

**WEST LEICESTERSHIRE CLINICAL COMMISSIONING GROUP
BOARD MEETING**

14th May 2019

Title of the report:	Finance Report.
Section:	Managing Our Finances
Report by:	Gill Killbery, Deputy Chief Finance Officer
Presented by:	Spencer Gay, Chief Finance Officer

Report supports the following West Leicestershire CCG's goal(s):			
Improve health outcomes		Improve the quality of health-care services	
Use our resources wisely	✓		

Equality Act 2010 – positive general duties:
<ol style="list-style-type: none"> 1. The CCG is committed to fulfil its obligations under the Equality Act 2010, and to ensure services commissioned by the CCG are non-discriminatory on the grounds of any protected characteristics. 2. The CCG will work with providers, service users and communities of interest to ensure any issues relating to equality of service within this report are identified and addressed.

Additional Paper details:	
Please state relevant Constitution provision	Section 5.3.1(b) – General financial duties Section 6.6.1(f) – Governing body functions: monitoring performance against plans
Please state relevant Scheme of Reservation and Delegation provision (SORD)	N/A
Please state relevant Financial Scheme of Delegation provision	N/A
Please state reason why this paper is being presented to the WLCCG Board	To keep the Board apprised of the CCG's financial position
Discussed by	WLCCG Finance Team
Alignment with other strategies	Operational Plan 2017/19
Environmental Implications	No
Has this paper been discussed with members of the public and other stakeholders? If so, please provide details	No

EXECUTIVE SUMMARY:

1. The 18/19 year-end financial position reported to NHS England was an in year break even.
2. Significant variances against plan were seen against the independent sector elective services and prescribing, while continuing health care maintained its underspend.
3. QIPP out turned at £19.2m delivery. Final data for 18/19 is still being collected however this value is not expected to change significantly.
4. The year-end position transfers some risk into 19/20 particularly in relation to assumptions of activity at UHL
5. Activity data received for month 12 shows first outpatients, A&E and non-elective inpatients (>1 day LOS) activity continuing above plan.
6. The exit underlying position indicates that the CCG is operating with recurrent costs circa £8.8m greater than 18/19 recurrent allocations. This will be the first call on growth in 19/20.

RECOMMENDATION:

The West Leicestershire Clinical Commissioning Group is requested to:

NOTE the contents of this report.

WEST LEICESTERSHIRE CLINICAL COMMISSIONING GROUP

BOARD MEETING

14th May 2019

Finance Report

INTRODUCTION

1. This report provides an overview of the CCG's financial position for the year ending 31st March 2019. This includes achievement of statutory requirements, main areas of variation, risks and mitigations.
2. Also included is the impact of the 18/19 recurrent financial position on the 19/20 plan and the current position regarding plan approval and contract agreement.

No.	Matter	References
	<i>Financial Performance</i>	
1.	<u>Full-Year Outturn</u> <p>The CCG has reported a pre audit break even position to NHS England. The external audit is currently underway and final post audit results will be submitted on 29th May.</p> <p>The acute reported position includes estimates for the activity taking place in the last month of the year, these estimates are based on discussions with providers, historical activity patterns and any known anomalies. The UHL position also included the assumption of winning £0.8m of outstanding contract challenges. This is a risk adjusted proportion of the remaining challenges.</p> <p><i>The main areas of over-performance are:</i> <i>Acute services.</i> This has overspent by circa £5m in year this equates to a 2% over-performance. <i>Prescribing.</i> Overspends (including NCSO impacts) of £3.2m (0.6%) have been recorded against prescribing, final month 12 costs are yet to be received.</p> <p>The position includes £7.2m of non-recurrent allocations received in year from NHS England and via the LLR risk share agreement (shown in reserves), and a further £1.6m non recurrent unplanned benefit against general expenditure. This funding has been used to support the recurrent financial position in 18/19.</p>	See Appendix 1
2.	<u>Better Payment Practice Code (BPPC)</u> <p>The CCG has met its BPPC target for NHS and Non NHS suppliers both in month and for the year to date.</p>	
3.	<u>Cash Management</u> <p>In the year to 31st March 2019, the CCG received £447.3m funding from the Department of Health and an additional £9.1m from other sources. The majority of this cash has been spent, leaving a balance of £157k in the bank at the end of the period.</p> <p>This is well inside the recommended maximum of £447.5k (being 1.25%</p>	

	of the amount drawn down at the beginning of the month).	
	QIPP	
4.	<u>QIPP performance</u> £19.2m QIPP has been reported to NHS E as delivered in 18/19. This figure may change slightly as final month 12 data is received from acute providers and NHS Prescription Services.	
	Activity	
5.	<u>Activity Performance</u> The largest area of variance from plan is A&E attendances. These are significantly above plan (7.6%). First outpatient attendances are also above plan but have significantly reduced the over-performance is now at 1.6%.	See Appendix 2
	19/20 Plan	
	<u>Underlying Position</u> The CCG has recurrently committed financial resources in excess of its 18/19 base allocation. Non recurrent funding and delays in spending have been used in 18/19 to support the financial bottom line and deliver a breakeven position. These Non recurrent allocations and delays will not be available in 19/20, giving the CCG an immediate pressure of approximately £8.8m against its growth funding. <u>Plan Approval</u> A final Financial Plan was approved by the Board on 2 nd April. We are now awaiting final approval from NHS England at which point the plan will be uploaded into the CCG's ledger enabling reports to be produced from month 2 onwards. Although some contract values were agreed prior to the plan being approved (UHL & LPT), the majority of smaller contracts are only now being finalised. Once these have been agreed adjustments to budgets will be produced to reflect the anticipated position with detailed sign off requested from budget holders and a summary presented to Finance and Planning Committee.	

CONCLUSION:

The reported year-end position was in line with the CCG's statutory duty. An in-year breakeven was achieved along with minimal cash balances and achievement of the BPPC. This position was made possible by significant non recurrent support which, by its nature, will not be available in 19/20.

The risks transferring into the new-year include the assumptions around month 12 activity and challenges relating to acute services and final prescribing costs.

RECOMMENDATION:

The West Leicestershire Clinical Commissioning Group is requested to:

NOTE the contents of this report

Summary Financial Position 2018/19

M12

	Annual Budget	Year end position			Recurrent / Non recurrent variance			
		Budget	Spend	Variance	Annual spend	Recurrent Variance	Non Recurrent Variance	Total Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Programme Costs								
Secondary Care Commissioning:								
Acute NHS	224,394	224,394	227,478	3,083	227,478	6,226	(3,143)	3,083
Acute Non-NHS	7,794	7,794	9,833	2,039	9,833	2,156	(117)	2,039
Urgent Care Contracts	10,779	10,779	10,670	(109)	10,670	(109)	-	(109)
Total Acute Care	242,813	242,967	247,981	5,014	247,981	8,274	(3,260)	5,014
Non Acute NHS Contracts	60,463	60,463	61,620	1,157	61,620	1,915	(758)	1,157
Non Acute Programmes	33,340	33,340	33,144	(196)	33,144	(746)	550	(196)
Continuing Care	33,817	33,817	31,601	(2,217)	31,601	(2,217)	-	(2,217)
Total Non Acute Care	127,620	127,620	126,365	(1,256)	126,365	(1,048)	(208)	(1,256)
Co-Commissioning	46,630	46,630	47,635	1,005	47,635	939	66	1,005
CCG-Led Primary Care	59,299	59,299	63,360	4,060	63,360	3,492	569	4,060
Total Primary Care	105,561	105,929	110,995	5,065	110,995	4,431	635	5,065
Reserves	13,454	13,454	2,103	(11,351)	2,103	(2,443)	(8,908)	(11,351)
17/18 Under/Over Accruals	-	-	2,408	2,408	2,408	-	2,408	2,408
Total Reserves	10,146	13,454	4,511	(8,944)	4,511	(2,443)	(6,501)	(8,944)
Programme Infrastructure								
Hosted Recharges	291	291	270	(21)	270	(21)	-	(21)
Other Non pay	174	174	129	(45)	129	(45)	-	(45)
Total Other Programme Costs	465	465	399	(66)	399	(66)	-	(66)
Total Programme Costs	486,605	490,436	490,250	(187)	490,250	9,148	(9,334)	(187)
InInfrastructure Running Costs								
CCG Teams	6,731	6,731	6,942	211	6,942	211	-	211
Hosted Teams	245	245	221	(24)	221	(24)	-	(24)
Total Running Costs	6,977	6,977	7,163	186	7,163	186	-	186
Total	493,582	497,413	497,413	(0)	497,413	9,334	(9,334)	(0)

Variance Against Plan

(0)

(0)

Elective Daycases (EM10a)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change	
			1	2	3	4	5	6	7	8	9	10	11	12					
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19					
18/19 Plan	From Unify Submis: Atts		3,588	3,828	4,046	3,820	3,838	3,828	3,901	4,245	3,573	4,001	3,729	3,939	46,336	46,336	46,336		
Actual/Forecast	CCG Input	Atts	3,396	3,680	3,596	3,539	3,670	3,410	3,938	4,043	3,308	4,071	3,709	3,973	44,333	44,363	44,333	(2,003)	-4.3%
17/18 Actual (CCG)	From CCG Rtms	Atts	3,166	3,690	3,763	3,519	3,673	3,469	3,721	3,955	3,176	3,678	3,436	3,590	42,836	1,973	42,836	1,497	3.5%
Plan vs actual variance			(192)	(148)	(450)	(281)	(168)	(418)	37	(202)	(265)	70	(20)	34	(2,003)				

Elective Ordinary Admissions (EM10b)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change	
			1	2	3	4	5	6	7	8	9	10	11	12					
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19					
18/19 Plan	From Unify Submis: Atts		530	565	552	517	548	590	586	610	524	421	455	611	6,509	6,509	6,509		
Actual/Forecast	CCG Input	Atts	439	558	576	595	606	561	560	641	483	549	532	604	6,704	6,704	6,704	195	3.0%
17/18 Actual (CCG)	From CCG Rtms	Atts	524	613	557	544	540	582	611	618	537	354	416	428	6,324	6,324	6,324	380	6.0%
Plan vs actual variance			(91)	(7)	24	78	58	(29)	(26)	31	(41)	128	77	(7)	195				

Outpatients - First (EM8)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change	
			1	2	3	4	5	6	7	8	9	10	11	12					
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19					
18/19 Plan	From Unify Submis: Atts		8,044	8,916	9,037	8,272	8,650	8,854	9,080	9,502	7,786	9,086	8,337	9,169	104,733	104,733	104,733		
Actual/Forecast	CCG Input	Atts	8,458	9,445	9,030	8,948	8,953	8,457	9,613	9,540	7,814	9,381	8,113	8,605	106,357	106,357	106,357	1,624	1.6%
17/18 Actual (CCG)	From CCG Rtms	Atts	8,340	8,640	8,473	7,778	8,243	8,164	8,919	9,184	7,252	8,818	7,821	8,427	100,059	100,059	100,059	6,298	6.3%
Plan vs actual variance			414	529	(7)	676	303	(397)	533	38	28	295	(224)	(564)	1,624				

Outpatients - Follow-up (EM9)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change
			1	2	3	4	5	6	7	8	9	10	11	12				
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19				
18/19 Plan	From Unify Submis: Atts		15,614	16,941	17,560	15,978	16,676	17,119	17,200	18,896	14,949	18,521	17,106	17,346	203,906	203,906		
Actual/Forecast	CCG Input	Atts	15,686	16,892	16,267	15,834	16,029	15,229	17,881	17,340	13,508	17,471	15,161	16,296	193,594	193,594	(10,312)	-5.1%
17/18 Actual (CCG)	From CCG Rtns	Atts	15,962	16,714	16,877	15,146	16,187	16,500	17,816	18,929	14,109	18,320	16,639	16,823	200,022	200,022	(6,428)	-3.2%
Variance to Plan			72	(49)	(1,293)	(144)	(647)	(1,890)	681	(1,556)	(1,441)	(1,050)	(1,945)	(1,050)	(10,312)			

Non Elective - 0 LoS (EM11a)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change
			1	2	3	4	5	6	7	8	9	10	11	12				
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19				
18/19 Plan	From Unify Submis: Atts		874	886	933	953	899	975	993	962	901	1,092	1,003	840	11,311	11,311		
Actual/Forecast	CCG Input	Atts	881	971	919	910	901	862	913	931	829	969	881	985	10,952	10,952	(359)	-3.2%
17/18 Actual (CCG)	From CCG Rtns	Atts	902	922	896	902	848	956	985	942	843	973	904	928	11,001	11,001	(49)	-0.4%
Variance to Plan	Calculated	Atts	7	85	(14)	(43)	2	(113)	(80)	(31)	(72)	(123)	(122)	145	(359)			

Non Elective - +1 LoS (EM11b)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change
			1	2	3	4	5	6	7	8	9	10	11	12				
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19				
18/19 Plan	From Unify Submis: Atts		2,239	2,268	2,234	2,180	2,209	2,294	2,275	2,276	2,348	2,385	2,158	2,407	27,273	27,273		
Actual/Forecast	CCG Input	Atts	2,252	2,390	2,209	2,325	2,270	2,195	2,250	2,388	2,382	2,491	2,373	2,444	27,969	27,969	696	2.6%
17/18 Actual (CCG)	From CCG Rtns	Atts	2,016	2,110	2,180	2,125	2,209	2,239	2,213	2,242	2,335	2,402	2,126	2,471	26,668	26,668	1,301	4.9%
Variance to Plan	Calculated	Atts	13	122	(25)	145	61	(99)	(25)	112	34	106	215	37	696			

Accident & Emergency (EM12)

Metric	Source	Currency	THIS YEAR												Totals	Full year	Change Atts (Vs Plan and 17/18)	% Change
			1	2	3	4	5	6	7	8	9	10	11	12				
			Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19				
18/19 Plan	From Unify Submis: Atts		10,068	10,198	10,240	10,131	10,048	10,570	10,569	10,472	10,507	10,866	9,844	10,504	124,017	124,017		
Actual/Forecast	CCG Input	Atts	10,576	11,160	10,800	11,323	10,882	10,893	11,148	11,244	11,125	11,152	10,896	12,242	133,441	133,441	9,424	7.6%
17/18 Actual (CCG)	From CCG Rtns	Atts	9,900	10,399	10,062	10,404	9,979	10,019	10,569	10,128	10,060	10,721	9,959	10,776	122,976	122,976	10,465	8.5%
Variance to Plan	Calculated	Atts	508	962	560	1,192	834	323	579	772	618	286	1,052	1,738	9,424			