

Financial Update

Month 2 Results

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NWL CCGs Financial Turnaround

Executive Summary

In year position

Variances
 £(0.5)m Adv YTD
 £0.0m FOT

CCGs forecast to achieve the planned position. Harrow reported a YTD adverse variance of £0.5m, mainly due to over spend on Acute SLAs and Mental health placements. Forecast includes assumptions that adverse QIPP is mitigated through new / alternative savings and that the H&F GP at hand pressures are mitigated.

QIPP

Variances
 £(3.4.4)m Adv YTD
 £(12.4)m Adv Full year

CCGs full year forecast is £12.4m adverse . YTD actual QIPP equates to 77% of the plan. Main reason for forecast adverse variance is slippage of schemes. This position requires reconciliation to the detailed QIPP leads internal submissions which show a significantly higher level of forecast variance (£32.7m).

Provider Performance

Variances
 £(3.4)m Adv YTD

M2 cost is 1% above plan while Activity is 5% above plan, resulting in an adverse YTD variance of £3.4m
 Main YTD provider variances; ChelWest £(1.4)m, Royal Free £(0.6)m . Royal Free’s variance to plan is partially due to the plan not yet being finalised so largely based on prior year (plan expected to increase significantly based on 17/18 outturn.
 Main YTD CCG impact; Brent £(1.0)m, WL £(0.7)m, Harrow £(0.7)m

Risks & Opportunities

Net position
 £(30.1)m Risk

Full year R&O reported position highlights a net risk of £30.1m. The majority relates to acute services £(24.6)m and unidentified QIPP (£8.9)m. Forecasted potential savings amounted to £11.1m in Other Programme Services.

Reported in year position – by CCG

Variations

£(0.5)m Adv YTD

£0m Adv FC

CCG forecast to achieve the planned position. Harrow reported a YTD adverse variance of £0.5m, mainly due to over spend on Acute SLAs and Mental health placements. Forecast includes assumptions that adverse QIPP is mitigated through new / alternative savings and that the H&F GP at hand pressures are mitigated.

M2 Deficit / Surplus	YTD			Forecast			Comments
	Plan £m	Actual £m	Var £m	Plan £m	Actual £m	Var £m	
Central	0.1	0.1	0.0	0.7	0.7	0.0	The CCG is reporting on plan with a FOT in year surplus of £0.729m & a YTD surplus of £0.121m. Key risks against forecast include £3.2m of unidentified QIPP and acute overperformance
West	0.7	0.7	0.0	4.2	4.2	0.0	
H&F	0.1	0.1	0.0	0.4	0.4	0.0	H&F Forecasting on plan for year, assuming full QIPP delivery. Position also anticipates full mitigation of GP at Hand costs both YTD and Full Year, the costs relating to which are otherwise driving overperformance in a number of service areas, particularly acute and primary care.
Hounslow	0.4	0.4	0.0	2.3	2.3	0.0	The CCG is on target YTD, however the position is supported with £286k of contingency release. The CCG is on target to achieve its FY control total. There is limited information available at month 2 therefore ULp was reported as plan (£2.6m).
Ealing	(0.2)	(0.2)	0.0	0.7	0.7	0.0	CCG reports breakeven on year to date and on its full year forecast position however key over performances are noted in acute, continuing care and mental health areas. CCG is relying on back-ended QIPP and the balance sheet gain to achieve the full year forecast position.
Brent	0.2	0.2	0.0	1.2	1.2	0.0	YTD and FOT breakeven overall. Over-spends on Acute commissioning, Corporate & Estates, Prescribing, Continuing Care and Primary Care offset by slippage in Community and QIPP re-provision budgets, Mental Health and the release of reserves.
Harrow	(3.4)	(3.9)	(0.5)	(20.2)	(20.2)	0.0	Year to date in-year deficit (£3.9m), a further (£0.5m) over plan. Mainly overperformance on Acute SLAs and Mental health placements. Underspends on other programme areas anticipated to offset therefore Forecast remains (£20.2m) planned deficit.
Hillingdon	0.0	0.0	0.0	0.2	0.2	0.0	The CCG is reporting a balanced position at M2 both YTD and FOT. QIPP FOT adverse variance of £0.259m with position balanced by utilising contingency reserve. Risk of £4.3m.
Total	(2.0)	(2.6)	(0.5)	(10.5)	(10.5)	0.0	

In year position variance - by Program

Variations

£(0.5)m Adv YTD

£(0.0)m FC

Main YTD variances reported were overspend in Acute £2.5m and Mental Health £1.8m, this was partially offset by underspend in Other Programme Services £3.1 which is made up from contingency, provision and balance sheet releases as well as significant YTD underspend on Continuing Healthcare in Brent.

Year to Date £m Variance	Central 9A	West 8Y	H&F 8C	Hounslow 7Y	Ealing 7W	Brent 7P	Harrow 8E	Hillingdon 8G	Total
Acute Services	(0.1)	(0.3)	0.0	(0.3)	(0.6)	(0.6)	(0.6)	0.0	(2.5)
Mental Health Services	(0.1)	0.0	(0.1)	(0.0)	(0.1)	(0.9)	(0.4)	(0.2)	(1.8)
Community Health Services	(0.2)	(0.3)	(0.0)	(0.0)	0.1	(0.1)	0.1	0.0	(0.4)
Continuing Care Services	(0.2)	0.4	0.1	0.1	(0.4)	1.0	0.0	0.0	1.0
Primary Care Services	0.0	(0.1)	0.0	0.0	(0.3)	(0.0)	0.0	0.0	(0.4)
<i>Prescribing</i>	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Primary Care Co-Commissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Programme Services	0.4	0.1	0.0	0.3	1.2	0.6	0.3	0.2	3.1
Running Costs	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.2
TOTAL CCG NET EXPENDITURE	0.0	0.0	0.0	0.0	0.0	0.0	(0.5)	0.0	(0.5)

Forecast £m Variance	Central 9A	West 8Y	H&F 8C	Hounslow 7Y	Ealing 7W	Brent 7P	Harrow 8E	Hillingdon 8G	Total
Acute Services	0.0	(0.3)	0.2	0.0	(4.0)	(4.1)	(1.3)	0.0	(9.4)
Mental Health Services	0.0	(0.1)	(0.2)	0.0	(1.1)	(5.0)	(0.9)	(0.4)	(7.8)
Community Health Services	0.0	(0.0)	0.0	0.0	0.1	0.5	0.3	0.0	1.0
Continuing Care Services	0.0	0.0	0.0	0.0	(2.4)	5.6	0.1	0.1	3.4
Primary Care Services	0.0	(0.2)	0.0	0.0	(0.3)	(0.1)	0.1	0.0	(0.5)
<i>Prescribing</i>	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	(0.1)
Primary Care Co-Commissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Programme Services	0.0	0.7	0.0	0.0	7.3	3.1	1.7	0.3	13.1
Running Costs	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.3
TOTAL CCG NET EXPENDITURE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

QIPP by CCG (as per Non ISFE)

Variiances

£(3.4)m Adv YTD

£(12.4)m Adv Full year

CCGs full year forecast is £12.4m adverse . YTD actual QIPP equates to 77% of the plan. Main reason for forecast adverse variance is slippage of schemes. This position requires reconciliation to the detailed QIPP leads internal submissions which show a significantly higher level of forecast variance (£32.7m).

M2 QIPP	YTD					Forecast				FY Non Recurrent	
	Plan £m	Actual £m	Var £m	% of YTD Plan	% of FY Plan	Plan £m	Forecast £m	Var £m	% of Plan	Plan £m	Forecast £m
Central	2.8	1.0	(1.8)	37%	6%	17.6	13.4	(4.3)	76%	1.4	1.4
West	2.6	2.4	(0.1)	94%	16%	15.4	13.6	(1.8)	89%	0.0	0.0
H&F	0.9	1.0	0.1	110%	6%	17.3	14.3	(3.0)	83%	0.6	1.7
Hounslow	1.8	1.8	(0.0)	99%	15%	12.0	11.9	(0.1)	99%	0.0	0.0
Ealing	1.2	0.7	(0.5)	57%	4%	18.2	15.8	(2.5)	86%	0.0	0.0
Brent	3.0	2.0	(1.0)	66%	13%	15.6	14.8	(0.8)	95%	0.0	0.0
Harrow	1.5	1.5	0.0	102%	7%	20.2	20.4	0.1	101%	5.7	0.0
Hillingdon	0.8	0.8	(0.0)	99%	7%	12.4	12.1	(0.3)	98%	0.0	0.0
Grand Total	14.6	11.3	(3.4)	77%	9%	128.7	116.3	(12.4)	90%	7.7	3.1

RAG rating criteria for % delivery of plan, Green: >95%, Amber: 75% - 95%, Red: <75%

Provider Performance

Variations

£(3.4)m Adv YTD

M2 cost is 1% above plan while Activity is 5% above plan, resulting in an adverse YTD variance of £3.4m
 Main YTD provider variations; ChelWest £(1.4)m, Royal Free £(0.6)m . Royal Free’s variance to plan is partially due to the plan not yet being finalised so largely based on prior year (plan expected to increase significantly based on 17/18 outturn.

Main YTD CCG impact; Brent £(1.0)m, WL £(0.7)m, Harrow £(0.7)m

Table 1 by POD	Month 1 (actual)				Month 1+ (Est.)			
CCG	M1 Activity variance	% activity variance M1	M1 cost variance £000	% Cost variance M1	M1+ Activity variance	% activity variance M1+	M1+ cost variance £000	% Cost variance M1+
A&E & UCC	7,665	14%	159	2%	16,642	15%	356	2%
Critical Care	-690	-17%	-1,101	-25%	-2,388	-32%	-1,477	-17%
Non Elective	-445	-2%	-787	-2%	-3,682	-11%	762	1%
Daycase & Elective	275	2%	182	1%	-1,314	-4%	284	1%
Outpatients	-11,863	-7%	-851	-4%	-32,733	-9%	-1,487	-3%
Direct Access	-10,987	-3%	-171	-5%	-22,990	-4%	-250	-3%
Maternity	425	6%	739	6%	795	5%	1,322	5%
Other	-5,817	-27%	-1,125	-2%	-12,011	18%	-2,753	-3%
Fines/Claims/Metrics	-430		-15	0%	-872	100%	21	0%
Drugs & Devices	-19		-94	-2%	-495		-142	-2%
Grand Total	-21,885	-4%	-3,064	-2%	-59,049	-5%	-3,364	-1%
In sector acute (incl. LAS)	-13,848	-3%	-961	-1%	-22,193	-2%	-814	0%
Out of sector acute	-8,036	-9%	-2,018	-8%	-36,856	-22%	-2,387	-5%
Community	0	0%	-5	0%	0	0%	-3	0%
Mental Health	0	0%	-80	0%	0	0%	-160	0%
Grand Total	-21,884	-4%	-3,064	-2%	-59,049	-5%	-3,364	-1%

Provider Activity by CCG (continued)

Table 1 by POD	2018/19 actual to M1		2018/19 M1 YTD								
	Activity	Activity variance	+% favourable/-% adverse activity movement								
Delivery point			Total	Brent	Central	Ealing	H&F	Harrow	Hillingdon	Hounslow	West
A&E & UCC	48,564	7,665	14%	-5%	2%	2%	-1%	2%	51%	12%	2%
Critical Care (Note 1)	4,785	-690	-17%	-51%	-16%	22%	-14%	-26%	-26%	-37%	-5%
Non Elective	18,809	-445	-2%	-14%	-11%	2%	-1%	-3%	4%	5%	-6%
Daycase & Elective	18,049	275	2%	-3%	4%	4%	4%	2%	6%	-5%	1%
Outpatients	194,190	-11,863	-7%	-9%	-2%	-1%	-2%	-13%	-4%	-17%	-5%
Direct Access	325,019	-10,987	-3%	-13%	-1%	-127%	1%	-31%	-1%	1%	1%
Maternity	7,219	425	6%	7%	15%	7%	11%	-4%	0%	6%	12%
Other(1)	27,323	-5,817	-27%	-15%	-18%	29%	-77%	-13%	17%	-4%	24%
Grand Total	643,958	-21,436	-3%	-12%	-3%	-2%	-2%	-15%	5%	-7%	1%

Growth vs 2017/18 M1 YTD								
+% growth /-% reduction								
Total	Brent	Central	Ealing	H&F	Harrow	Hillingdon	Hounslow	West
4%	0%	4%	0%	9%	-2%	0%	8%	10%
33%	94%	66%	-13%	59%	-4%	-10%	34%	132%
11%	23%	19%	4%	23%	11%	-8%	-12%	60%
15%	17%	10%	7%	16%	16%	-1%	10%	59%
13%	16%	6%	10%	18%	14%	-2%	24%	25%
-2%	1%	7%	8%	5%	5%	8%	-85%	6%
-27%	-9%	-11%	-33%	-14%	-4%	-57%	16%	-15%
49%	42%	17%	73%	75%	-2%	255%	53%	-77%
5%	10%	7%	8%	9%	8%	10%	-31%	7%

Notes:

- 1.Critical activity high against plan particularly for 5 & 2 organs supported where long stayers have been discharged. Most of the additional costs incurred in M1 should be covered by the YE WIP accruals CCG teams have put through
- 2.Variance on Other is mainly due to poor POD mapping for Bart's & Frimley where all the costs and activity have been mapped to other generating a variance . The other material variance is patient transport overspend of c.£200k at LNWH

Provider Performance (continued)

Table 2 by CCG		Month 1 (actual)		Month 1+ (Est.)		QIPP M1 YTD Cost £000	Forecast Var £000 as at 13/06
CCG	M1 cost variance £000	% Cost variance M1	M1+ cost variance £000	% Cost variance M1+			
Brent	-1,568	-6%	-1,018	-2%	-696	-6,450	
Harrow	-576	-3%	-714	-2%	-472	-1,460	
Hillingdon	12	0%	21	0%	-213	-323	
Central London	-135	-1%	-134	0%	-127	-268	
Ealing	108	0%	-85	0%	-351	-1,237	
H&F	-306	-2%	-601	-2%	-167	60	
Hounslow	-240	-1%	-115	0%	-247	2,680	
West London	-359	-2%	-719	-2%	-353	-2,311	
Grand Total	-3,064	-2%	-3,364	-1%	-2,627	-9,308	

Table3 by Provider		Month 1 (actual)		Month 1+ (Est.)		QIPP M1 YTD Cost £000	Forecast Var £000 as at 13/06
Provider	M1 cost variance £000	% Cost variance M1	M1+ cost variance £000	% Cost variance M1+			
LNWH	-534	-2%	63	0%	-1,084	-2,555	
CWHFT	-808	-4%	-1,436	3%	-475	-7,810	
ICHT	165	0%	334	0%	-655	5,364	
RBHFT	-40	-3%	-107	4%	-6	-156	
THHFT	256	2%	332	-1%	-176	325	
In sector acute	-961	-1%	-814	0%	-2,397	-4,832	
Guys & St Thomas's	0	0%	15	0%	-26	433	
Moorfields	-207	-11%	-414	-10%	-92	-1,296	
Royal Free	-993	-30%	-624	-9%	-66	-2,902	
UCLHFT	-185	-5%	-378	-5%	-26	251	
All other OOS	-633	-10%	-989	-7%	-20	-1,072	
Sub total OOS Sector acute	-2,018	-11%	-2,390	-7%	-230	-4,585	
London Ambulance	0	0%	0	0%	0	0	
Sub total LAS	0	0%	0	0%	0	0	
Community	-5	0%	0	0%	0	18	
Mental Health	-80	0%	-160	0%	0	91	
Grand Total	-3,064	-2%	-3,364	-1%	-2,627	-9,308	

Notes:

1. CWFT variance will likely reduce in M3 as a variation to the plan with West CCG will be made which accounts for c. £700k of the M1+ YTD variance.

Risks & Opportunities– by CCG (as per Non ISFE)

Net position

£(30.1)m Risk

Full year R&O reported position highlights a net risk of £30.1m. The majority relates to acute services £(24.6)m and unidentified QIPP (£8.9m). Forecasted potential savings amounted to £11.1m in Other Programme Services.

CCG RISKS & MITIGATIONS M2	Central £m	West £m	H&F £m	Hounslo £m	Ealing £m	Brent £m	Harro £m	Hillingdo £m	Total £m
REVENUE RESOURCE LIMIT (IN YEAR)	312	406	303	401	562	485	337	415	3,220
Acute Services	(1.0)	0.0	(6.4)	(4.4)	(3.1)	(3.1)	(4.3)	(2.3)	(24.6)
Mental Health Services	0.0	0.0	(0.3)	(0.8)	(0.3)	0.0	(1.2)	(0.4)	(3.0)
Community Health Services	0.0	0.0	0.0	(0.3)	0.0	1.3	0.0	(0.1)	0.9
Continuing Care Services	0.0	0.0	(0.7)	(0.4)	0.1	(0.8)	0.0	(0.3)	(2.0)
Primary Care Services	0.0	0.0	(0.2)	(0.3)	(1.2)	(0.6)	(1.0)	(1.0)	(4.3)
Primary Care Co-Commissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Other Programme Services	3.8	0.0	6.3	1.5	0.1	0.2	0.0	(0.8)	11.1
Commissioning Services Total	2.8	0.0	(1.3)	(4.5)	(4.5)	(3.0)	(6.5)	(4.3)	(21.3)
Running Costs	0.0	0.0	0.0	(0.1)	0.3	0.0	0.0	(0.0)	0.1
Unidentified QIPP	(3.2)	0.0	0.0	0.0	0.0	0.0	(5.7)	0.0	(8.9)
TOTAL CCG NET RISK	(0.4)	0.0	(1.3)	(4.7)	(4.2)	(3.0)	(12.3)	(4.3)	(30.1)

Glossary

Finance

YTD	– Year To Date
FOT	– Forecast Out Turn
FY	– Full Year
PY	– Part Year
FYE	– Full Year Effect
Fav	– Favourable
Adv	– Adverse
CIP	– Cost Improvement Programmes
QIPP	– Quality, Innovation, Productivity & Prevention
CT	– Control Total
STF	– Sustainability Transformation Fund
CEP	– Capped Expenditure Process
NHSI	– NHS Improvement
NSHE	– NHS England

Trusts

CWFT	– Chelsea And Westminster Hospital NHS Foundation Trust
CLCH	– Central London Community Healthcare NHS Trust
CNWL	– Central And North West London MH NHS Foundation Trust
ICHT	– Imperial College Healthcare NHS Trust
LNWH	– London North West Hospitals NHS Trust
RBH	– Royal Brompton And Harefield NHS Foundation Trust
THH	– The Hillingdon Hospital NHS Foundation Trust
WLMH	– West London Mental Health NHS Trust
LAS	– London Ambulance Service

Other

NSCO	– No Cheaper Stock Obtainable (Drugs)
CHC	– Continuing healthcare

Definitions

QIPP/CIP – Efficiency programmes, with CIP for providers and QIPP for commissioners. Net QIPP/CIP is the efficiency less any investment required to deliver the program.

CEP - The Capped Expenditure Process was introduced by NHSE following submission of the operating plans, targeting those STP footprints that had a gap to control totals greater than 1.5% of Revenue Resource Limit (RRL). The process required commissioners and providers to work together to agree a plan to meet the control totals. The objective was to ensure that every available opportunity had been taken to maximise QIPP/CIP so that organisations in STP footprints delivered their control totals.

Underlying Position – This is the financial position that has been adjusted for one off occurrences which would be considered outside business as usual, this applied to both expenditure and income. Additional adjustments are applied for the full year impact of recurrent events which started in year (eg a new service started in month 6).

Net risk – Risks and opportunity which do not have a high enough level of certainty to be added to the financial position are included in the risk log. Net risk is the sum of all the risks less all the opportunities.