

Title of meeting : Slough CCG Governing Body in Public											
Date of Meeting			17 January 2017			Paper Number			4.4		
Title					Financial Performance report for November 2016 (M8)						
Sponsoring Director (name and job title)					Nigel Foster – Director of Finance and performance						
Sponsoring Clinical / Lay Lead (name and job title)											
Author(s)					Jonathan Pettit – Head of Financial Management and Reporting						
Purpose					To inform the Governing Body of the financial performance at Month 8 (November 2016).						
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 8 the CCG is reporting on plan, with a year to date surplus of £1,099k and a year-end surplus of £1,954k.</p> <p>The full year forecast has deteriorated in month due to: acute contracts (£508k), individual funding request (IFR) costs (£93k), and various other movements totalling (£16k). This cost pressure has been covered by the release of reserves.</p> <p>The acute performance has seen a further increase in day case and elective activity, which remain below plan YTD. This has been mitigating the over performance in non-elective, which remains the root cause of the YTD position.</p> <p>Provision has been made in the forecast for increased costs as a result of the stroke pathway changes which take effect in January.</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 7 months of activity and still shows over performance. We have therefore had to apply contingencies to offset the over performance. Forecasts have deteriorated this month, so we still need to be cautious and monitor the position closely. We have recently been made aware than Frimley may not have charged us 	



correctly for some outpatient activity. This is currently being investigated and is likely to be a cost pressure.

- Within our budget 1% has been set aside to offset financial risks across the country. At the start of the year it was hoped that some of this would become available during the year for non-recurrent expenditure. Due to the national position, we have been advised that none of this will be available for local application this year.
- Earlier in the year the CCG submitted a number of bids to the primary care 'Estates and Technology Transformation Fund' (ETTF). A number of schemes have been approved to go forward to the next stages of due diligence:
 - Revenue support to the 'Connected Care' project (c£1m pa across Berkshire East for each of the next three years)
 - Bracknell & Ascot CCG: Magnolia House / Kings Corner (Lynwood) – approved for due diligence. Binfield – approved in principle for 2019
 - Slough CCG: Britwell – approved for due diligence. Farnham Rd Surgery - approved in principle for 2019
 - Windsor Ascot & Maidenhead CCG: Dedworth MC approved. Green meadows,/Radnor/Ascot MC (Heatherwood) approved for due diligence
- Across the Frimley Health and Care STP footprint we have agreed to start work on a system wide finance report which will show the financial performance of all the constituent organisations. It will build upon a format already in use across Hampshire, and we anticipate the first report will be in Quarter 4. The report will be presented to the Finance and QIPP Committee.
- The CCGs submitted the 2017-19 Operating Plan to NHS England on the 23 December and have agreed contracts with our key providers. The Operating Plan will be taken to the February Joint Governing Body meeting, and contains details of our financial plans for the coming years. At this point I would particularly highlight :
 - Although the funding allocations (in total for the three CCGs in east Berkshire) increase by £11.5m next year (2.36%), this growth is more than consumed by the costs of inflation, population growth and changes to acute pricing methodologies.
 - The financial impact in 2017-18 of rebuilding a modest level of contingencies in line with national business rules, and replacing the non-recurrent funding measures used to balance the current year's budget, is about £9.5m.
 - To address our funding shortfalls, the pressures we have experienced in the current year, the expected growth in demand during 2017-18 and our plans for service improvements, it has been necessary to develop a substantial QIPP programme. The identified savings gap for 2017-18 amounts to £12.3m in total, which is 2.4% of our combined allocations.
 - Although the three CCGs are budgeting for a minimum 0.5% contingency (Slough slightly more), the budget plans for 2017-18 are extremely challenging. A small increase in acute activity above planned levels will quickly consume all the contingencies available.

It is therefore imperative that we continue with our collaborative work across the STP 'footprint' at pace
- A table of key movements between month 7 and month 8 forecast outturn is



shown below:

Movements in Forecast expenditure from M7 to M8		
Expenditure category	£k (adverse)/ improved	Comments
Frimley Park NHS Foundation Trust North	(189)	Adverse movements in day case and elective activity. The root cause of the overperformance remains in non-elective and A&E.
Buckinghamshire Healthcare NHS Trust	(145)	Provision has been made in the forecast for changes to the Stroke pathway that take effect in January. (£125k) impact for Slough (£250k impact for Berkshire East).
London Trust - Acute	(213)	Further cost pressure, now 16% above plan. Largely from Imperia, Guys and Hillingdon.
Exceptions & Prior Approvals (IFR)	(93)	Increased Neuro rehab costs
Other	(16)	Acute £39k, Planned care £37k, LCS (£80k), MH (£30k), Community equipment (£26k), various £44k
Total Movement	(656)	
Draw down from Reserves	656	

Recommendation(s)

The Governing Body is requested to note this report.

