

# Attachment

**Report to:** NEL CCG Partnership Board

**Presented by:** Laura Whitton

**Date of Meeting:** 10<sup>th</sup> September 2015

**Subject:** NEL CCG Finance report

**Status:** ☒ OPEN ☐ CLOSED

## OBJECT OF REPORT:

To provide an update on the CCG and Northern Lincolnshire Community financial position as at July 2015 and the financial risks that the CCG needs to manage during the remainder of the year.

**STRATEGY:** To support the achievement of a sustainable care system

## IMPLICATIONS: CCG Financial Position

	Classification	Year to date	Forecast
Revenue administration resource use does not exceed the amount specified in Directions (planned surplus = £4.53m)	Statutory	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
Adult Social Care (ASC) Partnership agreement	Operational	Green	Green
BPPC – number/value paid within 30 days	Operational	Amber	Green

As at July 15 the CCG is on track to achieve its planned surplus of £4.53m (Health £4.53m + ASC £nil (break-even)), however we would like to draw your attention to the following:-

- NLAG; The forecast outturn reflects the maximum amount payable under the contract terms and represents an increase of £3.9m in the forecast spend compared to the figure previously reported. The forecast reflects the higher than planned non-elective and A&E activity seen in the first 4 months of the year, despite a number of the CCGs QIPP schemes being focused on reducing non elective activity.

- Continuing Health Care (CHC); There continues to be a budget pressure due to increased client numbers and the costs of packages, particularly the high cost clients in the Goole Neuro Rehab unit. Regular assessment of packages is carried out to ensure that packages of care are both appropriate and represent value for money. This will be discussed in more detail at the next Delivery Assurance Committee.
- Prescribing; is currently forecast to overspend by £200k, reflecting lower than planned savings against the QIPP target. This is due to schemes starting partway into the year rather than in April 15, as assumed in the plan, and reflects the longer lead in time than anticipated to roll out the schemes to all practices. Updates on progress are to be taken to the next Delivery Assurance Committee.
- Adult Social Care (ASC); £0.168m mitigating management actions are required to manage the current forecast residual risk. The key mitigating action being taken is the proactive management of all packages over £160 per week, which are all being reviewed at Panel to ensure consistency - this has been in place since July 15.
- Contingency funding / Earmarked Reserves; the CCG only has £1.5m available to mitigate the impact of any Health or Adult Social Care risks that materialise in the remainder of financial year. This is £500k less than our current assessment of the level of risk and non-recurrent measures, such as moving further faster or scaling back / ceasing service changes, would have to be put in place to manage the impact - if all these risks materialised. (See Table 4). The Partnership Board are therefore asked to agree that the first call on contingency funding would be to offset any unmitigated risks that arise in the remainder of the year.
- Better Payment Practice; As at July 2015, the CCG have paid 92% of invoices within 30 days. Analysis shows the issues relate to invoices paid via NELC, discussions are taking place with both NELC and focus to find the reasons of late payment. Changes can then be made to improve future performance. (See Table 2)

### **Community Finance Position**

Community Total	Plan £m	Forecast £m	Variance £m
NEL CCG, NL CCG, NLAG, Navigo, Care Plus Group	(21.9)	(19.1)	2.8

There has been an improvement in the community finance position since month 2, due to an improvement in the NLAG position, and reaching an agreed way forward, across the community, with regard to mitigating the impact of the forecast overspend within Navigo due to pressures from Out of Area placements.

### **RECOMMENDATIONS (R) AND ACTIONS (A) FOR AGREEMENT:**

The Partnership Board is asked to note :-

- The financial position of both the CCG and the Northern Lincolnshire Community as at July 15.
- Risks that need to be managed in the remainder of the year.

The Partnership Board is asked to agree:-

- that the first call on contingency funding would be to offset the any unmitigated risks that arise in the reminder of the year

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	Does the document take account of and meet the requirements of the following:	Yes/ No	Comments
i)	Mental Capacity Act	Yes	
ii)	CCG Equality Impact Assessment	Yes	
iii)	Human Rights Act 1998	Yes	
iv)	Health and Safety at Work Act 1974	Yes	
v)	Freedom of Information Act 2000 / Data Protection Act 1998	Yes	
iv)	Does the report have regard of the principles and values of the NHS Constitution? <a href="http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113613">www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113613</a>	Yes	