

REPORT TO BOARD

10th June 2015

Agenda No. 7.2

| | |
|---|---|
| Title of Document: | Finance Report – up to the period 31 st March 2015 |
| Report Author: | Hardev Virdee |
| Lead Director/ Clinical Lead: | Hardev Virdee – Chief Finance Officer |
| Contact details: | hardev.virdee@wandsworthccg.nhs.uk |
| Summary: | <ol style="list-style-type: none"> 1. Month 12 saw increase in continuing healthcare costs of £1m in the month 2. Increase offset by reserves and managing contracts to year end 3. Wandsworth CCG delivered its financial plan for 2014/15 4. Unqualified opinion given by external auditors |
| Key sections for particular note (paragraph/page), areas of concern etc: | All |
| Equality Analysis | <p>Has an Equality Analysis been carried out? NO: this is a briefing paper</p> <p>Key issues from assessment</p> |
| Information Privacy Issues | <p>Has a consideration of privacy impacts been undertaken and controlled for? Yes</p> <p>Key issues from assessment</p> |
| Please state which of the following priorities/objectives this document links to or provides evidence for: | <p>PPI:</p> <p>QIPP Plan: Met</p> <p>Operating Plan: Met financial targets</p> <p>Workforce:</p> <p>Corporate Objectives/Risks: Meeting control total and statutory financial targets are reported as well as risk analysis</p> |

Financial Implications: Throughtout report

Reviewed by: Finance

Recommendations:
To note the report

Committees that have previously agreed the report:

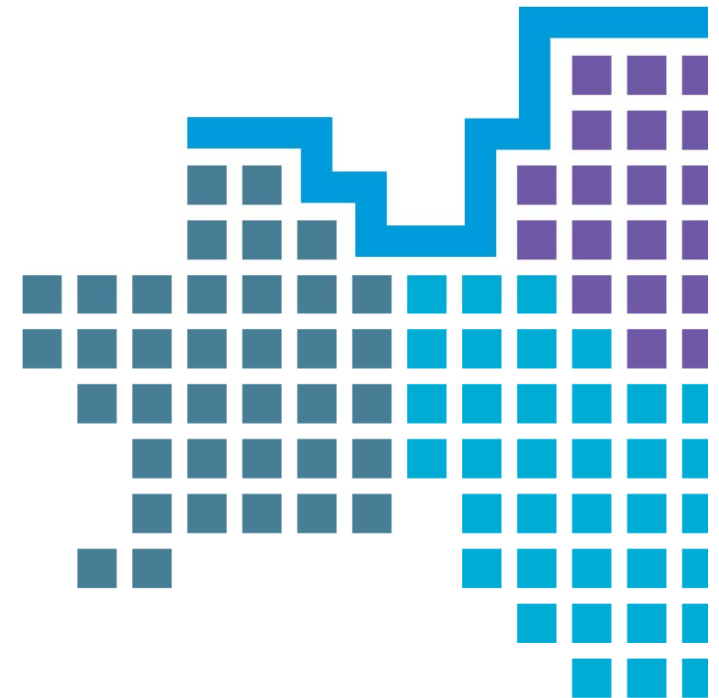
Finance Resource Committee – 27 May

Audit Committee to review the accounts for 2014/15 – 27 May

Extraordinary Board meeting to approve the accounts for 2014/15 – 27 May

Finance Report – Year End 2014/15

Presented by Finance –
June 2015



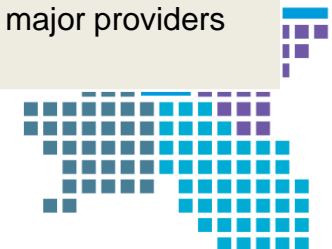
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1. Month 12 Year End Position
2. Year End Accounts
3. Recommendations



Finance Scorecard up to March 2015

| Financial Strategy | Financial Performance |
|---|--|
| <ul style="list-style-type: none"> NHSE issued planning guidance for 2015/16 Minimal growth for Wandsworth CCG (1.94%) Guidance for 2015/16 requires CCG to increase Mental Health spending by growth levels and support system resilience schemes that were funded in 2014/15 As a result WCCG has a net decrease in funding 2015/16 financial plan submitted to NHSE | <ul style="list-style-type: none"> The year end surplus is £10m –target met Unqualified opinion Year end settlement with St Georges agreed at £3.9m over performance QIPP target and running costs target met Further movement on continuing care in month 12 Investment opportunities secured and reflected in the outturn position |
| Financial Governance | Financial Risk |
| <ul style="list-style-type: none"> Audit Committee considering implications of new Conflicts of Interest guidance General overall positive Internal Audit reports received to date Audit Committee and Board signed off annual accounts | <ul style="list-style-type: none"> Financial ledger system has limited capability Delivery of investments to generate savings Utilising all investment opportunities Agreed year end positions with most major providers |



Month 12 – Key Messages

- The full year position has come in as a surplus position of £10m.
- Year end settlements have been agreed with St Georges and Kingston FT which gives certainty moving into 15/16. However of the providers we haven't settled with Chelsea & Westminster represent most risk
- Continuing Care has seen a further deterioration above the level forecast last month of £1m
- However all overspends are offset by existing reserves
- Quality Premium schemes have commenced.
- Expect to meet running cost target and QIPP



Month 12 – Revenue Resource Limit

| Resource Adjustments - Confirmed | £000s | £000s | £000s |
|----------------------------------|-----------|-------|-------|
| | Programme | Admin | Total |

| | | | |
|-------------------------|----------------|--------------|----------------|
| Initial Allocation | 376,692 | | 376,692 |
| Growth of 2.1% | 8,061 | | 8,061 |
| Running cost (£25/head) | | 8,321 | 8,321 |
| Sub-total | 384,753 | 8,321 | 393,074 |

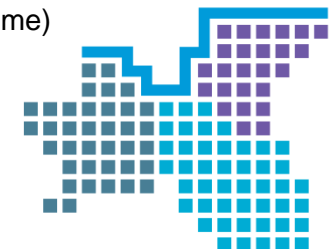
| | | | |
|-------------------------|--------------|----------|--------------|
| Brought Forward Surplus | 7,364 | | 7,364 |
| Sub-total | 7,364 | 0 | 7,364 |

| Confirmed Adjustments in-year | | | |
|--|--------------|----------|--------------|
| Primary Care IT Funding | 944 | | 944 |
| RTT Funding (1st tranche) | 1,413 | | 1,413 |
| RTT Funding (2nd tranche) | 977 | | 977 |
| Charge Exempt Overseas Visitors Funding | 698 | | 698 |
| Winter Resilience Funding (1st and 2nd tranches) | 4,305 | | 4,305 |
| Pathology Lab re-configuration: funding transfer to NHSE | -448 | | -448 |
| Priory transfer to Wessex Area Team | -150 | | -150 |
| Mental Health Resilience 2014/15 | 216 | | 216 |
| Quality Premium awards 2014/15 | 1,034 | | 1,034 |
| Specialist Commissioning misattribution | -316 | | -316 |
| SWL Risk Pool | 492 | | 492 |
| Sub-total | 9,165 | 0 | 9,165 |

| | | | |
|--------------------------------|----------------|--------------|----------------|
| Position as at Month 11 | 401,282 | 8,321 | 409,603 |
|--------------------------------|----------------|--------------|----------------|

The Resource Limit reflects the amount of money the CCG has available to commission services (programme) and to run the CCG (admin). There were no changes to our resource limit in month 12

Wandsworth Clinical Commissioning Group



Month 12 Financial Position

| | PERIODS TO DATE | | |
|----------------|-----------------|-----------------|--------------|
| | Budget £000s | Actual £000s | Var £000s |
| Resource Limit | 409,603 | 409,603 | 0 |

| | FULL YEAR | | |
|--|---------------------------|-----------------|--------------|
| | Total Budget £ 000s | Actual £000s | Var £000s |
| | 409,603 | 409,603 | 0 |

EXPENDITURE

| | | | |
|------------------------------------|---------|---------|--------|
| Acute Commissioning | 212,946 | 220,321 | -7,375 |
| Non Acute Commissioning | 112,421 | 116,716 | -4,295 |
| Primary Care | 47,356 | 48,215 | -859 |
| Corporate Costs | 13,390 | 11,951 | 1,440 |
| Estate Costs | 878 | 747 | 131 |
| Other | 556 | 1,010 | -454 |
| SWL Collaborative Commissioning | 809 | 474 | 335 |
| Reserves | 13,874 | 173 | 13,701 |

| | | | |
|--|---------|---------|--------|
| | 212,946 | 220,321 | -7,375 |
| | 112,421 | 116,716 | -4,295 |
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| | 13,390 | 11,951 | 1,439 |
| | 878 | 747 | 131 |
| | 556 | 1,010 | -454 |
| | 809 | 474 | 335 |
| | 13,874 | 173 | 13,701 |

Original Target Surplus £7.4m

Increase:

CHC Risk Pool £1.1m

SWL Risk Pool £1.5m

Revised Target Surplus £10.0m

| | | | |
|---------------------------|----------------|----------------|--------------|
| Total Applications | 402,230 | 399,607 | 2,623 |
|---------------------------|----------------|----------------|--------------|

| | | |
|----------------|----------------|--------------|
| 402,230 | 399,607 | 2,623 |
|----------------|----------------|--------------|

| | | | |
|--------------------------|--------------|--------------|---------------|
| Surplus/(Deficit) | 7,373 | 9,996 | -2,623 |
|--------------------------|--------------|--------------|---------------|

| | | |
|--------------|--------------|---------------|
| 7,373 | 9,996 | -2,623 |
|--------------|--------------|---------------|



Changes from Month 11 Position

| EXPENDITURE | Budget | Actual | Variance | Variance Mth 11 | Movement | Reasons for Shift | |
|-------------------------|----------------|----------------|--------------|--------------------|------------|---|------------|
| | | | | | | Operational Resilience & Pump Priming | Other |
| | | | | | | £'000 | £'000 |
| Acute Commissioning | 212,946 | 220,321 | -7,375 | -4,606 | -2,769 | -2,879 | 110 |
| Non Acute Commissioning | 112,421 | 116,716 | -4,295 | -1,029 | -3,266 | -1,693 | -1,573 |
| Primary Care | 47,356 | 48,215 | -859 | 634 | -1,493 | -750 | -743 |
| Corporate Costs | 13,390 | 11,951 | 1,440 | 1,792 | -352 | 0 | -352 |
| Estate Costs | 878 | 747 | 131 | 287 | -156 | 0 | -156 |
| Other | 1,365 | 1,484 | -119 | -471 | 353 | 0 | 353 |
| Reserves | 13,874 | 173 | 13,701 | 6,032 | 7,669 | 5,322 | 2,347 |
| GRAND TOTAL | 402,230 | 399,607 | 2,623 | 2,639 | -15 | 0 | -15 |

- Operational resilience & pump priming are commitments that the CCG has made in the final quarter of the year
- Most of this was managed through reserves but the expenditure has been moved out against the service lines/directorates
- “Other” column represents genuine movements from month 11 forecast to month 12
- Non Acute
 - £1m movement in the forecast for continuing healthcare (CHC) due to the switch in reporting from the CHC database to invoices on the ledger.
 - £0.4m due to AQP contracts that we had limited information on previously
- Primary Care
 - Members development programme and PACT in year cost pressure had been reported via reserves
 - SRG funding for primary care had been shown under acute
- Reserves
 - Expenditure has been moved out of reserves to cover for operational resilience and pump priming (£5.3m) & service shifts from month 11 to 12 (£2.3m)

Wandsworth Clinical Commissioning Group



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1. Month 12 Year End Position
2. Year End Accounts
3. Analysis of movements from 2013/14
4. Recommendations



Year End Accounts

- Delivered an Unqualified Opinion on the accounts and value for money
- Submission was 17th April
- NHSE reviewing accounts
- Extraordinary Board met to approve the accounts and annual report
- Successful conclusion to 2014/15



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Recommendations

- CCG Board are asked to note the report

