



# **An overview of the financial position and recovery plans for 2018/19 for NHS High Weald Lewes Havens CCG**

## **Summary**

- 1.1 This report provides a summary of the financial position for HWLH CCG at the end of Month 4 (30 July 2018). The draft month 5 position is due to go to the CCG Governing Body on 25<sup>th</sup> September 2018.
- 1.2 The CCG is currently reporting that it is on track to deliver its agreed planned deficit £10.7m control total before Commissioner Sustainability Funding (CSF).
- 1.3 If the plan is achieved the CCG will receive a total of £10.7m of Commissioner Sustainability Funding (CSF) enabling the CCG to break even. At the end of Q1 the CCG received 10% (£1.1m) of the CSF as it was able to report on plan and the forecast deficit is now £9.6m after CSF.
- 1.4 To achieve this it needs to secure £9.2m (3.8%) of savings in year.
- 1.5 The reported position currently highlights unmitigated risks of £2.3m which represents the risk of delivering the required level of savings.

## **2 Budget Plans**

- 2.1 Information in relation to budget plans and associated Commissioner Sustainability Funding (CSF) for 2018/19 were presented to the Governing Body in July 2018.
- 2.2 Following achievement of the financial plan for the first quarter, the CCG received its first quarter Commissioning Sustainability Funding (CSF) in month 4. As a result of this funding, the CCG's Plan was adjusted to a revised control total deficit of £9.6m (£2.5m at month 4).



## 3 Financial Position

- 3.1 At month 4, the CCG is showing a year-to-date deficit position of £2.5m and a forecast outturn of £9.6m deficit. This is in line with the revised plan detailed in section 2. The potential risks to achieving the forecast position are set out later in this report.

## 4 Savings Plans

- 4.1 A summary of the individual saving plans to achieve the required level of savings of £9.2m is included in the Financial Recovery Plan. The Alliance has established a Turnaround Board and place-based Delivery Boards to provide oversight and scrutiny of the savings programme. This is supported by a Programme management Office Function (PMO).
- 4.2 Currently, the plan includes £0.7m that is unidentified (reduced from £2.5m in month 3) and further work is being progressed to identify mitigating actions. The process of identifying further savings will continue through the South Place Delivery Board and Management Team.
- 4.3 The status of saving plans has been assessed in terms of confidence in the level of savings attributed and the delivery of each scheme. This indicates that current plans contain a small number of schemes with significant risk to delivery and the majority of schemes assessed as amber. Based on the level of unidentified savings and the risk assessment of recommended schemes there is a significant risk to delivery of the full level of savings. The reported position to NHSE includes a total of £2.3m as an unmitigated risk in relation to achievement of savings plans for 2018/19 which remains unchanged from month 3.

## 5 Risks and Mitigations

- 5.1 As set out above the most significant identified risk is in relation to delivery of the savings plan.
- 5.2 The CCG is recognising a risk of £0.6m in relation to acute services. The ESHT contact offer is £0.6m above plan subject to further discussions. The CCG is also recognising risks in Mental Health services. These risks relate to the CCG's core contract with Sussex Partnership NHS Trust (£0.240m), non- contract activity (£0.720m), specialist placements (£0.044m) and Improved Access to Psychological Services (IAPTs)

(£0.201)m. These are all shown as fully mitigated at month 4 through Trust and CCG actions.

## 6 Financial Recovery Plan

- 6.1 The Financial Recovery Plan (FRP) has been updated to reflect further information requests from NHSE and re-submitted on 20 July. The revised FRP includes further information on the delivery plan for savings including a risk assessment, phasing of savings, reporting and key milestones.
- 6.2 **The FRP and further action proposed to mitigate the risk will be presented to the Governing Body on 25th September.**

## 7 Conclusion

- 7.1 The reported position at Month 4 is in line with the CCGs financial plan, approved by NHSE. The position includes a reported £2.3m unmitigated risk and a number of other risks which are being actively managed. There is still a significant level of risk to achieving the CCG plans which will be reported in detail to the Finance and Performance Committee and managed through the Alliance Turnaround Board.

## 8 Recommendation

- 8.1 To note the CCG's financial position at Month 4.

**Date:** 15 September 2018

**Lead Director:** Mark Baker, Strategic Finance Director

## Appendix 1: Summary Operating Cost Statement

High Weald Lewes Havens CCG Operating Cost Statement (Summarised)	Year to Date £000's			Annual £000's		
	Plan	Actual	Variance	Plan	Forecast	Variance
Acute Services	41,416	41,553	(137)	126,987	127,223	(236)
Mental Health Services	6,055	6,094	(40)	18,164	18,124	40
Community Health Services	7,202	7,051	150	21,605	21,277	328
Continuing Health Care Services	4,225	4,010	215	12,474	12,249	225
Primary Care Prescribing Services	8,766	8,743	23	26,037	26,037	0
Primary Care Services	2,122	2,120	2	6,367	6,367	0
Other Programme Services	2,217	2,296	(78)	7,002	7,359	(357)
<b>Commissioning Services Total</b>	<b>72,002</b>	<b>71,867</b>	<b>135</b>	<b>218,636</b>	<b>218,636</b>	<b>0</b>
Delegated Co-Commissioning Services	7,229	7,230	(0)	21,689	21,689	0
<b>Delegated Co-Commissioning Services Total</b>	<b>7,229</b>	<b>7,230</b>	<b>(0)</b>	<b>21,689</b>	<b>21,689</b>	<b>0</b>
Corporate Costs (Running Costs)	1,236	1,235	1	3,708	3,708	0
Corporate Costs (Non Running Costs)	1,019	1,155	(136)	3,056	3,056	0
<b>Corporate Costs Total</b>	<b>2,255</b>	<b>2,390</b>	<b>(136)</b>	<b>6,764</b>	<b>6,764</b>	<b>0</b>
Contingency	0	0	0	1,198	1,198	0
Unidentified Savings	0	0	0	(699)	(699)	0
<b>Reserves Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>499</b>	<b>499</b>	<b>0</b>
<b>Net Operating Cost Statement Total</b>	<b>81,486</b>	<b>81,487</b>	<b>(1)</b>	<b>247,588</b>	<b>247,588</b>	<b>0</b>
<b>Revenue Resource Limit</b>	<b>78,995</b>	<b>78,995</b>	<b>0</b>	<b>237,982</b>	<b>237,982</b>	<b>0</b>
<b>Surplus/(Deficit)</b>	<b>(2,491)</b>	<b>(2,491)</b>	<b>1</b>	<b>(9,606)</b>	<b>(9,606)</b>	<b>(0)</b>

