil District Hospital	(583)	(283)	300	807	1,107
	Southampton University Hospital	(279)	-	279	525	804
	South Western Ambulance	(867)	(347)	520	-	520
	Funding out of Hospital	(2,933)	(482)	2,451	(1,410)	1,041
	Continuing Healthcare (Adults)	(2,813)	(422)	2,391	4,046	6,437
	Continuing Healthcare (Children)	(672)	(174)	498	42	540
		<b>(8,147)</b>	<b>(1,708)</b>	<b>6,439</b>	<b>4,011</b>	<b>10,449</b>
<b>Total</b>		<b>(52,932)</b>	<b>(43,092)</b>	<b>9,840</b>	<b>(11,840)</b>	<b>(2,000)</b>