

Blackburn with Darwen CCG Governing Body and
East Lancashire CCG Governing Body Meeting in Common

REPORT TO:	Governing Body	Agenda Item	3.2b
MEETING DATE:	23 March 2022		
REPORT TITLE:	Chief Finance Officer Month 11 Report		
SUMMARY OF REPORT:	This report outlines the summary financial position for NHS East Lancashire CCG at February 2022		
REPORT RECOMMENDATIONS:	Governing Body is asked to note the contents of this financial summary and the financial position of the CCG at the end of February 2022.		
FINANCIAL IMPLICATIONS:	None		
REPORT CATEGORY:	Formally Receipt		Tick
	Decision Required		
	For discussion		
	For information/to note		√
AUTHOR:	Mrs Deidre Lewis – Deputy Chief Finance Officer		
	Report supported & approved by Senior Lead : Mrs Kirsty Hollis, Chief Finance Officer and Deputy Chief Officer		Y
PRESENTED BY:	Mrs Kirsty Hollis, Chief Finance Officer and Deputy Chief Officer		
OTHER COMMITTEES/ GROUPS CONSULTED:	No		
EQUALITY IMPACT ANALYSIS (EIA)	Has an EIA been completed in respect of this report?		N
	If yes, please attach	If no, please provide reason below e.g. Not applicable.	
RISKS:	Detailed in the report.		Y
CONFLICT OF INTEREST:	Is there a conflict of interest associated with this report?		N
CLINICAL ENGAGEMENT:	Is any clinical engagement/involvement required as part of the proposal being presented? Has this been undertaken?		N
PATIENT ENGAGEMENT:	Is any patient engagement/involvement required as part of the proposal being presented? Has this been undertaken?		N
PRIVACY STATUS OF THE REPORT:	Is the report confidential?		N
Which Corporate Objective does the report relate to			Tick
1	To commission the best quality and effective services to deliver optimal healthcare outcomes for our local population.		
2	Ensure the balance of our health investment reflects our population's needs and keeps the population well		
3	Deliver the 10 year strategy by engagement with the population we serve and ensure we commission services that meet local needs with a clear focus on population health management.		
4	commission services that meet local needs with a clear focus on population health management strategies		Y
5	As local health leaders, we will focus on increasing life expectancy across Pennine Lancashire to be at, or about the national average in the next 10 years.		

Executive Financial Summary

Month 11 – Period Ending February 2022

	Month 11			Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Funds Confirmed	(647,585)	(647,585)	0	(713,919)	(713,919)	0
Funds Anticipated – Top up HDP	0	(41)	41	0	(62)	62
Funds Anticipated – Top up Non HDP	0	(484)	484	0	(2,090)	2,090
Commissioning	505,858	506,952	(1,094)	554,019	554,767	(748)
Primary Care	128,936	129,148	(212)	141,346	143,309	(1,963)
Corporate	12,262	11,305	957	13,287	12,316	971
HDP	664	705	(41)	664	726	(62)
Reserves	(135)	0	(135)	4,603	7,062	(2,459)
Balance	0	0	0	0	2,109	(2,109)

Summary Financial Position

As at month 11 the CCG is reporting a forecast deficit of £2,109k. This relates to the technical adjustment in relation to a pre-payment for prescribing. This has formed part of our ISA 260 report from external auditors during the previous two financial years. The CCG has now accepted the auditors view and will not amend the in year prescribing estimate for the pre-payment. This is supported by NHS England / NHS Improvement who have confirmed that:-

NHS England and Improvement (NHSE/I) acknowledges that the CCG will post a deficit for the year-ending 21/22. This position has been discussed and agreed with NHSE/I and will not be considered financial failure and will not trigger any regulatory action from NHSE/I.

Commissioned Services

- As in 2020/21 the block payment contracting arrangement has continued in H2 of 2021/22. The values for H2 have been based on H1 2021/22 block payments plus 1.16% uplift subject to any contract adjustments and a one-off additional payment in October for the pay arrears of 10.5%.
- Independent Sector – whereas in 2020/21 this was commissioned centrally by NHS England, for 2021/22, these contracts have been returned to the responsibility of the CCGs to commission. The contract has been negotiated by commissioners across the L & SC footprint but only 'in area' activity. The one remaining outstanding contract whereby the CCG has not received an allocation is Spa Medica, the reasoning being, is that this contract was not commissioned centrally in 2020-21 and as such CCG should have planned for this. Further guidance has just been received from NHS E regarding some revisions to the current contracting arrangements to provide capacity to support the pandemic and make inroads into the current waiting lists.
- Transforming Care – East Lancashire CCG is the host CCG for the transforming care and had set a 6 month budget in line with the plan. All the outstanding issues relating to the hosted transforming care budgets which had been brought to the attention of Audit Committee and Governing Body have now been favourably resolved.

Allocations

- The CCG is in receipt of eleven months allocation in line with the combined plans for H1 & H2.

Funds Anticipated

- At month 11, the CCG is anticipating the allocation for the funding of the Hospital Discharge Programme spend, the winter access fund and additional roles in primary care funding. There is no risk to not receiving these allocations as all have now been confirmed through the draft month 12 allocation schedule.

Risks

All risks have been mitigated

QIPP

- QIPP - the target for H2 is circa £6.6m, the full value will be mitigated albeit on a non-recurrent basis.