

## Finance Report Period 6 – September 2013

### 1. Financial Position 2013/14

Kingston CCG's financial plan is to maintain a surplus of £2,012k, which is 1% of total revenue resources. The CCG is also required to maintain an additional 0.5% contingency fund.

The financial position at month 6 is shown in Appendix 1. Kingston CCG reports delivery of a £1,008k YTD surplus, which is in line with achievement of the planned 1% surplus at year end.

#### Key Points to note:-

- The CCG reports a forecast £2.012m surplus for the year in line with the financial plan
- The 0.5% contingency reserve is assumed to be fully utilised during the year
- The 2% reserve is assumed to be fully committed
- QIPP is reporting estimated full year underachievement of £96k
- The running costs budget has been reported to break even at the year end

A deduction of £3.5m was made to the CCG baseline in month 6, for the transfer of specialist services. An assumption has been made that a further adjustment will be made, returning £1.3m to the CCG. Until the final transfer is made, there is uncertainty and a risk that the transfer might be less than anticipated, which could impact on the financial position.

Details of the resource limit are shown in Appendix 6.

#### Key Variances:-

- Acute commissioning is forecast to overspend by £601k.
- Kingston Hospital estimated full year overspend stands at £2m
- Non-Acute Commissioning is forecasted to overspend by £2.2m, primarily driven by £1.9 overspend on continuing care

### 2. NHS ENGLAND CCG Balance Scorecard Quarter 1-2

Financial Performance					Individual indicator RAG rating threshold
No	Indicator	Primary / Supporting Indicator	Start	RAG	Green
1	Underlying recurrent surplus on exit of 2013/14	Primary	Q2	G	>= 2%
2	Plan - year to date (variance to plan as % of YTD allocation)	Primary	Q1	G	Variance <= 0.1%
3	Plan - full year (forecast variance to plan as % of allocation)	Primary	Q1	G	Variance <= 0.1%
4	Management of 2% NR funds within agreed processes	Supporting	Q1	G	Yes
5	QIPP ** - year to date delivery	Primary	Q1	G	>= 95% of plan
6	QIPP ** - full year forecast	Primary	Q1	G	>= 95% of plan
9	Running costs	Primary	Q1	G	<= RCA
10	Clear identification of risks against financial delivery and mitigations	Primary	Q1	G	Indicator met in full

### 3. Key Financial Risks

At month 6, there are a number of risks and uncertainties that may impact on the CCG's ability to meet the planned surplus. Key risks are detailed below and have been rated as follows:-

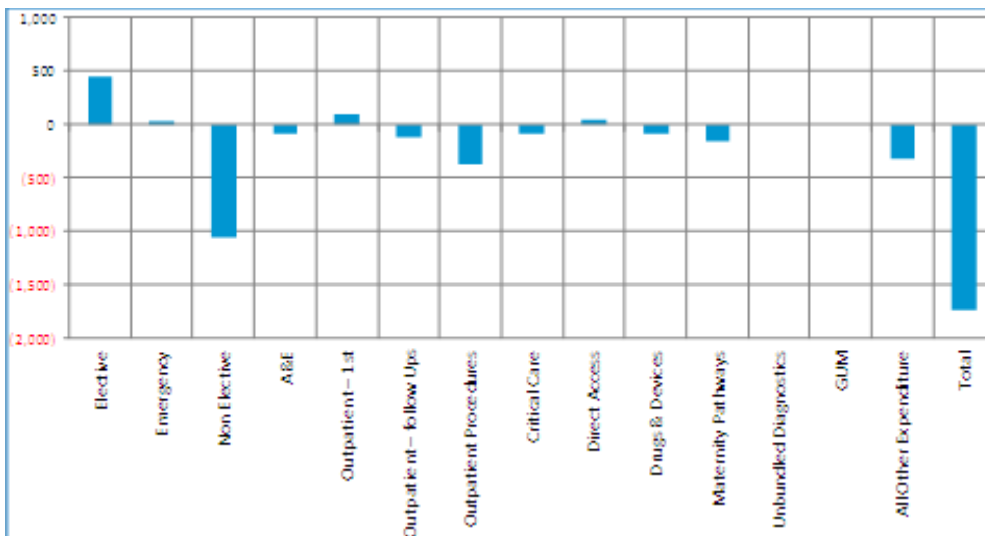
Risk	Rating
Specialist Commissioning Transfers - Uncertainty of £1.3m expected transfer to CCG	Possible Major Rating = 12
Acute contracts overperformance:- - Under-recovery of challenges - Overperformance above forecast	Possible Major Rating = 12
Continuing Care - Continued growth in admissions	Possible Major Rating = 12
QIPP - Worsening shortfalls in savings, potentially not offset by savings from new projects	Possible Moderate Rating = 9

### 4. Commissioned Services

#### Acute Services (Appendix 2)

Acute financial performance at month 6 is reported in Appendix 2. As at month 6, the latest acute information available is month 5.

**Fig 1. Total Acute Trust Point of delivery (over)/under spend YTD (£000's)**



**Kingston Hospital** is over-performing £0.9m YTD net of challenges and £1.5m gross of challenges. A straight-line forecast outturn of this adjusted position equates to an over spend of £1.0m full year. The seasonally adjusted forecast extrapolates to £2.0m over plan.

The key challenge concerns unbundled diagnostics, in part this is agreed by the Trust to be overstated (within outpatients) but the extent of the problem is still to be quantified and agreed. The main drivers of over-performance are Emergency activity (£0.9m) and Outpatients (£0.2m). General and geriatric medicine are the largest areas of non-elective over performance. The Trust have been asked to provide information about how the plan was adjusted for QIPP and phasing for seasonality, as it is unclear how these adjustments affect the reported variance.

**St George’s Hospital** continues to perform in line with plan net of challenges as at month five. The position, before accounting for challenges, amounts to £0.4m overspend. There is considerable over performance noted in Critical Care (£0.2m). This is offset by underperformance in electives.

**Epsom & St Helier** – Acute is under-spending by £0.2m net of challenges and with only minimal challenges outstanding, a similar position is reported prior to any potential rebates being applied. The underspend is offset by a £0.1m overspend on EOC, driven by reconstructive procedures. The validity of coding of this expensive procedure is being investigated. There are also profiling issues inherent with reporting with the EOC contract, so that the over-performance at this point may not necessarily be indicative of a trend. This will need to be monitored closely, with informed dialogue with the Centre.

**Queen Mary’s (Roehampton) Hospital** - year to date performance has continued to run at planned levels, as it has in previous months. PbR Outpatient activity overall is currently running slightly below planned levels, however, there is a risk of Outpatient Procedures activity continuing to over perform, resulting in the contract overspending at the end of the year. However, the difference in planning and profile assumptions between this report and the Trust SLAM will mitigate this risk.

**Non-Acute Services (Appendix 2)**

**Mental Health** is reporting an overall forecast overspend of £391k. The overspend on mental health contracts is mainly due to the delayed closure of Fuschias Ward. Placements and NCA’s are showing small underspends.

**Continuing Care** is showing a forecast outturn overspend of £1.9m. The overspend is driven by increases in admissions in earlier months, particularly for palliative patients. The overspend has worsened as funding has reduced in month 6 following the specialist commissioning adjustments. The forecast assumes a steady state to the end of the year, without building in growth in admissions or discharges, due to their unpredictable nature. The results from the review of continuing care by Newtons will be available within the month and will be built into the month 7 forecasts if applicable.

**Fig 2. Continuing Care admissions net of discharges**

	2012/13 Q1	2012/13 Q2	2012/13 Q3	2012/13 Q4	2013/14 Q1	2013/14 Q2
EMI	9	-5	4	-5	7	-1
Others	0	-6	-3	-4	1	2
Palliative	-12	5	6	0	2	10
Physically frail	2	-4	-1	-5	3	11
YPD	2	1	-1	1	-1	-3
<b>Total</b>	<b>1</b>	<b>-9</b>	<b>5</b>	<b>-13</b>	<b>12</b>	<b>19</b>

Graphs describing continuing care trends are shown in Appendix 7.

**Children with Disabilities** spend is overspent YTD by £278k. This is due to new patients and higher than anticipated prices. Price reductions are being negotiated to reduce later in the year and this has prudently not been shown in the FOT position of £555k.

#### **Primary Care Services (Appendix 4)**

Prescribing is showing a forecast underspend of £360k. This is based on data for 4 months data only, and is too early to have an accurate picture. Based on past trend analysis, FOT variances might move by up to £500k throughout the year.

**Running Costs** is showing a YTD and Forecast breakeven position.

#### **5. QIPP**

Kingston CCG has reported to NHS England in month 6 that it expects to under achieve on its QIPP target by £96k. There are under-achievements on a number of projects i.e. £239k under achievement on Angina Modelling due to a delayed start and £44k on Telehealth & Risk Stratification due to low uptake. Admission avoidance data became available in month 6 and shows achievement of higher than target savings offsetting some of the under-achievements on other projects. QIPP projects are detailed in Appendix 5.

#### **6. Legacy Balances Transfer from PCT's**

Work is currently underway to transfer the balances remaining on the PCT accounts to the receiving organisations. This work will be completed in October, the benefit or cost to the CCG is as yet unknown.

**Appendix 1**  
**Finance Report at Month 6**

	Year To Date			Full Year Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
<b>RESOURCES</b>						
Revenue Resource Limit	98,076	98,076	0	197,114	197,114	0
<b>APPLICATION OF FUNDS</b>						
<b>Acute Commissioning</b>						
Acute Trusts	51,698	52,133	(435)	103,396	103,997	(601)
Non Contracted Activity	754	927	(172)	1,509	1,432	77
Non SLA Acute (inc GPwSI's)	1,002	824	178	2,004	1,648	356
	<b>53,455</b>	<b>53,883</b>	<b>(429)</b>	<b>106,909</b>	<b>107,077</b>	<b>(168)</b>
<b>Non Acute</b>						
Mental Health	9,801	9,912	(111)	19,601	19,993	(391)
Adult Continuing Care & FNC	5,631	6,389	(759)	11,261	13,267	(2,006)
Children with disabilities	1,000	1,289	(289)	2,000	2,577	(577)
Learning Difficulties	531	559	(29)	1,062	1,062	0
Community Services (YHC)	8,260	8,083	177	16,521	16,166	355
Other Community Services	2,350	2,174	175	4,699	4,264	435
	<b>27,572</b>	<b>28,406</b>	<b>(834)</b>	<b>55,144</b>	<b>57,328</b>	<b>(2,184)</b>
<b>Primary Care &amp; Prescribing</b>						
Prescribing	9,805	9,626	179	19,610	19,252	359
Enhanced Services	786	739	47	1,571	1,477	94
Walk In Centre	0	0	0	0	0	0
Out of Hours	738	705	33	1,475	1,409	66
Other Primary Care	153	188	(35)	306	376	(70)
	<b>11,482</b>	<b>11,257</b>	<b>224</b>	<b>22,963</b>	<b>22,514</b>	<b>449</b>
<b>Corporate</b>						
Running Costs	2,304	2,304	(0)	4,610	4,610	0
Non Running Costs	288	194	94	577	365	211
Reserves	1,969	1,024	945	4,899	3,207	1,692
	<b>4,561</b>	<b>3,522</b>	<b>1,039</b>	<b>10,086</b>	<b>8,182</b>	<b>1,904</b>
<b>Total Applications</b>	<b>97,069</b>	<b>97,068</b>	<b>0</b>	<b>195,102</b>	<b>195,102</b>	<b>0</b>
<b>In Year Surplus</b>	<b>1,007</b>	<b>1,008</b>	<b>(0)</b>	<b>2,012</b>	<b>2,012</b>	<b>(0)</b>

**Appendix 2**  
**Acute Commissioning**

	Year To Date			Full Year Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
Kingston Hospital NFT	35,182	35,699	(517)	70,364	72,413	(2,049)
West Middlesex University Hospital NFT	136	101	34	271	203	69
The Royal Marsden NFT	848	835	14	1,697	1,669	28
Chelsea & Westminster Hospital NFT	311	300	11	622	611	11
University College London Hospital NFT	309	267	43	619	576	43
Royal Brompton & Harefield NFT	350	511	(162)	699	861	(162)
Imperial College NFT	395	402	(7)	790	797	(7)
Guys & St Thomas NFT	752	667	85	1,504	1,418	85
Royal Free Hampstead NHST	101	62	39	202	163	39
Royal National Orthopaedic Hospital NHST	(131)	159	(291)	(263)	319	(581)
St Georges Hospital NHST	5,529	5,500	28	11,057	11,001	56
Barts & the London NHST	244	158	86	488	316	172
NW London Hospital NHST	106	102	5	213	203	9
Epsom & St Helier NHST	4,055	3,865	190	8,110	7,730	381
Moorfields Eye Hospital NFT	369	399	(29)	739	768	(29)
Royal Surrey County NHST	92	103	(11)	183	194	(11)
Kings College Hospital NFT	221	196	25	442	392	50
GOSH NHST	(125)	81	(206)	(249)	163	(412)
Ashford & St Peters NHST	173	142	31	345	284	62
London Ambulance NHST	2,278	2,278	0	4,556	4,556	0
Default	0	6	(6)	0	13	(13)
Commissioning Reserve	729	0	729	1,459	(1,453)	2,912
Specialist commissioning take	(626)	0	(626)	(1,253)	0	(1,253)
NEL Threshold	400	300	100	800	800	0
<b>Total Acute Trusts</b>	<b>51,698</b>	<b>52,133</b>	<b>(435)</b>	<b>103,396</b>	<b>103,997</b>	<b>(601)</b>
NCA's	754	927	(172)	1,509	1,432	77
<b>Total NCA's</b>	<b>754</b>	<b>927</b>	<b>(172)</b>	<b>1,509</b>	<b>1,432</b>	<b>77</b>
ISTC Diagnostics	38	38	0	75	75	0
MSK/Rheumatology	80	80	0	160	160	0
GPwSI's	421	421	0	843	843	0
BPAS	212	212	0	425	425	0
Private Providers	70	70	0	141	141	0
Private Providers - Counselling services	2	2	0	5	5	0
Non-Recurrent Programmes	178	0	178	356	(0)	356
<b>Total Non SLA Acute</b>	<b>1,002</b>	<b>824</b>	<b>178</b>	<b>2,004</b>	<b>1,648</b>	<b>356</b>

### Appendix 3 Non Acute Commissioning

	Year To Date			Full Year Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
Mental Health Contracts	7,311	7,462	(151)	14,623	14,925	(302)
IAPT	775	775	(0)	1,551	1,551	0
Mental Health Placements	1,279	1,271	8	2,559	2,559	(0)
MH NCA's	161	161	0	322	275	47
Other Mental Health	273	242	32	547	683	(137)
<b>Total Mental Health</b>	<b>9,801</b>	<b>9,912</b>	<b>(111)</b>	<b>19,601</b>	<b>19,993</b>	<b>(391)</b>
Continuing Care & YPD	4,662	5,311	(649)	9,323	11,200	(1,877)
Funded Nursing Care	969	1,079	(110)	1,938	2,067	(129)
<b>Total Adult Continuing Care</b>	<b>5,631</b>	<b>6,389</b>	<b>(759)</b>	<b>11,261</b>	<b>13,267</b>	<b>(2,006)</b>
Children with disabilities	430	708	(278)	860	1,415	(555)
Collaborative Commissioning (Moor Lane)	570	581	(11)	1,140	1,162	(22)
<b>Total Children with Disabilities</b>	<b>1,000</b>	<b>1,289</b>	<b>(289)</b>	<b>2,000</b>	<b>2,577</b>	<b>(577)</b>
Community Services (YHC)	8,260	8,083	177	16,521	16,166	355
Property Services	950	850	100	1,900	1,700	200
Capital Charges	265	265	0	529	529	0
Learning Difficulties	531	559	(29)	1,062	1,062	0
Reablement	477	477	0	954	954	0
Hospices	301	301	(0)	603	585	18
KCAS	112	37	75	223	73	150
Drugs at Home	184	184	0	368	300	68
Partnerships	(0)	0	(0)	0	0	0
Expert Patient Programme & Projects	14	13	1	28	28	0
Interpreting services	47	47	0	95	95	0
<b>Total Community Services</b>	<b>11,141</b>	<b>10,816</b>	<b>324</b>	<b>22,281</b>	<b>21,491</b>	<b>790</b>

### Appendix 4 Primary Care Services

	Year To Date			Full Year Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
Prescribing	9,600	9,357	243	19,200	18,841	359
Churchill Drugs	205	269	(64)	411	411	0
<b>Total Prescribing</b>	<b>9,805</b>	<b>9,626</b>	<b>179</b>	<b>19,610</b>	<b>19,252</b>	<b>359</b>
Local Enhanced Services	786	739	47	1,571	1,477	94
Urgent Care	0	0	0	0	0	0
Out of Hours	538	538	0	1,075	1,075	0
Harmoni 111	200	167	33	400	334	66
GP IT	141	141	0	281	281	0
GP Fees	12	47	(35)	25	95	(70)
<b>Total Other Primary Care</b>	<b>1,676</b>	<b>1,631</b>	<b>45</b>	<b>3,353</b>	<b>3,262</b>	<b>90</b>

## Appendix 5 QIPP Position at Month 6

### Kingston CCG - QIPP Overall 13-14 Summary Report - To end September 2013

#### Status Summary

QIPP schemes (RAG based on project manager assessment of full year savings target)	G	A	R	Total
Service redesign projects	3	3	4	10
Contract / budget adjustments	25	0	0	25
<b>Total</b>	<b>28</b>	<b>3</b>	<b>4</b>	<b>35</b>

A. Service redesign Schemes	Sep-13	To September 2013 - £k			To March 2014 - £k		
		YTD net saving target	YTD net saving estimate	YTD variance	Full year net saving target	Full year net saving projection	FY variance
1. Admission avoidance	G	68	133	65	136	318	182
	G						
2. Patient centred angina management	A	94	0	-94	261	22	-239
	A						
3a. Telehealth	A	37	16	-21	100	56	-44
	R						
3b. Risk stratification	R	37	0	-37	100	100	0
	R						
4. Direct access audiology		16	2	-14	33	26	-7
5. Kingston at Home - community beds	G	204	204	0	300	338	38
	G						
6. Rheumatology	A	20	6	-14	50	50	0
	A						
7. Cardiology	G	0	0	0	26	0	-26
	R						
8. SPA111	G	33	33	0	66	66	0
	G						
9. Referral management	A	0	0	0	50	50	0
	A						
<b>A. Service redesign schemes (10) totals - Original QIPP schemes - position vs Sept13 revised plans and savings targets</b>		<b>509</b>	<b>394</b>	<b>-115</b>	<b>1,122</b>	<b>1,026</b>	<b>-96</b>
<b>B1. Original contract / budget adjustment schemes (25 schemes, YTD figs based on apportioning full year projection)</b>		<b>2,338</b>	<b>2,388</b>	<b>50</b>	<b>4,878</b>	<b>4,878</b>	<b>0</b>
<b>Kingston CCG Total</b>		<b>2,847</b>	<b>2,782</b>	<b>-65</b>	<b>6,000</b>	<b>5,904</b>	<b>-96</b>
<b>Kingston CCG Total Submitted to NHSE</b>					<b>6,000</b>	<b>5,904</b>	<b>-96</b>

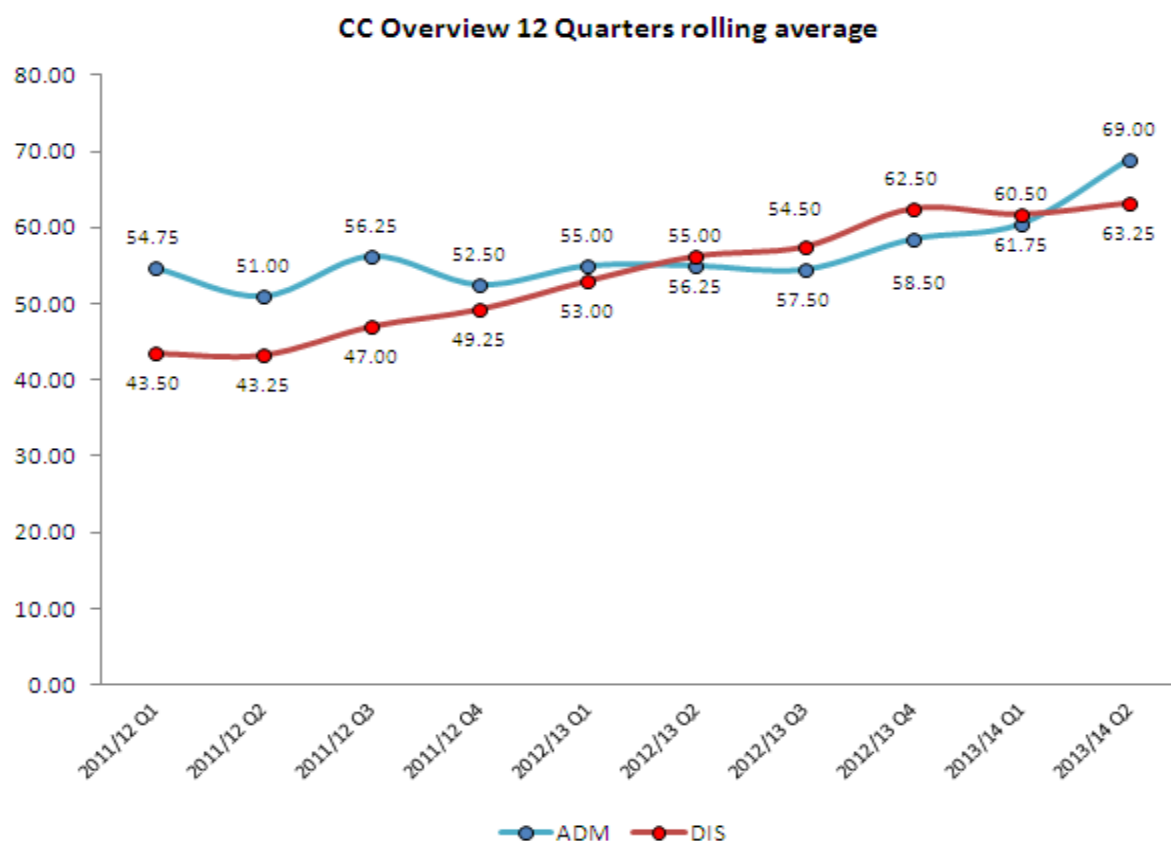


## Appendix 6 Revenue Resource Limit at Month 6

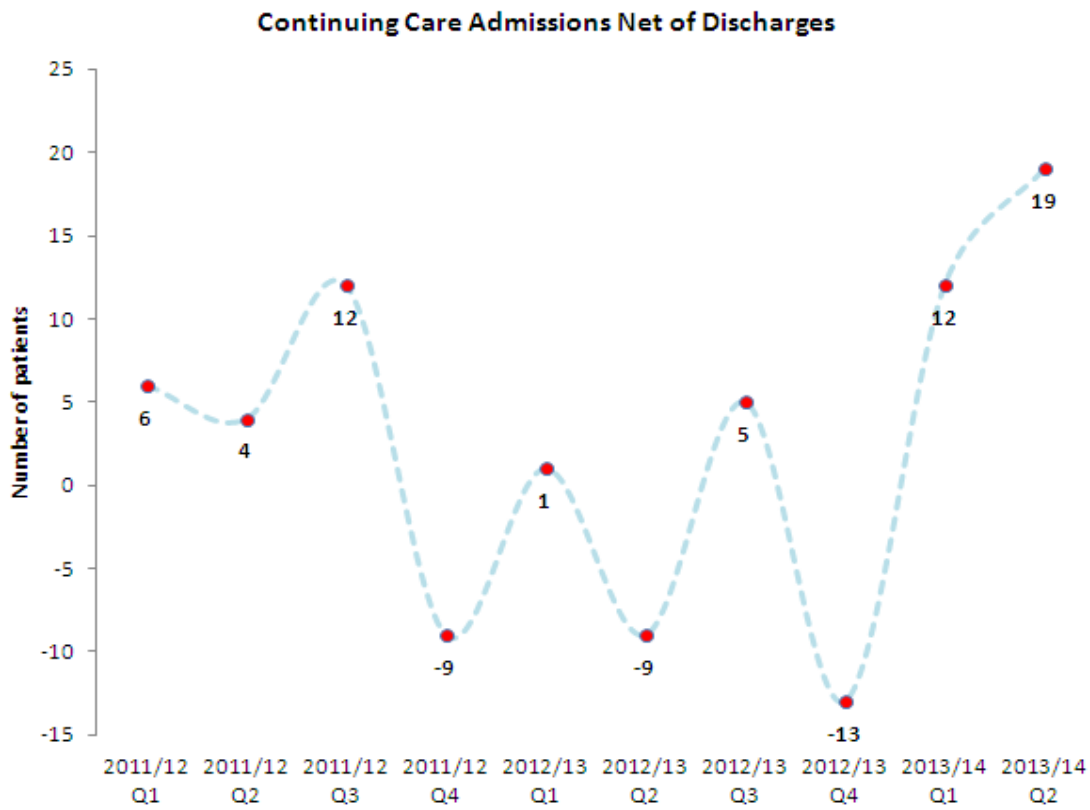
	REVENUE RESOURCE LIMIT			CASH
	REC	NON-REC	TOTAL	LIMIT
	£000	£000	£000	£000
2012-13 RECURRENT AT MONTH 12 - Final	192,414		192,414	192,414
2012/13 CLOSING BASELINE	192,414	0	192,414	192,414
13/14 Recurrent Resource Increase	4,426		4,426	4,426
2013/14 OPENING RECURRENT ALLOCATION (as per schedule 18/12/12)	196,840	0	196,840	196,840
<b>Confirmed Adjustments to RRL</b>				
Specialist Commissioning	(5,622)		(5,622)	(5,622)
GP IT from NCB		281	281	281
NHS Property Services Adjustment	2,716		2,716	2,716
Specialist Commissioning adjustment IATs v28	(1,230)		(1,230)	(1,230)
12/13 Resource b/f assume 70% of £3959k		2,902	2,902	2,902
Secondary Care Dental IATs	100		100	100
GP Collaborative fees	25		25	25
Movements to surplus + lodgements-per final accounts M6		(7)	(7)	(7)
Specialised Commissioning M6	(3,499)		(3,499)	(3,499)
<b>Total Confirmed Programme Resource Limit</b>	<b>189,330</b>	<b>3,176</b>	<b>192,506</b>	<b>192,506</b>
RUNNING COSTS ALLOCATION	4,608		4,608	4,608
<b>Total Confirmed Resource Limit</b>	<b>193,938</b>	<b>3,176</b>	<b>197,114</b>	<b>197,114</b>

## Appendix 7 Continuing Care Activity Trends

### Quarterly rolling averages of admissions and discharges



## Net Continuing Care Patients



## Monthly trend of increasing admissions and decreasing discharges

