

Plymouth Integrated Fund

Finance Report – Month 2 2018/19

Introduction

This report sets out the financial performance of the Plymouth Integrated Fund for the financial year 2018/19.

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.

SECTION 1 – PLYMOUTH INTEGRATED FUND

Integrated Fund - Month 2 Report 2018/19

In this early part of 2018/19 Plymouth City Council are unable to publish an approved set of reports due to changes in the scheduling of their reporting and governance arrangements. This had lead to parts of this report being left blank, and means that no risk share has been calculated at this stage.

Within the Fund, pressures for health are already beginning to emerge in some of the independent sector acute contracts and discharge to assess beds whilst in Plymouth City Council there are pressures in domiciliary care and children's packages. However, given the early stage of the year and the mitigation actions being put in place the position is forecast to break even.

The overall fund position is reflected in Appendix 1.

Plymouth City Council Integrated Fund

No report available at month 2 as described in the introduction.

Western Locality of CCG Integrated Fund

The Western share of the Integrated Fund is being forecast to breakeven at month 2.

Independent Sector:

The forecast for our Independent Sector contracts is currently set to breakeven given the early stage of the year, however early data suggests that risks are emerging in this area and strong delivery of our demand management plans will be required in order to maintain a balanced position.

Intermediate Care:

There is pressure in the cost of the Intermediate Care (Discharge to Assess) beds in the West, however, work focussed on the discharge pathway has significantly reduced the number of beds in use and the length of stay, such that the system is planning to move into financial balance in this financial year.

Continuing Healthcare:

The position is currently being reported as break even.

IPP and Section 117:

The position is currently being reported as break even.

Primary Care and Prescribing:

The position is currently being reported as break even.

Integrated Fund Summary

Health are reporting a balanced position at this early stage of the year whilst the Local Authority have not published any reporting at present. No risk share impact has been calculated at this stage.

SECTION 2 – BETTER CARE FUND (BCF)

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

The table below provides a summary of the different types of the BCF, how they are funded, how the fund was spent in 2017/18 and how the fund is planned to be spent in 2018/19.

Note that part of these plans are still under review and subject to change.

NHS Northern, Eastern and Western Devon Clinical Commissioning Group				
Plymouth City Council				
Better Care Fund				
	2017/18		2018/19	
	£000's	£000's	£000's	£000's
Source	CCG	ASC	CCG	ASC
BCF	17,701	2,126	18,044	2,298
iBCF_a		764		5,343
iBCF_b		5,800		3,660
Total BCF	17,701	8,690	18,044	11,301
Application	CCG	ASC	CCG	ASC
Intermediate Care	9,156	5,149	9,443	5,149
Social Care Support		3,396		3,452
DFG		2,126		2,298
Social Care Support (iBCF_a)		764		5,343
Meeting ASC Needs		1,449		2,160
Reducing NHS Pressure	3,351			1,500
Stabilising SC market		1,000		
	12,507	13,884	9,443	19,902
~~ Still under review				

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.”*

SECTION 3 – WESTERN PDU MANAGED CONTRACTS

Context / CCG Wide Financial Performance at Month 2

This report sets out the outturn financial performance of the CCG to the end of month 2 of 2018/19.

The CCG plan for 2018/19 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 submitted Financial Plans for 2018/19 set out forecast deficits to 31st March of £20.0m and £5.0m for NEW Devon CCG and South Devon & Torbay CCG respectively. The challenge is significant both for each of the organisations and for the STP as a whole. The CCG plans require the delivery of a £78.597m savings

programme in order to meet the respective positions agreed with NHS England. £70.847m of this challenge relates to NEW Devon CCG and the balance £7.750m with South Devon & Torbay CCG.

Delivery of the required savings plan is the main financial risk and challenge to the CCGs, however there are other risks emerging in relation to out of area placements and within the independent sector contracts. These will require further investigation and continued focus, priority and joint working across the local community and wider STP foot print to mitigate or reduce the potential impact as a result.

Western PDU Finance Position

Introduction

Whilst risks are emerging within the acute independent sector contracts and discharge to assess beds the Western PDU is reporting a balanced position.

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

Acute Care Commissioned Services

University Hospitals Plymouth NHS Trust

The 2018/19 contract plan for University Hospitals Plymouth has been set in accordance with the principles agreed by the Devon STP. The overarching agreement is for flat cash contracts, where the 2018/19 contract value is based upon the 2017/18 contract value with minor adjustments agreed for specific areas. Whilst growth and inflationary pressures have been identified the system expectation is that these will be dealt with through demand management, efficiencies and cost reductions.

The 2018/19 contract value has been agreed at £183.2m.

Contract Performance

The month 1 performance information showed a year to date over performance against the contract plan of £0.8m.

The main reasons for the contractual over performance are summarised below.

2018/19 M01	Planned Spend	Actual Spend	Variance	Variance Activity	Variance Spend
	£000s	£000s	£000s		
Elective	3,085	2,561	- 524	-4.3%	-17.0%
Non Elective	5,782	6,008	226	-1.9%	3.9%
A&E	763	847	84	7.8%	11.0%
Outpatients	2,522	2,539	16	1.2%	0.6%
Excluded Services	2,035	2,063	28		1.4%
Penalties	-	- 79	- 79		
Drugs & Devices	1,094	924	- 169		-15.5%
CQUIN	326	344	18		5.5%
Contract Adjustments	- 1,162	-	1,162		
Total	14,444	15,207	762		5.3%

Expenditure on **Elective Care** is behind plan by £0.5m in month 1, in financial terms this represents an under performance of 17%. This under performance is driven by Orthopaedics where there is a 51% variance against plan worth £341k, Cardiology who are also 51% behind plan (£110k) and Neurosurgery who are 53% behind (£72k).

Non Elective activity is 8.6% ahead of plan which equates to an over performance of £0.2m. This is after the contract plan was increased to reflect historical growth trends and includes the activity that is taking place within the recently formed Acute Assessment Unit (AAU).

Accident and Emergency activity is also ahead of plan, by 7.8% or 463 attendances, giving rise to a financial variance of £0.1m or 11%. The greater financial variance compared with the activity variance suggests that the complexity or volume of care or diagnosis given to each patient has increased on average.

The variance on **Outpatient** attendances are relatively minor with activity 1.2% and finance 0.6% ahead of plan. The minimal variation seen at a high level is reflected by attendance type with first, follow up and outpatient procedures all largely being on plan.

Passthrough Drugs and Devices are underspent by £169k at month 1 which represents a 15.5% underspend, however we should wait until more data is available before drawing any conclusions.

The plan has an adjustment for system savings; this number reflects the difference between the PbR activity plan and the agreed system wide plan and for NEW Devon is worth £13.9m. Any activity savings will fall into the reporting of the points of delivery in which they occur, so this line will show as an overspend all year. At month 1 this shows as an over performance of £1.16m.

South Devon Healthcare Foundation Trust

The 2018/19 South Devon Healthcare Foundation Trust contract has been set in accordance to the contracting principles agreed within the Devon STP. The fixed contract value is £5.991m.

Despite having agreed a fixed contract value we will continue to monitor and report on the variances against the agreed activity plan, however at this early stage in the year no monitoring information has been made available.

Independent Sector & London Trusts

Due to a lack of data this early within the financial year, the position for both the London Trusts and the Independent Sector is set to break even at present. However despite the early position within the year, risks are emerging over significant overspend at Care UK, which on an activity basis is forecast to overspend by as much as £4m.

We will monitor this closely and continue to align the management of this risk with our demand management plans

Livewell Southwest

The Livewell Southwest (LSW) Contract has been set in accordance to the agreed STP contracting principles which focus on delivering flat cash contracts.

For LSW this means a fixed contract value of £85.2m for 2018/19.

Discharge to Assess beds

There is pressure in the cost of the Intermediate Care (Discharge to Assess) beds in the West, however, work focussed on the discharge pathway has significantly reduced the number of beds in use and the length of stay, such that the system is planning to move into financial balance in this financial year.

Primary Care Prescribing

The position is currently being reported as break even.

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

At this early stage of the year reporting gaps exist which has prevented the reporting of an overall combined position. Health report a balanced position but note emerging risks.

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APPENDIX 1

PLYMOUTH INTEGRATED FUND AND RISK SHARE

No risk share calculated in month 2.

APPENDIX 2

WESTERN PDU MANAGED CONTRACTS FINANCIAL PERFORMANCE

Month 02 May	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
ACUTE CARE						
NHS Plymouth Hospitals NHS Trust	30,465	30,465	-	182,791	182,791	-
NHS South Devon Healthcare Foundation Trust	998	998	-	5,991	5,991	-
NHS London Contracts	285	285	-	1,709	1,709	-
Non Contracted Activity (NCA's)	1,559	1,559	0	9,354	9,354	-
Independent Sector	2,238	2,238	0	13,426	13,426	-
Referrals Management	430	536	106	2,581	2,581	-
Other Acute	4	4	0	23	23	-
Cancer Alliance Funding	-	-	-	-	-	-
Subtotal	35,979	36,086	106	215,875	215,875	-
COMMUNITY & NON ACUTE						
Livewell Southwest	7,673	7,673	-	46,037	46,037	-
GPwSI's (incl Sentinel, Beacon etc)	278	278	-	1,668	1,668	-
Community Equipment Plymouth	108	108	-	648	648	-
Peninsula Ultrasound	47	47	-	285	285	-
Reablement	253	253	-	1,517	1,517	-
Other Community Services	43	43	0	256	256	-
Plymouth Integrated Fund - Risk Share	-	0	0	-	-	-
Joint Funding_Plymouth CC	1,452	1,452	-	8,711	8,711	-
Subtotal	9,854	9,854	0	59,122	59,122	-
MENTAL HEALTH SERVICES						
Livewell MH Services	5,509	5,509	-	33,059	33,059	-
Mental Health Contracts	4	4	-	26	26	-
Other Mental Health	183	183	0	1,097	1,097	-
Subtotal	5,697	5,697	0	34,182	34,182	-
OTHER COMMISSIONED SERVICES						
Stroke Association	27	27	-	159	159	-
Hospices	447	447	-	2,679	2,679	-
Discharge to Assess	1,102	1,102	-	6,613	6,613	-
Patient Transport Services	387	387	-	2,321	2,321	-
Wheelchairs Western Locality	300	300	-	1,800	1,800	-
Commissioning Schemes	32	32	-	191	191	-
All Other	76	78	1	457	457	-
Subtotal	2,370	2,371	1	14,220	14,220	-
PRIMARY CARE						
Prescribing	24,419	24,419	0	146,511	146,511	-
Medicines Optimisation	32	47	15	192	192	-
Enhanced Services	1,457	1,457	-0	8,740	8,740	-
GP IT Revenue	425	425	-0	2,550	2,550	-
Other Primary Care	204	204	-	1,223	1,223	-
Subtotal	26,536	26,551	15	159,216	159,216	-
TOTAL COMMISSIONED SERVICES	80,435	80,558	123	482,615	482,615	-

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