

FINANCIAL PERFORMANCE TO AUGUST 2016

MONTH 5 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	785		✓	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	1,318		✓	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%		95.70%	!	0.70%	%age variance against target number of Non NHS invoices paid in 30 days
Monthly Cash Drawings	1.25% bank balance		8.31%	X	7.06%	%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	Financial Impact YTD £'000	Action	Owner	Timeline
CSU	Acute Contracts overperformance	Overperformance		The detailed activity (IAP) and finance plan has progressed and is now suitable to use for monitoring purposes. M4 variances can be treated as representative of the position. The Trust have reviewed their FUP activity to align it with the Data dictionary. This will impact F2FUP ratios and may affect APAs. The CSU have advised the Trust that as this is a change to counting and coding any impact must remain cost neutral.	Brian Day	Update for M06
	Acute Contracts overperformance	Overperformance		Now that the IAP is better refined and suitable to monitor against, the CSU will be in a better position to analyse activity. The CSU continues to challenge Prior Approvals to look for the expected changes in behaviour by the Trust with respect to PLCV policies.	Katherine Woolley (CSU)	Update for M06
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 M06
	2016/17 Contract Agreement	Budget Management		The Frimley Heath contracts have been signed, North signed on the 25th July 2016, followed with the South on the 28th July 2016. The BHFT and Ashford & St Peters contracts have been agreed and signed, the RBFT contract has been agreed and signed by the lead commissioner. Discussions are ongoing with the other providers.	Nigel Foster / Dinah Sackey & Sarah Murray (CSU) / Optum (London contracts)	Update for M06
	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). 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 M06
	2016/17 Budgets	Budget Management		Budget holder statements have been sent out for Programme Costs and meetings are being held in September with budget managers to review the positions. Corporate cost budget statements will be sent out later in September and meetings scheduled to review.	Debbie Fraser / Quentin Symington (CSU)	Update for M06
CCG	Premises Costs	NHS Property Services		The 2016/17 invoices for Qtr1 and 2 continue to be reviewed, where they are within the current funded budget they will be processed for payment. Confirmation has not yet been received from NHS England of the amount of the additional (one year) allocation therefore we do not know if this will fully mitigate the increase in cost.	Debbie Fraser	Update for M06
	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 M06
	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 is in financial balance. No decision will be taken until the second quarter position is understood.	Nigel Foster	Update for M06

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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
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 is 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
PMCF	Prime Minister’s Challenge Fund
PLCV	Procedures of Limited Clinical Value
POD	Point of Delivery – area of acute care activity of similar type (e.g. Inpatient or Outpatient)
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)

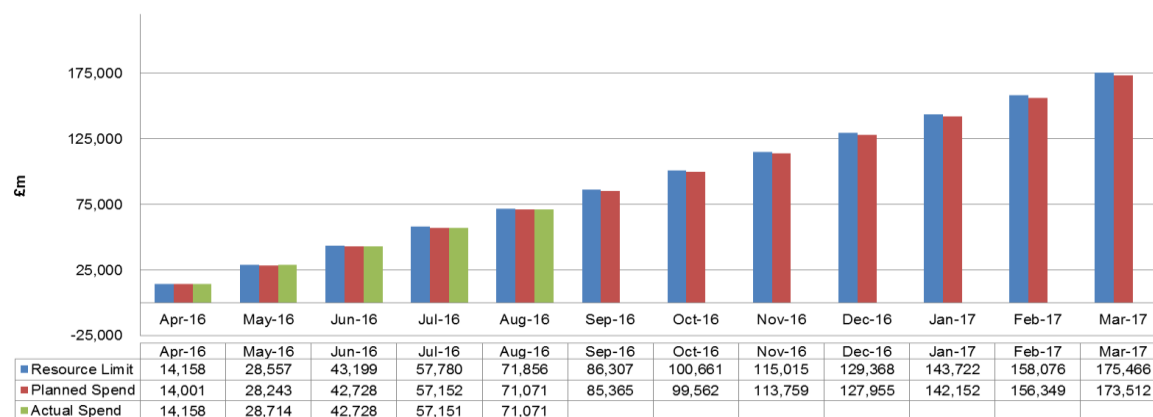
Section C – Financial Performance

Summary of position (variance against plan)	Month 5 Aug 2016			Previous month		Previous month		
	Plan	Actual	Variance to plan	Variance to plan	Annual Plan	Forecast outturn	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning								
Planned and Unscheduled Care	43,162	43,428	(266)	(628)	103,614	104,217	(603)	(1,619)
Prescribing	7,485	7,454	31	7	17,955	17,907	48	0
Mental Health, Joint & Continuing Care	10,500	10,662	(163)	(91)	24,620	24,702	(81)	184
Community	4,883	4,882	1	(17)	11,708	11,805	(98)	7
Reserves	380	0	380	730	5,019	4,285	734	1,428
Other Services	3,342	3,326	16	(0)	7,432	7,432	0	0
Commissioning sub-total	69,753	69,753	(1)	0	170,348	170,348	(0)	(0)
Running Costs	1,318	1,318	0	(0)	3,164	3,164	0	0
Planned/Actual Spend Sub Total	71,071	71,071	(0)	0	173,512	173,512	(0)	(0)
Planned Surplus	785	785	0	0	1,954	1,954	0	0
Total CCG	71,856	71,856	(0)	0	175,466	175,466	(0)	(0)

Key Points

- The reported year to date surplus is £785k, with a forecast surplus of £1.95m.
- The £266k YTD overspend within Planned and Unscheduled Care, which is a favourable movement of £362k from previous month is predominately driven by Frimley Heath and additional budget of 491k agreed in the contract.
- Planned and unscheduled care is forecast to be overspent by £603k, The Frimley North & South contracts account for £593k of this.
- The CHC /Mental Health position has worsened due to the impact of the Funded Nursing care price increases.
- The over spend is being offset by £734k of reserves.

Resource Limit Compared to Planned Spend & Actual (Cumulative)



Section D – Revenue Resource Allocation and Changes to the Plan

Confirmed Resource Limit to Current Budget	£'000
Initial Resource Limit	
- Commissioning Costs	173,762
- Running Costs	3,164
Confirmed Initial Resource Limit	176,926
CAMHS Investment	21
NCA	(3)
Contingency	(630)
Specialist transfer	(35)
Programme - transaction expenditure	644
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
Month 5 Resource Limit	175,466

Key Points

- Confirmed Resource Limit for 2016-17.

To form basis of headline I&E reporting	In-year allocation:		YTD
	16/17 Core Allocation	173.52	71.11
	Allocation of prior years surplus for drawdown	0.00	0.00
	Total share of NHSE mandate for 2016/17	173.52	71.11
Memorandum information to be included as foot notes	Expenditure:		
	Forecast Expenditure	173.51	71.12
	Forecast under/(over)-spend against in year allocation	0.00	(0.01)
Memorandum information to be included as foot notes	In-year performance:		
	Performance against 16/17 core allocation	0.00	
	Made up of:		
	Planned use of prior year surpluses (agreed drawdown)	(0.00)	
	Other in year under/(over)-spend against resource limit	0.00	
	Memorandum: cumulative (historic) surplus/(deficit)		
	Total share of NHSE mandate for 2016/17	173.52	
	Return of remaining prior year surplus/(deficit)	1.95	
	Total allocation plus historic surplus/deficit	175.47	
	Forecast Surplus / (deficit) against total allocation	1.95	
Target additional surplus required to meet business rules	0.00		

Changes to Plan – analysis of adjustments Month 4 to Month 5

Month 5 Aug 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
Month 4 Plan	102,891	17,955	24,621	11,666	7,277	386	3,164	5,472	1,954	175,386
M5 Adjustments										
OUHT Contract Agreement (contract line)		(78)						78		0
Spire TV Contract Agreement (contract line)		(38)						38		0
Frimley North contract agreement		878						(878)		0
Princess Margaret Hospital (BMI) contract agreement		(40)						40		0
Share of Vulnerable Practices Pilot funding								35		35
Share of General Practice Resilience Programme								32		32
10T- GP Development Programme - reception and clerical training								13		13
Virgin - correction of contract budget envelope from reserves					42			(42)		0
Correct Bud Adjmt 3 - Discharge Support - to BCF Reserves								127		0
Transfer to Reserves - NHS Propco								104		0
Month 5 Plan	103,613	17,955	24,621	11,708	7,046	386	3,164	5,020	1,954	175,466

Section E – Treasury Management

Statement of Financial position as at 31 August 2016

Statement of Financial Position as at:	As at 31 March 16	As at 31 July 16	Movement	As at 31 August 16
31-Aug-16	£000	£000	£000	£000
Non Current Assets	107	87	(4)	83
Total Non Current Assets	107	87	(4)	83
NHS Receivables - Revenue	4,390	1,433	(2,837)	(1,404)
NHS Prepayments and Accrued Income	3,088	984	(19)	965
Non-NHS Receivables - Revenue	139	64	(35)	29
Non-NHS Prepayments and Accrued Income	128	843	108	951
Other Receivables	19	25	(16)	9
Total Trade and Other	7,764	3,349	(2,799)	550
Cash	105	1,275	(407)	868
Total Assets	7,976	4,711	(3,210)	1,501
NHS Payables - Revenue	(9,487)	(12,400)	2,881	(9,519)
NHS Accruals and Deferred Income	(5,263)	(2,386)	1,714	(672)
Non-NHS payables - Revenue	(2,810)	(5,158)	386	(4,772)
Non-NHS payables - Capital	0	0	0	0
Non-NHS Accruals and Deferred Income	(3,973)	(3,918)	(672)	(4,590)
Other Payables	(498)	(594)	(70)	(664)
Provisions	(1,499)	(1,499)	175	(1,324)
Total Current Liabilities	(23,530)	(25,955)	4,414	(21,541)
Total non Current Liabilities	0	0	0	0
Total Assets Employed	(15,554)	(21,244)	1,204	(20,040)
General Fund	(15,554)	(21,244)	1,204	(20,040)
Total Taxpayers Equity	(15,554)	(21,244)	1,204	(20,040)

Key Points:

- Current Trade and Other have decreased by £2,799k in August due mainly to decrease in NHS Receivables Revenue of £2,837
- Cash book balance stands at £868k a decrease of £407k.
- Total Current Liabilities have decreased by £4.4m and now stand at £21.5m.

Debtors

Aged Debtors	NHS Debtors		Non NHS Debtors		Total	
	Value (£000)	No	Value (£000)	No	Value (£000)	No
Less than 31 days (Not Due)	2,523	19	-	2	2,523	21
Between 31 - 60 days	1,423	1	2	9	1,425	10
Between 61 - 90 days	-	-	-	1	0	1
Greater than 90 days	463	6	28	14	491	20
Total	4,409	26	30	26	4,439	52

Key Points:

- At the end of month 5 the CCG has debtors totaling £4,439k (of which £1,916k is overdue but considered recoverable).
- The Majority of NHS debt, £3,927k relates to London Trust recharges to CCGs of which £3,316k has been received in September. 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	Prescribing Cash Charge To Date	Total Cash Drawings To Date	Current Allocation	Drawings to Date as a % of Allocation
£000	£000	£000	£000	£000	£000
59,796	6,789	66,585	173,131	38.46%	

Key Points:

- The CCG processed a cash draw down of £13.7m in August, year to date £59.8m. The charge against prescribing stands at £6.8m giving a total charge of £66.6m for the year against the current cash allocation of £173m. With 5 months of the year gone the level of cash drawing stands at 38.46% which is lower than would be as expected.
- At the end of the month the CCG had £1,141k in its bank account, which is 8.31% of cash drawn down for the month and therefore above 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 June	15,590	327	2,222	3,932	4,885	26,956
At 31st July	16,726	2,562	985	1,397	3,653	25,323
At 31st August	16,224	1,088	1,051	927	4,888	24,178

Aged Creditors - volume	Nos	Nos	Nos	Nos	Nos	
At 30th June	487	210	216	309	695	1,917
At 31st July	580	270	143	162	636	1,791
At 31st August	516	232	209	134	806	1,897

Key Points:

- Creditors (unpaid invoices on the system) stand at £24.2m at 31st August a decrease of £1.1m over the previous month. Creditors over 90 days stand at £4.9m.

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	77,212	1851	6,605	1,431	83,817	3282
Total invoices paid within 30 days	74,179	1695	5,996	1,338	80,175	3033
% Paid within 30 days	96.1%	91.6%	90.8%	93.5%	95.7%	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 5 in comparison to the DH target of paying 95% supplier invoices within 30 days.

Key Points:

- In August no category achieved the 95% target.
- Year to date only NHS invoices by value is achieving the target.

