

PART 1 GOVERNING BODY 2022/23

Date of Meeting:	20 May 2022
Agenda Item:	3.4
Subject:	Finance Update Report
Reporting Officer:	Jonathan Evans
Aim of Paper	The paper updates Governing Body on the financial position as at 31st March 2022 (Month 12)

Governance route prior to Governing Body	Meeting Date	Objective / Outcome
Governing Body – Statutory		
Audit Committee – Statutory		
Remuneration Committee – Statutory		
Primary Care Commissioning Committee - Statutory		
Clinical and Professional Advisory Panel		
Information Governance Management Group		
Locality Engagement Group		
Patient and Public Engagement Committee		
Quality and Safeguarding Committee / Group		
Integrated Commissioning Board (RBC/HMR CCG)		
Strategic Place Board (previous HWBB – RBC)		
Other:		

Governing Body Resolution Required:	For Discussion
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Recommendation: To note the contents of this paper

Link to Strategic Objectives (SO):

SO1: To be a high performing CCG, deliver out statutory duties and use our available resources innovatively to deliver the best outcomes for our population	Yes
SO2: To deliver on the outcomes of the Locality Plan in respect of Prevention and Access (Prevention and Self Care)	No
SO3: To deliver on the outcomes of the Locality Plan in respect of Neighbourhoods & Primary Care (Getting help in the Community)	No
SO4: To deliver on the outcomes of the Locality Plan in respect of In Hospital - Planned (Getting more help)	No
SO5: To deliver on the outcomes of the Locality Plan in respect of In Hospital – Urgent Care (Getting more help)	No
SO6: To deliver on the outcomes of the Locality Plan in respect of Children, young people and families	No
SO7: To deliver on the outcomes of the Locality Plan in respect of Mental Health	No

RISK LEVEL (To be reviewed in line with the Risk Policy)**RAG Status:** AMBER

Comments: The risk will remain amber until the end of the financial year and the completion of the annual accounts to ensure the control total and all financial statutory duties are met.

CONTENT APPROVAL / SIGN OFF

The contents of this paper have been reviewed and approved by:
Chief Finance Officer, Health and Social Care Integration - Jonathan Evans

Clinical Content signed off by:

Not applicable

Financial content signed off by:

Deputy Chief Finance Officer – Damien Heakin

Clinical Engagement taken place: Not Applicable**Patient and Public Involvement:** Not Applicable**Patient Data Impact Assessment:** Not Applicable**Equality Analysis / Human Rights Assessment Completed:** Not Applicable

EXECUTIVE SUMMARY

This report updates the Governing Body on the financial position of the CCG for the period ending 31st March 2022.

The CCG has received all of its anticipated allocations and has met its financial duties, delivering its historic surplus of £3,758k plus a £5k underspend within the position.

Hospital Discharge Programme and Winter Access costs have been fully reimbursed through additional allocations as anticipated.

The CCG saw pressures continue into month 12 in prescribing which was offset by continued underspends in Continuing Health Care, Mental Health and Community Services.

Recommendation: to note the contents of the report.

1. CCG Financial Overview

This report updates the Governing Body on the financial position of the CCG for the period ending 31st March 2022.

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Table 1 summarises the Financial Position at the end of Month 12.

	Annual Budget	Actual	Variance
Allocations	(423,557)	(423,557)	0
Historic Surplus Requirement	3,758	3,758	0
Total Allocations	(419,799)	(419,799)	0
Admin			
Running Costs	4,358	4,358	(0)
Total Admin	4,358	4,358	(0)
Programme			
Mental Health	42,934	42,610	(325)
Acute	202,854	202,818	(36)
Primary Care	12,449	12,543	94
Co-Commissioning	36,216	35,807	(409)
Prescribing	41,029	41,789	760
Continuing Care	14,075	13,360	(715)
Community Health Services	47,574	47,290	(284)
Other	15,300	15,487	188
Winter Access Fund (WAF)	1,020	1,020	0
Covid	2,711	2,711	0
	416,162	415,435	(727)
Reserves and Contingencies	(721)	0	721
Total Expenditure	419,799	419,792	(6)
(Surplus)/Deficit	0	(6)	(6)

2. Financial Performance

ACUTE SERVICES

Services	Annual Budget	Annual Actual	Annual Variance
Acute			
ACUTE COMMISSIONING - PAHT, SRFT, MFT, WWL	£163,599,024	£163,760,611	£161,587
AMBULANCE SERVICES - NWS	£10,427,943	£10,427,943	£0
CLINICAL ASSESSMENT AND TREATMENT CENTRES - IEC	£28,346,278	£28,089,049	£257,229
NCAS/OATS	£480,306	£540,306	£60,000
Acute Total	£202,853,551	£202,817,910	£35,641

The CCG paid NHS providers by fixed value block contracts in H2 and Independent Sector providers based on actual activity.

Acute services underspent by £36k for the financial year. This was mainly due to Independent Sector provider underspend of £80k with a further £16k underspend across other services. This was offset by an overspend of £60k in non-contracted activity.

MENTAL HEALTH SERVICES

Mental Health Services	Budget	Forecast Outturn	Forecast Variance
	M1-12	M1-12	M1-12
MENTAL HEALTH CONTRACTS	£26,897,598	£26,850,807	£46,791
CHILD AND ADOLESCENT MENTAL HEALTH (CAMHS)	£3,512,050	£3,547,326	£35,276
DEMENTIA	£577,484	£570,951	£6,533
IMPROVING ACCESS TO PSYCHOLOGICAL THERAPIES (IAPT)	£3,857,850	£3,677,456	£180,394
MENTAL CAPACITY ACT	£179,890	£148,978	£30,912
MENTAL HEALTH SERVICES - ADULTS	£3,754,786	£3,823,602	£68,816
MENTAL HEALTH SERVICES - COLLABORATIVE COMMISSIONING	£918,049	£845,744	£72,306
MENTAL HEALTH SERVICES - NOT CONTRACTED ACTIVITY	£310,652	£365,316	£54,664
MENTAL HEALTH SERVICES - OTHER	£2,926,139	£2,775,181	£150,958
LEARNING DIFFICULTIES	-	£4,261	£4,261
Mental Health Services total	£42,934,499	£42,609,621	£324,877

Mental Health Service budgets are reporting a £325k underspend at the end of the financial year. The outturn variances against plan are noted below:

- Mental Health Contracts underspent by £47k relating to a reduction in observation costs for patients placed within the Pennine Care NHSFT Psychiatric Intensive Care Unit (PICU) between November 21 and March 22.
- CAMHS overspend of £35k of which £138k overspend is associated with two additional multi-agency child placement agreements over and above the baseline plan offset by a £103k underspend relating to CAMHS prior year provider settlement agreements and treatment advisory group costs coming in significantly lower than plan this financial year.
- IAPT £180k underspend linked to the under-performance of activity against the Thinking Ahead 21/22 prevalence and CQUIN targets due to staffing retention and recruitment issues faced by the Provider this financial year.

- Mental Health Capacity Act £31k underspend whereby the CCG has seen a reduction in GP patient assessments and subsequent transport activity this year when compared to the previous year.
- Mental Health specialist bed usage underspend of £3k (the combination of Adult's £69k less Collaborative Commissioning £72k) linked to an increase in cost per case bed usage regarding out of area placements within Acute, PICU and Specialist Rehab services, offset by a reduction in LD bed usage relating to S117 placements.
- Non-contracted activity £55k overspend of which £45k relates to a potential recharge from Lancashire Care NHST regarding a S117 out of borough placement and £10k to cost per case activity associated with Psychiatry UK and Pathways Associates.
- Mental Health Other £151k underspend connected with the HMR CCG fair share contribution to the GM transformation fund costing less than expected.

Mental Health cost per case bed usage year end position:

The CCG pays for enhanced capacity beds within PCFT based on a risk share agreement with the NE Sector CCG's and individual commissioned Mental Health Packages within the GM footprint. The PCFT beds are contained within the block contract agreement with private providers paid on an activity basis. The following table reports the monthly costs for the full year along with the patient numbers:

Type of cost	Actuals M1-12												YE Outturn
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	M1-12
MH Adults Database approvals	£161,640	£187,004	£184,607	£251,562	£297,208	£264,035	£189,309	£236,323	£209,908	£219,334	£220,074	£278,404	£2,699,408
Priory 8 beds (Oldham CCG)	£79,951	£84,145	£69,890	£48,583	£39,456	£31,637	£33,611	£22,057	£27,117	£31,828	£43,791	£58,907	£570,973
RBC Greaves House	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£6,464	£77,568
PCFT - Stansfield House only	£45,973	£44,281	£45,973	£36,400	£34,509	£36,516	£45,788	£37,644	£35,637	£35,637	£41,659	£35,637	£475,653
MH Adults sub-total	£294,028	£321,894	£306,934	£343,009	£377,637	£338,652	£275,172	£302,488	£279,126	£293,262	£311,988	£379,411	£3,823,602
MH S117 Database approvals	£71,509	£73,892	£49,719	£73,892	£73,892	£71,509	£73,892	£71,509	£73,892	£73,892	£66,283	£71,862	£845,744
MH S117 sub-total	£71,509	£73,892	£49,719	£73,892	£73,892	£71,509	£73,892	£71,509	£73,892	£73,892	£66,283	£71,862	£845,744
Cost	£365,537	£395,787	£356,653	£416,902	£451,529	£410,160	£349,064	£373,997	£353,018	£367,155	£378,271	£451,273	£4,669,346
Patients numbers	32	31	34	38	39	38	33	36	34	34	34	35	

Patient Numbers	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Acute	1	0	2	3	4	5	1	5	1	1	2	1
Community residential	6	6	6	6	6	7	7	6	7	7	6	8
Community -supported living	1	1	1	1	1	0	1	1	1	1	1	1
Hospital LD/ASD	0	0	0	0	0	0	0	0	0	0	0	0
Hospital-specialist rehab	8	9	11	12	12	12	11	11	11	11	11	11
Learning Difficulties	1	1	1	1	1	1	1	1	1	1	1	1
PICU	3	2	1	3	3	1	0	0	1	1	1	1
S117 LD <65	10	10	10	10	10	10	10	10	10	10	10	10
S117 MH <65	2	2	2	2	2	2	2	2	2	2	2	2
Total per month	32	31	34	38	39	38	33	36	34	34	34	35

COMMUNITY HEALTH SERVICES

Community Health Services have underspent by £284k for the financial year.

This underspend is made up of:

- £77k underspend on ECG activity delivered by BOC Ltd due to a reduction in patients presenting at hospital along with a reduced capacity to assess & enrol existing patients.
- £75k prior year benefit for accrued safeguarding nurse post costs.
- A contribution of £100k towards End of Life services received from Rochdale MBC
- £37k underspend for lower than planned hospice costs.
- £4k overspend on GP Care costs due to higher than expected paediatric activity.

OTHER SERVICES

Other Services have overspent by £187k for the financial year.

The is made up of:

- Property Services overspend of £392k due to anticipated charges from NHS Property Services for those premises within Community Services that have transferred from Pennine Care and will now attract a market value level of rent.
- Exceptions and Prior Approvals underspend of £153k due costs being lower than expected
- £11k underspend for Youth Offending Team and childrens carers breaks costs
- £33k underspend in costs of the safeguarding team
- £5k underspend relating to other costs

PRIMARY CARE AND PRESCRIBING

Delegated Co-Commissioning

The CCG has underspent by £409k for Delegated Co-Commissioning at year end. This is due to prior year benefits being released into the position for QOF achievement as the 20/21 analysis and subsequent payments were made in June. Accruals for Minor Surgery and Premises costs have been released to reflect reduced activity. This is managed by the Greater Manchester team on behalf of the CCG.

Prescribing

The CCG has received April to January's costs for prescribing. The Pandemic is continuing to cause a pressure on the prescribing budgets with Discharge to Assess prescribing going through General Practice as well as an increase in Over the Counter and Drugs of Limited Clinical Value as a result of limited access to Pharmacies. This trend is being seen nationally and although it is hard to predict how the prescribing habits will be affected over the coming months due to Covid, the CCG are have seen a £760k pressure this financial year.

Primary Care

The CCG ended the year with a £94k pressure within Primary Care. There is an overspend on Central Drugs of £53k and an overspend on Oxygen of £48k. This overspend has been partly offset by an underspend of £7k on Minor Surgery. This is due to the impact of Covid on the ability for GPs to undertake Minor Surgery Activity.

Continuing Care

At Month 12 Continuing Health Care (CHC) and Funded Nursing Care (FNC) collectively underspent by £715k, the main reason for the underspend is increased audits undertaken by the CHC team which has resulted in clawbacks of personal health budgets which were not being utilised by the patients. There are also vacancies and staff working reduced hours within the CHC team which contributes to the overall underspend.

Running Cost Allowance

Running costs delivered a breakeven position this financial year. This included the 3% pay award for which the CCG received no additional allocations, but had to manage within their own running cost allocations.

3. Statement of Financial Position

Balance Sheet

	31/01/2022	31/03/2022	Movement
	£	£	£
CURRENT ASSETS			
Cash & Cash Equivalents	9,751	18,186	8,435
Current Trade And Other Receivables	577,562	612,908	35,346
TOTAL CURRENT ASSETS	587,313	631,094	43,781
CURRENT LIABILITIES			
Current Trade And Other Payables	-26,739,189	-28,205,031	-1,465,842
TOTAL CURRENT LIABILITIES	-26,739,189	-28,205,031	-1,465,842
TOTAL CURRENT ASSETS/(LIABILITIES)	-26,151,876	-27,573,937	-1,422,061
TOTAL NET LIABILITIES	-26,151,876	-27,573,937	-1,422,061
TAXPAYERS EQUITY			
I&E Reserve - General Fund	20,559,196	20,595,385	36,189
Net Gen Fund-PPA Drawdown	-334,164,523	-412,814,918	-78,650,395
SUB TOTAL RESERVES	-313,605,327	-392,219,533	-78,614,206
Statement of Comprehensive Net Expenditure	339,757,203	419,793,470	80,036,267
TOTAL TAXPAYERS EQUITY	26,151,876	27,573,937	1,422,061

Current Assets

At month 12, Total current assets are £631k which includes £18k for cash. A number of invoices raised to Rochdale Council for contributions towards Continuing Health Care are due to be paid.

Current Liabilities

At month 12, Current Trade and Other Payables are £28,205.

The current position relating to liabilities includes prescribing accruals for February and March of £7,410k. £8,703k has been accrued for Continuing Health Care and Funded Nursing Care to bring it in line with the Database. £998k has been accrued for the Mental Health Database and £2.2m for invoices received late but not yet paid.

4. Hospital Discharge Programme

The CCG has received it's full allocations to cover the £2,222k costs for the Hospital Discharge Programme.

	Full Year (March)
	£000
Hospital Discharge Programme	2,222

5. QiPP

In delivering its financial duties for 2021/22, the CCG achieved it's £1.6m QiPP target for H1 and £1.5m QiPP target for H2.

6. Recommendations

Members are asked to:

- Note the contents of this report