

Clinical Commissioning Group Governing Body - 2 September 2020

Finance and Contracting Performance Report

Lead Executive:	Wendy Allott, Chief Finance Officer
Lead Officer:	Joanne Sarsby, Head of Financial Management
Lead GP:	Jason Page

Purpose:
To provide an update to members on the financial position as at 31 July 2020, also referred to as month 4.
Background:
Following on from the paper brought to Governing Body on the 3 June 2020 detailing the recently published guidance - CCGs Temporary Financial Regime and the CCG Financial Management arrangements for the period 1 April to 31 July 2020. This paper is to provide Governing Body members a financial summary against the key categories of expenditure for the year to date position at 31 July 2020 and a forecast position also to the 31 July 2020.
Analysis of key issues and of risks
Included in the report
Patient, Public and Stakeholder Involvement:
N/A
Equality Impact:
N/A
Financial Implications:
Included in the report.
Human Resource Implications:
N/A
Procurement Advice:
N/A
Data Protection Impact Assessment:
N/A
Approval history:
N/A
Recommendations:
Governing Body is asked to note the current position and the additional commentary to support the operating cost statement.
Paper is for Approval / Noting / Discussion / Advice

1. Revenue Resource Allocation

The temporary financial regime in place from April-July includes a monthly non-recurrent retrospective allocation adjustment facility for any reasonable over/underspends against the nationally calculated budget. The CCG has received the following non-recurrent retrospective allocation adjustment for months 1 to 3 (April, May and June), effectively providing a retrospective breakeven position as at 30 June 2020.

Month	Non COVID £'000	COVID £'000	Total £'000
Month 1 and 2 (April and May 2020)	(158)	1,403	1,245
Month 3 (July 2020)	73	1,163	1,236
	(85)	2,566	2,481

Consequently the variances included in section five are those now arising from month 4 only; and at the time of writing, the CCG would reasonably expect to receive a further non-recurrent retrospective allocation in future (i.e. in August, according to the current NHSE timetable), relating to month 4 costs, and consisting of £1.647m COVID-19 costs and £0.301m other non COVID costs.

Detailed guidance on the financial arrangements beyond 31 August 2020 has yet to be released. We broadly expect the current arrangements (April to July) to roll forward into August and September, however messaging continues to be received on subsets of the current arrangements and to this extent the precise arrangements beyond 31 August are still emerging.

2. Cash

	Apr-20	May-20	Jun-20	Jul-20
	£'m	£'m	£'m	£'m
Monthly Cash drawings	67.2	37.3	33.0	30.0
Ledger Cash Balance	5.3	10.7	10.9	8.6
Cash Balance as a %	7.9%	28.7%	33.0%	28.7%

CCGs are allocated an Annual Cash Drawdown (ACD) figure from the NHS England's Cash Management Team. The CCGs notified ACD for 2020-21 at month 4 is £444.5m.

3. Better Payment Practice Code

NHS Rotherham CCG has signed up to the Prompt Payment Code administered by the Institute of Credit Management which requires the CCG to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. Performance to the end of July was:

April 20 - July 20	Number of Invoices	Value of Invoices
Percentage of Non-NHS Trade invoices paid within target	100.00%	100.00%
Percentage of NHS Trade invoices paid within target.	100.00%	100.00%

Whilst the target for paying suppliers within 30 days remains, the temporary financial regime requires NHS bodies to also comply with the Cabinet Office procurement policy note PPN04/20 (Updated July 2020) which amongst other things seeks to accelerate payment of valid, undisputed invoices to within 7 days, alongside shortening timelines for resolving disputed invoices.

4. Reporting of Historical Control Total

NHSE require CCGs to report a historical control total. Currently no drawdown has been agreed for 2020/21 and therefore the CCG has a brought forward historical drawdown of £14.5m.

5. Operating Cost Statement (OCS)

	Year to Date (Month 4)			MEMO
	YTD Budget £'000	Actual £'000	Variance to Date £'000	(COVID costs) *** Actual Month 4 only £'000
Acute Services				
Rotherham NHS Foundation Trust - Acute	55,267	55,267	(0)	0
Sheffield Teaching Hospitals NHS FT	8,890	8,890	0	0
Doncaster & Bassetlaw Hospitals NHS FT	3,369	3,369	(0)	0
Other NHS Contracts	1,703	1,703	(0)	0
Ambulance Services (including PTS and 111)	4,306	4,304	(2)	0
Other Non NHS Acute Services	274	303	29	0
Other Non Contract (including NCA's)	366	412	46	12
Sub total Acute Services	74,175	74,249	73	12
Mental Health & Learning Disability				
Rotherham, Doncaster & South Humber FT	11,212	11,221	9	9
Other Providers (Mental Health & LD)	2,841	3,125	284	0
Sub total Mental Health & LD	14,053	14,346	293	9
Community Services				
Rotherham NHS Foundation Trust - Community	9,929	10,017	87	87
Rotherham Hospice	1,208	1,532	323	337
Other Providers (Community)	777	707	(69)	4
Sub total Community Services	11,915	12,256	341	428
Primary Care				
Prescribing	16,856	16,778	(78)	0
Commissioned Primary Care Services(Delegated)	13,160	13,254	94	0
Commissioned Primary Care Services(Other)	2,201	2,282	81	80
GP Information Technology	469	456	(13)	3
Sub total Primary Care Services	32,687	32,770	83	83
Other Programme Services				
Local Authority / Joint Services	4,434	4,431	(3)	0
Continuing Care & Funded Nursing Care	9,612	10,524	912	1,102
Voluntary Sector Grants / Services	538	537	(1)	0
Sub total Other Programme Services	14,585	15,493	908	1,102
Corporate				
Corporate : Running Costs	1,331	1,437	107	0
Corporate : Non- Running Costs	953	985	32	13
Sub total Corporate	2,283	2,422	139	13
Sub total - all areas	149,698	151,535	1,838	1,647
Central				
Centrally held Budgets	329	439	111	0
Sub total Central	329	439	111	0
TOTAL (Surplus)/ Deficit	150,026	151,974	1,948	1,647

- ***Cumulative COVID costs are provided at appendix 1 for information.
- Movement in forecast outturn from month 3, is provided at appendix 2 for information.

6. Acute Services

The in-month variance reported on Other Non NHS and Other Non-Contract (including NCA's) at section 5 relates mainly to an increase in neuro rehab patients above last year's levels.

As per last month, appendix 2 provides a bridge from last months to this month's forecast outturn. In that analysis the movement of £106k relates to a change in assumptions regarding the Independent Sector following a change in the national guidance.

7. Mental Health & Learning Disabilities

The in-month position has been adjusted to account for 2 high cost patients presenting a potential financial risk to the CCG under the who pays guidance and current spend is reflecting an increase relative to last year for out of area PICU activity.

8. Community

The variance on community services relates to COVID expenditure; a breakdown of which is included at appendix 1.

9. Prescribing

The current forecast at section five is based on month 1 and 2 (Apr/May) actual data, both of which were significantly differently to each other. We have since seen month 3 (June) data which is again significantly different to month 2. Whilst overall spend looks reasonably in line with our month 4 prediction there is a risk to this giving the lack of trend in actuals coming through. The finance and medicines management teams continue to work together to provide the best possible assurance on the reported position.

10. Continuing Healthcare Care (CHC) and Funded Nursing Care

The forecast position for month 4 has seen an increase from last month's packages of £663k, £255k of this relates to Social Care packages received by the local authority as part of the Hospital Discharge Programme guidance. The packages received by the CCG have also increased by £180k (interim funding). Work is currently underway to understand the financial and workforce impact of the recently released updated Hospital Discharges guidance.

Care Package	2020/21 CCG draft plan (4 months) - For Information		2020/21 national calculated plan (4 months)		2020/21 Existing packages - Actual (FCOT 4 months)		Hospital Discharge Programme (HDP) - (FCOT 4 months)		2020/21 Total packages (FCOT 4 months)		2020/21 Variance to national budget ***		2020/21 Total packages (FCOT @ Month 3)		2020/21 Total packages Change (FCOT Mth 4 v Mth 3)	
	Activity	£'000	Activity	£'000	Activity	£'000	Activity	£'000	Activity	£'000	Activity	£'000	Activity	£'000	Activity	£'000
Mental Health	30	371	27	356	19	194	6	143	25	337	(2)	(19)	25	350	0	(13)
Learning Difficulties	129	3,320	128	3,323	128	3,328	2	5	130	3,333	2	10	128	3,262	2	71
Physical Difficulties	148	2,489	152	2,352	135	2,284	24	181	159	2,464	7	112	152	2,387	7	77
Fast Track	117	1,083	115	1,065	28	444	88	676	116	1,119	1	54	108	1,095	8	24
Interim Funding	2	124	45	408	2	71	64	621	66	691	21	283	45	512	21	180
Funded Nursing Care	217	759	181	713	176	669	2	6	178	675	(3)	(38)	181	682	(3)	(7)
FNC - backdated 19/20 uplift	0		0	208	0	208	0	0	0	208	0	0	0	208	0	0
Children	16	292	14	272	17	346	0	0	17	346	3	74	14	265	3	81
Staffing / non pay	0	404	0	393	0	380	0	9	0	389	0	(4)	0	395	0	(6)
Social Services (HDP)	0	0	462	521	0	0	571	960	571	960	109	439	462	705	109	255
Total	659	8,842	1,124	9,612	505	7,923	757	2,601	1,262	10,524	138	912	1,115	9,861	147	663

** National budget consist of 4 months nationally calculated budget plus April, May and June non-recurrent retrospective adjustment.

11. GP Primary Care services

Primary Care	2020/21 CCG Draft Plan £'000	2020/21 CCG Draft Plan (4 months) £'000	2020/21 National Budget ** £'000	2020/21 YTD variance Month 4 £'000
GP Contract payments and PMS Premium reinvestment	31,990	10,663	10,592	9
PCN Network payments	2,290	763	747	45
All other e.g premises, professional fees, waste	5,329	1,776	1,822	40
Total Delegated Primary Care Medical	39,609	13,203	13,160	94
GP IT	1,274	425	508	(16)
CCG Local Enhanced Services	2,522	841	800	(29)
Improving Access	0	0	542	(4)
COVID-19 related spend	0	0	386	103
Other	1,530	510	473	34
Total Other Primary Care	5,326	1,775	2,709	88
Total all Primary Care	44,935	14,978	15,869	182

** National budget consist of 4 months nationally calculated budget plus April, May and June non-recurrent retrospective adjustment.

Delegated Primary Care Medical Services: Major variance due to:

- Allocations notified directly prior to COVID outbreak are excluded from national plan but expenditure incurred e.g. PCN support funding.
- Spend included in month 12 of 2019/20, for example against central budget, has not been incorporated into national plan.
- New spend in 2020/21 e.g. on new additional roles, has not been incorporated into national plan.

Other Primary Care Services: Overspend largely due to COVID related costs which are partially offset by the national plan calculation including certain elements of non-recurrent funding relating to spend in 2019/20 only and partially offset by the retrospective funding allocation.

12. Centrally held budgets

It has now been confirmed that the CCG should not provide for 0.5% contingency under the temporary financial regime and therefore this has been adjusted.

13. Quality, Innovation, Productivity and Prevention (QIPP) Position

Currently on hold given the temporary financial regime in operation.

14. Key risks to the reported position

- At the time of writing and contrary to published guidance the national process for authorising the retrospective non-recurrent allocation adjustments (for reasonable variances) has not been completed for month 4. The timeframe for this is now the 31 August 2020; in the meantime the CCG cannot report a breakeven position for month 4.

Appendix 1 – Cumulative COVID-19 costs Apr to July 2020

OCS		Allowable Cost	Apr to June ** £'000	July £'000	Apr to July £'000
Rotherham NHS Foundation Trust - Community		Hospital Discharge Programme	255	87	343
Rotherham NHS Foundation Trust - Community Total			255	87	343
Ambulance Services (including PTS and 111)		Enhanced PTS	8	0	8
Ambulance Services (including PTS and 111) Total			8	0	8
Other Non Contract (including NCA's)		Other Covid-19	37	12	50
Other Non Contract (including NCA's) Total			37	12	50
MH Community Beds		Hospital Discharge Programme	53	9	62
MH Community Beds Total			53	9	62
Rotherham Hospice		Backfill for higher sickness absence	18	99	117
		Other Covid-19	4	152	156
		National Procurement Areas e.g. PPE	35	87	122
Rotherham Hospice Total			57	337	394
Other Providers (Community)		Hospital Discharge Programme	-0	4	3
Other Providers (Community) Total			-0	4	3
Commissioned Primary Care Services(Other)		Backfill for higher sickness absence	52	7	59
		Bank Holidays	100	0	100
		Other Covid-19	159	-19	140
		Remote management of patients	63	59	122
		National Procurement Areas e.g. PPE	34	25	59
		Remote working for non-patient	0	7	7
Commissioned Primary Care Services(Other) Total			408	80	488
GP Information Technology		Other Covid-19	11	0	11
		GP SMS Additional Costs	15	3	18
			26	3	29
Local Authority / Joint Services		Hospital Discharge Programme	138	0	138
			138	0	138
Continuing Care & Funded Nursing Care		CCG	978	662	1,640
		Social Care	521	440	960
			1,499	1,102	2,601
Corporate : Non- Running Costs		Other Covid-19	18	0	18
		National Procurement Areas e.g. PPE	67	13	80
Corporate : Non- Running Costs Total			84	13	97
Grand Total			2,566	1,647	4,213

** Funded through non-recurrent retrospective allocation adjustment in month 3 and 4

Appendix 2 – Movement in forecast outturn

	Forecast Outturn			
	Prior Month Forecast Variance £'000	Funded via NR Retropective Adjustment £'000	Movement in Forecast £'000	Revised Forecast Variance £'000
<u>Acute Services</u>				
Rotherham NHS Foundation Trust - Acute	0	0	(0)	(0)
Sheffield Teaching Hospitals NHS FT	0	(0)	0	0
Doncaster & Bassetlaw Hospitals NHS FT	0	0	(0)	(0)
Other NHS Contracts	(0)	(0)	0	(0)
Ambulance Services (including PTS and 111)	(1)	7	(7)	(2)
Other Non NHS Acute Services	(25)	161	(106)	29
Other Non Contract (including NCA's)	(37)	19	64	46
Sub total Acute Services	(64)	186	(49)	73
<u>Mental Health & Learning Disability</u>				
Rotherham, Doncaster & South Humber FT	29	(20)	(0)	9
Other Providers (Mental Health & LD)	(112)	92	304	284
Sub total Mental Health & LD	(83)	72	304	293
<u>Community Services</u>				
Rotherham NHS Foundation Trust - Community	170	(85)	2	87
Rotherham Hospice	25	(23)	321	323
Other Providers (Community)	(88)	2	16	(69)
Sub total Community Services	107	(105)	340	341
<u>Primary Care</u>				
Prescribing	383	(384)	(77)	(78)
Commissioned Primary Care Services(Delegated)	195	(101)	(0)	94
Commissioned Primary Care Services(Other)	140	(43)	(16)	81
GP Information Technology	(3)	(7)	(3)	(13)
Sub total Primary Care Services	715	(536)	(97)	83
<u>Other Programme Services</u>				
Local Authority / Joint Services	165	(134)	(35)	(3)
Continuing Care & Funded Nursing Care	600	(350)	662	912
Voluntary Sector Grants / Services	3	(10)	5	(1)
Sub total Other Programme Services	769	(494)	633	908
<u>Corporate</u>				
Corporate : Running Costs	145	(10)	(28)	107
Corporate : Non- Running Costs	89	(20)	(36)	32
Sub total Corporate	234	(30)	(65)	139
Sub total - all areas	1,678	(907)	1,067	1,838
<u>Central</u>				
Centrally held Budgets	1,120	(329)	(681)	111
Sub total Central	1,120	(329)	(681)	111
TOTAL (Surplus)/ Deficit	2,798	(1,236)	386	1,948