

Agenda item: 4.1

Paper No: 13

| | |
|-------------------|-----------------------------------|
| Committee: | Governing Body |
| Venue: | Godalming Masonic Hall, Godalming |
| Date: | 31 October 2017 |
| Status: | FOR REVIEW AND NOTE |

| | | |
|---|---|------------|
| Title of Report | Finance Report for M6 2017/18 | |
| Presented by | Karen McDowell, Chief Finance Officer and Deputy Chief Executive | |
| Author | Vicki Taylor, Deputy Chief Finance Officer | |
| Finance Lead sign off | Karen McDowell | 13/10/2017 |
| Conflict of Interest | No | |
| Governance and reporting- at which other meeting has this paper been discussed | Commissioning, Finance and Performance Committee | |
| Freedom of Information | <input type="checkbox"/> Author considers that no exemption applies: <input type="checkbox"/> <input checked="" type="checkbox"/> | |

Executive Summary:

The finance report presents the summary financial performance for the CCG for the 6 months of the year to 31st October 2017.

The financial position at Month 6 is a deficit of £5.1m against a planned deficit year to date of £4.2m resulting in an adverse variance of £0.9m.

The forecast for the year remains on plan to deliver a deficit of £8.4m.

There are a number of pressures within the position at month 6. The CCG has reported acute over performance year to date of £2.9m which is predominantly against the main acute provider contract. This is driven by increasing activity levels and slippage against the Service Transformation Programme. There is a significant increase in costs compared to the same period last year namely within Non elective areas.

The CCG have negotiated a risk pooling arrangement with the main acute provider to support the joint cost reduction programme and facilitate closer joint working and joint ownership of delivering the financial targets. It is assumed that the full benefit of this arrangement sits with the CCG based on the jointly reported financial positions at month 6.

The CCG has reported 46% delivery against the QIPP programme year to date with slippage against the acute elements as a result of delays in the agreement and implementation of some plans. It is forecast that this performance will be 54% by the end of the financial year based on a plan of £8.6m QIPP (financial plan deficit of £8.4m). There is agreement with the Trust on a programme of joint cost reduction which will require collaborative working and close monitoring to ensure this forecast can be delivered.

The CCG is performing well against the running costs target of £4.9m, delivering a planned under spend which contributes to the delivery of the corporate QIPP target.

The Governing Body are asked to note the financial position for Month 6.

Implications:

| | |
|--|--|
| Health/ CCG strategic objectives | We will achieve ways of delivering and prioritising healthcare, working within our allocated budget and delivering a single control total across the system and with our main, acute provider. |
| Financial/ Resource | None specific to this report |
| Legal/ Compliance | The CCG has a statutory duty not to exceed its financial allocation. |
| Equality Analysis | None specific to this report |
| Patient and Public Engagement | None specific to this report |
| Risk (including reputational) and rating | Risk of delivery of financial targets is reported on CCG Risk register |

Recommendation(s):

To review and note the financial performance for 2017/18 and key risks to the CCG noted.



Guildford and Waverley
Clinical Commissioning Group






NHS Guildford and Waverley Clinical Commissioning Group Finance Report 2017/18

Financial performance for September 2017 (Month 6)

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Guildford and Waverley Clinical Commissioning Group
Executive Summary
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| Key Performance Indicator | Plan | Actual Performance | Forecast year end Performance | RAG | Performance improving? | Key Messages |
|--|--|--------------------|-------------------------------|-------|---|---|
| Deliver £8.365m deficit against the CCG Total Revenue Resource Limit (RRL) | £8.365m | £-5.1m | £-8.4m | Red |  | Year to date Month 6 (30th September 2017), the CCG reports a deficit of £5.1m against the plan of £4.2m resulting in a £0.9m adverse variance. The forecast for the year is on plan to deliver a deficit of £8.4m. The red rating is driven by the YTD over performance and the level of risk in the forecast. There are a number of financial risks reported at Month 6 particularly within acute services where over performance on the main acute provider contract is driving significant additional costs as well as across a number of smaller acute provider contracts. There has been a deep dive of all activity to determine what actions need to be taken to address the increasing costs reported as an appendix to this report. |
| Remain within Cash Resource Limit (CRL) | 1.25% of monthly drawdown | £27k | 1.25% of monthly drawdown | Green |  | The CCG has achieved its cash KPI in September 2017. The cash balance at the end of the month was £27k which is 0.14% of the monthly drawdown. |
| Better Practice Payment Policy (BPPC) | 95% of valid invoices paid within 30 days (Volume) | 97.50% | 95% | Green |  | The CCG has achieved its BPPC KPI in September 2017. The YTD achievement for volume of invoices is 97.5% and value is 99.5% (Target 95%). |
| Service Transformation Programme | £8.635 | £1.9m | £4.7m | Red |  | Service Transformation Programme for the year forecasts delivery of £4.7m savings against the plan of £8.6m delivering a variance of £4m (54% achievement) with a further £0.8m of additional schemes forecast to partially mitigate the risk of under performance, full detail in Section 5. The red rating is driven by the forecast slippage on the plan for the year and significantly lower performance than planned. |
| Remain within Running Costs Allocation | £4.9m | £2m | £4.4m | Green |  | CCG reports an under spend of £493k at YTD Month 6 representing full delivery of the Corporate Service Transformation Programme target. There is also under spending against the CCG pay budgets as a result of vacancies at Month 6. |

Guildford and Waverley Clinical Commissioning Group
Summary of Income and Expenditure
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| | Budget | Year to date | | | Rest of the Year (6 months) | | | Year end forecast | | Key Messages |
|---|----------------------------|-------------------------|-------------------------|---------------------------|-----------------------------|-----------------|-------------------|----------------------------|-------------------------------|---|
| | Annual Allocation £'000 | Budget to date £'000 | Actual to date £'000 | Variance to date £'000 | Budget £'000 | Actual £'000 | Variance £'000 | Year End Forecast £'000 | Forecast Variance £'000 | |
| Resource Limit | 261,050 | 129,996 | 129,996 | 0 | 131,053 | 131,053 | 0 | 261,050 | 0 | |
| Expenditure | | | | | | | | | | |
| Acute Commissioning | 138,685 | 69,431 | 72,283 | 2,852 | 69,255 | 69,051 | (204) | 141,333 | 2,648 | Driver of the adverse position is over-performance on the main acute provider contract as a result of increasing levels of cost and activity both against the plan and also against the same time period last year. In addition to this there is also over-performance at a number of other smaller acute providers. There is agreement with the main acute provider on a programme of joint cost reduction and the reported position includes the risk pooling agreement transferring to the CCG to partially offset over performance. All over performance issues have been subject of a deep dive review into the activity at Q1 and contractual performance is discussed in the contacts appendix to this report. |
| Mental Health Services | 23,697 | 11,848 | 11,689 | (160) | 11,848 | 11,782 | (66) | 23,471 | (226) | The forecast under spend relates to the costs and activity associated with IAPT services across the year and a non recurrent benefit from 2016-17 in Mental Health NCA. |
| Community Health Services | 17,141 | 8,570 | 8,296 | (275) | 8,570 | 8,654 | 83 | 16,950 | (191) | |
| Continuing Care Services | 18,688 | 9,344 | 9,199 | (145) | 9,344 | 9,199 | (145) | 18,398 | (290) | Growth in CHC lower than planned levels to date |
| Primary Care Services | 5,428 | 2,714 | 2,617 | (97) | 2,714 | 2,680 | (34) | 5,297 | (131) | |
| Better Care Fund | 11,771 | 5,885 | 5,772 | (114) | 5,885 | 5,772 | (113) | 11,544 | (227) | Release of Non Elective metric to offset increasing Non Elective costs within acute services |
| Prescribing | 29,496 | 14,748 | 15,243 | 495 | 14,748 | 14,745 | (3) | 29,988 | 491 | Pressures in prescribing costs as a result of "No cheaper stock available" and slippage on the QIPP programme. |
| Voluntary Sector Grants / Services | 1,895 | 948 | 890 | (58) | 948 | 970 | 23 | 1,860 | (35) | |
| Other Corporate Costs (Non-Running Costs) | 13,712 | 6,856 | 6,387 | (469) | 6,856 | 7,110 | 254 | 13,497 | (215) | Various small areas of CCG budget under spending offsetting acute risks |
| Corporate Running Costs | 4,913 | 2,456 | 1,963 | (493) | 2,456 | 2,403 | (54) | 4,366 | (547) | The under spend relates to the delivery of the Corporate QIPP efficiency which is expected to deliver in full across the year and additional areas of under spending in months 1-6 due to vacancies |
| Reserves: | 3,988 | 1,378 | 739 | (639) | 2,611 | 1,972 | (639) | 2,711 | (1,277) | |
| 0.5% Contingency | 1,277 | 639 | 0 | (639) | 639 | 0 | (639) | 0 | (1,277) | Position assumes full release of the CCG contingency to contribute to the risk pooling arrangement with the main acute provider. |
| National Non Recurrent Reserve | 1,233 | 0 | 0 | 0 | 1,233 | 1,233 | 0 | 1,233 | 0 | 0.5% of the 1% non recurrent national risk pool - required to be held in the CCG position. Profiled in month 12. |
| General Reserve | 1,478 | 739 | 739 | 0 | 739 | 739 | (0) | 1,478 | 0 | Reserve committed to fund RSCH's 2016/17 year end cost pressure |
| Total Expenditure | 269,415 | 134,179 | 135,077 | 898 | 135,236 | 134,338 | (898) | 269,415 | 0 | |
| Deficit 2017/18 | (8,365) | (4,182) | (5,081) | (898) | (4,183) | (3,284) | 898 | (8,365) | (0) | |
| Deficit carried forward from 2016/17 | (5,026) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

The CCG is expected to deliver its planned £8.4m deficit in 2017/18 although at M6 there is YTD variance of £898k against plan. The current control total for the CCG is deficit £3.965m but CCG's plan has been accepted by NHS England for monitoring purpose. Historic deficit of £5m relating to 2016/17 is currently reflected on the Balance Sheet only as per NHS England guidance.

4.0

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Service Transformation Programme Report
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| Service Transformation Programme 2017/18 | Annual Plan £'000 | Year to date | | | Forecast | | |
|--|----------------------|---------------|-----------------|-------------------|---------------|-----------------|-------------------|
| | | Plan £'000 | Actual £'000 | Variance £'000 | Plan £'000 | Actual £'000 | Variance £'000 |
| Royal Surrey County Hospital Schemes | 5,084 | 2,278 | 443 | -1,835 | 5,084 | 1,701 | -3,383 |
| CCG Schemes | 3,551 | 1,776 | 1,411 | -365 | 3,551 | 2,951 | -600 |
| Total QIPP required to deliver financial plan | 8,635 | 4,054 | 1,854 | -2,200 | 8,635 | 4,652 | -3,983 |
| | | | | 46% | | | 54% |
| Stretch and Pipeline schemes | | 0 | 386 | 386 | 0 | 772 | 772 |

The total net savings target for the Service Transformation Programme for 2017/18 to deliver the current financial plan is £8.6m.

The target at 30th September 2017 (Month 6) is £4m with reported performance of £1.8m resulting in a variance of £2.2m. This represents 46% delivery year to date. This under-achievement is predominantly driven by a delay in the implementation of new schemes with the main acute provider against an evenly profiled plan.

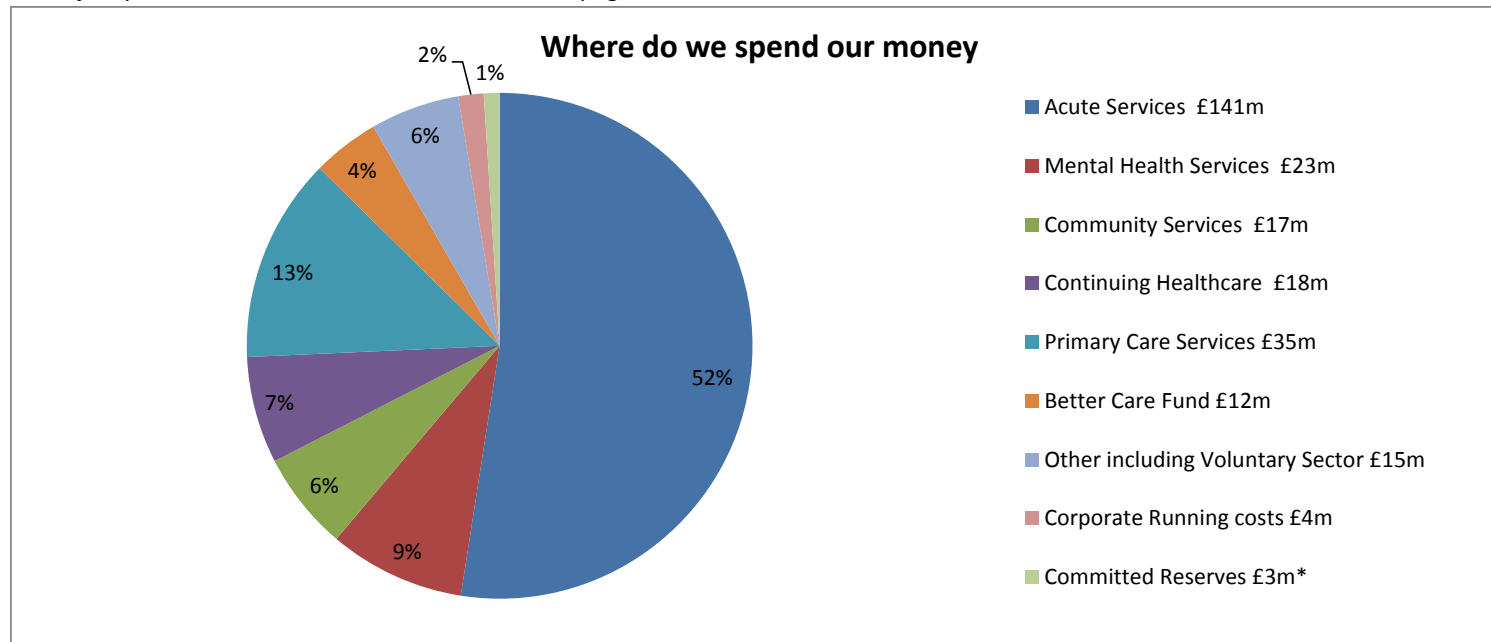
Full detail is available in the Service Transformation Report which highlights issues and actions to be taken to drive forward delivery.

3.0

**Guildford and Waverley Clinical Commissioning Group
Summary of Forecasted Expenditure by Area of Spend
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6**

| Guildford & Waverley Clinical Commissioning Group | Forecast 2017/18 | % of total spend |
|--|-------------------------|-------------------------|
| Acute Services £141m | 141,333 | 52% |
| Mental Health Services £23m | 23,471 | 9% |
| Community Services £17m | 16,950 | 6% |
| Continuing Healthcare £18m | 18,398 | 7% |
| Primary Care Services £35m | 35,285 | 13% |
| Better Care Fund £12m | 11,544 | 4% |
| Other including Voluntary Sector £15m | 15,357 | 6% |
| Corporate Running costs £4m | 4,366 | 2% |
| Committed Reserves £3m* | 2,711 | 1% |
| Total Forecasted Spend | 269,415 | |

*Majority of reserves are committed, full detail on page 6



5.0

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Contract Performance for Royal Surrey County Hospital Foundation Trust
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

Information in the table below is for year to date M5 Flex 2017/18 compared to the same period in 2016/17

| | Activity | | | Finance £'000 | | |
|------------------------------|-------------------------|-----------------------------|-----------|------------------------------|------------------------------|----------------|
| | YTD Activity in 2016/17 | YTD activity actual 2017/18 | Variance | YTD Finance in 2016/17 £'000 | YTD Finance in 2017/18 £'000 | Variance £'000 |
| A&E | 19,287 | 18,835 | -452 | 2,290 | 2,444 | 154 |
| Critical Care | 916 | 953 | 37 | 1,137 | 1,290 | 153 |
| Daycase | 6,297 | 6,588 | 291 | 4,834 | 5,175 | 341 |
| Devices | 570 | 647 | 77 | 148 | 172 | 24 |
| Direct Access | 631,821 | 634,422 | 2,601 | 3,377 | 3,230 | -147 |
| Direct Imaging | 10,432 | 11,385 | 953 | 1,111 | 1,098 | -13 |
| Drugs | 0 | 3 | 3 | 1,083 | 1,091 | 8 |
| Elective | 1,294 | 1,206 | -88 | 4,253 | 3,973 | -280 |
| Elective Excess Bed Days | 115 | 160 | 45 | 28 | 42 | 14 |
| Maternity | 1,705 | 1,741 | 36 | 1,823 | 1,891 | 68 |
| Non-elective | 9,118 | 10,401 | 1,283 | 14,999 | 18,250 | 3,251 |
| Non-elective Excess Bed Days | 3,852 | 1,591 | -2,261 | 901 | 414 | -487 |
| Other | 14,238 | 14,473 | 235 | 1,581 | 973 | -608 |
| Outpatient Follow up | 32,548 | 32,000 | -548 | 3,024 | 2,627 | -397 |
| Outpatient New | 23,535 | 22,419 | -1,116 | 3,233 | 3,406 | 173 |
| Procedure Follow up | 7,594 | 6,749 | -845 | 1,243 | 1,056 | -187 |
| Procedure New | 4,220 | 4,049 | -171 | 807 | 702 | -105 |
| Total | 767,542 | 767,622 | 80 | 45,875 | 47,834 | 1,959 |

RSCH's plan has not yet been finalised due to unsigned Contract Variations for QIPP and other adjustments. In the table above a comparison is made against the same period in 2016/17.

The activity included in this report is final data for month 1-4 and flex data for month 5.

The CCG has scheduled monthly contract performance meetings with RSCH to review performance and agree a reconciled position for monthly reporting. A revised local tariff for ambulatory care has been agreed and is reflected in the figures above.

Against CCG's budget, RSCH performance is as follows:

| | Finance £'000 | |
|-----------------|---------------|--------------|
| | YTD at M6 | Forecast |
| Budget | 52,530 | 105,060 |
| Actuals | 55,374 | 108,087 |
| Variance | 2,844 | 3,027 |

In the table above the position illustrated is as reported in the CCG's ledger. This is based on actual activity at year to date at month 5 (Flex) and an estimate for month 6. This assumes the benefit of further QIPP delivery and accounts for the Trust element of the risk pooling arrangement transferring across to the CCG.

6.0

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Contract Performance for Other Acute Providers
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

Table below provides contractual performance for Acute Providers. Full detail on areas of performance is available in the Contract Review Report.

| Provider | Annual Budget £'000 | YTD Plan £'000 | YTD Actual £'000 | YTD Variance £'000 | FOT £'000 | FOT Variance against budget £'000 | Move on last month £'000 |
|---|---------------------|----------------|------------------|--------------------|---------------|-----------------------------------|--------------------------|
| Ashford & St Peters Foundation Trust | 2,732 | 1,366 | 1,554 | 188 | 3,102 | 370 | 👉 -15 |
| Epsom & St Helier NHS Trust | 1,128 | 564 | 655 | 91 | 1,300 | 172 | 👉 12 |
| Frimley Health Foundation Trust | 5,693 | 2,847 | 3,057 | 211 | 6,105 | 411 | 👉 -17 |
| Great Ormond Street Hospital Foundation Trust | 64 | 32 | 23 | -10 | 53 | -11 | 👉 -4 |
| Guy's and St Thomas's Foundation Trust | 901 | 450 | 529 | 79 | 1,052 | 151 | 👆 -90 |
| Imperial College Healthcare NHS Trust | 208 | 104 | 93 | -11 | 186 | -22 | 👉 13 |
| Moorfields Eye Hospital Foundation Trust | 349 | 175 | 116 | -58 | 232 | -117 | 👉 -12 |
| Portsmouth Hospitals NHS Trust | 233 | 116 | 123 | 7 | 223 | -10 | 👉 27 |
| Queen Victoria Foundation Trust | 619 | 309 | 332 | 23 | 678 | 59 | 👉 -13 |
| Royal Brompton and Harefield NHS Trust | 288 | 144 | 83 | -61 | 233 | -55 | 👉 6 |
| Royal National Orthopaedic Hospital NHS Trust | 365 | 182 | 120 | -62 | 244 | -120 | 👉 9 |
| St George's University Hospitals Foundation Trust | 1,950 | 975 | 1,091 | 116 | 2,310 | 359 | 👉 2 |
| Surrey & Sussex NHS Trust | 229 | 114 | 139 | 25 | 261 | 32 | 👉 -20 |
| Royal Marsden Foundation Trust | 669 | 334 | 287 | -48 | 536 | -133 | 👉 16 |
| University College London Foundation Trust | 414 | 207 | 236 | 29 | 535 | 121 | 👆 -61 |
| Western Sussex Hospital Foundation Trust | 459 | 229 | 323 | 94 | 632 | 174 | 👇 105 |
| BMI Mount Alvernia | 1,408 | 704 | 877 | 173 | 1,693 | 285 | 👉 22 |
| TOTAL | 17,708 | 8,854 | 9,640 | 785 | 19,373 | 1,665 | -21 |

All contracts with the exception of Royal Marsden, which is in formal dispute with the Host Commissioner, have now been agreed. The impact of the interim solution for Stroke continues to cause pressure within the Frimley health and Ashford & St Peter's, contract variations are being agreed to adjust the plan.

A deep dive review of all over performing contracts has been undertaken by the contracts team and challenges will be raised directly with providers where appropriate. More detail can be found in the contracts report Appendix to the Finance paper.

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Contract Performance for Non-Acute Contracts
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| Provider | Annual Budget £'000 | YTD Plan £'000 | YTD Actual £'000 | YTD Variance £'000 | FOT £'000 | FOT Variance £'000 | Move on last month £'000 | Comments on areas of performance |
|--|------------------------|-------------------|---------------------|-----------------------|---------------|-----------------------|-----------------------------|---|
| South East Coast Ambulance Service - A&E | 6,586 | 3,293 | 3,434 | 141 | 6,877 | 291 | ↓ 298 | Additional stroke transport costs following pathway changes |
| South Central Ambulance Service - PTS | 952 | 476 | 412 | -64 | 863 | -89 | ↑ -89 | Lower than plan activity is subject to Activity Query Notice |
| South East Coast Ambulance Service - 111 | 532 | 266 | 266 | 0 | 532 | 0 | → 0 | |
| SaBP - Mental Health Services - Adult | 13,694 | 6,847 | 6,847 | 0 | 13,694 | 0 | → -0 | |
| SaBP - Delegated Commissioning - Adult | 1,127 | 564 | 564 | -0 | 1,127 | 0 | → 0 | |
| SABP - Learning Disability Serv. | 1,644 | 822 | 822 | 0 | 1,644 | 0 | → 0 | |
| SABP - CAMHS | 1,448 | 724 | 724 | -0 | 1,448 | 0 | → -0 | |
| Local Authority / Joint Services - CAMHS | 544 | 272 | 272 | 0 | 544 | 0 | → -0 | |
| IAPT Service | 1,520 | 760 | 726 | -34 | 1,448 | -72 | ↑ -69 | lower than planned activity |
| Continuing Care Services (All Care Groups) | 13,057 | 6,528 | 6,859 | 330 | 13,718 | 661 | ↓ 661 | Overall breakeven position is forecasted |
| Funded Nursing Care | 5,341 | 2,671 | 2,340 | -330 | 4,681 | -661 | ↑ -660 | |
| Virgin Care - adults | 13,433 | 6,717 | 6,717 | -0 | 13,433 | 0 | → 0 | Variance to last month is due to move in budgets to correctly map against actual costs. |
| Healthy Children & Families - children | 2,357 | 1,178 | 1,091 | -87 | 2,183 | -174 | ↑ -174 | Variance to last month is due to move in costs for Personal Health budgets and RSCH Diabetes nurse from top slice |
| Better Care Fund | 11,771 | 5,885 | 5,772 | -114 | 11,544 | -227 | ↑ -227 | Contingency for Non Elective admissions released |
| Enhanced Services | 2,384 | 1,192 | 1,146 | -46 | 2,338 | -46 | → -46 | Non Recurrent benefit in relation to 16/17 |
| Primary Care Investments | 336 | 168 | 168 | 0 | 336 | 0 | → 0 | |
| Frailty Initiative | 676 | 338 | 330 | -8 | 668 | -8 | → -8 | Non Recurrent benefit in relation to 16/17 |
| Out of Hours | 1,500 | 750 | 707 | -43 | 1,423 | -77 | → -9 | Non Recurrent benefit in relation to 16/17 |
| TOTAL | 78,902 | 39,451 | 39,195 | -256 | 78,499 | -402 | -325 | |

8.0

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Contract Performance for Better Care Fund
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

Information in this table is at Month 5 - August 2017

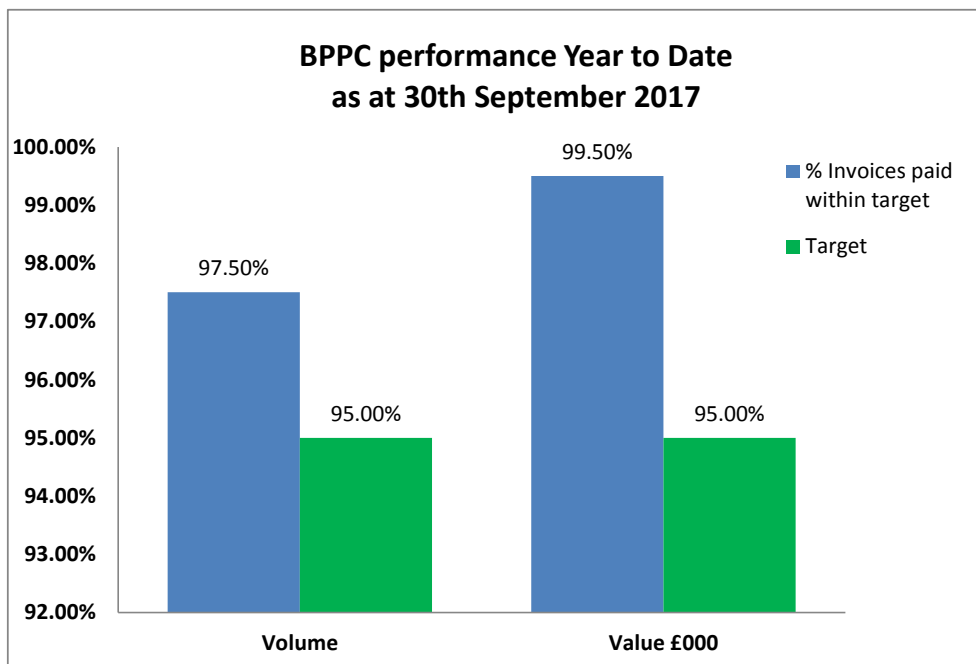
| BCF Summary Category | Annual Plan £000 | Forecast at M5 £000 | Forecast at M5 variance to Annual Plan £000 | Move on last month £'000 |
|---|---------------------|------------------------|---|-----------------------------|
| Care Act Revenue | 453 | 453 | 0 | → |
| Carers | 435 | 435 | 0 | → |
| Health Commissioned Services | 3,281 | 3,266 | -15 | → |
| Continuing Investment in Health and Social Care - CCG managed Schemes | 1,533 | 1,547 | 14 | → |
| Continuing Investment in Health and Social Care - SCC | 1,710 | 1,609 | -101 * | → |
| Protection of Adult Social Care | 4,342 | 4,342 | 0 | → |
| BCF Plan Submission Total | 11,754 | 11,652 | -102 | |
| Disabled Facilities Grant | 941 | 941 | 0 | → |
| Improved BCF and Spring Funding | 1,310 | 1,310 | 0 | → |
| Carry Forward and Adjustments | 90 | 0 | -90 | → |
| Grand Total | 14,095 | 13,903 | -192 | |

The CCG is reporting breakeven position for the Better Care Fund Health-led Commissioned Schemes at M5 in the above table. However, in the ledger on YTD M6 basis, contingency for Non Elective admissions was released (£95k in YTD and £227k in FOT).

*** Continuing Investment in Health and Social Care - SCC**

- There is an over performance of £27k on the Community Equipment Store after contingency is applied.
- Currently there are no plans agreed for the expenditure of the funds allocated to Integration initiatives, hence at M6 these have been forecast at £0.
Discussions are on-going to finalise plans and it is expected that there will be schemes in place to utilise the Innovation Fund (£119k)

**NHS Guildford and Waverley Clinical Commissioning Group
Better Payment Practice Code Performance
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6**



The Better Payments Practice Code measures the number of CCG invoices paid within 30 days as a % of the total invoices paid.

The Target is 95% and the CCG’s performance YTD to September is above this target at 97.50% on volume of invoices paid. The value target is also met and performance is significantly higher than target at 99.5%.

A weekly report is sent to Budget holders to remind them to clear their SBS workflows to aid achievement of this target.

| | YTD | |
|-------------------------------|---------------|---------------|
| | Volume | Value £000 |
| Invoices paid | 4,728 | 126,474 |
| Invoices paid within target | 4,610 | 125,847 |
| % Invoices paid within target | 97.50% | 99.50% |
| Target | 95.00% | 95.00% |

| Quarter 1 | | Jul-17 | | Aug-17 | | Sep-17 | |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Volume | Value £000 | Volume | Value £000 | Volume | Value £000 | Volume | Value £000 |
| 2,286 | 60,447 | 857 | 21,821 | 806 | 22,912 | 779 | 21,294 |
| 2,232 | 60,200 | 836 | 21,586 | 801 | 22,909 | 741 | 21,152 |
| 97.64% | 99.59% | 97.55% | 98.92% | 99.38% | 99.99% | 95.12% | 99.33% |

**NHS Guildford and Waverley Clinical Commissioning Group
Statement of Financial Position**

Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| | Balance Sheet As At 30 September 2017 £000s | Balance Sheet As At 31 August 2017 £000s | Movement From last month £000s |
|--|--|---|--------------------------------------|
| Fixed Assets | | | |
| Property Plant & Equipment | 53 | 63 | (9) |
| Current Assets | | | |
| Debtors | 10,874 | 9,910 | 964 |
| Cash at Bank and in hand | (375) | (2,027) | 1,652 |
| | 10,499 | 7,884 | 2,616 |
| Total Assets | 10,553 | 7,946 | 2,607 |
| Current Liabilities | | | |
| Trade and Other Payables | (29,792) | (25,959) | (3,833) |
| Provisions | (264) | (264) | 0 |
| Other | 0 | 0 | 0 |
| | (30,056) | (26,223) | (3,833) |
| Net Current Assets/(Liabilities) | (19,557) | (18,339) | (1,217) |
| Total Assets Less Current Liabilities | (19,503) | (18,277) | (1,227) |
| Non-Current Liabilities | 0 | 0 | 0 |
| Assets Less Liabilities | (19,503) | (18,277) | (1,227) |
| Financed By: | | | |
| Taxpayers' Equity | | | |
| General Fund | 19,503 | 18,277 | 1,227 |
| Revaluation Reserves | 0 | 0 | 0 |
| Total Taxpayers' Equity | 19,503 | 18,277 | 1,227 |

The Statement of Financial Position above shows the CCG's balance sheet (assets and liabilities) as at 30th of September 2017 in comparison to 31st of August 2017

NHS Guildford and Waverley Clinical Commissioning Group
Statement of Cash Flow
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| | Year to Date | |
|--|------------------|---|
| | Actual | |
| | £000s | |
| Cash Flows from Operating Activities | | Actual cash balance at 30th September 2017 was £27,483. |
| Net Operating Cost Before Interest | (135,077) | |
| Depreciation and Amortisation | 10 | Cash KPI target for September 2017 was met. |
| Impairments and Reversals | 0 | |
| (Increase)/Decrease in Trade and Other Receivables | (5,120) | The actual cash balance was 0.14% (target is 1.25%) of main drawdown of £19.5m. |
| (Increase)/Decrease in Other Current Assets | 0 | |
| Increase/(Decrease) in Trade and Other Payables | 5,893 | |
| (Increase)/Decrease in Other Current Liabilities | 0 | |
| Provisions Utilised | 56 | |
| Increase/(Decrease) in movement in non cash Provisions | (56) | The CCG continues to work closely with colleagues at the CSU to facilitate accurate cash forecasting. |
| Net Cash Inflow/(Outflow) from Operating Activities | (134,294) | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Payments) for Property, Plant and Equipment | 7 | |
| Net Cash Inflow/(Outflow) from Investing Activities | 7 | |
| NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING | (134,287) | General Ledger balance was -£375k due to uncleared payments on the General Ledger. This is a regular occurrence and full reconciliation is provided in the table below. |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net Parliamentary Funding | 133,878 | |
| Cash Transferred (to)/from Other NHS Bodies (free text note required) | 0 | |
| Net Cash Inflow/(Outflow) from Financing Activities | 133,878 | |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (409) | |
| Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period | 35 | |
| Cash and Cash Equivalents (and Bank Overdraft) at YTD | (375) | The CCG has utilised 49.8% of the Maximum Cash Drawdown allowance at YTD September (Month 6), which is below the target of 50% at this point of the year. |
| Reconciliation schedule between Bank Statement Balance and GL Balance | £000s | |
| Closing Actual Bank Balance as at 30th September 2017 | 27 | |
| Receipts (items processed by the bank but not on GL) | -12 | |
| Payments of Bank charges (items processed by the bank but not on GL) | 0 | |
| Uncleared payments on the GL (Items eg bacs, payable orders not yet processed by the bank but on GL) | -390 | |
| General Ledger Balance as at 30th September 2017 | -375 | |

12.0

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Forecast Risk in 2017/18 - Non ISFE (Reported to NHS England)
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| | Area | Headline detail | Risk (£m) |
|---------------------------|--------------------|---|------------------|
| 1 | Risk - Acute SLAs | Acute over performance / Increased demand | -5.00 |
| 2 | Risk - CHC | National CHC / FNC risk | -0.30 |
| 3 | Risk - QIPP | Corporate / Running Costs | -0.20 |
| 4 | Risk - Prescribing | Growth in prescribing costs | -0.44 |
| 5 | Risk - Other | Other Risks | -4.00 |
| Total Risks | | | -9.94 |
| 4 | Mitigations | Non-Recurrent Measures | 2.00 |
| 5 | Mitigations | Delay / Reduce Investment Plans | 1.86 |
| 6 | Mitigations | Potential Funding | 4.00 |
| Total Mitigations | | | 7.86 |
| Net Total CCG Risk | | | -2.08 |

The table above illustrates the areas of risk above the reported forecast.

NHS Guildford and Waverley Clinical Commissioning Group
Summary of Allocations
Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

| Guildford & Waverley CCG | Opening Recurrent Budget | Recurrent Changes | Total Recurrent Budget | Opening Non Recurrent Budget | Non Recurrent Changes | Total Non Recurrent Budget | Total Budget |
|---|--------------------------|-------------------|------------------------|------------------------------|-----------------------|----------------------------|----------------|
| CONFIRMED OPENING RESOURCE LIMIT - 2017/18 | 251,311 | | | 4,057 | | | 255,368 |
| Epsom and St Helier (contract variation) | | 10 | | | | | 10 |
| Named GP for Safeguarding | | 33 | | | | | 33 |
| PMS Review Premium Release from 2016/2017 recurrent | | 53 | | | | | 53 |
| Tier 3 high cost drugs correction | | -32 | | | | | -32 |
| Looked After Nurse - Liz Channing | | 55 | | | | | 55 |
| Repayment of systems risk support from 16/17 | | | | | -700 | | -700 |
| PMS Premium Release 2017-18 | | 70 | | | | | 70 |
| Reception and clerical training - (Training Care Navigators and Medical Assistants) | | | | | 38 | | 38 |
| NHS WiFi | | | | | 101 | | 101 |
| Market rents adjustment | | | | | 337 | | 337 |
| Paramedic Rebanding Additional Funding 2017-18 | | | | | 83 | | 83 |
| HSCN - GP funding | | | | | 61 | | 61 |
| HSCN - CCG funding | | | | | 2 | | 2 |
| CYPT IAPT Trainee staff support costs | | | | | 49 | | 49 |
| Infrastructure funding for STPs | | | | | 220 | | 220 |
| Payment for the Q1-2 to Surrey Heartlands STP in their role as Early Adopters | | | | | 265 | | 265 |
| Cancer 62d wait support - Royal Surrey County Hospital NHS Foundation Trust | | | | | 80 | | 80 |
| Cancer 62d pathway co-ordinator - Royal Surrey County Hospital NHS Foundation Trust | | | | | 30 | | 30 |
| Additional month5 IR Changes | | | | | -4,340 | | -4,340 |
| Mental Health New Care Models support funding 2017/18 | | | | | 100 | | 100 |
| Transformation Programme Funding | | | | | 9,167 | | 9,167 |
| 2017/18 REVENUE RESOURCE LIMIT | 251,311 | 189 | | 4,057 | 5,493 | | 261,050 |
| Deficit carry forward - outside of 2017/18 allocation | | | | | | | -5,011 |
| RESOURCE LIMIT AFTER THE DEFICIT CARRY FORWARD | | | | | | | 256,039 |

Moving to in-year deficit reporting

Following NHS England's direction, the CCG is required to report separately cumulative deficit, i.e. the deficit that the CCG reported in 2016/17 of £5m is now shown outside of 2017/18 allocation.

IR adjustment at Month 5

The CCG have had an unnotified allocation reduction at Month 5 of £4.3m in respect of Identification Rules (IR) with the main acute provider. This is currently being investigated.

14.0 Appendix 1

NHS Guildford and Waverley Clinical Commissioning Group
 RSCH and GWCCG Joint Board Report
 Financial Year 2017/18: Month Ending 30th September 2017 - Reporting Month 6

RSCH/G&W Joint Forecast is £13.7m deficit which is in line with plan but £4.4m worse than control total

Royal Surrey County Hospital 
 NHS Foundation Trust

| | Control Total | Annual Budget | YTD Budget | YTD Actual | YTD Variance | Latest forecast |
|---------------|---------------|---------------|------------|------------|--------------|-----------------|
| Control total | (9.30) | (13.70) | (7.50) | (3.29) | 4.20 | (13.70) |

RSCH Reported on a control total basis including STF

| £'m | Annual Control total | Annual Budget | YTD Budget | YTD Actual | YTD Variance | Latest forecast |
|--------------|----------------------|---------------|---------------|-------------|--------------|-----------------|
| Income | 336.47 | 336.47 | 167.30 | 167.15 | - 0.15 | 331.08 |
| Pay | - 195.19 | - 195.19 | - 97.39 | - 92.69 | 4.70 | - 189.53 |
| Non-Pay | - 134.56 | - 134.56 | - 67.26 | - 66.48 | 0.78 | - 134.50 |
| Depn | - 6.99 | - 6.99 | - 3.44 | - 3.55 | - 0.10 | - 7.10 |
| Financing | - 5.05 | - 5.05 | - 2.53 | - 2.64 | - 0.12 | - 5.29 |
| Total | - 5.33 | - 5.33 | - 3.31 | 1.79 | 5.10 | - 5.33 |

Commentary: The Trust is reporting a YTD surplus £1.79m (£5.10m better than plan). However, YTD position includes £0.42m of additional STF income notified during June but relating to 16/17 and in addition, the YTD position includes £1.8m of commissioned income relating to better than estimated M11&12 2016/17 activity. Excluding these our YTD position would be a deficit of £0.43m (£2.88m better than Plan). This position is mostly driven by pay which continues to show favourable variances to plan although there has been a £0.12m increase in the run-rate in month. Our forecast shows a considerable amount of unplanned costs for the rest of the year and likely forecast is to meet the control total deficit £(5.33)m.

G&W CCG Reported on CCG Financial Plan - Current CCG control total is a deficit £3.965m

| £'m | Control Total | Annual Budget | YTD Budget | YTD Actual | YTD Variance | Latest forecast |
|--------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Programme | | -264.50 | -131.72 | -133.11 | -1.39 | -265.05 |
| Corporate | | -4.91 | -2.46 | -1.96 | 0.49 | -4.37 |
| Allocation | | 261.05 | 130.00 | 130.00 | 0.00 | 261.05 |
| Total | - 3.97 | - 8.36 | - 4.18 | - 5.08 | - 0.90 | - 8.37 |

Commentary: The financial position at Month 6 is a deficit of £5m against the planned deficit of £4.1m. This results in an adverse variance to plan of £0.9m YTD at Month 6. The CCG has reported acute over performance year to date against its plan after QIPP of £2.9m which is predominantly against the main acute provider contract (RSCH), with £0.4m due to other acutes. This is driven by activity levels significantly higher than plan. There is a significant increase in costs compared to the same period last year namely within Non elective areas. RSCH 17/18 planned income is before QIPP. RSCH is £1.09m behind planned commissioned income YTD once non-recurrent STF and commissioned income is adjusted out that relates to 16/17, and has seen a reduction in excess bed days this year. The forecast for the year remains on plan to deliver a deficit of £8.4m. In order to achieve this position, the CCG is planning for costs with the main acute provider to reduce in the second half of the year as a result of QIPP delivery and other support to reduce costs. The CCG and trust have an agreed joint cost reduction programme which includes closer joint working and joint ownership of delivering the financial targets. The CCG is performing well against the running costs target of £4.9m, delivering a planned under spend which contributes to the delivery of the corporate QIPP target. The CCG will continue to monitor in year risks and report on a monthly basis.

15.0 Appendix 2 - Contracts update

Overall Contractual Position (Based on Month 5)

The following tables highlight the overall position at Month 5 for both inpatient and outpatient PbR activity from SUS. In total, Inpatient activity has deteriorated from 0.4% to 0.8% over performance and outpatient performance has improved slightly from 5.35% to 4.64% over performance. As previously reported, non elective admissions and follow up activity remain areas of pressure which are contributing to the over performance. Increased over performance in outpatient telephone consultations are consistent with the strategic direction of the CCG but represent small volume changes.

Inpatient Activity

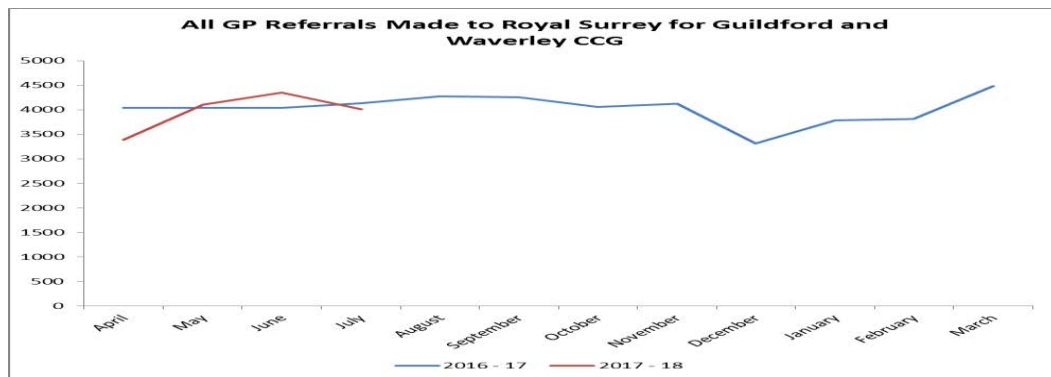
| Inpatient Admission Type | 2016_17 | 2017_18 | Activity | |
|--------------------------|---------|---------|----------|------------|
| | | | Variance | % Variance |
| Elective | 10258 | 9784 | -474 | -4.6% |
| Emergency | 8376 | 9547 | 1171 | 14.0% |
| Maternity | 2079 | 1937 | -142 | -6.8% |
| Other | 1331 | 945 | -386 | -29.0% |

Outpatient Activity

| Outpatient Admission Type | 2016_17 | 2017_18 | Activity | |
|--|---------|---------|----------|------------|
| | | | Variance | % Variance |
| First attendance fact to face | 30933 | 31402 | 469 | 1.5% |
| First telephone or telemedicine consultation | 46 | 78 | 32 | 69.6% |
| Follow-up attendance face to face | 49120 | 52299 | 3179 | 6.5% |
| Follow-up telephone or telemedicine consultation | 146 | 206 | 60 | 41.1% |
| Unknown | 17 | | -17 | -100.0% |

Referrals (due to reporting timelines this data is to Month 4)

The overall picture of referrals is showing a slight decrease and July levels 4,288 referrals are slightly below the levels seen in July 2016 4,484 and are the lowest they have been since May 2017. Average referrals from April – July 2017 are 4,286 compared with 4,379 for the same period 2016. This is a reduction of 2.2%.



The table below shows the referral trend for the main providers, the Royal Surrey continues to account for both the largest volume and has seen the most significant increase year to date.

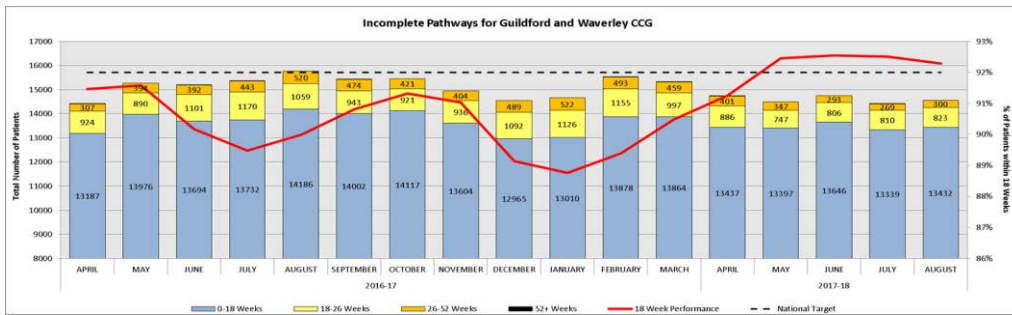
| PROVIDER | 2016 - 17 | | | | | | | | | | | | 2017 - 18 | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| | April | May | June | July | August | September | October | November | December | January | February | March | April | May | June | July | |
| ROYAL SURREY COUNTY HOSPITAL NHS FOUNDATION TRUST | 4035 | 4038 | 4043 | 4137 | 4279 | 4252 | 4058 | 4121 | 3315 | 3785 | 3810 | 4480 | 3394 | 4109 | 4355 | 4009 | |
| FRIMLEY HEALTH NHS FOUNDATION TRUST | 134 | 152 | 153 | 133 | 148 | 156 | 130 | 125 | 82 | 117 | 119 | 132 | 122 | 160 | 169 | 113 | |
| ASHFORD AND ST PETER'S HOSPITALS NHS FOUNDATION TRUST | 79 | 80 | 103 | 130 | 107 | 86 | 87 | 81 | 106 | 106 | 101 | 138 | 121 | 102 | 109 | 74 | |
| EPSOM AND ST HELIER UNIVERSITY HOSPITALS NHS TRUST | 22 | 16 | 33 | 33 | 28 | 30 | 19 | 34 | 17 | 29 | 29 | 29 | 23 | 22 | 23 | 24 | |
| ST GEORGE'S UNIVERSITY HOSPITALS NHS FOUNDATION TRUST | 20 | 10 | 15 | 20 | 23 | 27 | 21 | 22 | 25 | 28 | 31 | 36 | 18 | 20 | 18 | 20 | |
| GUY'S AND ST THOMAS' NHS FOUNDATION TRUST | 9 | 19 | 15 | 10 | 13 | 16 | 9 | 16 | 8 | 15 | 16 | 8 | 10 | 13 | 18 | 21 | |
| UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST | 10 | 7 | 4 | 8 | 12 | 6 | 8 | 7 | 8 | 5 | 5 | 4 | 4 | 4 | 7 | 5 | |
| SURREY AND SUSSEX HEALTHCARE NHS TRUST | 5 | 6 | 4 | 4 | 8 | 5 | 5 | 13 | 5 | 5 | 3 | 6 | 3 | 7 | 5 | 10 | |
| MOORFIELDS EYE HOSPITAL NHS FOUNDATION TRUST | 4 | 7 | 3 | 7 | 3 | 8 | 3 | 6 | 4 | 3 | 4 | 3 | 3 | 3 | 1 | 6 | |
| ROYAL NATIONAL ORTHOPAEDIC HOSPITAL NHS TRUST | 1 | 1 | 4 | 2 | 3 | 1 | 3 | 3 | 2 | 1 | 2 | 2 | 4 | 1 | 2 | 4 | |
| QUEEN VICTORIA HOSPITAL NHS FOUNDATION TRUST | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 3 | 0 | 2 | 2 | 3 | 0 | 2 | |
| Grand Total | 4319 | 4337 | 4377 | 4484 | 4624 | 4588 | 4344 | 4429 | 3573 | 4097 | 4120 | 4840 | 3704 | 4444 | 4707 | 4288 | |

Further analysis of the information provided above identifies a YTD reduction of 2.75% in RSCH referrals compared with the same period in 2016. This equates to a reduction of circa 97 referrals per month. This is partially offset by small increases in referrals to ASPH, Guy's and St Thomas's Foundation Trust (GSTT) and SGHT of four, three and three referrals per month, respectively.

RTT

Overall the CCG is seeing improvements in RTT performance, however, the August holiday period shows a slight deterioration in performance across all categories of wait.

The RTT improvement is largely attributable to increases in outpatient activity at other providers, namely ASPH and BMI MA. This is particularly prevalent in specialties where RSCH has seen difficulties in achieving the target.



Challenges Summary

The table below provides a summary of year to date challenges raised to RSCH with regard to misattributions, it should be noted that the deadline to respond to Month 5 challenges has not yet passed:

RSCH Challenges for M1-5

| Claim Challenge Type | CLAIMS | | | | | CHANGED IN DATA | | | | |
|---|------------|------------|------------|------------|------------|-----------------|------------|------------|------------|----------|
| | Month | | | | | Month | | | | |
| | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| Misattribution Checks - GP Practice | 0 | 0 | 0 | 71 | 76 | 0 | 0 | 0 | 71 | |
| Misattribution Checks - Clinical Commissioning Group | 139 | 95 | 144 | 142 | 84 | 139 | 94 | 137 | 141 | |
| Misattribution Checks - NHS England Prescribed Services | 34 | 87 | 0 | 3 | 2 | 34 | 87 | 0 | 3 | |
| Total YTD activity for misattribution claims | 173 | 182 | 144 | 216 | 162 | 173 | 181 | 137 | 215 | 0 |

Specific Areas

Overall reductions in both Outpatient first and elective activity are being seen within the Royal Surrey County Hospital contract, this is however offset by continuing increases in Non Elective activity, suggesting that the planned changes in bed stock have not yet taken place.

Key areas of concern continue to be:

- Non Elective Admissions at RSCH, Ashford and St Peter's Hospital and Frimley Health
- Outpatient Activity at BMI Mount Alvernia and Ashford St Peter's
- Overall Performance at St George's

Actions to seek to address these issues are detailed below:

Royal Surrey County Hospital Foundation Trust (RSCH)

Further to the clinical audit, guidance has been received from NHS England regarding the requirement to agree a local tariff as part of the 2018/19 planning cycle. Based on the agreement in principle to agree a local tariff with the trust, this is being actioned for the later part of the 2017/18 financial year.

Frimley Health Foundation Trust (FPH)

The CCG and Trust have met with regard to the requirement to adjust the contractual baseline to reflect the shifts in Stoke activity, this has been agreed and results in the reduction of over performance.

BMI Mount Alvernia (MA)

The information is being included within the practice packs to be used as part of the next round of practice visits. Early indications are that referrals have reduced since the end of September.

To address the increase in Direct Access Physio activity an overarching review across four key providers of Physio care by the Clinical Commissioning Team, has commenced.

Ashford and St Peters Foundation Trust (ASPH)

Following the reinstatement of the service at Royal Surrey, the level of activity in Neurology at ASPH has reduced this month. Activity will continue to be monitored to ensure that the trend continues.

St George's University Hospitals foundation Trust (SGHT)

A joint project has been agreed by all commissioners to review the Specialist Commissioning adjustments which are being introduced by the Trust. Surrey Downs as the local coordinating commissioner are leading this work and will provide regular updates.