

Darlington CCG

Financial Challenges and Impact on Services

2019/20 and beyond

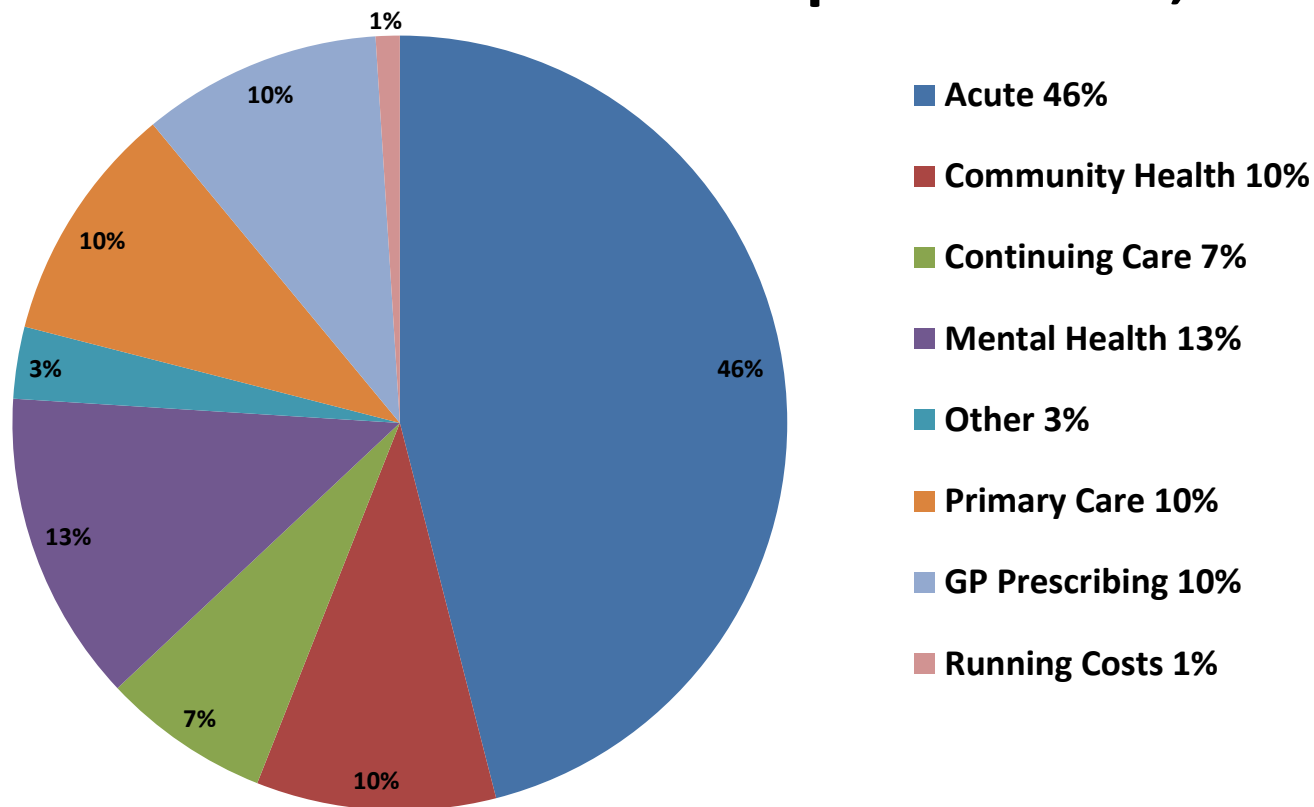
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Mark Pickering – Chief Finance Officer



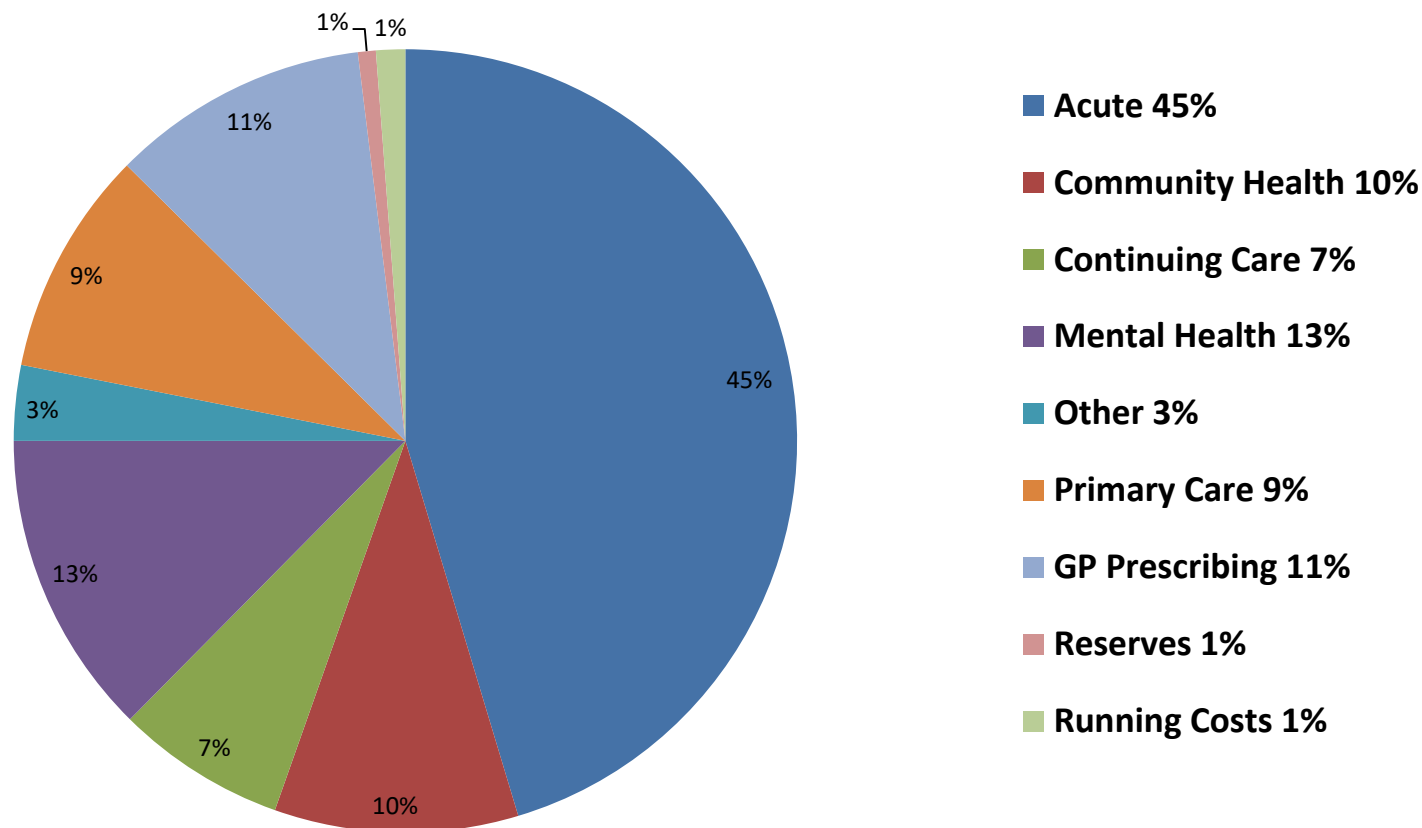
Utilisation of Resources in 2018/19

How the Resources were spent = £168,563k



2019/20 Expected Outturn

2019/20 Forecast = £176,574k



Expected outturn broadly comparable to expenditure in 2018/19 with a 1% reduction in Acute expenditure and 1% growth in GP prescribing

Finance Position – October 2019

	Position to Date			Forecast Outturn			Risk
	YTD Budget	Total YTD Actual	YTD Variance (Under)/Overspend	Annual Budget	Total Forecast Outturn	Forecast Variance (Under)/Overspend	Further risks not reported within position
	£000	£000	£000	£000	£000	£000	£000
Acute Services	46,539	46,603	64	79,885	80,067	181	226
Community Health Services	10,312	10,278	(33)	17,727	17,766	38	15
Continuing Healthcare Services	7,146	6,984	(161)	12,650	12,373	(277)	329
Mental Health Services	12,411	12,411	(0)	22,227	22,227	0	187
Other	3,056	3,057	1	5,488	5,492	4	2
Prescribing	10,691	10,669	(22)	18,828	18,802	(27)	270
Primary Care Services	911	809	(102)	1,561	1,484	(77)	5
Primary Care Delegated Service	8,644	8,644	0	14,937	14,937	(0)	0
Total Programme Services	99,709	99,455	(254)	173,305	173,148	(158)	1,034
Running Cost	1,203	1,238	36	2,044	2,121	77	0
Reserves	(1)	0	1	1,225	1,305	80	0
GRAND TOTAL 'IN YEAR' FINANCIAL POSITION	100,911	100,693	(217)	176,574	176,574	0	1,034

- On track to deliver an in year break even position
- A risk of increased expenditure over the remainder of the financial year of £1.034m
- A reserves balance of £1.305m to mitigate against the risk of further growth in expenditure

2019/20 Efficiency Programme

- The efficiency programme is developed by benchmarking ourselves against our peers and looking for areas where the spend is significantly higher, these identify the opportunity for efficiency.
- These areas are looked at in greater detail and plans developed on how we can be more efficient, these are assessed to identify the likely savings that could be achieved
- The key areas for efficiency plans for 2019/20 are in Acute spend, GP prescribing in primary care, Estates utilisation and Continuing Healthcare with a target saving of £2.33m

Examples of Efficiency Savings

- ***Estates Utilisation*** – Relocating CCG staff from Dr Piper House to other CCG premises therefore reducing the cost of rent and utilities – No impact on patients
- ***Running costs*** – reduced staffing and overhead costs due to CCG staff working collaboratively sharing staff resources across the Tees Valley and County Durham footprint – no impact on patients
- ***GP Prescribing*** – Following a national initiative to stop prescribing “Over the Counter” medicines e.g. paracetamol

Planning ahead to 2020/21 and beyond

- NHS England have approved the proposed merger of Darlington CCG with Hartlepool & Stockton on Tees CCG and South Tees CCG to form the new “Tees Valley CCG”. This will take effect from 1st April 2020
- The NHS Long Term Plan, published in January 2019, set out a 10-year practical programme of phased improvements to NHS services and outcomes, including a number of specific commitments to invest the agreed NHS five-year revenue settlement.
- In June 2019 the NHS Long Term Plan Implementation Framework was published which sets out the approach Sustainability and Transformation Partnerships (STPs)/Integrated Care Systems (ICs) are asked to take to create their five-year strategic plans by November 2019 covering the period 2019/20 to 2023/24
- The new Tees Valley CCG form part of the Southern Integrated Care Partnership (ICP) which is one of 4 ICPs that form the Cumbria and North East ICS

Planning ahead to 2020/21 and beyond Cont...

- The new Tees Valley CCG will be producing a plan that combines the commissioned services of the current 3 CCGs
- The LTP has given a commitment that investment will be made in the following areas at a rate of growth consistent with the CCG's allocation growth:
 - Community Health Services
 - Primary Medical Services
 - Continuing Healthcare
 - Mental Health
 - Better Care Fund (although the CCG has planned on this basis, formal guidance has not yet been released to confirm the growth rate)

Planning ahead to 2020/21 and beyond Cont...

- Each year CCGs are expected to develop an efficiency programme in line with the rate of efficiency expected to be delivered by NHS providers which is c1.1%.
- By being more efficient in the way CCGs commission services, frees up resources to be invested in areas of need and provides the best value for money



Any Questions?