

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			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 and in the paper on the risk page.				
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 Windsor, Ascot and Maidenhead CCG the expenditure forecast has increased by (£48k) and a further (£165k) 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 has improved by £314k, Prescribing has moved adverse by (£106k) and NCA costs have moved by (£225k). The position on CHC/FNC has deteriorated as indicated last month by (£56k) due to increased patient numbers in CHC (£529k) partially offset by a reduction in FNC patient numbers £472k.</p> <p>Uncommitted reserves of £0.8m remain to mitigate any further deterioration in the position.</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 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. Further details on this are covered elsewhere on the agenda.
- 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	24	Improved position mainly from day case and elective
Acute Prior Year	137	Settlement of Prior year acute contracts; benefit largely from Oxford University £30k and Princes Margaret £56k, Ashford and St Peter's £59k
Acute other	152	Royal Berkshire £73k, Oxford University £63k, London £45k, Ashford and St Peter's (£34k), Bucks (£20k) and Other £25k
Prescribing	(106)	Cost pressure largely from increased GP Prescribing costs.
Non contracted activity	(225)	Increase to the forecast reflecting the current run rate and a prior year cost pressure following some late invoices.
Mental Health	90	MH NCA forecast has reduced reflecting the current run rate £100k. SLA Exclsions are also favourable reflecting a prior year benefit for Perinatal, partially offset by increased placements.
Continuing Healthcare	(529)	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	472	
Other	(64)	Frimley Integration payments (£74k), SE Coast Ambulance (£57k), Planned care (£41k), Locally commissioned services £84k
Total increase in expenditure	(48)	
SLA Exclusions Acute	165	Reflects the Frimley IR settlement for 1718, (£306k) - funding is available in reserves but budget adjustment pending.
Total reported variance	117	
Transfer to Reserves	(117)	

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	6		✓	0.00%	Variance against Initial Plan
Running Costs Actual YTD	Running Costs YTD Plan	2,633		✓	0.00%	Variance against Plan
Running Costs Forecast Outturn	Running Costs Annual Plan	3,207		✓	0.00%	Variance against Plan
QIPP Forecast Outturn	QIPP Annual Plan	4,384		X	84.24%	Projecting 100% achievement
Creditors - Better Payment Practice Code	Target of 95%		95.30%	✓	0.30%	%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	162	1.18%	✓	(0.07%)	%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- within the Frimley 2019	Work on key items 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.	Debbie Fraser/Ian Murdock/Fiona Slevin-Brown	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
BFFA	Better Futures for All
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 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
PLCV	Procedures of Limited Clinical Value
POD	Point of Delivery – area of acute care activity of similar type (e.g. Inpatient or Outpatient)
PUPoC	Previously unassessed periods of care
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

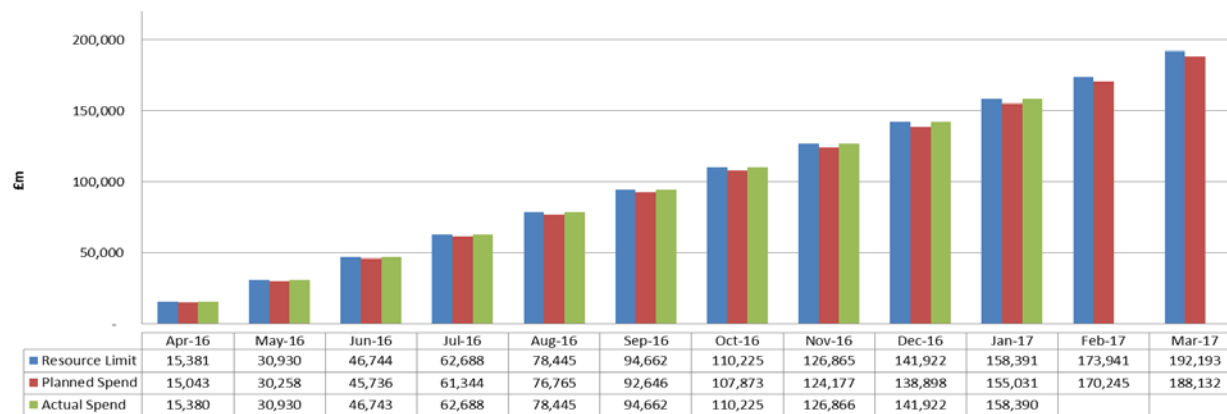
Summary of position (variance against plan)	Month 10 January 2018			Previous month			Previous month	
	Plan	Actual	Variance to plan	Variance to plan	Annual Plan	Forecast outturn	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning								
Planned and Unscheduled Care	79,571	81,568	(1,997)	(1,311)	95,677	98,060	(2,383)	(2,550)
Mental Health, Joint & Continuing Care	25,555	26,139	(584)	(719)	30,743	31,146	(404)	(437)
Community	9,800	9,860	(60)	(53)	11,752	11,775	(23)	(23)
Primary Care & Prescribing	33,763	33,960	(197)	(134)	40,913	41,065	(152)	(130)
Reserves	2,340	0	2,340	1,653	4,208	1,715	2,493	2,609
Other Services	4,728	4,231	497	564	5,694	5,224	470	531
Commissioning sub-total	155,757	155,758	(1)	(0)	188,987	188,985	1	(1)
Running Costs	2,633	2,633	(0)	(0)	3,207	3,207	0	0
Planned/Actual Spend Sub Total	158,390	158,391	(1)	(0)	192,194	192,192	1	(1)
In-year Surplus	0	0	0	0	6	6	0	0
Total CCG Allocation	158,390	158,391	(1)	0	192,200	192,198	1	(1)

Memo: Cumulative Surplus breakdown:	£'000
2016-17 planned surplus	2,635
Release of 2016-17 1% non-recurrent reserve	1,651
2016-17 Reported Surplus carried forward	4,286
Drawdown of brought forward surplus into 2017-18	(230)
2017-18 in-year surplus	6
2017-18 cumulative planned surplus	4,062

Key Points

- Reporting requirements have changed for 2017-18 and we have now received the guidance. We are required to report our in-year surplus rather than the cumulative surplus, which is shown as a memo in the main table opposite.
- Our in-year surplus is £6k for the year, which we are forecasting to meet.
- The overall Planned & Unscheduled Care YTD overspend of (£1,997), moving to an overspend of (£2,383) by year end is largely due to a cost pressure on the Frimley Health contract and overperformance on the London contracts.
- Mental Health, Joint & Continuing Care YTD is reporting an overspend of (£584k), (£556k) of which relates to Mental Health.

Resource Limit Compared to Planned Spend & Actual (Cumulative)



D – Revenue Resource Allocation and Changes to the Plan

Confirmed Resource Limit to Current Budget	£'000
Initial Resource Limit	
- Commissioning Costs	168,695
- Running Costs	3,191
Confirmed Initial Resource Limit	171,886
Surplus/Deficit Carry Forward - Drawdown	230
Frimley HCD Final adjustment	18
HCD error included within the T3 Neurology	(14)
Chemo Activity Tfr from CCGs to NHSE	(549)
PMS Review 1st year premium transfer	4
IR Changes	(161)
HRG4+ changes	41
Reception and clerical training - (Training Care Navigators and Medical Assis	26
NHS WiFi	82
Market Rents - Admin adjustment	47
Market rents adjustment	920
Paramedic Rebanding Additional Funding 2017-18	41
£42,021 - HSCN - GP funding	42
Perinatal Community Services Development Payment 1	295
Adult IAPT Wave 1	502
Acute hospital urgent & emergency liaison mental health services	49
Market Rent - Federated adjustment across Berkshire East	(365)
Market rent - Federated adjustment across Berkshire East	(177)
Market Rents Admin adjmt Federated across Berkshire East CCGs	(15)
Market Rents Admin Adjmt Federated across Berkshire East CCGs	(16)
Adult IAPT Wave 1 - Federated across Berkshire East CCGs	(157)
Adult IAPT Wave 1 - Federated across Berkshire East CCGs	(176)
Acute hospital urgent and emergency liaison mental health services	49
PMCF - GP Access Fund and TA Improving Access Allocations	224
Assistive Technology Transfer	(19)
GP Resilience Funding 2017/18	21
Additional month5 IR Changes	16
PMCF - GP Access Fund and TA Improving Access Allocations	673
Perinatal - National Funding - Tranche 1 of 2 transfer to other CCG's	(177)
Perinatal - National Funding - Tranche 1 of 2 WAM Share	(59)
BAU Day-care Service	64
Armed Forces - OOH GP Funding	6
Acute hospital urgent and emergency liaison mental health services	49
Early Implementers Wave 1 Second payment	169
Retained Doctors Scheme 2016	1
Community Services Development Fund	295
Charge Exempt Overseas Visitor (CEOV) Adjustment	(224)
Quality Premium 16/17 stage one payment	145
GP WIFI - rounding correctn to M3 Allocation	(1)
Additional Winter Funding - Mental Health bids	88
Additional Winter Funding - GP Winter Access Bid	18
Perinatal - National Funding - Tranche 2 of 2	(235)
Acute hospital urgent & emergency liaison MH	49
Allocation In Year	173,706
2017-18 Primary Care Delegated budget	18,493
Allocation in Year, including delegated budgets	192,199

Key Points

- Current resource limit received from NHS England.
- Delegated GP (co-commissioning) budgets are now included.
- NHS England reporting requirement have now changed to focus attention on the In-Year surplus. The cumulative surplus, which includes prior year surplus is detailed on page 5.
- GP Access Fund (formerly PMCF) funding relating to the first quarter was received in Month 4, and the balance has been received in Month 5.
- WAM is the host for national perinatal funds across Berkshire, which have been redistributed in month 6.
- The annual allocation adjustment (reduction) for overseas visitors has been received (£224k), which was fully provided for in reserves.
- Quality Premium for 1617 has been received in Month 9 plus further funding for winter pressures.

Changes to In-Year Plan – analysis of adjustments Month 9 to Month 10

Month 10 January 2018	Planned and Unscheduled Care £'000	Joint & Continuing Care £'000	Community Care £'000	Primary Care & Prescribing £'000	Other Services £'000	Running Costs £'000	Reserves £'000	In-year Surplus £'000	Total £'000
Month 9 Plan	95,471	30,615	11,753	40,821	5,680	3,207	4,832	6	192,385
Quality Premium drawdown from SR to LCS				92			(92)		0
Diabetes QIPP resource					13		(13)		0
Correct BHFT to align with SLA (MH) & (Comm)		(1)	(1)				2		0
Income budget for pending NHSE bid money		11					(11)		0
Mental Health SLA exclusion		118					(118)		0
Drawdown Paramedic Allocation	41						(41)		0
Frimley IR from Specific Reserves to Acute SLA exclusions	165						(165)		0
Acute hospital urgent & emergency liaison MH							(186)		(186)
Month 10 Plan	95,677	30,743	11,752	40,913	5,694	3,207	4,208	6	192,199
Month 10 Plan vs Month 9 Plan	206	128	(1)	92	13	0	(624)	0	(186)

Section E – Treasury Management

Statement of Financial Position as at 31 January 2018

	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	87	32	(6)	26
Total Non Current Assets	87	32	(6)	26
NHS Receivables - Revenue	1,951	752	2,817	3,569
NHS Prepayments and Accrued Income	3,927	4,204	(2,174)	2,030
Non-NHS Receivables - Revenue	85	52	(8)	44
Non-NHS Prepayments and Accrued Income	139	505	(95)	410
Other Receivables	15	5	(6)	(1)
Total Trade and Other	6,118	5,518	534	6,052
Cash	51	686	(2,311)	(1,625)
Total Assets	6,256	6,236	(1,783)	4,453
NHS Payables - Revenue	(3,416)	(1,928)	(119)	(2,047)
NHS Accruals and Deferred Income	(5,116)	(1,548)	(1,455)	(3,003)
Non-NHS payables - Revenue	(6,648)	(6,528)	721	(5,807)
Non-NHS payables - Capital	0	0	0	0
Non-NHS Accruals and Deferred Income	(1,828)	(757)	(1,728)	(2,485)
Other Payables	(712)	(1,025)	3,306	2,281
Provisions	(2,026)	(1,279)	0	(1,279)
Total Current Liabilities	(19,746)	(13,065)	725	(12,340)
Total non Current Liabilities	0	0	0	0
Total Assets Employed	(13,490)	(6,829)	(1,058)	(7,887)
General Fund	(13,490)	(6,829)	(1,058)	(7,887)
Total Taxpayers Equity	(13,490)	(6,829)	(1,058)	(7,887)

Key Points:

- Current Trade and Other receivables have increased by £534k to £6,052k.
- Cash balance has decreased by £2,311k to overdrawn of £1,625k but the actual cash balance at bank was £162k at the end of January. This was due to timing difference between payment journals being posted to the ledger and cash leaving the bank account at month end.
- Total Current Liabilities have decreased by £725k and now stand at £12,340k.

Debtors

Aged Debtors	NHS Debtors		Non NHS Debtors		Total	
	Value (£000)	Number	Value (£000)	Number	Value (£000)	Number
Less than 31 days (Not Due)	2,857	17	-	-	2,857	17
Between 31 - 60 days	76	3	1	5	77	8
Between 61 - 90 days	23	2	41	4	64	6
Greater than 90 days	613	18	3	8	616	26
Total	3,569	40	45	17	3,614	57

Key Points:

- At the end of month 10 the CCG has debtors totalling £3,614k (of which £616k is over 90 days overdue but is considered recoverable).

Cash

Main Cash Drawdown To Date £000	Prescribing Cash Charge To Date £000	Total Cash Drawings To Date £000	Current Allocation £000	Drawings as a % of Allocation £000
149,393	14,501	163,894	196,449	83.43%

Key Points:

- The CCG processed a cash draw down of £13.7m in January. The charge against prescribing stands at £14.5m giving a total charge year to date of £163.8m against current cash allocation of £196.4m for the year.
- At the end of the month in January the CCG had a bank balance of £162k which is 1.18% of cash drawn down for the month and below the 1.25% and £250k NHSE targets.

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	9,964	1,689	253	156	1,912	13,974
At 31st December	10,184	652	908	411	1,684	13,839
At 31st January	9,877	726	487	744	1,845	13,679

Aged Creditors - volume	Nos	Nos	Nos	Nos	Nos	Total
At 30th November	473	188	89	51	488	1,289
At 31st December	473	136	85	55	487	1,236
At 31st January	415	157	123	72	471	1,238

Key Points:

- Creditors (unpaid invoices on the system) stand at £13.67m on 31 January a decrease of £0.2m from the previous month.
- Creditors over 90 days stand at £1,845k.

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	101,037	1,871	29,331	7,481	130,368	9352
Total invoices paid within 30 days	99,652	1,739	27,148	7,129	126,800	8868
% Paid within 30 days	98.6%	92.9%	92.6%	95.3%	97.3%	94.8%
Rating	Green	Amber	Amber	Green	Green	Amber

- 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 below target by volume.
- Payment of non NHS invoices is below target by value and above target by volume.

