

**Agenda Item 08**

Report to: NEL CCG Partnership Board

Date of Meeting: 14th July 2016

Subject: NEL CCG Finance report

Presented by: Laura Whitton

**STATUS OF THE REPORT**

For Information X

For Discussion X

For Approval / Ratification 

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| **PURPOSE OF REPORT:** | To provide an update on the CCGs financial position as at May 2016 and the financial risks that need to be managed in the remainder of the year. |
| **Recommendations:** | The Partnership Board is asked to note:-   * the financial position as at May 2016 * the risks that need to be managed in the reminder of the year and the actions being taken to do this |
| **Sub Committee Process and Assurance:** | A more detailed version of this report was taken to & discussed at the Delivery Assurance Committee on the 29th June. |
| ***Implications:*** |  |
| **Risk Assurance Framework Implications:** | None |
| **Legal Implications:** | None |
| **Equality Impact Assessment implications:** | None |

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| **Finance Implications:** | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  | Classification | Table | Year to Date | Outturn | | NHS Operating Surplus (Plan = breakeven) | |  |  | Operational | 1 | Green | Green | | Adult Social Care (ASC) Partnership Agreement (Plan = breakeven) | | | | Operational | 1 | Green | Green | | NHSE Mandated Surplus (Plan = £4.531m surplus) | | | | Statutory | 1 | Green | Green | | Capital resource use does not exceed the amount specified in Directions | | | | Statutory | - | Green | Green | | Manage cash within 1.25% of monthly drawdown | | | | Operational | - | Green | Green | | BPPC – number/value paid within 30 days | | | | Operational | 3 | Green | Green |   At this early stage in the year the CCG is on track to achieve both its planned operating position (Health £nil (break-even) + ASC £nil (break-even)) and its NHSE Mandated Surplus(£4.53m), however we would draw your attention to the following:-   * The CCG has a number of risks that need to be managed in year in order to achieve our planned position, the key risks facing the CCG are:- * Activity levels higher than planned, across Acute, Mental Health, Continuing Care, Prescribing and Adult Social Care * QIPP schemes do not deliver planned savings * Community / wider system pressures  |  |  | | --- | --- | |  | £’000 | | Health | 5,905 | | Adult Social Care | 1,000 | | **Total Potential Risk Value** | **6,905** | | Mitigations:- |  | | Contingency / Reserves | 2,786 | | Earmarked Reserves - NELC | 1,000 | | Actions to implement – e.g. further QIPP, Non-recurrent measures | 2,900 | | **Total Mitigation** | **6,686** | | Net (Risk) / Headroom | (219) |   Work is on-going to identify further mitigations and an update is to be brought to the next Delivery Assurance Committee on the progress made.   * NHS England (NHSE) have assessed our financial plan as 1b (Assured and meets business rules but increased or higher risk), against a scale of 1a (Assured and meets business rules) to 3 (Not assured and plan not capable of being supported without further improvement). The 1b assessment reflects the unmitigated risk that we have identified in our plan and means that we will be subject to closer support and contact from NHSE in year.      * Savings; The table below summarises the current position with QIPP schemes  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Health | |  | Adult Social Care | | | Target | £6.363m |  |  | £1.860m |  | | * Schemes Identified / Plan in Place | £4.639m | 73% |  | £1.860m | 100% | | * Potential Schemes / Plans to be finalised \* | £1.724m | 27% |  | - | - |   \*Work is due to be completed before the end of July to finalise these schemes / plans.   * NLAG; The budget of £98m reflects the contract floor. The contract ceiling has been set at £100.4m and the financial risk associated with activity being higher than the floor is reflected in the potential risk value. * Better Payment Practice; As at May 2016, the overall performance is above the 95% target for both value & quantity of invoices paid within 30 days. This will be monitored to maintain the current level throughout 2016/17 * Cash; The CCG cash profile for the year reflects the frontloading of cash payments to NLAG to reflect the phasing of their cash releasing effect of their internal CIP programme and the fact that the CCG "demand management " schemes are phased in the latter half of the year. As at month3 the CCG had drawn down 26.5% of its annual cash allowance against a plan of 26.0%. |
| **Quality Implications:** | None |
| **Procurement Decisions/ Implications *(Care Contracting Committee):*** | None |
| **Engagement Implications:** | None |
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| **Conflicts of Interest** | None |
| **Strategic Objectives**  *Short summary as to how the report links to the CCG’s strategic objectives* | 1. *Sustainable Services*   To support the achievement of a sustainable care system |
| *2. Empowering People*  Not Applicable |
| *3. Supporting Communities*  Not Applicable |
| *4. Delivering a fit for purpose organisation* |
| **NHS Constitution:** | *Does the report and its recommendations comply with the requirements of the NHS constitution? Yes, in particular:-*  *- The NHS works across organisational boundaries*  *- The NHS is committed to providing best value for taxpayers’ money*  *- The NHS is accountable to the public, communities and patients that it serves* |
| **Report exempt from Public Disclosure** | No |

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| **Appendices / attachments** | Tables 1 – 5 (attached) |