

**Agenda Item 10**

Report to:	NEL CCG Partnership Board
Date of Meeting:	10 <sup>th</sup> November 2016
Subject:	NEL CCG Finance report
Presented by:	Laura Whitton

**STATUS OF THE REPORT**

For Information	X
For Discussion	X
For Approval / Ratification	<input type="checkbox"/>

<b>PURPOSE OF REPORT:</b>	To provide an update on the CCGs financial position as at September 2016 and the financial risks that need to be managed in the remainder of the year.
<b>Recommendations:</b>	<p>The Partnership Board is asked to note:-</p> <ul style="list-style-type: none"> <li>- the financial position as at September 2016</li> <li>- the risks that need to be managed in the remainder of the year and the actions being taken to do this</li> </ul>
<b>Sub Committee Process and Assurance:</b>	A more detailed version of this report was taken to & discussed at the Delivery Assurance Committee on the 26 <sup>th</sup> October.
<b>Implications:</b>	
<b>Risk Assurance Framework Implications:</b>	None
<b>Legal Implications:</b>	None
<b>Equality Impact Assessment implications:</b>	None

Finance Implications:		Classification	Table	Year to Date	Outturn																																				
	NHS Operating Position (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 £250k or 1.25% of monthly drawdown (whichever is the greater)	Operational	-	Green	Green																																				
	BPPC – number/value paid within 30 days	Operational	2	Amber	Green																																				
<p>As at September 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:-</p> <ul style="list-style-type: none"><li>Risks &amp; Mitigations; the CCG has £1.45m of uncommitted funds (contingency / earmarked reserves (Health £0.70m + ASC £0.75m)) available to mitigate the impact of any Health or Adult Social Care risks that materialise in the remainder of the financial year. This is £2m (£1.6m at month 4) less than the CCG's assessment of the potential value of in year risks of £3.45m. Recurrent &amp; non-recurrent actions (such as a review of all QIPP schemes, agreement of a shared cost arrangement between the CCG and North Lincolnshire &amp; Goole FT (NLAG) re Home from Home and actions taken by the Executive team) have been put in place to manage this in year. The non-recurrent actions agreed for managing the 2016/17 position will have a £0.7 million impact into 2017/18.</li></ul> <table><tr><td></td><td>Month 6</td><td>Month 4</td></tr><tr><td></td><td>£'000</td><td>£'000</td></tr><tr><td>Potential Risk Value:-</td><td></td><td></td></tr><tr><td>Health</td><td>2,686</td><td>3,250</td></tr><tr><td>Adult Social Care</td><td>750</td><td>1,000</td></tr><tr><td><b>Total Potential Risk Value</b></td><td><b>3,436</b></td><td><b>4,250</b></td></tr><tr><td>Mitigations:-</td><td></td><td></td></tr><tr><td>Contingency / Reserves</td><td>700</td><td>1,650</td></tr><tr><td>Earmarked Reserves - NELC</td><td>750</td><td>1,000</td></tr><tr><td>Actions to implement</td><td>2,000</td><td>1,600</td></tr><tr><td><b>Total Mitigation</b></td><td><b>3,450</b></td><td><b>4,250</b></td></tr><tr><td>Net (Risk) / Headroom</td><td>14</td><td>0</td></tr></table>							Month 6	Month 4		£'000	£'000	Potential Risk Value:-			Health	2,686	3,250	Adult Social Care	750	1,000	<b>Total Potential Risk Value</b>	<b>3,436</b>	<b>4,250</b>	Mitigations:-			Contingency / Reserves	700	1,650	Earmarked Reserves - NELC	750	1,000	Actions to implement	2,000	1,600	<b>Total Mitigation</b>	<b>3,450</b>	<b>4,250</b>	Net (Risk) / Headroom	14	0
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	<ul style="list-style-type: none"> <li>• Areas of expenditure pressure to note are:-               <ol style="list-style-type: none"> <li>1. NLAG; Activity higher than plan, in particular there has been a stepped change increase in excess bed days activity. Discussion is happening with the Trust to understand the reason for this.</li> <li>2. NAViGO; The £850k FOT variance relates to the Home from Home scheme and reflects the shared cost arrangement between NLAG &amp; NAViGO.</li> <li>3. Continuing Healthcare (CHC); The forecast outturn includes the impact of the 2016/17 national tariff for Funded Nursing Care increase (£109k). In addition, a £400k increase has been forecast in Mental Health Services for Older people. £255k of this specifically relates to 3 Out of Area clients at £3k per person per week until the end of March 2017.</li> </ol> </li> <li>• Better Payment Practice; As at September 2016, the overall performance has dropped below the 95% target for quantity of invoices paid within 30 days. This reason for this is being analysed &amp; regularly monitored to ensure the target is met by the end of 2016/17.</li> <li>• Cash; The CCG cash profile for the year, previously reflected the frontloading of cash payments to NLAG in the opening months of the year. However this has now reverted back to the original planned profile. As at September (Month 6), the CCG had drawn down 49% of its annual cash allowance against a planned draw down of 50%.</li> </ul>
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£'000

£'000

<b>Quality Implications:</b>	None
<b>Procurement Decisions/ Implications (Care Contracting Committee):</b>	None
<b>Engagement Implications:</b>	None
<b>Conflicts of Interest</b>	None
<b>Strategic Objectives</b> <i>Short summary as to how the report links to the CCG's strategic objectives</i>	<b>1. Sustainable Services</b> To support the achievement of a sustainable care system
	<b>2. Empowering People</b> Not Applicable

	3. <i>Supporting Communities</i> Not Applicable
	4. <i>Delivering a fit for purpose organisation</i>
<b>NHS Constitution:</b>	<p><i>Does the report and its recommendations comply with the requirements of the NHS constitution? Yes, in particular:-</i></p> <ul style="list-style-type: none"> <li>- <i>The NHS works across organisational boundaries</i></li> <li>- <i>The NHS is committed to providing best value for taxpayers' money</i></li> <li>- <i>The NHS is accountable to the public, communities and patients that it serves</i></li> </ul>
<b>Report exempt from Public Disclosure</b>	No
<b>Appendices / attachments</b>	Tables 1 – 5 (attached)

	ANNUAL BUDGET	YTD VARIANCE SEPTEMBER 2016	FOT VARIANCE SEPTEMBER 2016	FOT VARIANCE JULY 2016
	£'000	£'000	£'000	£'000
<b>Primary Care</b>				
LES	2,326	(158)	(306)	(14)
Prescribing	27,465	(57)	0	-
<b>Secondary Care</b>				
North Lincolnshire & Goole FT	98,000	133	550	900
Hull & East Yorkshire Hospitals	6,998	(0)	-	-
Leeds Teaching Hospitals	649	(80)	(40)	-
Sheffield Teaching Hospitals FT	923	(9)	-	-
Sheffield Children's Hospitals FT	674	(33)	-	-
United Lincolnshire	350	54	50	-
East Midlands Ambulance Service	5,486	18	35	35
Service Improvement plans	2,417	70	251	(9)
Continuing Healthcare	10,774	58	534	109
Navigo*	22,255	567	850	-
Care Plus*	18,840	0	-	-
Focus*	4,442	-	-	-
St Hughes	6,886	-	-	-
Core Care	1,970	15	-	-
Yarborough & Clee	1,188	-	-	-
Children's Trust	3,240	0	-	-
Winter pressures	186	(15)	-	-
Other - Acute	1,875	(14)	32	54
Other - Non Acute	3,204	166	178	88
NCA	2,303	92	250	225
Patient Transport	1,765	(23)	(20)	(65)
Adult Social Care	32,321	(0)	-	-
CCG Running Costs	5,048	(86)	(151)	(100)
<b>Reserves</b>				
1% Headroom	2,209	-	-	-
Planned Investment	379	(348)	(379)	(335)
Earmarked Reserves				
- Continuing Healthcare	250	-	(250)	-
- Activity	809	(405)	(809)	(889)
- Prescribing	250	-	-	-
Savings (plans to be confirmed - Plans to be finalised)	(904)	-	(77)	-
Savings (plans to be confirmed)	(410)	-	-	-
Contingency	1,147	-	(697)	-
<b>TOTAL PLANNED EXPENDITURE</b>	<b>265,314</b>	<b>(56)</b>	<b>0</b>	<b>(0)</b>
<b>CURRENT YEAR RESOURCE LIMIT</b>				
HEALTH - PROGRAMME ALLOCATION	222,005	-	-	-
HEALTH - ADMIN ALLOCATION	3,635	-	-	-
PARTNERSHIP AGREEMENT - NELC	39,674	-	-	-
<b>TOTAL RESOURCES AVAILABLE</b>	<b>265,314</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PLANNED OPERATING SURPLUS</b>	<b>0</b>	<b>56</b>	<b>(0)</b>	<b>0</b>
<b>MEMO NOTE:-</b>				
CUMULATIVE PRIOR YEARS SURPLUS B/FWD	4,531	0	-	-
IN YEAR OPERATING POSITION (PLANNED BREAKEVEN)	0	56	-	-
NHSE MANDATED SURPLUS (PLAN = £4.53M SURPLUS)	4,531	0	-	-

\* Health & Adult Social Care

\*\* Running Costs = Health £3.635k + ASC £1.413k

# NORTH EAST LINCOLNSHIRE CCG

TABLE 2 - BETTER PAYMENT PRACTICE - Sept 2016

TARGET: TO PAY 95% BY VALUE & NUMBER WITHIN 30 DAYS

SBS		
Better Payment Practice Code - Measure of Compliance	Number	£000s
<b>Non-NHS Payables</b>		
Total Non-NHS Trade Invoices Paid in the Year	5,225	45,287
Total Non-NHS Trade Invoices Paid Within Target	5,112	44,964
Percentage of Non-NHS Trade Invoices Paid Within Target	97.8	99.3
<b>NHS Payables</b>		
Total NHS Trade Invoices Paid in the Year	1,152	62,635
Total NHS Trade Invoices Paid Within Target	1,148	62,631
Percentage of NHS Trade Invoices Paid Within Target	99.7	100.0

## NELC Shared Service

Better Payment Practice Code - Measure of Compliance	Number	£000s
<b>Non-NHS Payables</b>		
Total Non-NHS Trade Invoices Paid in the Year	14,997	17,716
Total Non-NHS Trade Invoices Paid Within Target	13,540	15,475
Percentage of Non-NHS Trade Invoices Paid Within Target	90.3	87.3
Percentage of Trade Invoices Paid Within Target	92.6	98.0

Table 4 - Cash

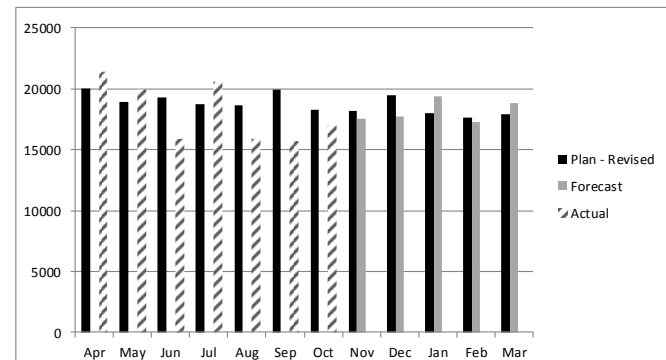


TABLE 3 - QIPP Monitoring 16/17

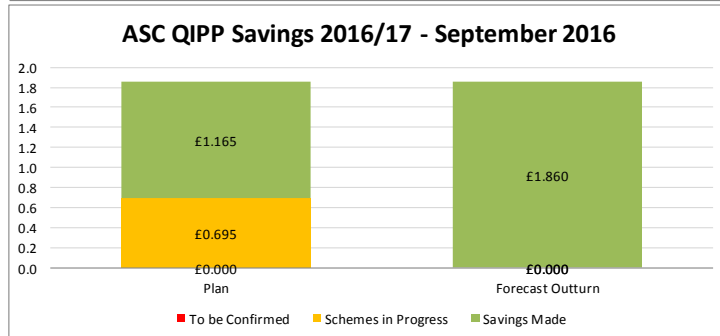
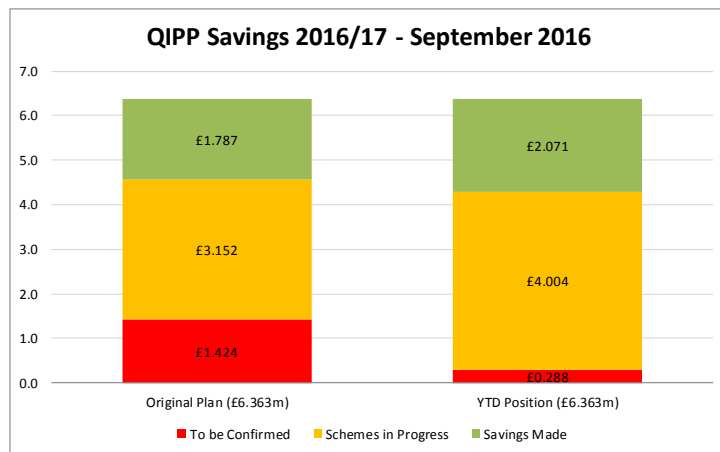


Table 5 - Statement of Financial Position

	Sep-16 £ 000's	Jul-16 £ 000's	Mar-16 £ 000's
Total Current Assets	14,636	14,930	6,465
Total Current Liabilities	(19,958)	(19,150)	(16,062)
Non-Current Liabilities	(2,119)	(2,119)	(2,119)
Total Assets Employed	(7,441)	(6,339)	(11,717)
Tax Payers Equity	(7,441)	(6,340)	(11,717)