



## **Plymouth Integrated Fund Finance Report – Month 5 2019/20**

### **Introduction**

This report sets out the financial performance of the Plymouth Integrated Fund for the financial year 2019/20.

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.

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### **SECTION 1 – PLYMOUTH INTEGRATED FUND**

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#### **Integrated Fund - Month 5 Report 2019/20**

The report highlights a small outturn overspend position against budget for Health of £0.1m whilst the Council are forecast to overspend by £1.2m.

The overall fund position is reflected in Appendix 1, and shows an overall overspend of £1.3m, before corporate contingencies. No risk share is being calculated at this stage of the year.

Service	Latest Approved Budget M12	Year End Outturn	Variation at Month 5	Variation at Month 4	Change in Month
	£m	£m	£m	£m	£m
Children's Directorate	131.628	133.278	1.650	1.650	0.000
Strategic Cooperative Commissioning	86.113	86.113	0.000	0.000	0.000
Community Connections	3.773	3.323	(0.450)	(0.450)	0.000
Director of People	0.323	0.323	0.000	0.000	0.000
Public Health	15.104	15.104	0.000	0.000	0.000
<b>Sub Total</b>	<b>236.941</b>	<b>238.141</b>	<b>1.200</b>	<b>1.200</b>	<b>0.000</b>
Support Service Recharges	14.473	14.473	0.000	0.000	0.000
Disabled Facilities Grant (Capital)	2.480	2.480	0.000	0.000	0.000
<b>Total</b>	<b>253.894</b>	<b>255.094</b>	<b>1.200</b>	<b>1.200</b>	<b>0.000</b>

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's Directorate

The Children's Directorate are reporting a budget pressure of £1.650m at month 5.

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 and the need to place young people with complex needs in wrap around as no suitable placement is available.

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.

The following actions are in place to address the budget position.

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

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

### Delivery Plans

The Children's Directorate have been tasked with making savings of £6.258m, however at the moment, there is £1.628m where no savings plans have been identified. There are savings plans developed totaling £4.630m for the year with £3.455m rated amber. There are then £1.175m of identified delivery plans that are thought to be at risk, following a robust challenge by finance to the services, which comprises:

- End 2 End Review risk at 50% £0.300m;
- Fostering risk at 50% £0.175m;
- Placement review risk at 50% £0.700m.

### **Strategic Co-operative Commissioning**

The Strategic Commissioning service is forecasting to come in on budget at year end.

Since setting the budget, clients numbers in ASC have dropped which is as a direct result of the work undertaken over the last year to deliver improvements in the management of the ASC front door, the implementation of a robust scheme of delegation and the close working arrangement with LWSW through budget containment meetings to address system pressures however the information coming out of Carefirst is already showing a small increase since the start of the year, which has been included as part of our forecast. This will need to be reviewed closely as, due to the demand led nature of the budget, the position can change on a weekly basis.

Strategic Commissioning have been tasked with achieving savings of £4.765m, as well as £2.404m of savings brought forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year. At this time, it is thought that the full £7.169m will be achieved, however most of these will be achieved through one off savings again, which will cause further pressure in 2020/21.

The development of the next phase of transformation is underway to support the delivery of sustainable savings during 2020/21 and thus reduce the reliance on one off savings in future years.

## **Community Connections**

Community Connections is reporting a (£0.450m) favourable variation at month 5, no change from month 4. At this time, B&B numbers are being reduced, from those reported during 2018/19, through the use of alternative placements secured in existing contracts. This is being achieved and maximised through partnership working with the Alliance.

The department has been tasked with achieving savings of £0.030m, as well as £0.228m of savings brought forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year. At this time, it is thought that the full £0.258m will be achieved, however most of these will be achieved through one off savings again, which will cause further pressure in 2020/21.

## **Management & Support**

The People Management & Support budget is currently forecasting an overspend of £0.051m however this pressure is not being reported in the overall monitoring position, as additional management savings will be found to offset.

## **Public Health**

The budget for the Office of the Director of Public Health (ODPH) is forecasting to come in on budget for 2019/20.

There has been a reduction in the Public Health grant received in 2019/20 of £0.405m from the previous year, which will be contained by a variety of management actions, mainly around the contracts that are held within the department.

## **Plymouth City Council Delivery Plans**

As part of the MTFs for 2019/20 the Federated Directorates needs to make savings of £6.970m as well as £6.715m of savings brought forward from 2018/18 that were realised from one off savings and will need to be achieved in this financial year giving a total to achieve of £13.685m. A breakdown of what is currently forecast to be achieved is shown below:

Plymouth City Council Delivery Plans	Forecast Year to Date			Current Year Forecast		
Month 5 - Aug 2019	Budget	Actual	Variance (Adv) / Fav	Budget	Actual	Variance (Adv) / Fav
	£m	£m	£m	£m	£m	£m
Children's Services	2.608	2.118	(0.490)	6.258	5.083	(1.175)
Strategic Cooperative Commissioning	2.987	2.987	0.000	7.169	7.169	0.000
Community Connections	0.108	0.108	0.000	0.258	0.258	0.000
Public Health	0.000	0.000	0.000	0.000	0.000	0.000
	5.702	5.213	(0.490)	13.685	12.510	(1.175)

## Integrated Fund Summary

Health are reporting a forecast outturn position of an unplanned overspend of £0.1m for services commissioned for patients registered with Plymouth GP practices whilst the Local Authority are reporting an unplanned overspend of £1.2m.

No risk share adjustment is being calculated at this stage of the year.

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## SECTION 2 – BETTER CARE FUND (BCF)

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

The table below shows the total BCF and iBCF for 2019/20, and the expected distribution between CCG and PCC.

2019/20 BCF & iBCF	PCC	CCG	Total
	£m	£m	£m
BCF Capital (Disabled Facilities Grant)	2.480	0.000	<b>2.480</b>
BCF Revenue	8.601	9.443	<b>18.044</b>
<b>Sub Total BCF</b>	<b>11.081</b>	<b>9.443</b>	<b>20.524</b>
iBCF (part of Councils RSG funding)	9.454	0.000	<b>9.454</b>
iBCF (other)	1.000	0.815	<b>1.815</b>
<b>Sub Total iBCF</b>	<b>10.454</b>	<b>0.815</b>	<b>11.269</b>
<b>Total Funds</b>	<b>21.535</b>	<b>10.258</b>	<b>31.793</b>

The £1.8m of iBCF schemes are in the process of being implemented, and are monitored quarterly via the required template. The splits for BCF and iBCF shown above are still being reviewed and could change.

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.”*

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## **SECTION 3 – WESTERN PDU MANAGED CONTRACTS**

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### **Context / CCG Wide Financial Performance at Month 5**

This report sets out the month 5 forecast outturn financial performance of the CCG for 2019/20.

The CCG plan was produced in conjunction with our main acute providers within a wider System Transformation Plan (STP) footprint. The 2019/20 plan is to achieve an outturn position of a £27.0m deficit.

Whilst the CCG are currently forecasting delivery of this position significant risks to the net value of £39.5m have been identified.

The CCG plans require the delivery of an £80.9m savings programme in order to meet the respective position agreed with NHS England. The CCG has delivered £8.0m against a plan of £22.1m at this stage of the year.

Delivery of the required savings plan was the main financial risk and challenge to the CCG, however there are other risks in relation to continuing healthcare and prescribing. These will be 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**

The Western PDU has reported a forecast breakeven position 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 2019/20 contract plan for University Hospitals Plymouth has been set in accordance with the principles agreed by the Devon STP. The overarching agreement is that the 2019/20 contract value is based upon the 2018/19 contract value with adjustments agreed for specific areas. Nationally derived inflationary pressures have been included which are significantly driven by the agenda for change pay uplifts. 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.

2019/20 Month 5	Planned Spend	Actual Spend	Variance	Variance Activity	Variance Spend
	£000s	£000s	£000s		
Elective	18,953	18,341	- 612	2.9%	-3.2%
Non-Elective	35,242	34,255	- 987	-5.4%	-2.8%
A&E	5,638	5,433	- 205	-1.7%	-3.6%
MIU	1,457	1,281	- 176	-12.0%	-12.1%
Blended Tariff		1,567	1,567		
Outpatients	14,714	14,726	12	1.6%	0.1%
Excluded Services	9,871	8,607	- 1,264		-12.8%
Penalties		- 694	- 694		
Drugs & Devices	6,540	6,368	- 172		-2.6%
CQUIN	1,056	1,044	- 12		-1.1%
Contract Adjustments	- 1,374	-	1,374		-100.0%
Total	92,097	90,928	- 1,169		-1.3%

Expenditure on **Elective Care** is 3.2% behind the financial plan and 2.9% ahead of the activity plan. The underperformance reduced by £0.1m in month 5. The difference between the volume and value variances is due to a different casemix of patients being treated than was expected with overperformance in lower cost specialities such as Endoscopy and Dermatology, with underperformance in higher cost specialities such as Orthopaedics and Cardiology.

**Non-Elective** activity is behind plan in activity and financial terms by 5.4% and 2.8% respectively with an underperformance worth £1.0m. Whilst performance in month 4 was largely on plan, month 5 has seen continued underperformance against plan.

The non-elective underperformance is more significant for the other main commissioners of non-elective care within UHP with Kernow and NHSE Specialist being 6.2% and 6.8% behind financial plan, giving a Trustwide financial underperformance of 4.4%. Overall, the Trust have admitted 2,087 (7.8%) fewer patients than planned for.

**Accident and Emergency**, is behind plan by 1.7% or 595 attendances whilst MIU is behind plan by 12.0% or 2,358 attendances. Previously the performance for A&E

and MIU has been combined but this month is split to give a clearer picture of performance in each service.

An adjustment for the blended payment for emergency care, which is a new risk sharing approach that has been introduced nationally from 1920, has been calculated and included within this reporting. The blended tariff means that only 20% of emergency and non elective over performance is paid for, whilst only 20% of under performance would be returned to commissioners. Whilst this is a national approach there is scope for local arrangements to supersede this impact, and this needs to be worked through in light of the overall STP contracting and risk share approach. As emergency care services (non elective and A&E) are currently under plan, this means that 80% (£1,567k) of the underperformance is being charged back to commissioners.

**Outpatient** activity is ahead of plan by 1.6% whilst the spend is 0.1% more than had been expected. This variance is driven by UHP seeing more outpatients procedures and non face to face contacts and fewer follow ups, then had been expected. First attendances are slightly over plan.

**Passthrough Drugs and Devices** are underspent by 2.6% or £0.2m, which is driven by passthrough drugs underperforming by £0.3m and devices over performing by £0.1m. The large swings in variance in this area is driven by the erratic invoicing from homecare providers.

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 is worth £3.3m for the whole year, of which £1.4m is reflected at month 5. The value in 1819 was higher, and the reduction reflects a rebasing of the contract that was made in the 1920 contract setting.

Overall, contract reporting illustrates an under performance of £1.2m at the end of month 5 of the 1920 financial year, which will increase to £2.7m if the blended tariff adjustment were removed.

### **Independent Sector & London Trusts**

We are currently seeing an increasing impact of waiting list transfers to the independent sector which are occurring in order to support system delivery of the 52 week waiting time standard. Whilst this represents an increasing degree of expenditure against the planned budget, it is assumed that these transfers will be funded by the source Trust and we are therefore reporting a breakeven position.

At this point in time the spend on the London Trust budget is on plan, however limited validated financial data is available at present.



## **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.

The CCG hold 3 main contracts with LSW for Childrens & Young People, Complex Adults and Older People's Mental Health. All of which are block contracts and are therefore forecast to breakeven in year.

## **Discharge to Assess beds**

At this stage of the year we are forecasting that the Intermediate Care (Discharge to Assess) beds in the West will breakeven against the budget.

## **Primary Care Prescribing**

Month 5 shows a break even position for the Western area at present. There are significant risks to this position based on the impact of price concessions and subsequent tariff changes.

Overall the CCG is forecasting that our year to date QIPP target is under achieving at present and work is being completed to ensure all data is included.

## **Primary Care**

The CCG has received delegated commissioning responsibility for core General Practice services in the 2019/20 financial year. Whilst risks are emerging within Locum reimbursement and GP retainer budgets the overall forecast assumes that these will be contained within the overall budget.

Enhanced Services and other Primary Care services are also forecast to breakeven at this stage of the year.

## **Conclusion**

The overall Integrated Fund is forecast to deliver a year end overspend of £1.3m. This position is made up by an overspend in the Council of £1.2m and in Health of £0.1m.

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## APPENDIX 1

### PLYMOUTH INTEGRATED FUND AND RISK SHARE

Month 05 August	Year to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
<b>CCG COMMISSIONED SERVICES</b>						
Acute	73,380	73,386	6	176,112	176,121	9
Placements	12,600	12,680	80	30,238	30,247	9
Mental Health Services	19,421	19,407	-14	46,611	46,639	28
Community & Non Acute	25,621	25,627	6	61,491	61,516	25
Primary Care	41,016	41,015	-0	99,419	99,419	0
<b>Subtotal</b>	172,038	172,115	78	413,871	413,941	70
Running Costs & Technical/Risk	2,132	2,099	-34	5,118	5,118	0
CCG Net Operating Expenditure	174,170	174,214	44	418,989	419,059	71
Risk Share						-
CCG Net Operating Expenditure (after Risk Share)	174,170	174,214	44	418,989	419,059	71
<b>PCC COMMISSIONED SERVICES</b>						
Children, Young People & Families	16,168	16,856	688	38,804	40,454	1,650
Strategic Cooperative Commissioning	35,880	35,880	-	86,113	86,113	-
Education, Participation & Skills	38,677	38,677	-	92,824	92,824	-
Community Connections	1,572	1,385	-188	3,773	3,323	-450
Director of people	135	135	-	323	323	-
Public Health	6,294	6,294	-	15,104	15,104	-
<b>Subtotal</b>	98,725	99,225	500	236,941	238,141	1,200
Support Services costs	2,412	2,412	-	14,473	14,473	-
Disabled Facilities Grant (Cap Spend)	413	413	-	2,480	2,480	-
Recovery Plans in Development	-	-	-	-	-	-
PCC Net Operating Expenditure	101,551	102,051	500	253,894	255,094	1,200
Risk Share						-
PCC Net Operating Expenditure (after Risk Share)	101,551	102,051	500	253,894	255,094	1,200
Combined Integrated Fund	275,721	276,265	544	672,883	674,154	1,271

## APPENDIX 2

### WESTERN PDU MANAGED CONTRACTS FINANCIAL PERFORMANCE

Month 05 August	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
<b>ACUTE CARE</b>						
NHS University Hospitals Plymouth NHS Trust	92,997	92,997	0	223,193	223,193	-
NHS London Contracts	1,074	1,074	-	2,578	2,578	-
Non Contracted Activity (NCA's)	5,131	5,131	-0	12,315	12,315	-
Independent Sector Other	4,100	4,100	0	9,840	9,840	-1
Other Acute	10	10	-	24	24	-
<b>Subtotal</b>	<b>103,312</b>	<b>103,312</b>	<b>0</b>	<b>247,950</b>	<b>247,949</b>	<b>-1</b>
<b>COMMUNITY &amp; NON ACUTE</b>						
Livewell Southwest	19,684	19,684	-0	47,242	47,242	-
GPWSI's (incl Sentinel, Beacon etc)	709	709	-	1,703	1,703	-
Community Equipment Plymouth	276	276	-	662	662	-
Peninsula Ultrasound	167	167	0	400	400	-0
Reablement	649	649	-	1,558	1,558	-
Other Community Services	94	94	-	227	227	-
Joint Funding_Plymouth CC	3,706	3,706	-	8,894	8,894	-
<b>Subtotal</b>	<b>25,285</b>	<b>25,285</b>	<b>-0</b>	<b>60,684</b>	<b>60,684</b>	<b>-0</b>
<b>MENTAL HEALTH SERVICES</b>						
Livewell MH Services	14,849	14,849	-	35,637	35,637	-
Mental Health Act Assessments	102	156	54	245	245	-
Other Mental Health	582	557	-26	1,398	1,398	-
<b>Subtotal</b>	<b>15,533</b>	<b>15,562</b>	<b>28</b>	<b>37,280</b>	<b>37,280</b>	<b>-</b>
<b>OTHER COMMISSIONED SERVICES</b>						
Stroke Association	87	87	-0	210	210	-
Hospices	1,197	1,197	-	2,872	2,872	-0
Discharge to Assess	3,414	3,414	0	8,195	8,195	-
Patient Transport Services	993	993	-0	2,384	2,384	-
Healthcare at Home	-	-	-	-	-	-
Wheelchairs Western Locality	766	766	-	1,837	1,837	-
Commissioning Schemes	69	69	-	165	165	-
All Other	626	576	-50	1,504	1,504	0
<b>Subtotal</b>	<b>7,153</b>	<b>7,103</b>	<b>-50</b>	<b>17,167</b>	<b>17,166</b>	<b>-0</b>
<b>PRIMARY CARE</b>						
Prescribing	23,593	23,585	-8	56,623	56,623	-
Medicines Optimisation	1,032	1,033	1	2,477	2,477	-
Enhanced Services	4,920	4,920	0	11,808	11,808	-
Delegated Commissioning	67,295	67,379	85	165,449	165,449	0
Home Oxygen Services	994	994	-	2,386	2,386	-
GP IT Revenue	1,331	1,331	0	3,195	3,195	-
Other Primary Care	5,781	5,771	-10	13,875	13,875	-
<b>Subtotal</b>	<b>104,946</b>	<b>105,014</b>	<b>67</b>	<b>255,813</b>	<b>255,813</b>	<b>0</b>
<b>TOTAL COMMISSIONED SERVICES</b>	<b>256,230</b>	<b>256,276</b>	<b>46</b>	<b>618,894</b>	<b>618,893</b>	<b>-1</b>
<b>NET TOTAL OPERATING COSTS</b>	<b>256,230</b>	<b>256,276</b>	<b>46</b>	<b>618,894</b>	<b>618,893</b>	<b>- 1</b>
<b>TOTAL CORPORATE FINANCIAL BALANCE</b>	<b>256,230</b>	<b>256,276</b>	<b>46</b>	<b>618,894</b>	<b>618,893</b>	<b>- 1</b>

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**APPENDIX 3**  
**GLOSSARY OF TERMS**

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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