

NHS DORSET CLINICAL COMMISSIONING GROUP

GOVERNING BODY

FINANCE REPORT JANUARY 2021 (MONTH 10)

Date of the meeting	17/03/2021
Author	Michael Gravelle, Assistant Director of Finance - Strategy
Lead Director	Nikki Rowland, Chief Finance Officer
Purpose of Report	To present the financial position as at the end of month 10
Recommendation	The Governing Body is asked to note the report and financial position.

Monitoring and Assurance Summary

Conflicts of Interest	N/A
Involvement and Consultation	N/A
Equality, Diversity and Inclusion	N/A
Financial and Resource Implications	The CCG is reporting an improved financial position for 2020/21 compared to the original plan, reducing the likelihood of a detrimental financial impact.
Legal/governance	The CCG has a statutory duty to keep expenditure within resource limits. It is currently forecast that the CCG will be within £0.6m of this required position.
Risk description/rating	The financial performance risk for the CCG is reduced for this current financial year as a result of the position reported here.

1 Introduction

- 1.1 Appendix 1 describes the current financial position of Dorset CCG as at the end of month 10.
- 1.2 The CCG is reporting to deliver a deficit outturn position of £0.6m, which is significant improvement on the original planned position deficit of £16.5m.

2 Report

- 2.1 The financial position and the issues arising are described in Appendix 1.
- 2.2 Under the revised financial regime in place for months 7 to 12 the CCG will deliver a deficit of £0.6m.
- 2.3 The improvement is due to:
 - 2.3.1 Additional funding of £9.0m from NHS England and Improvement to address a shortfall in the nationally calculated allocations.
 - 2.3.2 A system agreement to use £3.9m of growth allocation to offset the CCG deficit position.
 - 2.3.3 Delivery of £2.9m savings and efficiencies against the planned position, including lower than anticipated costs of covid-19.
- 2.4 Expenditure on the Hospital Discharge Programme is still reimbursed in addition to the core allocation and is forecast to total £45.1m at year end. The planned trajectory for patients still funded via scheme 1 (discharged before September 2020) is that all assessments will be completed by the end of the financial year in line with the funding ending.

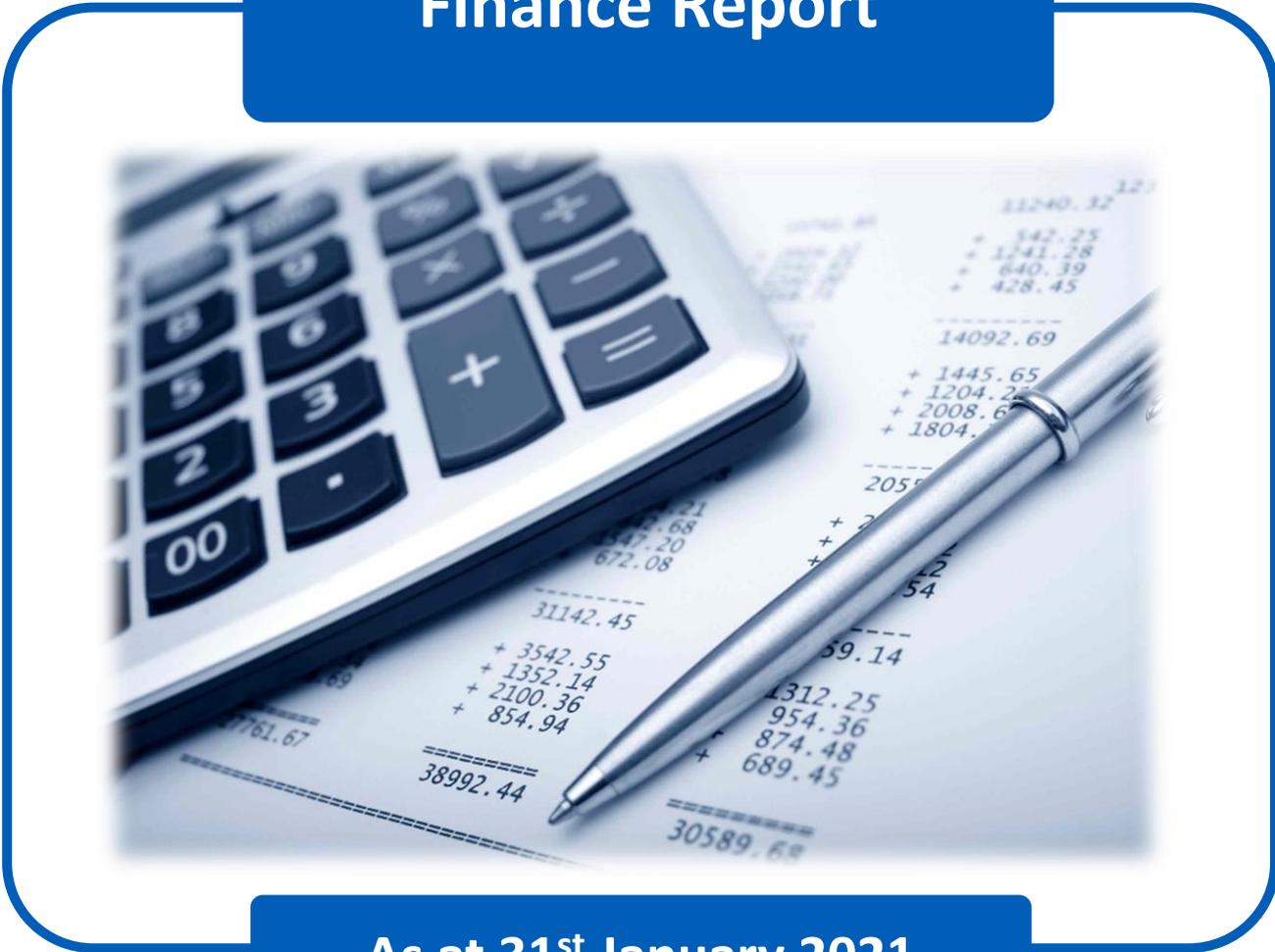
3 Conclusion

- 3.1 The Governing Body is asked to **note** the position reported.

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Date : 03 March 2021

APPENDICES	
Appendix 1	Finance Report January 2021 (Month 10)

Finance Report



As at 31st January 2021



The CCG is currently forecasting a deficit outturn position of £0.6m. This is a significant improvement compared to the original plan of a £16.4m deficit and the previously reported position of £7.4m.

The improvement is due to:

- Additional funding of £9.0m from NHS England and Improvement to address a shortfall in the nationally calculated allocations for month 7 to 12 that failed to properly account for non recurrent income and expenditure.
- A system agreement to use £3.9m of growth allocation to offset the CCG deficit position.
- Delivery of £2.9m savings and efficiencies against the planned position, including lower than anticipated costs of covid-19.

As has been reported throughout the second half of this financial year there are continuing cost pressures in prescribing (£4.0m) and Personal Health Commissioning (PHC £2.3m) which are consistent with the planned position.

In addition £1.3m relates to the write off an IT asset in months 1-6 which was not funded by NHS England and Improvement.



Currently the pressure in prescribing is as planned but there are emerging signs that expenditure may be increasing above plan. This will be monitored and mitigating action taken where possible.



The interim budget required the delivery of £1.1m QIPP (Quality, Innovation, Productivity and Prevention) savings. This was consistent with the savings requirements in the Dorset NHS providers but, as reported in the interim budget paper, largely consisted of unidentified ambitions. Savings have been identified across the CCG that exceed this requirement and the focus on QIPP management is now on ensuring there are appropriate plans for 2021/22.



Covid-19 expenditure has been funded via a fixed allocation for the second half of 2020/21, with a top up process for the Hospital Discharge Programme (HDP). The CCG will have spent less than the covid-19 element of our allocation, contributing to the improved financial position. However, overall the CCG has the second highest spend per head of population over 75 in the South West region, principally due to high HDP spend.

The CCG continues to claim reimbursement of costs on behalf of the system for the Hospital Discharge Programme. The current forecast is a full year cost of £45.1m. This scheme will continue to fund people discharged up to the end of March, for a maximum of six weeks care. There is no additional funding available to the system for patients discharged from 1st April 2021.

The trajectory to assess people currently funded under scheme 1 of the HDP is that all individuals will be moved to the appropriate funding source by the end of the financial year.

Work is currently being undertaken to assess and manage the financial risks arising from patients who are exceeding the six weeks of nationally funded care.



Dorset ICS is currently forecasting a year end deficit position of £15.3m, an improvement of £18.9m compared to the plan. Further progress is expected due to expectations of additional funding to offset lost non NHS income, expenditure with the independent sector and additional annual leave accruals.



Planning for 2021/22 is continuing. The national guidance has still to be published but it is known that at least the first quarter of next year will operate under a similar financial regime to the current arrangements, with centrally calculated allocations and organisational block contracts.

	£'000	Budget	Forecast year end outturn	Forecast variance (Under) / Overspend
ICS - acute commissioning		568,344	568,344	0
ICS - non acute commissioning		237,007	237,007	0
NHS out of area acute commissioning		115,627	115,630	3
Non NHS acute commissioning		8,810	5,191	(3,619)
Mental Health & Learning Disabilities		15,850	15,246	(604)
GP led Primary Care Commissioning		284,584	288,254	3,670
Non GP led Primary Care Commissioning		5,373	6,866	1,493
Personal Health Commissioning		108,039	110,335	2,296
Community Health		4,205	4,152	(52)
Better Care Fund		28,587	28,587	0
Other Commissioning		42,605	56,866	14,262
CCG establishment		23,466	23,733	267
NHS England Business Rules		14,846	5,423	(9,423)
Total Expenditure		1,457,343	1,465,636	8,293
Allocation		(1,453,811)	(1,453,811)	
HDP Top up pending			(11,247)	(11,247)
(Surplus)/Deficit		3,532	578	(2,954)

The CCG is forecasting to deliver a deficit of £578k at the year end, against a current budget of a £3,532k deficit. This is a significant improvement on the original plan of £16.4m deficit. The budget has improved due to £9.0m additional funding to offset the impact of non recurrent income and expenditure on the central calculation of the allocation and a system agreement to utilise growth funding and a some unallocated covid-19 funding to offset the CCG deficit plan, totalling £3.9m.

Savings against the plan have been identified totalling £2,954k. These include lower than planned spend on covid-19 (£2,025k) and mitigation of risks in primary care (£929k).

Cost pressures in prescribing and PHC are consistent with the plan where overspends were forecast and contributed to the original plan deficit. The cost pressure within other commissioning is primarily the Hospital Discharge Programme costs for which top up payment is pending.

Expenditure on the Hospital Discharge Programme (HDP) is reported to the Home First Board. The current expectation is that all individuals currently funded by scheme 1 (those discharged before September 2020) will be assessed and moved to the appropriate long term funding (including self funding) before the end of the financial year. The forecast spend trajectories on scheme 1 that reflect this progress are shown below.

Scheme 1 trajectories	Actual Spend (£'s)					Forecast Spend (£'s)		
	September	October	November	December	January	February	March	
BCP								
Care Homes - non block	1,120,087	1,093,103	1,027,639	830,321	660,035	475,332	237,666	
Home care - non block	612,881	550,000	483,067	318,309	301,529	227,155	113,577	
Restarts & Enhancements	119,402	117,302	103,706	98,069	86,827	51,189	25,594	
	1,852,371	1,760,405	1,614,412	1,246,700	1,048,391	753,676	376,838	
DC								
Care Homes - non block	748,438	981,662	923,778	999,306	848,369	867,297	316,897	
Home care - non block	1,095,505	888,110	1,000,704	814,813	580,338	707,175	258,391	
	1,843,943	1,869,772	1,924,482	1,814,119	1,428,707	1,574,473	575,288	
Total				3,060,819	2,477,098	2,328,148	952,126	

As has been previously reported Dorset CCG is an outlier in terms of covid-19 spend when benchmarked against other CCGs in the South West.

Dorset has the second highest total expenditure as at month 10, at £51.0m, and is ranked highest when adjusted for population. Of this spend, £37.6m is on the Hospital Discharge Programme, and only Cornwall have a higher spend per head of population aged over 75.

CCG	HDP Spend per 100,000 population aged over 75		
	Covid spend £000s	HDP spend £000s	HDP spend per 100,000 population aged over 75 £000s
BSW	42,754	24,541	30.1
BNSSG	41,768	27,100	35.4
Cornwall	30,974	26,306	43.1
Devon	55,711	37,205	28.6
Dorset	50,952	37,630	41.0
Gloucestershire	23,425	10,725	17.4
Somerset	18,937	8,946	14.3
SW Total	264,521	172,454	30.5

Capital

The latest position in relation to CCG Capital is presented below.

Capital Scheme	Allocation	Progress
CCG IM&T Capital	£287k	NHSE awarded and transferred funding to the CCG in July. IM&T are working with Procurement to ensure amounts can be spent on agreed projects by 31 March 2021.
CCG Fixtures & Fittings Capital	£25k	NHSE approved funding to the CCG in July. Projects will need to be completed by 31 March 2021.
GP IM&T Capital	£804k	NHSE approved £613k funding to the CCG in July. Schemes will need to be completed by 31 March 2021, but there have been changes since: <ul style="list-style-type: none"> • NHSE top sliced the allocation by £282k to support Covid requirements; • NHSE approved access to £146k Minor Improvement Grant (MIG) clawback funding from 2019/20; • The CCG has requested £170k of 2020/21 MIG funding that is not expected to be spent be re-allocated to GPIT (supported by NHSE); • The CCG has bid for £157k of additional funding made available (supported by NHSE).
GP N365 Capital	£584k	Initial funding of £513k to support N365, the NHS instance of Microsoft Office 365 has been bolstered by an additional £71k funding made available. Although originally framed as an allocation for 2020/21, this will now be allocated to the CCG across 2020/21 to 2022/23.
Minor Improvement Grants (Primary Care)	£470k	NHSE approved funding to the CCG in July. Schemes will need to be completed by 31 March 2021, but the additional lockdown has made it unlikely that all funds will be spent. The CCG has therefore requested £170k be transferred to support GP IM&T capital, as detailed above.
COVID Capital	-	NHSE has confirmed there is no additional capital funding for Covid and so any costs will need to be supported from the CCG's standard allocations.