

**Agenda Item 14**

Report to: Governing Body

Date of Meeting: 13 June 2019

Subject: Finance Report

Presented by: Laura Whitton, Chief Finance Officer

**STATUS OF THE REPORT *(auto check relevant box****)*

For Information [ ]

For Discussion [x]

For Approval / Ratification [ ]

Report Exempt from Public Disclosure [x]  No [ ]  Yes

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| --- | --- |
| **PURPOSE OF REPORT:** | To provide an update on the :-* final 2018/19 year end position, including the outturn on QIPP
* budgets for 2019/20, in particular in relation to any changes resulting from the agreement of contracts for the year and an update on the QIPP schemes
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| **Recommendations:** | To note the:* Financial outturn position as at March 2019, including the year end QIPP position
* Latest 2019/20 budget position, in particular in relation to any changes resulting from the agreement of contracts for the year and an update on the QIPP schemes
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| **Committee Process and Assurance:** | 18/19 outturn; A more detailed version of the position was taken to and discussed at the Delivery Assurance Committee on the 24th April 2019. This was also considered as part of the sign off of the audited annual accounts by the Integrated Governance & Audit Committee.  |
| ***Implications:*** |  |
| **Risk Assurance Framework Implications:** | The risk associated with the deliverability of the system wide QIPP schemes is included on the CCGs risk register |
| **Legal Implications:** | None |
| **Data Protection Impact Assessment implications (DPIA):** | Are you implementing a new system, data sharing arrangement, project, service redesign or changing the way you work? | **No** |
| If yes to the above – have the DPIA screening questions been completed? |  |
| Does this project involve the processing of personally identifiable or other high risk data? | **No** |
| If yes to the above has a DPIA been completed and approved? |  |
| **Equality Impact Assessment implications:** | An Equality Impact Analysis/Assessment is not required for this report [x]  |
| **Finance Implications:** | **2018/19 Outturn**The CCG achieved all of its Statutory and Financial KPI’s for 2018/19 as detailed in the table below:

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| --- | --- | --- | --- |
| **Key Performance Indicators**  | **Classification** | **Table**  | **Outturn** |
| NHS Operating Position (Plan = breakeven) | Operational | 1 | Green |   |
| Adult Social Care (ASC) Partnership Agreement (Plan = breakeven) | Operational | 1 | Green |   |
| NHSE Mandated Surplus (Reported surplus = £8.147m surplus | Statutory | 1 | Green |   |
| Capital resource use does not exceed the amount specified in Directions | Statutory | - | Green |   |
| Manage cash within 1.25% of monthly drawdown (or <£250k, whichever is the greater) | Operational | - | Green |   |
| BPPC – 95% number/value paid within 30 days | Operational | 2 | Green |   |

In particular we would draw your attention to the following:-**North Lincolnshire & Goole FT (NLAG);** The CCG have applied a consistent approach to that used all year in calculating our assessment of the outturn. The final position will be agreed once the validated activity position for March 19 is known which will be by 7th June.**Adult Social Care;** The CCG had to draw down £578k from non-recurrent reserves held at NELC in order to break-even in 2018/19. The impact of this has been fully factored into the 2019/20 budgets.**QIPP as at March 2019;** Savings achieved for the year is £71k higher than the target. **2019/20 Budget update**The key points to bring to the Governing Body’s attention are:-**East Midlands Ambulance Service (EMAS):** The contract value for all 23 CCGs that contract with the Trust has now been agreed, however the exact figure for NEL will not be known until EMAS breakdown the figures by CCG. However the final contract value for NEL is likely to be between £6.3m-£6.4m, this is £500k above the value quoted in the March board report. We had £200k ring-fenced in an activity reserve resulting in a £300k cost pressure.**QIPP 19/20;** The level of unidentified QIPP has reduced to £17k (£767k at budget sign off). Appendix i provides further detail. Updates on the schemes:**Health;*** **Prescribing:** There are a number of schemes which contribute to the overall planned QIPP of £650k. Action plans have been developed for these by NECS (North East Commissioning Support) which have been signed off by the CCG.
* **Nurse Prescribing**: This relates to the cost of drugs that nurse prescribers employed by Care Plus Group prescribe. Currently these prescribing costs sit outside of the Care Plus Group Contract and last year the budget overspent. Discussions have started with Care Plus Group regarding managing this budget more effectively in 2019/20, with the aim of bringing spend down to 2017/18 levels.
* **Continuing Health Care (CHC):** The CHC team has performed a review of the high cost packages of care and highlighted where there are opportunities to get better value for money by switching providers. The detailed assessments have already started to take place.
* **Primary Care Premises**: The 3 areas of focus being:-
1. Ensuring appropriate levels of recharge to non GP occupants of these premises.
2. Improved utilisation of Primary Care Estate
3. Ensuring costs in relation to Repairs, service charges etc are cost efficient & offer value for money
* **Primary care:** Outline schemes / areas of focus have been identified, these are:-
* Maximising the system benefit of shared care
* Assumed slippage in recruiting to PCN additional staffing (£247K total funding)
* Reshaping the Quality Scheme to align to the Risk & Reward that is being finalised as part of the Alliance arrangements
* Alternative funding streams identified for training.
* **Demand Management (via the Alliance/PCN’s):**
* Benchmarking information by practice has been collated and reviewed with opportunities identified within prescribing and unplanned care. The CCG is going to be providing refresher training to Primary Care Networks so they are all aware of the information that is available to them and how they compare to each other, so ideas and best practice can be shared.
* Demand management “outcomes” are being built into the Alliance Risk & Reward.
* **NLAG schemes:** Please refer to the Provider report which covers the NLAG Transformation schemes.

**Adult Social Care;*** **Negotiate via the Union Arrangements the NHS Contribution to Adult Social Care Services:**

Plans are being developed to identify recurrent system cost benefits of £1m e.g. estate, capital. Recognising that these schemes will take a number of months to develop and may also require some “pump priming” funding, reserves (held within NELC) have been ringfenced to support this. * **Use of earmarked reserves:** It has been agreed that this funding will be drawn down from earmarked reserves (held within NELC)
* **Collaborative working within the ICP:** Savings proposed via contract arrangement with social enterprises.
* **Reduction of high cost residential care placements:** Working group already established and dataset of high cost patients being reviewed.
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| **Quality Implications:** | This report details a neutral impact on quality. [x] The report will not make any impact on experience, safety or effectiveness.  |
| **Procurement Decisions/Implications *(Care Contracting Committee):*** | None |
| **Engagement Implications:** | None |
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| **Conflicts of Interest**  | *Have all conflicts and potential conflicts of interest been appropriately declared and entered in registers which are publicly available?* [x]  Yes [ ]  No |
| **Links to CCG’s Strategic Objectives** | [ ]  Sustainable services [ ]  Empowering people[ ]  Supporting communities [x]  Delivering a fit for purpose organisation |
| **NHS Constitution:** | <https://www.gov.uk/government/publications/the-nhs-constitution-for-england>The CCG will promote good governance and proper stewardship of public resources in pursuance of its goals and in meeting its statutory duties. |
| **Appendices / attachments** |  |

 **Appendix i**

