

Financial Report – December 2017

This report reflects the financial performance of the Pooled Budget as at the end of Month 7 (October 2017).

A. Expenditure Monitoring against the Plan

BCF Pooled Budget - Summary

| Total BCF | Budget | YTD Actual | YTD Plan | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|-----------------|-------------|-------------|-------------|--------------|--------------|------------------------|
| Local Authority | £45,555,958 | £26,555,625 | £26,574,309 | -£18,684 | £45,523,929 | -£32,029 |
| CCG | £26,905,916 | £16,410,328 | £15,695,118 | £715,210 | £28,131,991 | £1,226,075 |
| Total | £72,461,874 | £42,965,953 | £42,269,427 | £696,527 | £73,655,919 | £1,194,045 |

The YTD expenditure (Month 7) was £42.97m against a YTD budget of £42.27m. This reflects an **overspend of £697k** at the end of Month 7 (down from £740k last month). As a result the year-end forecast is for an overspend of £1.19m. CCG commissioned services are forecast to overspend by £1.23m, whilst council expenditure is projected to end the year £32k below budget.

Service-level Expenditure

Services within the BCF plan are grouped according to their impact on the care elements described in the MCP Implementation Matrix. Service expenditure for each element is analysed below:

i. Whole Population – Prevention & Population Health Management

| Whole Population Prevention / Population Health Management | Budget | YTD Actual | YTD Plan | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|--|------------|------------|------------|--------------|--------------|------------------------|
| Local Authority | £9,027,260 | £5,214,593 | £5,265,902 | -£51,309 | £8,939,301 | -£87,959 |
| CCG | £0 | £0 | £0 | £0 | £0 | £0 |
| Total | £9,027,260 | £5,214,593 | £5,265,902 | -£51,309 | £8,939,301 | -£87,959 |

- Based on Month 7 outturn this element of the pooled budget is projected to underspend by £88k at the year-end, reflecting staffing vacancies.

ii. Urgent Care Needs – Integrated Access & Rapid Response

| Urgent Care Needs – Integrated Access & Rapid Response | Budget | YTD Actual | YTD Plan | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|--|------------|------------|------------|--------------|--------------|------------------------|
| Local Authority | £3,140,434 | £1,783,967 | £1,831,920 | -£47,953 | £3,058,228 | -£82,206 |
| CCG | £2,845,911 | £1,361,357 | £1,660,115 | -£298,758 | £2,312,978 | -£532,933 |
| Total | £5,986,345 | £3,145,324 | £3,492,035 | -£346,711 | £5,371,206 | -£615,139 |

- The year-end forecast for this element is for a £615k underspend based on Month 7 outturn. This is mainly due to the closure of bed capacity in the Evergreen Ward and some staffing underspends.

iii. Ongoing Care Needs – Enhanced Primary & Community Care

| Ongoing Care Needs - Enhanced Primary & Community Care | Budget | YTD Actual | YTD Plan | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|--|-------------|-------------|-------------|--------------|--------------|------------------------|
| Local Authority | £18,070,726 | £10,760,356 | £10,541,257 | £219,099 | £18,446,324 | £375,598 |
| CCG | £15,295,822 | £8,792,339 | £8,887,246 | -£94,907 | £15,068,474 | -£227,348 |
| Total | £33,366,548 | £19,552,695 | £19,428,503 | £124,192 | £33,514,798 | £148,250 |

- This element of the pooled budget is now projected to overspend by £148k at the year end.
- Local Authority services in this category are £219k overspent at the end of Month 7, forecast to rise to £376k at the year-end. Budget pressures are from PD community services and Direct Payments.

- An update on NHS Community contract payments is required. Overall, CCG commissioned services in this element are £227k underspent at the end of month 7.

iv. Highest Care Needs – coordinated community-based and inpatient care

| Highest Care Needs – coordinated community-based and inpatient care | Budget | YTD Actual | YTD Plan | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|---|-------------|-------------|-------------|--------------|--------------|------------------------|
| Local Authority | £15,317,538 | £8,796,711 | £8,935,231 | £138,520 | £15,080,075 | £237,463 |
| CCG | £8,764,183 | £6,256,632 | £4,988,527 | £1,268,105 | £10,718,607 | £1,954,424 |
| Total | £24,081,721 | £15,053,343 | £13,923,758 | £1,129,585 | £25,798,682 | £1,716,961 |

- The year-end forecast for this element is for an overspend of £1.7m (£100k higher than the month 6 forecast).
- CCG expenditure on services in this element was £1.27m above budget at the end of Month 7, rising to a projected £2m at the year end. The majority of this overperformance is as a result of the expected flows to Evergreen not materialising however, even allowing for this the overperformance is higher than expected and is being challenged with DGFT. An update on progress with these discussions is required.
- Staffing underspends are contributing to a projected £237k underspend on LA services in this element.

B. Expenditure Monitoring by Funding Source

Services within the pooled budget are funded from four distinct sources. Analysis of spending against each funding source allows for closer scrutiny of the mandated expenditure.

CCG Minimum Contribution to the BCF

The CCG's minimum contribution (£21.4m) is mandated by the NHS and includes funding to maintain ASC services, and a ring-fenced amount to be spent on NHS commissioned out of hospital services:

| CCG Min | Budget | YTD Actual | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|-----------------|-------------|-------------|--------------|--------------|------------------------|
| Local Authority | £13,464,873 | £7,762,424 | £7,854,509 | £13,307,012 | £157,861 |
| CCG | £7,940,803 | £4,634,978 | £4,632,135 | £7,945,677 | £4,874 |
| Total - CCG Min | £21,405,676 | £12,397,402 | £12,486,644 | £21,252,688 | £152,988 |

i. CCG allocation from the Minimum BCF to maintain ASC services

The CCG allocation for maintaining ASC services in 2017/18 is £13,464,873. This is in line with 2016/17 expenditure after applying a 1.79% inflationary uplift.

- LA expenditure from the CCG minimum allocation at the end of Month 7 was £89k below budget, mainly due to the staffing underspend at Tiled House. This is projected to increase to £158k at year-end.

ii. NHS expenditure on out of hospital services

The CCG has allocated £7,940,803 on out of hospital services provided by the District Nursing teams. Expenditure is on budget.

Improved Better Care Fund Grant

The iBCF (£8.5m in 2017/18) is a specific grant to the council, paid through the pooled budget. Grant conditions determine the use of the funds, with HWB system agreement of expenditure plans being a requirement of the BCF Assurance process. The budget for iBCF funded work is ringfenced.

Local Authority Contribution

This comprises the Disabled Facilities Grant paid annually to councils, together with additional contributions made by the council from its ASC budget. In 2017/18 the DFG is £4.8m, whilst additional council contributions increase the planned expenditure from this source to £23.6m.

| LA Contribution | Budget | YTD Actual | YTD Budget | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|-----------------|-------------|-------------|-------------|--------------|--------------|------------------------|
| Local Authority | £23,627,625 | £13,856,184 | £13,782,781 | £73,402 | £23,753,457 | £125,832 |
| CCG | £0 | £0 | £0 | £0 | £0 | £0 |
| Total | £23,627,625 | £13,856,184 | £13,782,781 | £73,402 | £23,753,457 | £125,832 |

- DFG Grant expenditure continues in line with the agreed plan
- Overspends on PD community care and direct payments for both PD and OP client groups are partially offset by some vacancies and staff-related underspends to leave expenditure from this source £73k overspent at the end of month 7. This is projected to rise to £126k at the year-end.

CCG Additional Contribution

The CCG contributes £18.9m to the pooled budget in addition to the £21.4m minimum contribution in 2017/18.

| Additional CCG | Budget | YTD Actual | YTD Budget | YTD Variance | Y/E Forecast | Y/E Over / Under Spend |
|-----------------|-------------|-------------|-------------|--------------|--------------|------------------------|
| Local Authority | £0 | £0 | £0 | £0 | £0 | £0 |
| CCG | £18,965,113 | £11,775,350 | £10,903,753 | £871,597 | £20,186,314 | £1,221,201 |
| Total | £18,965,113 | £11,775,350 | £10,903,753 | £871,597 | £20,186,314 | £1,221,201 |

- This part of the budget was £871k overspent at the end of Month 7.
- Overspends on acute rehabilitation services (£1.15m), Tissue Viability service (£329k), Community Rehab Single Point of Access (£126k), Community Heart Failure service (£70k) and intermediate care nursing services (£28k) are all the subject of contract discussions with DGFT and are mitigated to some extent by reduced Evergreen capacity (£322k underspend) and below budget spending on DGFT Community services.
- The net position reflects a significant cost pressure on services commissioned from additional CCG contributions. Mitigation of the forecast £1.2m overspend in this funding stream is required if services are to be sustained. Additional QIPP savings are being sought.

C. Savings Performance

This section of the report is intended to show progress in the delivery of planned savings associated with the services and schemes that are in scope for the Better Care Fund Plan.

Dudley CCG QIPP Projects in scope for BCF

Dudley CCG's QIPP programme comprises 28 projects with a combined savings target of £16.5m in 2017/18. Of these, eight projects are related to services that are funded, either wholly or in part, through the Better Care Fund.

The table below summarises savings performance for these eight projects.

| QIPP Scheme | Implementation Risk Rating | Finance Risk Rating | Combined Risk Rating | Savings Target £000 | Current Year to Date Plan £000 | Year to Date Actual £000 | Year to Date Variance £000 | Full Year Forecast £000 | Forecast Variance £000 | Recurrent Savings Target £000 | Recurrent RAG Rating |
|------------------------------------|----------------------------|---------------------|----------------------|---------------------|--------------------------------|--------------------------|----------------------------|-------------------------|------------------------|-------------------------------|----------------------|
| Continuing Care Reviews | medium | low | medium | 245 | 143 | 129 | -14 | 221 | -24 | 221 | amber |
| Fracture Liaison Service | low | low | low | 450 | 263 | 0 | -263 | 208 | -242 | 450 | green |
| Evergreen Transition Ward | high | high | high | 500 | 292 | 156 | -136 | 158 | -342 | 0 | red |
| Community Rehabilitation | high | medium | medium | 500 | 292 | 0 | -292 | 167 | -333 | 500 | green |
| Telemedicine in Care Homes | high | medium | medium | 514 | 301 | 210 | -91 | 359 | -155 | 359 | red |
| Readmissions reduction | low | low | low | 2617 | 1527 | 1527 | 0 | 2617 | 0 | 2617 | green |
| Right Care Respiratory | high | high | high | 350 | 204 | 0 | -204 | 58 | -292 | 350 | green |
| Right Care MSK | high | high | high | 550 | 321 | 0 | -321 | 141 | -409 | 848 | green |
| Right Care Non-Elective Admissions | low | low | low | 1540 | 898 | 898 | 0 | 1540 | 0 | 1540 | green |
| Total | | | | 7266 | 4241 | 2920 | -1321 | 5469 | -1797 | 6885 | amber |

Whilst schemes associated with the BCF are underperforming, the wider QIPP programme is forecast to achieve the in-year delivery required. Plans to mitigate underperformance have been requested from QIPP scheme leads. The financial risk of underperformance sits with the CCG in accordance with the agreed approach to risk sharing and relates primarily to recurrent funding.

Adult Social Care Services savings targets

No specific savings targets have been identified for ASC services in scope for the BCF, although in-year savings may become necessary to mitigate overspending in the ASC budget.