

Title of Meeting:	Governing Body			Agenda Item: 6.1										
Date of Meeting:	27 August 2020			<table border="1"> <tr> <th colspan="2">Session (Tick)</th> </tr> <tr> <td>Public</td> <td>X</td> </tr> <tr> <td>Private</td> <td></td> </tr> <tr> <td>Development Session</td> <td></td> </tr> </table>			Session (Tick)		Public	X	Private		Development Session	
Session (Tick)														
Public	X													
Private														
Development Session														
Paper Title:	Finance and Planning Report													
Responsible Governing Body Member Lead Jane Hawcard, Chief Finance Officer			Report Author and Job Title Jane Hawcard, Chief Finance Officer Dilani Gamble, Deputy Chief Finance Officer Alison Levin, Deputy Director Alec Cowell, Deputy Director											
Purpose (this paper if for)	Decision		Discussion		Assurance		Information							
					X									
Has the report (or variation of it) been presented to another Committee / Meeting? If yes, state the Committee / Meeting: Finance Performance Commissioning and Contracting Committee on 20 August 2020.														
Executive Summary														
1. <u>Finance Update – Month 3 performance and Forecast to month 4</u>														
Table 1 below shows the final month 3 YTD position reported to NHS England of an overspend of £7.025m. Additional resource allocation of £3.860m, for Covid19 related costs incurred in months 1 & 2, is reflected in this position. Since reporting to NHS England a further resource allocation has subsequently been received for £7.025m, allowing the CCG to breakeven at the end of month 3.														
Table 2 below provides a breakdown of the month 4 forecast position of a deficit £3.774m. For clarity, as the CCG has secured the additional resource allocation required for months 1-3 a further allocation of £3.774m is expected to be received to enable breakeven at the end of month 4.														
Table 1	YTD - Months 1 to 3			Forecast - Months 1 to 4			FOT Covid19 Costs £000s							
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Actual £000s	Variance £000s								
	Acute Services	87,744	86,396	(1,348)	116,992	114,917		(2,076)	-					
	Mental Health Services	15,698	15,733	35	20,931	20,977		46	-					
	Community Health Services	14,195	13,750	(445)	18,927	18,312		(615)	-					
	Continuing Care Services	14,991	15,618	627	19,794	20,616		822	1,359					
	Primary Care Services	2,929	3,962	1,033	3,899	5,218		1,319	18					
	Prescribing	17,989	19,984	1,994	23,986	25,948		1,963	-					

Primary Care Co-Commissioning	15,817	16,330	514	21,089	21,799	710	-
Other Programme Services	5,656	11,015	5,360	6,454	15,078	8,624	8,147
Total Commissioning Services	175,875	182,892	7,018	233,213	244,005	10,792	9,524
Running Costs (ISFE)	1,946	1,954	8	2,595	2,603	8	
CCG Net Expenditure reported at M3	177,821	184,846	7,025	235,808	246,608	10,800	
Covid19 allocation (received in M4)	2,657		(2,657)	2,657		(2,657)	
Non Covid19 allocation (received in M4)	4,369		(4,369)	4,4369		(4,369)	
Anticipated allocation for month 4						(3,774)	

Final Month 3 Position & FOT M1-4 (Underspend)/Overspend

nil

nil

Explanation of (Under) and Over spends against budgets

Acute Services

Forecast outturn underspend of £2.076m due to minimal spend on non-contract activity (NCAs) received to month 3, with this position expected to continue in months 4.

Mental Health Services

Forecast outturn assumes that additional resource allocation, through the finance transfer agreement (FTA) process, will occur for the transforming care programme (TCP) patients discharged from Specialist Commissioning.

Community Services

The forecast outturn underspend of £0.615m arises from the way NHSE have allocated the resource funding during the covid19 financial regime and does not represent an underspending budget against the original 2020/21 plan.

Continuing Care Services

The forecast outturn position includes £1.36m of covid19 related costs and £0.7m of 2019/20 backdated costs relating to recently agreed national increases for funded nursing care (FNC). These overspends are then offset by additional funding through the covid19 financial regime allocations.

Primary Care Services

The forecast outturn assumes non-delivery of the primary care savings programme of £0.35m, missing recurrent resource funding for the Scarborough locality extended access service (received as a non-recurrent allocation in prior years) of £0.25m, and an impact arising from the way NHSE has allocated funding during the covid19 financial regime of £0.65m

Prescribing

The forecast outturn assumes prescribing costs run ahead of usual demand in April & May, but return to normal levels in June & July as patient stockpiling significantly reduces from March & April levels. The impact is estimated to be a cost pressure of £0.7m. In addition the non-delivery of the prescribing savings programme adds a further cost pressure of £1.3m.

Primary Care Co-Commissioning

The impact of the original resource allocation pressure for 2020/21 against expenditure plan is

£0.2m for the first 4 months of this year. This is further impacted by £0.5m by the way NHSE have allocated the resource funding during the covid19 financial regime.

Other Programme Services

Includes the majority of covid19 costs and the transformation support funding.

Overspend Forecast to Month 4

The month 4 revised forecast overspend of £3.774m comprises of the following;

Table 2	£000s
Covid19 costs	3,007
Transformation Support Funding	550
Prescribing	0
Non Contracted Activity (NCA) underspend (benefit)	(519)
Other overspends	736
Total	3,774

The purpose of this overspend submission, under the covid19 financial regime, is to assist NHS England to make their true-up allocation to CCGs with the expectation this will bring the position back to break-even.

Table 2 recognises the allocations received so far to reimburse covid19 costs and offset other financial impacts arising from operating within the covid19 financial regime. These are predominantly the non-delivery of savings schemes and the allocation adjustment made by NHSE to set budgets based on last year's spend at month 11.

New guidance has been received in terms of the financial operating model for months 5 & 6 which will be the same as for months 1-4. More guidance is expected in terms of months 7-12 shortly.

2. Planning Update

Further planning guidance has been received to enable a final plan to be submitted for the Humber Coast and Vale Integrated Care System (HCV ICS) by the 21st September.

The submission is to include:

- Plans to address health inequalities
- Clarity on lessons learned during covid to take into the next phase of recovery
- Winter planning and escalation
- Acute Activity trajectories to recover capacity
 - i. NHS 111 talk before you walk implemented
 - ii. Priority given to patients waiting the longest and clinical priorities
 - iii. Clarity on usage of independent sector capacity
- Primary Care is asked to focus on the following areas of activity
- Childhood immunisation
- Cervical screening
- Enhanced care homes contracts
- Annual health checks for all on LD registers
- Increased numbers on to LD registers
 - Mental Health
 - MH Investment standard must be met in full

- IAPT services to increase capacity

The North Yorkshire and York (NY&Y) system plan is being revisited in light of the new guidance with oversight from the NY&Y System Delivery Executive and the NY&Y System Leadership Executive.

CCG Planning for 2021/22

Planning for efficiency programme restart has begun by reviewing the schemes that were unable to be implemented in 2020/21 as a result of the Covid response. The transformation and financial recovery group has met with clinical and commissioning staff to start to review the Right Care opportunities and to restart work on the prescribing, continuing health care and running costs schemes.

Recommendations

The Governing Body is being asking to:

- Note the financial performance against the plan at month 3 and forecast to month 4
- Note the revised planning guidance.

Monitoring

Regular reports received by Finance Performance Commissioning and Contracting Committee.

Any statutory / regulatory / legal / NHS Constitution implications

Financial statutory duty to meet agreed targets.

Management of Conflicts of Interest

No conflicts of interest have been identified prior to the meeting.

Communication / Public & Patient Engagement

Not at this stage as plans are not complete.

Financial / Resource Implications

Finance/resource implications are described in the paper.

Significant Risks to Consider

Risks are set out in the paper.

Outcome of Impact Assessments completed

Not applicable.

**Jane Hawkard
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NHS North Yorkshire CCG**