

Title of meeting : Governing Body									
Date of Meeting		4 October 2016			Paper Number			8.1	
Title					Financial Performance report for August 2016 (M5)				
Sponsoring Director (name and job title)					Nigel Foster – Director of Finance and performance				
Sponsoring Clinical / Lay Lead (name and job title)									
Author(s)					Debbie Fraser – Associate Director of Finance				
Purpose					To inform the Governing Body of the financial performance at Month 5 (August 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</i>					Not Applicable				



<p>quality implications)</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 5 the CCG is reporting on plan, with a year to date surplus of £785k and a year-end surplus of £1954k.</p> <p>At month 5 there is a year to date overspend of £266k on planned and unscheduled care, this is mainly within Acute commissioning at the CCG's main providers. This is being partly mitigated by underspends with other acute providers but the majority of the overspend is being offset by reserves and release of 1516 prior year accruals. The forecast is based on July's data, therefore this will be closely monitored on a monthly basis.</p> <p>Budget adjustments have been made this month to align provider level budgets with agreed contract values. For Slough the provider budgets have increased by £764k.</p> <p>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 Month 5 FOT position, offset £176k credit from unused CHC provisions in the CHC Adult budget. 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.</p> <p>The 40% FNC impact (totalling £1.9m) falls disproportionately across the 3 CCGs with a significant cost pressure for Windsor, Ascot and Maidenhead of £1.1m. One possible</p>	



mitigation, would be to risk share this pressure under the risk sharing principles agreed by the Governing Body in February 2016, which would increase the cost for this CCG by £0.38m.

The overspend on Mental Health Adults is mainly due to one very high cost patient, where we are showing the worst case scenario. The cost for this patient is currently under review as potentially the CCG cost can be shared with the Local Authority and Education Authority.

I would particularly like to highlight:

- Contracts negotiations have been concluded with our main Acute providers and the main MH and Community provider (a small number of 'associate' contracts need to be finalised, particularly in London)
- Budgets are adjusted to match the agreed contract values. If the values are less than the planning envelope, this can mitigate some of the QIPP requirements, but only if there is no over performance.
- The forecast for the acute provider data is based on 4 months of activity and still shows significant over performance. We have therefore had to apply contingencies to offset the over performance. Although this can be managed for a short time, if this rate continues throughout the year we will have a serious problem.
- Charges from NHS Property Services have moved to market value, and invoices have now been received for the first two quarters. Although NHS England have confirmed in principle that the additional costs of moving to market rent will be covered, the precise funding to CCGs has still not been notified, so I am unable to confirm whether this risk is fully mitigated as yet. (The funding is only for one year).
- All three CCGs have sufficient funding for their extended access schemes in 2016/17 but this is non-recurrent funding. Ongoing sustainability of these schemes will need to be considered in the light of any additional funding secured through the STP process.
- Operational Planning and Contracting Guidance has been released. The Sustainability and Transformation Plans will form the basis for the operational planning and contracting covering the years 2017/18 and 2018/19. The timetable has been brought forward significantly, with a target deadline for all 2017-19 contracts to be signed by 23 December 2016.

Submission dates have now been confirmed as follows:

Submission of STPs	21 October 2016
Summary Level Operation plans	1 November 2016
Full Draft Operational Plans	24 November 2016
Final Operational Plan and aligned with contracts	23 December 2016



Movements in Forecast expenditure from M4 to M5		
Expenditure category	£k (adverse)/ improved	Comments
Frimley Park NHS Foundation Trust North	1,167	Movement in the SLAM forecast of (£289k) and Budget adjustment of £878k, to align with agreed contract values.
Other Acute	(326)	London Trusts (£74k), Spire TV (£72k), RBH (£49k), FHS (£32k)
Planned Care	176	Favourable position on MSK at BH FT
Henley Suite St Marks	(96)	An accrual from 15-16 for 'looked after children' was incorrectly released in M4 which has been corrected.
Prescribing	48	An improved forecast based on a rolling forecast
Continuing Healthcare	140	Unused provisions released £176k
Funding Nursing Care	(301)	Retrospective change to the FNC rate (+40%) now reflected in the position.
Other	(114)	
Total Movement	694	
Funded from Reserves	(694)	

Recommendation(s)

The Governing Body is requested to note this report.

