

Finance Report

Governing Body meeting

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6 February 2014

Author(s)/Presenter and title	Jackie Mills, Deputy Director of Finance Brian Richards, Senior Finance Manager
Sponsor	Julia Newton, Director of Finance
Key messages	
<p>This report provides the Governing Body with information on the financial position for the nine months to 31 December 2013, together with an update on the year end forecast position. The CCG's forecast surplus at month 9 is £6.9m, in line with the position reported to the Governing Body last month. NHS England has recently confirmed that this surplus will be carried forward in full into 2014/15. The year to date position shows a surplus of £5.2m. The overall position on acute services has remained stable, but there are potential pressures particularly on prescribing. The CCG continues to hold small contingencies to manage winter pressures and unless there are exceptional issues these are considered adequate to manage the position in Quarter 4. Equally important during Q4 is the management of cash and CCGs will need to work closely with NHS England to ensure collectively we stay within the national maximum limit.</p> <p>The report also updates the Governing Body on the development of the financial plan for the period April 2014 – March 2019.</p>	
Assurance Framework (AF)	
<p>Assurance Framework Number: Assurance Framework risks 3.2 and 4.3</p> <p>How does this paper provide assurance to the Governing Body that the risk is being addressed? <i>RAG rated monthly financial performance report with sensitivity analysis to Governing Body on a monthly basis.</i></p> <p>Is this an existing or additional control: Existing</p>	
Equality/Diversity Impact	
<p>Has an equality impact assessment been undertaken? NO</p> <p>Which of the 9 Protected Characteristics does it have an impact on? There are no specific issues associated with this report.</p>	
Public and Patient Engagement	
<p>There are no specific issues associated with this report.</p>	

Recommendations

The Governing Body is asked to:

Part A: 2013/14 Financial Position

- Note the month 9 and forecast out-turn position
- Approve the budget changes highlighted in section 4 to the report

Part B: Draft Financial Plan for 2014/15 to 2018/19

- Note the progress to date to complete a plan which meets national requirements and can underpin delivery of the CCG's Commissioning Intentions and strategic vision

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6 February 2014

PART A: 2013/14 Financial Position

1 Executive Summary

Target	Year to Date	Forecast	Key Issues
Deliver 0.5% Surplus (£3.5m) against Commissioning Revenue Resource Limit (RRL)	(£3.1m) Under spend	(£4.1m) Under spend	There are continued acute hospital activity pressures at M9. However, this is offset by under spending in other budget areas and release of contingency reserves.
Remain within Running Cost Allowance (RCA) – revised at £13m	(£2.1m) Under spend	(£2.8m) Under spend	<p>The CCG had an initial Running Cost Allowance of £14m. As Sheffield CCG is a large CCG we benefit from economies of scale and hence £1m of the allocation was transferred at plan stage to support commissioning activities.</p> <p>Governing Body approved the release of nearly £2m uncommitted reserves to support increasing the CCG’s overall surplus at M6 and there has been subsequent further slippage in spend/release of reserves.</p>
Remain within Cash Limit	(£5.6m) Closing balance	Breakeven	Following a recent national exercise Sheffield CCG has been notified of a maximum cash drawdown of £655.6m. In line with other CCGs this is substantially less than our expected cash limit based on our resource limit. This is mainly due to various technical factors linked to the complex PCT legacy process and how NHS England is deciding to handle the issues in 2013/14. As we still require clarity on some of these it is difficult to accurately assess whether the maximum draw down will be sufficient, but CCGs are required to make a further return on 31 January. It means cash management will be important in Q4 and the finance team is currently working on various scenario plans.

Other Duties

Ensure that 98% of CCG resources are spent recurrently – i.e. to provide a 2% recurrent surplus (£13.8m for Sheffield)	Not measured year to date		Achievement is primarily linked to delivery of QIPP in Q4 and the level of forecast activity which is assessed as recurrent when we complete our 14/15 financial plan. At M9 it looks challenging to maintain an underlying surplus of 2% at year end. Failure to do so will put pressure on 2014/15 growth funding.
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Key:

Red	Significant risk of non-delivery. Additional actions need to be urgently pursued.
Amber	Medium risk of non-delivery requires additional management effort.
Green	Low risk of non-delivery – current management effort should deliver success.

2. Revenue Position as at 31 December 2013

2.1 Overview

The financial position at month 9 is detailed in **Appendix A**. This shows a surplus of £5.2m year-to-date (YTD) and a forecast outturn (FOT) surplus of £6.9m. However, as discussed below there is a continued requirement to manage a range of risks.

Table A: Summary Position at 31 December 2013

Category	Annual Budget £'000s	Year to Date Variance £'000s	Forecast Variance £'000s	Forecast Variance %
Acute Services	378,774	1,830	2,440	0.6%
Mental Health Services	74,718	(116)	(145)	-0.2%
Primary and Community Services	81,183	(359)	(718)	-0.9%
Continuing Healthcare	49,256	(45)	(59)	-0.1%
Prescribing	87,626	(735)	(965)	-1.1%
CSU Programme Costs	3,795	-	-	-
Reserves	6,541	(1,103)	(1,132)	-17.3%
Planned Surplus	3,500	(2,625)	(3,500)	-100%
Commissioning Budget	685,394	(3,152)	(4,079)	-0.6%
Running Costs (see section 2.2.12)	13,070	(2,066)	(2,821)	-21.6%
Total Budget 2013/14	698,464	(5,217)	(6,900)	-1.0%

2.2 Key Issues

2.2.1 Acute Hospital Activity: Contract monitoring information from **Sheffield Teaching Hospitals** for December shows an improved position compared to the previous month. Although elective inpatient activity was above the contract target in December, the November forecast allowed for some increase to elective activity,

due to 18 week pressures, and so the forecast variance is in line with that reported previously. Outpatient activity was slightly below plan in December, although given the Christmas break it is difficult to draw firm conclusions from this. In terms of non elective activity - this was below target in December, as was A&E activity. Overall, the forecast overspend based on M9 information is 0.3% overspent (£956k) compared to the previous forecast of 0.4% overspent (£1,378k).

For **Sheffield Children's**, the position is in line with that reported at month 8.

2.2.2 The **ISTC and Extended Choice** forecast spend has been increased following a change to a more expensive casemix and an increase in first outpatients in November. The overall citywide position has been reviewed to understand the impact on the financial plans for 2014/15 onwards

2.2.3 For **Sheffield Teaching Hospitals Community Services** there is a reported forecast underspend of £173k. This is primarily due to an expected £73k rebate where KPIs in the community MSK and CICs contracts have not been met in full, together with an underperformance on the podiatric surgery element of the contract.

2.2.4 In relation to the **111 Service** contract activity has been below plan. This led to an agreed rebate against plan of £105k for quarter 1. The forecast includes an estimate of likely Q2 to Q4 under activity. However Sheffield CCG, in conjunction with other CCGs party to the contract is considering the trust's request to effectively reduce the rebate to allow for winter resilience. If this is agreed this pressure will be managed through remaining contingency reserves.

2.2.5 **Continuing Health Care (CHC)**: Spend increased in December as a result of an increasing number of (net) new clients becoming eligible for CHC (with a number of claims being backdated for a number of months) compared to a negative run rate for first 6 months. This resulted in a slight increase in the forecast overspend which was offset by a slight reduction in the forecast spend for Funded Nursing Care.

2.2.6 **Prescribing**: Information on actual costs has been received for 8 months. The benefit from Cat M price changes has been offset by price increases linked to reduced supply of certain drugs and continued high volume of scripts dispensed. The local estimate provided by the Medicines Management Team for the actual December charge is significantly higher (+£0.5m) than the budget. At this stage this potential pressure has not been factored into the reported forecast partly because the CCG has a high budget set aside for January based on our local profile and to date no particular winter issues have emerged. Early indications are that the national price changes from January will have a limited impact on the financial position in 13/14.

There is a continued convergence with the PPA forecast using their recently revised profile, which would reduce the reported underspend by c£0.2m. .

2.2.7 **Quality Innovation, Productivity & Prevention (QIPP)**

The table below outlines the current position in relation to savings secured against each of the QIPP programme lines.

Programme	Net Savings Plan (Full Year) £'000	Net Variance (YTD) £'000	Forecast Variance Positive figure = Adverse Variance £'000
Reducing Variations in Elective Care	(900)	92	312
Right First Time (Urgent Care)	(900)	636	889
Effective Use of Medicines	(900)	(82)	(110)
Continuing Health Care & End of Life Care	(2,800)	(162)	(200)
Total	(5,500)	484	891

Savings year to date are £484k or 11.8% below plan. The in-month position has deteriorated since month 8 (£349k) as expected, given the larger proportion of QIPP savings phased into the latter 6 months of the year. In terms of NHS England's performance 'Dash board' ratings this gives amber-green Year to Date.

The forecast shortfall of £891k has remained the same following the full re-evaluation of the QIPP programme undertaken at month 6.

2.2.10 2% Non-Recurrent Reserve (£13.8m): We have now deployed £12.5m with most of the remaining £1.3m being held for potential Q4 pressures and issues.

2.2.11 General Contingency Reserve: At month 9 we have a contingency reserve of £2.4m of which £1.3m is currently "released" to offset forecast pressures in acute activity.

2.2.12 Running Costs: The position against the £13.1m running cost budget is summarised in the table below.

Category	Annual Budget £'000s	Year to Date Variance £'000s	Forecast Variance £'000s	Forecast Variance %
Pay	4,580	(141)	(292)	-6.3%
Non Pay	7,645	(552)	(664)	-8.7%
Income	(1,119)	4	0	-
Running Costs Reserve	1,963	(1,377)	(1,865)	-95%
Running Cost Budget	13,070	(2,066)	(2,821)	-21.6%

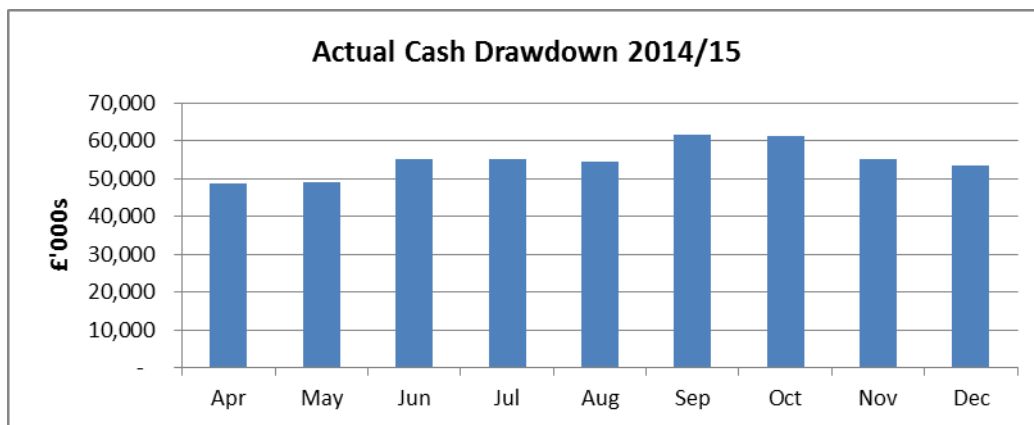
The forecast has remained broadly in line with that reported at month 8 but for the additional slippage on Locality allowances.

3. Delivery of Cash Position

CCGs have a duty to remain within their cash limit as set by NHS England. Historically for PCTs this would broadly be the same as the combined revenue resource limit (including funding for running costs) and capital resource limit adjusted for certain "non cash" expenditure. **Appendix B** uses this methodology to create the CCG's expected cash limit which would be £698m. However, as a result of the complex arrangements which the Department of Health/NHS England have put in place to manage PCT legacy issues,

CCGs do not have a normal working capital position for 2013/14 due to the absence of various opening balance sheet items which will mean that our cash requirements are less than the cash limit at Appendix B. Following a national exercise in December the CCG has currently been given a maximum cash drawdown figure of £655.6m. In line with most other CCGs this is less than we requested but it is to be reviewed via a further exercise at the end of January. The finance team is currently considering various scenarios to determine the minimum requirement and still pay creditors in line with the national better payments policy.

The total cash used to the end of December was £493.6m, leaving £161.9m available for the final quarter (c£53m/month). The graph below shows the actual monthly drawdown during the year. There were lower requirements in months 1 and 2 because the CCG was not required to pay any prior year creditors from the former PCT.



4. Key Budget Movements

In line with the Scheme of Delegation the Governing Body is required to sign off all budget movements over £2m (see appendix D). At month 9, £2.3m has been moved from reserves to STHFT. £2.049m of this relates to the allocation of the funding received from NHS England (earmarked for STHFT) in relation to winter funding). The balance of funding relates to the funding transferred from NHS England in relation to Neonatal Screening. The Governing Body is asked to approve this budget movement.

Part B: Financial Planning for 2014/15 to 2018/19

A brief summary of the outcome of NHS England's decisions on CCG allocations for 2014/15 and 2015/16 was presented in last month's report from the Accountable Officer. The attached **Annex A** provides a more detailed summary for Governing Body members for information. Members should note that at the time of writing this report the precise details of the CCG's Running Cost Allowance for the next 2 years has still to be announced and so planning to date is on indicative values.

Governing Body members received draft financial plans at the January meeting in private session. Information was provided in private session to allow discussion on the assumptions to be used in the plan and for specific contract negotiations. The detailed information continues to need to be kept confidential at this stage so as not to compromise ongoing contract negotiations.

It is useful to highlight that the general assumptions approved last month should allow the financial plan to underpin the CCG's commissioning intentions and meet the national financial planning requirements as follows:

- Delivery of a 1% surplus in each of the 5 years (c£7m for Sheffield CCG)
- Retain a proportion of funds for non recurrent use only in each of the years – 2.5% in 2014/15 (including 1% for the Call to Action Fund) and 1% thereafter
- Start each year with 0.5% general contingency reserve
- In 2015/16 deploy recurrently from CCG baseline resources £25.5m into our local Better Care Fund to be managed jointly with Sheffield City Council

Work continues on many aspects of the financial plan with particular focus at this stage on the first two years of the plan and within this, such issues as modelling the financial impact of the level of activity which is likely as a result of underlying demand and also for acute elective activity, that which is needed to meet NHS Constitution pledges such as 18 weeks referral to treatment. A further key focus is the level of QIPP which is required to allow the CCG to meet the national financial requirements set out above and to make progress with its strategic vision. Currently significant work continues, principally through the clinically led portfolio teams, to confirm what might be realistic targets for reducing acute hospital activity as a result of more effective/expanded primary and community health and social care services.

The table at **Annex B** gives an overview of the increase in funding which the CCG expects to receive over the next 5 years, the current estimates of activity and other pressures and the level of QIPP required. As mentioned above, the main focus at the moment is on the first two years of the plan where draft detailed plans have to be submitted to NHS England by 14 February (with final plans by 4 April) and the information for the other 3 years of the plan are very much first estimates at this stage.

As contract negotiations are not due to be completed until the end of February, it will not be possible due to the timing of the March meeting to present detailed budgets for 2014/15 for formal approval in public until the Governing Body meeting on 3 April 2014. However, the latest estimates will be presented in private session in March for interim approval.

Governing Body members have previously been very interested to understand how the plan will support the strategic intention to undertake more care in community settings as opposed to the acute hospital setting where this is better for patients. Information on how funding flows may change over the next 5 years will also be provided to the March meeting.

5. Recommendations:

The Governing Body is asked to:

Part A: 2013/14 Financial Position

- Note the month 9 and forecast out-turn position
- Approve the budget changes highlighted in section 4 to the report

Part B: Draft Financial Plan for 2014/15 to 2018/19

- Note the progress to date to complete a plan which meets national requirements and can underpin delivery of the CCG's Commissioning Intentions and strategic vision

Paper prepared by Jackie Mills, Deputy Director of Finance, Brian Richards, Senior Finance Manager

On behalf of Julia Newton, Director of Finance

January 2014

NHS Sheffield Clinical Commissioning Group
Finance Report 2013/14 - Financial Position for Period Ending 31 December 2013

	Year to Date: December				Year End Forecast Out-turn				Forecast
	Budget	Expenditure	Variance		Budget	Forecast	Variance		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
COMMISSIONING									-
Revenue Resource Limit	508,459	508,459	0	0.0%	685,394	685,394	0	0.0%	-
EXPENDITURE									
Acute Services									
Sheffield Teaching Hospitals NHS FT	228,342	229,612	1,270	0.6%	306,562	307,691	1,129	0.4%	1,451
Sheffield Children's NHS FT	22,358	22,693	334	1.5%	29,828	30,279	451	1.5%	433
Ambulance Services	15,875	15,589	(286)	-1.8%	21,186	20,813	(373)	-1.8%	(303)
Other NHS Trusts	8,016	7,685	(331)	-4.1%	10,605	10,207	(399)	-3.8%	(394)
ISTC & Extended Choice	4,017	5,065	1,048	26.1%	5,356	7,037	1,682	31.4%	1,371
Individual Funding Requests	866	617	(250)	-28.8%	1,224	1,085	(139)	-11.4%	(183)
Non Contract Activity	3,056	3,100	44	1.4%	4,013	4,104	90	2.2%	64
Sub Total Acute	282,530	284,360	1,830	0.6%	378,774	381,215	2,440	0.6%	2,440
Mental Health									
Sheffield Health and Social Care NHS FT	54,627	54,627	0	0.0%	73,269	73,269	0	0.0%	-
Individual Funding Requests - MH	379	260	(119)	-31.4%	506	356	(150)	-29.6%	(122)
Other Mental Health	707	711	4	0.5%	943	948	5	0.5%	5
Sub Total Mental Health	55,714	55,598	(116)	-0.2%	74,718	74,573	(145)	-0.2%	(117)
Primary & Community Services									
Sheffield Teaching Hospitals NHS FT - Comm	39,068	38,886	(182)	-0.5%	52,091	51,917	(173)	-0.3%	(75)
Sheffield Children's NHS FT - Comm	2,370	2,432	62	2.6%	3,160	3,160	0	0.0%	-
Primary Care Access Centre	2,201	2,201	0	0.0%	2,935	2,912	(23)	-0.8%	(19)
Other Community	888	908	20	2.3%	1,184	1,211	27	2.3%	35
St Lukes Hospice	1,899	1,899	0	0.0%	2,532	2,532	0	0.0%	-
Voluntary Organisations	504	504	0	0.0%	672	672	0	0.0%	-
Enhanced Services	3,197	3,257	60	1.9%	4,262	4,369	107	2.5%	69
111	842	600	(242)	-28.8%	1,123	800	(323)	-28.8%	(105)
Optometry	199	198	(1)	-0.3%	265	236	(29)	-11.1%	10
Pharmacy	298	296	(3)	-0.9%	460	452	(8)	-1.7%	(12)
Local Authority									
Section 256 - Grants	3,546	3,546	0	0.0%	5,008	5,008	0	0.0%	-
Section 75 - LD Pooled Budget	2,007	2,007	0	0.0%	2,676	2,676	0	0.0%	-
Section 75 - Equipment Service Pooled Budget	1,360	1,360	0	0.0%	1,814	1,814	0	0.0%	-
Other Commissioning	2,094	2,020	(74)	-3.5%	3,000	2,705	(295)	-9.8%	(234)
Sub Total Primary & Community Services	60,474	60,115	(359)	-0.6%	81,183	80,465	(718)	-0.9%	(330)
Continuing Healthcare									
Continuing Care	32,742	33,172	430	1.3%	43,205	43,779	574	1.3%	519
Funded Nursing Care	4,538	4,063	(475)	-10.5%	6,051	5,418	(633)	-10.5%	(585)
Sub Total Continuing Health Care	37,280	37,236	(45)	-0.1%	49,256	49,197	(59)	-0.1%	(66)
Prescribing	65,886	65,152	(735)	-1.1%	87,626	86,661	(965)	-1.1%	(1,063)
Services from CSU - Programme									
Continuing Healthcare Assessments	1,240	1,240	0	0.0%	1,653	1,653	0	0.0%	-
Medicines Management	1,090	1,090	0	0.0%	1,453	1,453	0	0.0%	-
Development Nurses	517	517	0	0.0%	689	689	0	0.0%	-
Sub Total Services from CSU - Programme	2,846	2,846	0	0.0%	3,795	3,795	0	0.0%	-
Reserves									
Commissioning Reserves	359	0	(359)	-100.0%	2,809	2,809	0	0.0%	0
General Contingency Reserve	744	0	(744)	-100.0%	2,422	1,290	(1,132)	-46.7%	(1,536)
2% Non Recurrent Reserve	0	0	0	0.0%	1,310	1,310	0	0.0%	-
Planned Surplus	2,625	0	(2,625)	-100.0%	3,500	0	(3,500)	-100.0%	(3,500)
Sub Total Reserves	3,728	0	(3,728)	-100.0%	10,041	5,409	(4,632)	-46.1%	(5,036)
TOTAL EXPENDITURE - COMMISSIONING	508,459	505,307	(3,152)	-0.6%	685,394	681,315	(4,079)	-0.6%	(4,172)
(UNDER)/OVER SPEND - COMMISSIONING	0	(3,152)	(3,152)		0	(4,079)	(4,079)		(4,172)
RUNNING COSTS ALLOWANCE									
Funding net of £1m transfer to commissioning budgets	9,711	9,711	0	0.0%	13,070	13,070	0	0.0%	-
EXPENDITURE									
Governing Body & Chief Officers	1,973	1,935	(39)	-2.0%	2,647	2,506	(141)	-5.3%	(52)
Finance & Contracting	1,300	1,085	(216)	-16.6%	1,731	1,525	(206)	-11.9%	(205)
Operations Management	975	906	(68)	-7.0%	1,301	1,219	(82)	-6.3%	(64)
Clinical Quality & Clinical Services	991	935	(56)	-5.6%	1,316	1,187	(129)	-9.8%	(131)
Premises and Bought In Services	3,069	2,742	(327)	-10.7%	4,078	3,669	(409)	-10.0%	(410)
Collaborative	26	43	17	66.9%	34	46	12	33.7%	-
Running Cost Reserve	1,377	0	(1,377)	-100.0%	1,963	98	(1,865)	-95.0%	(1,865)
TOTAL EXPENDITURE - RUNNING COSTS	9,711	7,645	(2,066)	-21.3%	13,070	10,249	(2,821)	-21.6%	(2,729)
(UNDER)/OVER SPEND - RUNNING COSTS	0	(2,066)	(2,066)		0	(2,821)	(2,821)		(2,729)
TOTAL									
Revenue Resource Limit - Commissioning	508,459	508,459	0	0.0%	685,394	685,394	0	0.0%	-
Revenue Resource Limit - Running Costs	9,711	9,711	0	0.0%	13,070	13,070	0	0.0%	-
Revenue Resource Limit - TOTAL	518,170	518,170	0	0.0%	698,464	698,464	0	0.0%	-
EXPENDITURE									
Commissioning	508,459	505,307	(3,152)	-0.5%	685,394	681,315	(4,079)	0.0%	(4,172)
Running Costs	9,711	7,645	(2,066)	-18.6%	13,070	10,249	(2,821)	0.0%	(2,729)
EXPENDITURE - TOTAL	518,170	512,953	(5,217)	-0.8%	698,464	691,564	(6,900)	0.0%	(6,900)
(UNDER)/OVER SPEND - CCG	0	(5,217)	(5,217)		0	(6,900)	(6,900)		(6,900)

Sheffield Clinical Commissioning Group
Finance Report 2013/14 - Resource Limits for Period Ending 31 March 2014

REVENUE RESOURCE LIMIT

COMMISSIONING	Month	Sheffield Total			
		Rec £'000	Non-Rec £'000	Total £'000	Cash £'000
2013/14 Initial Baseline	1	675,336		675,336	675,336
2013/14 Recurrent Uplift	1	15,533		15,533	15,533
		690,869	0	690,869	690,869
Notified Adjustments					
Share of Surplus c/f from PCT	1		353	353	0
Transfer to NHS E (Family Nurse Partnership £244k)	1	(244)		(244)	(244)
Transfer to NHS E (Community Dental £146k)	1	(146)		(146)	(146)
Transfer to NHS E (Specialised Services)	1		(8,678)	(8,678)	(8,678)
Transfer to NHS E (Marginal Rate Adjustment)	1		(315)	(315)	
Transfer from NHS E (Marginal Rate Adjustment - return)	1		315	315	
Virement from Running Costs RRL	1		1,000	1,000	1,000
Transfer to NHS England (APMS contracts correction)	4	(205)		(205)	(205)
Winter Pressures - STH NHS FT	8		2,049	2,049	2,049
Winter Pressures - SCH NHS FT	8		834	834	834
STHFT bowel screening	9		(76)	(76)	(76)
RFT Health visiting & family nurse practitioner	9		(12)	(12)	(12)
STHFT neonatal screening	9		223	223	223
STHFT Downs screening & antenatal haemoglobinopathy	9		(31)	(31)	(31)
Services from Barnsley (NORCOM)	9		24	24	24
Anticipated					
Movement to surplus per final accounts	6		(16)	(16)	(16)
Transfer to NHS E (Primary Care)	6	(550)		(550)	(550)
Transfer to NHS E (Specialised Services - made recurrent)	6	(8,678)	8,678	0	
Transfer to NHS E (Specialised Services - out of area)	6	(962)		(962)	(962)
Transfer to NHS E (Specialised Services - out of area - non recurrent adjustment)	6		962	962	962
Commissioning Revenue Resource Limit - Board Report - Month 9		680,084	5,310	685,394	685,041

	Month Identified	Sheffield Total			
		Rec £'000	Non-Rec £'000	Total £'000	Cash £'000
Notified Adjustments					
Running costs revenue resource limit confirmation	1	14,070		14,070	14,070
Virement to Commissioning RRL	1		(1,000)	(1,000)	(1,000)
Anticipated					
Total Confirmed		14,070	(1,000)	13,070	13,070
Running Costs Revenue Resource Limit - Board Report - Month 9		14,070	(1,000)	13,070	13,070

698,464

CAPITAL RESOURCE LIMIT

	Month Identified	Sheffield Total			
		Rec £'000	Non-Rec £'000	Total £'000	Cash £'000
Confirmed Adjustments					
Anticipated CRL					
Total Confirmed		0	0	0	0
Anticipated Adjustments					
Total Anticipated		0	0	0	0
Capital Resource Limit - Board Report - Month 9		0	0	0	0

Total Cash Limit - Board Report - Month 9

698,111

Appendix C

Performance to 31st December 2013									
	Annual Budget	Note	Budget to date	Spend to date	Variance to date	% Variance	Forecast Outturn	Forecast Variance	% Variance
	£000's		£000's	£000's	£000's		£000's	£000's	
Elective In Patients	63,512		47,661	46,525	- 1,136	-2.4%	62,190	- 1,322	-2.1%
Outpatients (including Procedures and Imaging)	49,070		36,975	39,541	2,565	6.9%	52,764	3,694	7.5%
Total Elective Services	112,582		84,636	86,066	1,430	1.7%	114,954	2,372	2.1%
Non-Elective In Patients	106,928		79,405	79,468	63	0.1%	105,633	- 1,294	-1.2%
Outpatients (CDU)	1,062		802	906	104	12.9%	1,208	146	13.8%
A&E	12,791		9,637	10,104	467	4.8%	13,411	620	4.8%
Total Non-Elective services	120,781		89,845	90,479	634	0.7%	120,253	- 528	-0.4%
Quality (CQUINS) Payments	7,406		5,541	5,588	47	0.8%	7,374	- 32	-0.4%
Cost per case (drugs and devices)	17,373		13,030	12,840	- 190	-1.5%	17,371	- 2	0.0%
Direct Access (tests and imaging)	10,065		7,549	7,644	95	1.3%	10,192	127	1.3%
Maternity Pathway payments	12,707		9,530	9,541	11	0.1%	12,721	15	0.1%
Critical Care	10,400		7,800	7,478	- 323	-4.1%	10,170	- 230	-2.2%
Other services (Block, other out of contract)	15,249		10,412	9,977	- 435	-4.2%	14,655	- 594	-3.9%
Total Acute	306,562		228,342	229,612	1,270	0.6%	307,691	1,129	0.4%
Community contract (incl CICS, MSK and CQUINS)	52,091		39,068	38,886	- 182	-0.5%	51,917	- 173	-0.3%
Total STHFT Combined Acute and Community contract	358,653		267,410	268,498	1,087	0.4%	359,608	956	0.3%

Movements from Budgets Previously Approved by Committee

	Revised Budgets	Allocations	Investments	Cost Pressures	Budget virements	Other	Revised Budgets	Comments
	Month 8 £000	£000	£000	£000	£000	£000	Month 9 £000	
INCOME								
Revenue Resource Limit	698,336	128					698,464	Neonatal screening & adjustments with NHS E
EXPENDITURE								
COMMISSIONING								
Acute Care								
Sheffield Teaching Hospitals NHS FT	304,290	2,272					306,562	Winter Pressures/neonatal screening
Sheffield Children's NHS FT	29,803		25				29,828	innovation fund
Ambulance Services	21,186						21,186	
Other NHS Trusts	10,605						10,605	
ISTC & Extended Choice	5,356						5,356	
Individual Funding Requests	1,224						1,224	
Non Contract Activity	4,013						4,013	
Mental Health								
Sheffield Health and Social Care NHS FT	73,169		100				73,269	winter pressures
Individual Funding Requests - MH	506						506	
Other Mental Health	943						943	
Primary & Community Services								
Sheffield Teaching Hospitals NHS FT - Comm	51,954		11		126		52,091	from S256 Grants
Sheffield Children's NHS FT - Comm	3,160						3,160	
Primary Care Access Centre	2,935						2,935	
Other Community	1,184						1,184	
St Lukes Hospice	2,495		36				2,531	innovation funds
Voluntary Organisations	672						672	
Enhanced Services	4,262						4,262	
111	1,123						1,123	
Optometry	265						265	
Pharmacy	363		97				460	winter pressures/innovation fund
Local Authority	0							
Section 256 - Grants	4,745		389		(126)		5,008	winter pressures/cap grant to LA
Section 75 - LD Pooled Budget	2,676						2,676	
Section 75 - Equipment Service Pooled Budget	1,814						1,814	
Other Commissioning	2,477		524				3,001	winter pressures/innovation fund

	Revised Budgets	Allocations	Investments	Cost Pressures	Budget virements	Other	Revised Budgets	Comments
	Month 8 £000	£000	£000	£000	£000	£000	Month 9 £000	
Continuing Healthcare								
Continuing Care	43,205						43,205	
Funded Nursing Care	6,051						6,051	
Prescribing	87,626						87,626	
Services from CSU - Programme								
Continuing Healthcare Assesments	1,653						1,653	
Medicines Management	1,453						1,453	
Development Nurses	689						689	
Reserves								
Commissioning Reserves	5,060	(2,049)				(202)	2,809	
General Contingency Reserve	2,316	(95)				202	2,423	
2% Non Recurrent Reserve	2,492		(1,182)				1,310	
Planned Surplus	3,500						3,500	
	685,266	128	0	0	0	0	685,394	
Running Cost Allocation								
Governing Body & Chief Officers	2,647						2,647	
Finance & Contracting	1,731						1,731	
Operations Management	1,301						1,301	
Clinical Quality & Clinical Services	1,316						1,316	
Premises and Bought In Services	4,074				4		4,078	
Collaborative	34						34	
Running Cost Reserve	1,967				(4)		1,964	
	13,070	0	0	0	0	0	13,070	
CLINICAL COMMISSIONING GROUP TOTAL	698,336	128	0	0	0	0	698,464	

NHS SHEFFIELD CCG - 2014/15 and 2015/16 Allocations as announced on 18 December 2013

BOX A:	Notes	£'000	% change
CCG ACTUAL Commissioning Allocations			
2013/14 Opening Baseline		690,869	
<u>In Year agreed recurrent adjustments to baseline exercise:</u>			
Specialised Services Adjustment		-9,640	
Primary Care Adjustment re LIFT		-550	
Transfer to NHS E (Family Nurse Partnership)		-244	
Transfer to NHS E (Community Dental)		-146	
Transfer to NHS England (APMS contracts correction)		-205	
Adjusted CCG Recurrent Commissioning Baseline		680,084	
Cash Uplift 2014/15			
Minimum cash uplift 2.14%		14,554	2.14%
CCG Programme (Commissioning) Recurrent Allocation 2014/15		694,638	
Cash Uplift 2015/16			
Minimum cash uplift 1.7%		11,809	1.70%
Transfer Better Care Fund from NHS E	See Box C	12,399	
CCG Programme (Commissioning) Recurrent Allocation 2015/16		718,846	
Running Costs Allocation		TBC	
For 14/15 expect at c£14m as per 13/14 and from 15/16 10% lower at approx £12.6m			

BOX B:			Calculation
Target CCG Allocation Calculation			
Opening Position			
Baseline Allocation 2013/14 £'000	680,084 A		Per Box A
Registered Population	581,645 B		
Opening Actual Allocation per Head £	1,169 C		(A*1000)/B
Opening target allocation per head £	1,095 D		
Opening Distance ABOVE Target (DFT)	43,042	6.81%	(C-D)/D
2014/15			
Estimated Registered Population	585,853 F		
Programme (Commissioning) allocation £'000	694,638 G		Per Box A
Total Growth on prior year	2.14% H		Per Box A
Closing Actual Allocation per head £	1,186 I		(G*1000)/F
Closing Target Allocation per head £	1,122 J		
Closing Distance ABOVE Target	37,495	5.63%	(I-J)/J
2015/16			
Estimated Registered Population	589,865 L		
Programme (Commissioning) allocation £'000	706,447 M		G*(1+N)
Total Growth on prior year	1.70% N		Per Box A
Closing Actual Allocation per head £	1,198 O		(M*1000)/L
Closing Target Allocation per head £	1,136 P		
Closing Distance ABOVE Target	36,572	5.41%	(O-P)/P
Better Care Fund Additional Allocation	12,399 R		
Total Allocation 15/16	718,846 S		M+R

Box C:	National	Sheffield	% change
Better Care Fund	£'000	£'000	
2013/14 Allocation	900,000	9,683	
Increase to this allocation for 2014/15	200,000	2,716	28%
2014/15 allocation (Funding will be transferred direct to SCC from NHSE)	1,100,000	12,399	
Better Care Fund (BCF) 2015/16			
Previous funding from NHS England	1,100,000	12,399	
Current CCG expenditure falling within the remit of the BCF	2,300,000	25,384	
2015/16 allocation (all within CCG allocation from 2015/16)	3,400,000	37,783	
<i>In addition to the £3.4b nationally shown above there is another £400m = capital grants from national government depts which will go direct to local authorities - working assumption is circa £4.5m for Sheffield</i>			

Sheffield CCG: Draft Financial Plan - Incremental Change in Funding and Spend 2014/15 - 2018/19

	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m	2018/19 £'m
A Cash increase to CCG Recurrent Baseline Resources					
Cash Uplift - see table below for assumptions	14.6	11.8	12.9	12.4	12.7
Anticipated additional changes to recurrent RRL - re specialised services	0.5				
	15.0	11.8	12.9	12.4	12.7
B Impact of Tariff					
Inflation including CNST - cost to CCG - see below for %s	-14.8	-12.9	-18.0	-20.5	-20.5
4% efficiency where applied in contracts – benefit to CCG	19.5	18.7	19.3	19.0	18.9
	4.7	5.8	1.3	-1.5	-1.6
C Cost Pressure/ Investments					
1 High Cost Drugs - growth in demand / technological changes	-1.5	-1.5	-1.5	-1.0	-1.0
2 Activity pressures covering Acute/Community/Mental Health/Ambulance	-6.6	-6.1	-6.5	-5.7	-5.6
3 CHC demand growth	-1.5	-1.5	-1.5	-1.0	-1.0
4 Prescribing - volume growth at 4.5% and price fluctuation	-3.9	-4.1	-4.2	-4.4	-4.5
5 Investment in local and national imperatives - estimates from 2015/16	-0.8	-1.1	-1.1	-0.6	-0.6
6 Adjustment to create correct non recurrent budget and correct underlying surplus to comply with national planning requirements	-6.7	4.6	-4.6	-3.4	-3.4
7 Assume most of £7m Call to Action Fund created in 2014/15 is deployed on initiatives which then recurrently become part of Better Care Fund arrangements, together with an estimate of new requirements		-10.0	-0.7	-0.7	-0.7
8 0.5% general contingency - national planning requirement - assume use each year so need to reinstate in each subsequent year	-3.5	-3.5	-3.5	-3.5	-3.5
9 Increase surplus so maintained at 1% minimum requirement	-0.1	-0.2	-0.1	-0.1	-0.1
	-24.6	-23.4	-23.7	-20.4	-20.4
D QIPP					
Target Savings	6.0	6.0	9.5	9.5	9.5
Planned Investment (From 15/16 via Better Care Fund arrangements)	-1.0	0.0	0.0	0.0	0.0
MINIMUM NET QIPP	5.0	6.0	9.5	9.5	9.5
E Delivery of 1% surplus					
Return of prior year surplus	6.9	7.0	7.2	7.3	7.4
In year increase/(decrease) to meet national requirement	0.1	0.2	0.1	0.1	0.1
	7.0	7.2	7.3	7.4	7.5

CCG minimum cash uplift per planning guidance	2.14%	1.7%	1.8%	1.7%	1.8%
Inflation rates - acute sector - includes 0.4% for service development in 14/15 and 0.3% for CNST all years	2.8%	2.5%	3.3%	3.7%	3.7%
Inflation rates - mental health & community - allows 0.1% for service development in 14/15 and nil for CNST	2.2%	2.2%	3.0%	3.4%	3.4%
Efficiency - all sectors unless CCG agrees to "waive"	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%