

## FINANCIAL PERFORMANCE TO NOVEMBER 2016

### MONTH 8 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	1,256		✓	0.00%	Variance against Plan
Financial Position Forecast Outturn	Planned Annual Surplus	1,954		✓	0.00%	Variance against Plan
Running Costs Actual YTD	Running Costs YTD Plan	2,112		✓	0.00%	Variance against Plan
Running Costs Forecast Outturn	Running Costs Annual Plan	3,164		✓	0.00%	Variance against Plan (this excludes funding for Quality Premium)
QIPP Forecast Outturn	QIPP Annual Plan	4,090		X	80.43%	Achievement against Plan
Creditors - Better Payment Practice Code	Target of 95%		94.30%	!	(0.70%)	%age variance against target number of Non NHS invoices paid in 30 days
Monthly Cash Drawings	1.25% bank balance		1.17%	✓	(0.08%)	%age of balance in bank at end of month compared to cash drawn down

#### Key:

On Plan	✓
Take Note	!
Action Required	X

#### 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	Acute Contracts overperformance	Overperformance	Work is now heavily focussed on getting to Contract signature by 23 Dec 16. The CSU will conduct a deep dive into activity once the work to get to contract signature is complete. The CSU continue to challenge PAU charging and are meeting with the Trust to discuss charging for patients admitted to Ambulatory Care via A&E.	Brian Day (CSU)	Update for M09
	Acute Contracts overperformance	Overperformance	The Prior Approvals Audit is in its early stage and will not report until the Spring. This will provide Commissioners with the necessary intelligence to determine whether the Trust are compliant with the Prior Approval policies and test whether the policies are robust and up to date.	Brian Day (CSU)	Update for M09
Joint	2015/16 Closure of Contracts	Budget Management	Frimley North and Frimley South closed with the year end agreement. The outturn position has been agreed with Royal Berkshire too. For the other contracts we are waiting for M12 freeze data, final CQUIN, penalties and challenges from the Trusts, and as and when this is received a full reconciliation to invoices is performed before closing.	Nigel Foster/Sarah Murray (CSU)	Update for M09
	Funded Nursing Care	Budget Management	Funded nursing care costs have risen by 40% (the government announced the change in July backdating the increase to 1 April 2016). The net impact of £351k has been reported in the Mth 5 ledger, offset by 50% £176k credit from unused CHC provisions. NHS England is expected to complete the review of FNC costs by January and is likely to announce a further adjustment to FNC rates in 2016/17 eg regional tariffs.	Lorraine Charlton / Kathy Neville (CSU)	Update for M09
	2016/17 Budgets	Budget Management	A full set of Budget holder statements have been distributed for Month 8 (November) and regular Budget holder meetings are taking place.	Debbie Fraser / Quentin Symington (CSU)	Update for M09
CCG	Premises Costs	NHS Property Services	The 1st and 2nd quarter invoices have been paid. Further analysis has been received from NHSE and we are liaising with NHS PS to fully reconcile the market rent impact and understand how this is passed through to providers.	Debbie Fraser	Update for M09
	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 M09
	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. It is very unlikely that any of this funding will be available in 2016-17.	Nigel Foster	Update for M09

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## B1 – Abbreviations and acronyms used

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

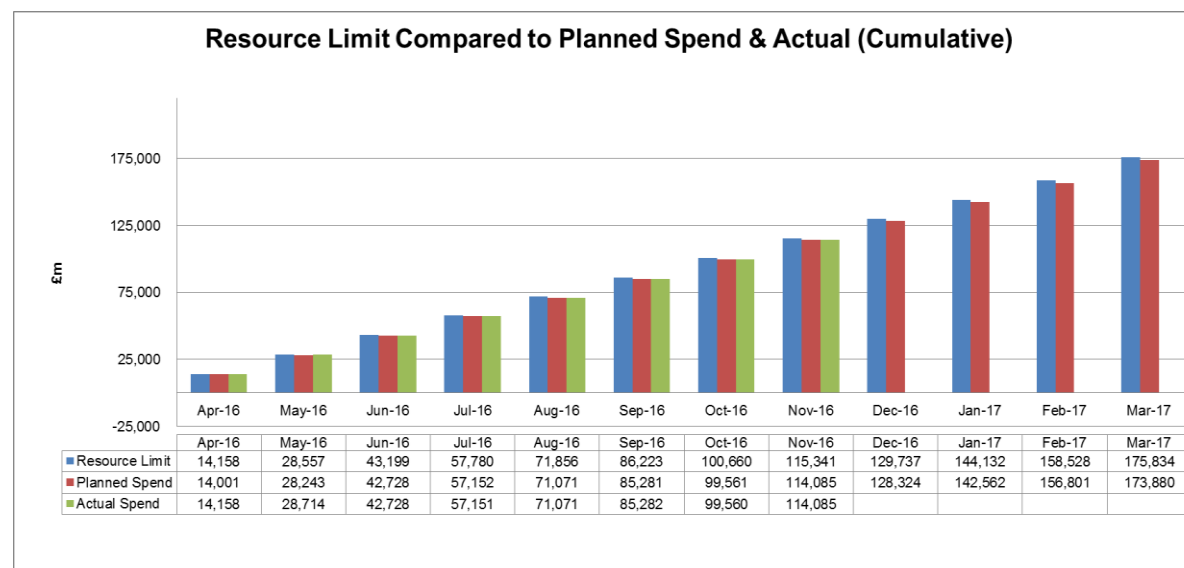
<b>NHSE</b>	NHS England
<b>NHS FT</b>	NHS Foundation Trust
<b>ORCP</b>	Operational Resilience & Capacity Planning
<b>PBR</b>	Payment By Results – payment system (based on Healthcare Resource Groups) used mainly in acute contracts
<b>PMCF</b>	Prime Minister’s Challenge Fund
<b>PLCV</b>	Procedures of Limited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

## Section C – Financial Performance

Summary of position (variance against plan)	Month 8 Nov 2016			Previous month		Annual Plan £'000	Forecast outturn £'000	Forecast Variance £'000	Previous month Variance £'000
	Plan	Actual	Variance	Variance					
	£'000	£'000	to plan £'000	to plan £'000					
<b>Commissioning</b>									
Planned and Unscheduled Care	69,091	70,211	(1,120)	(534)	103,702	105,121	(1,420)	(825)	
Prescribing	11,955	11,527	428	362	17,925	17,314	612	603	
Mental Health, Joint & Continuing Care	16,539	16,927	(388)	(277)	24,632	25,024	(392)	(373)	
Community	7,800	7,779	21	25	11,689	11,722	(33)	(18)	
Reserves	962	0	962	398	4,700	3,434	1,266	610	
Other Services	5,627	5,529	98	26	8,069	8,102	(33)	2	
<b>Commissioning sub-total</b>	<b>111,973</b>	<b>111,973</b>	<b>1</b>	<b>0</b>	<b>170,716</b>	<b>170,716</b>	<b>(0)</b>	<b>(0)</b>	
Running Costs	2,112	2,112	(0)	1	3,164	3,164	0	(0)	
<b>Planned/Actual Spend Sub Total</b>	<b>114,085</b>	<b>114,085</b>	<b>0</b>	<b>1</b>	<b>173,880</b>	<b>173,880</b>	<b>(0)</b>	<b>(0)</b>	
Planned Surplus	1,256	1,256	0	0	1,954	1,954	0	0	
<b>Total CCG</b>	<b>115,341</b>	<b>115,341</b>	<b>0</b>	<b>1</b>	<b>175,834</b>	<b>175,834</b>	<b>(0)</b>	<b>(0)</b>	

## Key Points

- The reported year to date surplus is £1.26m, with a forecast surplus of £1.95m.
- The (£1.1m) YTD overspend within Planned and Unscheduled Care, which is an adverse movement of (£586k) from previous month and is predominately driven by increase in activity at Frimley Park Foundation Trust (£202k), London Trusts (£175k) and Bucks Healthcare Trust (£93k)
- Prescribing is £428k underspent YTD, and forecast to underspend by £612k in part due to category M drugs price savings.
- There has been a £111k increase in the YTD Mental Health and CHC overspend, to (£388k), due to an increase in FNC client numbers. The forecast outturn includes mandated price increase which has been partially offset by the release of unused CHC provisions.
- The forecast over spend is being offset by £1.27m of reserves.



## Section D – Revenue Resource Allocation and Changes to the Plan

Confirmed Resource Limit to Current Budget	£'000
<b>Initial Resource Limit</b>	
- Commissioning Costs	171,799
- Running Costs	3,164
<b>Confirmed Initial Resource Limit</b>	<b>174,963</b>
<b>Return of prior year surplus</b>	1,951
2015-16 recurrent transfers post allocation setting (mth07)	9
Eating Disorders	74
Risk share to Bracknell	(1,000)
IAT - Chemotherapy transfer to Specialist	(611)
Share of Vulnerable Practices Pilot funding	35
Share of General Practice Resilience Programme	32
10T - GP Development Programme - reception and clerical training	13
PMS Review 1st year premium transfer	182
M7 CAMHS funding	31
Mth08 CEOV adjustment	155
<b>Month 8 Resource Limit</b>	<b>175,834</b>

### 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
- The Risk share across Berkshire East from last year is unwound with £1m repaid to Bracknell and Ascot.
- Other adjustments include a transfer to NHSE of specialist Chemotherapy and additional sources of funding for Primary care and Camhs.

### Changes to Plan – analysis of adjustments Month 7 to Month 8

Month 8 Nov 2016	Planned and Unscheduled Care £'000	Prescribing £'000	Joint & Continuing Care £'000	Community Care £'000	Other £'000	Primary Care IT £'000	Running Costs £'000	Reserves £'000	Surplus £'000	Total £'000
<b>Month 7 Plan</b>	<b>103,733</b>	<b>17,955</b>	<b>24,665</b>	<b>11,698</b>	<b>7,652</b>	<b>386</b>	<b>3,164</b>	<b>4,473</b>	<b>1,954</b>	<b>175,679</b>
<b>M8 Adjustments</b>										
The Charge Exempt Overseas Visitor (CEOV) adjustment								(155)		(155)
General Reserves								310		310
Care Home scheme - Highways	(32)				32					0
Transfer spare budget to reserves					(9)			9		0
Transfer MH Advocacy budget as responsibility has gone to LA				(33)				33		0
Transfer surplus Home Oxygen budget from Prescribing to general reserves		(30)						30		0
<b>Month 8 Plan</b>	<b>103,701</b>	<b>17,925</b>	<b>24,632</b>	<b>11,721</b>	<b>7,652</b>	<b>386</b>	<b>3,164</b>	<b>4,700</b>	<b>1,954</b>	<b>175,834</b>

## Section E – Treasury Management

### Statement of Financial position as at 30 November 2016

Statement of Financial Position as at	As at	As at	Movement	As at
30-Nov-16	31 March 16	31 October 16		30 November 16
	£000	£000	£000	£000
Non Current Assets	107	74	(2)	72
<b>Total Non Current Assets</b>	<b>107</b>	<b>74</b>	<b>(2)</b>	<b>74</b>
NHS Receivables - Revenue	4,390	(1,548)	(57)	(1,605)
NHS Prepayments and Accrued Income	3,088	1,088	1,791	2,879
Non-NHS Receivables - Revenue	139	66	(15)	51
Non-NHS Prepayments and Accrued Income	128	966	40	1,006
Other Receivables	19	8	1	9
<b>Total Trade and Other</b>	<b>7,764</b>	<b>580</b>	<b>1,760</b>	<b>2,340</b>
Cash	105	(35)	(577)	(612)
<b>Total Assets</b>	<b>7,976</b>	<b>619</b>	<b>1,181</b>	<b>1,802</b>
NHS Payables - Revenue	(9,487)	(11,333)	(1,500)	(12,833)
NHS Accruals and Deferred Income	(5,263)	38	(1,204)	(1,166)
Non-NHS payables - Revenue	(2,810)	(4,893)	(741)	(5,634)
Non-NHS payables - Capital	0	0	0	
Non-NHS Accruals and Deferred Income	(3,973)	(3,863)	1,395	(2,468)
Other Payables	(498)	(638)	247	(391)
Provisions	(1,499)	(1,188)	76	(1,112)
<b>Total Current Liabilities</b>	<b>(23,530)</b>	<b>(21,877)</b>	<b>(1,727)</b>	<b>(23,604)</b>
Total non Current Liabilities	0	0	0	
<b>Total Assets Employed</b>	<b>(15,554)</b>	<b>(21,258)</b>	<b>(546)</b>	<b>(21,802)</b>
General Fund	(15,554)	(21,258)	(544)	(21,802)
<b>Total Taxpayers Equity</b>	<b>(15,554)</b>	<b>(21,258)</b>	<b>(544)</b>	<b>(21,802)</b>

### Key Points:

- 'Current Trade and Other' have increased by £1,760k in November due mainly to an increase in 'NHS Prepayments and Accrued Income' of £1,791k.
- Cash balance appears to be over drawn by £612k but the actual cash balance at bank was £148k at the end of November. This was due to timing difference between payment journals hitting the ledger and cash leaving the bank account at month end.
- Total Current Liabilities have increased by £1,727k and now stand at £23.6m.

### Debtors

Aged Debtors	NHS Debtors		Non NHS Debtors		Total	
	Value (£000)	Number	Value (£000)	Number	Value (£000)	Number
Less than 31 days (Not Due)	4,260	18	23	13	4,283	31
Between 31 - 60 days	-	-	-	-	-	-
Between 61 - 90 days	-	-	-	-	-	-
Greater than 90 days	353	3	27	13	380	16
<b>Total</b>	<b>4,613</b>	<b>21</b>	<b>50</b>	<b>26</b>	<b>4,663</b>	<b>47</b>

### Key Points:

- At the end of month 8 the CCG has debtors totaling £4,663k (of which £380k is overdue but Frimley Health disputes £320k relating to SCAS charges and remaining £60k is considered recoverable).
- The majority of the NHS debt relates to London Trust recharges to CCGs (£4,260k), of which £3,487k has been received till 12<sup>th</sup> December. These are raised in advance of the month to which they relate in order to ensure payment is received early in the month.

## 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
97,177	10,659	107,836	173,799	62.05%

### Key Points:

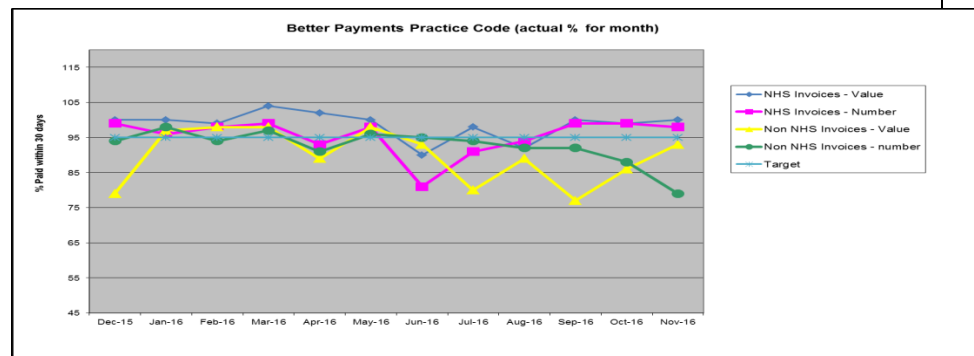
- The CCG processed a cash draw down of £12.7m in November, total to year to date of £97.2m. The charge against prescribing stands at £10.7m giving a total charge of £107.8m for the year. This is 62.05% against the MCD for this year, lower than would be expected for this point in the year.
- At the end of the month the CCG had Bank balance £148k, which is 1.17% of cash drawn down for the month and below 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 30th September	10,737	2,288	1,045	1,187	5,754	21,011
At 31st October	14,454	872	940	1,220	6,358	23,844
At 30th November	13,110	636	650	820	6,901	22,117

Aged Creditors - volume	Nos	Nos	Nos	Nos	Nos	
At 30th September	548	259	206	216	912	2,141
At 31st October	413	166	128	119	902	1,728
At 30th November	438	150	145	109	950	1,792



## Key Points:

- Creditors (unpaid invoices on the system) stand at £22.1m at 30<sup>th</sup> November a decrease of £1.7m over the previous month. Creditors over 90 days stand at £6.9m.

## 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	123,405	3075	11,455	2,662	134,860	5737
Total invoices paid within 30 days	120,232	2901	10,164	2,399	130,396	5300
% Paid within 30 days	97.4%	94.3%	88.7%	90.1%	96.7%	92.4%
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 8 in comparison to the DH target of paying 95% supplier invoices within 30 days.

### Key Points:

- In November both NHS Invoices by value and number achieved the 95% target.
- Year to date only NHS invoices by value is achieving the target.