

Title of meeting : Slough CCG Governing Body																	
Date of Meeting			5 Jan 2106		Paper Number			6									
Title					Financial Performance report for November 2015 (M8)												
Sponsoring Director (name and job title)					Nigel Foster – Chief Finance Officer												
Sponsoring Clinical / Lay Lead (name and job title)					Dr Nabi												
Author(s)					Debbie Fraser												
Purpose					To inform the Governing Body of the financial performance at Month 8 (November 2015) and current forecast outturn.												
The GB is required to (please tick)																	
Approve		<input type="checkbox"/>		Receive		<input type="checkbox"/>		<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.												
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.												



<p>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></p> <p><i>Include date the Director of Nursing has signed off the quality implications)</i></p>	<p>Not Applicable</p>
<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 £1.304k and a year-end surplus of £1.954m.</p> <p>At month 8, a number of pressures have been identified around the mental health placements budget, independent sector acute, the CCG’s main acute provider and prescribing, conversely forecasts have reduced in the Individual Funding Requests (IFR), Free Nursing Care (FNC) and Continuing Healthcare (CHC) expenditure areas, following a review of the patient databases and prior year accruals. The CCG has been able to cover these from its reserves, and hence the CCG is consequently reporting to plan, however we need to monitor the position closely and the position is much tighter than in previous months. If any of the forecasts or assumptions deteriorate there is no room for further manoeuvre.</p>	



Key Movements from Month 7 to Month 8		
Expenditure	£k (adverse)/improved	Explanation
Frimley Park NHS Foundation Trust North	(736)	Non elective activity has increased this month, although the main NEL POD remains underspent against plan; however NELST POD is significantly over performing.
Royal Berkshire NHS Foundation Trust	(269)	Forecast has deteriorated, mainly due to NEL and the reasons for this are being investigated with the Trust.
Non Contracted Activity	337	Release of 14-15 accrual and review of in-year forecast.
Exceptions & Prior Approvals (IFR)	100	Following review of patient database, forecast reduced
Mental Health Placements	(100)	A new backdated patient and also increased rates for another patient.
GP PRACTICES (Practice level reporting below)	74	Small improvement since Month 7
Continuing Healthcare	148	Release of 14-15 accrual
Funding Nursing Care	200	Following a review of database in November 2016, forecast has improved.
Other	50	
Total Movement	(196)	
Movement in Reserves	196	

The Governing Body are requested to note the following:

- Contract with Frimley Health will be signed shortly, now that agreement has been reached with NHSE around the growth regarding the transfer for non-specialist drugs. The resource allocation transfer took place in Month
- Acute provider data is available for seven months and the CCG's main contract is showing indications of over performance. The acute contracts' over performance accounted for in the report is £2.2m year to date and £3.4m forecast outturn. The forecast outturn position has deteriorated by £1.0m since last month. Non-elective spend has increased significantly at both Frimley Park (North), and Royal Berkshire Hospitals since last month. and the reasons for this are being discussed with the Trusts.
- The QIPP will not deliver the full budgeted savings, currently savings of £3m are forecast.
- NHS Property Services Ltd – The invoices for 1415 and 1516 invoices (recently received) remain unpaid. We are aware of a number of other CCGs who have been in a similar position to us and have now been directed to settle their outstanding invoices; a separate briefing paper has been prepared.

In addition this month I would highlight to the GB:

- Medium Term Financial Plans – we are waiting for the announcement of the 1516 allocations and release of the planning guidance. The first submission of our detailed operational plan is due on the 8 February 2016, with a final submission on the 11 April 2016, and our system-wide Sustainability and Transformation Plans by the summer of 2016 (covering the period through to 2020).
- Allocations - In November 2015 the government announced a five year funding settlement for the NHS. Annual funding will rise in real terms by £3.8bn in 2016/17 and £8.4bn by



2020/21. NHS England's Board meeting on 17th December made some important decisions on how this money will be allocated to CCGs and other areas that NHS England is responsible for, in line with the strategic vision outlined in the 5 Year Forward View. In summary, NHS England's overall programme funding is increasing by 5.5% next year, and nationally the CCG total is increasing by 3.4%, primary care by 4.2% and specialist commissioning by 7.0%. Importantly, NHS England is setting aside £2.1bn for a "sustainability and transformation fund", and in 2016/17 most of this will be used to address deficits in provider Trusts.

There is a complex allocation formula which distributes the total funding for CCGs to individual organisations, and at the time of writing this report the specific funding for individual CCGs has not been published as yet. Although the national increase in funding is slightly better than we were expecting, much of this is going to be required to meet increases in the national tariff which covers payments for most acute activity.

- Identification Rules (IR) Impact Assessment exercise – there is a national exercise underway to standardise the arrangements for identification of Prescribed Specialised Services activity in England. When the Prescribed Specialised Services (PSS) Handbook was issued for 2013-14, the use of the algorithm to determine what was a specialised commissioned service was not implemented equitably across regions. This has caused differences with regard to charging of activity across England as well as distorted allocations of growth monies within CCG localities. Following the outcome of the IR impact assessment, there may be a change to CCG allocations. It is expected that the new rules will be in shadow form in 2016/17 with a view to be included in allocations in 2017/18.

Recommendation(s)

The GB is requested to note this report.

