

HSI21/006

GOVERNING BODY

Title of paper	Finance Report – Month 9 2021/22 (December 2021)		
Agenda item	8	Date of meeting	2 February 2022
Exec lead	Roshan Patel, Chief Finance Officer		
Author	Jane Cole, Director of Finance		

Purpose	For decision	<input type="checkbox"/>
	To ratify	<input type="checkbox"/>
	To discuss	<input type="checkbox"/>
	To note	<input checked="" type="checkbox"/>

Link to strategic objective	Operational service delivery Supporting people and teams Transforming services Strategic planning and engagement Developing our Integrated Care System
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Executive Summary
<p><u>Hampshire and Isle of Wight Position</u></p> <p>The paper provides an update on the financial position for the ICS and NHS organisations for remainder of the 21/22 financial year and sets out a proposal to bring the ICS back into financial breakeven balance including all the NHS organisations within. This can be achieved through an additional £15.7m non recurrent funding received in December which was not indicated in the H2 planning round and removes the £15.5m deficit submitted for H2. Additional funding to manage the impact of the Omicron variant and vaccinations is also available as systems incur spend.</p> <p>This leaves the ICS in a robust position for 21/22 with little risk exposure, and demonstrates how collegiate the system is in problem solving.</p> <p><u>Hampshire Southampton and Isle of Wight CCG Position</u></p> <p>The CCG had a surplus at the end of H1 amounting to £2.3m in line with expectations. This was to offset planned deficits created by other organisations across the ICS. For H2, the CCG submitted a deficit plan of £5.5m, so together with H1, a full year planned position of £3.2m deficit. The H2 deficit largely related to the cost of Hospital Discharge Programme schemes that remained unfunded at the point of the plan being submitted. Subsequently, non-recurrent funding has been received which has resulted in the CCG being able to forecast a breakeven position for H2.</p>

Furthermore, as set out in the paper, agreement has been reached to realign allocations across the system to ensure all organisations meet breakeven for the full year, which includes the CCG. The ICS is working together to ensure the breakeven position is delivered through collective management of risk.

Recommendations	To note financial position for the ICS and CCG and the change in the financial forecast to one of break even.
Publication	Include on public website <input type="checkbox"/>

Please provide details on the impact of following aspects	
Equality and quality impact assessment	This paper does not request decisions that impact on equality and diversity
Patient and stakeholder engagement	Not applicable
Financial impact, legal implications and risk	As set out in the paper

Hampshire, Southampton and Isle of Wight CCG

Finance Report 2021/22

December 2021 (Month 09)

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Executive Summary – 2021/22

Month 9 Position (December)

Key Messages

The CCG is now forecasting an overall breakeven position for the financial year 21/22. The CCG forecast at M8 (November) was a deficit of £3.2m (comprising the £2.3m surplus from H1 together with the planned deficit of £5.5m H2). In M9 (December) the CCG was able to revise its forecast to breakeven as a result of non-recurrent allocations together with collective agreement across the system to re-align allocations. This in turn supported the movement of the wider ICS to forecast break-even for 21/22 financial year.

Whilst overall, the CCG is able to manage its breakeven position through use of reserves and other areas of underspend, pressures being managed include:

- Increases seen in high costs packages of care in Continuing Healthcare - largely in Southampton and the North and Mid Hampshire systems.
- Prescribing is forecasting to be overspent overall, largely South West Local Team, due to spend greater than growth estimates.
- South East Local Team have pressures on Community Services where schemes have been commissioned for Hospital Discharge and Surge capacity over and above hospital discharge allocations.
- To note – the overspends on Community and Delegated Commissioning are largely not an issue as this is where the CCG is anticipating retrospective allocations.

The CCG is host for System Development Funding, and is working with budget holders and providers to ensure costs are attributed correctly and swiftly.

Forecast Outturn Surplus / (Deficit) for 2021/22 by Local Team

CCG Plan Vs Actual	Financial Position - Annual			Anticipated Allocations			FOT
	Plan	Actual	Variance	HDP	Additional Roles	Winter Access Funds	Variance Post Additional Allocations
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Isle of Wight Local Team	267.0	270.0	(3.0)	2.5	0.5	0.0	(0.1)
North and Mid Hampshire Local Team	678.8	686.3	(7.5)	5.1	0.3	0.0	(2.1)
South East Hampshire Local Team	663.4	670.1	(6.7)	4.5	0.6	0.0	(1.6)
South West Hampshire Local Team	550.7	557.7	(7.0)	3.9	0.5	0.0	(2.6)
Southampton Local Team	425.6	430.8	(5.3)	3.0	0.7	0.0	(1.6)
CCG Hosted and Pass Through	519.8	518.9	0.9	0.0	(0.1)	6.3	7.2
Corporate Costs	63.4	62.6	0.8	0.0	0.0	0.0	0.8
NHS Hampshire, Southampton & Isle of Wight CCG Total	3,168.6	3,196.4	(27.8)	19.1	2.4	6.3	0.0

Forecast Position Summary:

The CCG has revised its forecast and has moved from a £3.2m deficit for the full financial year, (after receiving anticipated retrospective allocations of £27.8m) to a break even position.

Year to Date Surplus / (Deficit) for 2021/22 by Local Team

CCG Plan Vs Actual	Financial Position - Month 09			Anticipated Allocations			YTD
	Plan	Actual	Variance	HDP	Additional Roles	Winter Access Funds	Variance Post Additional Allocations
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Isle of Wight Local Team	198.4	199.9	(1.5)	1.2	0.2	0.0	0.0
North and Mid Hampshire Local Team	503.5	507.2	(3.7)	2.6	0.1	0.0	(1.1)
South East Hampshire Local Team	497.7	500.9	(3.2)	2.3	0.2	0.0	(0.8)
South West Hampshire Local Team	412.6	416.3	(3.7)	2.0	0.4	0.0	(1.3)
Southampton Local Team	319.3	321.8	(2.5)	1.5	0.2	0.0	(0.8)
CCG Hosted and Pass Through	410.6	405.8	4.8	0.0	(0.1)	0.0	4.7
Corporate Costs	41.7	41.2	0.4	0.0	0.0	0.0	0.4
NHS Hampshire, Southampton & Isle of Wight CCG Total	2,383.7	2,393.2	(9.4)	9.6	1.0	0.0	1.1

Year to Date Position Summary:

- There is a small surplus year to date for the CCG, as the H1 surplus unwinds throughout H2.

Hampshire, Southampton & IOW CCG Month 9 Position Summary 2021/22 by Programme Area

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding	Outstanding
		£'m	£'m	£'m	£'m	£'m	YTD £'m	FOT £'m
Acute Commissioning	1,532.5	1,151.5	1,145.2	6.3	1,526.7	5.8	0.0	0.0
Mental Health Commissioning	267.8	200.1	200.6	(0.6)	266.3	1.5	0.0	0.0
Community Services Commissioning	323.8	248.1	256.9	(8.9)	343.9	(20.1)	8.2	17.2
Prescribing	282.8	213.1	214.5	(1.3)	283.9	(1.1)	0.0	0.0
Primary Care (Excluding Prescribing)	69.3	55.4	54.9	0.5	69.4	(0.1)	0.0	0.0
Delegated Commissioning	245.4	183.1	183.9	(0.8)	253.7	(8.4)	1.0	8.7
Continuing Care	205.1	153.6	155.2	(1.6)	210.2	(5.1)	1.3	1.9
Other Commissioning	223.6	165.5	159.2	6.4	211.7	11.9	0.1	(0.1)
Running Costs	30.6	22.9	22.8	0.1	30.6	0.0	0.0	0.1
Control Total	(12.3)	(9.5)	0.0	(9.5)	0.0	(12.3)	0.0	0.0
All Local Teams In Year Position	3,168.6	2,383.8	2,393.2	(9.4)	3,196.4	(27.8)	10.6	27.8
Retrospective Top Up Outstanding	19.1	9.6	0.0	9.6	0.0	19.1		
Additional Roles Reimbursement Scheme Outstanding	2.4	1.0	0.0	1.0	0.0	2.4		
Winter Access Funds Outstanding	6.3	0.0	0.0	0.0	0.0	6.3		
All Local Teams Revised In Year Position	3,196.4	2,394.3	2,393.2	1.1	3,196.4	0.0		

Variance analysis commentary is on the next slide

Variance Analysis Commentary

Month 9 Position (December)

- **Acute commissioning** is underspending, as the CCG sees difficulties in recruiting to planned investments to recover elective work and other service developments.
- **Mental Health** is underspending on the forecast largely due to the inability to recruit to transformation projects.
- **Community Services** overspending is largely not an issue as this is where the CCG is anticipating significant retrospective Hospital Discharge Programme allocations. Though there is a pressure due to reduced funding for HDP and surge into the second half of the year.
- **Prescribing** is forecasting to be overspent overall, largely South West Local Team, due to spend greater than growth estimates.
- **Delegated Commissioning** overspend is not an issue as this is where the CCG is anticipating retrospective allocations for Additional Roles and Winter Access Funding.
- **Continuing Health Care** is overspending due to the growth in high cost packages of care - largely in Southampton and the North and Mid Hampshire systems.
- Not committing all reserves (shown in '**Other Commissioning**') has helped to balance the cost pressures in Prescribing and Continuing Healthcare.

Finance Annexes

December 2021 (Month 09)

Isle of Wight Local Team

Month 9 Position (December)

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding	Outstanding
		£'m	£'m	£'m	£'m	£'m	YTD £'m	FOT £'m
Acute Commissioning	126.9	95.0	95.2	(0.1)	127.2	(0.3)	0.0	0.0
Mental Health Commissioning	32.7	24.3	23.2	1.1	31.4	1.3	0.0	0.0
Community Services Commissioning	27.3	21.1	22.2	(1.1)	29.7	(2.4)	1.2	2.5
Prescribing	27.1	20.3	20.5	(0.2)	27.5	(0.4)	0.0	0.0
Primary Care (Excluding Prescribing)	4.2	3.2	2.9	0.3	4.3	(0.1)	0.0	0.0
Delegated Commissioning	23.0	17.1	17.3	(0.2)	23.1	(0.1)	0.2	0.5
Continuing Care	14.8	11.3	10.8	0.4	14.3	0.4	0.0	0.0
Other Commissioning	12.1	6.6	7.8	(1.2)	12.4	(0.4)	0.0	0.0
Running Costs	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Control Total	(1.1)	(0.6)	0.0	(0.6)	0.0	(1.1)	0.0	0.0
Isle of Wight Local Team In Year Position	267.0	198.4	199.9	(1.5)	270.0	(3.0)	1.5	2.9
Retrospective Top Up Outstanding	2.5	1.2	0.0	1.2	0.0	2.5		
Additional Roles Reimbursement Scheme Outstanding	0.5	0.2	0.0	0.2	0.0	0.5		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
Isle of Wight Local Team Revised In Year Position	269.9	199.9	199.9	0.0	270.0	(0.1)		

North and Mid Hampshire Local Team Month 9 Position (December)

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding	Outstanding
		£'m	£'m	£'m	£'m	£'m	YTD £'m	FOT £'m
Acute Commissioning	329.6	246.8	246.7	0.2	329.5	0.1	0.0	0.0
Mental Health Commissioning	60.9	45.4	46.3	(0.9)	61.7	(0.8)	0.0	0.0
Community Services Commissioning	64.1	48.8	50.9	(2.1)	68.4	(4.3)	2.2	4.5
Prescribing	73.4	55.2	55.8	(0.6)	73.2	0.2	0.0	0.0
Primary Care (Excluding Prescribing)	9.7	7.5	7.5	0.0	9.7	0.0	0.0	0.0
Delegated Commissioning	67.0	49.4	49.5	(0.1)	67.3	(0.3)	0.1	0.3
Continuing Care	49.4	36.9	38.4	(1.5)	51.8	(2.5)	0.4	0.7
Other Commissioning	27.5	14.6	12.1	2.5	24.8	2.7	0.0	0.0
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	(2.6)	(1.3)	0.0	(1.3)	0.0	(2.6)	0.0	0.0
North and Mid Hampshire Local Team In Year Position	678.8	503.5	507.2	(3.7)	686.3	(7.5)	2.7	5.4
Retrospective Top Up Outstanding	5.1	2.6	0.0	2.6	0.0	5.1		
Additional Roles Reimbursement Scheme Outstanding	0.3	0.1	0.0	0.1	0.0	0.3		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
North and Mid Hampshire Local Team Revised In Year Position	684.2	506.1	507.2	(1.1)	686.3	(2.1)		

South East Hampshire Local Team Month 9 Position (December)

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding YTD	Outstanding FOT
		£'m	£'m	£'m	£'m	£'m	£'m	£'m
Acute Commissioning	319.1	239.4	239.1	0.4	318.7	0.4	0.0	0.0
Mental Health Commissioning	58.2	43.7	43.6	0.0	58.1	0.1	0.0	0.0
Community Services Commissioning	60.1	46.7	49.1	(2.4)	65.4	(5.3)	1.7	3.5
Prescribing	75.8	56.8	56.4	0.5	74.7	1.1	0.0	0.0
Primary Care (Excluding Prescribing)	12.0	9.0	8.8	0.2	11.8	0.2	0.0	0.0
Delegated Commissioning	60.4	45.1	45.3	(0.1)	61.0	(0.5)	0.2	0.6
Continuing Care	52.7	39.3	38.6	0.7	53.3	(0.6)	0.5	1.0
Other Commissioning	27.7	18.9	20.1	(1.2)	27.2	0.4	0.0	0.0
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	(2.6)	(1.3)	0.0	(1.3)	0.0	(2.6)	0.0	0.0
South East Hampshire Local Team In Year Position	663.4	497.7	500.9	(3.2)	670.1	(6.7)	2.4	5.1
Retrospective Top Up Outstanding	4.5	2.3	0.0	2.3	0.0	4.5		
Additional Roles Reimbursement Scheme Outstanding	0.6	0.2	0.0	0.2	0.0	0.6		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
South East Hampshire Local Team Revised In Year Position	668.5	500.1	500.9	(0.8)	670.1	(1.6)		

South West Hampshire Local Team Month 9 Position (December)

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding	Outstanding
		£'m	£'m	£'m	£'m	£'m	YTD £'m	FOT £'m
Acute Commissioning	260.8	195.8	194.7	1.1	259.8	1.0	0.0	0.0
Mental Health Commissioning	47.4	35.4	35.6	(0.2)	46.1	1.3	0.0	0.0
Community Services Commissioning	53.1	40.8	41.9	(1.1)	56.4	(3.3)	1.8	4.3
Prescribing	61.6	45.8	48.4	(2.6)	63.9	(2.3)	0.0	0.0
Primary Care (Excluding Prescribing)	10.9	8.3	8.3	0.1	11.1	(0.1)	0.0	0.0
Delegated Commissioning	51.2	38.4	38.7	(0.4)	51.7	(0.5)	0.4	0.5
Continuing Care	49.7	37.3	37.5	(0.1)	50.0	(0.3)	0.2	(0.4)
Other Commissioning	18.6	12.2	11.3	0.9	18.9	(0.2)	0.0	(0.0)
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	(2.6)	(1.3)	0.0	(1.3)	0.0	(2.6)	0.0	0.0
South West Hampshire Local Team In Year Position	550.7	412.6	416.3	(3.7)	557.7	(7.0)	2.4	4.4
Retrospective Top Up Outstanding	3.9	2.0	0.0	2.0	0.0	3.9		
Additional Roles Reimbursement Scheme Outstanding	0.5	0.4	0.0	0.4	0.0	0.5		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
South West Hampshire Local Team Revised In Year Position	555.1	415.0	416.3	(1.3)	557.7	(2.6)		

Southampton Local Team Month 9 Position (December)

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding YTD	Outstanding FOT
		£'m	£'m	£'m	£'m	£'m	£'m	£'m
Acute Commissioning	195.3	146.5	146.6	0.0	196.0	(0.7)	0.0	0.0
Mental Health Commissioning	52.1	39.0	39.5	(0.5)	52.5	(0.4)	0.0	0.0
Community Services Commissioning	48.6	37.2	39.4	(2.2)	53.3	(4.8)	1.3	2.4
Prescribing	39.1	29.4	29.3	0.1	38.8	0.3	0.0	0.0
Primary Care (Excluding Prescribing)	8.7	7.1	7.2	(0.1)	8.7	(0.1)	0.0	0.0
Delegated Commissioning	41.0	30.5	30.7	(0.2)	41.7	(0.7)	0.2	0.7
Continuing Care	26.2	19.4	21.2	(1.7)	28.3	(2.1)	0.2	0.6
Other Commissioning	16.3	10.9	8.0	2.9	11.4	4.8	0.0	0.0
Running Costs	0.0	0.0	(0.1)	0.1	0.0	0.0	0.0	0.0
Control Total	(1.6)	(0.8)	0.0	(0.8)	0.0	(1.6)	0.0	0.0
Southampton Local Team In Year Position	425.6	319.3	321.8	(2.5)	430.8	(5.3)	1.7	3.7
Retrospective Top Up Outstanding	3.0	1.5	0.0	1.5	0.0	3.0		
Additional Roles Reimbursement Scheme Outstanding	0.7	0.2	0.0	0.2	0.0	0.7		
Winter Access Funds Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
Southampton Local Team Revised In Year Position	429.2	321.0	321.8	(0.8)	430.8	(1.6)		

CCG Hosted and Pass Through Local Team Month 9 Position (December)

	Annual Budget £'m	MONTH 9 - DECEMBER 2021			Forecast		Covid, ARRS & WAF	
		YTD Budget	YTD Actual	YTD Variance	Outturn	Variance	Outstanding YTD	Outstanding FOT
		£'m	£'m	£'m	£'m	£'m	£'m	£'m
Acute Commissioning	298.0	225.7	221.2	4.5	293.5	4.5	0.0	0.0
Mental Health Commissioning	16.4	12.3	12.3	0.0	16.4	0.0	0.0	0.0
Community Services Commissioning	70.8	53.4	53.4	0.0	70.8	0.0	0.0	0.0
Prescribing	1.0	2.0	1.0	1.0	1.0	0.0	0.0	0.0
Primary Care (Excluding Prescribing)	19.2	16.8	16.8	0.0	19.2	0.0	0.0	0.0
Delegated Commissioning	2.7	2.6	2.5	0.1	9.0	(6.3)	(0.1)	6.3
Continuing Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Commissioning	113.5	102.2	98.7	3.5	109.0	4.5	0.0	0.0
Running Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Control Total	(1.8)	(4.3)	0.0	(4.3)	0.0	(1.8)	0.0	0.0
CCG Hosted and pass through In Year Position	519.8	410.6	405.8	4.8	518.9	0.9	(0.1)	6.3
Retrospective Top Up Outstanding	0.0	0.0	0.0	0.0	0.0	0.0		
Additional Roles Reimbursement Scheme Outstanding	(0.1)	(0.1)	0.0	(0.1)	0.0	(0.1)		
Winter Access Funds Outstanding	6.3	0.0	0.0	0.0	0.0	6.3		
CCG Hosted and pass through Revised In Year Position	526.1	410.5	405.8	4.7	518.9	7.2		