

Title of meeting : Governing Body									
Date of Meeting		14 th March 2018			Paper Number			3.1	
Title					Financial Performance report for January 2018 (M10)				
Sponsoring Director (name and job title)					Nigel Foster – Director of Finance and performance				
Sponsoring Clinical / Lay Lead (name and job title)					N/A				
Author(s)					Jonathan Pettit – Head of Financial Management and Reporting				
Purpose					To inform the Governing Body of the financial performance at Month 10 (Jan 2018).				
The Governing Body is required to (please tick)									
Approve		Receive		Discuss		Note			
				✓		✓			
Risk and Assurance <i>(outline the key risks / where to find mitigation plan in the attached paper and any assurances obtained)</i>					The key risks are listed below.				
Legal implications/regulatory requirements					None				
Public Sector Equality Duty					Not applicable				
Links to the NHS Constitution (relevant patient/staff rights)					None				
Strategic Fit					Not Applicable				
Commercial and Financial Implications <i>(Identify how the proposal impacts on existing contract arrangements and have these been incorporated?</i> <i>Include date Deputy CFO has signed off the affordability and has this been incorporated within the financial plan. Include details of funding source(s)</i>					As outlined in the report.				
Quality Focus <i>(Identify how this proposal impacts on the quality of services received by patients and/or the achievement of key performance targets</i> <i>Include date the Director of Nursing has signed off the quality implications)</i>					Not Applicable				



<p>Clinical Engagement <i>Outline the clinical engagement that has been undertaken</i></p>	<p>Not Applicable</p>
<p>Consultation, public engagement & partnership working implications/impact</p>	<p>Not Applicable</p>
<p>NHS Outcomes <i>Please indicate (highlight) which Domain this paper sits within by highlighting or ticking below: Please note there may be more than one Domain.</i></p>	<p>Domain 1 Preventing people from dying prematurely;</p> <p>Domain 2 Enhancing quality of life for people with long-term conditions;</p> <p>Domain 3 Helping people to recover from episodes of ill health or following injury;</p> <p>Domain 4 Ensuring that people have a positive experience of care; and</p> <p>Domain 5 Treating and caring for people in a safe environment; and protecting them from avoidable harm.</p>
<p><u>Executive Summary</u></p> <p>At month 10 the CCG reported a year to date surplus in line with plan and continues to forecast achievement of the planned surplus.</p> <p>The forecast for month 10 has been updated to reflect the Month 9 acute position. Overall for Slough CCG the expenditure forecast has reduced very slightly, £14k, and a further £306k variance is reported against SLA exclusions, which reverses the adverse variance last month now that the budget has been drawdown in month 10.</p> <p>The acute position shows a favourable movement at Frimley and settlement of 1617 contracts further improves the position. This is partially offset by an adverse movement on London contracts.</p> <p>The position on CHC/FNC is neutral this month, as indicated last month, with an increase to CHC offset by a reduction to FNC.</p> <p>Increased costs are reflected for the Frimley integration payments, (£115k), as agreed with the Trust, which are partially offset by various other favourable movements of £91k.</p> <p>Slough CCG has re-established some reserves following a review of commitments and now has £0.3m uncommitted. Contingency remains fully released and prior year surplus accruals totalling £1.8m have been released.</p> <p>In addition I would particularly like to highlight:</p> <ul style="list-style-type: none"> • The forecast for the acute provider data is based on 9 months of activity. The level of un-coded activity at Frimley remains high, however in the month 10 acute 	



position it has reduced significantly.

- Across the Frimley Health & Care STP footprint we have received £3.4m of funding in 2017/18 as our share of national funding to support rapidly developing Accountable Care Systems. In addition a further tranche of £0.4m was received for Frimley Primary Care development funding in Month 11. This funding is being hosted by Surrey Heath CCG on behalf of the STP.
- The STP System Leaders Group and Programme Delivery Board are overseeing a process of internal bidding from the STP work-streams against the £3.4m. Of this, approximately £2m has been allocated on non-recurrent spend across the following work-streams
 - Diabetes - £107k
 - Integrated Care Hubs - £186k
 - GP Transformation £929k
 - Variation - £196k
 - Social Care Market £127k
 - Prevention - £75k
 - Central Programme Support - £407k
- The new external auditors KPMG have been onsite in February for their preliminary work ahead of the year end audit.
- CCG Merger - a Joint programme board has been set up across Thames Valley with Shared Business Services which meets monthly to ensure that the financial ledger and processes are set up and in place for the new organisation. The East Berkshire CCG merger project plan was presented to the Audit Committee in early February 2018 to provide assurance that the project is progressing and is on track for 1 April 2018.
- At the time of writing the draft version of the financial plan for 2018/19 is being finalised, which is due to NHS England on the 8th March.
- A table of key movements between month 9 and 10 forecast outturn is shown below:



Movements in Forecast expenditure from M9 to M10		
Expenditure category	£k (adverse)/ improved	Comments
Frimley Health	63	Increase in elective and outpatients, partially offset by an improvement to non-elective and critical care.
London Trust - Acute	(155)	Increased activity at Hillingdon, partially driven by rehab bed days and critical care patient at the Royal Brompton.
Acute Prior Year	108	Settlement of Prior year acute contracts; benefit largely from Royal Berkshire (£49k) and Princes Margaret (£37k).
Acute other	25	Royal Berkshire (£29k), Oxford University Hospitals (£25k), London Trusts (£14k), Bucks £18k, Other (£4k)
Integration-Frimley Health NHS FT	(115)	Increased Integration payments to Frimley Health as agreed with the Trust.
Continuing Healthcare	(311)	Updated forecast following a refresh of the patient database. Software updates have delayed the update, so there are significantly more updates than normal. There is cost pressure in CHC driven by new patients offset by a reduction in FNC.
Funded Nursing Care	310	
Other	91	MH placements (£47k), Community SLA exclusions (£30k), NCA (£50k), Planned Care £81k, MH NCA £37k, Locally Commissioned Services £53k, Prescribing £65k, Other (£18k)
Total reduction in expenditure	14	
SLA Exclusions Acute	306	Reflects the Frimley IR settlement for this year - reverses the adverse variance from last month now that budget has been drawn down in month 10.
Total reported variance	320	
Drawdown to reserves	(320)	

Recommendation(s)

The Governing Body is requested to note this report.



FINANCIAL PERFORMANCE TO JANUARY 2018

MONTH 10 2017/18

Section A1 – Finance Dashboard

Indicator	Target	Actual £'000	Actual %age	Rating this month	%age	Explanation of target measure
Financial Position Actual Outturn	Planned YTD in-year surplus	0		✓	#DIV/0!	Variance against Plan
Financial Position Forecast Outturn	Planned FOT in-year surplus	19		✓	0.00%	Variance against Plan
Running Costs Actual YTD	Running Costs YTD Plan	2,663		✓	0.00%	Variance against Plan
Running Costs Forecast Outturn	Running Costs Annual Plan	3,196		✓	0.00%	Variance against Plan (this excludes funding for Quality Premium)
QIPP Forecast Outturn	QIPP Annual Plan	3,172		X	92.48%	Achievement against Plan
Creditors - Better Payment Practice Code	Target of 95%		95.50%	✓	0.50%	%age variance against target number of Non NHS invoices paid in 30 days
Monthly Cash Drawings	1.25% bank balance or no greater than £250k	765	4.96%	X	3.71%	%age of balance in bank at end of month compared to cash drawn down

Key:

On Plan
Take Note
Action Required



Note:

+ve £ = positive performance (underspend against budget),
-(ve) £ = negative performance (overspend against budget)

Section A2 – Key Issues and Actions in Financial Position

Actions	Issue	Key Drivers	Action	Owner	Timeline
CSU	Contract development for 2017-2019	Work on key items within the Frimley documentation.	The tripartite continue to meet to discuss the Specialised Identification Rules - NHSE are working to produce a schedule of Specialised Services using 16/17 activity - to work through 17/18 rules and determine allocations. Finance agreement for 17/18 using prior years rules and allocations agreed in principle, although the Vascular challenge for 16/17 - 17/18 remains outstanding and needs to be agreed by NHSE. Data and AdHoc challenges continue to be submitted to the Trust in line with the agreed process and timelines. Planning for 18/19 is underway - the focus being on an integrated, STP wide plan.	Iain McKenzie (CSU)	Update for M11
Joint	Interpreting the acute position for 17/18	Budget Management	Work continues to develop an understanding of the movements against plan and to correlate this movement with practice level referrals. Further analysis is taking place at the QIPP and Performance review groups. A review of local prices used by Frimley north and south is being reviewed.	Debbie Fraser/Ian Murdock/Sarah Murray (CSU)	Update for M11
CCG	Delivering 17-18 QIPP plans	Budget Management	Senior Responsible Owners and Project Managers report progress against QIPP schemes via an embedded monthly reporting process. The Finance and QIPP Committee receives a monthly report on progress, and deep dives into individual schemes are undertaken and then presented to the Committee, either by exception or in line with an agreed forward planner. As well as tracking savings, levels of investment are monitored tightly and are reduced where schemes are delayed or where it is felt that a reduced level of investment is appropriate.	Fiona Slevin-Brown/Ian Murdock/Debbie Fraser	Update for M11
	Premises Costs	Budget Management	A non-recurrent allocation has been received which offsets the increase in accommodation costs. The allocation has been re-apportioned across the CCGs in the same proportions as the rental charges. Non recurrent funding was also received last year to mitigate this additional cost.	Debbie Fraser	Close

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B1 – Abbreviations and acronyms used

2015/16	Financial Year from 1 April 2015 – 31 March 2016
2016/17	Financial Year from 1 April 2016 – 31 March 2017
A&E	Accident and Emergency
AT	Area Team
BCF	Better Care Fund
BHFT	Berkshire Healthcare NHSFT
BPPC	Better Payment Practice Code –target (currently 95%) of invoices to be paid within 30 days of receipt of invoice or goods/service.
Break-even	Position where actual costs are same as planned i.e. not in deficit or surplus
Budget	A sum of money allocated for a specific purpose
CCG	Clinical Commissioning Group
CHC	Continuing Health Care
CQUIN	Commissioning Quality & Innovation
Deficit	Financial variance where overall net costs are more than planned
ESD	Early Supported Discharge
Excess Bed Days	Term used in acute contracts to describe days chargeable under PBR in excess of the standard tariff (for example a tariff might set 5 days as standard stay and days above this are charged to the CCG)
FHFT	Frimley Health NHS FT. Frimley Health – South covers the Frimley Park Site, and Frimley Health - North covers is the Heatherwood & Wexham Park sites
FNC	Funded Nursing Care
FOT	Forecast Outturn
K	Thousand
M	Million
NEL	Non Elective

NHSE	NHS England
NHS FT	NHS Foundation Trust
ORCP	Operational Resilience & Capacity Planning
PBR	Payment By Results – payment system (based on Healthcare Resource Groups) used mainly in acute contracts
PMCF	Prime Minister’s Challenge Fund
PLCV	Procedures of Limited Clinical Value
POD	Point of Delivery – area of acute care activity of similar type (e.g. Inpatient or Outpatient)
QIPP	Quality, Innovation, Prevention and Productivity – plans and associated savings / changes in financial costs
Reserves	Monies set aside for a specific purpose e.g. Contingency reserves for unforeseen spend in year.
RTT	Referral to Treatment is the definition by which patients waiting to be treated are measured
Revenue Resource Limit (RRL)	Total funding allocated for the year set by the Department of Health
RBH	Royal Berkshire NHSFT
SCAS	South Central Ambulance Service NHSFT
SLAM	Service Level Agreement Monitoring – i.e. contract monitoring information
Surplus	Financial variance where overall net costs are less than planned
Variance (Adverse)	Difference against plan (overspend)
Variance (Favourable)	Difference against plan (underspend)
YTD	Year-to-date (1 April-end of reported month)

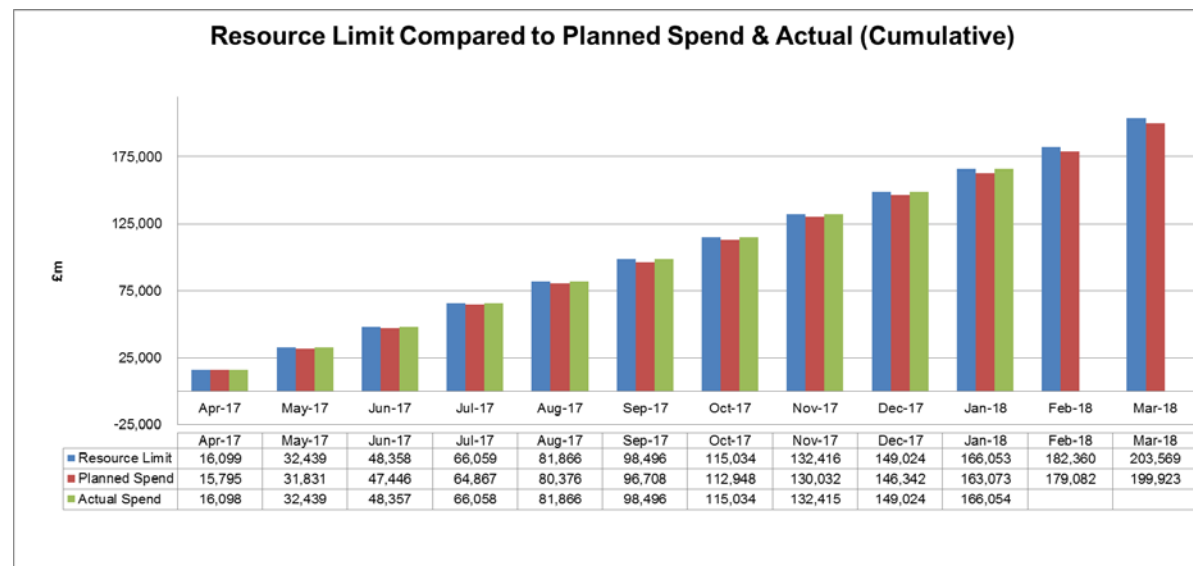
Section C – Financial Performance

Summary of position (variance against plan)	Month 10 January 2018			Previous month	Annual Plan	Forecast outturn	Forecast Variance	Previous month Forecast
	Plan	Actual	Variance to plan	Variance to plan				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning								
Planned and Unscheduled Care	88,248	90,621	(2,373)	(2,408)	106,164	109,338	(3,174)	(3,519)
Mental Health, Joint & Continuing Care	21,673	22,698	(1,025)	(764)	26,086	26,985	(899)	(888)
Community	10,175	10,114	61	95	12,201	12,135	67	96
Primary Care & Prescribing	34,487	34,889	(403)	(430)	41,844	42,247	(403)	(521)
Reserves	2,579	0	2,579	2,264	6,606	3,320	3,286	3,606
Other Services	6,229	5,067	1,162	1,242	7,472	6,348	1,124	1,225
Commissioning sub-total	163,391	163,390	1	(1)	200,373	200,373	1	0
Running Costs	2,663	2,663	0	(0)	3,196	3,196	0	0
Planned/Actual Spend Sub Total	166,054	166,053	1	(1)	203,569	203,569	1	0
In-year Surplus	0	0	0	0	19	19	0	0
Total CCG Allocation	166,054	166,053	1	(1)	203,588	203,588	1	0

Memo: Cumulative Surplus breakdown:	£'000
2016-17 planned surplus	1,954
Release of 2016-17 1% non-recurrent reserve	1,719
2016-17 Reported Surplus carried forward	3,673
Drawdown of brought forward surplus into 2017-18	(46)
2017-18 in-year surplus	19
2017-18 cumulative planned surplus	3,646

Key Points

- Reporting requirements have changed for 2017-18. We are required to report our in-year surplus rather than the cumulative surplus, which is shown as a memo below the main table opposite.
- Our in-year surplus is £19k for the year, which we are forecasting to meet.
- The Planned & Unscheduled care has deteriorated to show (£2,373k) overspend year to date moving to a forecast overspend of (£3,174k) by year end. This is largely due to a cost pressure on the Frimley Health, Independent & London acute contracts.
- Mental health, joint and continuing care forecast costs have decreased. The full year forecast is overspend of (£899k).



Section D – Revenue Resource Allocation and Changes to the Plan

Opening Plan 17/18	£'000
Initial Resource Limit	
- Commissioning Costs	175,864
- Running Costs	3,180
Confirmed Initial Resource Limit	179,044
Surplus/Deficit Carry Forward - Drawdown	46
Frimley HCD Final adjustment	9
Chemo Activity Tfr from CCGs to NHSE	(611)
PMS Review 1st year premium transfer	182
IR Changes	229
HRG4+ changes	(27)
NHS WiFi M3 Allocation	83
Diabetes Treatment and Care Transformation Fund	251
TB Allocation Qtr1	33
GPFV Reception and clerical training	27
HSCN funding for Primary Care IT N3 into Reserves	40
Acute hospital urgent & emergency liaison MH services	51
Additional Property services funding - Market rent adjustment	218
Paramedic Rebanding Additional Funding 2017-18	47
Market rent - Federated adjustment across Berkshire East	177
Market Rents Admin Adjmt Federated across Berkshire East CCGs	16
Adult IAPT Wave 1 - Federated across Berkshire East CCGs	176
Acute hospital urgent and emergency liaison mental health services	51
PMCF - GP Access Fund and TA Improving Access Allocations	225
Assistive Technology transfer	(20)
GP Resilience Funding 2017/18	21
Additional months IR Changes	8
PMCF - GP Access Fund and TA Improving Access Allocations	673
Diabetes national funding - Trf to NEH&F	(27)
Perinatal - National Funding - Tranche 1 of 2	62
Structured Education: Diabetes Treatment and Care Transformation Fund - Bid ID DTCS05	75
Treatment Targets: Diabetes Treatment and Care Transformation Fund - Bid ID DTCS05	47
MDFT: Diabetes Treatment and Care Transformation Fund - Bid ID DTCS05	72
DISN: Diabetes Treatment and Care Transformation Fund - Bid ID DTCS05	58
Diabetes national bid - Q2 - NEH&F	(27)
BAU Day-care Service	67
CCG LTBI Q2 funding - TB reserve	33
Acute hospital urgent and emergency liaison mental health services	51
Early Implementers Wave 1 Second payment	176
Frimley STP re Integrated frailty	449
Charge Exempt Overseas Visitor (CEOV) Adjustment	478
Q3 2017/18 LTBI allocations	33
Quality Premium 16/17 stage one payment - All QP measures except for performance on can	72
DISN: Diabetes Transformation Fund - ID: DTCS05	58
MDFT: Diabetes Transformation Fund - ID: DTCS05	72
Structured Education: Diabetes Transformation Fund - ID: DTCS05	74
Treatment Targets: Diabetes Transformation Fund - ID: DTCS05	48
Additional Winter Funding - GP Winter Access Bid	6
Diabetes National bid funding - Q3 - NEH&F	(27)
Perinatal - National Funding - Tranche 2 of 2	62
TVN - Cancer	652
Acute hospital urgent & emergency liaison MH	51
Allocation In Year	183,564
2017-18 Primary Care Delegated budget	20,024
Allocation In Year	203,588

Key Points

- Current resource limit received from NHS England.
- Delegated GP (co-commissioning) budgets are now included.
- Running cost are allocated to CCGs based on population size at a fixed rate per head.
- Diabetes funding has been received which is STP wide monies awaiting redistribution
- Funding for extended access allocation has been received in full, with the first tranche in M4 and the remainder in M5.
- Funding has been received for an urgent and emergency care STP bid related to integrated frailty.
- Quality Premium for 1617 has been received in month 9 plus further funding for winter pressures.

Changes to Plan – analysis of adjustments Month 9 to Month 10

Month 10 January 2018	Planned and	Joint &	Community	Primary	Other	Running	Reserves	In-year	Total
	Unscheduled	Continuing	Care	Care &		Costs		Surplus	
	£'000	£'000	£'000	Prescribing	£'000	£'000	£'000	£'000	£'000
	105,811	25,951	12,203	41,791	7,355	3,196	6,525	19	202,850
Diabetes National bid funding - Q3 - NEH&F								(27)	(27)
Perinatal - National Funding - Tranche 2 of 2								62	62
TVN - Cancer								652	652
Acute hospital urgent & emergency liaison MH								51	51
Drawdown Paramedic Allocation		47						(47)	0
Frimley IR from Specific Reserves to Acute SLA exclusions		306						(306)	0
Mental health SLA BHFT			124					(124)	0
Income budget for pending NHSE bid money			12					(12)	0
Complex Case management from QIPP reserves				53				(53)	0
Transfer to Programme Projects from specific reserves						103		(103)	0
Diabetes QIPP resource						14		(14)	0
									0
	106,164	26,087	12,203	41,844	7,472	3,196	6,604	19	203,588
Month 10 Plan vs Month 9 Plan	353	136	0	53	117	0	78	0	738

Section E – Treasury Management

Statement of Financial position as at 31 January 2018

Statement of Financial Position as at:	As at 31st March 17 £000	As at 31st December 17 £000	Movement £000	As at 31st January 18 £000
31-Jan-18				
Non Current Assets	55	15	(5)	10
Total Non Current Assets	55	15	(5)	10
NHS Receivables - Revenue	874	5,116	(88)	5,028
NHS Prepayments and Accrued Income	7,237	1,117	56	1,173
Non-NHS Receivables - Revenue	169	57	(98)	(41)
Non-NHS Prepayments and Accrued Income	94	298	926	1,224
Other Receivables	1	6	(8)	(2)
Total Trade and Other	8,374	6,594	788	7,382
Cash	107	(21)	588	567
Total Assets	8,536	6,588	1,371	7,959
NHS Payables - Revenue	(10,624)	(8,025)	(726)	(8,751)
NHS Accruals and Deferred Income	(6,113)	(10,994)	(857)	(11,851)
Non-NHS payables - Revenue	(4,473)	(5,599)	(2,664)	(8,263)
Non-NHS payables - Capital	0	0	0	0
Non-NHS Accruals and Deferred Income	(4,609)	(5,429)	2,377	(3,052)
Other Payables	(434)	(1,528)	441	(1,087)
Provisions	(1,640)	(1,318)	0	(1,318)
Total Current Liabilities	(27,894)	(32,893)	(1,429)	(34,322)
Total non Current Liabilities	0	0	0	0
Total Assets Employed	(19,358)	(26,305)	(58)	(26,363)
General Fund	(19,358)	(26,305)	(58)	(26,363)
Total Taxpayers Equity	(19,358)	(26,305)	(58)	(26,363)

Key Points:

- Total Trade and Other receivables have increased by £788k in January 2018 to £7.4m largely due to Non NHS prepayments to SBC.
- Cash balance increased by £588k to £567k but the actual bank balance was £765k at the end of January. This was due to timing difference between payment runs being posted to the ledger and cash leaving the bank account at month end.
- Total current liabilities increased by £1.4m to £34.3m largely due to increase in Non NHS payables.

Debtors

Aged Debtors	NHS Debtors		Non NHS Debtors		Total	
	Value (£000)	Number	Value (£000)	Number	Value (£000)	Number
Less than 31 days (Not Due)	4,479	20	2	8	4,481	28
Between 31 - 60 days	54	2	10	5	64	7
Between 61 - 90 days	3	1	(35)	1	32	2
Greater than 90 days	491	12	4	14	495	26
Total	5,027	35	-19	28	5,008	63

Key Points:

- At the end of month 10 the CCG has debtors totalling £5,008k of which £463k is overdue by over 90 days but is considered recoverable. The majority of the overdue NHS debt relates to NHS England £362k.

Cash Drawings

Main Cash Drawdown To Date £000	Prescribing Cash Charge To Date £000	Total Cash Drawings To Date £000	Current Allocation £000	Drawings to Date as a % of Allocation £000
145,315	13,732	159,047	203,049	78.33%

Key Points:

- The CCG processed a cash draw down of £15.4m in January. The charge against prescribing stands at £13.7m giving a total charge of £159m year to date against allocation of £203m for the year.
- At the end of the month the CCG had Bank balance of £765k, which is 4.96% of cash drawn down for the month and above the 1.25% and

£250k targets considered to be good practice. The main variance is income received and not forecasted from London Trusts £259k and Slough Borough Council £96k. Additionally, variance in spend forecasted but not paid.

- Creditors (unpaid invoices on the system) stand at £23.6m at 31 January, an increase of £3.9m over the previous month. Creditors over 90 days stand at £4.5m.

Creditors

Aged Creditors - value	Not Due £000	Overdue 1-30 days £000	Overdue 31-60 days £000	Overdue 61-90 days £000	Overdue 90+ days £000	Total £000
At 30th November	17,350	2,476	1,165	1,242	4,922	27,155
At 31st December	14,146	578	-417	973	4,446	19,726
At 31st January	17,903	989	232	-82	4,581	23,623
Aged Creditors - volume	Nos	Nos	Nos	Nos	Nos	Total
At 30th November	519	170	100	64	480	1,333
At 31st December	405	154	117	66	490	1,232
At 31st January	654	158	73	53	500	1,438

Better Payment Practice Code

Better Payment Practice Code - payment within 30 days (cumulative YTD)	NHS Invoices		Non NHS Invoices		Total	
	Value of invoice (YTD) £'000	Number (YTD)	Value of invoices (YTD) £'000	Number (YTD)	Value of invoice (YTD) £'000	Number (YTD)
Total invoices paid	155,319	4396	17,934	3,838	173,253	8234
Total invoices paid within 30 days	154,269	4198	15,209	3,614	169,478	7812
% Paid within 30 days	99.3%	95.5%	84.8%	94.2%	97.8%	94.9%
Rating	Green	Green	Amber	Amber	Green	Green

- The above position relates to the average total performance year to date of invoices paid within a 30 day period, compared to the Department of health target of paying 95% supplier invoices within 30 days.

Key Points:

- Year to date, the CCG is achieving its target of paying NHS invoices by value and volume.
- Payment of non-NHS invoices is below target by value and volume.

Key Points:

