



Title of meeting: Governing Body										
Date of Meeting		12th November 2019			Paper Number			4.1		
Title					Financial Performance report for September 2019 (M6)					
Sponsoring Director (name and job title)					Nigel Foster – Director of Finance					
Sponsoring Clinical / Lay Lead (name and job title)					N/A					
Author(s)					Jonathan Pettit – Head of Financial Management and Reporting					
Purpose					To inform the Governing Body of the financial performance at Month 6 (September 2019).					
The Governing Body is required to (please tick)										
Decision		Review			Discuss	✓	Note	✓	Recommend	
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					
Has an equality impact screening been undertaken? If so please attach					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>					Date Deputy CFO sign off					



<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>Date Director of Nursing sign off.....</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 6 the CCG reported a year to date position on plan and with a forecast to meet the planned in-year surplus of £1k.</p> <p>Favourable movements in Acute services and Prescribing have created additional headroom in the forecast position which has been set aside to support system pressures.</p> <p>The Acute services moved favourable by £424k largely from the released of surplus accruals from the close-down of prior year acute contracts which amount to £270k. In addition there are favourable movements on in-year contracts for: Ashford and St Peter’s £134k, Independents £87k, London Trusts £45k and Ambulance contracts £26k. Offsetting this are adverse movements on: Royal Surrey (£91k), Royal Berkshire (£43k), East and North Herts (£40k).</p> <p>Prescribing costs remain favourable year to date, and now stand at £1,052k favourable at month 6. The forecast for GP Prescribing remains forecast to plan. The latest prescribing data showed an adverse movement, which will be analysed before the forecast is amended. The forecast does however reflect favourability on other smaller prescribing budgets. These budgets make up £132k of the YTD variance and are forecasting a full year underspend of £264k.</p> <p>In addition, there are some small movements in other budgets, Mental Health £49k, Community £59k which is offsetting an adverse moving in Other of (£75k), which is driven by IFR spend, principally IVF.</p> <p>The movements above have generated additional reserves that have been set aside to meet some</p>	



existing known cost pressures and to create an additional reserve to mitigate system pressures.

The key risks identified to this forecast position currently are:

- Frimley contract – IR and PEL (Provider Eligibility List) £535k (allocation anticipated)
- Royal Berkshire contract – High cost drugs for ophthalmology.
- Further planned care pressures – Audiology and ENT.
- Other potential acute pressures or income pressures from urgent care centres.
- Growth in Mental Health placements from new patients
- Better Care Fund (BCF) minimum contributions announced are higher than the planned contributions by £984k across our 4 BCFs. Since the month 6 position was finalised we have received the additional £480k that was anticipated and work has concluded to identify additional spend of £504k that meets the Better Care Fund criteria. This will be reflected in the position in month 7.
- Frimley Health have flagged a pressure in their year to date position that they are assuming will be covered by income from CCGs that is not currently in our forecast.

I would particularly like to highlight:

- The acute data available is based on 5 months of data from which the YTD position is extrapolated. Prescribing information is based on 4 months of data as there is a 2 month lag.
- The draft 5 year plan was submitted on the 27th September by the Frimley system. The final submission is due on the 1st November.
- KPMG have completed an audit of our Mental Health Investment Standard (MHIS), which is a requirement of NHS England. No issues have been identified and we have received KPMG's final unqualified report. We have published the CCG compliance statement and the KPMG report on our website.

Recommendation(s)

The Governing Body is requested to note this report.



FINANCIAL PERFORMANCE TO SEPTEMBER 2019

MONTH 6 2019/20

Section A1 – Finance Dashboard

Indicator	Target	Actual/ Forecast £'000	Actual/ Forecast %age	Rating this month	Variance from target %	Explanation of target measure
Financial Position Actual Outturn	Planned YTD in-year surplus	0		✓	0.00%	Variance against Plan
Financial Position Forecast Outturn	Planned FOT in-year surplus	1		✓	0.00%	Variance against Plan
Running Costs Actual YTD	Running Costs YTD Plan	4,261		✓	0.00%	Variance against Plan
Running Costs Forecast Outturn	Running Costs Annual Plan	8,895		✓	0.00%	Variance against Plan
QIPP Forecast Outturn	QIPP Annual Plan	11,627	82.0%	✘	(18.0%)	Projecting 100% achievement
Creditors - Better Payment Practice Code	Target of 95%		98.0%	✓	3.0%	%age variance against target number of Non NHS invoices paid in 30 days
Monthly Cash Draw ings	1.25% bank balance	5,061	10.70%	⊠	(9.45%)	%age of balance in bank at end of month compared to cash draw n dow n

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	Action	Owner	Timeline
CSU and CCG	Contract development for 2019-2020	Work on key items within the Frimley documentation.	The 2019/20 Contract and Memorandum of Understanding have been agreed and signed by all parties.	Ian Murdock	Update for M7
		Finalising the Royal Berkshire contract	Long stop items have been resolved and being updated via a contract variation being prepared for sign off by the end of October 2019 at the latest Action completed.	Ian Murdock	Update for M7
CCG	Delivering 2019-20 QIPP plans	Budget Management	2019/20 QIPP schemes are being finalised and monitoring arrangements are being agreed with project leads and implemented for reporting at the monthly Finance & QIPP Committee. Monthly review meetings with project leads will identify areas where there may be slippage and agree actions to improve delivery. The month 6 position will be reported at the Finance & QIPP Committee on October 22nd.	Ian Murdock	Update for M7



Section B – Contents

Section A:	A1 - Finance Dashboard	1
	A2 - Key Issues and Actions in Financial Position	2
Section B:	Contents	3
	B1 - Abbreviations and acronyms used	4
Section C:	Financial Performance	5
	Run Rate charts	6
Section D:	Revenue Resource Allocation	7
	Changes to the Plan	8
Section E:	Treasury Management	
	Statement of Financial Position, Debtors	9
	Creditors, Better Payment Practice Code	10



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
BFFA	Better Futures for All
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 the Heatherwood & Wexham Park sites
FNC	Funded Nursing Care
FOT	Forecast Outturn
IAP	Indicative Activity Plan
k	Thousand
m	Million
MHIS	Mental Health Investment Standard (formerly Parity of Esteem)
NCSO	No cheaper stock obtainable (with reference to drugs)

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
PLCV	Procedures of Limited Clinical Value
POD	Point of Delivery – area of acute care activity of similar type (e.g. Inpatient or Outpatient)
PUPoC	Previously unassessed periods of care
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 or RBFT	Royal Berkshire NHSFT
Run rate	YTD spend multiplied by the number of remaining months to give an indicative full year position.
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)
YOY	Year on year
YTD	Year-to-date (1 April-end of reported month)



Section C – Financial Performance

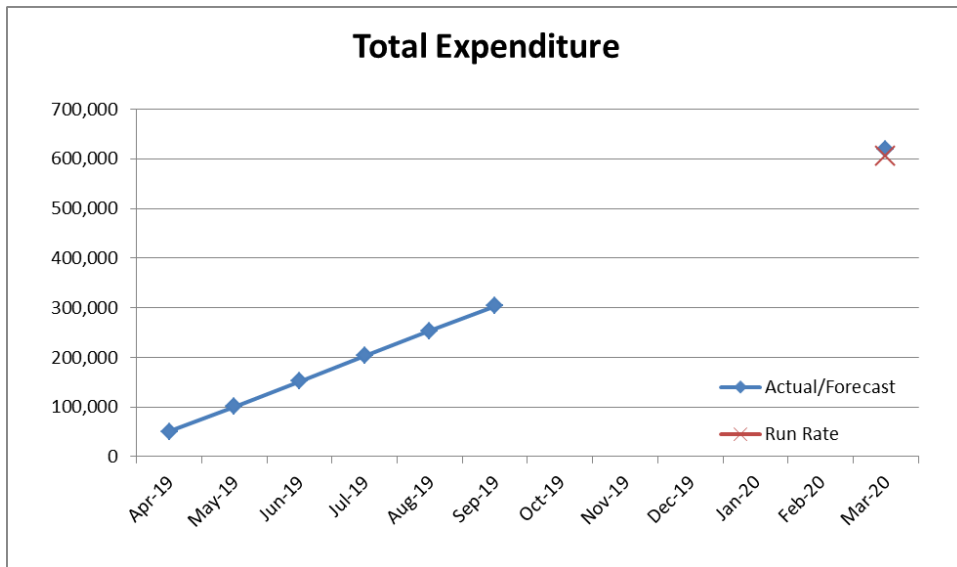
CCG Summary	Month 6 September 2019				Full Year				Run Rate	Run rate vs Forecast Outturn
	Plan YTD	Actual YTD	Variance YTD	Previous Month Variance to plan	2019-20 Annual Plan	2019-20 Forecast outturn	2019-20 Forecast Variance	Previous Month Forecast Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Commissioning										
Acute Services	161,836	160,988	847	168	323,672	323,386	285	(139)	321,976	1,410
Mental Health Services	28,304	28,224	80	170	57,064	57,404	(340)	(389)	56,448	956
Community Health Services	20,749	20,752	(2)	(85)	41,499	41,502	(4)	(63)	41,503	(1)
Continuing Care Services	19,231	18,096	1,135	993	38,462	38,545	(83)	(83)	36,193	2,352
Primary Care Co-Commissioning	27,974	27,864	110	17	58,251	58,251	0	0	55,727	2,524
Primary Care Services	32,723	31,464	1,259	786	65,720	65,276	444	119	62,927	2,349
Other Programme Services	11,968	11,506	462	280	23,473	23,142	331	406	23,012	130
Reserves	(3,991)	0	(3,991)	(2,329)	2,348	3,249	(900)	(118)	0	3,249
Commissioning sub-total	298,793	298,894	(100)	(0)	610,489	610,756	(267)	(267)	597,788	12,968
Running Costs	4,361	4,261	100	0	8,895	8,628	267	267	8,522	106
Expenditure sub-total	303,155	303,155	0	(0)	619,384	619,384	(0)	0	606,310	13,074
In-year Surplus	0	0	0	0	1	1	0	0	(1)	1
Total CCG Allocation	303,155	303,155	0	0	619,385	619,385	0	0	606,309	13,075

Key Points

- The opening in-year allocation for the year was £617,504k, including Primary Care co-commissioning. The CCG has since received non recurrent funding of £1,880k and recurrent funding (IR adjustments) of £1k taking the current in-year allocation to £619,385k. This excludes historical surpluses of £14,554k.
- The running cost allocation is £9,450k. The CCG have applied a QIPP saving of £555k, which reduces the budget to £8,895k. The saving is re-invested in the programme budget. Further savings have been realised, partly from the release of prior year surplus accruals £100k, and partly the release of surplus reserves £167k.
- The in-year surplus is £1k taking the cumulative surplus to £14,555k.
- Acute services are favourable year to date, £847k, based on 5 month's of activity data, and forecasting £285k under spend by year end.
- Mental Health Services are underspent by £80k to date but forecasting (£340k) over spend by year end. The underspend is primarily driven by the release of surplus prior year accruals c£0.6m. New information was received in month 5 about patient packages from the Berkshire Healthcare placement review team which has crystallised savings from the first cohort of reviews.
- Continuing Care, £1.1m, and GP Prescribing, £0.9m are both showing significant favourable year to date variances that are being further analysed before amending the forecast.

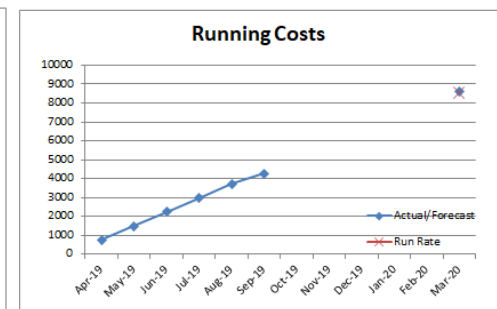
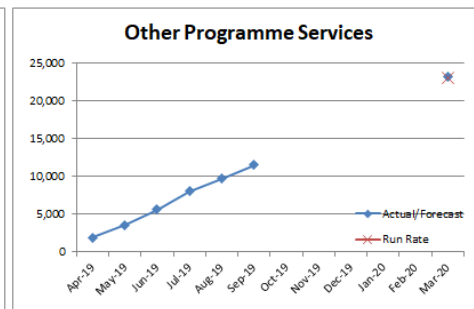
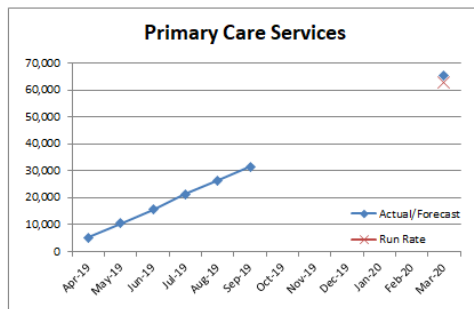
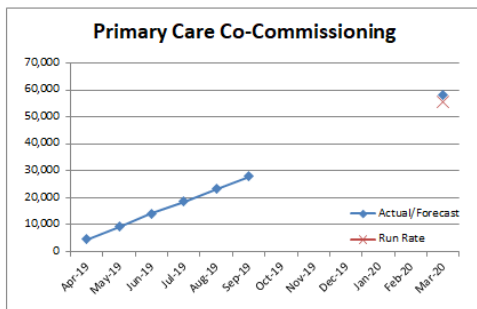
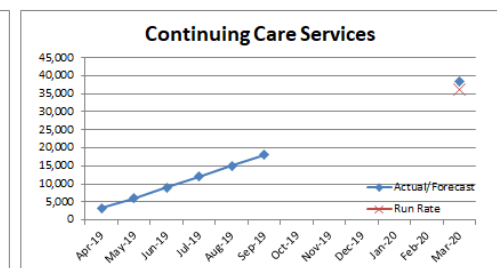
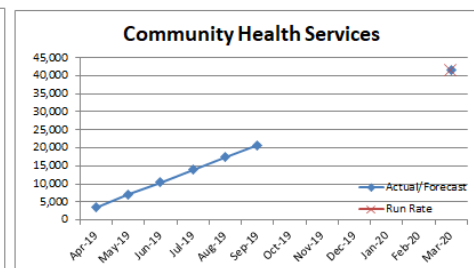
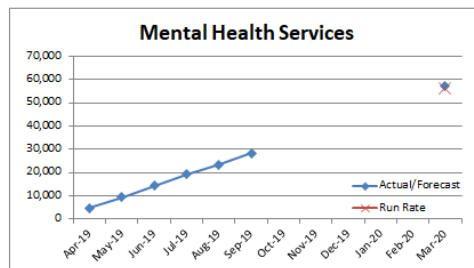
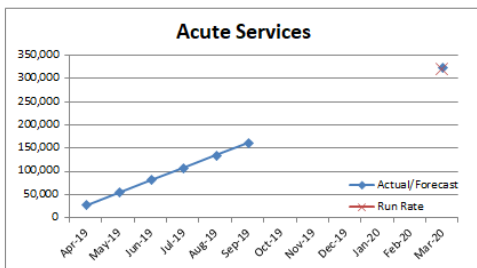


Section C – Run rate charts



Key Points

- Run rate Charts have been created to monitor the trend of actuals against the forecast and to show the actual run rate.





Section D – Revenue Resource Allocation

Confirmed Resource Limit to Current Budget	£'000
Initial Resource Limit	
- Commissioning Costs	549,802
- Running Costs	9,450
Initial Resource Limit	559,252
Special seating and rehab engineering	1
Month 12 IR changes	1
Removed duplication - Special seating and rehab engineering	(1)
Reinstated 13R allocation - Special seating and rehab engineering	1
Remove duplication - Month 12 IR changes	(1)
Excess Treatment Costs - see CCG Bulletin 277; Gateway publications 08385 & 08472	(28)
Latent TB allocations - Q1	32
Diabetes funding Q1	151 ICS
IPS Wave 1 (Year 2) Transformation funding (Q1 & Q2)	81
DWP Employment Advisors in IAPT	321
Improving Access Allocations 19/20 from National Programme	844
Maternity (MT) Funding 19/20. Tranche 1 Frimley	558 ICS
MOCH 2019 Q1 and Q2 - £31,758	32 ICS
RDS2016 2018/19 Q4 2019/20 Q1 claim - GPFV OTHER INITIATIVES	1
East Berkshire End of Life Care funding 19/20	15
SE UEC STP Allocation	144 ICS
2019/20 Armed Forces CCG OOH allocation	17
Returned 1819 funding from Frimley Health as agreed	(750) ICS
Meds Optimisation care home funding Q1 and Q2 - Trf to NEHF CCG	(10) ICS
Meds Optimisation care home funding Q1 and Q2 - Trf to SH CCG	(7) ICS
Qtr 2 LTBI allocations	32
Diabetes funding Q2	151 ICS
LTP Implementation – STP Ageing Well Programme – transforming community care	145 ICS
MH Clinical Standards Review	40
CYP Green Paper Project Initiation Funds	20
Mental Health Support Teams Wave 1 comm '19/20'	59
Diabetes STP Implementation funds Q1 & Q2	25
Flash glucose monitoring Q1	7
Allocation In Year	561,133
2019-20 Primary Care Delegated budget	58,251
2019-20 In-year surplus	1
Allocation in Year, including delegated budgets	619,385

Key Points

- Current resource limit received from NHS England is £619,385
- The running cost allocation is £9,450k. The CCG have applied a QIPP saving of £555k, which reduces the budget to £8,895k. The programme budget increases by the same amount.
- Additional non recurrent allocations have been received for:
 - Diabetes
 - Individual placement scheme (IPS)
 - Employment advisors
 - GP Access
 - Maternity Funding
 - Meds Optimisation in Care Homes (MOCH), ICS funding
 - Urgent and Emergency Care
 - Various Mental Health schemes
- Funding has been returned to NHS England as agreed, £750k.



Section D - Changes to In-Year Expenditure Plan – analysis of budget adjustments Month 6

Month 6 September 2019	Acute Services	Mental Health Services	Community Health Services	Continuing Care Services	Primary Care Services	Other Programme Services	Reserves	Running Costs	In Year Surplus	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Month 5 Plan	323,516	57,064	41,499	38,462	124,029	23,216	2,990	8,895	1	619,673
Month 6 New Allocations										0
LTP Implementation – STP Ageing Well Programme – transforming community care							145			145
MH Clinical Standards Review							40			40
CYP Green Paper Project Initiation Funds							20			20
Mental Health Support Teams Wave 1 comm '19/20'							59			59
Diabetes STP Implementation funds Q1 & Q2							25			25
Flash glucose monitoring Q1							7			7
Diab Transf: DTCS05							151			151
Meds Optimisation care home funding Q1 and Q2							(17)			(17)
Qtr 2 LTBI allocations							32			32
Returned 1819 funding from Frimley Health as agreed							(750)			(750)
Month 6 Budget drawn down from Reserves										
Draw down ageing well funding for STP - SLA exclusions	145						(145)			0
MUCC	11						(11)			0
Draw down EOL Care funding to N&Q						15	(15)			0
Draw down funding for CSU UEC support						23	(23)			0
Draw down balance of Estates budget						219	(219)			0
Month 6 Budget returned to Reserves										
Contract budgets (STW Audit Committee28/6/19) - OOH (EBPC)					(59)		59			0
Month 6 Plan	323,672	57,064	41,499	38,462	123,970	23,473	2,348	8,895	1	619,385
Month 6 Plan vs Month 5 Plan	156	0	0	0	(59)	257	(642)	0	0	(288)



Section E – Treasury Management

Statement of Financial Position as at 30th September 2019

Statement of Financial Position as at:	As at 31st March 19 £000	As at 31st Aug 19 £000	Movement £000	As at 30th Sept £000
30-Sep-19				
Non Current Assets	83	65	(2)	63
Total Non Current Assets	83	65	(2)	63
NHS Receivables - Revenue	3,437	4,416	(3,284)	1,132
NHS Prepayments and Accrued Income	6,094	2,563	(75)	2,488
Non-NHS Receivables - Revenue	468	911	(640)	271
Non-NHS Prepayments and Accrued Income	958	2,471	(1,678)	793
Other Receivables	41	52	(17)	35
Total Trade and Other	10,998	10,413	(5,694)	4,719
Cash	25	1,733	1,919	3,652
Total Assets	11,106	12,211	(3,777)	8,434
NHS Payables - Revenue	(12,105)	(11,552)	2,661	(8,891)
NHS Accruals and Deferred Income	(16,141)	(10,484)	2,182	(8,302)
Non-NHS payables - Revenue	(18,991)	(18,033)	714	(17,319)
Non-NHS payables - Capital	(21)	(21)	0	(21)
Non-NHS Accruals and Deferred Income	(14,847)	(13,121)	(1,319)	(14,440)
Other Payables	(13,615)	(13,802)	1,411	(12,391)
Provisions	(704)	(594)	0	(594)
Total Current Liabilities	(76,424)	(67,607)	5,649	(61,958)
Total non Current Liabilities	0	0	0	0
Total Assets Employed	(65,318)	(55,396)	1,872	(53,524)
General Fund	(65,318)	(55,396)	1,872	(53,524)
Total Taxpayers Equity	(65,318)	(55,396)	1,872	(53,524)

Key Points:

- Current Trade and Other receivables have decreased by £5,694k to £4,719k as a result of London invoices.
- Cash has increased by £1,919k from +£1,733k at the end of August to +£3,652k at the end of September. The actual cash balance at bank was +£5,061k at month end. This was due to timing difference between payment journals being reconciled and posted to the ledger and cash received in the bank account.
- Total Current Liabilities have decreased by £5,649k and now stand at £61,958k as a result of London invoices.

Debtors

Aged Debtors	NHS Debtors		Debtors		Total	
	Value (£000)	Number	Value (£000)	Number	Value (£000)	Number
Less than 31 days (Not Due)	4,999	56	7	26	5,006	82
Between 31 - 60 days	226	6	77	11	303	17
Between 61 - 90 days	367	3	84	6	451	9
Greater than 90 days	483	332	104	99	587	431
Total	6,075	397	272	142	6,347	539

Key Points:

- At the end of month the CCG has debtors totaling £6,347k of which £587k is over 90 days overdue. This balance relates to Brants Bridge £263k, Slough Borough Council £52k, TV priority £65k, Frimley £294k, Other £55k and NHSE credit note (£142k), all of which are still considered to be recoverable.

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
291,345	23,603	314,948	618,518	50.92%

Key Points:

- The CCG processed a cash draw down of £47m in the month. The charge against prescribing stands at £23m giving a total charge year to date of £315m against current cash allocation of £618m for the year.
- At the end of the month the CCG had a bank balance of £5,061k which is 10.7% of cash drawn down for the month and above the 1.25% target as a result of underpayment of BCF by £1.6m, Frimley by £0.7m and other non-NHS invoices by £2.7m than forecasted in the month.



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 31st July	35,810	2,915	1,008	1,166	10,581	51,480
At 31st August	36,306	2,645	1,446	736	10,742	51,875
At 30th September	34,492	1,090	2,008	1,133	11,305	50,028

Aged Creditors - volume	Nos	Nos	Nos	Nos	Nos	Total
At 31st July	794	338	137	101	911	2,672
At 31st August	814	320	195	102	859	2,290
At 30th September	802	245	183	143	934	2,307

Key Points:

- Creditors (unpaid invoices on the system) stand at £50m on 30th September, a decrease of £1.8m from the previous month.
- Creditors over 90 days stand at £11.3m.

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 invoice (YTD) £'000	Number (YTD)	Value of invoice (YTD) £'000	Number (YTD)
Total invoices paid	223,207	2,997	47,090	10,776	270,298	13,773
Total invoices paid within 30 days	222,425	2,795	45,919	10,563	268,343	13,358
% Paid within 30 days	99.65%	93.3%	97.5%	98.0%	99.3%	97.0%
Rating	Green	Amber	Green	Green	Green	Green

The above position relates to the average total performance year to date of invoices paid within a 30 day period, compared to the Department of health target of paying 95% supplier invoices within 30 days.

Key Points:

- Year to date, the CCG is achieving its target of paying NHS invoices by value but volume is below target. This is due to London Trust invoices and credit notes which missed the payment run in April and continue to impact YTD position and the total.
- Payment of non NHS invoices is above target by value and volume YTD.

