

HSI21/067

GOVERNING BODY

Title of paper	Finance Report – Month 6 2021/22		
Agenda item	6	Date of meeting	3 November 2021
Director lead	Roshan Patel, Chief Finance Officer		
Author	Jane Cole, Director of Finance		

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

Link to strategic objective	This paper has links to Objectives:
	<ul style="list-style-type: none"> • 1 – Operational Delivery • 2 – People and Teams • 3 – Service Transformation • 4- Strategy and Planning • 5 – ICS Development

Executive Summary	
<p>This paper summarises the CCG's financial position at the end of Month 6. The 2021/22 financial year comprises two halves H1 (April to September) and H2 (October to March). The financial results for the first half of this financial year are as expected, with the CCG achieving a surplus of £2.3m as part of the wider Hampshire and Isle of Wight Integrated Care System.</p> <p>The financial position includes:</p> <ul style="list-style-type: none"> • A current in year deficit against plan of £9.5m which is offset by expected retrospective Hospital Discharge Programme (HDP) funding - £11.8m. This includes the additional costs articulated in the business case which gained National approval. • Income in relation to the Elective Recovery Fund applied to Independent Sector providers has not been achieved at the level expected, nor on the 20% margin anticipated within plans. No further income has been included as a result. • The efficiency target of £12.8m has been met. <p>H2 financial plans are currently being prepared in line with the National timetable and are due for submission on 16th November.</p>	
Recommendations	The Governing Body is asked to note financial performance for Half Year 1 (to 30 September 2021).
Publication	Include on public website ✓

Please provide details on the impact of following aspects	
Equality and quality impact assessment	Not applicable
Patient and stakeholder engagement	Not applicable
Financial and resource implications / impact	As outlined in the paper

Governance and Reporting- which other meeting has this paper been discussed		
Committee Name	Date discussed	Outcome

Hampshire, Southampton and Isle of Wight CCG

Finance Report 2021/22

Finance : September 2021

(Month 06)

Executive Summary – 2021/22

Month 6 Position (September)

H1 Forecast Position

The CCG has achieved it's forecast for H1 of a £2.3m surplus.

The forecast includes:

- A current in year deficit against plan of £9.5m
- Anticipated Retrospective Hospital Discharge Programme (HDP) funding - £11.8m . The National team have agreed to fund the full shortfall on HDP in HIOW.
- The CCG is applying a prudent approach around both areas of risk on Elective Recovery Funding in our plans, by not anticipating any further income on the Elective Recovery Fund (ERF) 20% Margin, or any further ERF Income on Independent Sector (IS) Provider contracts. To mitigate this each Local Team has crystallised to their bottom line the underperformance generally on IS provider contracts. Following a deep dive and individual conversations, all IS providers have agreed to meet their 19/20 activity levels in H2.
- The efficiency target of £12.8m has been met.

Forecast Outturn Surplus/(Deficit) for H1 2021/22 by Local Team

CCG Plan Vs Actual	Financial Position - H1			Anticipated Allocation		FOT
	Plan (£m)	Actual (£m)	Variance (£m)	HDP (£m)	ERF (IS and 20% Gain) (£m)	Post HDP & ERF Adj Variance (£m)
Isle of Wight Local Team	131.2	133.1	(1.9)	1.9	0.0	0.0
North and Mid Hampshire Local Team	332.6	333.8	(1.2)	2.6	0.0	1.4
South East Hampshire Local Team	333.4	334.6	(1.2)	3.1	0.0	1.9
South West Hampshire Local Team	271.8	272.4	(0.5)	2.3	0.0	1.8
Southampton Local Team	210.5	211.9	(1.3)	1.9	0.0	0.5
CCG Hosted and Pass Through	254.5	258.0	(3.5)	0.0	0.0	(3.5)
Corporate Costs	32.8	32.7	0.0	0.1	0.0	0.1
NHS Hampshire, Southampton & Isle of Wight CCG Total	1,566.9	1,576.4	(9.5)	11.8	0.0	2.3

Memorandum:						
Historic CCG Position	(19.7)	0.0	(19.7)	Full year effect is £39.5m as values shown are H1 only.		

H1 Position Summary:

- The CCG has achieved our forecast for H1 of a £2.3m surplus.

**Hampshire, Southampton and IOW CCG
Position Summary 2021/22 by Programme Area
Month 6 Position (September)**

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget	H1 Actual	H1 Variance	Covid
	£'m	£'m	£'m	H1 £'m
Acute Commissioning	758.9	753.4	5.5	0.0
Mental Health Commissioning	130.1	132.3	(2.2)	0.1
Community Services Commissioning	158.8	169.8	(11.0)	10.2
Prescribing	131.3	133.9	(2.6)	0.0
Primary Care (Excluding Prescribing)	42.6	42.0	0.6	0.0
Delegated Commissioning	120.5	120.6	(0.1)	0.0
Continuing Care	101.4	103.3	(1.9)	1.4
Other Commissioning	114.9	106.3	8.6	0.1
Running Costs	15.3	14.8	0.5	0.0
Control Total	(6.8)	0.0	(6.8)	0.0
All Local Teams In Year Position	1,566.9	1,576.4	(9.5)	11.8
Retrospective Top Up Outstanding	11.8	0.0	11.8	0.0
All Local Teams Revised In Year Position	1,578.7	1,576.4	2.3	11.8

Variance analysis commentary is on the next slide

Variance Analysis Commentary

Month 6 Position (September)

- **Acute commissioning** is underspending, initially Private Providers were focussing on their private patient work and not on NHS work to recover the elective programme. There is conversely an over spend on London providers, for which, activity is higher than planned. Planned Care Board have instigated a deep dive into the Independent Sectors activity.
- **Mental Health** is seeing significant over-spends, largely due to greater than normal 'high cost placements' for clients with Learning Difficulties and Mental Health issues. Mainly in the Southampton Local Team and the North and Mid Local team.
- **Prescribing** is forecasting to be overspent overall. In terms of year on year trends, at month 6 – there has been an increase of £3m, which is consistent with the over spend. £1.1m of this is due to an increase in Category M drugs and the balance is due to genuine growth in activity/price, with the impact of coming out of lockdown having a potential influence.
- **Continuing Health Care (CHC)** there are cost pressures due to the tightening of the rules around access to Hospital Discharge Funding for those who have not had an assessment (i.e. reduced from 6 to 4 weeks). In addition, Southampton Local team are seeing a general increase in placements, whilst Adult CHC is underperforming against plans. Net impact of these variances is a £0.5m overspend after receiving the Hospital Discharge Programme allocation.
- **Corporate** position is showing an underspend at the end of H1 with substantive vacancy costs across several departments, to an extent being offset by expenditure on non-permanent staffing solutions
- Not committing all reserves (shown in '**Other Commissioning**') has helped to balance the cost pressures in Mental Health, Prescribing and Continuing Healthcare.

Efficiency Position Summary 2021/22

Month 6 Position (September)

CCG Efficiency Plan Vs Actual	Efficiency Position H1	
	Target (£m)	Actual Delivered (£m)
Review of Investments	3.4	2.2
General Efficiency	4.0	4.4
CHC Efficiency	4.0	4.9
NHS England reported efficiency target	11.5	11.5
Corporate Efficiencies	0.6	0.5
Other Efficiencies	0.7	0.8
Internal CCG Stretch Target	1.3	1.3
NHS Hampshire, Southampton & Isle of Wight CCG Total	12.8	12.8

- During the Planning process efficiencies of £12.8m were established to enable the CCG to achieve the planned surplus.
- Local Teams are working to determine further efficiencies, to support the transition into H2.

Service Development Fund Month 6 Position (September)

SDF	Total H1 (Including embedded values £000's)	H2 Indicative Allocations £000's	Total H1 & H2 SDF £000's	Other (e.g. Accelerator bid) £000's	Total £000's
Ageing Well	4,403	4,403	8,806	0	8,806
Cancer	4,063	4,063	8,126	0	8,126
Diabetes	219	219	438	0	438
Emergency & Elective Care	352	0	352	0	352
LD & Autism	522	522	1,044	0	1,044
Maternity	435	435	870	0	870
Mental Health	9,763	9,763	19,526	0	19,526
Outpatients	314	0	314	0	314
Personalised Care	100	0	100	0	100
Prevention	129	129	258	0	258
Primary Care	6,977	3,250	10,227	0	10,227
System Transformation	150	150	300	0	300
Other	0	0	0	21,353	19,052
Grand Total	27,427	22,934	50,361	19,052	69,413

- Total Service Development Funding for the HIOW System is £50.4m (including Portsmouth CCG £3.8m)
- Other funds received for the system are £21.4m and include: Accelerator (of Elective recovery) £10m; Long Covid £3.8m; Learning Disability & Autism £0.7m, Community Diagnostic Funding £0.7m, Cancer £1.0m, NHS 111 £1.0m, Primary Care £1.7m, Mental Health £1.1m with the remaining balance a mixture of preventative services and other smaller items

Please Note : Due to rounding's, the values in the table above may not cast completely to actual funding received.

Financial Annexes

Isle of Wight Local Team Month 6 Position (September)

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget	H1 Actual	H1 Variance	Covid
	£'m	£'m	£'m	H1 £'m
Acute Commissioning	62.3	62.5	(0.3)	0.0
Mental Health Commissioning	15.6	16.2	(0.5)	0.0
Community Services Commissioning	13.0	15.1	(2.1)	1.9
Prescribing	13.2	13.1	0.0	0.0
Primary Care (Excluding Prescribing)	2.8	2.4	0.4	0.0
Delegated Commissioning	11.3	11.4	(0.1)	0.0
Continuing Care	7.8	7.1	0.7	0.0
Other Commissioning	5.2	5.3	(0.1)	0.0
Running Costs	0.0	0.0	0.0	0.0
Control Total	0.0	0.0	0.0	0.0
Isle of Wight Local Team In Year Position	131.2	133.1	(1.9)	1.9
Retrospective Top Up Outstanding	1.9	0.0	1.9	0.0
Isle of Wight Local Team Revised In Year Position	133.1	133.1	0.0	1.9

Key variances to note:

- The main variance is an overspend on Mental Health, largely due to greater than normal 'high cost placements' for clients with Learning Difficulties and Mental Health issues.

North and Mid Hampshire Local Team Month 6 Position (September)

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget £'m	H1 Actual £'m	H1 Variance £'m	Covid H1 £'m
Acute Commissioning	163.8	161.4	2.4	0.0
Mental Health Commissioning	29.5	30.2	(0.6)	0.0
Community Services Commissioning	31.0	33.5	(2.4)	2.3
Prescribing	33.8	35.4	(1.6)	0.0
Primary Care (Excluding Prescribing)	7.3	7.1	0.2	0.0
Delegated Commissioning	32.9	32.9	0.0	0.0
Continuing Care	24.2	25.0	(0.8)	0.3
Other Commissioning	10.0	8.3	1.7	0.0
Running Costs	0.0	0.0	0.0	0.0
Control Total	0.0	0.0	0.0	0.0
North and Mid Hampshire Local Team In Year Position	332.6	333.8	(1.2)	2.6
Retrospective Top Up Outstanding	2.6	0.0	2.6	0.0
North and Mid Hampshire Local Team Revised In Year Position	335.2	333.8	1.4	2.6

Key variances to note:

- For the North & Mid Hampshire Local Team the main variance of note is that Acute commissioning is underspending, initially Private Providers were focussing on their private patient work and not on NHS work to recover the elective programme. This underperformance has largely been crystallised into the bottom line of the Local Team.
- The other main variance of note for North & Mid Hampshire Local Team is the overspend on Prescribing which is subject to review following the variety of experience within Local Teams.

South East Hampshire Local Team Month 6 Position (September)

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget £'m	H1 Actual £'m	H1 Variance £'m	Covid H1 £'m
Acute Commissioning	159.5	157.6	1.9	0.0
Mental Health Commissioning	28.7	28.8	(0.1)	0.1
Community Services Commissioning	29.2	31.8	(2.6)	2.5
Prescribing	36.3	35.9	0.4	0.0
Primary Care (Excluding Prescribing)	7.5	7.5	0.0	0.0
Delegated Commissioning	29.9	29.9	0.0	0.0
Continuing Care	25.5	25.9	(0.5)	0.5
Other Commissioning	16.9	17.1	(0.3)	0.0
Running Costs	0.0	0.0	0.0	0.0
Control Total	0.0	0.0	0.0	0.0
South East Hampshire Local Team In Year Position	333.4	334.6	(1.2)	3.1
Retrospective Top Up Outstanding	3.1	0.0	3.1	0.0
South East Hampshire Local Team Revised In Year Position	336.5	334.6	1.9	3.1

Key variances to note:

- For the South East Hampshire Local Team the main variance of note is that Acute commissioning is underspending, initially Private Providers were focussing on their private patient work and not on NHS work to recover the elective programme. This underperformance has been crystallised into the bottom line of the Local Team.
- The other main variance of note for South East Hampshire Local Team is the forecast underspend on Prescribing which is subject to review following the variety of experience within Local Teams.

South West Hampshire Local Team Month 6 Position (September)

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget	H1 Actual	H1 Variance	Covid
	£'m	£'m	£'m	H1 £'m
Acute Commissioning	128.6	127.9	0.8	0.0
Mental Health Commissioning	23.0	23.2	(0.2)	0.0
Community Services Commissioning	25.4	27.2	(1.8)	2.0
Prescribing	28.7	30.9	(2.2)	0.0
Primary Care (Excluding Prescribing)	6.8	6.9	(0.1)	0.0
Delegated Commissioning	25.6	25.5	0.1	0.0
Continuing Care	24.6	25.4	(0.8)	0.3
Other Commissioning	9.0	5.7	3.3	0.0
Running Costs	0.0	(0.3)	0.3	0.0
Control Total	0.0	0.0	0.0	0.0
South West Hampshire Local Team In Year Position	271.8	272.4	(0.5)	2.3
Retrospective Top Up Outstanding	2.3	0.0	2.3	0.0
South West Hampshire Local Team Revised In Year Position	274.1	272.4	1.8	2.3

Key variances to note:

- For the South West Hampshire Local Team the main variance of note is that Acute commissioning is underspending, and whilst there is an underperformance against independent sector, there is an over spend on London providers, for which, activity is higher than planned.
- The other main variance of note for the South West Local Team is the forecast overspend on Prescribing which is subject to review following the variety of experience within Local Teams.

Southampton Local Team Month 6 Position (September)

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget £'m	H1 Actual £'m	H1 Variance £'m	Covid H1 £'m
Acute Commissioning	96.8	96.0	0.7	0.0
Mental Health Commissioning	25.6	26.4	(0.7)	0.0
Community Services Commissioning	24.1	26.1	(2.0)	1.5
Prescribing	19.3	18.6	0.7	0.0
Primary Care (Excluding Prescribing)	5.3	5.4	(0.1)	0.0
Delegated Commissioning	19.9	19.9	(0.0)	0.0
Continuing Care	13.2	14.1	(0.9)	0.3
Other Commissioning	6.3	5.5	0.9	0.0
Running Costs	0.0	(0.2)	0.2	0.0
Control Total	0.0	0.0	0.0	0.0
Southampton Local Team In Year Position	210.5	211.9	(1.3)	1.9
Retrospective Top Up Outstanding	1.9	0.0	1.9	0.0
Southampton Local Team Revised In Year Position	212.4	211.9	0.5	1.9

Key variances to note:

- For the Southampton Local Team the main variance of note is that there are Continuing Care cost pressures due to the tightening of the rules around access to Hospital Discharge Funding for those who have not had an assessment (i.e. reduced from 6 to 4 weeks). In addition, the Southampton Local team are seeing a general increase in placements.
- The other main variance of note for the Southampton Local Team is the forecast underspend on Prescribing which is subject to review following the variety of experience within Local Teams.

CCG Hosted and Pass Through Month 6 Position (September)

	MONTH 6 - SEPTEMBER 2021			Outstanding
	H1 Budget	H1 Actual	H1 Variance	Covid
	£'m	£'m	£'m	H1 £'m
Acute Commissioning	146.8	146.8	0.0	0.0
Mental Health Commissioning	7.6	7.6	0.0	0.0
Community Services Commissioning	36.0	36.0	0.0	0.0
Prescribing	0.0	0.0	0.0	0.0
Primary Care (Excluding Prescribing)	8.0	8.0	0.0	0.0
Delegated Commissioning	0.8	0.9	(0.1)	0.0
Continuing Care	0.0	0.0	0.0	0.0
Other Commissioning	62.1	58.7	3.4	0.0
Running Costs	0.0	0.0	0.0	0.0
Control Total	(6.8)	0.0	(6.8)	0.0
CCG Hosted and pass through In Year Position	254.5	258.0	(3.5)	0.0
Retrospective Top Up Outstanding	0.0	0.0	0.0	0.0
CCG Hosted and pass through Revised In Year Position	254.5	258.0	(3.5)	0.0

Key variances to note:

- The over spend for the Hosted and Pass Through team is due to lower than expected allocations for the Elective Recovery Fund. This has been mitigated by the Local Teams crystallising underperformance against Independent Sector contracts to their bottom lines.

Corporate Costs (1)

Month 6 Position (September)

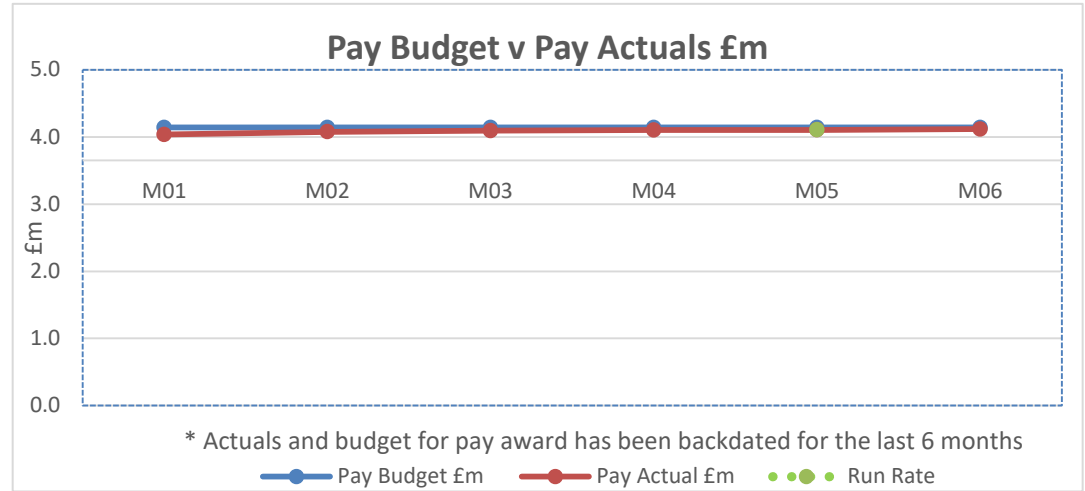
	H1	Pay					Non-Pay			Month 6 - September 2021		
	Budget	H1 Opening Budget	H1 Savings	H1 Net Budget	H1 Actual	H1 Variance	H1 Budget	H1 Actual	H1 Variance	H1 Budget	H1 Actual	H1 Variance
	£'m	£'m			£'m	£'m	£'m	£'m	£'m	£'m	£'m	
CHC	6.2	5.3	0.0	5.3	5.2	0.1	0.9	0.7	0.2	6.2	5.8	0.3
Chief Finance Officer	6.9	2.0	(0.1)	1.9	1.8	0.1	5.0	4.8	0.2	6.9	6.6	0.3
Chief Medical Officer	1.0	1.0	0.0	1.0	1.1	(0.1)	0.0	0.0	0.0	1.0	1.1	(0.1)
Chief Nursing Officer	2.7	2.4	0.0	2.4	2.3	0.0	0.3	0.3	0.0	2.7	2.6	0.0
Chief of Staff	4.6	3.3	(0.1)	3.2	3.4	(0.3)	1.5	2.3	(0.8)	4.6	5.7	(1.1)
Executive Director of Health Improvement and Place	10.3	8.8	(0.2)	8.6	8.3	0.2	1.7	1.5	0.2	10.3	9.8	0.5
Executive Director of Performance	1.1	0.7	0.0	0.7	0.7	0.0	0.4	0.4	0.0	1.1	1.1	0.0
Executive Director of Strategy and Transformation	0.7	0.7	0.0	0.7	0.5	0.1	0.0	0.1	(0.1)	0.7	0.6	0.0
Governing Body	1.4	1.2	(0.1)	1.1	1.0	0.1	0.3	0.1	0.2	1.4	1.1	0.3
Workforce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Corporate Costs In Year Position	34.8	25.4	(0.6)	24.8	24.4	0.3	10.1	10.2	(0.1)	34.8	34.6	0.2

Key variances to note:

- There has been an underspend at the end of H1 due to vacancies throughout the period.

Corporate Costs (2) Month 6 Position (September)

	Pay Budget £m	Pay Actual £m	Pay Variance £m
M01	4.1	4.0	0.1
M02	4.1	4.1	0.1
M03	4.1	4.1	0.0
M04	4.1	4.1	0.0
M05	4.1	4.1	0.0
M06	4.1	4.1	0.0
Total H1	24.8	24.5	0.3



	Pay Actual £m	Pay Actual WTE
M01	4.0	725.7
M02	4.1	731.5
M03	4.1	737.1
M04	4.1	749.2
M05	4.1	748.6
M06	4.1	750.5

