


Meeting Title: Governing Body	
Meeting Date: 28th March 2018	
Report's Sponsoring Governing Body Member: Richard Mellor	Report Author: Richard Mellor

1. Title of Paper: Finance Report – February 2018

2. Strategic Objectives supported by this paper:

To create a viable & sustainable organisation, whilst facilitating the development of a different, more innovative culture.	<input checked="" type="checkbox"/>
To commission high quality services which will improve the health & wellbeing of the people in Scarborough & Ryedale.	<input type="checkbox"/>
To build strong effective relationships with all stakeholders and deliver through effectively engaging with our partners.	<input type="checkbox"/>
To support people within the local community by enabling a system of choice & integrated care.	<input type="checkbox"/>
To deliver against all national & local priorities including QIPP and work within our financial resources.	<input checked="" type="checkbox"/>

Executive Summary:

The purpose of this paper is to inform the Governing Body of the financial performance of the CCG for the year to February 2018. The CCG is reporting a forecast position of £(8.5)m, with £0.5m of gross risk, but with mitigations to reduce the net risk to zero, which are discussed below.

The table below shows the summarised financial position for February 2018 with a reported deficit of £(9.4)m, an overspend of £(7.9)m against our planned position. The improvement of our position to achieve the forecast is dependent upon secondary care activity, continuing healthcare and prescribing outturns being in line with projections, contract challenges on secondary care activity, and management of a number of budgets to deliver a benefit in year.

The reported position is against our original plan of £(5.3)m, adjusted for the planned impact of £3.8m (rounded) for the capped expenditure programme to a deficit position of £(1.4)m. Following significant overspends in January, and a review of our QIPP delivery programme, the forecast position was revised to an £(8.5)m deficit.

	Current Month			YTD			Forecast		
	Budget	Exp	Variance	Budget	Exp	Variance	Budget	Exp	Variance
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Acute Services	6,494	7,335	(841)	77,491	82,771	(5,280)	85,078	90,199	(5,121)
Mental Health	1,237	1,652	(415)	13,807	14,900	(1,093)	15,044	16,117	(1,073)
Community	1,053	1,128	(75)	11,817	12,723	(906)	12,871	13,985	(1,114)
Continuing Healthcare	1,214	504	710	13,881	13,598	283	15,096	14,834	262
Primary Care	3,200	3,520	(320)	38,224	39,139	(915)	41,787	42,167	(380)
Other Programme	525	523	2	7,858	7,660	198	9,198	8,645	553
Total Programme Spend	13,723	14,662	(939)	163,078	170,791	(7,713)	179,074	185,947	(6,873)
Running Costs	194	227	(33)	2,121	2,350	(229)	2,291	2,490	(199)
Total Expenditure	13,917	14,889	(972)	165,199	173,141	(7,942)	181,365	188,437	(7,072)
Resource Allocation	13,980	13,980		163,699	163,699		179,927	179,927	
Surplus	63	(909)	(972)	(1,500)	(9,442)	(7,942)	(1,438)	(8,510)	(7,072)
Gross risks to Forecast Position								(500)	
Net Risk								0	

Financial Performance

We are continuing to see pressure on all areas of expenditure with the most significant against acute contracts, but continued pressure on prescribing, and mental health.

Acute activity is based on information to January. We have seen over-performance on non elective activity in December and January, with a generally higher level of need, mitigated by below contract levels on admitted elective patients. Overall low levels of elective activity in December was offset by increased outpatient work in January. Overall our forecast increased as a consequence of the increase in non elective activity, which was also of a higher acuity, not being totally mitigated by elective reductions. We continue to see overspends on both outpatient follow ups. We have seen a significant reduction in referrals linked to QIPP schemes, but with lower reductions in actual activity. We have had discussions with our main acute provider around agreeing a contract value for this year. We have agreed the value of the challenges which will be applied to the outturn, and are still in discussion around the forecast on activity.

Non elective admissions are broadly in line with plan across the year, but spend is up 6% on plan. Accident and Emergency attendances continue with activity 4% above plan (6% above 16/17 actual) and an increase in the average cost per attendance, with expenditure 19% above plan.

Prescribing costs were above expected levels in month, and are still overspent to date. Other areas of primary care spend are broadly in line with plan.

We have pressures on mental health costs, with overspends on out of contract activity, and an underperformance on the QIPP plan. Continuing healthcare is slightly underspending year to date, and work is ongoing to handover tasks to the CCG, and thence to Vale of York for their elements of the process. Issues over identification of responsible commissioner have been identified as part fo this process, and the CCG's have agreed to a risk share of the 17/18 financial position, based on the current allocation of patients, to manage the risk to individual CCG's whilst a detailed piece of work is undertaken to validate the care packages in place. We have pressures on our community services relating to consumables provided, and the provision of the re-ablement service in Scarborough. Other commissioned areas have an overspend on commissioning, related to the current community procurement.

Overall we have pressures on secondary care activity, prescribing mental health and community services, with under-delivery of QIPP programmes impacting our current forecast,

and recovery actions with non recurrent measures to manage the outturn position.

QIPP Performance

The CCG's QIPP plan is for delivery of a value of £6.2m in year. Following a detailed review of the schemes targeted for the latter part of the year, the forecast delivery has been reduced to £4.3m, better performance than we saw last year, but significantly below the target, and disappointing against the early indications.

At month 9, actual delivery of £3.6m was recorded against a plan of £3.8m. The largest element of this was performance on prescribing savings, including a significant contribution from work in 2016/17. We have also seen early impact of the threshold work undertaken last year, with a significant decrease in referrals. However, schemes planned to impact later in the year have been delayed, and non elective schemes are showing little impact.

The CCG has formed a joint programme board with Vale of York CCG, and is working to develop a system wide efficiency board, including York Foundation Trust, as part of working together to return the system to a sustainable position.

The CCG is looking for additional financial recovery actions to implement to reduce costs in the remainder of the year, although these are likely to be avoidance of spend as we finish the financial year.

3. Risks relating to proposals in this paper:

The CCG has significant risks to manage expenditure within plan, including delivery of the QIPP programme. We are currently identifying risks of £0.5m, relating to management of acute activity and contracts, delivery of QIPP and mitigating actions to deliver the outturn position

4. Summary of any finance / resource implications:

The CCG is overspending against its plan with a forecast £8.5)m deficit, and still has risk to manage to deliver the forecast position.

5. Any statutory / regulatory / legal / NHS Constitution implications:

The CCG is not meeting its statutory duty to manage within the available allocation.

6. Equality Impact Assessment Completed? (Yes/No/Not Relevant): N/A

7. Quality Impact Assessment Completed? (Yes/No/Not Relevant): N/A

8. Any related work with stakeholders or communications plan:

The CCG is working with partner organisations to develop a system recovery programme, which will extend beyond this financial year. The CCG has held consultation meetings with the

local population, to inform development of recovery plans.

9. Recommendations / Action Required

The Governing Body is asked to note the financial position presented in this paper, and the risks to delivery of the planned position.

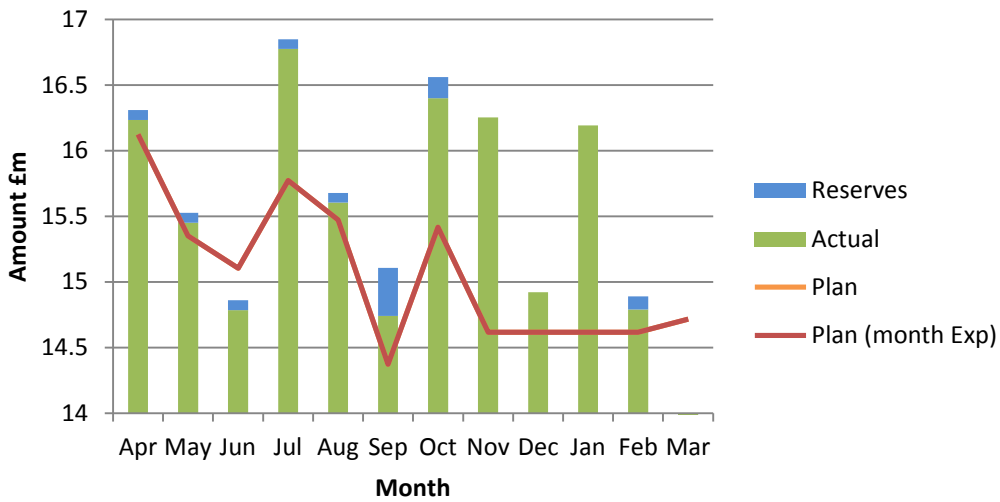
10. Assurance

QIPP Steering Group, Finance and Contracting Committee

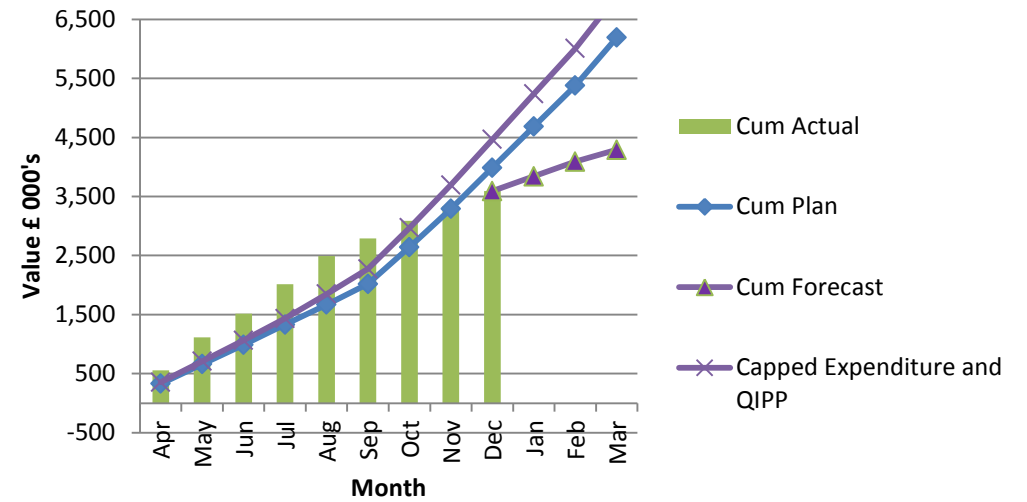
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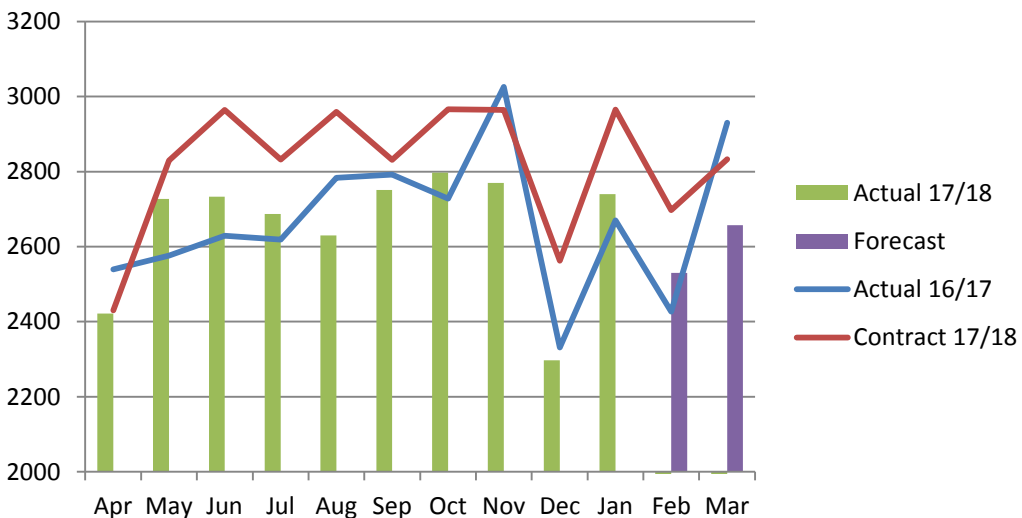
1. Monthly expenditure



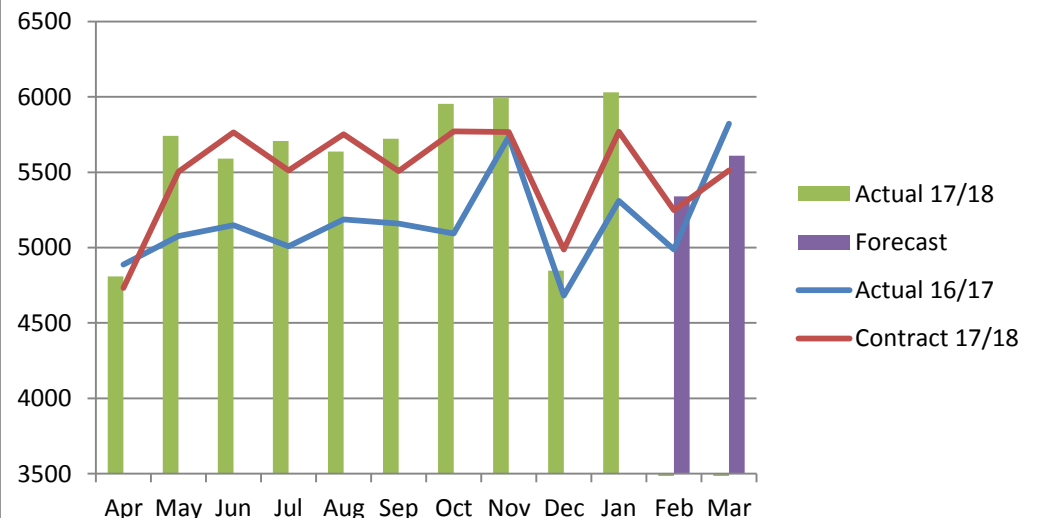
2. QIPP performance



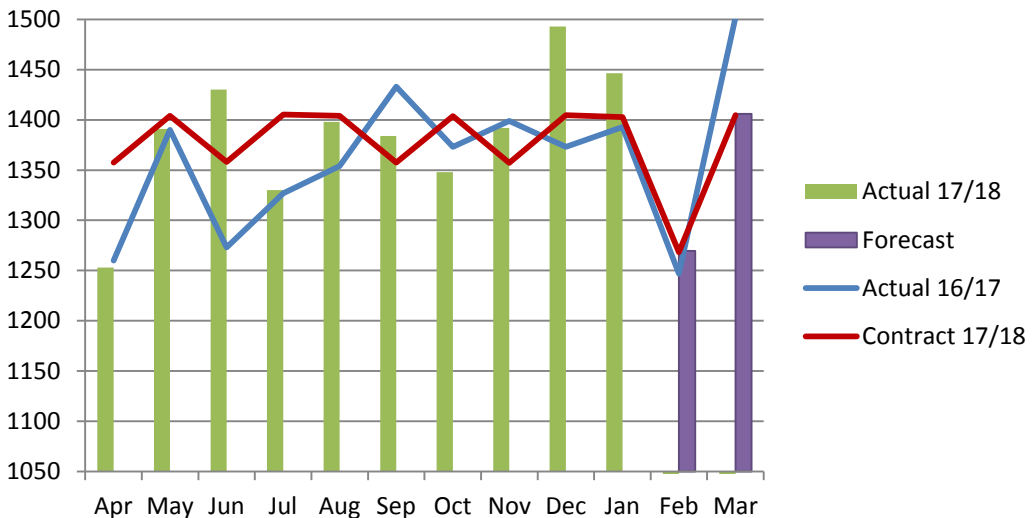
3. First Outpatient



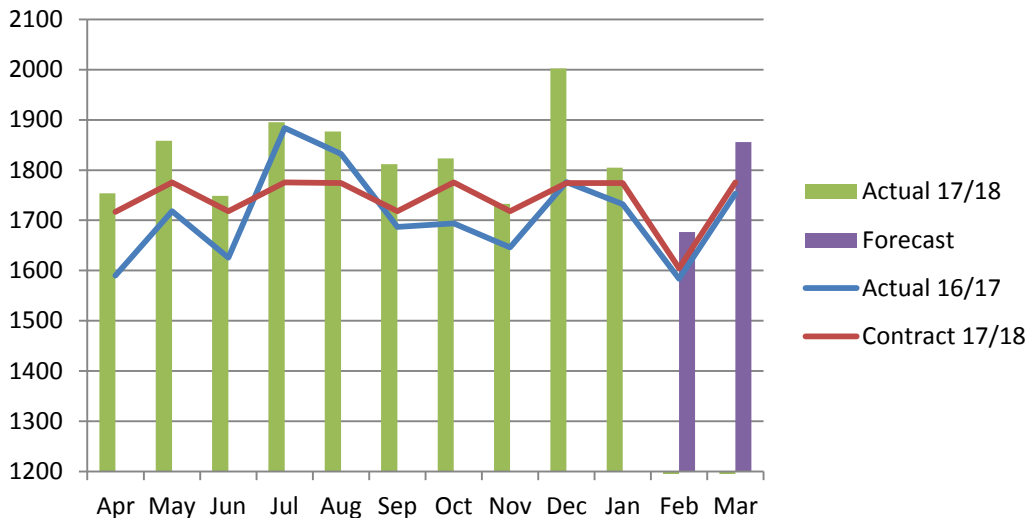
4. Outpatient Follow Ups



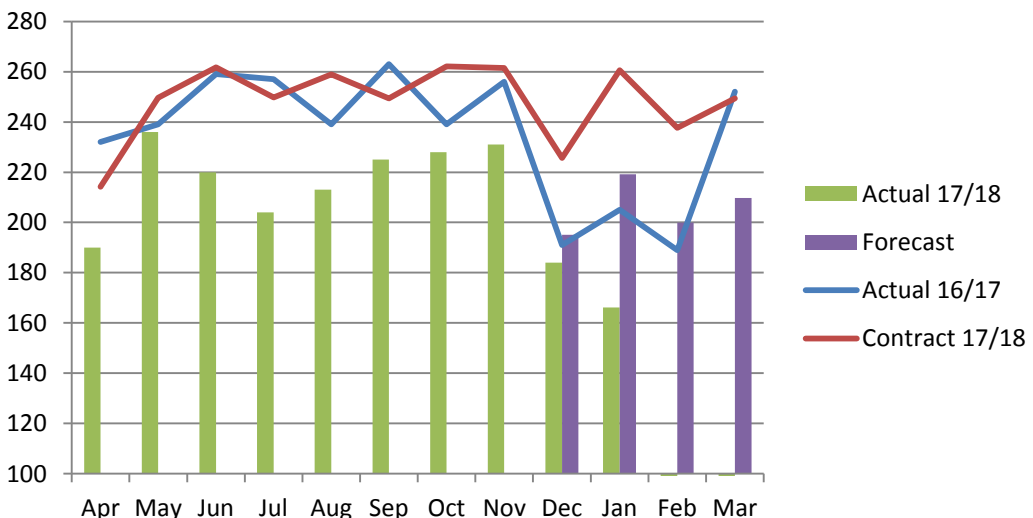
5. Non Elective Admissions



6. A and E Attendances



7. Elective Admitted



8. Day Case Admitted

