



Northern, Eastern and Western Devon
Clinical Commissioning Group



Plymouth Integrated Fund Finance Report – Month 12 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 12 Report 2018/19

As highlighted in previous months, the pressures for health were mainly focussed on the variable use of the independent sector acute contracts, and primary care prescribing. For Plymouth City Council there are pressures in residential, domiciliary care and children's packages.

The report highlights an outturn overspend position against budget for health of £4.2m. This deteriorated in month 12 due to system management agreements. For the Council, the overspend was £2.7m which represented a small improvement on the previous month's forecast.

The overall fund position is reflected in Appendix 1, and shows an overall overspend of £6.9m, before corporate contingencies, and resulted in a risk share impact of £158k.

Plymouth City Council Integrated Fund Outturn – Month 12

Service	Approved Budget M12	Year End Outturn	Variation at Month 12	Variation at Month 11	Change in Month
	£m	£m	£m	£m	£m
Children, Young People & Families	37.168	41.174	4.006	4.064	(0.058)
Strategic Cooperative Commissioning	83.729	83.476	(0.253)	0.000	(0.253)
Education Participation and Skills	101.106	101.106	0.000	0.000	0.000
Community Connections	3.784	3.739	(0.045)	0.000	(0.045)
Director of People	0.295	(0.705)	(1.000)	(1.000)	0.000
Public Health	16.048	16.048	0.000	0.000	0.000
Sub Total	242.130	244.838	2.706	3.064	(0.355)
Support Service Recharges	14.473	14.473	0.000	0.000	0.000
Disabled Facilities Grant (Capital)	2.298	2.298	0.000	0.000	0.000
Total	258.902	261.610	2.706	3.064	(0.355)

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 year end outturn adverse position £4.006. There has been a favorable reduction of (£0.058m) in the month.

The overall year end variation position can be attributed to the cost and volume of looked after children's placements £3.866.

The cost of the care is particularly high due to the level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing. A number of very costly care packages have been as a result of Court of Protection orders that have placed a duty on the Council to provide specialist care.

This increasing financial demand on Children's Services is not just a local issue, but is seen nationally and is a culmination of rising demand, complexity of care, rising costs and the availability of suitable placements.

Ongoing or one off savings plans have delivered £2.714m of the CYPF targeted £4.655m savings this year, leaving a deficit of £1.941m at year end.

The Service through business as usual have continued to hold expenditure wherever possible through the quarterly budget review exercise, holding vacant positions and grant maximization this has offset the overall pressure by (£1.801m).

The Service continue to keep the pressure on going into the new financial year by carrying on with the following actions to address the pressures in the system.

- Looked After Children - only one point of contact for all new entrants;

- Fortnightly placement review to ensure step down of high cost placements
- Maximize contribution from partners including Health and Education
- Maximize local residential placements to avoid higher out of area costs.

Ongoing work continues, all placements are reviewed regularly in order to reduce the pressure on cost and volume where appropriate.

Strategic Co-operative Commissioning

The Strategic Commissioning service is reporting an under spend of (£0.253m) for 2018/19. This is a significant achievement given the cost and volume pressures in the system especially around residential & nursing care and supported living.

As part of the MTFS for 2018/19, Strategic Commissioning have achieved savings of £2.546m as well as £2.248m of savings brought forward from 2017/18 that were realised from one off savings and needed to be achieved in this financial year.

Work will continue into 2019/20 to review all cost and volume impacts on the department spend with management actions to minimise all administration costs where possible.

Education, Participation and Skill

Education, Participation and Skills balanced to budget at year end.

As part of the MTFS for 2018/19, Education Participation and Skills has made savings of over £0.699m as well as £0.687m of savings brought forward from 2017/18 that were previously realised from one off savings.

There was an added pressure of £0.159m due to Adult Community Meals, however, £0.130m of this was offset by grant maximisation.

Community Connections

Community Connections has finished the year (£0.047m) under budget.

Average B & B numbers for the year have been reducing and finished with an average of 46 placements per night, although there was a reduction in Housing Benefit income claimed at the start of the year due to the change across to the universal credit system. This presented a £0.351m overspend within 2018/19.

This reduction has been achieved by the service with use of alternative properties provided through existing contracts as well as use of additional contracted staff to target single occupancy stays.

Director of People

The People Management & Support budget recorded a £1m underspend due to a one-off balance sheet adjustment

Public Health

Public Health has come in on budget for 2018/19 despite a reduction in the Public Health grant received in 2018/19 of £0.405m from 2017/18. This has been contained by a variety of

management actions, mainly around the contracts that are held within the department, as well as using approximately £0.500m of grant that was carried forward from previous years.

Plymouth City Council Delivery Plans

Between People Directorate and Public Health, over £11.5m of savings have been delivered during 2018/19, which includes savings of over £6m of savings brought forward from 2017/18 which were delivered as one-off savings. It is forecast that all savings will be achieved - breakdown shown below:

Plymouth City Council Delivery Plans	
Month 2 - May 2019	
Children, Young People & Families	
Strategic Cooperative Commissioning	
Education Participation & Skills	
Community Connections	
Public Health	

Forecast Year to Date		
Budget	Actual	Variance (Adv) / Fav
£000's	£000's	£000's
776	776	0
799	799	0
231	231	0
110	110	0
13	13	0
1,928	1,928	0

Plymouth City Council Delivery Plans	
Month 2 - May 2019	
Children, Young People & Families	
Strategic Cooperative Commissioning	
Education Participation & Skills	
Community Connections	
Public Health	

Forecast Year to Date		
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£000's	£000's	£000's
776	776	0
799	799	0
231	231	0
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13	13	0
1,928	1,928	0

Integrated Fund Summary

Health are reporting a final outturn position of an unplanned overspend of £4.2m for services commissioned for patients registered with Plymouth GP practices whilst the Local Authority are reporting an unplanned overspend of £2.7m.

This position reflects a deterioration in the health position of £0.7m from the position reported in month 11. The reason for the deterioration in the CCG financial position was due to the cumulative effect of a number of relatively smaller changes in year

end contractual positions. The largest of these was a system agreement that resulted in an increase in unbudgeted acute sector spend in the west.

The risk share adjustment that results from the respective health and local authority positions at month 12 indicates that an adjustment of £157k will be transacted, with a flow of funding into the CCG.

SECTION 2 – BETTER CARE FUND (BCF)

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

The table below shows the total BCF and IBCF for 2018/19, and the distribution between CCG and PCC.

2018/19 BCF & IBCF	PCC	CCG	Total
	£m	£m	£m
BCF Capital (Disabled Facilities Grant)	2.298	0.000	2.298
BCF Revenue	9.425	8.619	18.044
Sub Total BCF	11.723	8.619	20.342
IBCF (part of Councils RSG funding)	5.344	0.000	5.344
IBCF (other)	2.160	1.500	3.660
Sub Total BCF	7.504	1.500	9.004
Total Funds	19.227	10.119	29.346

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 12

This report sets out the outturn financial performance of the CCG for 2018/19.

The CCG outturn position was breakeven for both organisations. These positions were achieved after planned deficits of £20.0m for North East and West Devon CCG and £5.0m of South Devon and Torbay CCG were delivered which lead to the release of Commissioner Sustainability Funding being released worth a further £25m collectively.

The CCG plan for 2018/19 was 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 plans required the delivery of a £78.59m savings programme in order to meet the respective positions agreed with NHS England. £70.85m of this challenge relates to NEW Devon CCG and the balance of £7.75m with South Devon & Torbay CCG. The CCG's delivered 96% against the plan.

Delivery of the required savings plan was the main financial risk and challenge to the CCGs, however there were other risks in relation to out of area placements and within the independent sector contracts which materialised. These were managed by a combination of continued focus, priority and joint working across the local community and wider STP foot print.

Western PDU Finance Position

Introduction

This report previously described emerging risks within the acute independent sector contracts and these risks have materialised in year. The Western PDU have reported an overspend of £4.0m for the contracts that are managed within the PDU.

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 £197.4m for NEW Devon and £4.7m for SD&T CCG. These values include the recent adjustments for the RTT support, Plymouth Orthopaedic Partnership and the STP realignment variation orders.

Contract performance

2018/19 M12	NEW Devon CCG					Torbay and South Devon CCG				
	Planned Spend	Actual Spend	Variance	Variance Activity	Variance Spend	Planned Spend	Actual Spend	Variance	Variance Activity	Variance Spend
	£000s	£000s	£000s			£000s	£000s	£000s		
Elective	41,861	38,363	- 5,288	-4.4%	-12.7%	1,414	1,220	- 194	-4.0%	-13.7%
Non-Elective	72,216	72,268	52	2.0%	0.1%	1,015	1,051	36	5.9%	3.5%
A&E + MIU	14,364	13,953	- 411	-1.8%	-2.9%	177	284	107	93.7%	60.5%
Outpatients	33,661	32,445	- 1,216	-3.7%	-3.6%	884	832	- 52	-2.9%	-5.9%
Excluded Services	21,809	23,447	1,638		7.5%	300	295	- 5		-1.7%
Penalties	-	- 458	- 458			-	- 21	- 21		
Drugs & Devices	13,346	14,278	932		7.0%	453	411	- 42		-9.3%
CCUIN	4,355	4,450	95		2.2%	103	92	- 11		-10.7%
Contract Adjustments	- 8,716	-	8,716			399	-	399		
Total	192,686	196,746	4,060		2.1%	4,745	4,164	- 581		-12.2%

Expenditure on Elective Care is 12.7% behind financial plan for NEW Devon and 13.7% for SD&T, representing a combined underspend of £5.4m to month 12 with £0.3m of this variance occurring in month. The primary drivers of underperformance for NEW Devon include:

Orthopaedics – Underperforming by 18.1% worth £2.0m
Cardiology – Underperforming by 31.5% worth £828k
Neurosurgery – Underperforming by 38.9% worth £641k

Non-Elective activity for NEW Devon is 6.8% ahead of plan and 0.1% over performance in financial terms. This is after the contract was increased to reflect historical growth trends and includes the activity and spend taking place within the recently formed Acute Assessment Unit (AAU).

Accident and Emergency, which includes MIU activity which has been varied into the UHP contract, is behind plan by 0.8% or 950 attendances which is a fall of 583 attendances since month 11. The adverse variance for spend is 2.1% or £304k. The Torbay and South Devon proportion of this part of the contract is small, it should be noted that the activity variance of 93.7% remains exceptionally high.

Outpatient activity and spend has continued to fall behind plan during month 12. Activity is 3.7% or £1.2m behind plan for NEW Devon. Outpatient procedures are ahead of plan by £0.5m whilst new and follow-up attendances are underperforming by £1.8m. At specialty level there are over performances in Plastic Surgery (£159k or 21%), Endoscopy (£180k or 30%), Trauma (£172k or 25%) and Paediatric Neuro Disability (£148k or 15%). However, these are offset by significant underperformances in Orthopaedics (£209k or 15%), Gastroenterology (£234k or 25%), Ophthalmology A&E (£221k or 18%) and Pain Management (£183k or 24%).

NEW Devon Passthrough Drugs and Devices are overspent by 7% or £0.9m, which is driven by passthrough drugs. Whilst South Devon and Torbay have an underspend of 9.3%, giving a combined overspend of £6.4m.

The plan has an adjustment for system savings; this number reflects the differences between the PbR activity plan and the agreed system wide contract value and for NEW Devon is worth £8.7m.

Overall, contract reporting illustrates an over performance of £4.1m for NEW Devon and a £0.6m under performance for South Devon CCG. However, a significant contributor to the NEW Devon over performance is in respect of the £8.7m STP

contract adjustment. Ignoring these adjustments so that we can consider the contract variance against the agreed activity plan, contract reporting would indicate an under performance of £4.7m.

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. As at month 11 the activity data shows an underperformance of £0.6m. This primarily driven by underperformances within non elective and passthrough drugs.

Independent Sector & London Trusts

This month the Independent Sector position has steadied with no forecast movement. This is continuation of the reduced volumes of work which has been going through the Care UK contract in recent months; particularly in hip and knee replacements because of CCG demand management programmes.

Whilst Orthopaedics were the main specialty provided by Care UK, they do also provide other services such as Ophthalmology and Gastroenterology and these services will continue to be provided by Care UK and be commissioned directly with the CCG.

A further risk of £0.4m is presenting within our variable London provider contracts.

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 £71.2m 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 delivered financial balance within the financial year.

Primary Care Prescribing

Month 12 shows a £1.6m overspend for the Western area which reflects deterioration of £0.3m in month. The position has moved on the basis of the nationally produced forecasting methodology which is become more robust as we approach the end of the year.

Overall the CCG is forecasting that our year to date QIPP target was achieved.

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

The overall Integrated Fund delivered a year end overspend of £7.0m. Within this position the Council overspent by £2.9m whilst the health position was a £4.1m overspend after the application of the risk share.

Ben Chilcott
Associate Director of Finance (Western)

David Northey
Head of Integrated Finance, PCC

APPENDIX 1

PLYMOUTH INTEGRATED FUND AND RISK SHARE

99P	Year to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
			Adv / (Fav)			Adv / (Fav)
	£000's	£000's	£000's	£000's	£000's	£000's
CCG COMMISSIONED SERVICES						
Acute	162,780	164,435	1,654	162,780	164,435	1,654
Placements	35,980	35,255	-725	35,980	35,255	-725
Community & Non Acute	49,681	50,336	654	49,681	50,336	654
Mental Health Services	36,370	36,288	-81	36,370	36,288	-81
Other Commissioned Services	18,326	18,101	-225	18,326	18,101	-225
Primary Care	46,247	46,790	543	46,247	46,790	543
Subtotal	349,384	351,204	1,821	349,384	351,204	1,821
Running Costs & Technical/Risk	2,461	4,885	2,424	2,461	4,885	2,424
CCG Net Operating Expenditure	351,844	356,089	4,245	351,844	356,089	4,245
Risk Share				-157	-157	
CCG Net Operating Expenditure (after Risk Share)	351,844	356,089	4,245	351,844	355,932	4,088
PCC COMMISSIONED SERVICES						
Children, Young People & Families	37,168	41,174	4,006	37,168	41,174	4,006
Strategic Cooperative Commissioning	83,729	83,475	-253	83,729	83,475	-253
Education, Participation & Skills	101,106	101,106	-0	101,106	101,106	-0
Community Connections	3,784	3,739	-45	3,784	3,739	-45
Director of people	295	-705	-1,000	295	-705	-1,000
Public Health	16,048	16,048	-	16,048	16,048	-
Subtotal	242,131	244,837	2,706	242,131	244,837	2,706
Support Services costs	14,473	14,473	-	14,473	14,473	-
Disabled Facilities Grant (Cap Spend)	2,298	2,298	-	2,298	2,298	-
Recovery Plans in Development	-	-	-	-	-	-
PCC Net Operating Expenditure	258,902	261,609	2,706	258,902	261,609	2,706
Risk Share				157	157	
PCC Net Operating Expenditure (after Risk Share)	258,902	261,609	2,706	258,902	261,765	2,863
Combined Integrated Fund	610,746	617,697	6,951	610,746	617,697	6,951

APPENDIX 2

WESTERN PDU MANAGED CONTRACTS FINANCIAL PERFORMANCE

Month 12 March	Year To Date			Current Year Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
ACUTE CARE						
NHS University Hospitals Plymouth NHS Trust	198,078	198,078	0	198,078	198,078	0
NHS South Devon Healthcare Foundation Trust	6,284	6,294	10	6,284	6,294	10
NHS London Contracts	1,709	1,976	267	1,709	1,976	267
Non Contracted Activity (NCA's)	8,374	8,374	-0	8,374	8,374	-0
Independent Sector	11,139	14,164	3,025	11,139	14,164	3,025
Other Acute	23	17	-5	23	17	-5
Cancer Alliance Funding	182	182	-	182	182	-
Subtotal	225,788	229,085	3,297	225,788	229,085	3,297
COMMUNITY & NON ACUTE						
Livewell Southwest	46,346	46,345	-0	46,346	46,345	-0
GPWSI's (incl Sentinel, Beacon etc)	1,668	1,626	-42	1,668	1,626	-42
Community Equipment Plymouth	648	640	-8	648	640	-8
Peninsula Ultrasound	285	260	-25	285	260	-25
Reablement	1,517	1,500	-17	1,517	1,500	-17
Other Community Services	256	256	-0	256	256	-0
Plymouth Integrated Fund - Risk Share	-	-58	-58	-	-58	-58
Joint Funding_Plymouth CC	6,211	6,231	20	6,211	6,231	20
Better Care Fund_Devon CC	-	-	-	-	-	-
Subtotal	56,931	56,800	-131	56,931	56,800	-131
MENTAL HEALTH SERVICES						
Livewell MH Services	32,870	32,870	0	32,870	32,870	0
Mental Health Contracts	26	25	-1	26	25	-1
Other Mental Health	1,259	1,141	-118	1,259	1,141	-118
Subtotal	34,155	34,037	-118	34,155	34,037	-118
OTHER COMMISSIONED SERVICES						
Stroke Association	159	159	-0	159	159	-0
Hospices	2,795	2,678	-117	2,795	2,678	-117
Discharge to Assess	6,613	6,610	-3	6,613	6,610	-3
Patient Transport Services	2,321	2,313	-8	2,321	2,313	-8
Wheelchairs Western Locality	1,800	1,703	-97	1,800	1,703	-97
Commissioning Schemes	191	157	-34	191	157	-34
All Other	855	855	-0	855	855	-0
Subtotal	14,734	14,473	-261	14,734	14,473	-261
PRIMARY CARE						
Prescribing	54,468	56,106	1,638	54,468	56,106	1,638
Medicines Optimisation	295	242	-53	295	242	-53
Enhanced Services	7,620	7,895	275	7,620	7,895	275
GP IT Revenue	4,249	4,086	-163	4,249	4,086	-163
Other Primary Care	6,413	5,968	-446	6,413	5,968	-446
Subtotal	73,045	74,296	1,252	73,045	74,296	1,252
TOTAL COMMISSIONED SERVICES	404,653	408,691	4,038	404,653	408,691	4,038

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

UHP – University Hospitals Plymouth NHS Trust