

Title of meeting: Governing Body									
Date of Meeting	26 April 2017		Paper Number	3.4					
Title			Financial Performance report for February 2017 (M11)						
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 11 (February 2017).						
The Governing Body is required to (please tick)									
Approve	<input type="checkbox"/>	Receive	<input type="checkbox"/>	Discuss	<input checked="" type="checkbox"/>	Note	<input checked="" 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>	Not Applicable
<p>Consultation, public engagement & partnership working implications/impact</p>	Not Applicable
<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 11 the CCG is reporting on plan, with a year to date surplus of £2,398k and a year-end surplus of £2,635k.</p> <p>The acute position in M11 has deteriorated by £173k largely from Frimley Health FT and Ashford and St Peter's FT. This has been mitigated with non-recurrent measures.</p> <p>I would particularly like to highlight:</p> <ul style="list-style-type: none"> • The forecast for the acute provider data is based on 10 months of activity and still shows over performance. We have therefore had to apply contingencies to offset the over performance. The full year forecast reflects £0.2m of uncontracted QIPP savings which require careful monitoring for the remainder of the year. • There is no change in month 11 to the position on outpatient activity that has been commented on in the last few months. An agreement has since been reached with the Trust on a year-end settlement that will now be reflected in month 12. • Across the Frimley Health & Care STP footprint, we have submitted a number of bids for additional investment in 2017-18. We are expecting the outcome from these bids to be announced in the near future, together with any more general support for STP development. • The CCG has received instruction that the 1% non recurrent reserve that we were asked to withhold can now be released to the bottom line in Month 12. This will increase our reported surplus from £2,635k to £4,286k (2.5% of our initial 	

allocation).

- Two final allocation transfers have been actioned in Month 12. £1m from Bracknell & Ascot CCG (repayable in 2017/18) to support financial balance across the wider health economy, as has previously been reported to Governing Bodies. In addition £1.25m from Bracknell & Ascot CCG to the other two CCGs in East Berkshire as part of the 2016/17 year end planning adjustments.
- At the time of writing, the CCG are finalising the position for month 12 and are reporting a surplus, in line with plan, of £4,286k.
- A table of key movements between month 10 and 11 forecast outturn is shown below.

Movements in Forecast expenditure from M10 to M11		
Expenditure category	£k (adverse)/ improved	Comments
Frimley Park NHS Foundation Trust North	(324)	Uncontracted QIPP not delivered £0.2m, plus deterioration across day case, elective and maternity.
Frimley Park NHS Foundation Trust South	90	Improvements to non elective, day case and elective, offset by a deterioration in critical care bed days.
Ashford & St Peters Hospital NHS Foundation Trust	(74)	Deterioration on non elective and maternity pathways
Henley Suite St Marks	166	Budget drawdown in-month from Reserves, no change to expenditure forecast
Non Recurrent Projects	132	Budget drawdown in-month from Reserves for AIRS.
Maidenhead Urgent Care Centre (WAM)	95	The forecast is now back in line with budget following a draw down from reserves
Mental Health - Other	(91)	Release of Prior year surplus accruals £84k
Other	57	Community Equipment £70k, NHS 111 £54k, Prior year adjustments £33k, Funded nursing care £34k, Locally Commissioned service (Primary care) (£54k), Out of Hours contract (£58k), Mental Health other (£36k), Other £14k
Total Movement	51	
Return to Reserves	(51)	

Recommendation(s)

The Governing Body is requested to note this report.

FINANCIAL PERFORMANCE TO FEBRUARY 2017

MONTH 11 2016/17

Section A1 – Finance Dashboard

Indicator	Target	Actual £'000	Actual %age	Rating this month	%age	Explanation of target measure
Financial Position Actual Outturn	Planned YTD Surplus	2,398		✓	0.00%	Variance against Plan
Financial Position Forecast Outturn	Planned Annual Surplus	2,635		✓	0.00%	Variance against Initial Plan
Running Costs Actual YTD	Running Costs YTD Plan	2,937		✓	0.00%	Variance against Plan
Running Costs Forecast Outturn	Running Costs Annual Plan	3,204		✓	0.00%	Variance against Plan
QIPP Forecast Outturn	QIPP Annual Plan	3,788		X	75.13%	Achievement against Plan
Creditors - Better Payment Practice Code	Target of 95%		94.00%	X	(1.00%)	%age variance against target number of Non NHS invoices paid in 30 days
Monthly Cash Drawings	1.25% bank balance		1.34%	✓	0.09%	%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- contract signature 2019	1) NHSE deadlines for	1) Completed - Closed	David Ince (CSU)	Update for M12
		2) Work on key items within the Frimley documentation.	2) Remaining contract items for agreement: - IR: The final set of rules for IR has not yet been published. This prevents an accurate estimation of the impact. A letter is being drafted by North East Hants and Farnham (NEHF) CCG, for agreement by CCGs about a way forward for handling IR in 17/18. - QIPP and APAs: The CSU has shared the latest QIPP schedule with Frimley. QIPP will be added to the final contract document, to ensure the contract plan is equal to the agreed contract value. - Contract document: Remaining schedules and polices are being agreed.		
	Acute Contracts overperformance	Overperformance during 2016/17	The Prior Approvals Audit is in its early stage and will not report until the Spring. The CSU is preparing documentation to support an end year deal. Challenges are being pursued through the Q3 close down process with Frimley.	David Ince (CSU)	Update for M12
Joint	Funded Nursing Care	Budget Management	CCG awaiting outcome of Department of Health project currently being undertaken by Mazars LLP to gather evidence on nursing home agency staff usage and costs which will inform re-calculation of the overall and regional rates of NHS Funded Nursing Care. Project timescale is from October 2016 to 25 January 2017. No announcement on any further revision to 2016/17 FNC rates has yet been made by the Department of Health.	Lorraine Charlton / Kathy Neville (CSU)	Update for M12
	2016/17 Budgets	Budget Management	A full set of Budget holder statements was distributed for Month 11 (February). The CSU and CCG Finance now have regular budget meetings with most budget holders and continue to work towards ensuring all budget holders are met regularly.	Debbie Fraser / Quentin Symington (CSU)	Update for M12
CCG	Premises Costs	NHS Property Services	The invoices for the first 6 months have been paid; Q3 will be paid in March. We continue to work with NHSPS to fully understand the movements in Property charges.	Debbie Fraser	Update for M12
	Primary Care Extended Access Budgets	Budget Management	Confirmation of funding for three extended access schemes (mixture of national and local funding) required. Local funding confirmed for all three schemes for 2016/17, but this is NON RECURRENT. Sustainable plans for 2017/18 onwards required.	Nigel Foster / Alex Tilley	Update for M12
	Access to 1% Non-recurrent budget	Budget Management	CCG was required to set-aside 1% of budget, which would only be released for local expenditure when Treasury assured that NHS in financial balance. We have now received instruction to release this to our bottom line in M12 to support the national position.	Nigel Foster	Update for M12

Section B – Contents

Section A:	A1 - Finance Dashboard	1
	A2 - Key Issues and Actions in Financial Position	2
Section B:	Contents	3
	B1 - Abbreviations and acronyms used	4
Section C:	Financial Performance	5
Section D:	Revenue Resource Allocation and Changes to the Plan	6
Section E:	Treasury Management	7 - 8

B1 – Abbreviations and acronyms used

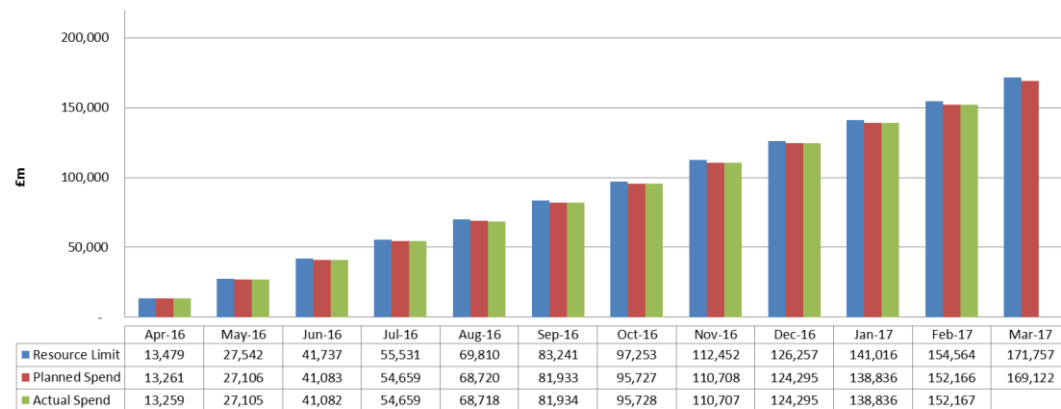
2015/16	Financial Year from 1 April 2015 – 31 March 2016
2016/17	Financial Year from 1 April 2016 – 31 March 2017
A&E	Accident and Emergency
AT	Area Team
BCF	Better Care Fund
BFFA	Better Futures for All
BHFT	Berkshire Healthcare NHSFT
BPPC	Better Payment Practice Code – target (currently 95%) of invoices 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 11 Feb 2017			Previous month		Annual Plan	Forecast outturn	Forecast Variance	Previous month Forecast Variance
	Plan	Actual	Variance to plan	Variance to plan	Plan				
	£'000	£'000	£'000	£'000	£'000				
Commissioning									
Planned and Unscheduled Care	88,233	89,715	(1,482)	(2,199)	96,212	98,255	(2,043)	(1,900)	
Prescribing	16,909	16,469	441	388	18,454	17,966	488	471	
Mental Health, Joint & Continuing Care	25,780	27,190	(1,410)	(1,213)	28,123	29,738	(1,614)	(1,520)	
Community	10,554	10,304	250	16	11,505	11,252	253	38	
Reserves	1,311	0	1,311	2,642	4,291	2,343	1,948	1,999	
Other Services	6,442	5,551	892	362	7,332	6,364	969	908	
Commissioning sub-total	149,230	149,228	2	(5)	165,918	165,917	1	(5)	
Running Costs	2,937	2,937	0	0	3,204	3,204	0	0	
Planned/Actual Spend Sub Total	152,167	152,165	2	(5)	169,122	169,121	1	(5)	
Planned Surplus	2,398	2,398	0	0	2,635	2,635	0	0	
Total CCG	154,565	154,563	2	(5)	171,757	171,756	1	(5)	

Resource Limit Compared to Planned Spend & Actual (Cumulative)



Key Points

- The reported year to date surplus is £2,398k with the forecast surplus of £2,635k.
- The (£1,482k) YTD overspend within Planned and Unscheduled Care, which is a favourable movement of (£717k) from the previous month, is predominately driven by the Frimley Park Contract.
- Prescribing is £441k underspent YTD and forecast to underspend £488k by the year-end. This is in part due to the nationally agreed category M price reductions.
- Mental Health & Continuing care continues to be an area of cost pressure for the CCG due to an increase in the number of placements combined with the price increase in FNC. The continuing care patient database has also been reviewed this month, resulting in an increase in provisions and patient numbers.
- Other Services – The FOT underspend of £969k is primarily due to the Prior Year Provisions released into Programme Projects and Non Recurrent Programmes. A further £530k has been released into the M11 YTD position.

Section D – Revenue Resource Allocation and Changes to the Plan

Confirmed Resource Limit to Current Budget	£'000
Initial Resource Limit	
- Commissioning Costs	165,111
- Running Costs	3,188
Confirmed Initial Resource Limit	168,299
Return of Prior Year Surplus	2,630
2015-16 recurrent transfers post allocation setting	4
Q1 Eating Disorder Service Correction	72
PC allocation transfer	1,000
Risk Share	(1,000)
Chemo Activity Tfr from CCGs to NHSE	(549)
Share of Vulnerable Practices Pilot funding	26
Share of General Practice Resilience Programme	32
11C - GP Development Programme	13
PMS Review 1st year premium transfer	4
CYP Local Transformation Mental Health M7 - NHS Windsor, Ascot and Maidenhead	30
Mth08 CEOV adjustment	(205)
Adult IAPT Expansion Wave 1	393
Perinatal Mental Health CSDF- Berkshire Healthcare NHS Foundation Trust	164
QUALITY PREMIUM AWARDS 2015/16	371
MoD - Out of hours	7
Additional IAPT funding 10G	(123)
Additional IAPT funding 10T	(138)
Additional IAPT funding 11C	(132)
Additional IAPT funding 11C	132
IAPT Expansion Wave 1 - Rebecca Gill	558
CYP WL & WT Reduction: 2nd tranche	30
non-recurrent allocation to mitigate impact of NHS PS move to market rents	1,036
non-recurrent allocation to mitigate impact of NHS PS move to market rents	47
IAPT M10 allocation from NHSE	(370)
NHS PS allocation - programme element	(543)
NHS PS allocation - running cost element	(31)
Month 11 Resource Limit	171,757

Key Points

- Current resource limit received from NHS England.
- Running cost are allocated to CCGs based on population size at a fixed rate per head.
- The surplus from last year is returned as a non-recurrent source of funding
- WAM have received £1m in support of Primary care developments
- The Risk share across Berkshire East from last year is unwound with £1m repaid to Bracknell and Ascot.
- During month 10 there was a non recurrent programme allocation of £1.036m to mitigate the impact of NHS Property Services moving to a market rate basis for property cost charging. A further £47k was for received for Admin / HQ charges. Both have been re-allocated between Bracknell & Ascot and Slough in line with the risk sharing agreement (RRL basis).
- The IAPT (Improving Access to Psychological Therapies) service has received an extra £558k in funding in M10 which is for Berkshire East and has been re-allocated to Bracknell and Ascot and Slough in M11 (£370k).

Changes to Plan – analysis of adjustments Month 10 to Month 11

Month 11 Feb 2017	Planned and Unscheduled Care	Prescribing	Joint & Continuing Care	Community Care	Other	Primary Care IT	Running Costs	Reserves	Surplus	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Month 10 Plan	95,847	18,454	27,928	11,339	6,417	390	3,235	6,455	2,635	172,701
Month 11 Adjustments										
Vulnerable practices fund					9			(9)		0
BCF payments to RBWM have been reduced by the risk reserve					524			(524)		0
New Vision of Care draw down - final					33			(33)		0
AIRS - Frimley					75			(75)		0
AIRS - BHFT					50			(50)		0
Remap BUBPA service from Prog. Projects to Community				166	(166)					0
NHS PS additional allocation (Admin) -IAT in M11 being the new scheme for Surrey CC - you are we care Q1 (Runnymede)			13				(31)	(544)		(575)
Draw down IAPT budget into MH			188					(188)		0
IAPT budget draw down			(6)					6		0
Renegotiated Out of Hours Contract PYE	365							(365)		0
New Allocation Additional IAPT funding - part 2 - 10G and 10T share								(369)		(369)
Month 11 Plan	96,212	18,454	28,123	11,505	6,942	390	3,204	4,291	2,635	171,757

Section E – Treasury Management

Statement of Financial Position as at 28 February 2017

	As at 31 March 16 £000	As at 31 January 17 £000	Movement £000	As at 28 February 17 £000
28-Feb-17	£000	£000	£000	£000
Non Current Assets	139	93	(6)	87
Total Non Current Assets	139	93	(6)	87
NHS Receivables - Revenue	1,288	666	1,921	2,587
NHS Prepayments and Accrued Income	5,502	4,302	355	4,657
Non-NHS Receivables - Revenue	139	70	(11)	59
Non-NHS Prepayments and Accrued Income	195	500	(435)	65
Other Receivables	40	9	5	14
Total Trade and Other	7,164	5,547	1,835	7,382
Cash	112	(454)	615	161
Total Assets	7,415	5,186	2,444	7,630
NHS Payables - Revenue	(3,002)	(4,672)	(1,517)	(6,189)
NHS Accruals and Deferred Income	(2,614)	(3,603)	2,072	(1,531)
Non-NHS payables - Revenue	(3,251)	(5,412)	(1,013)	(6,425)
Non-NHS payables - Capital	0	0	0	0
Non-NHS Accruals and Deferred Income	(2,112)	1,503	(1,596)	(93)
Other Payables	(610)	(788)	(415)	(1,203)
Provisions	(2,558)	(1,347)	89	(1,258)
Total Current Liabilities	(14,147)	(14,319)	(2,380)	(16,699)
Total non Current Liabilities	0	0	0	0
Total Assets Employed	(6,732)	(9,133)	64	(9,069)
General Fund	(6,732)	(9,133)	64	(9,069)
Total Taxpayers Equity	(6,732)	(9,133)	64	(9,069)

Key Points:

- 'Current Trade and Other' have increased by £1,835k largely due to increase in 'NHS Receivables - Revenue' of £1,921k.
- Cash balance has increased by £615k to £161k.
- Total Current Liabilities have increased by £2,380k and now stand at £16.7m.

Debtors

Aged Debtors	NHS Debtors		Non NHS Debtors		Total	
	Value (£000)	Number	Value (£000)	Number	Value (£000)	Number
Less than 31 days (Not Due)	2,153	18	2	9	2,155	27
Between 31 - 60 days	59	1	-	-	59	1
Between 61 - 90 days	75	1	1	3	76	4
Greater than 90 days	300	15	56	10	356	25
Total	2,587	35	59	22	2,646	57

Key Points:

- At the end of month 11 the CCG has debtors totalling £2,646k (of which £356k is more than 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
	134,558	15,271	149,829	165,139	90.73%

Key Points:

- The CCG processed a cash draw down of £12m in February totalling £134.6m for the year. The charge against prescribing stands at £15.3m giving a total charge for the year of £149.8m against our current cash allocation of £165m. With 11 months of the year gone the level of cash drawings stands at 90.73% of the MCD.
- At the end of the February the CCG had a bank balance of £161k. The closing bank balance represents 1.34% of cash drawn down for the month which is slightly higher than the 1.25% target considered to be good practice.

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 31st December	3,953	1,787	333	547	2,055	8,675
At 31st January	10,599	626	1,224	406	1,512	14,367
At 28th February	12,248	2,148	505	1,118	1,659	17,678

Aged Creditors - volume	Nos	Nos	Nos	Nos	Nos	
At 31st December	428	227	108	67	641	1,471
At 31st January	578	105	165	139	643	1,630
At 28th February	632	318	105	130	711	1,896

Key Points:

- Creditors (unpaid invoices on the system) stand at £17.7m on 28 February an increase of £3.3m from the previous month.
- Creditors over 90 days stand at £1.7m.

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	107,673	2147	27,897	8786	135,570	10933
Total invoices paid within 30 days	105,556	1953	25,641	8256	131,197	10209
% Paid within 30 days	98.0%	91.0%	91.9%	94.0%	96.8%	93.4%
Rating	Green	Amber	Amber	Amber	Green	Amber

The above position relates to the average total performance in year of invoices paid within a 30 day period at the end of Month 11, compared to the DH target of paying 95% supplier invoices within 30 days.

Key Points

- In February both NHS Invoices by value and volume achieved the 95% target. Non NHS invoices by value and volume are slightly below the target.
- Only NHS Invoices by Value is achieving the target year to date.

BPPC

