

Month 11 Finance Report**Governing Body Briefing**

Item 2

1 April 2021**1. Executive Summary**

Key Duties	Year to date	Forecast	Key Issues
Deliver the historical CCG surplus of £21.861m surplus (CCG's Control Total) against Commissioning Revenue Resource Limit (RRL) + RCA combined	(£22.9m) Under Spend	(£24.9m) Under Spend	<p>The financial arrangements for 20/21 are different to a normal year and have included some retrospective allocation based on actual spend (i.e Hospital Discharge Programme [HDP]) The CCG received its historical surplus allocation in Month 11 of £21.861m so is expected to deliver that position as a minimum.</p> <p>Above the historical surplus, South Yorkshire and Bassetlaw system envelope has been increased by £3m compared to the original notified envelope to support delivery of a balanced financial position across the system. This additional resource is being reported as additional forecast surplus in the CCG position.</p> <p>With one month remaining and risks reducing it is anticipated that all risks can be mitigated and the forecast position will be delivered.</p>
a) Achieve a surplus against the Programme Allocation	(£22.5m) Under Spend	(£24.7m) Under Spend	As noted above.
b) Remain within Running Cost Allowance (RCA) of £11,957k	£0.3m Under Spend	£0.2m Under Spend	The original notified allocation for RCA was £11,153k with a requirement not to exceed this funding level. An allocation of £804k was subsequently received to fund the 6.3% employer's pension uplift, hence the annual budget is now £11,957k. Forecast spend is £11,790k, still lower than RCA, meaning the Key Duty requirement continues to be achieved.
Remain within the Cash Limit (i.e. Maximum draw down set by NHS England)	£6.2m closing balance	Breakeven	The CCG's maximum cash draw down for 2020/21 notified in February was £1,047.1m. To remain within this limit, which requires the revenue position to be brought in on plan, cash payments will need to be managed to meet this target.

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. Resources Available

The Governing Body approved a revised full year budget for 2020/21 in November. The budget anticipated receipt of additional allocations totalling £9.5m, the majority of which have been received, with only a small number of outstanding allocation adjustments as noted in the table below. The CCG received its historical surplus allocation of £21.861m in Month 11 but as in previous years this is not available to utilise, the CCG is expected to deliver this surplus as a minimum (ie end the financial year with the same level of cumulative surplus as it began).

Confirmed Revenue Resource Limit - Programme	1,056,450
Anticipated Allocations:	
Hospital Discharge Programme – correction to forecast position	(139)
Independent Sector	(10)
Other allocations not yet received	949
Anticipated Revenue Resource Limit - Programme	1,057,250

Confirmed Revenue Resource Limit - Running Cost Allowance	11,957
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Anticipated Revenue Resource Limit - Total	1,069,207
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3. Summary of the reported position

The year to date position for the period April – February 2021, and the year-end forecast is summarised in Table 2 below (this information is presented in more detail in Appendix A). Appendix A also provides the year-end forecast variance as reported last month and a simple visual indicator of the changes to the predicted year-end position.

Table 2 : Summary Position at 28 February 2021	Budget for M1-11 £000's	Actual Variance M1-M11 £000's	Actual Var %	Budget for Year £000's	Forecast Variance Year End £000's	Forecast Var %
Acute & Community NHS Services	537,189	(15)	0.0%	591,306	(26)	0.0%
Other Acute & Community	5,834	136	2.3%	6,254	144	2.3%
Mental Health	94,084	(181)	-0.2%	103,464	(244)	-0.2%
Other Primary & Community services	43,599	(187)	-0.4%	46,768	(218)	-0.5%
Primary Care Co-Commissioning	75,109	519	0.7%	81,988	554	0.7%
Locally Commissioned Primary Care	20,548	(623)	-3.0%	22,874	(463)	-2.0%
Continuing Care	57,125	517	0.9%	62,146	443	0.7%
Prescribing	92,777	(51)	-0.1%	101,931	84	0.1%
Collaborative Working	12,872	(58)	-0.5%	14,599	(10)	-0.1%
Reserves	22,604	(22,604)	-100.0%	25,919	(24,958)	-96.3%
TOTAL EXPENDITURE - COMMISSIONING	961,741	(22,547)	-2.3%	1,057,250	(24,694)	-2.3%
Running Costs	11,052	(306)	-2.8%	11,957	(167)	-1.4%
TOTAL (UNDER)/OVER SPEND	972,793	(22,853)	-2.3%	1,069,207	(24,861)	-2.3%

4. Further Information on key budgets

Acute & Community NHS Services:

As outlined in previous months, the NHS Block payment arrangements continue throughout the second half of the year on a slightly different basis from the first half of the year. Local NHS providers are now being paid System wide funding totalling almost £63m for the last six months. Other providers within the ICS are receiving their system top-ups from their local CCGs.

Table 3 : System funding M7 to M12 (included in Appendix A headings)	System Top-Up funding £000	System COVID funding £000	System Growth funding £000	System Growth funding £000
Sheffield Teaching Hospitals	21,705	18,770	2,270	42,745
Sheffield Children's	11,671	2,698	417	14,786
Sheffield Health & Social Care	1,923	3,147	248	5,318
	35,299	24,615	2,935	62,849

It has not been possible to obtain a further update on activity at STH for this latest report.

Other Acute & Community Services: There is a forecast overspend due to costs for transporting patients to attend Renal services due to restrictions with COVID.

Mental Health: There driver of the slight forecast underspend as a result of not having any Individual Funding Request (IFR) spend in this financial year relating to Mental Health. In the last few years there has only been a small number on IFR patients for Mental health services as commissioning responsibilities for most conditions is delegated to Sheffield Health & Social Care NHS FT.

Primary Care Co-Commissioning and Locally Commissioned Primary Care: The position at month 11 shows an underspend of £103k; with a forecast overspend of £91k due to:

- Delegated budget has a forecast overspend of £554k which is mainly due to a cost pressure on reimbursements for locum expenditure and also reflecting the reduced budget for the Additional Roles Reimbursement Scheme (ARRS).
- Locally Commissioned Services are forecast to be underspent by £463k which relates to several variances on many of the activity-based services within the main budget, GPIT and the new in-house IT service. There is an underspend of £145k on the budget for COVID expenditure within primary care.

SMT agreed an engagement plan for addressing health inequalities through the COVID vaccine roll-out programme which committed £180k to facilitate communications and engagement across Sheffield. This is being led by the Communications team in the CCG. In addition, a further £36k has been allocated to Sheffield from the national funding available.

Continuing Care: The Continuing Care forecast variance position remains similar to the value reported last month. The CCG has achieved the deadline to review all patients discharged under the Hospital Discharge Programme between March and August before the end of March. The majority of the £0.9m overspend in Adults Continuing Care is as a result of increased Section 117 packages in 20/21.

Prescribing: The reported position is based on data for April to January. December and January spend continued at a high level, with 6% increase in average price per item but with a small percentage increase in items prescribed compared to 2019/20 levels. The number of items prescribed in December and January was higher than expected, which has resulted in the forecast increasing from £0.3m underspend to £0.2m overspend. Variability in Prescribing spend is the biggest risk to the CCG financial position and is included in Risk Assessment (Section 6).

Reserves: The majority of remaining reserves are transformation funds that have been received from NHS England and Improvement or via the Integrated Care System (ICS) to be passed on to our providers.

Running Costs: The position has not changed significantly overall since last month. The position includes further underspends due to vacancies and non pay being offset by a forecast of the extra cost that will be included in our accounts for additional annual leave carry forward in 20/21. Forecast expenditure remains within our notified allocations and therefore we meet this Key Duty requirement. Table 4 below shows the breakdown of the position:

Table 4: Running Costs	Budget for M1-11 £000's	Variance M1-M11 £000's	Forecast Variance Year-end £000's
Pay	9,183	(334)	(476)
Non-Pay	3,575	(243)	(75)
Income	(1,193)	(242)	(175)
Running Cost Reserve	(512)	512	558
Total	11,052	(306)	(167)

5. QIPP

In summary, at month 11 we are reporting a shortfall of £1.9m against the forecast position, as summarised in Table 5 below. This represents a forecast delivery of 65% of our QIPP programme. The final position is unlikely to show a material change to the current forecast as most of the savings have already been achieved.

Table 5: QIPP Plan by Budget Area	Annual Gross Savings Plan £000	Annual Gross Savings Forecast £000	Annual Gross Savings Forecast variance £000
Medicines Optimisation	1,400	1,249	(151)
Continuing Healthcare	1,200	1,200	0
Mental Health	300	300	0
Primary care	300	300	0
Running Costs	800	533	(267)
Unidentified	1,487	-	(1,487)
Total	5,487	3,582	(1,905)
% Achievement		65%	

6. Overall Risk Assessment

The range of risks and potential benefits has reduced compared to last month. Our assessment, using the information available to date, identifies a risk range of -£1.5m upside to +£1m downside, which reflects a range of issues that could impact on the delivery of the final year end position. Key risks are summarised below.

Area	Key Risks
Assumed Allocations	Expenditure on hospital discharge programme is anticipated to be funded and any risk of not being funded is small
Non NHS Acute/MH/Community	Variability in IFR spend
Primary Care	Potential slippage on list size changes, pressures on locum spend.
Continuing Care	Variability of assumptions on run rate and joint packages with SCC which are not yet agreed.
Prescribing	Prescribing has the widest range dependent if the increase in spend seen in December and January's continues for the rest of the year. The range of scenarios show a range of around £0.5m either way to the current forecast overspend.
Running Costs	Possible further slippage on budgets including corporate costs and legal fees.

As there is small levels of variability with only one month remaining it is expected the required surplus can be delivered.

7. COVID Expenditure

Governing Body approved a plan for expenditure related our Covid response in November (£23.2m; of which £14.3m related to M1-M6 and £8.9m related to M7-M12), which was slightly higher than our Covid allocation. Since then, additional funding of £1.4m has been received in relation to the General Practice Covid Capacity Expansion Fund. The original budget included a forecast for Hospital Discharge anticipated costs of £19m, the actual costs are much lower than this and are forecast at £17.1m. Allocations reflect the reduction in these costs and therefore the total COVID budget is now £22.5m

Whilst we continue to adapt our response as the situation evolves (with new expenditure agreed), refining of our original expenditure estimates has meant that our forecast spend is expected to be contained within our total funding envelope. Table 6 below shows the breakdown of the £21.3m cumulative month 1 - 11 Covid related expenditure on services/equipment.

Table 6: COVID expenditure analysed as per NHS England information	Details Actual spend	Actual Expenditure M1-11 £000's
Remote management of patients	Primary care support for the hubs	677
Support for stay at home models	Primarily provision of transport service to transfer vulnerable patients to healthcare settings	857
Hospital Discharge Programme	Hospital Discharge Pool with SCC £9.7m, CHC packages £4.8m, Community beds £1.8m, smaller costs for St Lukes Hospice, food banks, Age UK	16,627

Remote working for non-patient activities	Technology solutions to support staff working at home	176
National Procurement Areas	PPE	462
Bank Holidays	Easter Bank Holiday work - GP Practice staff	324
Internal and external communication costs		18
Care Homes	Primary care support for care homes	193
Consumables	Practice claims for Non PPE items	318
Additional capacity (excluding care homes)	Covid expansion capacity support scheme	1,428
COVID related Mental Health services	A number of schemes to support mental health needs	112
After Care and Support costs	Support from the voluntary sector	11
Backfill for higher sickness absence	Locum costs to cover sickness absence	71
Other Covid-19	GP additional premises reimbursement required due to COVID impact	52
TOTAL		21,326

8. Delivery of Cash Position

The CCG was notified of a maximum annual cash drawdown limit of £1,047.1m at month 11, the CCG is able to use this cash and income received, some spend items listed below are outside the cash limit. The total cash used to the end of February was £1,042.4m against a requested cash drawdown of £918.7m, prescribing & home oxygen of £90.8m, pensions uplift to providers of £7.8m, SCCG pensions uplift £0.8m, other income of £30.2m and a brought forward balance of £0.3m. The cash balance at bank at the end of the month was £6.2m. A minimal cash balance at bank is planned for the year end, which will need to be closely managed.

9. Better Payment Practice Code

The Better Payment Practice Code 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. A summary of the position for the 12 month period to the end of February is reported in Table 7 below:

Table 7: Measure of compliance	12 months to February 2021 (Number)	12 months to February 2021 £000's
Non-NHS Payables		
Total Non-NHS Trade invoices paid in the year	17,371	239,258
Total Non-NHS Trade Invoices paid within target	17,190	238,047
Percentage of Non-NHS Trade invoices paid within target	98.96%	99.49%
NHS Payables		
Total NHS Trade invoices paid in the year	2,027	821,096
Total NHS Trade invoices paid within target	2,015	820,120
Percentage of NHS Trade invoices paid within target	99.41%	99.88%

In addition to the Better Payment Practice Code, the latest Procurement Policy Note guidance states that Suppliers should be paid within 7 days where possible. The finance team continue to ensure that payments are processed as speedily as possible.

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On behalf of: Jackie Mills, Director of Finance, March 2021

NHS Sheffield Clinical Commissioning Group
Finance Report 2020/21 - Financial Position for Period Ending 28th February 2021

	Year to Date: February				Forecast Out-turn for year				Variance	Forecast Variance as at M10
	Budget	Expenditure	Variance Over (+) Under(-)		Budget	Forecast	Variance Over (+) Under(-)		Change from prev month	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%		

PROGRAMME COSTS BY PROVIDER/SERVICE

Revenue Resource Limit	961,204	961,204	0	0.0%	1,056,450	1,056,450	0	0.0%	→	0
Anticipated Allocations										
Hospital Discharge Programme	(128)	(128)	0		(139)	(139)	0		→	0
Independent Sector	(55)	(55)	0		(10)	(10)	0		→	0
Primary care COVID	0	0	0		112	112	0		→	0
Other allocations not yet received	720	720	0		837	837	0		→	0
Revised Budget	961,741	961,741	0		1,057,250	1,057,250	0		→	0

EXPENDITURE

Sheffield Teaching Hospitals	447,155	447,132	(23)	0.0%	491,642	491,614	(28)	0.0%	→	(28)
Sheffield Children's Hospital	51,021	51,022	2	0.0%	57,133	57,133	0	0.0%	→	0
Yorkshire Ambulance Service	26,309	26,314	6	0.0%	28,719	28,721	1	0.0%	↑	(0)
Other NHS Trusts	12,705	12,705	(0)	0.0%	13,811	13,811	0	0.0%	↓	1
Acute & Community NHS Services	537,189	537,174	(15)	0.0%	591,306	591,280	(26)	0.0%	↑	(27)
ISTC & Extended Choice	1,576	1,548	(28)	-1.8%	1,743	1,714	(29)	-1.7%	↓	(16)
Ambulance Services	1,429	1,647	218	15.2%	1,553	1,788	235	15.1%	↓	262
Non Contract Activity	344	406	61	17.8%	407	459	52	12.7%	→	52
Other Community	1,945	1,945	(0)		1,962	1,962	1		→	1
Individual Funding Requests	539	424	(115)	-21.3%	590	475	(114)	-19.4%	↓	(14)
Other Acute & Community	5,834	5,970	136	2.3%	6,254	6,398	144	2.3%	↓	285
Sheffield Health & Social Care	86,842	86,852	9	0.0%	95,703	95,703	(0)	0.0%	→	(0)
Other Mental Health	4,054	4,126	72	1.8%	4,259	4,300	41	1.0%	↑	21
Sheffield Local Authority (MH)	1,310	1,272	(39)	-2.9%	1,429	1,388	(40)	-2.8%	↑	(49)
Voluntary Sector (MH)	1,628	1,653	25	1.5%	1,776	1,829	53	3.0%	↓	55
Individual Funding Requests (MH)	249	0	(249)	-100.0%	298	(0)	(298)	-100.0%	↓	(199)
Mental Health	94,084	93,902	(181)	-0.2%	103,464	103,220	(244)	-0.2%	↓	(173)
Sheffield Local Authority	35,779	35,824	45	0.1%	38,263	38,211	(53)	-0.1%	↓	(42)
St Lukes Hospice	3,310	3,450	141	4.2%	3,586	3,712	126	3.5%	→	126
Voluntary Sector	572	538	(34)	-5.9%	626	583	(43)	-6.9%	↓	(35)
Other Commissioning	3,473	3,169	(304)	-8.8%	3,781	3,573	(208)	-5.5%	↓	(130)
Development Nurses (Directly Employed)	465	430	(35)	-7.5%	511	471	(41)	-7.9%	↓	(29)
Other Primary & Community services	43,599	43,412	(187)	-0.4%	46,768	46,550	(218)	-0.5%	↓	(111)
Core Contract	49,298	49,177	(122)	-0.2%	53,776	53,634	(142)	-0.3%	↓	(115)
Premises	9,822	9,728	(94)	-1.0%	10,718	10,608	(110)	-1.0%	↓	(52)
QoF	7,139	7,187	47	0.7%	7,788	7,840	52	0.7%	↑	0
Enhanced Services	5,823	6,186	363	6.2%	6,433	6,832	399	6.2%	↑	390
Primary Care Other Services	3,027	3,351	324	10.7%	3,272	3,626	355	10.8%	↑	279
Primary Care Co-Commissioning	75,109	75,628	519	0.7%	81,988	82,541	554	0.7%	↑	502
Locally Commissioned Services	17,995	17,581	(414)	-2.3%	20,065	19,762	(303)	-1.5%	↓	(222)
GP IT	2,553	2,345	(208)	-8.2%	2,809	2,650	(160)	-5.7%	↓	(43)
Locally Commissioned Primary Care	20,548	19,926	(623)	-3.0%	22,874	22,411	(463)	-2.0%	↓	(265)
Adults Continuing Care	46,184	47,153	970	2.1%	50,162	51,106	944	1.9%	↑	938
Children's Continuing Care	3,074	3,178	103	3.4%	3,381	3,520	139	4.1%	↑	72
Continuing Healthcare Assessments	2,357	2,105	(252)	-10.7%	2,583	2,326	(257)	-10.0%	↓	(145)
Funded Nursing Care	5,509	5,205	(304)	-5.5%	6,020	5,638	(382)	-6.3%	↓	(373)
Continuing Care	57,125	57,642	517	0.9%	62,146	62,590	443	0.7%	↓	491
Prescribing	90,909	91,013	103	0.1%	99,906	100,057	151	0.2%	↑	(294)
Medicines Optimisation	1,868	1,714	(154)	-8.3%	2,025	1,958	(67)	-3.3%	↑	(131)
Prescribing	92,777	92,726	(51)	-0.1%	101,931	102,015	84	0.1%	↑	(425)
Accountable Care Partnership	293	275	(18)	-6.2%	320	361	41	12.7%	↓	59
Better Care Fund	183	144	(40)	-21.6%	203	153	(50)	-24.7%	↑	(58)
Integrated Care System	12,317	12,317	0	0.0%	13,990	13,990	0	0.0%	→	(0)
Other Collaborative Working	79	79	(0)	-0.3%	86	86	(0)	-0.3%	→	0
Collaborative Working	12,872	12,814	(58)	-0.5%	14,599	14,590	(10)	-0.1%	↓	1
Sub total Programme before reserves	939,137	939,194	57	0.0%	1,031,331	1,031,595	264	0.0%	↓	277

Reserves										
Commissioning reserves	0	0	(0)	-100.0%	993	961	(32)	-3.2%	↑	(47)
COVID Retrospective Funding	65	0	(65)	-100.0%	65	0	(65)	-100.0%	→	(65)
ICS Reserve	2,500	0	(2,500)	-100.0%	3,000	0	(3,000)	-100.0%	→	(3,000)
Planned Surplus/(Deficit)	20,039	0	(20,039)		21,861	0	(21,861)		↓	0
Reserves	22,604	0	(22,604)	-100.0%	25,919	961	(24,958)	-96.3%	↓	(3,112)
TOTAL EXPENDITURE - COMMISSIONING	961,741	939,194	(22,547)	-2.3%	1,057,250	1,032,556	(24,694)	-2.3%	↓	(2,835)

(UNDER)/OVER SPEND - COMMISSIONING	(0)	(22,547)	(22,547)		(0)	(24,694)	(24,694)		↓	(2,835)
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RUNNING COSTS ALLOWANCE										
Allocation	11,052	11,052	0	0%	11,957	11,957	0	0%	→	0
Accountable Officer (incl Deputy Accountable Officer)	2,417	2,403	(13)	-0.6%	2,637	2,636	(1)	-0.1%	↓	25
Commissioning Development	1,796	1,575	(221)	-12.3%	1,966	1,693	(272)	-13.9%	↓	(169)
Medical Directorate	463	415	(47)	-10.2%	508	457	(50)	-9.9%	↓	(47)
Corporate Services	3,100	3,088	(12)	-0.4%	3,341	3,274	(67)	-2.0%	↑	(126)
Finance & Corporate Services	2,595	2,376	(219)	-8.4%	2,764	2,762	(2)	-0.1%	↑	(101)
Nursing & Quality	1,194	889	(305)	-25.6%	1,300	968	(332)	-25.6%	↓	(306)
Running Cost Reserve	(512)	0	512	-100.0%	(559)	(0)	558	-100.0%	→	558
Running Costs	11,052	10,746	(306)	-3%	11,957	11,790	(167)	-1.4%	↓	(164)

(UNDER)/OVER SPEND - Running Costs	0	(306)	(306)		0	(167)	(167)		↓	(164)
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TOTAL (UNDER)/OVER SPEND	(0)	(22,853)	(22,853)	0%	(0)	(24,861)	(24,861)	0.0%	↓	(3,000)
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