

Attachment 10

Report to: NEL CCG Partnership Board

Presented by: Laura Whitton

Date of Meeting: 10th March 2016

Subject: NEL CCG Finance report (In Year Position and 2016/17 Budgets)

Status: ☒ OPEN ☐ CLOSED

OBJECT OF REPORT:

To provide an update on the:-

- CCG and the Northern Lincolnshire Community financial position as at January 2016
- proposed utilisation of the CCG's contingency fund in year
- financial risks that the CCG needs to manage during the remainder of the year.

To approve the 2016/17 Budgets

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 January 2016 the CCG is still on track to achieve its planned surplus of £4.53m (Health £4.53m + ASC £nil (break-even)), the key points to draw the Boards attention to are:-

- North Lincolnshire & Goole FT; The maximum amount payable under the terms of their contract is to be reduced by £0.6m to support the Navigo Home from Home pilot for the remainder of the year.
- Navigo; The increase in forecast outturn reflects £0.6m additional funding to support the Navigo Home from Home pilot for the remainder of the year.
- Prescribing; The forecast overspend remains unchanged at £0.8m. The areas of higher than anticipated spend continuing to be Anticoagulants and Protamine & Drugs Used in Diabetes.
- CCG Running Costs; The £288k allocation received by the CCG re the 14/15 Quality Premium Award has been added to the Budget. £100k of the funding has been released to Navigo for delivery of specific outcomes around Improving Access to Psychological Therapies in 2014/15, and £188k is to be used to support referral to treatment time performance.
- Adult Social Care (ASC); as at January 2016 there is no forecast residual risk remaining (£182k as at November 2015)
- Contingency funding (£1.1m); £0.3m of the contingency funding has now been allocated to cover one-off in year pressures; £0.4m of the contingency funding has been earmarked to cover pressures within NEL provider organisations; and the first call on the remaining £0.4m "un-allocated" contingency funding is to offset the risks that the CCG has to manage in the remainder of the year. Table 4 provides further details of the risks that need to be managed.
- Better Payment Practice; As at January 2016, the CCG is slightly below the target of 95% of invoices paid within 30 days, only reaching 93.8% of number of invoices paid. There continues to be an improvement in the timeliness of invoices paid via NELC, and if this continues for the remainder of the year we expect to meet the 95% target.

Community Finance Position

Community Total – Forecast Deficit	M8 £m	M10 £m	Movement £m
NEL CCG, NL CCG, NLAG, Navigo, Care Plus Group	(19.0)	(19.7)	0.7

2016/17 Budgets

The detailed budgets for 2016/17 were discussed and agreed at the Finance Assurance Sub Group meeting on the 22nd February 2016 and are brought to the Partnership Board for formal approval.

Table 5 (attached) provides details of the CCGs 2016/17 budgets.

The key points to draw the Boards attention to are:-

- The high level (£6.3m) of savings; currently agreed plans in place for £2.2m, with work in progress relating to a further £2.6m worth of schemes.
- Level of earmarked reserves / contingency funding; £3.4m available to cover any risks that arise in year
- No transformation funding within the CCG
- National requirement not to have any pre-commitments against 1% (£2.2m) of the CCGs allocation
- Strong likelihood that we will be unable to draw down any of the £2.3m pre CCG surplus

draw down we still have available in 2015/16.

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 January 2016, the proposed utilisation of the contingency funding and the risks that need to be managed in the remainder of the year.
- Formally approve the 2016/17 budgets

	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? www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113613	Yes	

Delivering joined up solutions

