

Governing Body (public) meeting

DATE: 28th November 2013

Title	Financial Performance Update as at Month 6 (September) 2013/14
Recommended action for the Governing Body	<p>That the Governing Body:</p> <p>DISCUSS & NOTE</p> <ul style="list-style-type: none"> • The Month 6 (September) financial position and forecast outturn detailed in this report which shows the CCG meeting the required 1% surplus; • The month 6 actual performance against the key national finance targets • The key risks and cost pressures identified to achieving the surplus control total in 2013/14 and the management actions being taken to address and mitigate these risks; <p>NOTE</p> <ul style="list-style-type: none"> • The details of the 2013/14 allocations (programme and running costs) received and expenditure to date; • The returns made to NHS England reporting the month 6 financial position, QIPP delivery, use of 2% headroom and the risks and mitigations which the CCG has (Appendix 1);
Executive summary	<p>A surplus of £1,447k was reported at month 6 against a plan for the same value. Running costs remain within the allocation at this stage in the year and are expected to continue to do so.</p> <p>The required 1% surplus of £2,569k has been set aside in reserves. In month 6, it is being forecast that this will be achieved in 2013/14.</p> <p>The financial outlook at this point in the year assumes full utilisation of available reserves and contingencies, including the full 2% non-recurrent headroom and delivery of the Quality, Innovation, Productivity & Prevention (QIPP) programme as currently forecast. Whilst overall the position is as forecast as at</p>

Clinical Commissioning Group

	<p>month 6, the inclusion of all available reserves increases the risk to the CCG meeting the required surplus. Further risks to the forecast outturn position have been identified and are updated in the body of the report.</p> <p>Acute QIPP data is still not available from the CSU. Work continues both within BCCG and the CSU to develop reporting and monitoring processes that will support the tracking of QIPP delivery. The inability to access personal confidential data and issues with business intelligence is hindering this development. A full Director's review of all QIPP schemes takes place regularly and these numbers are included in the financial position.</p> <p>The acute contracting information is still not as robust as required to accurately predict the forecast outturn position, with concerns remaining that activity notified is inaccurate and includes specialist. The QIPP for the major trusts has all been phased according to our plans and is reviewed monthly for expected delivery.</p> <p>Over-performance is being declared against SLHT, Dartford and Gravesham, Guy's and externals after assuming some challenges will be successful. In month, the position has deteriorated further which is a concern as the CCG is now having to use the 2% headroom to cover this increased expenditure. The acute position remains a high risk for the CCG and will continue to be monitored. A deep dive review is being conducted with the CSU during month 7.</p> <p>BPPC performance has improved by count and value in month 6 which has resulted in the targets now being met.</p>
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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 NHS Bexley CCG 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>	

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Organisational implications	Key risks <small>(corporate and/or clinical)</small>	As detailed in the report, there are a number of risks which may affect the ability to achieve the financial targets. The main ones being acute over- performance, the impact of the specialist commissioning transfer to NHSE, QIPP delivery and the full use of the 2% non-recurrent headroom.	
	Equality and diversity	N/A	
	Patient impact	N/A	
	Financial	At this point in the year, the CCG is predicting achievement of the 1% surplus with a number of risks identified. In order to qualify for any quality premium payment the guidance states that the CCG must manage within its total resource envelope and must not exceed the agreed level of surplus drawdown.	
	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 FSC on 12 th November and will be reported to the Governing Body, after presentation at this meeting.		
Communications plan	N/A		
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Date	18 th October 2013		

Financial Performance Update as at Month 6 (September) 2013/14

1. FINANCIAL KEY INDICATORS 2013/2014

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

Table 1: Key Indicators 2013/14

	Target	Forecast Outturn	Var	% Var	Indicator M5	Indicator M6	Movement from previous
CCG Statutory Targets:							
Achieve 1% control total (Programme)	£2,569k	£2,569k	£0k	0			=
Achieve Financial Balance – Revenue (Programme)	£0k	£2,569k	£2,569k	0			=
Remain within Running costs allocation	£5,660k	£5,660k	£0k	0			=
Better Payments Practice Code (BPPC) Compliance – by count (number)	95%	95.28%		0.28%			↑
Better Payments Practice Code (BPPC) Compliance – by value	95%	98.44%		3.44%			↑

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 £1,447k reported at month 6 against a plan for the same value. Running costs remain within the allocation at this stage in the year and are expected to remain so.
- The required 1% surplus of £2,569k has been set aside in reserves. In month 6, it is being forecast that this will be achieved in 2013/14 with full use of all reserves including the 2% non-recurrent headroom reserve.
- 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 6, risks to the forecast outturn position have been identified and are updated in the body of the report.
- Acute QIPP data is still not available from the CSU. Work continues both within BCCG and the CSU to develop reporting and monitoring processes that will support the tracking of QIPP delivery. The inability to access personal confidential data and issues with business intelligence is hindering this development. A full Director's review of all QIPP schemes takes place regularly and these numbers are included in the financial position.
- The acute contracting information is still not as robust as required to accurately predict the forecast outturn position, with concerns remaining that activity notified is inaccurate and includes specialist. A deep dive is being carried out during month 7. The QIPP for the major trusts has all been phased according to our plans and is reviewed monthly for expected delivery.
- Over-performance is being declared against SLHT, Dartford and Gravesham, Guy's and externals after assuming some challenges will be successful. In month, the position has deteriorated further which is a concern as the CCG is now having to use the 2% headroom to cover this increased expenditure. The acute position remains a high risk for the CCG and will continue to be monitored.
- BPPC performance has improved by count and value in month 6 which has resulted in the targets now being met.

3. BUDGETS

A summary of the 2013/14 budgets showing the approved opening budgets and any movements between months 5 and 6 are shown in table 2 below. The month 6 budgets shown equal the expected allocation further on in the report; which is as anticipated at year end.

The resources shown are net of miscellaneous income that the CCG receives for the goods/services it provides to other organisations. The total allocations reflect the resource limit that the CCG receives from the Department of Health.

During the month there have been a large number of budget changes in order to reduce the negative reserve in respect of specialist commissioning as well as additional QIPP being identified and cost pressures managed. There were two adjustments to the allocation required this month which are detailed in the next section.

Table 2: 2013/14 Budget Summary

Directorate	13/14 Starting Budget	April 2013 - Total	May 2013 - Total	June 2013 - Total	July 2013 - Total	August 2013 - Total	September Budget	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September Budget Changes	September 2013 - Total		
VIREMENT NUMBER - NARRATIVE IN COMMENT BOX							052 Kent & Medway to Reserves	053 Comm Oral Surg / Mind IAPT	054 Staff Banding Upgrade	055 Crayford WIC Budget Reductoin	056 Referral Management Pilot	057 Royal Brompton Budget Reduction	059 SCG/Acute Budget Adjustments	060 NCA /SCG Budget Adjustments	061 Care Home Pharmacist	062 Head of Quality	063 NCA Budegt Asjstment	064 RRL budegt Adjustemnt	065 IT Budget Adjustments	066 MH Budget Adjustment			
Total Mental Health	26,852,569	26,852,569	26,852,569	26,852,569	26,789,528	26,814,528	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	85,000	26,924,528
Total Acute	143,407,059	143,407,059	143,407,059	142,722,587	142,722,587	142,691,216	0	0	0	0	0	-49,415	-1,989,266	-1,236,099	0	0	303,282	0	0	0	0	0	139,719,718
Total Primary Care	34,140,769	34,140,769	34,179,087	34,370,783	34,415,293	34,434,030	0	0	4,174	-55,283	0	0	0	0	9,613	0	0	0	0	0	0	0	34,392,534
Total Continuing Care	8,270,798	8,270,798	8,270,798	8,270,798	8,270,798	8,270,798	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,270,798
Total Community Health	23,651,151	23,651,151	23,651,151	23,058,321	22,911,333	22,933,133	-212,191	-25,000	0	0	5,120	0	0	0	0	0	0	0	0	0	0	0	22,701,062
Total Other	16,602,230	16,602,230	16,569,637	14,610,317	13,615,826	13,522,265	212,191	0	-4,174	55,283	-5,120	49,415	1,989,266	1,236,099	-9,613	-44,685	-303,282	97,000	109,032	-85,000	0	16,818,677	
Total Corporate	5,602,808	5,602,808	5,597,083	5,572,381	5,554,391	5,613,786	0	0	0	0	0	0	0	0	0	44,685	0	0	-109,032	0	0	5,549,439	
Total Allocations	-258,527,384	-258,527,384	-258,527,384	-258,027,000	-256,849,000	-256,849,000	0	0	0	0	0	0	0	0	0	0	0	-97,000	0	0	0	-256,946,000	
1% Surplus	0	0	0	2,569,244	2,569,244	2,569,244	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,569,244	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

4. CCG ALLOCATIONS / REVENUE RESOURCE LIMIT (RRL)

Since the CCG's initial allocations were received just before Christmas, further adjustments have been advised by NHS England. The final allocation / RRL is the figure that the CCG's net spend will be measured against when reviewing its achievement of financial balance.

There have been two allocation adjustments in month 6 which related to a revised surplus figure from 2012/13 and a positive adjustment to the allocation in respect of specialist commissioning. The initial allocation and any adjustments since are shown in table 4.

Table 4: Month 6 (September) and final expected CCG Allocation

Month	Description	Allocation
Initial	Initial Allocations	(251,148,000)
Initial	12/13 growth	(5,776,000)
Initial	Running Cost Allowance	(5,660,000)
	Initial Allocations	(262,584,000)
	Month 2 Allocation	(262,584,000)
Actual	London baseline Adjustment IATs v28	407,000
Actual	Specialised Commissioning additional adjustment	7,338,000
Actual	GP IT	(658,000)
Actual	2012/13 Surplus return	(2,574,000)
Actual	Prop Co - adjustment	(456,000)
	Month 2 Allocation	(258,527,000)
Actual	Prop Co - adjustment	500,000
	Month 3 Allocation	(258,027,000)
Actual	Prop Co - adjustment	(44,000)
Actual	Secondary Care Dental allocation	1,227,000
Actual	Collaborative Claims	(5,000)
	Month 4 Allocation	(256,849,000)
	Month 5 Allocation	(256,849,000)
Actual	Amendment to surplus brought forward	46,000
Actual	Specialised Commissioning additional adjustment	(143,000)
	Month 6 Ledger & allocation	(256,946,000)

Assurance had been received that reductions to the CCG's allocations in respect of specialist commissioning would be cost neutral, however, further work has now been undertaken by NHS England and there is a risk which is included in the risk section below that the adjustment may not be cost neutral. At month 6, the CCG still holds a negative reserve in this respect, although it has been reduced and a further adjustment is waiting to be confirmed in respect of mental health contracts of £1.345m which would reduce this further.

The final programme allocation cannot be used to fund any overspend in running costs. However, any underspend in the running cost allowance may be used to fund the programme costs of the CCG.

5. CAPITAL RESOURCE LIMIT (CRL)

At present, the CCG has not been issued with any allocation in respect of capital. It is now expected that the CCG will hold any assets that it will use and replace. This is likely to be primarily IT equipment. It is therefore envisaged that a small amount of capital will be required. Capital may also be allocated for primary care IT, which the CCG is managing on behalf of NHS England. The CCG has been required to submit details of the capital programmes included in its financial plan to NHS England which it has complied with.

6. 2013/14 MONTH 6 (SEPTEMBER) FINANCIAL POSITION

Table 5 summarises the financial position, at category of care level, for the CCG at Month 6 (September). The CCG facing team are now able to report the financial position at a Directorate level as well as at this higher level and this is also shown below. The national IFRS / SBS system is extremely limited and the CCG has to work within the nationally set parameters and so further refinements to the directorate report may be necessary.

Table 5.1: Summary financial position by category of care – September 2013

Directorate	Type	Original Plan	Annual Budget	In Month	In Month	In Month	YTD Budget	YTD Actual	YTD Variance	YTD Variance	Forecast	Forecast	Forecast
		£000's	£000's	Budget £000's	Actual £000's	Variance £000's	£000's	£000's	£000's	%	Outturn	Variance	Variance %
Mental Health	Programme	26,853	26,925	2,281	2,307	27	13,453	13,814	361	3	27,525	600	2
Acute	Programme	143,407	139,720	10,687	12,132	1,445	72,898	75,873	2,975	4	145,937	6,217	4
Primary Care	Programme	34,141	34,393	2,868	2,940	73	17,215	17,345	130	1	34,683	290	1
Continuing Care	Programme	8,271	8,271	689	691	2	4,135	4,130	-5	0	8,331	60	1
Community Health	Programme	23,651	22,757	1,701	1,846	145	11,277	11,427	149	1	23,007	250	1
Other	Programme	14,033	16,762	2,669	995	-1,675	5,270	1,697	-3,573	-68	9,345	-7,417	-44
Corporate	Admin	5,603	5,549	436	420	-15	2,774	2,737	-38	-1	5,549	0	0
Error Suspense		2,569	2,569	121	0	-121	1,447	0	-1,447	-100	2,569	0	
		258,527	256,946	21,452	21,331	-121	128,470	127,024	-1,447		256,946	0	

Table 5.2: Summary financial position by directorate – September 2013

Bexley CCG Finance Cost Centre Report													
Directorate	CC	CC Description	Original Plan	Sum of Annual Budget	Sum of In Month Budget	Sum of In Month Actual	Sum of In Month Variance	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Forecast Outturn	Forecast Variance	Forecast Variance %
Other	135276	Non Recurrent Programmes	0	443	37	36	-1	221	221	0	443	0	0
	135281	Non Recurrent Reserve	7,574	7,574	678	-947	-1,625	4,068	356	-3,712	0	-7,574	
		Total Other	7,574	8,017	715	-911	-1,626	4,289	577	-3,712	443	-7,574	
Corporate	136851	Finance	546	534	44	36	-8	267	215	-52	534	0	0
	136856	General Reserve	0	0	0	0	0	0	0	0	0	0	0
	136871	IM&T	405	282	-22	23	45	141	165	24	282	0	0
	136876	IM&T Projects	0	0	0	0	0	0	0	0	0	0	0
		Total Corporate	951	816	23	59	37	408	380	-28	816	0	
Allocations	137461	Confirmed	-262,584	-262,681	-21,930	0	21,930	-131,340	0	131,340	-262,681	0	0
	137466	Anticipated	4,513	5,735	478	0	-478	2,870	0	-2,870	5,735	0	0
	137471	Potential	-456	0	0	0	0	0	0	0	0	0	0
		Total Allocations	-258,527	-256,946	-21,452	0	21,452	-128,470	0	128,470	-256,946	0	

Bexley CCG Governance & Quality Cost Centre Report

Directorate	CC	CC Description	Original Plan	Sum of Annual Budget	Sum of In Month Budget	Sum of In Month Actual	Sum of In Month Variance	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Forecast Outturn	Forecast Variance
Primary Care	135156	Medicines Management - Clinical	257	285	28	17	-11	143	123	-20	285	0
	135171	Prescribing	31,368	31,368	2,614	2,675	61	15,684	15,829	145	31,658	290
		Total Primary Care	31,625	31,653	2,642	2,692	50	15,826	15,952	125	31,943	290
Other	135266	Counselling Services	0	0	0	0	0	0	0	0	0	0
	135271	Interpreting Services	58	58	5	5	0	29	29	0	58	0
	135301	Recharges NHS Property Services Ltd	0	0	0	0	0	0	0	0	0	0
		Total Other	58	58	5	5	0	29	29	0	58	0
Corporate	136751	Administration & Business Support	274	269	22	22	-1	134	134	0	269	0
	136756	Assurance	0	0	0	0	0	0	0	0	0	0
	136786	Clinical Governance	107	141	30	24	-6	70	84	13	141	0
	136801	Communications & PR	371	371	31	31	0	186	189	3	371	0
	136806	Complaints	0	0	0	0	0	0	0	0	0	0
	136816	Corporate Costs	0	0	0	0	0	0	0	0	0	0
	136821	Corporate Governance	68	68	6	5	0	34	32	-3	68	0
	136831	Education and Training	0	0	0	0	0	0	0	0	0	0
	136836	Emergency Planning	0	0	0	0	0	0	0	0	0	0
	136841	Equality and Diversity	0	0	0	0	0	0	0	0	0	0
	136846	Estates and Facilities	559	556	46	50	3	278	293	15	556	0
	136861	Health & Safety	0	0	0	0	0	0	0	0	0	0
	136891	Medicines Management	0	0	0	0	0	0	0	0	0	0
	136926	Quality Assurance	0	0	0	0	0	0	0	0	0	0
	136931	Recharges	1,676	1,659	138	131	-7	830	830	0	1,659	0
	136936	Risk Management	0	0	0	0	0	0	0	0	0	0
		Total Corporate	3,055	3,065	274	263	-11	1,532	1,560	28	3,065	0

Bexley CCG Governing Body Cost Centre Report

Directorate	CC	CC Description	Original Plan	Sum of Annual Budget	Sum of In Month Budget	Sum of In Month Actual	Sum of In Month Variance	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Forecast Outturn	Forecast Variance
Corporate	136771	CEO/ Board Office	530	528	44	35	-9	264	260	-4	528	0
	136776	Chair and Non Execs	379	380	32	37	5	190	195	5	380	0
		Total Corporate	909	908	76	71	-4	454	455	1	908	0

Bexley CCG Commissioning Cost Centre Report												
Directorate	CC	CC Description	Original Plan	Sum of Annual Budget	Sum of In Month Budget	Sum of In Month Actual	Sum of In Month Variance	Sum of YTD Budget	Sum of YTD Actual	Sum of YTD Variance	Forecast Outturn	Forecast Variance
Mental Health	135001	Mental Health Contracts	21,124	21,080	1,757	1,756	0	10,540	10,796	256	21,580	500
	135006	Child and Adolescent Mental Health	547	547	46	46	0	274	274	0	547	0
	135011	Dementia	40	40	3	3	0	20	20	0	40	0
	135016	Improving Access to Psychological Therapies	560	1,022	258	258	0	502	502	0	1,022	0
	135021	Learning Difficulties	1,439	1,428	119	134	15	714	717	3	1,428	0
	135026	Mental Capacity Act	0	0	0	0	0	0	0	0	0	0
	135031	Mental Health Services – Adults	0	0	0	0	0	0	0	0	0	0
	135036	Mental Health Services – Advocacy	119	119	10	10	0	60	60	0	119	0
	135041	Mental Health Services - Collaborative Commissioning	0	0	0	0	0	0	0	0	0	0
	135046	Mental Health Services – Not Contracted Activity	488	488	41	52	12	244	346	102	588	100
	135051	Mental Health Services - Older People	691	683	57	57	0	341	341	0	683	0
	135056	Mental Health Services – Other	1,844	1,517	-10	-10	0	759	759	0	1,517	0
	135061	Mental Health Services - Specialist Services	0	0	0	0	0	0	0	0	0	0
	Total Mental Health			26,853	26,925	2,281	2,307	27	13,453	13,814	361	27,525
Acute	135071	Acute Commissioning	138,885	129,417	10,218	11,333	1,115	67,747	70,897	3,150	135,984	6,567
	135076	Acute Childrens Services	0	0	0	0	0	0	0	0	0	0
	135081	Acute Elderly Services	0	0	0	0	0	0	0	0	0	0
	135086	Ambulance Services	0	6,745	562	562	0	3,372	3,372	0	6,745	0
	135091	Clinical Assessment and Treatment Centres	0	0	0	0	0	0	0	0	0	0
	135096	Collaborative Commissioning	137	105	9	10	1	53	53	0	105	0
	135101	End of Life	0	0	0	0	0	0	0	0	0	0
	135106	High Cost Drugs	1,316	1,316	110	1	-109	658	10	-648	20	-1,296
	135111	Maternity Services	487	487	41	41	1	244	244	0	487	0
	135116	NCAs/OATs	2,582	1,649	-251	186	437	825	1,298	473	2,595	946
	135121	Planned Care	0	0	0	0	0	0	0	0	0	0
	135126	Urgent Care	0	0	0	0	0	0	0	0	0	0
	135131	Winter Pressures	0	0	0	0	0	0	0	0	0	0
	Total Acute			143,407	139,720	10,687	12,132	1,445	72,898	75,873	2,975	145,937
Primary Care	135141	Central Drugs	0	0	0	0	0	0	0	0	0	0
	135146	Commissioning Schemes	22	254	22	42	20	126	118	-9	254	0
	135151	Local Enhanced Services	105	105	9	9	0	52	52	0	105	0
	135161	Out of Hours	2,389	2,381	195	197	2	1,210	1,224	13	2,381	0
	135166	Oxygen	0	0	0	0	0	0	0	0	0	0
	Total Primary Care			2,516	2,739	226	248	22	1,389	1,393	5	2,739
Continuing Care	135182	CHC Adult Fully Funded	5,095	5,095	425	425	0	2,547	2,547	0	5,155	60
	135183	CHC Adult Fully Funded Personal Health Budgets	1,025	1,025	85	85	0	513	513	0	1,025	0
	135184	CHC Adult Joint Funded	0	0	0	0	0	0	0	0	0	0
	135185	CHC Adult Joint Funded Personal Health Budgets	0	0	0	0	0	0	0	0	0	0
	135186	Continuing Healthcare Assessment & Support	357	357	30	30	1	178	167	-11	357	0
	135191	Funded Nursing Care	1,794	1,794	149	151	1	897	903	6	1,794	0
	135196	Personal Health Budgets	0	0	0	0	0	0	0	0	0	0
Total Continuing Care			8,271	8,271	689	691	2	4,135	4,130	-5	8,331	60
Community Health	135211	Community Services	20,258	19,408	1,422	1,592	170	9,605	9,737	132	19,658	250
	135216	Carers	160	160	13	13	0	80	80	0	160	0
	135221	Hospices	1,111	1,011	84	84	0	506	506	0	1,011	0
	135226	Intermediate Care	143	143	12	12	0	72	72	0	143	0
	135231	Long Term Conditions	1,349	1,405	117	87	-30	700	700	0	1,405	0
	135236	Palliative Care	0	0	0	0	0	0	0	0	0	0
	135241	Wheelchair service	629	629	52	57	5	315	332	18	629	0
	Total Community Health			23,651	22,757	1,701	1,846	145	11,277	11,427	149	23,007
Other	135251	Bereavement Service	0	0	0	0	0	0	0	0	0	0
	135256	Commissioning - Non Acute	453	458	38	49	10	229	238	9	458	0
	135261	Commissioning Reserve	2,694	5,778	1,710	1,514	-196	-517	-1,122	-605	4,465	-1,313
	135286	Patient Transport	0	0	0	0	0	0	0	0	0	0
	135291	Programme Projects	2,572	1,770	145	282	137	899	1,634	735	3,240	1,470
	135296	Reablement	682	682	57	57	0	341	341	0	682	0
Total Other			6,401	8,688	1,950	1,901	-49	952	1,091	139	8,845	157
Corporate	136791	Clinical Support	0	0	0	-1	-1	0	0	0	0	0
	136796	Commissioning	687	761	63	27	-36	381	341	-39	761	0
	136811	Contract Management	0	0	0	0	0	0	0	0	0	0
Total Corporate			687	761	63	27	-37	381	341	-39	761	0

The CCG is reporting a surplus of £1,447k as at month 6 in line with the plan figure for the same period. There is an underspend of £1,409k against the programme budgets which is the spend on healthcare, and an underspend of £38k on the administration budgets, which represent the CCG's running costs. The running costs must remain within the £25 per head allocation as the CCG must not utilise any programme budgets on this area. However, any underspend on administration budgets may be used against programme budgets. A forecast outturn surplus of £2,569k is being reported at this stage in the year, unchanged from the previous month. This year end forecast surplus is in line with the requirement for CCGs to make a 1% surplus in year.

The month 6 position includes a £735k overspend on the project managers and additional staff supporting the delivery of the QIPP schemes, SE London PMO, COBIC, together with consultancy costs for McKinsey to support the TSA work. This is funded by the use of the 2% non-recurrent headroom reserve in line with planning.

To achieve the required surplus position as at month 6, six months' worth of the 0.5% contingency has been released (£642k), which is as expected at this stage in the financial year, £642k from the 0.5% risk pool (part of the 2% headroom) has also been factored into the position as has £575k from the QIPP reserve. At month 6, non recurrent reserves in respect of the QIPP programme projects of £735k has been released as well as £1,118k of the 1% CBC funding from the 2% headroom. In total, this means that £3,712k has been used to balance the month 6 position. In addition £605k of the general commissioning reserve, which includes some earmarked reserves, has been released into the position which equates to six months' worth of the general reserve £459k plus £145k from the dedicated prescribing reserve to cover the overspend year to date.

Many of the budget lines remain at breakeven as much of the expenditure is of a contractual nature and therefore, variances would not be expected. Further work is required, now that the finance team are resourced, to review with Budget holders if there are any further underspends which can now be reflected in the position or if invoices need to be requested especially from GP Clinical Leads for the work they have undertaken to date. There are one or two exceptions to this, namely the anti-coagulation contract, acute commissioning expenditure and mental health contracts and details of these are given in the next section. Additionally there are a few small favourable corporate variances, where staff have not been in post for the whole year.

7. SUMMARY OF MAIN VARIANCES

Mental Health YTD Variance £361k, FOT £600k

The overspend on mental health can be attributed to the main mental health providers Oxleas NHS Foundation Trust and South London and Maudsley NHS Foundation Trust.

- The Oxleas NHS Foundation Trust budget overspend has decreased this month from £248k over at month 5 to £212k over at month 6, this is due to a reduction in the UEA overspend. The budget is still forecast to be £412k overspent at year end, although an action plan is currently being developed by the AD of Integrated Commissioning in order to recover this position. The causes of the variance are detailed below:
 - Tilt - the CCG contracts for one bed in this facility. However, there is an additional bed in use which has contributed to the monthly variance. The full year cost of £80k has been included in the forecast outturn.
 - The UEA has decreased slightly to £200k at month 6 and forecast to be £332k at year end. It is expected that activity will be brought under control during the remainder of the year. Further discussions at budget holder meetings with the mental health commissioner will need to take place to establish the actions being taken to ensure that the costs are contained in year.
- The South London and Maudsley NHS Foundation Trust is overspent at month 6 by £44k, and is forecast to be £88k overspent at year end. This is in part to an issue around the baseline budget agreed following the removal of specialist commissioning items plus over-performance in year so far.
- The NCA budget is overspent by £102k at month 6. This budget currently covers the adult cost per case and NCAs. There have been an increased number of emergency episodes which are currently being investigated. This budget has been forecast to be overspent by £100k at the year end as it is hoped the costs can be contained for the remainder of the year.

Acute YTD Variance £2,975k - FOT £6,217k

The month 6 acute position is showing an overspend of £2,975k with a forecast outturn of £6,217k. This is a further significant worsening of the position from month 5, and is principally attributable to the Guys' and St Thomas's and Dartford and Gravesham contracts. Reported overspends are £1,237k and £1,200k year to date respectively. These overspends are less than those reported by the CSU and have been reduced due to the lack of confidence surrounding the numbers and the work still being undertaken on the specialist commissioning transfer. Further work will be undertaken in month 7 to identify the main areas of risk and provide an indication of the likelihood for this trend to continue until the end of the year.

Although overall the SLHT contract is reporting a small adverse variance of £51k to month 6, within its service provision there are a number of areas showing significant over-performance – being emergency, elective, A & E and out-patients. These areas collectively show an

adverse variance of £3,708k. This is offset by under-performance in non-elective, critical care, and other. This position also includes challenges made to the Trust.

Guys and St Thomas's are also reporting over-performance in a number of areas - £296k Critical care, £429k Elective, £260k on Emergency and £316k on outpatients; with an overall adverse variance of £1,237k.

Within the Dartford and Gravesham contract variance of £1,200k, the areas of significant variance are over-performance in Elective (£440k), Non elective (£581k) and outpatients (£711k), with some under-performance offset in Emergency (£183k), and Other (£349k).

The King's contract is showing an £11k overspend year to date and Lewisham a £36k overspend. The smaller external contracts are showing a net position of £711k overspend. There are a number of areas of concern included within these which are also considered to be related to the specialist commissioning transfer and will be subject to some review in month 7.

The non-contracted cost per case and exclusions to contract budgets are showing an underspend of £272k year to date mainly relating to the ISTC and high cost drugs. Coding within this area needs investigation by the CSU MDT team.

The further work needed to assess the value of the cardiology QIPP which has been included in the provider plans and also to establish the value of this for each provider has been completed in month 6 and this resulted in some realignment being required between providers which contributed to the change in the overspend in month. Budget changes to move funding from the CCG to specialist was also undertaken, reducing the CCG budgets and further increasing the overspend.

The month 6 forecast outturn position has shown a deterioration from month 5 and is as follows:

SLHT	£ 99k overspend
King's	£ 77k overspend
Lewisham	£ 115k overspend
GSTT	£2,447k overspend
Dartford and Gravesham Trust	£3,065k overspend
External contracts	£ 957k overspend

There is a risk that this position will further worsen if the reductions made in month 6 are proved optimistic. Furthermore, the forecast outturn includes expected reductions of c£10m for QIPP delivery in the latter part of the year.

Primary Care YTD Variance £130k - FOT £290k

The prescribing budget is the most significant item in primary care and shows an overspend of £145k at month 6 based on medicine management predictions. The July 2013 PPA data shows a significantly worse position than that reported and it is hoped that this is merely due to increased prescribing in one month, skewing the forecast outturn. The month 6 position

has been extrapolated to year end. Prescribing information from the PPA is received approximately two months in arrears. Discussions with the Assistant Director of Medicines Management have confirmed that this position is reasonable based upon the knowledge held. There is a small overspend on the out of hours cost centre (£13k) which needs further investigation. In addition, primary care is showing an underspend of £20k on the medicines management cost centre which is due to staff being on maternity leave earlier in the year. Finally, there is an underspend of £9k on the commissioning schemes cost centre which in the main relates to a vacancy earlier in the year which has now been filled.

Continuing Care Variance £(5)k - FOT £60k

The financial position has been informed by the Continuing Care Team using their detailed activity database to the end of September 2013. The month 6 position is £5k underspent. This is positive news as to date costs are being contained within budget in what has historically been an area where this has been difficult to achieve. It should be noted that any growth in the numbers of clients requiring continuing care will put this position at risk. However, the team have robust procedures in place to ensure that only clients meeting the required criteria will be eligible for continuing care funding. The forecast outturn overspend of £60k remains due to the ongoing expectation of growth as a result of a new care home opening in the area which will provide an additional capacity of 18 beds.

Community Health Variance £149k - FOT £250k

The Community Health directorate continues its trend of reporting breakeven in most areas. The exception to this is the Anti-Coagulation service which is expected to overspend by £250k by the year end. The service has recently been re-tendered and forms part of the QIPP programme for 2013/14 in moving more clients from secondary care to this community service.

The wheelchair service has an overspend position of £18k at the end of month 6 but it is anticipated that this can be brought in line by the end of the financial year.

Other Variance £(3,573)k - FOT £(7,417)k

To achieve the required surplus position as at month 6, six months' worth of the 0.5% contingency has been released (£642k), which is as expected at this stage in the financial year, £642k from the 0.5% risk pool (part of the 2% headroom) has also been factored into the position as has £575k from the QIPP reserve. At month 6, non recurrent reserves in respect of the QIPP programme projects of £735k has been released as well as £1,118k of the 1% CBC funding from the 2% headroom. In total, this means that £3,712k has been used to balance the month 6 position. In addition £605k of the general commissioning reserve, which includes some earmarked reserves, has been released into the position which equates to six months' worth of the general reserve £459k plus £145k from the dedicated prescribing reserve, to cover the overspend year to date. Forecast outturn for the commissioning reserve is £ (1,313)k and the outturn for the non recurrent reserve is £(7,574)k with offsetting expenditure against programme projects of £1,470k. This position includes the use of all reserves including full use of the 2% N/R headroom.

There is an overspend showing against programme projects of £735k which relates to the costs of the QIPP support staff, SE London PMO and COBIC which are to be funded from the 2% Non-Recurrent headroom. The total cost of these items has been estimated for forecast outturn to be £1,470k.

At month 6, it continues to be anticipated that the 1% surplus at year end will be achieved, although in addition to having already utilised the full 2% headroom there are a number of significant risks attached to this assumption shown further in the report.

Corporate Variance (£38k) - FOT Breakeven

This directorate represents the CCG expenditure against the £25 per head running cost allowance. The CCG is currently operating within the allowance as illustrated in the table below. The £38k underspend comprises a few small variances; the most significant variances being attributable to Finance, Commissioning and IM&T.

- Finance is £52k underspent for the year up until September, due to the Band 6 Vacancy, which is currently being recruited, and low consultancy costs incurred. The cost centre is expected to breakeven as a worse case as due to staff turnover, an interim resource will be required for a few weeks to support the Programme Management team and this will include some double running costs.
- IM&T is reporting an overspend of £24k year to date, which is a turnaround from the underspend achieved up to end of month 5. This is due to spend on contract / agency staff not budgeted £(27)k, underspend on office equipment costs £(19)k, and an adverse variance on computer maintenance £(36)k. It is expected that this cost centre will breakeven by year end with the additional agency costs being offset by additional income.
- Commissioning variances at month 6 are an underspend of £39k and this relates in the main to staff vacancies which are now being recruited to or have been recruited to. It is expected that this cost centre will at worst breakeven at the end of the year.

Continuing Care Unassessed Periods of Care Claims

In the books of the Care Trust a provision was made for c£7m for the impact of the c300 claims in respect of continuing healthcare. It remains important for the CCG to monitor progress against the claims, as any shortfall is likely to be payable from the CCG's current (and future year's) allocation. The finance department is continuing to work closely with the continuing care team to assess the potential financial liability. Claims are now starting to be approved for settlement. It is expected that the provision will be returned to the CCG later in the year in order to offset this expenditure. Updates are provided on a regular basis and the best, worst and most likely cases for the various categories of case are calculated.

Latest calculations show that the most likely impact of the claims received is now £6,232k, which is lower than the provision made at the end of the year. However, current guidance is that any reduction to the provision cannot be used to support the CCG's bottom line income and expenditure position. The worst case position remains substantially higher. In order to

arrive at the potential liability figures, percentages have been assigned to the likelihood of them coming to fruition. This includes provision for a percentage of the claims going to the ombudsman 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. 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.

Considering the length of time necessary to process each claim, it is now felt that any increase in provision in 2013/14 will be unlikely and this risk has therefore been removed for this financial year. It is also now possible that any increase will not impact the bottom line income & expenditure position in line with any improvement.

8. RUNNING COSTS (CORPORATE)

Within the ledger, there are a number of cost centres which are mapped as administration and where the running costs must be coded. Currently the ledger is showing a small underspend of £38k on running costs, against the allocation of £5,660k. However, as a result of ledger limitations, there is no mechanism to allocate the GP IT income, received through the allocations, against the admin cost centres which would further reduce the running cost spend. There are a number of other adjustments that would also be required if the ledger issues are resolved. Currently, we are maintaining these adjustments off ledger by means of a spreadsheet. This will be further looked at during month 7 to try to correct the entries for the first 6 months of the year to show a correct position on the ledger. This could then be updated on a quarterly basis.

Work is also underway with NHS England to further define running costs nationally.

A risk remains around the actual costs to be charged by NHS Property Services for 221 Erith Road and other properties transferred to them from Bexley Care Trust. Notification has been received that actual costs will be charged from quarter 3, included any under-recovery from other tenants. This may depend on an assessment to be made by NHS Property Services and may be greater, or less than, amounts currently being charged.

9. RISKS

Table 6: Best, Most likely, worst case risks

	2013/14	2013/14	2013/14	Notes	How they are being managed	RAG rating
	Best case £m	Most likely £m	Worst case £m			
Opening (deficit)/surplus after final budgets	(8.3)	(8.3)	(8.3)			
RAG rated QIPP included in plans	10.9	10.9	10.9			
Opening underlying (deficit)/surplus after final budgets after QIPP	2.6	2.6	2.6			
Further risk / expected movements						
Acute under / (over)-performance	(4.6)	(4.6)	(7.6)	Month 5 acute position has worsened from month 4 but still uncertain. This risk may escalate as more certainty is provided by the CSU. Worst case assumes that NCAs will breakeven. Best case assumes DVH will breakeven. Additional assumption of £3.4m assumed in worst case for non-delivery of cardiology COBIC QIPP (additional acute over-performance).	Contant review and update of position. CCG working with GPs to reduce referrals and use of PMC to triage. Working to ensure implementation of QIPP schemes.	
QIPP under-performance	(1.0)	(1.6)	(5.3)	Best & worst case are based on director assessments. Difference between Pre-RAG and RAG rated QIPP is set aside as a QIPP reserve. Most likely is half way between worst & best cases. Additional risk of QIPP non-delivery of £3m included for COBIC cardiology & MSK schemes	Project Managers & Commissioning team working to deliver QIPP. CQUIN built into SLHT contract relating to QIPP. PMO processes monitoring QIPP delivery. COBIC brought in to assist on cardiology QIPP but dependant on bids received.	
Mental Health under / (over) performance	(0.6)	(0.6)	(0.6)	Current project overspend on mental health due to increased use of commissioned TILT beds & additional acute activity.	Mental Health team analysing position to try & bring back within budget.	
Costs of local QIPP project management	(1.3)	(1.5)	(1.5)	Covered by 0.5% N/R reserve	Covered by 0.5% N/R reserve	
Outstanding gap on specialised services RRL reduction	0.0	0.0	(0.5)	Difference between RRL reduction & Specialised commissioning reductions. Current negative reserve of £1.8m held but confirmation that £1.3m error on mental health will be adjusted.	Monthly reconciliation to be undertaken by NLCSU. NHSE assured CCGs of cost neutrality	
Increased 111 costs	0.0	0.0	(0.5)	Based on an assessment assuming no support from winter monies.	Negotiation of reduction in LAS costs and negotiation of use of winter monies to support.	
Increased continuing healthcare unassessed periods of care claims	1.0	0.0	0.0	Best case shows most likely CHC assessed value less 12/13 provision. It is now assumed unlikely that additional provision will be required in 13/14.	Monthly review of CHC position. Rigorous review of all cases in place. Additional support commissioned. 299 cases received. Could take upto 12 months to review .	
Costs of TSA implementation	0.0	0.0	(0.2)	Costs to Bexley in 13/14 of TSA implementation		
Overspend on prescribing	(0.3)	(0.3)	(0.5)	Most likely case based on PPA predictions. Worst case assumed to be based on reserve set aside for increased costs	Covered by prescribing reserve	
Overspends on other BSU directorates	(0.3)	(0.3)	(0.5)	Small CHC overspend & predicted overspend on anti-coag	Budget holders reminded to manage within budgets.	
(Deficit) / surplus after risks before reserves	(4.5)	(6.3)	(14.6)			
Commissioning reserve	0.8	0.8	0.8	reduction from month 3 includes property & dental reductions of £1.8m	General reserves	
Prescribing reserve	0.5	0.5	0.5			
0.5% contingency	1.3	1.3	1.3			
2% N/R reserve	2.5	2.5	2.5	0.5% N/R risk reserve & 0.5% N/R for local QIPP schemes assumed		
2% N/R reserve - CHC 1%	2.5	2.5	2.5	Assumes that 1% CHC spend could be reallocated to support financial position in 13/14		
QIPP reserve	1.2	1.2	1.2			
Final (Deficit)/surplus after risks & reserves	4.3	2.5	(5.8)			

There are a number of risks in delivering the 1% surplus required. The main risks and the potential impact on achievement are shown in table 6.

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 is as shown in the reported forecast outturn income & expenditure position.

The following provides an update on risks for month 6:

- Increased level of acute over-performance, which has had to be funded by the use of the 2% non-recurrent headroom;
- £145k contribution to the costs of the Trust Special Administrator (TSA) expected to be paid from the 2% non-recurrent headroom (£581k over four years);
- Initial findings from the specialist commissioning reconciliation work shows that the transfer may not be cost neutral to Bexley CCG. The negative reserve has been reduced in month but it is not cost neutral to the CCG at this stage and confirmation of a further adjustment relating to mental health contracts of £1.345m is still awaited. Further work is ongoing and the numbers are still being validated but could result in net costs of between £0 and £1.8m.

If all of the risks shown in the worst case position were to come to fruition, then the CCG does not have the funds available to cover them. This would result in a deficit of £5.8m.

CCG officers continue to review all budgets and commitments with a view to finding additional resources and QIPP for 2013/14.

10. 2013/14 QIPP / SAVINGS PLANS

Net QIPP of £10.9m has been included in financial plans to achieve targets & assumptions in line with national guidance. Gross QIPP of £12.1m was identified to secure this value. This was assessed by a multi-disciplinary/agency panel who RAG rated the schemes. It has now been agreed that this panel will meet annually, before submission of final financial plans, to agree the RAG rating for the start of the financial year.

Regular meetings are held between the Director of Commissioning, Chief Financial Officer, AD of Service Redesign and AD of Programme Management & Business Performance to review and agree project RAG ratings and assess the financial delivery. This is in addition to the monthly meetings held with Project managers that inform the completion of the implementation and monitoring forms and the Director / AD meetings. Those schemes RAG rated red in the monthly assessment are presented to the Finance Sub-committee.

The September Directors' assessment suggests that QIPP delivery will be between £9.9m (90%) and £13.3m (103%) for 2013/14, excluding the use of the QIPP reserve, a worsening from the position assessed in August.

Detailed level information on acute QIPP is still awaited from the South London Commissioning Support Unit (CSU). BCCG and the CSU are working together to develop reporting and monitoring processes that will support the tracking of QIPP delivery to this sub-committee. The inability to access personal confidential data and issues with business intelligence is hindering this development. The CCG is working with the CSU to resolve these issues.

QIPP information is provided to NHS England in the Non-ISFE return. This dashboard collects high level data split between transactional, transformational, other and unidentified QIPP. Health economy wide QIPP in the form of efficiencies built into contracts is also included within the dashboard. Additional, more detailed, QIPP reporting has also been requested from NHS England for month 6 and this return has been compiled from the internal QIPP summary shown at table 8.

Work is currently underway with the South East London Programme Management Office to develop Community Based Care (CBC) QIPP reporting. However, CBC consists of the local QIPP schemes of the South East London CCGs, which are reported in detail to the Finance Sub-Committee. Table 7 below gives the composition of schemes which fall within the CBC headings.

Table 7: Analysis of Community Based Care Schemes by category

Community Based Care Category	QIPP Scheme
1. Primary & Community	GP QIPP - Reduction in Referrals 5% GP QIPP - Reduction in Referrals Additional 5% Neuro Rehab Reduction in Access Points - UCC Oxleas - Community Contract Diabetes - Training GP QIPP - PMC Thwaites
2. Integrated Care	Adult Intergrated Care (Older People) Mental Health in General Acute Setting Palliative Care EOLC Respiratory IAPT - Mental Health Referral Management General Mental Health
3. Planned Care	MSK Cardiology Pathology POLCE (TAPS) Community Consultant Services - General Surgery Community Consultant Services - Dermatology Ophthalmology Diabetes - Redesign Community Consultant Services - Urology Community Consultant Services - Gynaecology Anticoag

Table 8: Summary of 2013/14 QIPP schemes

2013/2014 QIPP



Bexley Clinical Commissioning Group

"Transformation Headings"	Scheme Heading	Planned Go 'Live' Date	PLANNING				Rag Rating 24/04/2013		2013/14 Delivery			Director Assessment 18/09/2013				
			2013 / 2014 Plan			2014 / 2015 Plan	Overall Scheme Rating	Green 100% Amber 75% Red 50%	Implementation & Monitoring Form (App 7) Delivery RAG Rating - Month 6 September			"Non ISFE" - Financial Reporting Month 6 September		Best Case	Most Likely	Worst Case
			(Part Year) Viable Opportunity "GROSS" £	(Part Year) Recurrent Cost of Reprovision £	13/14 Net Saving Opportunity £	14/15 Net Saving Opportunity			Finance	Milestones	Performance	2013/14 Delivery YTD Value £	2013/14 Delivery FCOT Value £			
1. Primary & Community	GP QIPP - Reduction in Referrals 5%	Jul-13	451,500	0	451,500	150,500	Green	451,500	=	=	=	21,070	63,210	80,000	63,210	40,000
2. Integrated Care	Adult Integrated Care (Older People)	Aug-13	2,680,337	-1,515,920	1,164,417	834,862	Green	1,164,417	=	=	=	582,209	1,164,417	1,164,417	1,164,417	1,000,000
2. Integrated Care	Palliative Care EOLC	Oct-13	300,000	-100,000	200,000	200,000	Green	200,000	=	=	=	0	250,000	300,000	250,000	200,000
3. Planned Care	MSK	Dec-13	5,204,122	-4,423,504	780,618	1,561,236	Amber	585,464	=	=	=	0	628,941	800,000	628,941	500,000
3. Planned Care	Cardiology	Apr-14	0	0	0	523,817	Amber	0	=	=	=	0	222,731	300,000	222,731	100,000
3. Planned Care	POLCE (TAPS)	Apr-13	450,000	0	450,000	0	Green	450,000	=	=	=	191,640	349,920	450,000	349,920	250,000
3. Planned Care	Community Consultant Services - General Surgery, dermatology, Urology & Gynaecology	Oct-13	670,000	-300,000	370,000	370,000	Green	370,000	=	=	=	0	403,177	451,253	403,177	400,000
3. Planned Care	Ophthalmology	Apr-13	500,000	0	500,000	0	Red	250,000	=	=	=	125,000	125,000	150,000	125,000	100,000
3. Planned Care	Diabetes - Redesign	Jan-14	300,000	-50,000	250,000	750,000	Green	250,000	=	=	=	0	83,000	166,000	83,000	0
1. Primary & Community	Neuro Rehab	Apr-13	1,273,416	-1,221,268	52,148	0	Green	52,148	=	=	=	26,074	52,148	52,148	52,148	52,148
3. Planned Care	Anticoag	Apr-13	412,915	-157,910	255,005	0	Green	255,005	=	=	=	89,167	140,362	140,362	140,362	140,000
1. Primary & Community	Oxleas - Community Contract	Apr-13	500,000	0	500,000	0	Green	500,000	=	=	=	250,000	500,000	500,000	500,000	500,000
1. Primary & Community	Diabetes - Training	Apr-13	486,000	-236,000	250,000	0	Green	250,000	=	=	=	125,000	250,000	250,000	250,000	250,000
4. Stand alone	Corporate Schemes	Apr-13	650,000	0	650,000	0	Green	650,000	=	=	=	650,000	650,000	650,000	650,000	650,000
2. Integrated Care	General Mental Health	Apr-13	500,000	0	500,000	0	Green	500,000	=	=	=	250,000	500,000	500,000	500,000	500,000
1. Primary & Community	GP QIPP - PMC	Apr-13	500,000	-350,000	150,000	0	Green	150,000	=	=	=	75,000	150,000	150,000	150,000	150,000
1. Primary & Community	Thwaites	Apr-13	90,000	0	90,000	0	Green	90,000	=	=	=	23,000	23,000	45,490	23,000	0
4. Stand alone	Prescribing	Apr-13	3,000,000	0	3,000,000	0	Green	3,000,000	=	=	=	1,500,000	3,000,000	3,000,000	3,000,000	3,000,000
TOTAL OPEN SCHEMES			17,968,290	-8,354,602	9,613,688	4,390,415		9,168,534				3,908,160	8,555,906	9,149,670	8,555,906	7,832,148
1. Primary & Community	GP QIPP - Reduction in Referrals Additional 5%	Jul-13	451,500	0	451,500	150,500	Amber	338,625				0	0			
2. Integrated Care	Mental Health in General Acute Setting	Oct-13	406,000	-120,000	286,000	286,000	Green	286,000				0	0			
2. Integrated Care	Respiratory	Oct-13	200,000	-100,000	100,000	100,000	Amber	75,000				0	0			
3. Planned Care	Pathology	Oct-13	125,000	0	125,000	125,000	Red	62,500				0	0			
1. Primary & Community	Reduction in Access Points - UCC	Apr-14	0	0	0	250,000	Green	0				0	0			
2. Integrated Care	IAPT - Mental Health Referral Management	Apr-13	1,000,000	0	1,000,000	0	Red	500,000				0	0			
TOTAL CLOSED SCHEMES			2,182,500	-220,000	1,962,500	911,500		1,262,125				0	0	0	0	0
TOTAL SCHEMES			20,150,790	-8,574,602	11,576,188	5,301,915		10,430,659				3,908,160	8,555,906	9,149,670	8,555,906	7,832,148
12/13 QIPP Bfwd					511,852	0		511,852				511,852	511,852	511,852	511,852	511,852
Additional QIPP 13/14 identified during the year																
Saving on CQUIN																
SLA Reserve																
Adjustment for Running Costs QIPP not included in NHSE reporting					12,088,040	5,301,915		10,942,511				6,377,325	11,788,271	12,432,035	11,788,271	11,014,513
					-607,000	-607,000		-607,000				-607,000	-607,000	-607,000	-607,000	-607,000
					11,481,040	4,694,915		10,335,511				5,770,325	11,181,271	11,825,035	11,181,271	10,407,513

Key
 Movement from Previous Month
 = No Change
 ↑ Improvement
 ↓ Deterioration

11. FINANCIAL MANAGEMENT

Better Payment Practice Code (BPPC)

Target

One of the CCG'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 the local NHSE performance team, and the annual cumulative figure for the year is published in the Annual Accounts and Annual Report.

Table 8: Better Practice Payment Code (BPPC) performance

	Target	CUMULATIVE																			
		NHS			NON-NHS			TOTAL			NHS			NON-NHS			TOTAL				
		By Count	By Count	By Count	By Count	By Value	By Value	By Value	By Count	By Count	By Count	By Value	By Value	By Value	By Count	By Count	By Count	By Value	By Value	By Value	
%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%		
April	95.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
May	95.00	92.50	93.70	93.57	99.64	79.80	97.77	95.16	94.36	94.47	99.82	81.50	98.83								
June	95.00	92.63	95.48	94.88	97.19	91.56	96.82	93.63	94.89	94.67	98.72	86.23	97.99								
July	95.00	97.62	94.03	94.97	99.94	94.20	98.78	95.91	94.51	94.81	98.98	90.41	98.18								
August	95.00	98.10	93.53	94.40	100.12	99.17	99.96	96.86	94.12	94.68	99.19	92.73	98.49								
September	95.00	96.10	97.70	97.36	98.44	96.76	98.22	96.46	94.97	95.28	99.04	93.74	98.44								

In month 6, the cumulative figures for NHS by count and by value exceed the 95% target. However, the non NHS by count and by value are still below target although showing an improvement from last month. The combined NHS and non NHS by count now exceed the target for the first time since April which is positive news. Combined figures for NHS and non NHS by value continue to exceed the target and have also improved in month. As this is one of the measurable targets for the CCG, it is important to ensure that these targets continue to be met. Budget holders are constantly being asked to approve invoices in a timely manner or if there is a problem with the invoice to place it on hold until the issue is resolved. They have also now been asked to refer invoices to the local finance team if they are unclear who should approve it as opposed to sending it back to the central CSU team. It is hoped that this will also speed up the approval process. The local finance team will continue to reinforce this message to budget holders during their regular budget meetings.

Cash Management

Cash Limit

The CCG has yet to receive a formal cash limit and so the working assumption has been that this will be equal to the allocations issued to the CCG as detailed above. As soon as further information is available this will be reported to the Governing Body. The CSU local CCG facing finance team is also working with the Financial Governance team to ensure that they are aware of any allocation changes which would affect the cash position.

Cash Drawings

Table 9 shows the year to date cash drawings to Month 6 compared to the planned drawings for the same period and also the original FIMS plan which has been added to the table this month. The cash plan anticipates the cash limit at the end of 2013/14 which has yet to be issued as explained above.

Table 9: Planned and actual cash drawings

	Actual Cash Drawings 2013/14	Planned Cash Drawings	Forecast Drawdown per FIMS 23/05/2013	Cumulative Actual Cash Drawings	Cumulative Planned Cash Drawings	Cash Balance
	£m	£m	£m	£m	£m	£m
April	18.000	18.000	17.744	18.000	18.000	2.892
May	18.500	18.500	18.244	36.500	36.500	4.228
June	14.000	14.000	18.244	50.500	50.500	1.348
July	16.400	16.400	18.244	66.900	66.900	0.541
August	15.000	15.000	18.344	81.900	81.900	0.047
September	19.500	19.500	18.344	101.400	101.400	0.156
October		17.000	18.344		118.400	
November		17.500	18.344		135.900	
December		22.049	18.344		157.949	
January		22.049	19.344		179.997	
February		22.049	19.344		202.046	
March		22.049	22.893		224.094	
Total	101.400	224.094	225.777	101.400	224.094	

The cash balance at the end of month 6 was slightly over the CCG cash target of £150k at £156k but still an improvement on the earlier part of the year. The CCG now receives weekly cash forecasting information which is being used to help the CFO and CCG facing team to ensure that as many payments as possible are approved to reduce the cash balance. This also assists with the BPPC position which has also improved this month. It is now hoped that the cash and BPPC targets can continue to be met for the remainder of the year.

Debtors and Income Collection

Table 10: Aged Debtors Position

	Position as at 30 April 2013	Position as at 31 May 2013	Position as at 30 June 2013	Position as at 31 July 2013	Position as at 31 August 2013	Position as at 30 Sept 2013
	£	£	£	£	£	£
Under 1 Month	787	564548	0	1521	1376252	458679
1-2 Months	0	8431	161108	264174	-59526	230548
2-3 Months	0	0	8431	152913	34763	380
Over 3 Months	0	0	0	8431	139719	86815
Total	787	572978	169539	427039	1491208	776422

The level of aged debtors has decreased this month due to the settlement by Lambeth CCG of a large invoice. It should also be noted that the unallocated cash shown in last month's report has now been correctly assigned. In total, the CCG has debts outstanding from 68 organisations. The highest levels of debt are currently with South London Healthcare NHS Trust £301k, Oxleas NHS Foundation Trust £168k, London Borough of Bexley £143k, South London Charitable Funds £53k and NHS England £47k. Work continues to liaise with these organisations to ensure that payments are received. There is currently uncertainty surrounding charging and payment of UCC invoices. It is therefore possible that a number of invoices will remain unpaid until this is resolved.

Statement of Financial Position

The Statement of Financial Position has not been presented here. At present it is not meaningful as no opening balances have yet been transferred to the CCG and the timetable for them appearing in the CCG ledger has slipped since the last report and is more likely to be around the end of the calendar year. Work has been ongoing during the month to try to agree the remaining balances with the successor organisations. This was due to be signed off by the end of September but the timetable for this has now slipped to the end of October.

12. RECOMMENDATIONS

Members are asked to:

- **DISCUSS & NOTE** the Month 6 (September) financial position and forecast outturn detailed in this report which shows the CCG meeting the required 1% surplus;
- **NOTE** the details of the 2013/14 allocations (programme and running costs) received and expenditure to date;
- **NOTE** the returns made to NHS England reporting the Month 6 financial position, QIPP delivery, use of 2% non-recurrent headroom and the risks and mitigations which the CCG has;
- **DISCUSS & NOTE** the key risks and cost pressures identified to achieving the surplus control total in 2013/14 and the management actions being taken to address and mitigate these risks;
- **NOTE** the month 6 actual performance against the key national finance targets.

FIMS

Month 6 Financial Position

CCG code	Year to Date Planned	Year to Date	Year to Date Variance	Full Year Planned	Full Year Forecast Outturn	Full Year Variance
	£'m	£'m	£'m	£'m	£'m	£'m
Surplus / (Deficit)	1.447	1.447	-	2.569	2.569	-

Running Costs

CCG code	Year to Date Planned	Year to Date	Year to Date Variance	Full Year Planned	Full Year Forecast Outturn	Full Year Variance
	£'m	£'m	£'m	£'m	£'m	£'m
Running Cost	3	3	(0)	6	6	(0)

Activity

PRE CHALLENGES							Comments
CCG code	Year to Date Planned	Year to Date	Year to Date Variance	Full Year Planned	Full Year Forecast Outturn	Full Year Variance	
By Amount	£'m	£'m	£'m	£'m	£'m	£'m	
Elective	16	18	2	29	35	6	
Non-Elective	10	9	(0)	19	18	(1)	
A&E	4	4	0	7	8	1	
Outpatient	10	13	2	19	26	7	
Maternity	3	3	0	7	7	(1)	
Other	29	30	2	57	62	5	
Mental health (not included above)	13	14	0	27	28	1	
Community care	11	11	(0)	23	23	0	
Non Contract Activity	2	2	-	4	4	(1)	
Sub-total	98	104	6	192	209	17	
Adjustment for block / Cap & Collar Contracts (if applicable)	-	-	-	-	-	-	
Revised Total	98	104	6	192	209	17	
CCG code	Year to Date Planned	Year to Date	Year to Date Variance	Full Year Planned	Full Year Forecast Outturn	Full Year Variance	
By Activity	('000)	('000)	('000)	('000)	('000)	('000)	
Elective	13,418	14,296	878	23,093	28,591	5,498	
Non-Elective	6,530	6,194	(336)	3,678	12,389	8,711	
A&E	25,759	28,172	2,413	32,218	56,345	24,127	
Outpatient	80,565	95,852	15,287	127,283	191,705	64,422	
Maternity	3,069	2,988	(81)	2,853	5,976	3,123	
Other	1,534,095	1,761,313	227,219	2,994,929	3,522,626	527,697	
Mental health (not included above)	-	-	-	-	-	-	
Community care	-	-	-	-	-	-	
Non Contract Activity	-	-	-	-	-	-	
Sub-total	1,663,436	1,908,815	245,380	3,184,054	3,817,632	633,578	
Adjustment for block / Cap & Collar Contracts (if applicable)	-	-	-	-	-	-	
Revised Total	1,663,436	1,908,815	245,380	3,184,054	3,817,632	633,578	

Appendix 1

CCG view of POST CHALLENGE position - (This must reconcile to activity included within your YTD and FCOT positions)							
CCG code	Year to Date Planned	Year to Date	Year to Date Variance	Full Year Planned	Full Year Forecast Outturn	Full Year Variance	Comments
By Amount	£m	£m	£m	£m	£m	£m	
Elective	16	18	2	29	33	4	
Non-Elective	9	9	-	16	17	1	
A&E	4	4	-	7	7	-	
Outpatient	10	13	3	18	24	6	
Maternity	3	3	-	6	6	-	
Other	30	29	(1)	58	54	(4)	
Mental health (not included above)	13	14	0	27	28	1	
Community care	11	11	0	23	23	0	
Non Contract Activity	2	2	-	4	4	-	
Sub-total	99	103	5	188	196	8	
Adjustment for block / Cap & Collar Contracts (if applicable)	-	-	-	-	-	-	
Revised Total	99	103	5	188	196	8	
CCG code	Year to Date Planned	Year to Date	Year to Date Variance	Full Year Planned	Full Year Forecast Outturn	Full Year Variance	
By Activity	('000)	('000)	('000)	('000)	('000)	('000)	
Elective	13,418	14,295	877	23,093	26,855	3,762	
Non-Elective	6,530	5,794	(736)	3,678	9,592	5,914	
A&E	25,759	28,172	2,413	32,218	56,345	24,127	
Outpatient	80,565	95,852	15,287	127,283	183,016	55,733	
Maternity	3,069	2,988	(81)	2,853	5,976	3,123	
Other	1,534,094	1,758,722	224,628	2,994,929	3,488,846	493,917	
Mental health (not included above)	-	-	-	-	-	-	
Community care	-	-	-	-	-	-	
Non Contract Activity	-	-	-	-	-	-	
Sub-total	1,663,435	1,905,823	242,388	3,184,054	3,770,630	586,576	
Adjustment for block / Cap & Collar Contracts (if applicable)	-	-	-	-	-	-	
Revised Total	1,663,435	1,905,823	242,388	3,184,054	3,770,630	586,576	

Clinical Commissioning Group

NHS Bexley CCG	07N
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Area Team

London	Q62
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Region

London	Y58
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Month

Sep-13	06
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Completed By:

Julie Witherall

Email:

Julie.Witherall@bexley.nhs.uk

Contact Number:

0208 298 6252

	Allocation (Match Mth5 ledger) £m	Plan £m	Actual £m	Variance £m	Variance %
Surplus / Deficit					of allocation
Forecast	256.946	2.57	2.57	-	0.0%
YTD	128.47	1.45	1.45	-	0.0%
In Month	21.452	0.12	0.12	-	0.0%
Net Expenditure					
Forecast		250.36	251.40	1.04	0.4%
YTD		125.02	125.05	0.04	0.0%
In Month		20.96	21.68	0.72	3.4%
QIPP - (Complete QIPP sheet)					
Forecast		11.48	11.18	(0.30)	-2.6%
YTD		4.81	5.77	0.96	19.9%
In Month		0.76	0.69	(0.08)	-9.9%
Running Costs					
Forecast	5.66	5.60	5.55	(0.05)	-1.0%
YTD		2.80	2.74	(0.06)	-2.3%
In Month		0.47	0.42	(0.05)	-10.1%

CCG	NHS Bexley CCG
CCG Code	07N
Month	Sep-13

Risks & Opportunities Please read notes at the bottom before completing this template

Risks	Full Risk Value £m	Probability of risk being realised %	Potential Risk Value £m	Proportion of Total %	Commentary
CCGs					
Acute SLAs	3.00	50%	1.50	25.5%	Full risk value assumes break even on NCAs and risk adjusted acute numbers are proved optimistic
Community SLAs	0.00	0%	0.00	0.0%	None to report
Mental Health SLAs	0.00	0%	0.00	0.0%	None to report
Continuing Care SLAs	0.00	0%	0.00	0.0%	Claims unlikely to be paid this year
QIPP Under-Delivery	10.80	25%	2.70	45.9%	QIPP back ended, delivery depends on successful procurement of MSK and cardiology schemes & savings delivery
Performance Issues	.50	50%	.25	4.2%	Possible increased costs of 111
Other Risks	2.05	70%	1.44	24.4%	Increased potential outturn on prescribing plus remaining risk on specialist. £1.345m confirmed for MH by NHSE

TOTAL RISKS	16.35		5.89	100%	
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Mitigations	Full Mitigation Value £m	Probability of success of mitigating action %	Expected Mitigation Value £m	Proportion of Total %	Commentary
Uncommitted Funds (Excl 2% Headroom)					
Contingency Held	0.00	0%	0.00	0.0%	All played into month 6 position
Contract Reserves	0.00	0%	0.00	0.0%	All played into month 6 position
Investments Uncommitted	0.00	0%	0.00	0.0%	
Uncommitted Funds Sub-Total	0.00		0.00	0%	
Actions to Implement					
Further QIPP Extensions	0.00	0%	0.00	0.0%	
Non-Recurrent Measures	0.00	0%	0.00	0.0%	2% N/R all played into month 6 position to offset expenditure
Delay/ Reduce Investment Plans	0.00	0%	0.00	0.0%	
Other Mitigations	0.00	0%	0.00	0.0%	
Mitigations relying on potential funding	1.35		1.35	100.0%	Complete in section below - row 48
Actions to Implement Sub-Total	1.35		1.35	100%	

TOTAL MITIGATION	1.35		1.35	100%	
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NET RISK / HEADROOM			(4.54)		
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BEST CASE IMPACT	0.00		0.00		No risks materialise and funds remain uncommitted.
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WORST CASE IMPACT	(16.35)		(5.89)		All risks occur and further actions all unsuccessful, uncommitted funds mitigate only.
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Forecast Outturn Surplus/Deficit			2.57		This should match the surplus reported on the ledger
RISK ADJUSTED CONTROL TOTAL			(1.97)		

Risk Adjusted Control Total Without Potential Funding			(3.32)		
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Mitigations relying on potential funding

	Full Mitigation Value £m	Probability of success of mitigating action %	Expected Mitigation Value £m	Proportion of Total %	Commentary
From National	1.35		1.35		Specialist adjustment re mental health contracts
From Area Team	0.00		0.00		
From CCGs	0.00		0.00		
Potential Allocations	1.35		1.35		

CCG	NHS Bexley CCG
CCG Code	07N
Month	Sep-13

2% Expenditure

	Full Year Plan £m	YTD Actual £m	Balance of Committed £m	Balance Uncommitted £m	Commentary
Local CCG 2%					
Transitional support - provider					
Transformation funding	0.00	0.00	0.00	0.00	
Double running/pump priming	0.00	0.00	0.00	0.00	
Other	0.00	0.00	0.00	0.00	
Transitional support - CCG	0.00	0.00	0.00	0.00	
Innovation funding	0.00	0.00	0.00	0.00	
Investment to improve health outcomes/pathway development	3.86	1.85	2.01	0.00	Utilised for implementation and double running costs of CBC and local QIPP schemes
Risk pooling	1.28	0.64	0.64	0.00	0.5% risk pool utilised against acute over performance
Other risk management	0.00	0.00	0.00	0.00	
Other 2%	0.00	0.00	0.00	0.00	
Sub Total CCG	5.14	2.49	2.65	0.00	
Used as support to plan bottom line	0.00	0.00	0.00	0.00	
Total CCG	5.14	2.49	2.65	0.00	

Notified Resource Limit	256.92
Percentage	2.0%

CCG	NHS Bexley CCG
CCG Code	07N
Month	Sep-13

QIPP Note: Enter a positive value for net savings \ a negative value for net investment.

	Reallocate				In-Month					YTD					Forecast				Commentary
	QIPP Target £m	Un-identified	Refreshed Target	As % of Allocation	Plan £m	Actual £m	Var £m	Var %	RAG	Plan £m	Actual £m	Var £m	Var %	RAG	Actual £m	Var £m	Var %	RAG	
Local QIPP																			
Transactional	0.94	0.00	0.94	0.4%	.08	.25	.18	233.3%	G	.49	2.07	1.58	322.0%	G	2.52	1.58	167.2%	G	Additional CIPs of £1.2m found in year.
Transformational	10.03	0.00	10.03	3.9%	.69	.44	(.25)	-36.5%	AR	3.81	2.81	(1.00)	-26.3%	AR	7.00	(3.03)	-30.2%	AR	Key items: IAPT £1m savings deferred to 14/15 & RAG rating diff. shown in other as not a transformational saving.
Other	0.51	0.00	0.51	0.2%	0.00	0.00	0.00			0.51	0.89	.38	74.8%	G	1.66	1.15	224.9%	G	Includes RAG rating reserve held to offset under delivery of transformational QIPP.
Unidentified	0.00	0.00	0.00	0.0%	0.00		0.00	0.0%		0.00		0.00	0.0%		0.00	0.00	0.0%		
Total QIPP	11.48	0.00	11.48	4.5%	.76	.69	(.08)	-9.9%		4.81	5.77	.96	19.9%		11.18	(.30)	-2.6%		

Notified Resource Limit	256.92
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Analysis of QIPP savings

	QIPP Target £m	Forecast Actual £m	Var £m	% of Total
Recurrent	10.98	10.68	(0.30)	-2.61%
Non-recurrent	0.50	0.50	0.00	0.00%
Total Local QIPP	11.48	11.18	(0.30)	

check TRUE

Memo - Health economy wide QIPP

	QIPP Target £m		Plan £m	Actual £m	Var £m	Var %	RAG	Plan £m	Actual £m	Var £m	Var %	RAG	Actual £m	Var £m	Var %	RAG	Commentary
Health Economy Wide QIPP																	
Price Efficiency Acute	6.18		.52	.53	.01	2.4%	G	3.09	3.16	.07	2.4%	G	6.33	.14	2.3%	G	Actuals where known. Plan where contract not yet agreed..
Price Efficiency Mental Health	1.06		0.00	0.00	0.00			1.06	1.06	0.00	0.0%	G	1.06	.00	0.1%	G	Negotiated out of 13/14 block contract baselines with Oxleas & SLAM & other contracts
Price Efficiency Other NHS	1.02		0.00	0.00	0.00			1.02	1.02	0.00	0.0%	G	1.02	.00	0.2%	G	Negotiated out of 13/14 block contract baselines with Oxleas & SLHT & other contracts
Price Efficiency Non-NHS	0.00		0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%		0.00	0.00	0.0%		
Other Schemes	0.36		.03	.03	0.00	0.0%	G	.18	.18	0.00	0.0%	G	.36	(.00)	-1.1%	G	
Total Health economy wide QIPP	8.63		0.55	0.56	0.01	2.2%		5.35	5.42	0.07	1.4%		8.77	0.14	1.6%		

GLOSSARY OF TERMS

BPPC	BETTER PAYMENT PRACTICE CODE
CAMHS	CHILDREN'S AND ADOLESCENTS MENTAL HEALTH SERVICES
CCG	CLINICAL COMMISSIONING GROUP
CHC	CONTINUING HEALTHCARE
CIP	COST IMPROVEMENT PROGRAMME
CRL	CAPITAL RESOURCE LIMIT
CSU	COMMISSIONING SUPPORT UNIT
DES	DIRECTLY ENHANCED SCHEME
DVH	DARENT VALLEY HOSPITAL
FIMs	FINANCIAL INFORMATION MONITORING RETURNS
FOT	FORECAST OUTTURN
GSTT	GUY'S & ST THOMAS' NHS FOUNDATION TRUST
HRG	HEALTH RESOURCE GROUP
IFSE	INTEGRATED FINANCE & ACCOUNTING SYSTEM
LA	LOCAL AUTHORITY
LBB	LONDON BOROUGH OF BEXLEY
LES	LOCAL ENHANCED SCHEME
LIS	LOCAL INCENTIVE SCHEME
LHNT	LEWISHAM HOSPITAL NHS TRUST
KCH	KING'S COLLEGE HOSPITAL NHS FOUNDATION TRUST
KPI	KEY PERFORMANCE INDICATOR
MDT	MULTI DISCIPLINARY TEAM
NHSE	NHS ENGLAND
PMO	PROGRAMME MANAGEMENT OFFICE
PPA	PRESCRIPTION PRICING AUTHORITY
QIPP	QUALITY, INNOVATION, PRODUCTIVITY & PREVENTION
QOF	QUALITY OUTCOME FRAMEWORK
RRL	REVENUE RESOURCE LIMIT
RTT	REFER TO TREATMENT
SBS	SHARED BUSINESS SYSTEMS
SLA	SERVICE LEVEL AGREEMENT
SLHT	SOUTH LONDON HEALTHCARE NHS TRUST
UHL	UNIVERSITY HOSPITAL LEWISHAM
TSA	TRUST SPECIAL ADMINISTRATOR
YTD	YEAR TO DATE