

### GOVERNING BODY MEETING

<b>Date of meeting</b>	Tuesday 19 September 2017	<b>Agenda item number</b>	16
<b>Title of report</b>	Financial Update Month 04		
<b>Paper Presented by:</b>	Andrew Harrison, Chief Finance Officer		
<b>Paper prepared by:</b>	Andrew Harrison, Chief Finance Officer		

<b>CCG strategic objective supported by this paper: (please tick ✓ )</b>	Develop and maintain an effective organisation	✓
	Commission high quality, safe and cost effective services which reduce health inequalities and improve access to healthcare	✓
	Effectively engage patients and the public in decision making	
	Develop excellent partnerships which lead to improved health outcomes	
	Make the best use of resources	✓

<b>Purpose of report</b>
To update Governing Body on the financial position of the organisation.
<b>Recommendation</b>
To note the financial position as at Month 04 2017/18.

<b>Please indicate which Group this has been discussed with (please tick ✓)</b>			
Executive Management Team	✓	Quality Improvement and Governance Cttee	
Clinical Commissioning Committee		Finance and Performance Committee	✓
Audit Committee		Remuneration Committee	
Council of Members		Primary Care Commissioning Committee	
Other/Not Applicable			
<b>Patient and Public Engagement:</b>	N/A		
<b>Equality Impact Assessment:</b>	N/A		
<b>Resource Implication(s):</b>	N/A		
<b>Are there any associated risks? If so, are the risks on the risk register? If yes, please include risk descriptor and current risk score</b>	Failure to deliver CCG statutory duties Risk Score 20		
<b>For further information please contact:</b>	Andrew Harrison 01253 956440		

# Financial Position – Month 04

August 2017

# Month 04 Key Headlines

- CCG met key financial duties at Month 04
- Financial Position
  - £1.54m underspent V £1.154m target (on plan)
  - Forecast surplus achieved at Month 04
  - Year end forecast £4.6m surplus

## Reserves – set up at Month 04 position

- 1% Headroom £2.18m (0.5% £1.09m in Reserves)
- Contingency £1.25m
- Other £3.55m
- QIPP position - £6.8m target
- Running Costs £16k underspend
- BPPC – NHS 99.4% Non NHS 98.5% by number of invoices

# Allocations Month 04

- The allocation received is in line with expected budgets approved by this Committee

Total 2017-18 Annual Allocation £252.38m

X24 - NHS England (Central)	X24	-	-	Non-Recurrent	Programme	Historic	11	Surplus/Deficit Carry Forward - 1617 Final Outturn	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	26	Reception and clerical training - (Training Care	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	40	Diabetes Treatment and Care Transformation Fund -	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	73	Diabetes Treatment and Care Transformation Fund -	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	79	NHS WiFi	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Running Costs	In-Year	42	Market Rents - Admin adjustment	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	53	Market rents adjustment	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	36	Paramedic Rebanding Additional Funding 2017-18	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	12	£11,844 - HSCN - GP funding	Mth03
X24 - NHS England Central	X24	-	-	Non-recurrent	Programme	In-Year	44	CYPT IAPT Trainee staff support costs	Mth03
X24 - NHS England Central	X24	-	-	Recurrent	Programme	In-Year	233	PMCF - GP Access Fund and TA Improving Access	Mth04
							252,383		

# Health Economy Report

- BTH Month 4 2017-18 - £3.4m Deficit Actual
- BTH Month 4 2017-18 - £2.8m Deficit Plan
- Use of Resources 3
- LTH Month 3 2017-18 - £11m Deficit Actual
- LTH Month 3 2017-18 - £11m Deficit Plan
- Use of Resources 3
- In Year CCG Surplus Position 2017-18
  - F&W CCG Month 04 2017-18 £0.0m (Plan £0.0m)
  - BCCG Month 04 2017-18 ££0.091m (Plan £0.90m)

# Performance of Main Providers

	Annual Budget £000s	In Month Budget £000s	In Month Actual £000s	In month Variance £000s	Year to date Budget £000s	Year to date Actual £000s	Year to date Variance £000s
▣ Acute services	101,951	8,496	8,906	410	33,983	33,942	-42
▣ Acute	101,951	8,496	8,905	409	33,983	33,893	-91
Blackpool Teaching Hospitals FT	87,804	7,317	7,535	218	29,268	29,486	218
Lancashire Teaching Hospitals FT	10,243	854	1,064	210	3,414	3,125	-290
Spire	3,904	325	306	-19	1,301	1,282	-19
▣ Non Contract Activity	0	0	1	1	0	49	49
Lancashire Care NHS FT	0	0	1	1	0	49	49
▣ Community services	18,828	1,569	1,565	-4	6,276	6,340	64
▣ Community	18,828	1,569	1,565	-4	6,276	6,340	64
Blackpool Teaching Hospitals FT	18,518	1,543	1,537	-6	6,173	6,235	62
Lancashire Care NHS FT	310	26	28	2	103	105	2
▣ MH services	16,486	1,374	1,378	4	5,495	5,565	70
▣ Mental Health	16,486	1,374	1,378	4	5,495	5,565	70
Blackpool Teaching Hospitals FT	0	0	-23	-23	0	0	0
Lancashire Care NHS FT	16,486	1,374	1,401	27	5,495	5,565	70
<b>Grand Total</b>	<b>137,265</b>	<b>11,439</b>	<b>11,849</b>	<b>410</b>	<b>45,754</b>	<b>45,847</b>	<b>92</b>

Month 4								
		In Month			Year to Date			
	Annual Budget £000s	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Actual £000s	Variance £000s	
Acute-NHS	103,863	8,655	9,020	364	34,621	34,486	-136	
Acute-non NHS	2,664	454	260	-194	1,815	1,443	-371	
Ambulance Services	6,434	533	546	12	2,133	2,145	12	
Non Contracted Activity	1,857	155	187	32	619	694	75	
111 service	707	59	4	-55	236	236	0	
<b>Total Acute Services</b>	£ 115,525	£ 9,856	£10,016	£160	£ 39,423	£ 39,004	-£419	
<b>Total Community Health Services</b>	£ 26,243	£ 2,179	£2,308	£130	£ 8,748	£ 9,478	£730	
<b>Total Mental Health</b>	£ 19,921	£ 1,656	£1,529	-£128	£ 6,626	£ 6,246	-£380	
<b>Total Continuing Care</b>	£ 15,624	£ 1,302	£1,333	£31	£ 5,208	£ 5,547	£338	
Co Commissioning	21,505	1,710	1,704	-6	6,646	6,764	118	
Prescribing	28,936	2,411	2,343	-68	9,645	9,002	-643	
Primary Other	8,384	640	513	-127	2,559	2,822	263	
<b>Total Primary Care</b>	£ 58,826	£ 4,762	£4,561	-£201	£ 18,851	£ 18,589	-£262	
Reserves	5,895	0	0	0	0	0	0	
Planned Surplus	4,622	384	0	-384	1,537	0	-1,537	
Property Services	929	73	73	0	292	292	0	
Other Programme	1,567	139	141	2	522	526	3	
<b>Total Other Programme Spend</b>	£ 13,013	£ 596	£214	-£382	£ 2,351	£ 818	-£1,534	
<b>Total Programme Spend</b>	£ 249,153	£ 20,351	£19,961	-£390	£ 81,207	£ 79,680	-£1,526	
<b>Total Admin Spend</b>	£ 3,230	£266	£267	£1	£1,065	£1,049	-£16	
<b>Total Spend</b>	£ 252,383	£20,617	£20,227.81	-£389	£82,271	£80,729	-£1,542	

# Key risks

- Acute contract overperformance
  - BTH forecast out turn negotiations ongoing regarding Assured Contract affordability
- QIPP delivery
- Mental Health OATs potential
- CHC and complex cases
- Referral Management
- Net risk position reported to NHS England



# Risk Range

	Risk Type	Low	Medium	High	Note
		£'000	£'000	£'000	
<b>KEY RISK at Month 04</b>					
	BTH Contract Overperformance	100	300	600	1
	Spire Overperformance	0	100	300	2
	Continuing Healthcare	300	500	850	3
	Mental Health Overperformance	-100	0	300	4
	QiPP Potential Underperformance	750	1,250	2,000	5
	<b>Total</b>	<b>1,050</b>	<b>2,150</b>	<b>4,050</b>	
	<b>Shortfall against Target Surplus</b>	<b>0</b>	<b>1,100</b>	<b>3,000</b>	
<b>Note</b>					
1	Blackpool Teaching Hospitals Overperformance post contract agreement				
2	Spire Contract Overperformance - based on previous years' outcomes				
3	Continuing Healthcare - impact of Funded Nursing Care price increase and overall case numbers				
4	Mental Health Overperformance - Out of Area Treatment cost and estimates				
5	QiPP potential underperformance - schemes underway				

# Recommendations

- Month 04 Financial Position
  - Year to date financial performance satisfactory
  - Financial duties achieved to date but QiPP target remains a concern
  - Forecast out turn at early stages
  - 0.5% Headroom established
  - Allocation received in line with plan
  - Note net risk position (as reported to NHS E)