

Governing Body (Public) Meeting

DATE: 28th February 2013

Title	Finance and QIPP Report
Recommended action for the Governing Body	<p>That the Governing Body:</p> <p>Discuss and Note the month 9 (December) financial position and the forecast out-turn position detailed in this report, which includes 100% of the likely costs of the continuing healthcare claims and additional funding, resulting in the Care Trust reporting the achievement of the 1% surplus at year end;</p> <p>Note the details of the 2013/14 allocation received and refer to the February financial planning paper for further details;</p> <p>Discuss and Note the key risks and cost pressures identified to achieving the surplus control total in 2012/13 and the management actions being taken to mitigate these risks;</p> <p>Note the revenue and capital resources available to the Care Trust;</p> <p>Note the month 9 forecast performance against the key national finance targets.</p>
Executive Summary	<p>At month 9 (December) the Care Trust is reporting a surplus of £2,392k against a plan of £2,375k. The required 1% surplus of £3,508k has been set aside in reserves. In month 9, it is now being forecast that this will be achieved in 2012/13. The reason for this change in reporting from month 8 is that the Care Trust has now received additional non-recurrent funding to cover the most likely cost of the continuing healthcare claims. This additional resource and the likely provision have both been included in the month 9 position. This is also positive for 2013/14 planning as means that a percentage of the surplus will be returned in the next financial year and hence an increase in the QIPP target will not be required in this respect. However, the increased overspend on the acute contracts continues to be a concern.</p>

	<p>The financial outlook at this point in the year assumes full utilisation of available reserves and contingencies and delivery of the Quality, Innovation, Productivity & Prevention (QIPP) programme as currently forecast. Whilst overall the position is as expected, at month 9 there are risks to the forecast outturn position which are explored in the body of the report.</p> <p>£5,221k QIPP is assessed as being achieved at month 9 against a target of £5,696k. £7,045k forecast QIPP achievement is expected against £7,585k plan – a small deterioration on the performance reported at month 8.</p> <p>Acute over-performance of £4,902k is reported against all acute contracts at month 9. £6,884k cluster assessed acute over-performance forecast outturn, a large deterioration of almost £500k in the month.</p> <p>The CCG has now received its allocation for 2013/14 which is £251,148k plus growth of £5,776k plus a running cost allowance of £5,660k. A balanced financial plan has now been drawn up and submitted to the NHS Commissioning Board and further details can be found in the planning update paper.</p> <p>Concern remains over the achievement of the Better Practice Payment Policy in 2012/13.</p>	
Which objective does this paper support?	<p>Patients: Improve the health and wellbeing of people in Bexley in partnership with our key stakeholders</p>	
	<p>People: Empower our staff to make BCCG the most successful CCG in (south) London</p>	
	<p>Pounds: Delivering on all of our statutory duties and become an effective, efficient and economical organisation</p>	✓
	<p>Process: Commission safe, sustainable and equitable services in line with the operating framework and which improves outcomes and patient experience</p>	
Organisational implications	<p>Key Risks (corporate and/or clinical)</p>	<p>There remains a risk that the liability for the continuing healthcare claims exceeds the predicted likely case scenario included in the financial position. There is also a risk that the acute overspend will continue to increase; both placing achievement of the 1% surplus at risk.</p>

	Equality and Diversity	N/a
	Patient impact	N/a
	Financial	The Care Trust is now predicting that it will achieve the 1% surplus requirement, however this is with additional non-recurrent resource in respect of the continuing healthcare claims.
	Legal Issues	N/a
	NHS constitution	N/a
Consultation (Public, member or other)	N/a	
Audit (Considered / Approved by Other Committees / Groups)	This paper has been presented to the Executive Management Committee. The financial position and QIPP has also been discussed at the Finance Working Group.	
Communications Plan	N/a	
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Date	8 th February 2013	

Financial Performance Update as at Month 9 (December) 2012/13

1. FINANCIAL KEY INDICATORS 2012/2013

Table 1 below sets out the statutory targets, and progress to date, on which the Care Trust will report to the Department of Health, at the year end, in its Annual Accounts and Annual report.

Table 1: Key Indicators 2012/13

	Target	Forecast Outturn	Var	% Var	Indicator M9	Movement from previous
Care Trust Statutory Targets:						
Achieve Financial Balance – Revenue	£3,508k	£3,508k	£0k	0		↑
Remain within Capital Resource Limit	£1,625k	£1,685k	£60k	3.69%		=
Remain within Cash Limit [#]	£366,808k	£366,808k	£0k	0		=
Public Sector Payments Compliance – by value	95%	97.74%		2.74%		↓
Public Sector Payments Compliance – by count	95%	84.45%		(10.55)%		↓

Any predicted cash under-utilisation does not result in a breach of the Care Trust's cash limit.

<u>QIPP</u>	Target	Forecast Outturn	Var	% Var	Indicator M9	Movement from previous
Acute	2,662	1,108	(1,554)	(58)%		=
Primary Care	1,574	1,574	0	0%		=
Client groups	2,096	2,074	(22)	(1)%		=
Other	1,253	2,289	1036	83%		=
Total	7,585	7,045	(540)	(7.0)%		=

KEY:	Significantly Below Target (over 3%)		
	Marginally Below Target (Between 1% and 3%)		
	On or above target or less than 1% below target		
	Reduction in Performance from last period		↓
	Same performance as last period		=
	Improvement from last period		↑

2. HIGHLIGHTS

- Surplus of £2,392k reported at month 9 against a plan of £2,375k.
- The required 1% surplus of £3,508k has been set aside in reserves. In month 9, it is now being forecast that this will be achieved in 2012/13. The reason for this change in reporting from month 8 is that the Care Trust has now received additional financial support to cover the most likely cost of the continuing healthcare claims. This additional resource and the likely provision have both been included in the month 9 position, meaning that the surplus can once again be reported. This is also positive for 2013/14 planning as it will mean that a percentage of the surplus will be returned in the next financial year and hence the QIPP target will not be required to be increased in this respect. However, the increased over spend on the acute contracts continues to be a concern.
- The financial outlook at this point in the year assumes full utilisation of available reserves and contingencies and delivery of the Quality, Innovation, Productivity & Prevention (QIPP) programme as currently forecast. Whilst overall the position is as expected at month 9 there are risks to the forecast out-turn position which are explored in the body of the report.
- £5,221k QIPP assessed as achieved at month 9 against a target of £5,696k. £7,045k forecast QIPP achievement against £7,585k plan – a small deterioration on the performance reported at month 8.
- Acute over-performance of £4,902k reported against all acute contracts at month 9. £6,884k cluster assessed acute over-performance forecast outturn, a large deterioration of almost £500k in the month.
- The CCG has now received its allocation for 2013/14 which is £251,148k plus growth of £5,776k plus a running cost allowance of £5,660k. A balanced financial plan, based on these allocations, has been drawn up and submitted to the NHS Commissioning Board. Further details can be found in the planning update paper presented to the February Governing body.

3. BUDGETS

A summary of the 2012/13 budgets showing the approved opening budgets and any movements to 31st December are shown in table 2 below. The month 9 budgets shown in the table below do not equal the expected Revenue Resource Limit (RRL) shown further on in the report, which is as anticipated at year end. This is because a number of allocations were not agreed until after the ledger had closed and therefore had to be adjusted manually outside of the ledger for inclusion in the FIMS returns.

The resources shown are net of miscellaneous income that the Care Trust receives for the goods/services it provides to other organisations. The resource limit is the allocation that the Care Trust receives from the Department of Health.

During the month there have been three budget changes, one was the release of a reserve to fund the C card scheme for Public Health, one was the anticipated RRL adjustment in respect of continuing care and the final adjustment was an agreed RRL adjustment in respect of pertussis. The detail of these adjustments is included in the next section.

The adjustments made after the ledger closed are as follows:

Continuing care adjustment to value already included (£4700k-£4674k) £26k;
Additional continuing care allocation £887k;
£2 per head £435k;
CCG transition funding £149k;
Redundancies £320k;
Transformation allocation £400k;
Transition allocation £400k;
Transition allocation £387k;
Winter pressures (for the Local Authority) £612k;
Capital to revenue transfer (for capital grants for GP practices) £500k.

The total of these adjustments is £4,116k which when added to the £373,626k gives £377,742k which matches the anticipated RRL used in the section below. These adjustments will be reflected in the ledger in month 10.

Table 2: 2012/13 Budget Summary

Directorate	Cost Centre - Narrative	12/13 Starting Budget	September 2012 - Total	October 2012 - Total	November 2012 - Total	December Budget Changes	December Budget Changes	December Budget Changes	December 2012 - Total
	TOTAL FOR 20 - BSU HEADQUARTERS	10,005,245	10,406,652	10,577,171	10,702,171	-20,000	4,674,000	5,000	15,361,171
	TOTAL FOR 20 - FINANCE, BUSINESS & PERFORMANCE	3,954,235	3,822,574	3,822,574	3,822,574	0	0	0	3,822,574
	TOTAL FOR 23 - COMMISSIONING, REDESIGN & GOVERNANCE	1,924,769	2,057,033	2,257,033	2,257,033	0	0	0	2,257,033
	TOTAL FOR 24 - JOINT COMMISSIONING	3,489,446	3,354,809	3,357,528	3,357,528	0	0	0	3,357,528
	TOTAL FOR 25 - PUBLIC HEALTH & HEALTH IMPROVEMENT	3,826,001	3,903,390	3,868,686	3,868,686	20,000	0	0	3,888,686
	TOTAL FOR 40 - ACUTE SLA	175,023,323	179,010,573	179,010,573	179,010,573	0	0	0	179,010,573
	TOTAL FOR 41 - MENTAL HEALTH	28,811,505	28,823,846	28,823,846	28,823,846	0	0	0	28,823,846
	TOTAL FOR 42 - SPECIALIST BLOCK	14,560,560	14,595,276	14,595,276	14,595,276	0	0	0	14,595,276
	TOTAL FOR 43 - EXCEPTIONAL TREATMENT	2,976,546	2,976,546	2,976,546	2,976,546	0	0	0	2,976,546
	TOTAL FOR 44 - LEARNING DISABILITY	1,645,090	1,640,340	1,640,340	1,640,340	0	0	0	1,640,340
	TOTAL FOR 45 - COMMUNITY	3,260,282	3,272,282	3,272,282	3,272,282	0	0	0	3,272,282
	TOTAL FOR 46 - CONTINUING CARE & NURSING HOMES	7,865,436	7,865,436	7,865,436	7,865,436	0	0	0	7,865,436
	TOTAL FOR 47 - NON-CONTRACT ACTIVITY	2,053,000	2,053,000	2,053,000	2,053,000	0	0	0	2,053,000
	TOTAL FOR 48 - PROVIDER SLA	20,688,716	20,688,716	20,433,182	20,433,182	0	0	0	20,433,182
	TOTAL FOR 49 - PRESCRIBING	31,802,217	31,802,217	31,802,217	31,802,217	0	0	0	31,802,217
	TOTAL FOR 70 - PRIMARY CARE (CLOCKTOWER)	8,703,757	8,703,757	8,703,757	8,703,757	0	0	0	8,703,757
	TOTAL FOR 72 - PRIMARY CARE (FROGNAL)	7,570,502	7,570,502	7,570,502	7,570,502	0	0	0	7,570,502
	TOTAL FOR 74 - PRIMARY CARE (NORTH BEXLEY)	9,451,254	9,451,254	9,451,254	9,451,254	0	0	0	9,451,254
	TOTAL FOR 75 - LBB LOCALITY	2,354,060	2,357,060	2,357,060	2,357,060	0	0	0	2,357,060
	TOTAL FOR 76 - RESERVES	3,338,275	4,159,025	4,159,025	4,159,025	0	0	0	4,159,025
	TOTAL FOR 80 - THIRD SECTOR	470,523	470,523	470,523	470,523	0	0	0	470,523
	TOTAL FOR 81 - DENTAL	8,367,123	8,127,123	8,127,123	8,127,123	0	0	0	8,127,123
	TOTAL FOR 84 - SERVICE REDESIGN	3,942,126	3,707,057	3,707,057	3,707,057	0	0	0	3,707,057
	TOTAL FOR 85 - PHARMACY	5,999,587	5,999,587	5,999,587	5,999,587	0	0	0	5,999,587
	TOTAL FOR 86 - OPTOMETRY	1,920,000	1,920,000	1,920,000	1,920,000	0	0	0	1,920,000
	TOTAL FOR 90 - RESOURCES	-364,003,578	-368,738,578	-368,821,578	-368,946,578	0	-4,674,000	-5,000	-373,625,578

4. REVENUE RESOURCE LIMIT (RRL)

The RRL is the allocation that the Care Trust receives from the Department of Health, and this is the figure that the Care Trust's net spend is measured against when reviewing its achievement of financial balance.

For 2012/13, the anticipated RRL has been included in budgets, as opposed to the actual with anticipated budgets set aside in committed resources. This is in line with other PCTs across South East London.

There was only one change to the confirmed RRL in month 9 – which was for a non recurrent addition to the RRL in respect of pertussis. There were however a number of additions to the anticipated adjustments to the RRL due to the month 9 deadline for the processing of IATs. The adjustments include additional funding for the continuing care claims, the return of the £2 per head monies plus other transition and transformational allocations. The confirmed RRL and the anticipated adjustments to year end are shown in table 3 below:

Table 3: Month 9 (December) and final expected Revenue Resource Limit (RRL)

Cost centre	Month	Description	Allocation
W65631	Initial	DEPARTMENT OF HEALTH - PCT04 AWP	(340,680,712)
W65631	Initial	12/13 growth	(9,539,000)
W65631	Initial	Additional 12/13 reablement	(601,000)
W65631	Initial	Social Care funding	(2,306,000)
W65631	Initial	Primary dental service	(8,152,000)
W65631	Initial	General Ophthalmic service	(1,765,000)
W65631	Initial	Pharmaceutical service	(2,824,000)
		Initial RRL	(365,867,712)
W65631	Mth 2	Drugs funding incl DIP &YP	(1,028,866)
W65631	Mth 2	Cancer drugs fund	561,000
W65631	Mth 2	School fruit scheme	168,000
W65631	Mth 2	HPV funding through RRL	(48,000)
		Mth 2 HPV funding through RRL correction	7,000
		Month 2 RRL	(366,208,578)
W65631	Mth 3	PCT recharges	103,000
W65631	Mth 3	PCT levies	226,000
		Mth 3 Balance of Londonwide activities	(39,000)
		Mth 3 NHS diagnostics refund 11/12 correction	(50,000)
W65631	Mth 3	2% resource transfer to SHA	7,017,000
		Mth 3 2% resource transfer to SHA correction	(1,000)
		Mth 3 Cancer drugs fund adjustment 11/12 correction	(25,000)
		Month 3 RRL	(358,977,578)
W65631	Mth 4+B2	Point of arrest diversion	(58,000)
W65631	Mth 5	Mental capacity act	(43,000)
W65631	Mth 5	2% strategic investment fund:	
W65631	Mth 5	NHSE SEL 12/13 loan	(4,815,000)
W65631	Mth 5	2% N/R return for SLHT Contract	(4,431,000)
W65631	Mth 5	2% N/R return for GSTT transitional costs	(522,000)
W65631	Mth 5	2% N/R return for King's RTT transitional costs	(322,000)
		Month 5 RRL	(369,168,578)
		Month 6 RRL	(369,168,578)
W65631	Mth 7	NCG transfer	2,301,000
W65631	Mth 7	PH / LA transition	(83,000)
		Month 7 RRL	(366,950,578)
W65631	Mth 8	Cancer drugs	(115,000)
W65631	Mth 8	HCAS	(10,000)
		Month 8 RRL	(367,075,578)
W65631	Mnth 9	Pertussis	(5,000)
		Month 9 RRL	(367,080,578)
		Expected Adjustment for Cost of Capital	(98,000)
		Expected Balance of Londonwide activities	39,000
W65631	Expected	Dementia Memory service	(38,000)
W65631	Expected	2011/12 carry forward	(2,245,000)
W65631	Expected	Overseas visitors deduction	212,000
W65631	Expected	Marginal rate deduction	259,000
W65631	Expected	Continuing Care	(4,700,000)
W65631	Expected	£2 per head	(435,000)
W65631	Expected	CCG Transition monies	(149,000)
W65631	Expected	Redundancies	(320,000)
W65631	Expected	Continuing Care	(887,000)
W65631	Expected	Transformational preparation	(400,000)
W65631	Expected	Transition allocation	(400,000)
W65631	Expected	Transitional monies	(387,000)
W65631	Expected	Winter pressures money	(612,000)
W65631	Expected	Cap to rev transfer	(500,000)
		Expected RRL	(377,741,578)
		Month 9 Ledger	(377,743,000)

5. CAPITAL RESOURCE LIMIT (CRL)

The Care Trust has received the expected £1,625k capital funding for 2012/13 in its CRL, there is an additional £60k adjustment expected to cover additional spend on maintenance expected in month 9. It is also expected that there will be a capital to revenue transfer of £500k in respect of the capital grants for GP premises.

Only £130k of expenditure has been reported to date. It is expected that the full allocation will be spent but this will be dependent on timing of works. Refurbishment of the CCG Headquarters has commenced in January.

Table 4 shows details of the original Capital allocation for 2012/13 and that proposed for 2013/14 and 2014/15. It is unlikely that CCGs will own fixed assets and therefore need capital from 1st April 2013.

Table 4: Capital Resource Limit (CRL)

Capital Schemes 2012/13 to 2014/15						
Project name	Capex description	Value £'000	Timing (month)	2012/13 £000's	2013/14 £000's	2014/15 £000's
Bexley Backlog	Backlog Maintenance	500	Feb 2013	500		
Bexley Backlog	Backlog Maintenance	500	Feb 2014		500	
Bexley Backlog	Backlog Maintenance	500	Feb 2015			500
Bexley IT	Primary Care IT rolling hardware replacement	250	Feb 2013	250		
Bexley IT	Single Active Directory	100	Dec 2012	100		
Bexley IT	N3 Infrastructure	100	Dec 2012	100		
Bexley IT	Practice & BSU IT refresh	50	Dec 2012	50		
Bexley IT	Smart/mobile working	25	Dec 2012	25		
Bexley IT	Vision 360 roll out	100	Dec 2012	100		
Bexley IT	Primary Care IT rolling hardware replacement	250	Feb 2014		250	
Bexley IT	Primary Care IT rolling hardware replacement	250	Feb 2015			250
Bexley Practice Improvement Grants	Practice Improvement Grants	500	Feb 2013	500		
Bexley Practice Improvement Grants	Practice Improvement Grants	400	Feb 2014		400	
	TOTAL	3,525		1,625	1,150	750
CRL Requires for LIFT IFRS		0		0	0	0
Asset Disposals		0		0	0	0
Capital Grants for LD Disposals		0		0	0	0
Capital Schemes excl IFRS and Disposals		3,525		1,625	1,150	750
		3,525		1,625	1,150	750
Total Capital Programme						3,525

6. 2012/13 MONTH 9 (DECEMBER) FINANCIAL POSITION

Table 5 summarises the financial position, at Directorate level, for the Care Trust at Month 9 (December).

Table 5: Summary financial position by directorate

Directorate Code	Directorate Description	Annual Budget £000's	In Month Budget £000's	In Month Actual £000's	In Month Variance £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	YTD Variance %	Forecast Outturn £000's	Forecast Variance £000's	Forecast Best Case £000's	Forecast Worst Case £000's
20	BSU Headquarters	19,467	4,571	-4	-4,575	10,954	2,151	-8,803	-80	8,562	-10,905	-10904	-10904
22	Finance, Business & Performance	3,823	319	259	-60	2,866	2,598	-268	-9	3,604	-219	-219	0
23	Community, Redesign & Governance	2,268	186	210	24	1,710	1,835	125	7	2,530	262	262	350
24	Joint Commissioning	3,358	280	278	-1	2,518	2,550	32	1	3,358	0	0	50
25	Public Health & Health Improve	3,889	328	363	35	2,905	2,876	-29	-1	3,834	-55	-55	0
40	Acute SLAs	179,011	15,184	15,737	554	134,258	138,419	4,161	3	184,903	5,892	5352	6500
41	Mental Health	28,824	2,402	2,519	117	21,618	22,296	678	3	29,722	898	898	1000
42	Specialist Block	14,595	1,219	962	-257	10,939	11,158	219	2	14,887	292	274	477
43	Exceptional Treatments	2,977	248	519	271	2,232	2,232	0	0	2,977	0	0	0
44	Learning Disabilities	1,640	136	140	4	1,231	1,230	-1	0	1,640	0	0	0
45	Community	3,272	273	148	-125	2,454	2,375	-80	-3	3,195	-77	-77	0
46	Continuing Care & Nursing Homes	7,865	655	5,362	4,707	5,899	10,632	4,733	80	12,639	4,774	4774	4774
47	Non Contract Activity	2,053	171	296	125	1,540	2,065	525	34	2,753	700	656	714
48	Provider SLA	20,433	1,703	1,703	0	15,325	15,325	0	0	20,433	0	0	0
49	Local Primary Care	31,802	2,650	2,047	-603	23,852	23,218	-634	-3	30,802	-1,000	-1500	-1000
70	Primary Care	25,726	2,144	2,205	61	19,294	19,952	658	3	25,917	191	147	344
75	LBB Locality	2,357	197	71	-125	1,767	1,361	-406	-23	2,357	0	0	0
76	Reserves	4,159	347	-10	-357	3,119	-10	-3,130	-100	0	-4,159	-4159	-4159
80	3rd sector & LBB joint budgets	471	39	39	0	353	353	0	0	471	0	0	0
81	Dental	8,127	677	628	-49	6,095	5,858	-237	-4	7,810	-317	-324	-253
84	Service Redesign / Community	3,707	310	301	-9	2,778	2,932	154	6	4,036	329	329	450
85	Pharmacy	6,000	500	493	-7	4,500	4,434	-66	-1	5,913	-87	-95	-65
86	Optometry	1,920	160	158	-2	1,440	1,420	-20	-1	1,893	-27	-46	-8
90	Resources	-377,743	-35,456	0	35,456	-280,903	0		0	-377,743	0	-500	0
98	Error Suspense	0	0	0	0	0	0	0	-	0	0	0	0
99	Balance Sheet	0	0	-34,426	-34,426	0	-277,257		-	0	0	0	0
	Total	0	-758	0	758	-1,255	0	-2,392		-3,508	-3,508	-5,187	-1,730

At month 9, the year to date position shows a surplus of £2,392k, £17k above the planned figure of £2,375k. The position was reported to NHS London and the Department of Health in the month 9 FIMs key data return and full FIMS return, submitted in line with prescribed deadlines. This key data return is attached at Appendix 1 for information. In month 9 both the Chief Financial Officer and the Chief Officer approved the data submitted, in addition to the NHS South East London Finance Director.

The financial position shows the 2012/13 forecast outturn as £3,508k which is an improvement from the month 8 position due to the receipt of additional funding to cover the cost of the most likely value of the continuing care claims which have now been included in the financial position in full. Achievement of the forecast out-turn position also means that the CCG will carry forward its element of this surplus into 2013/14 which would mean that additional QIPP would not be required as was indicated it may be in the month 8 report.

The acute activity continues to be a cost pressure and puts achievement of the position at risk. However, work is being undertaken to try to reach a year end agreement with the major providers to give both parties security around the final out-turn positions. An update on these negotiations will be included in the next report.

There are currently underspends within some of the corporate and public health budgets which are offsetting the overspend in mental health. The overspends in acute and primary care are offset by contingency, reserves and non-recurrent benefit from the Balance Sheet. The contingency and non-recurrent benefit from the Balance Sheet will be additional cost pressures in 2013/14. The underlying deficit after removing non-recurrent support in 2012/13 is £10.6m.

The large under-spend in CCG headquarters, year to date and forecast outturn, predominantly reflects the £3,508k 1% surplus, set aside and expected as part of financial planning; but also includes the reversal of 2011/12 accruals found not to be needed in the current year (non-recurrent benefit from the Balance Sheet), additional reserves no longer needed, and investments released for 2012/13.

The overspend on mental health continues to be monitored as the position continues to cause concern. All clients are being reviewed as part of the residential review being carried out jointly with Oxleas NHS Foundation Trust to ensure that where possible discharge dates are in place. There have been some delays in clients being moved through the system and this accounts for some of the overspend. This year has also seen a significant increase in the number of forensic beds being required which is unusual. The mental health team are continuing to plan for clients to be discharged or moved on and it is anticipated by the year end that the number of out of borough placements will have reduced as will the number of additional forensic beds being used.

A large QIPP saving is planned within prescribing. This is still forecast to be made, supported by reports received from the Prescription Pricing Authority (PPA). A specific prescribing reserve had been included within financial plans to mitigate against any under-performance or increased costs as a result of the introduction of new NICE approved drugs for anti-coagulation. However, for month 9 this reserve has been played into the forecast position to achieve the required 1% surplus. In addition, an underspend of £1,000k is also being played into the position to reflect a forecast underspend by the PPA. Another

assessment of the likely prescribing outturn will be made again at month 10 (month 8 PPA data), by which time any further impact from the costs of the new anti coagulation drugs will start to be seen.

7. SUMMARY OF MAIN VARIANCES

BSU Headquarters

The year to date position is £8,803k underspent. This includes the £2,631k phased 1% surplus, £300k phased prescribing reserve and £300k phased unused investment (neuro rehab) plus the reserve for the continuing care overspend shown further on in this report; with the balance being the benefit relating to prior year's unused accruals and unused budget reserves.

Finance, Business & Performance

The year to date position shows an underspend of £268k, compared to £208k underspend at month 8. The most notable underspends are in Finance, Estates and IM&T. An expenditure plan for the remainder of the year is now the basis for more robust IM&T accruals. Main points to note are as follows:

- Estates has moved favourably in the month to an underspend of £82k, the main reason for this is due to a £100k lease rent credit posted this month in respect of Lakeside Health Centre. The Oxleas NHS FT security and domestics recharges are expected to overspend by a further £25k between now and year end. A 2011/12 VAT reimbursement has been included in the position.
- The overall IM&T position for December is an under-spend of £47k. This consists of an overspend on the pay budget of £25k due to higher agency costs for two vacancies currently held. The non-pay position more than offsets this, however, and is currently £31k under-spent. There has also been a £40k over-recovery of income up to December due to the increased level of recharging to SLHT and for use of VPN tokens by GP practices. The cost centre is expected to be close to breakeven by year-end.
- The Finance underspend has reduced to £162k. The most notable under-spend is the £89k reduction in provision for bad debts. A further £38k relates to the reduction in financial services provided and billed for by Oxleas NHS FT. There is also £24k in VAT refunds allocated to this cost centre.

Commissioning Redesign and Governance

The Commissioning, Redesign and Governance directorate is £125k overspent as at month 9. A significant overspend in Commissioning, Redesign & QIPP of £249k is offset by favourable variances in Medicines Management £80k and Clinical Leadership £30k. The Directorate is forecast to be £262k overspent at year end which is an improvement since month 8, but reflects the additional project management support in place to support QIPP development.

- The Commissioning, Redesign and QIPP budget is £249k overspent at month 9 due to agency and consultancy fees incurred against vacancies which have required coverage in order to deliver QIPP projects. It is expected that further overspends will occur in this area as QIPP schemes for 2013/14 are developed by additional staff. For month 10 these staff will be separated from this cost centre.
- The Medicines Management underspend can mainly be attributed to: £38k credit from Berkshire PCT, £19k drugs and insulin pump consumables £14k.
- The Community Diabetes LES is now showing a position close to breakeven after the transfer of some historic costs from the main Community Diabetes cost centre.

Joint Commissioning

The directorate overspend has moved to £32k at month 9. This is due to the payment of staff contractor invoices in the contract team. The communications and engagement team have a small overspend at the end of month 9 due to the payment of patient's expenses. The continuing care team has reduced its underspend at month 9 due to the payment of consultancy costs to assist with the review of the continuing health care claims.

The directorate is forecast to break even at year end.

Public Health and Health Improvement

The December position for Public Health and Health Improvement shows an underspend of £29k with an expected favourable forecast outturn variance of £55k. The most notable changes from the previous month are in the HIV/AIDS cost centre.

- The HIV/AIDS cost centre has moved from a £8k underspend at month 8 to £27k underspend due to the reversal of an incorrect accrual.

Acute SLAs

The year to date and forecast year end expenditure position for acute services is set out below. This is based on April-November information, pro-rated to December. Over-performance can be explained by three key factors – under-purchasing due to timing differences between contract baselines being set and year end positions being known, under delivery of QIPP and in year growth. Financial variances reflect expected payments to Trusts and have been adjusted for uncoded estimates, KPIs and Trust challenges. Activity variances are unadjusted.

The year to date positions and forecast contract positions are based on:

- Month 8 flex information from Trusts, including adjustments to month 7 information relating to Trust challenges.
- Assessments of un-coded activity that are not yet included in flex data from trusts.
- Adjustments relating to Trust-led QIPPs and KPIs not reflected in Trust monitoring returns.

- Year-end forecasts are based on a phasing of activity to reflect working days, RTT and elective trajectories and known issues that will impact on a straight line forecast outturn. For month 8/9 reporting the phasing methodology has been reviewed, taking account of both year to date performance trends and historic trends for months 8-12. This has resulted in an increased forecast outturn, particularly for King's, but represents a position that the CSU multi disciplinary team consider better reflects likely year-end outturn. In doing so however risks remain, particularly if 2012/13 winter pressures are higher than those experienced historically.
- An element of elective activity reported within the acute contractual position will be non recurrent due to waiting list backlog clearance, and an assessment of recurrent elective activity required to sustained RTT targets will be made as part of planning processes for 2013/14.
- The Month 9 year to date expenditure position is based on an up-scaling of Month 8 information, adjusted to reflect the above.

The Cluster is co-ordinating commissioner for the four South East London acute provider contracts (SLHT, Lewisham, King's and Guy's).

Table 6: Acute services (over) / underspend

	YTD			Forecast Outturn		
	Plan	Actual	Variance	Plan	FOT	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Commissioning: Acute and Specialist Budgets						
Guys & St Thomas'	20,972	21,982	1,010	27,963	29,576	1,613
Kings	9,427	10,551	1,124	12,892	14,570	1,678
UHL	3,402	3,477	75	4,535	4,635	100
SLHT	67,667	68,601	934	90,223	91,468	1,245
Other Acute Service Agreements	7,145	7,941	796	9,526	10,491	965
London Ambulance	4,892	4,892	0	6,523	6,523	0
St George's	340	386	46	454	515	61
Darenth Valley	18,750	19,035	285	25,000	25,380	380
	132,595	136,865	4,270	177,116	183,158	6,042
Specialist Services Consortia	10,937	11,156	219	14,592	14,884	292
Other Earmarked Acute budgets	3,903	4,316	413	5,204	5,754	550
Sub total - Acute and Specialist Budgets	147,435	152,337	4,902	196,912	203,796	6,884

At month 9, the Care Trust is reporting a £4,902k year to date over-performance on acute contracts including £292k on Specialist contracts. The forecast over-performance is £6,884k, a large increase of £646k from that reported in month 8. South London Healthcare is still reporting in line with the cap figures in the Cap & Collar agreement. The SLHT variance shown in the table also includes £240k over-performance on the patient transport contract. However, this position is understating the true activity position which at month 9 is over-performing by circa £3.5m above the baseline, £2.5m above the cap figures presented. This will present a further cost pressure in 2013/14 unless acute activity can be reduced.

It has been agreed between Bexley, Bromley & Greenwich that a cap will be put in place for SLHT on a local PCT level based on contract size. This position is in line with that

reported in previous months. This will allow certainty around the year end position and allow Bexley to shift some focus on delivering an affordable position on a recurrent basis. A year end control total has also been agreed with University Hospital Lewisham.

Work is also ongoing to try to agree control totals with Guy's and St Thomas', King's and Dartford & Gravesham based on the predicted year end position as this will also give the Care Trust certainty on these contracts.

An explanation of the key areas of over-performance across South East London including mitigating actions is set out below. This information is taken from the cluster finance report prepared for the Joint Board and covers all South East London CCGs. Further details specific to Bexley are within detailed acute contract monitoring reports.

➤ **South London Healthcare NHS Trust**

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
Outpatients	Christian Adams	Outpatient performance in first and follow-up attendances has been significantly influenced by the deductions from the baseline plan in respect of QIPP. Reductions in activity seen in H1 have been partially reversed.	Ongoing
Elective	Christian Adams	<p>The primary driver of over-performance has been additional activity to clear RTT backlogs mainly relating to orthopaedics and bariatrics. During Quarter 1 c£2.7m of non-recurrent additional RTT work was undertaken. Much of this activity took place in Months 1 and 2. In agreement of the Quarter 1 position the Trust agreed to the carrying over of £400k of unspent Access monies from 2011/12 to help fund this activity. This is not reflected in the position represented In this report.</p> <p>Further over-performance has been driven by an increase in demand for Endoscopies and colonoscopies that has arisen due to national bowel cancer awareness campaigns plus an element of under commissioning against trends seen towards the end of 2011/12.</p>	Ongoing
Emergency	Christian Adams	<p>Emergency over-performance is primarily driven by incorrect recording of paediatric assessment unit attendances at QEH. A financial adjustment has been made and is reflected within the Non-Elective point of delivery.</p> <p>Excluding paediatric activity, emergency activity has reduced at Queen Elizabeth Hospital compared to trend (impacting Greenwich and Bexley). There has been slight growth on trend at Princess Royal as a result of emergency catheterisation activity.</p>	Ongoing

➤ Lewisham

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
Emergency	Neil Stevenson	Lewisham Healthcare's emergency over-performance relates specifically to Lewisham CCG. The key drivers of the over-performance are related to excess bed days for stroke care; increased paediatric emergency activity and over-performance due to increased admissions in general medicine and elderly care. Specific issues have been identified and investigated with the Trust as part of joint work to review and manage the contract, and the over-performance particularly in relation to excess bed days, has stabilised over the last three months. A joint Lewisham CCG/LHNT review of agreed Admission Avoidance schemes is underway to ensure schemes are being fully utilised and to draw conclusions for the commissioning of these services in 2013/14. A redesigned COPD care pathway is also demonstrating an impact on emergency admissions and this QIPP scheme is forecast to over deliver against plan – this success will be built on in relation to the rollout of COPD approaches to other key long term conditions in 13/14.	Admission avoidance review completed and conclusions being taken forward as part of 13/14 contract negotiations .
Critical Care	Neil Stevenson	There are three factors affecting critical care performance: a change in case mix, with a higher proportion of patients with two and three organs supported than planned; the discharge of a number of patients who have had excessively long spells in critical care and increased activity linked to emergency activity, with a higher level of acuity. This has been reviewed with the Trust. Given the range of clinical factors which have been adequately explained, no further action, other than on-going review, is planned.	Ongoing review
Direct Access	Neil Stevenson	Drugs and devices are showing significant over-performance against plan, with over-performance focussed almost entirely on Lewisham CCG. The over-performance has been driven by three key factors – a number of high cost complex clinical haematology patients, changes in clinical practice as a result of NICE guidance implementation and the carry forward into 2012/13 of a number of 2011/12 home care drug costs. All costs have been validated and systems put in place to ensure earlier warning and understanding of potential NICE related issues, noting that the cost pressures experienced in this year result from 2010 guidance, which has been implemented in full by LHNT this year.	Ongoing
Overall position		The LHNT performance position differs significantly by CCG, with Lewisham experiencing significant over-performance, and most SEL CCGs underperforming against plan. We do not have a full understanding of the	

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
		<p>reason for the apparent shift in activity from LHNT for these CCGs, although volumes and flows are relatively small for all non Lewisham CCGs, so relatively small shifts in activity can appear significant in percentage terms. A year end agreement has been reached for all SEL PCTs for LHNT, which will stabilise the forecast.</p>	

➤ **Guy's & St Thomas'**

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
Emergency	Paul Munkenbeck	GSTT continues to over-perform against the emergency point of delivery contract plan . Some of this over-performance reflects increased demand in year and some under purchasing form 2011/12, due to an increase in activity at the end of 11/12 that was not adequately captured in the start plan, which was set earlier in the year. A range of actions have been agreed with GSTT related to A&E and emergency care pathways via the Lambeth and Southwark Urgent Care Network plus ongoing implementation of the Integrated Care Pilot and Admission Avoidance Programme. It is anticipated that these actions and redesigned services will have some impact on emergency admissions over the second half of the year, although A&E demand and acuity continue to present performance challenges year to date, in terms of both A&E performance and bed availability.	Ongoing
Outpatients (new)	Paul Munkenbeck	There is significant over-performance against plan, but it is important to note that the local PCTs particularly, made significant reductions to 2011/12 outturn levels of activity to reflect QIPP targets for the year. The contract over-performance does not therefore provide an accurate picture of underlying trends. PCTs continue to implement local QIPP initiatives related to new outpatient referrals, noting that the planned impact of redesign initiatives has not yet been felt. A number of the schemes are back loaded so it is anticipated that the position will improve over the second half of the year, although RTT backlog clearance means that there will be continuing outpatient pressure related to the delivery of RTT targets.	On going
Patient Transport Services (PTS) - within 'other' expenditure.	Paul Munkenbeck	There is significant over-performance against PTS contracts for all CCGs, including non SEL CCGs. A review of PTS services has been undertaken to ensure that there have been no changes to the current PTS access policy. We are assured that no changes have taken place but demand for PTS has increased, including complex journeys, out of hours and with escorts etc. We are working with GSTT to review further the scope for reviewing current policies to manage this area of the contract more effectively.	On going
Overall		In overall terms trends by CCG differ for GSTT, particularly in the more volatile areas such as critical care (where GSTT is under-performing for SEL), drugs and devices and other (cancer, radiotherapy, PTS) expenditure, where there is variable performance across SEL CCGs. In reviewing the performance position it is worth noting that 2012/13 start baselines were less than 2011/12 final	

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
		outturn for most CCGs, and also that GSTT has been undertaking significant additional elective work (across outpatients and admitted patient care) to clear RTT backlogs and reach a sustainable performance position at aggregate level. A year end agreement had been made for Lambeth, Lewisham and Southwark.	

➤ King's

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
Emergency	Rob McCarthy	KCH continues to over-perform against the emergency point of delivery contract plan . A range of actions have been agreed with KCH related to A&E and emergency care pathways via the Lambeth and Southwark Urgent Care Network plus ongoing implementation of the Integrated Care Pilot and Admission Avoidance Programme. It is anticipated that these actions and redesigned services will start to impact on emergency admissions over the second half of the year, though primarily for local CCGs. The KCH specific emergency pressure action plan is reviewed through a Southwark PCT led summit meeting, with Chief Executive representation, on a six weekly basis. The year to date over-performance is also partly driven by under-purchasing compared to final M12 outturn. As part of the KCH winter plan the Trust is planning to open additional CDU and acute capacity over the winter months – this will support delivery of A&E targets and ease current bed pressures. It is clear however that there is an ongoing emergency pressure at KCH due to acuity of patients, overall demand and tertiary transfers.	On-going
Elective	Rob McCarthy	There is significant increasing elective inpatient over-performance. Over-performance is split between non-PBR and PBR. For non-PBR the 2 key drivers are medical oncology and clinical haematology, both have been subject to review over 2012/13 and a clinical meeting is taking place with the objective of drawing some clear conclusions as to the drivers of the increased demand over 2012/13. For PBR the over-performance is spread across a number of specialties and covers outpatients and inpatient elective work. The key driver of the over-performance is associated with referral to treatment waiting times, with over-performance related to the backlog clearance trajectories agreed across KCH, commissioners and NHS London. We expect elective over-performance to continue to year end – KCH has opened an additional 10 short stay surgical	On-going

Key area of over performance	Responsible Director / Manager	Mitigating Action including impact of QIPP	Due Date
		beds in January 2013 and is continuing to outsource work to support the delivery of agreed RTT trajectories by the end of March 2013.	
Critical care, drugs and devices and other expenditure		All three of these points of delivery are over-performing year to date, with over-performance linked to the elective and emergency over-performance. We have completed work to audit overall critical care capacity and activity plus to review all non-PbR drugs expenditure in validating reporting activity. No contractual issues have been identified in these reviews.	On-going
Overall		In overall terms trends for KCH show a significant over-performance across virtually all areas of the contract - the only exception is non-elective admissions. In reviewing the performance position it is worth noting that 2012/13 start baselines were less than 2011/12 final outturn for most CCGs, that KCH has seen a step increase in emergency demand (part related to trauma and stroke activity) that began in winter 2012/12 and has continued and also that the Trust has been undertaking significant additional elective work (across outpatients and admitted patient care) to clear RTT backlogs. We have reviewed our forecast outturn to take due account of both of these trends. A year end agreement has been made for Lambeth, Lewisham and Southwark..	

Specialist Commissioning

Specialist Commissioning reports one month in arrears. At the end of month 8, the activity report for the Care Trust was showing an overspend of £292k . In the finance report, the Care Trust is showing an overspend position at month 9 of £219k in order to reflect the forecast outturn (FOT) position. However, this FOT position includes new areas where the activity has yet to be validated.

Reporting for month 8 is based on year to date activity and finance and in many cases the forecast year end position is indicated to breakeven as many of the contracts are in fact block arrangements. However, where there is reason to believe that a service is likely to over-perform this has been highlighted in order that plans can be put in place to mitigate the financial risk.

This forecast over-performance is mainly driven by SCBU services, Perinatal, Neurosurgery, renal and SLAM eating disorders. The FOT is now, in the main, reflective of the year to date position. However Specialist NCAs and CAMHS Tier 4 are showing large underspends for forecast out-turn. Year to date actual is shown before the application of marginal rates, tolerances or risk sharing arrangements, whilst the forecast outturn position takes account of all three. This is done in order to inform PCTs of their real activity at full cost, as this will inform their risk share percentages in future financial years. The London SCG validates all activity data sent by Trusts to ensure that only correct activity is paid for.

The performance against areas commissioned by the London Specialist Commissioning group is shown in table 7.

Table 7: Specialist Commissioning Performance

Service Description	Activity Currency	'Total YTD Activity	YTD Budget	Total YTD Actuals (£)	YTD Variance (£)	Total Annual Budget	Forecast Outturn AFTER Tol/MR AFTER Risk share	Forecast AFTER Tol/MR AFTER Risk share	Forecast Variance AFTER Risk share
Adult BMI	Transplants	3	646	157	489	968	963	6	
Adult Renal Dialysis and T	Sessions	10,246	3,028	2,989	39	4,541	4,490	51	
AIAU	N/A	-	3	3	-	5	5	-	
Bowel Cancer	N/A	-	106	106	-	159	159	-	
Burns	HRGs	21	63	77	(15)	94	94	-	
	OBDs	4							
Child & Young People BM	Transplants	2	13	107	(95)	19	18	1	
Child & Young People Onc	Oncology HRG Spells	22	17	41	(24)	25	27	(1)	
Cleft Lip & Palate	Patient Treated	47	99	99	-	149	149	-	
DSPD	N/A	-	33	33	(0)	50	50	(0)	
Gender Dysphoria	Appointment	7	10	13	(3)	15	15	-	
Genetics	Outpatient Appointments	718	245	245	-	368	368	-	
Haemophilia	Patients Treated	25	1,011	1,022	(11)	1,516	1,493	23	
Havens	N/A	-	34	34	-	51	51	-	
High Secure Service	N/A	-	136	136	(0)	204	204	(0)	
HIV	Inpatient Spells	8	1,236	1,231	5	1,853	1,838	15	
	New Patients	26							
Major Trauma	N/A	-	172	172	-	258	258	-	
Mental Health for the Dea	OBDs	-	5	4	2	8	8	-	
Neuro Rehabilitation	OBDs	745	258	284	(27)	386	386	-	
Newborn Screening	Tests/Blood Spot Cards	1,746	32	32	-	49	49	-	
NICU	OBDs	873	818	1,001	(183)	1,226	1,276	(49)	
NICU Corporate Cost	N/A	-	-	0	(0)	0		0	
NICU Local Investment	N/A	-	2	2	-	3	3	-	
PICU	OBDs	114	648	385	264	973	1,009	(36)	
Practitioner Health Progra	N/A	-	16	16	-	25	25	-	
SCBU	OBDs	1,167	673	766	(93)	1,010	1,159	(150)	
SCG Management Budget	N/A	-	89	87	2	133	133	-	
Specialised Non Contract	N/A	-	72	12	60	108	28	80	
Specialised Pharmacy	N/A	-	23	23	-	34	34	1	
Specialised Psychotherapy	Appointment	-	-	-	-	-	-	-	
Spinal	Spells	-	176	117	59	264	279	(15)	
Stereotactic Radiosurgery	N/A	-	24	34	(11)	35	35	-	
WFMS	N/A	-	195	195	-	293	293	-	
		15,774	9,882	9,425	457	14,822	14,897	(75)	
Adult Cardiology & Cardia	Register	-	7	-	7	11	-	11	
Adult Vascular	Inpatient Spells	-	-	-	-				
	Drugs	-	-	-	-				
CAMHS Tier 4	OBDs/DC/ Appts	-	95	11	84	190	22	168	
CAMHS Tier 4 - NCA	OBDs/DC/ Appts	-	-	-	-				
Complex Spinal Surgery	Sessions	-	-	-	-				
	TBC	-	-	-	-				
Cystic Fibrosis	Register	-	28	38	(11)	42	42	-	
Eating Disorders	TBC	-	22	178	(156)	33	274	(242)	
Eating Disorders - NCA	TBC	-	-	-	-				
Forensic Secure MH	Sessions	-	-	-	-				
	TBC	-	210	210	-	629	629	-	
Haemoglobinopathy	Drugs	-	-	-	-				
Haemoglobinopathy Drug	TBC	-	-	-	-				
HIV Inpatient Care	Inpatient Spells	-	-	-	-				
Immunology (IVIg)	Drugs	-	42	45	(3)	63	68	(4)	
Kidney Transplantation	Sessions	-	33	6	27	50	9	40	
Neurosurgery	Sessions	4	-	24	(24)		36	(36)	
Perinatal MH	Sessions	138	-	79	(79)		118	(118)	
Renal Replacement Thera	Sessions	4	-	24	(24)		36	(36)	
		146	437	615	(178)	1,017	1,234	(217)	
		15,920	10,318	10,039	279	15,839	16,131	(292)	

Mental Health

The month 9 position for Mental Health shows an overspend of £678k, a further deterioration in the month; the year-end forecast is £898k. The two most significant areas of overspend are as follows:

- Oxleas Mental Health £512k overspent at month 9, year-end forecast overspend of £677k.

This can be attributed to clients admitted to the Bracton Unit. Three patients have an estimated discharge date of December 2012 and two with discharge dates at the end of March 2013, reducing the number of beds from 13 to the contracted 8 beds by year end. This has been reflected in the forecast outturn.

- Adult Cost Per Case – £289k overspent at month 9 which is an improvement due to the discharge of one patient. This has been reflected in the slightly improved year-end forecast.

The above variances are partially offset by underspends against CAHMS cost per case £49k and Aspergers £37k.

Exceptional Treatments

Exceptional treatments is now forecast to break even at the year end which is a deterioration in the previously reported position due to an invoice from SLHT which had previously not been accrued. The acute contract team will ensure that these items are accrued for in the future.

Continuing Care & Nursing Homes

Continuing Care has a large movement in month to a £4,733k overspend due to the inclusion of the most likely costs of the claims received to date. There is a provision for the sum of £4,674k in the corporate line and this will be matched off in month 10 to remove the overspend. The forecast out-turn position is expected to be £4,774k overspent.

Continuing Care Claims

As the impact of the 274 continuing care claims is so critical to the Care Trust's financial position, the finance department are working closely with the continuing care team to try to assess the potential financial liability. Updates are provided on a regular basis and the following table is constructed to show the best, worst and most likely cases for the various categories of case. This table was completed with data provided on 4th January 2013.

	Current position	No of cases	Worst	Best	Likely	Worst No. of Cases	Best No. of cases	Likely No. of cases	Average no. of weeks (Worst Case)	Average no. of weeks (Best Case)	Average no. of weeks (likely Case)	Price per week	Total spend (Worst Case) £'000	Average no. of weeks (Best Case) £'000	Average no. of weeks (likely Case) £'000
1	Cases where questionnaires/consent forms received awaiting screening	57	50%	15%	30%	29	9	17	145	73	73	1,000	4,140	621	1,242
2	Questionnaires sent out await response - reminders sent	58	50%	10%	30%	29	6	17	141	71	71	1,000	4,099	410	1,230
3	Questionnaires sent out await response - reminders sent - initial costings available	93	50%	10%	30%	47	9	28	137	69	69	1,000	6,389	639	1,917
4	Cases closed / resolved	34	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Cases screened out - could now use complaints procedure / ombudsman	13	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Screening completed - full review needed	9	100%	50%	75%	9	5	7	32	16	22	1,000	284	71	149
7	Cases being led by other PCTs	10	50%	10%	30%	5	1	3	152	15	46	1,000	760	15	137
	Total	274				118	29	72					15,671	1,756	4,674

This shows that the most likely impact of the claims received is £4,674k, in order to arrive at the potential liability figures, percentages have been assigned to the likelihood of them coming to fruition. Going forward we have made a decision to ensure that a percentage of the claims going to the ombudsman are included in case a decision is made against the organisation. The other variable in the calculation is the number of weeks that it is expected would be paid, for many cases this is not known at this stage in the process. An average of the number of weeks, where this is known, has been used in this case. These numbers will continue to be regularly refined but are the best estimates available at present. It will also be necessary to make a further provision for the cases relating to 01/04/2011 to 31/03/2012 which are due to be submitted to PCTs by 31/03/2013. The Care Trust has a further additional allocation of £887k to offset against this if required. A judgement will be made in the final accounts for this. Other PCTs are undertaking similar calculations to arrive at their potential liabilities. NHS London has requested estimates of the Care Trust's liability and will continue to do so over the coming months.

Provider SLA

This cost centre is at breakeven at month 9 and following a review of the stroke pilot budget and risk this is now also forecast to breakeven at year end.

Local Primary Care

Re-evaluation of the use of anti-coagulation drugs and the PPA forecast outturn position for prescribing has enabled a revision to be made of the prescribing forecast outturn position from £500k underspend to an underspend of £1,000k. A further review of the PPA forecast will be made next month in order to assess the outturn position.

Primary Care

The overall primary care position for Bexley excluding practice prescribing is an underspend of £72k (0.22%) to the end of December 2012 (Month 9) and an estimated forecast outturn underspend of £240k (0.54%). Details are shown in table 8 over the page.

The year to date position to end of December 2012 is an overspend of £252k (1.19%).

The commentary below covers the main drivers within Medical Services.

- **PMS – Annual Budget £22,994k, forecast outturn £394k Overspend**

The year to date position to the end of December is an overspend of £384k (2.23%). The main driver of this position is due to 2011/12 QOF Achievement.

- **GMS – Annual Budget £2,380k, forecast outturn £157k Overspend**

The year to date position to the end of December is an overspend of £137k (7.68%). The main driver of this position is due to 2011/12 QOF Achievement.

- **APMS – Annual Budget £500k, forecast outturn £33k Overspend**

The year to date variance to the end of December is showing an overspend of £25k (6.61%). The main driver of this position is due to 2011/12 QOF Achievement.

- **Enhanced Services**

Monthly reporting has been adapted to show the value of the LESs and NESs within the GP Contracts to identify those budgets expected to move to other emerging organisations i.e. CCG/Public Health. The total annual budget identified within the PMS, GMS and APMS contracts are £234k.

The release of the enhanced services' year end creditor balance in month 9 has led to a significant swing of £107k from month 8 which has led to an improvement in the position and reduced the FOT overspend.

- **Out of Hours- Annual Budget £1,238k, forecast outturn £13k Underspend**

The annual Grabadoc SLA value being invoiced is £1,225k compared to an annual budget of £1,238k; resulting in an under-spend of £13k. At month 9 there is an under-spend of £10k (1.04%).

- **LBB Locality Report – Annual Budget £971k, forecast outturn £380k Underspend**

The year to date position to the end of December is an underspend of £285k (39.11%). The main drivers of this position are described below.

50% of a prior year accrual of £375k is being released on a pro-rata basis with a benefit of £129k being released into the month 9 position. The accrual being released has been reduced by half since M5 as the likelihood of paying this invoice has increased.

The annual KPCA SLA value being invoiced is £215k compared to an annual budget of £254k; resulting in an under-spend of £39k. Additional expenditure outside of SLA of £2k is included in the position. At month 9 there is an underspend of £27k (14.34%).

- **Dental Services – Annual Budget £8,127k, forecast outturn £317k Underspend**

The year to date position to the end of December is an underspend of 237k (3.90%).

The main drivers of this position are:

- Vocational Dental Performers – the funding stream for VDPs changed from February 2012. Previously an in-year non-recurring allocation was informed through IATs; from February 2012 PCTs were instructed to invoice NHS London directly for funding as advised by the London Deanery. From December 2012 direction from NHS London is for invoicing for all six PCTs is to be actioned centrally by Lambeth PCT. The shortfall at M9 is £13k, with projected outturn of £18k overspend. This has decreased from month 8 due to additional VDP funding for quarter 3 being received in month.
- The 2011/12 Dental AccessFunding has a balance remaining in 2012/13 of £260k, £71k of this has been released into the month 9 position.
- Patient Charge Revenue (PCR) year to date is over achieving compared to budget. The current over achievement is £1,717k compared to £1,542k budgeted; with £175k being shown in month 9 and forecast outturn at £233k. This figure includes the PCR time-lag accrual explained in further detail below.

- **Pharmacy – Annual Budget £6,000k, forecast outturn £87k Underspend**

The year to date position to the end of December is an underspend of £66k (1.47%).

The month 9 position has been arrived at using actual data for April 2012 to September 2012 and accrued expenditure for October 2012 to December 2012 based on January 2012 to September 2012 actual data received from the PPA.

The forecast outturn is projected as £87k underspend. With the non-recurrent release of 2011/12 year end creditors removed this position would have been £11k overspent.

- **Optometry – Annual Budget £1,920k, forecast outturn £27k Underspend**

Optometry is currently showing an underspend of £20k (1.42%).

Information received by KPCA has been used to determine the month 9 position based on actual payments to November 2012 with expenditure for December 2012 accrued on the cumulative actual.

The forecast outturn has been calculated on a straight line basis, with a range of -/+1% to cover Best and Worst Case scenarios.

- **Service Redesign / Community**

This Directorate has an adverse variance of £154k for the year to December and is forecast to be £329k overspent at year end. The GP Anti-coagulation budget overspend has increased to £172k (forecast outturn £215k) for the year to date and is offset by a number of smaller underspends, most notably Community Dermatology and Minor Oral Surgery. The GP Anti-Coagulation overspend increased by a further £31k during November. Minor Oral Surgery is now showing a £21k favourable variance. The Community Dermatology underspend has increased by £12k to £44k for the year to December.

The Community Physiotherapy position is £59k overspent as at month 9, a reduction of £10k. This is due to historic contracts that were not in the budget for 2012/13. Following further analysis the forecast outturn is estimated at £114k.

Table 8: Primary Care position detail

Description	Annual Budget £000's	YTD Budget £000's	Actual Expenditure before Manual £000's	Month End Manual Accruals £000's	YTD Actual Expenditure £000's	YTD Variance £000's	Forecast Outturn			Forecast Variance		
							Best Case	Likely Case	Worst Case	Best Case	Likely Case	Worst Case
							£000's	£000's	£000's	£000's	£000's	£000's
PMS (Excluding NES & LES)	22,781	17,085	15,902	1,571	17,473	(388)	23,135	23,180	23,295	(354)	(399)	(515)
GMS (Excluding NES & LES)	2,363	1,772	1,848	62	1,910	(137)	2,521	2,521	2,521	(158)	(158)	(158)
APMS (Excluding NES & LES)	497	373	375	22	397	(25)	529	529	529	(33)	(33)	(33)
Out of Hours	1,238	928	908	10	919	10	1,225	1,225	1,225	13	13	13
LBB Locality Report	971	728	(519)	962	443	285	591	591	628	380	380	343
NES & LES (To be transferred to BSU)	234	175	132	39	171	4	229	229	229	5	5	5
Subtotal: Primary Medical Services	28,083	21,062	18,647	2,666	21,313	(252)	28,229	28,274	28,427	(147)	(191)	(344)
Dental	8,127	6,095	5,802	56	5,858	237	7,803	7,811	7,874	324	317	253
Pharmacy	6,000	4,500	2,836	1,598	4,434	66	5,905	5,912	5,935	95	87	65
Optometry	1,920	1,440	1,229	191	1,420	20	1,874	1,893	1,912	46	27	8
Total: Primary Care Services	44,129	33,097	28,514	4,510	33,024	72	43,811	43,889	44,147	318	240	(18)

8. CCG Allocations

From 1st April 2013, Bexley Care Trust's responsibilities will be primarily transferred to Bexley Clinical Commissioning Group, with other areas being transferred to the National Commissioning Board, the Local Authority, Public Health England and others. Further to the baselining exercises which were carried out in the summer of 2012, the CCG received its 2013/14 allocation just before Christmas. The allocation was made up as follows:

Initial programme allocation	£251,148k
Inflation/growth	£ 5,776k
Running costs	£ 5,660k
Total resource	£262,584k

The programme allocation plus inflation cannot be used to fund any over-spend in running costs, however, any underspend in the running cost allowance may be used to fund the programme costs of the CCG.

A balanced financial plan for 2013/14 has been compiled and submitted to the NHS Commissioning Board in line with the required timetable. Further detail of the financial plan can be found in the financial planning update paper presented to the February Governing body.

9. RISKS

Despite now returning to forecasting the achievement of the planned 1% surplus, it should be noted that there are still a number of risks to the achievement of this position. The main risks and the potential impact on the financial achievement are shown in table 9.



These risks are continually reviewed and adjusted and the impact on the financial position monitored as they crystallise or circumstances become clearer. The most likely case position is as shown in the reported forecast outturn income & expenditure position.





Table 9: Best, Most likely, worst case risks

	2012/13 Best case £m	2012/13 Most likely £m	2012/13 Worst case £m	Notes	How they are being managed	RAG rating
Opening (deficit)/surplus after final budgets (with the exception of final acute SLAs)	(9.4)	(9.4)	(9.4)			
RAG rated QIPP included in plans	7.6	7.6	7.6			
Opening underlying (deficit)/surplus after final budgets (with the exception of final acute SLAs) after QIPP	(1.8)	(1.8)	(1.8)			
Return of 2% N/R for Guy's transitional funding	0.5	0.5	0.5	Expected return to cover transitional Guy's SLA costs		
Financial Support	4.8	4.8	4.8	Agreed financial support		
Opening (deficit)/surplus after final budgets (with the exception of final acute SLAs) after QIPP and financial support	3.5	3.5	3.5			
Further risk / expected movements						
Increase expected for SLHT cap & collar SLA	(1.0)	(1.0)	(1.0)		Cap & Collar split now agreed across BBG	
Unplanned reductions to RRL (best case based on known)	0.0	0.0	0.0	This is now considered to be very unlikely at this time in the financial year	Constant review of RRL. Can be covered by 0.5% contingency & small other reserves.	
Acute over-performance (excl SLHT cap & collar) / QIPP under-performance - calculated by cluster colleagues	(5.3)	(5.9)	(6.7)		Constant review and update of position. Most likely case can be covered by contingency and small other reserves. CCG working with GPs to reduce referrals and use of PMC to triage.	
Transition costs	0.0	(0.5)	(0.5)			
Increased continuing care and retrospective reviews	(4.8)	(4.8)	(4.8)		Monthly review of CHC position. Rigorous review of all cases in place. Can be covered from 0.5% contingency & small other reserves. 268 cases received - now a national concern. Could take upto 12 months to review. Financial estimates still unknown. However, numbers now reflect agreed month 8 position with NHS SEL.	
Underspend on primary care	0.3	0.2	0.0		Includes forecast overperformance on QOF and practice back-dated claims	
Underspend on prescribing	1.5	1.0	1.0			
Overspends on other BSU directorates including mental health	(1.1)	(0.6)	(1.4)		Most likely includes £0.9m overspend on mental health and £0.2m stroke	
(Deficit) / surplus after risks before reserves	(6.9)	(8.1)	(9.9)			
SLA reserve	2.4	2.4	2.4			
0.5% contingency	1.8	1.8	1.8			
Budget reserve	1.5	1.5	1.5			
Prescribing reserve	0.4	0.4	0.4			
Unused investments	0.8	0.8	0.8		Neuro Rehab - on line 13/14	
GP £2 per head	0.5	0.0	0.0			
Other 2% N/R	4.7	4.7	4.7			
Final (Deficit)/surplus after risks & reserves	5.2	3.5	1.7			

The amount included for projected acute over-performance is as provided by cluster colleagues. A summary of acute sector risks, start and in-year mitigation and an associated risk rating is set out in table 10, which is taken from the cluster finance report for the joint Board. Where the risk is differential across providers, this has also been set out. This risk assessment will be updated as the year progresses. Further details are provided in monthly acute contract monitoring reports.

Table 10: Acute risk assessment assumptions

Risk	Description of risk	Start Year Mitigation	In year mitigation	RAG Status
Activity & Population & Incidence Growth	Acute start contracts have predominantly been based on 2011/12 forecast outturn. This presents two risks: 1. under-purchasing where there is a difference between forecast and actual outturn. 2. in year population & incidence growth.	GSTT - adjustment and additional investment for RTT and associated activity, contract based on M6 FOT, which was below final outturn.	Monthly robust review and challenge process; use of remaining population & incidence reserves to fund activity growth above contracted levels: forecasting review undertaken and completed for month 7/8 reporting. Detailed analysis of reserves and outturn forecasts are being concluded for month 9 reporting.	
		King's - contract based on M8 forecast outturn, no start contract provision for RTT backlog as diagnostic not completed at point of contracts being signed. Start contract inadequately reflected increased emergency admissions trends which have continued in to 2012/13.		
		LHNT – demographics built in to the start contract but high year end outturn has offset some of this growth so start contract values are now only slightly above year end outturn.		
		SLHT – contract based on M7 FOT		
Delivery of national waiting times targets	Start contracts include commitments to deliver national waiting times targets.	GSTT - start contract includes additional activity to meet jointly assessed required activity to meet 18 weeks targets for admitted patient care.	Detailed monitoring and assessment of RTT performance completed on a monthly basis. RTT bids against the 2% non-recurrent fund have been approved.	
		King's - assessment of costs associated with backlog clearance complete and business case to access 2% non-recurrent funds approved		
		LHNT - start contract volumes and values are considered sufficient to sustain RTT targets		
		SLHT – start contract based on M7 forecast		

Risk	Description of risk	Start Year Mitigation	In year mitigation	RAG Status
		outturn is considered sufficient to deliver and sustain RTT requirements, noting two specialities will breach targets until September 2012.		
QIPP Delivery	Start contracts include deductions from forecast outturn to reflect QIPP initiatives	Contracts include terms in respect of the delivery of Trust led KPIs thereby guaranteeing an element of QIPP delivery.	For CCG led initiatives, pre-risk assessed QIPPs have been removed from contracts and risk reserves set aside for the difference between pre-and-post risk assessed QIPPs thereby providing some mitigation against under-delivery.	
Price/ Case-mix pressures	Start contracts include an assessment of forecast outturn using new 2012/13 tariffs. However 2011/12 saw an increase in case mix complexity over planned activity levels.	Start contracts are based on an agreed application of 2012/13 tariffs and HRG groupers.	Proactive approach to management of key risk areas in 2012/13 including use of best practice and post-discharge tariffs. HRG A&E audit planned for 2012/13 for KCH. Action to address emergency admissions trends through QIPP/service redesign initiatives, noting increased acuity of admissions.	
Emergency Readmissions	Emergency readmissions rules have changed for 2012/13 resulting in a likely reduction in savings to commissioners and shortfalls where 11/12 plans have been rolled over into 2012/13.	Commitment sought from providers to continue to fund agreed alternative schemes for local CCGs/BSUs in 2012/13.	Audits of emergency readmissions completed for all local providers in line with national PbR guidance and agreements reached for 12/13 in relation to investment in alternative schemes.	
In year changes and developments	In year changes may present financial risk - key changes relate to newly licensed drugs, some of which are not included in start contracts.	A robust service development process was applied for start contracts limiting some of the impact of new developments.	Robust negotiation and agreement with providers for the managed entry of new drugs including maximising the use of drug trials and use of the Cancer Drugs Fund. Key risk is associated with new NICE drugs for hepatitis C – implementation plan for phased transfer of patients to new drug regimens agreed with GST/KCH, thus minimising cost pressure to CCGs. pressure for CCGs/BSUs.	

Care Trust officers continue to review all budgets and commitments with a view to finding additional resources and QIPP for 2012/13.

10. 2012/13 QIPP / SAVINGS PLANS

The 2012/13 identified QIPP schemes total £8,165k with a risk assessed value of £7,585k. The schemes have been summarised into four broad areas for the purpose of monitoring locally, these being Central Acute, Local Acute, Cost Improvement programmes (CIPs) & Local Redesign.

The identified CIPs were removed from budgets for the start of the financial year.

Mental health and community provider savings were agreed with Oxleas during contract negotiations.

£5,221k QIPP is assessed as being achieved at month 9 against a target of £5,696k (92%). At month 9 £7,045k forecast QIPP achievement is expected against £7,585k plan, an achievement of 93%, resulting in a year end forecast shortfall of £540k. No additional CIPs were delivered in month 9, however the additional CIPS to date continue to largely offset the under-achievement in other QIPP schemes, especially the acute schemes.

The main reasons for the forecast shortfall of £540k are as follows:

Under-delivery of QIPP on non-elective etc	£ 564k
Non-achievement of Elmstead Unit reduction	£ 190k
Non-achievement of reduction in outpatient referrals	£ 674k
Non-achievement of the reduction in pathology tests	£ 120k
Overachievement of CIPs	£(1086k)

Table 11 below shows QIPP achieved to month 9 and forecast outturn against plan. The grouping shown in this table corresponds to financial reporting as opposed to the four categories outlined above.

Table 11: QIPP plan and achievement

	2012/13 Planned QIPP Savings	Year to Date Planned QIPP Savings	Actual Position at Month 9	Variance at Month 9	% variance at Month 9	Forecast Year End Variance	% variance of Forecast
	£000's	£000's	£000's	£000's	%	£000's	%
Acute	2,662	2,004	851	(1,153)	-58%	(1,554)	-58%
Primary Care	1,574	1,180	1,180	0	0%	0	0%
Client Groups	2,096	1,572	1,558	(14)	-1%	(22)	-1%
Other	1,253	940	1,632	692	74%	1,036	83%
Total	7,585	5,696	5,221	(475)	-8%	(540)	-7%

The Care Trust reports performance on QIPP internally to the Finance Working Group and the Executive Management Committee. Star Chamber meetings have been

introduced with the Chief Officer where schemes which are significantly off track and/or there is concern regarding delivery can be discussed and reviewed. In addition, monitoring is collected by the cluster to include in Financial Information Monitoring forms (FIMs) submitted to NHS London and the Department of Health, and reviewed at bi-monthly stocktake meetings.

11. FINANCIAL MANAGEMENT

Better Payment Practice Code (BPPC)

Target

One of the Care Trust's national targets is to ensure that at least 95% of NHS and non-NHS trade creditors are paid within 30 days of receipt of the invoice. Performance against this target is regularly reported to NHS London, and the annual cumulative figure for the year is published in the Annual Accounts and Annual Report.

Table 12 Better Practice Payment Code (BPPC) performance

		NHS	NHS	NON-NHS	NON-NHS	COMBINED	COMBINED
	Target	By Value	By Count	By Value	By Count	By Value	By Count
	%	%	%	%	%	%	%
April	95.00	98.15	86.54	85.60	82.39	96.94	83.96
May	95.00	98.36	88.45	87.52	86.59	97.31	87.16
June	95.00	97.18	84.12	82.10	90.65	96.28	88.36
July	95.00	98.25	85.19	84.30	81.77	96.42	82.76
August	95.00	98.42	84.69	86.02	81.85	96.97	82.76
September	95.00	98.71	88.00	87.59	83.34	97.50	84.80
October	95.00	98.80	88.06	89.17	84.03	97.46	85.30
November	95.00	98.91	86.99	89.04	83.44	97.92	85.01
December	95.00	98.70	86.76	88.79	83.21	97.74	84.45

Combined NHS and Non-NHS performance by count to the end of December remains significantly below the 95% target at 84.45%, and has in fact deteriorated again slightly in month. By value the combined performance is achieving the 95% at 97.74%, which is a small deterioration in the month. This target remains of concern and budget holders are constantly being asked to approve invoices in a timely manner. However there is still concern at the speed with which invoices are being processed by SBS.

Cash Management

Cash Limit

The Care Trust's cash limit for month 9 remained at £366.8m. As a result of significant provisions for continuing healthcare, work is being undertaken by the CSU financial Accounts function to determine whether or not cash for all South East London PCTs should be returned in 2012/13. The implications for 2013/14 are yet to be resolved.

Cash Drawings

Table 13 below shows the year to date cash drawings to Month 9 compared to the planned drawings for the same period. The cash plan anticipates the cash limit at the end of 2012/13 as opposed to the amount confirmed stated above, which at the moment are equal.

Table 13 Planned and actual cash drawings

	Actual Cash Drawings 2012/13	Planned Cash Drawings	Cumulative Actual Cash Drawings	Cumulative Planned Cash Drawings	Cash Balance
	£m	£m	£m	£m	£m
April	28.945	28.945	28.945	28.945	2.295
May	28.553	28.553	57.498	57.498	4.591
June	28.597	28.597	86.095	86.095	0.151
July	27.642	27.642	113.737	113.737	0.040
August	32.727	32.727	146.464	146.464	0.052
September	33.349	33.349	179.813	179.813	0.109
October	35.656	31.570	215.469	211.383	0.013
November	33.498	33.700	248.967	245.083	0.106
December	32.600	32.700	281.567	277.783	0.264
January		29.675	281.567	307.458	
February		29.675	281.567	337.133	
March		29.675	281.567	366.808	
Total	281.567	366.808		366.808	

The month end cash balance has generally remained low from June onwards in accordance with best practice guidance, although it was slightly higher than planned at the end of December.

Debtors and Income Collection

Table 14: Aged Debtors Position

	Position as at 30 April 2012	Position as at 31 May 2012	Position as at 30 June 2012	Position as at 31 July 2012	Position as at 31 August 2012	Position as at 30 Sept 2012	Position as at 31 Oct 2012	Position as at 30 Nov 2012	Position as at 31 Dec 2012
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Under 1 Month	0.036	1.418	0.320	0.211	0.229	0.500	1.230	0.278	0.169
1-2 Months	0.476	0.012	0.518	0.858	0.157	0.093	0.017	0.360	0.009
2-3 Months	0.042	0.371	0.379	0.051	0.171	0.112	0.030	0.041	0.340
Over 3 Months	0.283	0.307	0.307	0.583	0.643	0.613	0.319	0.312	0.347
Total	0.837	2.108	1.524	1.703	1.200	0.818	1.596	0.991	0.865

The total value of aged debtors has decreased since last month which has been due to increased activity locally and at the Cluster in order to reduce the level of debt prior to the winding down of the organisation. There has however been an increase in the levels of debt over 3 months old and this will be reviewed again as part of the wider process which is in place. Generally, the position will continue to be monitored to ensure that income is collected in a timely manner.

Statement of Financial Position

The month 9 Statement of Financial Position is presented in table 15 below for information. It is shown in the format required under International Financial Reporting Standards (IFRS). This is updated on a quarterly basis as part of the FIMS collection.

Table 15: Statement of Financial Position December 2012

	30/12/2012	31/03/2013	13/03/2012
	£'000	£'000	£'000
NON-CURRENT ASSETS:			
Property, Plant and Equipment	17,232	19,431	17,717
Intangible Assets			0
Other Financial Assets	289	165	158
Trade and Other Receivables	155		151
TOTAL Non Current Assets	17,676	19,596	18,026
CURRENT ASSETS:			
Trade and Other Receivables	13,951	2,990	6,018
Other Financial Assets			0
Cash and Cash Equivalents	265	75	1
Total Current Assets	14,216	3,065	6,019
TOTAL ASSETS	31,892	22,661	24,045
CURRENT LIABILITIES			
Trade and Other Payables	(21,479)	(20,325)	(22,182)
Provisions	(137)	(290)	(145)
Borrowings	(163)	(163)	(134)
Total Current Liabilities	(21,779)	(20,778)	(22,461)
NET CURRENT ASSETS/(LIABILITIES)	(7,563)	(17,713)	(16,442)
TOTAL ASSETS LESS CURRENT LIABILITIES	10,113	1,883	1,584
NON-CURRENT LIABILITIES:			
Trade and Other Payables	0	0	0
Provisions	(4,687)	0	(338)
Borrowings	(4,342)	(4,146)	(4,473)
Total Non-Current Liabilities	(9,029)	(4,146)	(4,811)
ASSETS LESS LIABILITIES	1,084	(2,263)	(3,227)
TAXPAYERS EQUITY			
General Fund	(4,224)	(6,713)	(8,535)
Revaluation Reserve	5,308	4,450	5,308
Total	1,084	(2,263)	(3,227)

12. RECOMMENDATIONS

Members are asked to:

- **DISCUSS & NOTE** the Month 9 (December) financial position and forecast outturn detailed in this report, which includes 100% of the likely cost of the continuing care claims and additional funding, resulting in the Care Trust reporting the achievement of the 1% surplus at year end;
- **NOTE** the details of the 2013/14 allocation received and refer to the financial planning update paper for further details;
- **DISCUSS & NOTE** the key risks and cost pressures identified to achieving the surplus control total in 2012/13 and the management actions being taken to address and mitigate these risks;
- **NOTE** the revenue and capital resources available to the Care Trust;
- **NOTE** the month 9 forecast performance against the key national finance targets.

NHS London Monthly Financial Returns

Collection:	Monthly Key Data
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Month:	9
Organisation Passcode:	wa96o5
Completed by:	Julie Witherall
Date:	16 January 2013

Business Year & Period:	2012/13 P09
Organisation Code:	TAK
Organisation Type:	P
Organisation Name:	Bexley Care Trust
Organisation SHA Code:	Q36
Return E-mail Address:	finance@london.nhs.uk

Signed Off by:	Sarah Blow
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Summary

Bexley Care Trust

Month 9

	£000's	% of Planned Revenue
2012/13 Planned Revenue	366,761	
2011/12 Surplus/(Deficit)	2,274	
2012/13 Surplus/(Deficit)	-	
YTD Planned Surplus/(Deficit)	2,375	0.65%
YTD Actual Surplus/(Deficit)	2,392	0.65%
YTD Variance	17	0.00%
2012/13 Planned Surplus/(Deficit)	3,508	0.96%
2012/13 Forecast Outturn	3,508	0.96%
FOT Variance	(0)	0.00%
2011/12 QIPP Target	10,203	2.78%
2011/12 QIPP Achievement	8,181	2.23%
2012/13 QIPP Target	7,585	2.07%
2012/13 QIPP Forecast Achievement	7,044	1.92%
Total Financial Risk Identified	10,692	2.92%
Expected Value of Financial Risk (not in FOT)	(173)	-0.05%
Total Possible Mitigation	7,585	2.07%
Expected Value of Mitigation	173	0.05%
2012/13 Worst Case Forecast Outturn	1,700	0.46%

SUMMARY UPDATE (must be completed)

ely costs of the 274 continuing care claims which have been received. The claims are being worked through

Appendix 1

Trajectories

Bexley Care Trust

Month 9

Month	In Month Plan £000's	In Month Actual/ Forecast £000's	Variance £000's	YTD Plan £000's	YTD Actual £000's	Variance £000's
9	273	290	17	2,375	2,392	17
10	78	78	(0)	2,453	2,470	17
11	761	744	(17)	3,214	3,214	0
12	294	294	(0)	3,508	3,508	(0)

Summary of forecast trajectory:				
Year to date outturn		2,375	2,392	17
Forecast for remainder of year		1,133	1,116	(17)
Forecast Outturn		3,508	3,508	(0)

Reasons for variance between actual and planned in month	£000s	Reasons for variance between actual and planned YTD	£000s
Variance from Plan in month	17	Variance from Plan YTD	17
Reasons:		Reasons:	
CIP Slippage in month	(22)	CIP Slippage YTD	(476)
Underspend in budgets and reserves	22	Underspend in budgets and reserves	476
Total variance from plan in month	(0)	Total variance from plan YTD	0
	EXPLANATION MISSING		EXPLANATION MISSING

Reasons for variance between actual and planned FOT	£000s	Actions to be taken to achieve forecast outturn	£000s
Variance from Plan FOT	(0)	YTD Surplus/(Deficit)	2,392
Reasons:		Balance of Plan	1,133
CIP Slippage FOT	(540)	Change to FCOT from plan	(0)
Underspend in budgets and reserves	540	Actions to recover YTD plan	(17)
Total variance from plan FOT	(0)	Forecast outturn surplus/(deficit)	3,508
	FULLY EXPLAINED		FULLY EXPLAINED

	YTD £'000s	FOT £'000s
Impairments and IFRS		
IFRIC12 Impairments (PCTS)		
Non-IFRIC12 Impairments (PCTS)		
Total Value of impairments Included in Surplus/(Deficit)	-	-
Value of net change from UK GAAP/ESA95 to IFRS for IFRIC12 schemes included		

	YTD £'000s	FOT £'000s
Net impact of Change in Accounting for Donated Assets & Gov Grant Reserves		
All adverse impacts (i.e. expenditure +ve, benefits should be shown as -ve)		
Total	-	-

Appendix 1

Key Risks Bexley Care Trust Month 9

SUMMARY UPDATE	(Please provide a summary narrative of position and actions to date, e.g. summary of key risks and management strategy)

Description of Risks	Full value of risk £'000s	Probability of risk being realised %	Expected value of risk £'000s	Value included in FOT £'000s	Value NOT included in FOT £'000s
Acute Overperformance - SLHT	1,257	74%	930	1,245	(315)
Acute Overperformance - Guy's & St Thomas	1,706	74%	1,262	1,613	(351)
Acute Overperformance - Kings	1,720	74%	1,273	1,678	(405)
Acute Overperformance - Darford & Gravesham	568	74%	420	380	40
Acute Overperformance - Other	3,441	74%	2,546	1,968	578
Corporate overspends	2,000	74%	1,480	1,200	280
TOTAL RISK	10,692		7,911	8,084	(173)

Description of mitigating action for risks required?	YES
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Description of actions to mitigate risk Please note that use of contingency cannot be greater than the Remaining Contingency	Full value of mitigating action £'000s	Probability of success of mitigating action %	Expected value of mitigation £'000s	Value included in FOT £'000s	Value NOT included in FOT £'000s
Utilisation of contingency	439		439	439	-
Prescribing Reserve	400	100%	400	400	-
Budget Reserve	1,541	100%	1,541	1,541	-
SLA Reserve	2,405	100%	2,405	2,405	-
Non recurrent support including unutilised accruals	-	100%	-	-	-
Prescribing Underspend	1,000	100%	1,000	1,000	-
Unused investments	800	100%	800	800	-
Underspend on Primary care	-	100%	-	200	(200)
Underutilised accruals	1,000	37%	373	-	373
TOTAL MITIGATION (cell G36 must equal total risk in cell G20)	7,585		6,958	6,785	173

EXPLANATION MISSING

Use of Contingency	YTD Contingency £000's	YTD Contingency Prior Month £000's	In-month Contingency £000's
Current value of contingency	1,315	1,169	146
Forecast value of contingency	1,754	439	-

Explanation for Contingency YTD use over £1m required?	YES
--	------------

Reason for YTD use of Contingency (to within 10% of variance)	Variance £'000s
The contingency is played in monthly along with other reserves to offset the overperformance in acute budgets	1,315
TOTAL (cell G61 must be within ±10% of YTD Contingency in cell C41)	1,315

FULLY EXPLAINED

Underlying Position

Bexley Care Trust

Month 9

Non-recurrent items	Description	YTD £'000s	FOT £'000s
Surplus/(Deficit)		2,392	3,508
Enter non-recurrent income items (excl CQUIN) as negative values	Non recurrent support from B/S	(1,186)	(1,581)
	12/13 Financial Support	(3,611)	(4,815)
	Other 2% SEL Strategic Inv Fund	(8,630)	(9,949)
	SLHT Contractual Cap	(1,756)	(2,341)
	Other n/r	(300)	(400)
	Total	(15,483)	(19,086)
Enter non-recurrent expenditure items as positive values	Corporate	129	172
	Acute RTT - Kings and GSTT	633	844
	Continuing Healthcare	4,674	4,674
	Total	5,436	5,690
Normalised Surplus/(Deficit)		(7,655)	(9,888)

QIPP Analysis
Bexley Care Trust
Month 9

QIPP Local Workstream	QIPP Regional Workstream	Total Plan £000s	Forecast Outturn £000s	Full Year Variance £	% Forecast to be overachieved	Current Month Plan £000s	Current Month Actual £000s	Variance £000s	YTD Plan £000s	YTD Actual £000s	YTD Variance £000s	% Unachieved of FYT	M9 YTD £000s	M9 to month £000s	M10 to month £000s	M11 to month £000s	M12 to month £000s	Full Year Effect of Scheme £000s	
																			%
Productivity	General Health	416	476	60	14%	81	83	2	122	124	2	2%	122	2	81	83	2	81	81
	Acute Sector	2,217	985	(1,232)	58%	351	353	2	1,111	1,145	34	3%	122	14	14	14	14	14	14
	Primary care productivity	1,247	1,247	0	0%	96	96	0	860	860	0	0%	860	96	96	96	96	96	1,247
Integrated care	Community support services	303	85	(218)	72%	24	7	(17)	227	65	(162)	37%	65	7	7	7	7	7	85
	Long Term Conditions				0%							0%							
	Support Care				0%							0%							
	Personal Care				0%							0%							
	End of Life Care				0%							0%							
	Prevention				0%							0%							
Procurement	Marketing Agency	624	577	(47)	8%	52	52	0	410	400	(10)	1%	410	52	52	52	52	52	577
	New Clinical Procurement				0%						0%								
Demand management	Decommissioning ineffective procedures				0%						0%								
	Equipment retention				0%						0%								
Running costs	Staffing	18	8	(10)	55%	1	1	0	14	4	(10)	6%	4	1	1	1	1	1	8
	Energy	624	577	(47)	8%	52	52	0	410	400	(10)	1%	410	52	52	52	52	52	577
Clinical overheads	Medical waste				0%						0%								
	Specialist support contractualisation				0%						0%								
Including drug spend	Drugs spend				0%						0%								
	Prescribing	1,574	1,574	0	0%	131	131	0	1,181	1,181	0	0%	1,181	131	131	131	131	1,574	
Sustainability	Waste/landfill				0%						0%								
					0%						0%								
Total		7,045	7,044	(1)	0%	629	607	(22)	5,006	5,221	(215)	3%	5,221	607	611	603	610	610	7,044

Efficiency built into provider contracts	30,464	30,464	0	0%	870	870	0	7,404	7,404	0	0%	7,404	870	870	870	870	870	870	30,464
Cost Avoidance savings from cash releases	13,981	13,981	0	0%	1,049	1,049	0	9,437	9,437	0	0%	9,437	1,049	1,049	1,049	1,049	1,049	1,049	13,981
Total savings (To agree with total DR operating plan QIPP)	18,049	30,095	12,046	0	1,919	2,528	1,029	13,844	22,560	9,015	1	22,560	2,928	2,928	2,928	2,928	2,928	2,928	30,095

QIPPs allocated to CCG within the total to flow to

7,045	7,044	(1)	0%	629	607	(22)	5,006	5,221	(215)	3%	5,221	607	611	603	610	610	610	7,044
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Memo: QIPP savings remaining unidentified	Total Plan £000s	Value identified YTD £000s	Balance remaining £000s
Unidentified QIPPs			

Please indicate how much of the above belongs in the following categories:

General Management Scheme	2,814	2,064	(750)	27%	234	172	(62)	2,114	1,546	(567)	26%	1,546	172	174	168	175	2,064	
Decommissioning schemes	1,249	459	(790)	36%	107	30	(77)	865	349	(517)	21%	349	30	31	31	30	459	
QIPP schemes	2,982	4,571	1,589	53%	288	404	116	2,827	3,606	779	28%	3,606	404	403	403	403	4,571	
Total QIPPs	7,045	7,084	(41)	1%	629	607	(22)	5,006	5,221	(215)	3%	5,221	607	611	603	610	610	7,084

Please indicate how much of the above is due to workforce reductions:

Workforce QIPPs (Q000)				0%							0%							
Workforce QIPPs (FY)				0%							0%							

Please indicate how much of the above is due to non-recurrent expenses:

Non-recurrent QIPPs schemes	7,045	7,087	(42)	1%	629	607	(22)	5,006	5,193	(187)	3%	5,193	604	607	600	607	7,087	
Non-recurrent QIPPs schemes	18	18	0	0%							0%							18
Total QIPPs	7,063	7,105	(42)	1%	629	607	(22)	5,006	5,213	(187)	3%	5,213	607	611	603	610	610	7,105

Memo: Additional amounts due to income generation. This should not be included within QIPPs above.

Income Generation - Non Clinical				0%							0%							
Income Generation - Clinical				0%							0%							
TOTAL INCOME GENERATION				0%							0%							

QIPP Programme	YTD £000s	607 £000s
QIPP Plan	5,006 £000s	5,221 £000s
QIPP Actual	5,221 £000s	5,221 £000s
Variance	(215) £000s	(215) £000s

Provide Detailed Explanations for variance between actual and planned achievement

Variance £000s	Variance £000s
McKinsey benchmarking suggested an opportunity in relation to equipment referral reduction. This area is still being investigated and may be QIPPs for 2024. We do not now expect to realise any savings in 2023	(500) (215)
There has been a delay in the work up and subsequent procurement of the community neuro rehab unit. This will now go live in 2024/25.	(143) (143)
King's - CMC - First to Follow up, A&E Conversion Rate. Now being reported as underschewed by Acute contract team.	(152) (117)
Additional QIPPs found following a review of past 18 months investments and budgets	421 461
Total	(149) (249)

Appendix 1

Finance & Activity

Bexley Care Trust

Month 9

	Full Year			Year To Date		
	2012/13 Plan	2012/13 FOT	Variance	2012/13 Plan YTD	2012/13 Actual YTD	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
PbR - Elective	36,718	36,840	122	24,668	26,550	1,882
PbR - Non-Elective	49,412	50,700	1,288	33,032	33,252	220
PbR - A&E	6,441	6,581	140	4,306	4,611	305
PbR - Outpatient	25,301	26,450	1,149	16,867	19,036	2,169
PbR - Other	102	102	-	68	68	-
Non-PbR: critical care	10,086	9,742	(344)	6,744	6,688	(56)
Non-PbR: mental health	31,425	32,323	898	20,950	21,628	678
Non-PbR: community care	23,885	24,243	358	15,923	16,140	217
Non-PbR: other	143,373	146,493	3,120	95,583	99,145	3,562
Excluded drugs & devices	7,469	7,438	(31)	4,979	5,227	248
Non Contract Activity	2,053	2,753	700	1,369	1,894	525
LSCG	14,555	14,847	292	9,703	9,922	219
NCG	-	-	-	-	-	-
Transitional funding	-	-	-	-	-	-
Total	350,820	358,512	7,692	234,191	244,161	9,970
Adjustment for block / Cap & Collar Contracts (if applicable)	-	-	-	-	-	-
Revised Total	350,820	358,512	7,692	234,191	244,161	9,970

	2012/13 Plan	2012/13 FOT	Variance	2012/13 Plan YTD	2012/13 Actual YTD	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
	In Sector Acute performance	129,023	133,343	4,320	86,326	89,469
Out of Sector London Acute performance	8,484	9,920	1,436	5,656	6,548	892
Out of London Acute performance	28,551	28,240	(311)	19,034	19,488	454
Primary Care Contract performance	30,632	30,823	191	20,421	20,673	252
Community Services performance	23,885	24,243	358	15,923	16,140	217
MH Contract performance	25,675	26,573	898	17,117	17,795	678
Other Contract performance	7,215	7,215	-	4,810	5,223	413
Other	97,355	98,155	800	64,903	68,824	3,921
Total	350,820	358,512	7,692	234,191	244,161	9,970
Must equal row 22 above	YES	YES	YES	YES	YES	YES

	2012/13 Plan	2012/13 FOT	Variance	2012/13 Plan YTD	2012/13 Actual YTD	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
	PbR - Elective (Spells)	30,487	33,817	3,330	20,480	22,700
PbR - Non-Elective (Spells)	27,764	25,774	(1,990)	18,558	17,231	(1,327)
PbR - A&E (Attendances)	61,093	60,837	(256)	40,728	40,557	(171)
PbR - Outpatient (Attendances)	197,045	211,319	14,274	131,366	140,882	9,516
PbR - Other	-	-	-	-	-	-

Any Additional Commentary here please
YTD reflects reported SLAM

Categories	09/10 Actual	10/11 Actual	11/12 Actual	12/13 YTD Plan	12/13 YTD Actual	Variance
Services Commissioned by PCT's from NHS Mental Health Providers (Excl any TCS services)	30,575	27,670	29,147	18,511	19,023	(512)
Private Sector / Voluntary Organisation Mental Health Providers	3,089	4,490	307	2,180	2,071	109
PCT Expenditure with Local Authorities	1,585	1,813	671	512	512	-
Total	35,249	33,973	30,125	21,203	21,606	(403)

Consultancy Services

Bexley Care Trust

Month 9

Organisation Name	Org type	Org code	2011/12 Consultancy Services Costs			2012/13 Forecast Consultancy Services			Change		
			Total Consultancy Services Costs in 2011/12 Final Accounts £000s	2011/12 Consultancy Services Costs that relate to 2011/12 Running Costs £000s	2011/12 Consultancy Services Costs not part of 2011/12 Running Costs (i.e. Programme) £000s	Total Consultancy Services Costs in 2012/13 £000s	2012/13 Consultancy Services Costs that relate to 2012/13 Running Costs £000s	2012/13 Consultancy Services Costs not part of 2012/13 Running Costs (i.e. Programme) £000s	Change in Consultancy Services Costs £000s	Change in Consultancy Services Costs that relate to Running Costs £000s	Change In Consultancy Services Costs not related to Running Costs (i.e. Programme) £000s
Bexley Care Trust	P	TAK	769	24	745	300	175	125	(469)	151	(620)

Capital Position
Bexley Care Trust
Month 9

FINANCIAL PERFORMANCE UPDATE - HM Treasury Categories				
Type of Spend	Planned Expenditure for YTD £000s	Actual Expenditure for YTD £000s	Variance between actual and planned for YTD £000s	
New Build	-	-	-	-
Maintenance	200	-	-	200
Equipment	-	-	-	-
Information Technology	-	130	-	(130)
Other	-	-	-	-
Total Gross Capital Expenditure	200	130		70
Disposals & Transfers	-	-	-	-
Grants & Donations	-	-	-	-
Capital Grants	-	-	-	-
Impact of IFRIC 12	-	-	-	-
Total Charge Against CRL	200	130		70

FINANCIAL PERFORMANCE UPDATE - Department of Health Categories				
Type of Spend	Planned Expenditure for YTD £000s	Actual Expenditure for YTD £000s	Variance between actual and planned for YTD £000s	
Community Hospitals	-	-	-	-
Other Central Programme	-	-	-	-
Non Central Programme	200	130	-	70
Total Gross Capital Expenditure	200	130		70
Must equal row 12 above	YES	YES		YES

(a) Explanation for year to date variance to plan required? **YES**

(a) Reasons for variance between actual and planned year to date (to within 10% of variance shown)			Variance
Reason	Mitigating Actions		£000s
Capital profile plan adjustment required			70
Total			70
FULLY EXPLAINED			

(c) "Good headline news" for Projects > £10m - projects being approved / started / construction underway / facility opened			Cost
Organisation/ Sector	Major Project details	Headline	£000s
Total			0

Capital Bids Allocation and spend (Winter Access)					
Organisation Code	Description of bid	Total Allocation £m	12/13 Planned Spend £m	M1 YTD Spend £m	If YTD allocation not spent, explanation required

FINANCIAL PERFORMANCE UPDATE - HM Treasury Categories				
Type of Spend	Full Year Plan £000s	Full Year Forecast £000s	Variance between actual and planned for FYE £000s	
New Build	-	-	-	-
Maintenance	500	560	-	(60)
Equipment	-	-	-	-
Information Technology	625	625	-	-
Other	500	500	-	-
Total Gross Capital Expenditure	1,625	1,685		(60)
Disposals & Transfers	-	-	-	-
Grants & Donations	-	-	-	-
Capital Grants	(500)	(500)	-	-
Impact of IFRIC 12	-	-	-	-
Total Charge Against CRL	1,125	1,185		(60)

FINANCIAL PERFORMANCE UPDATE - Department of Health Categories				
Type of Spend	Full Year Plan £000s	Full Year Forecast £000s	Variance between actual and planned for FYE £000s	
Community Hospitals	-	-	-	-
Other Central Programme	-	-	-	-
Non Central Programme	1,625	1,625	-	-
Total Gross Capital Expenditure	1,625	1,625		0
Must equal row 12 above	YES	NO		NO

(b) Explanation for full year variance to plan required? **YES**

(b) Reasons for variance between actual and planned full year (to within 10% of variance shown)			Variance
Reason	Mitigating Actions		£000s
Plan update required	IAT actioned in Dec 2012		(60)
Total			(60)
FULLY EXPLAINED			

(d) Delivery risks for Projects > £10m and how being managed			Cost
Organisation/ Sector	Major Project - details of delivery risks	How being managed / mitigated	£000s
Total			0

Cash Position
 Bexley Care Trust
 Month 9

SUMMARY UPDATE	(Please provide a summary narrative of position and actions to date, e.g. corrective actions taken if not on track to deliver plan)

FINANCIAL PERFORMANCE UPDATE			
	Plan YTD	Actual YTD	Variance between actual and plan YTD
Sector	£000s	£000s	£000s
Total	32,700	32,600	(100)

FINANCIAL PERFORMANCE UPDATE			
	Full Year Plan	Full Year Forecast	Variance between actual and plan
Sector	£000s	£000s	£000s
Total	366,313	366,313	0

(a) Explanation for year to date variance to plan greater than £250k required? NO

(b) Explanation for full year variance to plan greater than £250k required? NO

(a) Reasons for variance between actual and planned year to date (to within 10% of variance)	Variance
Reason	£000s
Total	0
EXPLANATION NOT NEEDED	

(b) Reasons for variance between actual and planned full year (to within 10% of variance)	Variance
Reason	£000s
Total	0
EXPLANATION NOT NEEDED	

GLOSSARY OF TERMS

APMS	ALTERNATIVE PRIMARY MEDICAL SERVICES
BPPC	BETTER PAYMENT PRACTICE CODE
BSU	BUSINESS SUPPORT UNIT
CAMHS	CHILDREN'S AND ADOLESCENTS MENTAL HEALTH SERVICES
CCG	CLINICAL COMMISSIONING GROUP
CHC	CONTINUING HEALTHCARE
CIP	COST IMPROVEMENT PROGRAMME
CLUSTER	NHS SOUTH EAST LONDON
CRL	CAPITAL RESOURCE LIMIT
CSS	COMMISSIONING SUPPORT SERVICE
FIMs	FINANCIAL INFORMATION MONITORING RETURNS
FOT	FORECAST OUTTURN
GMS	GENERAL MEDICAL SERVICES
GSTT	GUY'S & ST THOMAS' NHS FOUNDATION TRUST
HRG	HEALTH RESOURCE GROUP
LHNT	LEWISHAM HOSPITAL NHS TRUST
LSCG	LONDON SPECIALIST COMMISSIONING GROUP
KCH	KING'S COLLEGE HOSPITAL NHS FOUNDATION TRUST
KPCA	KENT PRIMARY CARE AGENCY
KPI	KEY PERFORMANCE INDICATOR
NCB	NATIONAL COMMISSIONING BOARD
NHSL	NHS LONDON
PCT	PRIMARY CARE TRUST
PMO	PROGRAMME MANAGEMENT OFFICE
PMS	PRIMARY MEDICAL SERVICES
PPA	PRESCRIPTION PRICING AUTHORITY
QOF	QUALITY OUTCOME FRAMEWORK
RTT	REFER TO TREATMENT
QIPP	QUALITY, INNOVATION, PRODUCTIVITY & PREVENTION
RRL	REVENUE RESOURCE LIMIT
SLA	SERVICE LEVEL AGREEMENT
SLHT	SOUTH LONDON HEALTHCARE NHS TRUST
TSA	TRUST SPECIAL ADMINISTRATOR
YTD	YEAR TO DATE