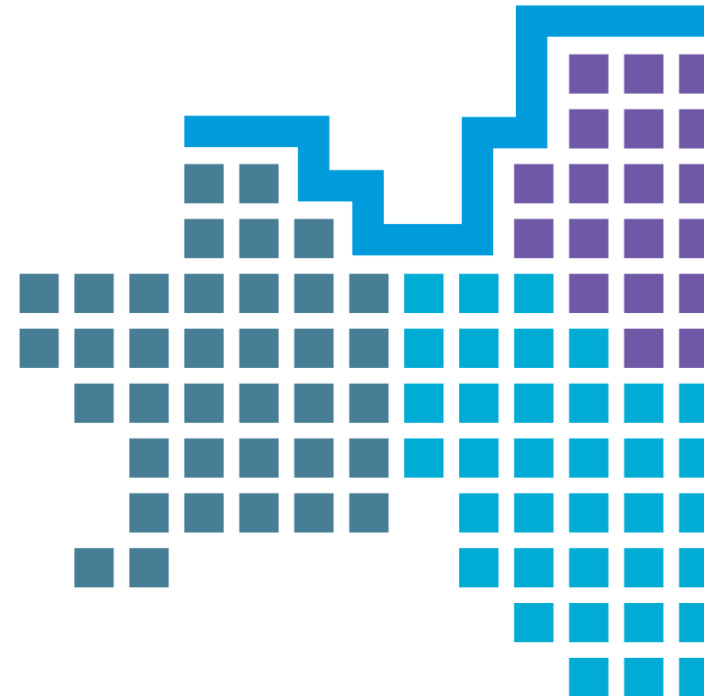


Finance Report - to the period up to 31 October 2014

Produced by Finance



Contents

1. Month 7 Financial Position
2. Mental Health
3. QIPP



Finance Scorecard up to October 2014

Financial Strategy

- Operating Plan agreed by NHSE
- 5 year plan has been submitted to NHSE
- Better Care Fund plan submitted– received positive feedback from assurance panel
- Key role in SWL Collaborative Commissioning

Financial Governance

- Budgets for 2014/15 have been signed off by budget holders and the Board
- Internal Audit plan for the year has been agreed
- Risk pool arrangements agreed across SWL
- Positive Assurance meeting with NHSE

Financial Performance

- CCG on plan to deliver planned £7.4m surplus (1.9%)
- Full year acute activity at St Georges of £3m assumes full delivery of Out of Hospital QIPP schemes.
- Improved month 7 position allows scope for further investment
- QIPP delivery is on track noting limited activity data
- Costs associated with the provision of continuing care outstrip the budget available

Financial Risk

- Provision for continuing care retrospective claims has been made by the CCG as well as the former PCT
- New Financial Ledger system continues to have limited capability
- Delivery of investments to generate savings
- Utilising all investment opportunities
- Utilisation of SWL risk pool.



Month 7 – Key Messages

- Reporting a year to date and forecast outturn position in line with the revised plan
- Forecasting a year end Acute SLA over performance of £4.2m. St George's Hospital is forecast to overperform by £3m. The SLA over performance is partly offset by an underspend of £0.8m on Acute Non-SLA budgets
- There have been increases in A&E activity , e.g. at St George's. There have also been increases in Elective activity, e.g. at Moorfields.
- Continuing Care spend continues to be greater than plan – we are forecasting an overspend of £1m
- Bids have been evaluated against the £2.5m released for investment last month.
- Overspends are offset by existing reserves
- The Quality Premium funding is not yet reflected in the Resource Limit, but we expect to receive it at Month 8. Plans are in place to utilise the funding non-recurrently.
- Expect to meet running cost target and QIPP



Month 7 – Revenue Resource Limit

Resource Adjustments	£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	-	7,364
Confirmed Adjustments in-year			
Primary Care IT Funding	944		944
RTT Funding (1st tranche)	1,413		1,413
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
Sub-total	6,912	-	6,912
Position as at Month 7	399,029	8,321	407,350

The Resource Limit reflects the amount of money the CCG has available to commission services (programme) and to run the CCG (admin). At Month 7, the Winter Resilience funding has been added and there has been a deduction for the reconfiguration of pathology labs.

Wandsworth Clinical Commissioning Group



Month 7 Financial Position

	PERIODS TO DATE		
	Budget £000s	Actual £000s	Var £000s
Resource Limit	236,781	236,781	0

	FULL YEAR		
	Total Budget £ 000s	Actual £000s	Var £000s
	407,350	407,350	0

EXPENDITURE

Acute Commissioning	124,208	125,624	-1,416
Non Acute Commissioning	64,794	65,313	-519
Primary Care	26,864	26,519	344
Corporate Costs	6,959	6,652	307
Estate Costs	530	529	0
Other	324	97	227
SWL Collaborative Commissioning	472	472	0
Reserves	8,330	7,274	1,056

	212,343	215,656	-3,313
	111,502	112,555	-1,053
	47,202	46,893	310
	12,323	11,782	540
	908	907	0
	556	225	331
	809	809	0
	14,333	11,149	3,184

Total Applications	232,480	232,480	0
---------------------------	----------------	----------------	----------

399,977	399,977	0
----------------	----------------	----------

Surplus/(Deficit)	4,301	4,301	0
--------------------------	--------------	--------------	----------

7,373	7,373	0
--------------	--------------	----------

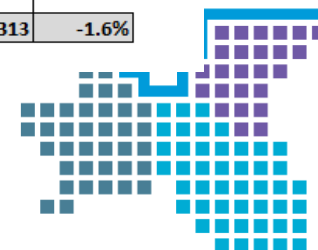


Month 7 Acute Analysis

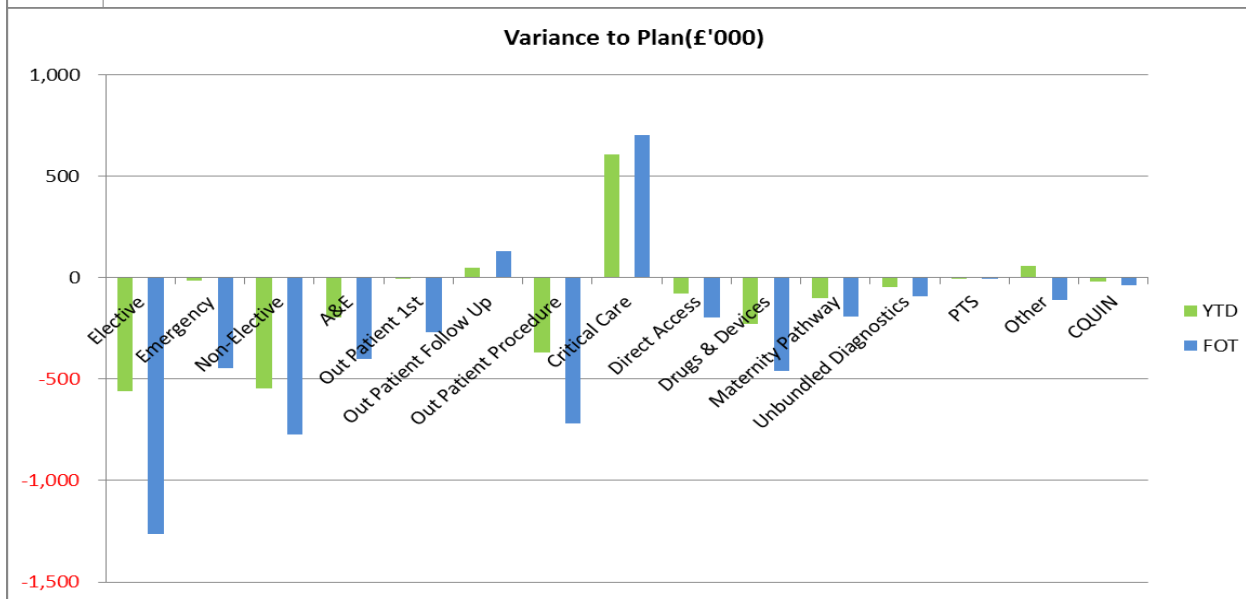
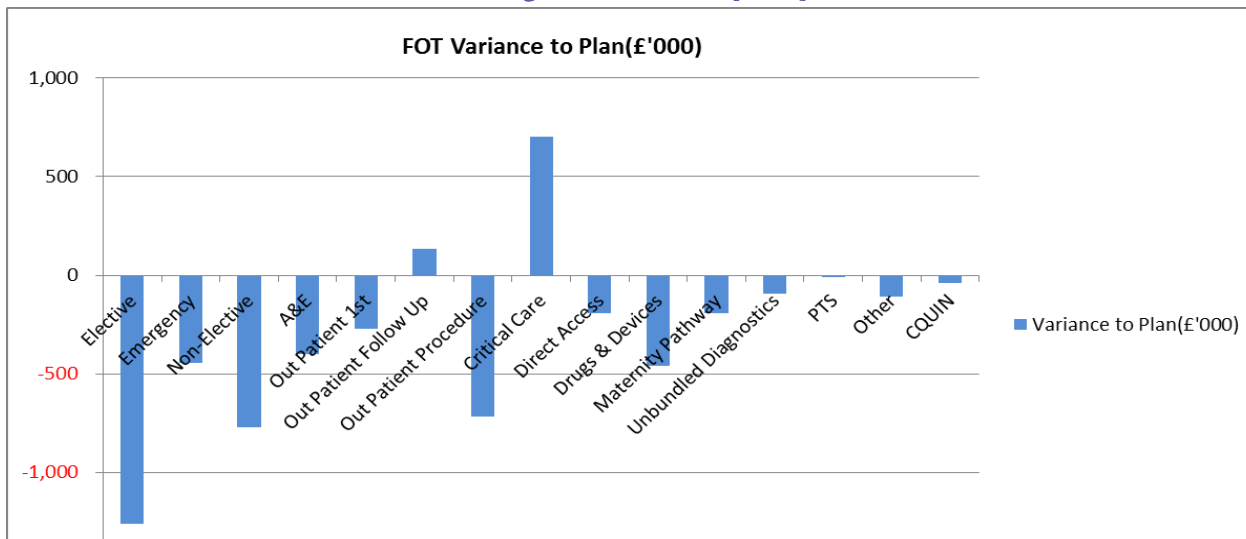
ACUTE COMMISSIONING	Full Year Budget £000s	Budget to Date £000s	Actual to Date £000s	Variance to Date £000s	Forecast Actual £000s	Forecast Variance £000s	% Var
ST GEORGE'S HEALTHCARE TRUST - MAIN SLA	94,233	55,276	57,344	-2,067	97,232	-3,000	-3%
CHELSEA & WESTMINSTER HLTHCARE TRUST	28,146	16,418	16,508	-89	28,427	-281	-1%
KINGSTON NHS TRUST	14,367	8,415	8,260	154	14,160	207	1%
ST GEORGE'S HEALTHCARE TRUST: EX-CSW ACUTE SERVICES (QMH)	13,036	7,604	7,731	-127	13,253	-217	-2%
GUYS & ST THOMAS' HOSPITAL TRUST	13,086	7,633	7,252	381	12,784	302	2%
LONDON AMBULANCE SERVICE - ALL CONTRACTS	8,565	4,996	4,996	0	8,565	0	0%
IMPERIAL COLLEGE HEALTHCARE NHS TRUST	5,579	3,254	2,545	709	5,278	300	5%
MOORFIELDS EYE HOSPITAL TRUST	5,608	3,271	3,564	-293	6,110	-502	-9%
EPSOM & STH TRUST - EPSOM ORTHOPAEDIC CENTRE	4,028	2,350	2,438	-88	4,179	-151	-4%
EPSOM & ST. HELIER NHS TRUST - MAIN SLA & RENAL	2,131	1,243	1,216	27	2,085	46	2%
KINGS HEALTHCARE TRUST	2,249	1,312	1,556	-244	2,553	-304	-14%
UNIVERSITY COLLEGE LONDON HOSPITALS TRUST	1,494	871	919	-47	1,575	-81	-5%
THE ROYAL MARSDEN HOSPITAL TRUST	1,697	990	935	55	1,604	94	6%
Contracts < £1m							
THE ROYAL BROMPTON & HAREFIELD HOSPITALS TRUST	967	564	617	-53	1,058	-92	-9%
CROYDON HEALTH SERVICES NHS TRUST	577	337	319	17	547	30	5%
BARTS & THE LONDON NHS TRUST	636	371	495	-124	849	-212	-33%
THE ROYAL FREE (HAMPSTEAD) NHS FOUNDATION TRUST	321	187	163	25	279	42	13%
THE ROYAL NATIONAL ORTHOPAEDIC HOSPITAL TRUST	380	221	262	-41	450	-70	-19%
GREAT ORMOND ST HOSPITAL FOR CHILDREN NHS TRUST	347	202	161	41	276	71	20%
WEST MIDDLESEX HOSPITAL NHS TRUST	142	83	83	0	143	-1	0%
ROYAL SURREY CNTY NHST	202	118	159	-41	272	-70	-35%
NORTH WEST LONDON HOSPITALS TRUST	229	134	185	-52	317	-88	-39%
LEWISHAM HOSPITAL NHS TRUST	146	85	187	-101	320	-174	-119%
NON CONTRACTED ACTIVITY							
Other Acute Non-SLA Services	3,538	2,064	2,014	50	3,538	0	0%
	10,638	6,206	5,714	491	9,802	836	8%
Total Acute Commissioning	212,343	124,208	125,624	-1,416	215,656	-3,313	-1.6%

(The YTD figures have been pro-rated up from the Month 6 SLAM reports)

Wandsworth Clinical Commissioning Group



POD Analysis (1)



	YTD	FOT	*Main Provider Driver
Elective	-559	-1,263	SGH & Chelsea
Emergency	-17	-447	KHT
Non-Elective	-547	-773	SGH
A&E	-195	-402	SGH & Chelsea
Out Patient 1st	-1	-271	QMH
Out Patient Follow Up	51	133	Kingston Hosp
Out Patient Procedure	-367	-716	SGH, QMR & KHT
Critical Care	607	704	Chelsea & GSTTH
Direct Access	-76	-194	SGH
Drugs & Devices	-227	-458	MEH
Maternity Pathway	-100	-194	SGH & Chelsea
Unbundled Diagnostics	-48	-92	SGH & Chelsea
PTS	-6	-8	Various
Other	57	-110	SGH
CQUIN	-18	-39	SGH
Grand Total	-1,444	-4,130	



Acute Analysis – Chelsea & Westminster

- The year-to-date over performance at month 7 is £89k, and the forecast overspend is £281k
- Critical Care underperformance (£451k YTD) is offsetting over performance in Obstetrics and Maternity related activity of £390k YTD
- There are two minimum income guarantee elements (MIGs) in the 2014/15 contract: in non-elective (NEL) activity and out-patient (OP) activity (excluding Maternity related activity)
- There is an overall underperformance (£174k) in areas outside the MIG (excluding Maternity related activity) with areas of over performance in Day Cases and Elective specialties being targeted by RTT initiatives



Acute Analysis - Moorfields

- The year-to-date over performance at month 7 is £293k, and the forecast overspend is £502k
- The main reason for the over performance is the expenditure on Eylea, a high cost drug. This is a new drug, therefore the expenditure (£350k at Month 6) was not included in the plan. This is partly offset by an underspend of £51k on Lucentis at Month 6
- The activity on enhanced cataract surgery is greater than the plan. There were 33 cases compared to a plan of 19 at Month 6, causing an overspend of £18k



Acute Analysis – smaller contracts

- The over performance on Kings (£244k at Month 7; forecast to be £304k = 14%) is largely driven by Critical Care, which was over performing by £126k at Month 6
- Barts is over performing by £124k at Month 7, with a forecast of £212k = 33%. This is mainly caused by Critical Care (overspend of £71k at Month 6) and Vascular Surgery (over by £22k at Month 7)
- There is an over performance of £41k (Month 7) and £70k (19% forecast) on the Royal National Orthopaedic Hospital. The main areas of overspend are Spinal Surgery (£49k at Month 7) and Trauma & Orthopaedics (£12k at Month 7)



Month 7 – Non Acute

- The main driver for the Non-Acute overperformance is the increased activity on Continuing Care. The forecast outturn is now an overspend of £1m. However, we are working with the CSU to check the robustness of the forecast.
- An overspend of £300k is now forecast on the SWLSGMHT SLA. This reflects the under-achievement of Cost Improvement Programmes.
- There is now a forecast underspend of £330k on the Interpreting contract, which is cost and volume. This is a newly procured service.
- We are continuing to forecast overspends on Child & Adolescent Mental Health Services, Children's Special Contractual Placements and Learning Disability Services.



Financial Risks

Risk	Detail	Mitigating Action
Acute Contracts	There is a risk of further overperformance on the Acute contracts, over and above the £4.2m shown above.	It is expected that reserves will be sufficient to cover further overperformance
QIPP Delivery	Included within our QIPP plan is £3.4m activity cost reduction which is dependent upon reducing activity or delivering the same quality of service at a lower cost.	Significant investment into both Community and Primary Care Services. Plans to monitor and report against plan are in place. Sufficient reserves for overperformance areas
Legacy provision	CCGs have been required to make a provision for retrospective Continuing Health Care claims which had not been planned as the former PCT had also made a similar provision. Risk is the accounting treatment may change resulting in a material financial impact	Raised nationally by London CFOs. Guidance is expected to clarify treatment. Provision has been made. Clarified with External Auditors
Specialised Commissioning	National cost pressure could result in CCG allocations being adjusted particularly if CCGs co-commission services.	Discussed at London wide CFO level Reducing the surplus and utilising reserves are options should a charge be made in current year
Level of investment	Not investing all funds in a timely manner	£2.5m was released for additional investment at Month 6. Bids have been made and are being evaluated. The could be scope for further additional investment.
London Ambulance Service	LAS have requested additional funding of £2.5m from SWL CCGs to address poor performance against their target response times.	The SWL Risk Pool will be used to fund this cost pressure.
RTT/SRG	We have not yet received the NETA funding of £849k from NHSE. We have funded some schemes at risk, to ensure that the targets would be achieved.	There are penalties to be clawed back, .e.g. on the A&E target. We can also use the investment pool or the SWL Risk Pool
Financial Ledger System misreports position	National system has limited capability to report detailed financial expenditure	No response received yet from national team despite escalation Internal and external audit review provided sufficient assurance in 2013/14



Contents

1. Month 7 Financial Position

2. Mental Health Update

3. QIPP



Mental Health Update

- The Trust are currently working towards reaching Foundation Trust status and are out to consultation on the future location of their inpatient facilities.
- An integral part of their long term financial modelling is a complex estates strategy and the reliance on community cost improvement savings.
- The Trust are aware of the limitations in the robustness of their data and are working towards service line reporting.
- We are working with the Trust to ascertain both baseline activity and cost as we look towards implementing a tariff based contract in future years.



Contents

1. Month 7 Financial Position
2. Mental Health Update
3. QIPP



QIPP - Key Messages

At month 6 the QIPP Delivery is RAG rated as

- **Green for activity milestones.**
- **Green for savings to date.**
- **Amber for savings year end.**
- A&E attendances continue to show an increase in activity and a drop in the percentage of attendances coded at the lower local UCC tariff.
- Non - elective Emergency Admissions continue to perform in excess of plan.
- Outpatient attendances are stable and underperforming compared to plan, but we are awaiting issues with specialised commissioning to be resolved.
- Excess bed days are calculated from SUS data. Month 6 Length Of Stay savings for St George's Hospital has been estimated from previous data. This area is therefore being reported as performing slightly below plan.



14-15 QIPP Totals at Month 5 by Project

PROJ. DESCRIPTION	NET SAVINGS						NET FOT (RAG RATED) (£000s)
	Planned YTD (£000s)	Actual YTD (£000s)	Variance YTD	Net Savings Target (£000s)	FOT (£000s)	Variance (£000s)	
Prescribing (Assuming 5%)	900	929	-	1,800	2,000	200	G
Mental Health - block opportunities Tariff neg and placements	750	750	-	750	750	-	G
Continuing Care - benchmarking different models	-	-	-	500	500	-	G
QMH running costs	1,900	1,900	-	1,900	1,900	-	G
Management / Running Costs - Deep Dive 5% & Void space	400	400	-	400	400	-	G
KPIs	450	-	450	1,800	1,800	-	G
High Cost Drugs	-	-	-	135	135	-	G
Falls & Bone Health	158	63	-	315	165	(150)	R
UCC / A&E	124	(62)	-	248	42	(207)	R
Community Service redesign (part year effect in 14-15)	-	-	-	1,041	833	(208)	A
GP PACT Les	239	1,402	-	477	1,822	1,345	G
Out patient Referral Management (RMP)	167	(569)	-	333	(269)	(603)	R
Other Out of hospital Initiatives	-	-	-	703	352	(352)	R
Diagnostics	-	-	-	144	-	(144)	R
Collection of small schemes	-	34	-	102	136	34	G
Short Stay Admissions	-	-	-	-	90	90	R
Unidentified	-	-	-	-	-	-	
	5,087	4,846	450	10,650	10,655	5	

Out of Hospital Programme initiatives

