

Title of Meeting:	NY CCG Governing Body			Agenda Item: 6.1	
Date of Meeting:	22 April 2021				
Paper Title:	Finance Update and Budgets for 2021/22 months 1-6			Session (Tick)	
				Public	X
				Private	
				Development Session	
Responsible Governing Body Member Lead Jane Hawkard, Chief Finance Officer			Report Author and Job Title Jane Hawkard, Chief Finance Officer		
Purpose – this paper is 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: Yes. A version of this paper has been to FPCCC.					
Executive Summary The purpose of this report is to: 1. Update on the financial performance to month 11 2. Update on year end 3. Review allocations for 2021/22 months 1-6 and draft CCG budget 4. Update on covid19 costs incurred to date					
Recommendations The Governing Body is being asking: To note: <ul style="list-style-type: none"> Financial performance to month 11 including COVID-19 costs incurred to date Approve <ul style="list-style-type: none"> Draft CCG budget for months 1-6 					
Monitoring Through the Finance, Performance, Contracting and Commissioning Committee.					
CCG Strategic Objectives Supported by this Paper					
	CCG Strategic Objectives				X
1	Strategic Commissioning: <ul style="list-style-type: none"> To take the lead in planning and commissioning care for the population of North Yorkshire by providing a whole system approach and to support the development of general practice. To make the best use of resources by bringing together other NHS organisations, local authorities and the third sector to work in partnership on improving health and care. To develop alliances of NHS providers that work together to deliver care through collaboration rather than competition. 				
2	Acute Commissioning: We will ensure access to high quality hospital-based care when needed.				
3	Engagement with Patients and Stakeholders: We will build strong and effective relationships with all our communities and partners.				
4	Financial Sustainability: We will work with partners to transform models of care to deliver affordable, quality and sustainable services.				X
5	Integrated / Community Care: With our partners and people living in North Yorkshire we will enable healthy communities through integrated models of care.				
6	Vulnerable People: We will support everyone to thrive [in the community].				
7	Well-Governed and Adaptable Organisation: In supporting our objectives we will be a well-governed and transparent organisation that promotes a supportive learning environment.				X

CCG Values underpinned in this paper

	CCG Values	X
1	Collaboration	X
2	Compassion	
3	Empowerment	
4	Inclusivity	
5	Quality	
6	Respect	

Does this paper provide evidence of assurance against the Governing Body Assurance Framework?

YES
 NO
 X

If yes, please indicate which principle risk and outline

Principle Risk No	Principle Risk Outline

Any statutory / regulatory / legal / NHS Constitution implications	Statutory requirement to break even and comply with the government guidance on the Hospital Discharge Programme and COVID-19 Expenditure regime.
Management of Conflicts of Interest	No conflicts of interest have been identified prior to the meeting.
Communication / Public & Patient Engagement	N/A
Financial / resource implications	Financial implications are detailed within the paper.
Outcome of Impact Assessments completed	N/A

Jane Hawkard, Chief Finance Officer

1. Month 11 Performance

Table 1 below shows the month 11 YTD reported position of, for the first time this year, an underspend of £57k. This reversal from reporting deficit positions arises due to the CCG's resource allocation now includes estimated covid19 hospital discharge programme (HDP) funding requirements for M11 & M12.

Table 1 – YTD Position	YTD - Months 1 to 11			Covid19 Costs £000s
	Bud £000s	Actual £000s	Var £000s	
Acute Services	354,704	354,595	110	-
Mental Health Services	59,161	58,009	1,153	-
Community Health Services	50,691	50,405	285	22
Continuing Care Services	55,897	56,715	(818)	2,989
Primary Care Services	17,382	17,088	293	1,815
Prescribing	69,112	69,570	(458)	-
Primary Care Co-Commissioning	61,945	61,777	168	63
Other Programme Services	43,043	42,696	347	21,177
Total Commissioning Services	711,935	710,855	1,079	26,066
Running Costs (ISFE)	7,649	7,385	264	
CCG Net Expenditure reported at M11	719,583	718,240	1,343	
Resource allocation at M11	718,297			
Planned Deficit before expected conditional allocations	(1,286)		(1,286)	
Current Month 11 Position Underspend/(Deficit)				57

1.1 Explanation of Under/Over Spends Against Budgets

All budgets continue to experience the same benefits and pressures as noted in previous reports and continue to be noted below for completeness. With the top-up resource allocation now received in month 8 for month 6, these variances will reduce as the resource allocation is allocated to the relevant budgets.

Acute Services

This underspend arises from reduced non-contracted expenditure both with NHS providers and the independent sector.

Mental Health Services

This underspend arises from delayed discharges/reduced package costs from the Transforming Care Partnership (TCP) programme and a reduced requirement from the MH SDF allocations

Community Services

Now reporting an underspend arising mainly from the reduced spend on the CCG's original hospital discharge to assess (D2A) programme.

Continuing Care Services

Overspend arises from covid19 costs and the non-delivery of the QIPP programme.

Primary Care Services

Increased underspend arising mainly from reduced costs within the GP-IT programme, home oxygen service and local enhanced schemes (LES).

Prescribing

Previously reported as being on-line, this budget is now overspending as the CCG accounts for the annual pricing adjustment arising from the impact of category M drugs.

Primary Care Co-Commissioning

Slight underspend arises from underspends linked to the PCN new roles.

Other Programme Services

Previous reports have highlighted that this overspend is due to the delay in receiving covid19 HDP costs re-imburement. However, the CCG has now received this funding for the remainder of the financial year. The underspend now reported mainly arises from reduced costs within patient transport (PTS), specialist rehabilitation for brain injury (SRBI), and acute referral support services (RSS).

2. Year End Update

Ledger Closure

The CCG is currently on track to close down the financial ledgers for 2020/21, as per the national timetable, on the 16th April. Year-end accounts work is running in parallel, again as per the national timetable, for submission of the draft accounts to NHSE and our external audits on the 27th April. Part of the year-end accounts work includes the Agreement of Balances exercise. Debtor statements have already been issued. Income accruals statements are on track to be issued by the national deadline of the 9th April. First submission date to NHSE is the 27th April.

Current ledger analysis confirms the expected breakeven position for the CCG with an expected small surplus being reported at final ledger closedown.

Cash

NHS year-end requirements are that CCGs should have minimal cash balances – much lower than the month-end target of 1.25% of cash drawdown. This 1.25% target for March was £815,000. The actual year-end balance was £1,980 (after £6,378 of unrepresented cheques).

3. 2021/22 Planning Update

3.1 The overall Planning Priorities are set out as follows:

- Supporting the **health and wellbeing of staff and taking action on recruitment** and retention

- Delivering the **NHS COVID vaccination programme** and continuing to meet the needs of patients with COVID-19
- Building on what we have learned during the pandemic to transform the delivery of services, **accelerate the restoration of elective and cancer care and manage the increasing demand on mental health services**
- **Expanding primary care capacity** to improve access, local health outcomes and **address health inequalities**
- Transforming community and urgent and emergency care to **prevent inappropriate attendance at emergency departments (ED)**, improve timely admission to hospital for ED patients and **reduce length of stay**
- **Working collaboratively** across systems to deliver on these priorities.

3.2 Humber Coast and Vale ICS are taking the following approach to the planning process:

- HCV Partnership wide strategic objectives and priorities
- Primacy for planning continues to sit with the 2 Geographical Partnerships, covering a range of areas, and with a system focus
- Mental Health Partnership lead for Mental Health and Learning Disability and Autism Plans
- Workforce and Financial Planning to be integral and fully triangulated
- HCV Finance and Programme Leads group to oversee and provide oversight and coordination of planning processes, timescales and requirements

3.3 Timescales

The high level planning timescales are shown in the table below:

Key Tasks	Date
Publication. <ul style="list-style-type: none"> • 2021/22 priorities and operational planning guidance • Guidance on finance and contracting arrangements for H1 2021/22 • Implementation guidance • Technical definitions 	Thursday 25 March 2021
Templates issued. <ul style="list-style-type: none"> • Non-functional activity, workforce • Narrative 	Friday 26 March 2021
System financial planning template and SDF schedules issued	Monday 29 March 2021
Organisation (provider) capital and cash plan submission	Monday 12 April 2021
<ul style="list-style-type: none"> • System finance plan submission. • Mental Health finance submission Draft plan submission deadline. <ul style="list-style-type: none"> • Draft activity, workforce (primary and secondary care) and MH workforce numerical submission • Draft narrative plan submission 	Thursday 6 May 2021
Non-mandated provider organisation finance plan submission	w/c 24 May 2021
Final plan submission deadline. <ul style="list-style-type: none"> • Final activity, workforce and MH workforce numerical submission • Final narrative plan submission 	Thursday 3 June 2021

The plan submission for the first 6 months of the year consists of:

- A financial plan
- A mental health financial plan which delivers the mental health investment standard
- An activity and workforce plan
- A narrative plan covering a number of key areas only:
 - Elective recovery
 - Cancer plan
 - Health inequalities
 - Maternity, specifically covering the response to the Ockenden report
 - ICS Development Plan

The NY&Y System Delivery Group (SDE) have agreed a planning timetable to ensure this information is produced and have held one workshop to review draft acute and health inequality plans. A second workshop in April will focus on the community, primary care and mental health plans.

The combined NY&Y draft plan will be available for organisational review in May before final submission in June.

The run rate analysis is still being undertaken with a first draft having been reviewed requiring more detailed analysis.

4. Financial allocations

Financial allocations have been received by the NY&Y system to cover April to September as follows:

HCV - North Yorkshire	1	2	3	4	
QOQ1					
North East and Yorkshire	42D	03Q	RCD	RCB	
	NHS North Yorkshire CCG	NHS Vale Of York CCG	Harrogate And District NHS Foundation Trust	York Teaching Hospital NHS Foundation Trust	System envelope funding
Values for 2021/22 H1, £000s					H1
System envelope funding					
H2 envelope funding:					
CCG allocations - programme (including adjustments to model breakeven and growth funding)	316,317	233,361	-	-	549,678
CCG allocations - running costs	3,932	3,328	-	-	7,260
CCG allocations - delegated primary care	32,123	24,159	-	-	56,282
System top-up - indicative organisation values	-	-	4,683	16,542	21,225
Covid funding	23,568	-	-	-	23,568
Total H2 envelope funding					658,013
FYE adjustment: MHIS	(634)	(782)	-	-	(1,415)
CCG allocation adjustments due to SpecComm corrections for genomics/complex knees	(72)	(58)	-	-	(130)
System top-up adjustments due to SpecComm corrections for genomics/complex knees	-	-	98	221	319
Total H2 funding adjusted					656,787
Transfer of SDF embedded in adjusted CCG allocations to separately notified SDF allocation	(445)	(1,042)	-	-	(1,487)
Transfer of specialised high cost drugs and devices funding from system top-up to NHSE s	-	-	134	(396)	(262)
Additional funding for rollover period (detailed below)					23,294
System top-up efficiency reflecting 2019/20 CT shortfall					(1,696)
Draft H1 system envelope funding					676,637

In comparison to the previous 6 month allocation which was £657,976 we have received an extra £18,660k.

This increase is largely made up of the additional allocations shown below less an efficiency reduction of £1,696k and a reduction in embedded transformation funding which will be funded through a separate funding stream in 21/22 outside the system envelope.

Additional funding (assumed matched expenditure, other than some components of CCG programme/system top-up growth):			
Acute IS adjustment		9,776	
CNST inflation		1,443	
Envelope growth - CCG programme allocations		4,897	
Envelope growth - CCG running costs allocations		-	
Envelope growth - CCG delegated primary care allocations		3,872	
Envelope growth - System top-up - indicative organisation values		106	
Envelope growth - Covid funding		207	
Mental health investment standard		1,834	
Total additional funding (assumed matched expenditure)		22,194	
Assumed expenditure to match additional funding			
System top-up efficiency reflecting 2019/20 CT shortfall			(1,636)

We are working with partners in VOY CCG, York and Harrogate Trusts to agree the allocations for Covid, growth and efficiency across the partners in the NY&Y system.

In view that the allocation is for 6 months are significantly larger than that for the last 6 months we have agreed the following principles:

1. To base the allocative plan on the previous plan for the previous 6 months.
2. To base the Covid allocation on the original agreement for the previous 6 months and to review spend against the allocation at the end of June.
3. To apply Covid growth in proportion to agreed Covid allocations.
4. To split the efficiency requirement equally between the four organisations.
5. To apply the splits as set out in the detailed allocation envelope for IS adjustments, CNST, growth and the mental health investment standard.

Draft system allocations have been shared between the partner organisations on this basis.

A separate slide deck presentation gives the most up to date plan for the CCG for M1-M6 and requires approval for submission. See Appendix 1.

5. Covid19 Expenditure Update

The following table provides the committee with an updated summary on the costs incurred to the end of February 2021. Spend for the first 11 months of this financial year now stands at £26m, split into £5.481m directly incurred through the CCG, £20.384m indirectly incurred through NYCC for hospital discharge, and £0.2m of pass-through funding costs.

It is worth noting that the NYCC pooled costs for hospital discharge programme scheme 1 is negative £711k in February. This refund has arisen as patient assessments are undertaken ahead of the 31st March 2021 deadline, resulting in reconciliation work to move costs from the pooled budget to NYCC social care budget.

A detailed breakdown of costs incurred directly by the CCG continues to go to the weekly Directors meeting for approval.

	April £000's	May £000's	June £000's	July £000's	August £000's	September £000's	October £000's	November £000's	December £000's	January £000's	February £000's	Total £000's
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
NYCC Pool Costs - Scheme 1												
Block Beds	558	831	812	503	526	0	0	0	0	0	0	3,230
Care home packages	178	354	438	784	1,002	964	1,007	748	160	209	(233)	5,611
Home care packages	156	381	510	665	798	643	901	715	185	138	(208)	4,884
Intermediate care packages	187	265	365	413	491	99	597	413	89	233	(17)	3,135
Other	20	19	28	16	18	(2)	34	18	17	17	17	203
Less BAU adjustment	(288)	(270)	(270)	(270)	(270)	(270)	(270)	(270)	(270)	(270)	(270)	(2,988)
Total NYCC Pool Costs - Scheme 1	811	1,581	1,884	2,111	2,565	1,434	2,269	1,624	181	327	(711)	14,075
NYCC Pool Costs - Scheme 2												
Care Home						299	523	672	732	724	926	3,875
Other care accomodation						0	0	7	11	0	0	18
Domiciliary/Home care						159	296	402	302	246	231	1,636
Reablement/intermediate care						216	(70)	75	214	174	171	780
Accomodation & care for 14 day isolation						0	0	0	0	0	0	0
Other (please specify)						17	(17)	0	0	0	0	0
Less BAU adjustment												0
Total NYCC Pool Costs - Scheme 2						691	732	1,156	1,259	1,144	1,327	6,309
Total NYCC Pool Costs	811	1,581	1,884	2,111	2,565	2,124	3,001	2,780	1,440	1,471	616	20,384
CCG Costs												
GP practices	284	180	100	144	179	181	0	0	0	0	0	1,068
GP practices - Bank Holiday Working	250	20	0	0	9	0	0	0	0	0	0	278
COVID Hot Site at Friarage Hospital	0	44	0	58	34	34	0	0	0	0	0	169
PC Enhanced Service to Care Homes	0	45	43	141	0	35	0	0	0	0	0	264
Fasttrack (EoI) & CHC - Scheme 1 (to 30Sept)	117	184	240	284	222	196	180	109	56	47	52	1,688
Fasttrack (EoI) & CHC - Scheme 2 (Oct-Mar)						74	35	52	37	39	40	277
CHC - PPE uplift	119	139	141	139	160	70	0	0	0	0	0	769
Other	14	31	25	48	56	145	0	0	0	0	0	320
Care homes IT equipment	0	111	0	0	0	0	0	0	0	0	0	111
Vocare, Medequip, PC Eyecare	0	0	116	101	0	15	0	0	0	0	0	232
NECS - IT support costs	0	0	106	0	0	40	0	0	0	0	0	146
GP Returners Programme	0	0	0	0	0	0	6	7	12	18	16	59
CHC Deferred Assessments Workforce									59	41	0	100
Total CCG Costs	783	756	771	915	660	790	221	168	164	146	108	5,481
Other Costs												
CHC Deferred Assessments Workforce (NYCC)							30	32	31	32	31	156
Other (Adjustments back to CCG budget/spend)											45	45
TOTAL	1,594	2,336	2,654	3,026	3,225	2,914	3,252	2,980	1,635	1,649	800	26,066

Jane Hawkard
Chief Finance Officer

NY&Y Financial Planning 2021/22 & NY CCG Draft Plan Months 1 to 6 (H1)

April 2021



Content Summary

- 1 Principles of NY&Y system financial planning and NY&Y Envelope for M1-6 (H1)**
- 2 Draft CCG Plan and planning assumptions for 2020/21 M1-M6**
- 3 Risk & Mitigation Analysis**
- 4 Detail of Notified System Delivery Funding (SDF) and Primary Care Allocations**

NY&Y SYSTEM ALLOCATION AGREEMENT: H1 2021/22 version 1

NY&Y SYSTEM ALLOCATION AGREEMENT: H1 2021/22 version 1						
	Allocation 2021/22 H1 version					
	VoY CCG	NY CCG	YFT	HDFT	Total	Notes
	£000	£000	£000	£000	£000	
Notified NY&Y System Envelopes						
CCG Allocation	233,361	316,317			549,678	
Running Cost allocation	3,328	3,932			7,260	
Delegated PC	24,159	32,123			56,282	
CCG NR Allocation to breakeven						
System Top Up			16,542	4,683	21,225	
Central adjustments	- 1,882	- 1,151	- 175	- 230	- 2,977	
Covid allocation	409	1,960	12,422	8,778	23,568	COVID allocation - allocated as per 2020/21
System Growth reallocation as agreed	400	400			-	
Total Income	259,776	352,782	28,789	13,691	655,036	
Support for NHS provider other income loss			580	290	870	National adjustments Split 2/3rd to YFT and 1/3rd to HDFT
Funding for free car parking for patient and staff groups			153	77	230	Split 2/3rd to YFT and 1/3rd to HDFT
CCG IS adjustment to bring allocations back to 19/20 levels	4,372	5,404			9,776	National adjustments
CNST inflation	-	-	795	648	1,443	National adjustments
Envelope growth - CCG programme allocations	2,075	2,821			4,897	National adjustments
Envelope growth - CCG delegated primary care allocations	1,705	2,167	-	-	3,872	National adjustments
Envelope growth - System top-up - indicative organisation v	-	-	82	25	106	National adjustments
Envelope growth - Covid funding	4	17	109	77	207	Covid inflation split as per Covid allocation
Mental health investment standard	1,035	859	-	-	1,894	National adjustments
Total Additional H1 funding	9,191	11,268	1,719	1,116	23,294	
Efficiency	- 424	- 424	- 424	- 424	- 1,696	Efficiency target split equally
Total System Envelope	268,542	363,625	30,084	14,383	676,634	
SDF Outside the Envelope (notified to date)		2,273				
Total System Envelope including notified SDF		365,898				

Financial Plan 2021/22 Months 1 to 6

CCG Budget Assumptions

- National growth assumptions except for CHC (4%) and Prescribing (3%)
- Provision of 0.5% Contingency
- Assumed 50% COVID Expenditure available to support the position (not required for Covid specific expenditure). 50% of Covid allocation kept available for Q2 as per system agreement, need to be reviewed at Q2.
- Primary Care (PC) Co-Commissioning budgets assumed same as allocation, no excess risk
- Mental Health (MH) uplifted by 3.63% to meet MH Investment Standard
- System Delivery Funding (SDF) received outside the baseline envelope is expected to be spent on delivery per funding requirements
- BCF uplifted by 5.3% as per national guidance
- CCG Independent Sector (IS) budget assumed to be funded in total from existing allocation and the Elective Incentive Scheme through accrued income.
- A QIPP efficiency programme of £3.7m (1%) is required to breakeven in mitigation for expected/inflationary pressures in excess of national growth allocation for inflation. The Efficiency plan is to be focussed on Prescribing and CHC in H1, with slippage expected to continue on running costs of circa £500m and a further £1m slippage expected across other budgets.

Elective Recovery Fund £1bn nationally

- Access to fund based on activity undertaken above baseline rather than an £ Allocation per ICS – measured and earned at system level
- On combined activity – NHS Provider within ICS & Independent Sector commissioned by CCGs
- Earned Monthly - compared v 19/20 (uplifted for expected 20/21)
- Measured on total value of activity undertaken so higher cost work not disadvantaged
- Baseline funding in system envelopes assumed to deliver 85% of this activity
- Lower baseline in April (70%), May (75%) June (80%) to reflect covid pressure, people recovery etc, July onwards 85%
- Activity >85% at any time in first 6 months – funded @120% tariff
- April 70-85% at 100% tariff, May 75-85%, June 80-85%
- No downside adjustment
- Confirmation of access to fund measured on a monthly basis on progress against
 - addressing health inequality / transforming OP / progress on system management / evidence clinical validation/people recovery



Financial Plan 2021/22 Months 1 to 6

Draft CCG Budget

Financial Plan Summary 2021/22 - Month 1 to 6					
	NYCCG Plan £000	Provider Pass through £000	Total NYCCG Plan pre QIPP £000	QIPP/Savings Requirement £000	Total NYCCG Plan post QIPP £000
CCG Allocation					
CCG Allocation	360,028		360,028		360,028
CCG Top-up (Includes efficiency requirement)	(424)	22,214	21,790		21,790
CCG Covid allocation	1,977	22,255	24,232		24,232
CCG Growth funding	2,043		2,043		2,043
CCG Mental health (SDF and SR)	1,803		1,803		1,803
CCG SDF allocation (excl MH)	471		471		471
Total CCG allocations	365,898	44,469	410,367	0	410,367
CCG Expenditure					
Acute Services	181,574	44,469	226,043		226,043
Mental Health Services	34,396		34,396		34,396
Community Services	28,191		28,191	(329)	27,862
Continuing care services	28,818		28,818	(1,000)	27,818
Primary care services (excluding prescribing)	7,966		7,966	(280)	7,686
Primary care prescribing	39,095		39,095	(1,100)	37,995
Primary care co-commissioning	34,290		34,290		34,290
Other programme services	9,613		9,613	(576)	9,037
Running costs	3,932		3,932	(500)	3,432
Contingency	1,808		1,808		1,808
Total CCG Expenditure	369,683	44,469	414,152	(3,785)	410,367
CCG Deficit before QIPP/Efficiency	(3,785)	0	(3,785)	3,785	0

Financial Plan 2021/22 Months 1 to 6

Risks and Mitigations

Financial Risk Analysis for H1	NY CCG €000	Notes
Q1 Independent Sector commissioned activity above CCG baseline funding	3,910	
Slippage on QIPP/Savings in CHC	400	
Slippage on QIPP/Savings in Prescribing	400	
COVID cost pressures emerging through H1	100	
Hospital Discharge Programme - depending on allocation	TBA	Dependent upon guidance not yet released, reimbursement basis vs block allocation
Total Risks	4,810	
Planned Mitigations	NY CCG €000	
Elective Recovery Fund	3,910	Dependent upon all Acute Providers meeting agreed trajectories
Contingency	1,808	
Slippage in expenditure above QIPP requirement due to the continued Covid regime into Q1 impacting on activity based budgets (discharge to assess, transport, oxygen, TCP)	TBA	
System Delivery Funding slippage	TBA	Not all SDF known at present, some slippage is likely
Total Mitigations	5,718	
Balanced Risk and mitigations	908	

Detailed Analysis of System Delivery Funding and Primary Care Allocations

<u>System Delivery Funding</u>		<u>Envelope growth - CCG delegated primary care allocations</u>	
Primary Care		Half Year Uplifts:	
GP IT & Resilience	50		
Improving Access	386	Uplift to 21/22 Published Alloc level	1230
Mental Health		Recurrent 20/21 transfers	61
C&YP	209	Investment and Impact Fund (IIF)	193
YP 18-25 years	63	Care home premium	296
MHST Wave 1&2	368	Increase in practice funding	76
Adult MH Liaison	310	New QOF indicators	311
Covid staff support hub	505		
CYP Eating Disorders	38		
Community Crisi	140		
Discharge	271		
Embedded	- 102		
Maternity			
LTP pre term	36		
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	2,274		2,167