



Northern, Eastern and Western Devon
Clinical Commissioning Group



Plymouth Integrated Fund Finance Report – Month 06 2017/18

Introduction

This report sets out the outturn financial performance of the Plymouth Integrated Fund for the year to date and the forecast for the financial year 2017/18.

The report is in several sections.

- The first section details the performance of the Integrated Fund, including the section 75 risk share arrangements.
- The second identifies the Better Care Fund, which is a subset of the wider Integrated Fund, but has specific monitoring and outcome expectations.
- The third section details the financial performance of the Western Planning and Delivery Unit (PDU) of the Clinical Commissioning Group (CCG).
- Appendix 1 which shows the Plymouth Integrated Fund performance and risk share.
- Appendix 2 which shows the PDU managed contracts financial performance.
- Appendix 3 which is a glossary of terms used in the report.

In summary, it is too early in the year to predict a move away from delivery of plan at this stage, however there are clear pressures in the system, and recovery measures are required to bring the spend back into line.

SECTION 1 – PLYMOUTH INTEGRATED FUND

Integrated Fund - Month 6 Report 2017/18

At this stage in the year it is too early to predict the impact of the risk share across the Integrated Fund. There remain clear signs of pressure in the system, in particular around Looked after Children in Care, Intermediate Care in both Health and Social Care, and emerging risks for Continuing Healthcare. Recovery programmes are expected to bring these back into line.

The overall fund position is reflected in Appendix 1.

Plymouth City Council Integrated Fund

The integrated fund for Plymouth City Council (PCC) is shown as gross spend and now also includes the Support Service Recharge costs for the People directorate and Public Health department along with the capital spend for Disabled Facilities Grant, which is funded from the Better Care Fund.

Children, Young People and Families

The Children Young People and Families Service are reporting a budget pressure of £1.500m at quarter 2. Although the overall number of looked after children have increased this month, we are reporting no change in pressure in the month and are consuming the increased cost of placements for the additional young people. A region wide lack of placements has meant that some children have been placed in residential rather than the preferred fostering placements at a much higher cost.

The CYPF overspend can be attributed to the increased cost and volume of looked after children's placements.

The overall number of children in care at the end of the month of September stands at 400.

Strategic Co-operative Commissioning

The Strategic Commissioning service is forecasting a year end overspend against budget of £0.437m at month 6, no change from month 5. There is still a large pressure on the Domiciliary Care budget, as per previous months, however there have also been changes for month 6 around the Residential & Nursing and Supported Living care packages but being offset in the main with increases in client contribution income.

Education, Participation and Skills

Education, Participation and Skills are reporting a balanced budget position at Month 6, no change from Month 5.

Community Connections

Community Connections is forecasting a year end budget overspend of £0.258m mainly as a result of increased demand for emergency temporary accommodation. This is the same pressure reported in the previous month.

Average B & B numbers for April to September have been 55 placements per night with nightly costs increasing due to the increased use of Travelodge and increasing accommodation needs for families.

Public Health

Although the 17/18 Public Health ring-fenced grant was cut by a further £0.398m for Plymouth City Council, the Directorate is on track to achieve a balanced budget. However it should be noted that there are pressures with achieving some income targets and there is increasing demand for activity led services.

Plymouth City Council Delivery Plans

Between People Directorate and Public Health, over £10m of savings will need to be delivered during 2017/18, which includes savings of over £2.8m of savings brought forward from 2016/17 which were delivered as one-off savings. At the moment, it is expected that all savings will be achieved - breakdown shown below:

Plymouth City Council	Year To Date			Current Year Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
Month 6 - September 2017			Adv / (Fav)			Adv / (Fav)
	£000's	£000's	£000's	£000's	£000's	£000's
Children, Young People & Families	945	945	-	1,890	1,890	-
Strategic Cooperative Commissioning	1,942	1,942	-	3,883	3,883	-
Education Participation & Skills	407	407	-	814	814	-
Community Connections	265	265	-	530	530	-
Additional People Savings	1,432	1,432	-	2,864	2,864	-
Public Health	74	74	-	148	148	-
	5,065	5,065	-	10,129	10,129	-

Western Locality of CCG Integrated Fund

The integrated fund for the Western Locality is reflecting a forecast break even position at this stage.

Clear pressures are emerging around the Independent Sector contracts, Intermediate Care and Continuing Healthcare. There are also cost efficiency expectations for Individual Patient Placements and Section 117 packages of care.

Independent Sector:

The Year to Date activity shows a £1,526k, which would result in a straight lined forecast of £4.1m for the Independent Sector contracts managed in the West. This overspend is mainly focussed around Orthopaedics performance in both Care UK and Plymouth Nuffield. An assumption of delivery of planned QIPP schemes driven through the Elective Workstream informs the current forecast to breakeven. However, the risk is highlighted in the corporate risk position, and will be reflected in the Locality position as the QIPP impact is better understood.

Intermediate Care:

The pressure in the cost of the Intermediate Care (Discharge to Assess) beds in the West remains above plan. The forecast assumes a recovery programme bringing the pressure back into financial balance. The level of bed usage in place at this

point, if remaining static for the remainder of the year, would indicate an overspend of £1.8m. Included within the assumption of breakeven is an assumed benefit from the use of the iBCF resources.

This is an area of significant focus on transformation and recovery, and is reported in detail to the Western System Improvement Board on a bi-weekly basis.

Neurosurgery:

The cost of this activity has now been finalised, and is set within the resources transferred for the Information Rules rebase. There is no financial risk to the current year position.

The service at Plymouth Hospitals NHS Trust opened for referral in September.

Continuing Healthcare:

The CCG wide Continuing Healthcare budget for 2017/18 is £69.9m. At month 5, the forecast spend for the year is £71.2m resulting in a forecast overspend of £1.3m. There is significant risk that this position may deteriorate further.

The Continuing Healthcare QIPP savings target for 2017/18 was originally £6.0m but has now been “stretched” to £8.0m. The forecast savings are £6.6m so forecast under delivery against the target of £1.4m is reported at this time. It is recognised that there is also significant risk in this which will require considerable management focus.

The key risk for this cohort of patients is that the numbers receiving Continuing Healthcare has plateaued and this may impact on the delivery of the overall cost reductions.

Ongoing analysis is required to finalise the position at locality level.

IPP and Section 117:

For IPP a risk share continues to be agreed with Livewell Southwest, and performance is good when compared to the same period last year.

For section 117 packages of care a plan is being developed to manage the cost of packages of care as a pooled budget. This will be run in parallel in the current year, and the CCG will continue to work with Livewell Southwest in the delivery of the planned efficiency targets.

Primary Care Prescribing:

The West has the greater opportunity in terms of savings from Primary Care Prescribing, and therefore has the greater share of the cost efficiency target. The PDU is currently on target to achieving this target. It is too early in the year to accurately forecast the prescribing outturn, so this is represented as a corporate risk at month 6. Consequently the risk is not yet reflected in the Locality position, but will

start to impact in the coming months. The level of risk this month has increased as a result of further guidance regarding the withholding of Category M savings centrally, and the impact of NCSO (No Cheaper Stock Obtainable), which is significantly increasing and remains a cost to the CCG.

Efficiency Programmes:

FOR THE PERIOD FROM 01 APRIL 2017 TO 30 SEPTEMBER 2017

Month 06 September	Year To Date			Current Year Forecast		
	Budget	Actual	Variance Adv / (Fav)	Budget	Forecast	Variance Adv / (Fav)
	£000's	£000's	£000's	£000's	£000's	£000's
SAVINGS LEDGER REPORT						
Independent Sector	-1,750	-390	1,360	-3,500	-1,030	2,470
Prescribing	-4,250	-4,250	-	-8,500	-8,500	-
Continuing Healthcare	-2,590	-2,147	443	-8,000	-6,505	1,495
IPP	-760	-760	-	-3,000	-3,000	-
Running Costs	-1,200	-1,050	150	-2,788	-2,788	-
GROSS SAVINGS	-10,550	-8,597	863	-25,788	-21,823	3,965

QIPP Reported to NHSE

Contractualised 16/17 FYE	-5,580	-5,580	-	-11,160	-11,160	-
Social Care	-	-	-	-7,000	-7,000	-
Technical Accounting	-1,000	-1,000	-	-2,000	-2,000	-
TOTAL SAVINGS REPORTED TO NHSE	-17,130	-15,177	863	-45,948	-41,983	3,965

Additional System Savings

Headroom Release	-1,815	-1,815	-	-3,629	-3,629	-
Investment Release	-700	-700	-	-1,400	-1,400	-
TOTAL SYSTEM SAVINGS	-14,065	-12,112	863	-39,817	-35,852	3,965

The above savings report feeds into the system wide savings plan excluding the contractualisation of 16/17 full year effect, although this forms part of the position reported to NHS England.

Overall the CCG is reporting 86% delivery of plan year to date with 90% delivery forecast by yearend. There is a shortfall on independent sector both year to date and forecast as plans have not yet been fully worked up. There is also a shortfall on the forecast for continuing healthcare due to client numbers not falling as expected.

The above report is currently reflecting the CCG wide position. Further analysis is ongoing to localise the reporting of these delivery plans to Planning and Delivery Units.

Integrated Fund Summary

At this stage in the year both parts of the fund are experiencing emerging pressures that require management to bring the position back to balance. On that basis the forecasts include improvements resulting from recovery programmes, and the impact of the risk share has been therefore muted.

SECTION 2 – BETTER CARE FUND (BCF)

Better Care Fund (BCF) and Improved Better Care Fund (iBCF)

The table below shows the total BCF for 2016/17 and 2017/18, along with the distribution between CCG and PCC.

	2016/17	2017/18 Estimated
	£m	£m
PCC Capital (Disabled Facilities Grant)	1.954	2.126
PCC Revenue	9.087	9.246
CCG Revenue	8.310	8.455
Sub Total BCF	19.351	19.827
iBCF (see below)	0.000	0.764
iBCF (see below)	0.000	5.880
Sub Total iBCF	0.000	6.644
Total Funds	19.351	26.471

As part of the resource settlement for 2017/18, PCC were awarded amounts from the Governments iBCF. The first amount was £0.764m which forms part of the PCC revenue settlement. The Government then awarded additional monies, as part of the £2billion to support social care nationally, at the Spring Budget of which PCC will receive:

2017/18	£5.800m
2018/19	£3.660m
2019/20	£1.815m.

These funds are being paid to the Local Authority and come with conditions that they are *“to be spent on adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS - including supporting more people to be discharged from hospital when they are ready - and stabilising the social care provider market.”*

A report was taken to Cabinet in July that showed the 2017/18 additional funding and allocations to specific areas and projects. This report was approved and the schemes are now being worked up with more detail. A summarized expenditure plan is included below:

	2017/18
	£m
Priority One - Meeting Adult Social Care Needs	1.400
Priority Two - Reducing Pressures on the NHS	3.351
Priority Three - Stabilising the Social Care Market	1.000
Sub Total	5.751
Contingency	0.049
Sub Total iBCF	5.800

This is not recurrent money and so overall investments will seek to be a 'bridging' resource to implement the STP new models of care or deliver efficiencies.

SECTION 3 – WESTERN PDU MANAGED CONTRACTS

Context / CCG Wide Financial Performance at Month 6

The CCG plan for 2017/18 has been produced in conjunction with our main acute providers within a wider System Transformation Plan (STP) footprint encompassing South Devon and Torbay CCG (SD&T CCG).

The CCG's planned deficit for 17/18 is £57.1m. This is an improvement from its original plan of £21.4m following proposals developed through the Capped Expenditure Process (CEP). NHS England have confirmed that the plans submitted under the CEP will be used to review the CCG's performance and accordingly the CCG is reporting against this revised plan. In addition to this the CCG has a brought forward deficit from 2013/14 to 2016/17 of £120.5m making the planned cumulative deficit £177.7m.

Although the plan has been updated, NHS England have also confirmed they will continue to measure overall performance against the control total of £17.4m deficit. The current forecast would represent an overspend of £39.7m to the control total.

The updated CCG plan sits within an overall plan for the STP which has a deficit of £61.5m with a savings plan of £168.2m. The plan is based on an agreed set of block contracts with the main providers which de-risks this element of the CCG's commissioning budget and delivers savings within those contracts of £11.2m.

As of Month 6 the year to date and forecast outturn positions are in line with the current plan.

Western PDU Finance Position

Introduction

The Locality is forecasting to materially deliver within budget at this stage in the year. However the year to date position is showing a pressure for the Independent Sector provider contracts, and this is explained more fully in the report.

The detailed analysis for the PDU is included at **Appendix 2**.

Acute Care Commissioned Services

Plymouth Hospitals NHS Trust

The contract value for Plymouth Hospitals NHS Trust is agreed at £180.9m, however, the contract remains unsigned whilst the system wide plan is being reviewed by system regulators. The contract performance will still be reported on and scrutinised at the same degree of granularity and as such detail can be provided in this report.

The forecast spend has been set to reflect the allocated budget of £181.075m.

Contract Performance

The month 5 performance information showed a year to date overperformance against the contract plan of £0.8m.

The main reasons for the contractual overperformance are summarised below.

2017/18 M05	Planned Spend	Actual Spend	Variance	Variance	Variance
	£000s	£000s	£000s	Activity	Spend
Elective	15,936	13,745	- 2,191	-9.4%	-13.7%
Non Elective	27,959	28,245	286	3.5%	1.0%
A&E	4,062	4,330	268	3.3%	6.6%
Outpatients	12,650	12,657	7	-0.6%	0.1%
Excluded Services	15,446	14,377	- 1,069		-6.9%
Penalties			-		
CQUIN	1,676	1,711	35		
Contract Adjustments	- 3,434		3,434		
Total	74,295	75,065	770		1.0%

The **Elective** position is £2.19m (13.7%) behind plan from a financial perspective but 9.4% behind plan in overall activity terms. The main contributor to this position is under performances within Orthopaedics, Neurosurgery, Colorectal Surgery and Upper GI Surgery.

Non Elective under performed in month 4 by £187k, giving an overall year to date overperformance of £96k. Month 5 has seen an overperformance, and the year to date position now shows £286k over.

In **Accident and Emergency** the year to date overperformance totals £268k; this is significant at 6.7% over plan. In activity terms the overperformance percentage is lower at 3.3% which indicates that the complexity or volume of care provided has increased.

Outpatients has continued to underperform in month 5 by £186k. This has further reduced the total overperformance to £7k. Outpatient procedures make up the majority of this overperformance, whilst first attendances are behind plan and follow ups on plan. Overall, there have been 747 fewer outpatient attendances than had been planned for.

South Devon Healthcare Foundation Trust

The 2017/18 South Devon Healthcare Foundation Trust contract value for acute services has been set at a total of £6.07m. £5.15m of this accounts for the acute contract which is on a variable PbR basis, with a further £0.92m fixed contract for community services.

At month 5 the acute contract is under performing plan by £33k which is an improvement against the month 4 position of £66k. Within this position elective is behind plan by £59k, outpatients are behind plan by £32k whilst Non Elective and A&E are over performing by £64k and £20k respectively.

Information received since the position was closed down indicates that the contract has moved back into an overall overspend position driven primarily by an increase in non elective spend.

Independent Sector & London Trusts

The volume and quality of data supplied at this early stage of the year by the London Trusts means that it is too unreliable to be used for meaningful forecasts. As such these positions have been set to breakeven.

This will be revised as more data becomes available in the coming months.

Within the Independent Sector at Month 5, a significant overspend is emerging most of which is found within the Care UK contract. There is a significant degree of additional performance within Orthopaedics accounting for the bulk of this over-performance. At Nuffield Plymouth, there is a large overspend within Spinal Surgery but this is being partially offset by underperformances within other specialties. Assumptions have been made in the delivery of QIPP during the latter part of the year to bring this position back to balance.

Livewell Southwest

The Livewell Southwest (LSW) Contract is blocked. LSW produce a monthly performance/finance databook which allows both parties to shadow monitor the block contract and review key performance metrics.

Discharge to Assess beds

Despite the service redesign and additional support to maintain a 6 week timeframe for Intermediate Care, the system is increasingly showing signs of pressure with increasing referrals to intermediate care due to ongoing escalation at Plymouth Hospitals NHS Trust. This pressure is emerging as a cost to the Western Locality in excess of plan, and is the focus of significant scrutiny and redesign through the Western System Improvement Board.

Primary Care Enhanced and Other Services

Whilst the budgets and expenditure are reported in the Western PDU report, this is to ensure that all lines of expenditure for the CCG are reported in a PDU and there is integrity to the reports produced. There is, however, a separate governance structure for Enhanced Services that sits outside and alongside the two PDU structures to ensure there is segregation of decision making in primary care investments. The outturn expenditure is in line with budgets.

Conclusion

In summary, the outturn position for both the Integrated Fund and the Western Planning and Delivery Unit is forecast to deliver to plan at this stage in the year. There are clear signs of pressure in the system, in particular around Looked After Children in Care, Intermediate Care in both Health and Social Care, and emerging risks for Continuing Healthcare. Recovery programmes are expected to bring these back into line.

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APPENDIX 1

PLYMOUTH INTEGRATED FUND AND RISK SHARE

Month 06 September	Year to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
CCG COMMISSIONED SERVICES						
Acute	85,592	86,692	1,100	171,092	171,017	-75
Placements	21,083	20,916	-167	40,947	41,511	564
Community & Non Acute	27,590	27,593	3	55,180	55,196	16
Mental Health Services	13,591	13,591	-	27,182	27,182	-
Other Commissioned Services	5,890	5,805	-86	11,721	11,717	-5
Primary Care	2,829	2,951	122	6,050	6,024	-26
Subtotal	156,575	157,548	973	312,173	312,646	473
Running Costs & Technical/Risk	3,017	2,733	-283	17,739	17,197	-543
CCG Net Operating Expenditure	159,591	160,281	690	329,912	329,842	-69
Risk Share					-	-
CCG Net Operating Expenditure (after Risk Share)	159,591	160,281	690	329,912	329,842	-69
PCC COMMISSIONED SERVICES						
Children, Young People & Families	14,745	18,444	3,699	35,388	36,888	1,500
Strategic Cooperative Commissioning	32,320	39,003	6,683	77,568	78,005	437
Education, Participation & Skills	1,606	2,057	450	3,855	4,113	258
Community Connections	44,381	53,258	8,876	106,515	106,515	-
Director of people	90	108	18	216	216	-
Public Health	6,800	8,161	1,360	16,321	16,321	-0
Subtotal	99,943	121,029	21,086	239,863	242,058	2,195
Support Services costs	6,845	8,214	1,369	16,428	16,428	-
Disabled Facilities Grant (Cap Spend)	886	1,063	177	2,126	2,126	-
Recovery Plans in Development	-	-	-	-	-2,195	-2,195
PCC Net Operating Expenditure	107,674	130,306	22,632	258,417	258,417	0
Risk Share					-	-
PCC Net Operating Expenditure (after Risk Share)	107,674	130,306	22,632	258,417	258,417	0
Combined Integrated Fund	267,265	290,588	23,322	588,329	588,260	-69

APPENDIX 2

WESTERN PDU MANAGED CONTRACTS FINANCIAL PERFORMANCE

Month 06 September	Year To Date			Current Year Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£000's	£000's	Adv / (Fav) £000's	£000's	£000's	Adv / (Fav) £000's
ACUTE CARE						
NHS Plymouth Hospitals NHS Trust	90,770	90,771	0	181,075	181,075	-
NHS South Devon Healthcare Foundation Trust	3,253	3,123	-130	6,535	6,285	-250
NHS London Contracts	875	726	-150	1,759	1,709	-50
Non Contracted Activity (NCA's)	4,457	4,457	-0	8,954	8,954	-
Independent Sector	5,431	6,958	1,526	10,924	10,924	-0
Referrals Management	1,333	1,333	0	2,678	2,678	0
Other Acute	12	12	-	24	24	-
Subtotal	106,132	107,380	1,247	211,948	211,648	-300
COMMUNITY & NON ACUTE						
Livewell Southwest	24,705	24,705	-	49,410	49,410	-
GPwSI's (incl Sentinel, Beacon etc)	809	809	-	1,618	1,618	0
Community Equipment	324	324	-	648	648	-0
Peninsula Ultrasound	128	134	6	256	285	29
Reablement	759	759	-	1,517	1,517	-0
Other Community Services	128	128	0	256	256	-
Joint Funding_Plymouth CC	3,355	3,355	-	6,711	6,711	-0
Subtotal	30,208	30,214	6	60,415	60,444	29
MENTAL HEALTH SERVICES						
Livewell MH Services	13,492	13,492	-	26,985	26,985	-
Mental Health Contracts	13	13	-	26	26	-
Other Mental Health	505	505	-0	1,010	1,010	-
Subtotal	14,010	14,010	-0	28,021	28,021	-
OTHER COMMISSIONED SERVICES						
Stroke Association	77	80	3	153	159	6
Hospices	1,340	1,217	-122	2,679	2,679	-
Care Co-ordination Team	3,490	3,490	-0	6,980	6,980	0
Patient Transport Services	1,114	1,114	0	2,228	2,228	0
Wheelchairs Western Locality	900	900	-	1,800	1,800	-
Commissioning Schemes	95	93	-2	191	191	-
All Other	441	455	15	881	865	-16
Recharges	311	311	-0	778	778	-
Subtotal	7,767	7,660	-107	15,690	15,681	-9
PRIMARY CARE						
Prescribing	28,986	28,986	0	57,971	57,971	-
Enhanced Services	3,974	3,974	-0	8,740	8,740	-
GP IT Revenue	1,474	1,474	-0	3,311	3,311	0
Other Primary Care	47	47	-	95	95	-
Subtotal	34,480	34,480	0	70,118	70,118	0
TOTAL COMMISSIONED SERVICES	192,597	193,744	1,147	386,192	385,912	-280

APPENDIX 3
GLOSSARY OF TERMS

PCC - Plymouth City Council

NEW Devon CCG – Northern, Eastern, Western Devon Clinical Commissioning Group

CYPF – Children, Young People & Families

SCC – Strategic Cooperative Commissioning

EPS – Education, Participation & Skills

CC – Community Connections

FNC – Funded Nursing Care

IPP – Individual Patient Placement

CHC – Continuing Health Care

NHSE – National Health Service England

PbR – Payment by Results

QIPP —Quality, Innovation, Productivity & Prevention

CCRT – Care Co-ordination Response Team

RTT – Referral to Treatment

PDU – Planning & Delivery Unit

PHNT – Plymouth Hospitals NHS Trust