



North West London
Collaboration of
Clinical Commissioning Groups

Financial turnaround - update

Month four results

Contents

- 3 Executive Summary
- 4-5 In year position
- 6 QIPP Performance
- 7-10 Provider Performance
- 11 Risk & Opportunities
- 12 Underlying run rate
- 13-14 Glossary
- 15-21 Royal Free over performance analysis

Executive summary

In year position

Variations
£(4.0)m Adv YTD
£(0.9)m decrease since M3
 £0.0m FOT

CCG forecast to achieve the planned position. Harrow reported a YTD adverse variance of £1.7m, driven by over spend on acute SLAs (particularly out of sector) and Mental health placements. Brent's £1.8m and H&F's £0.5m YTD deficits are driven by acute overspend, with Royal Free variance for Brent YTD M4 £1.5m. Forecast assumes adverse QIPP is mitigated through slippage of community reinvestments, underspend on continuing care and release of reserves. Assumes H&F GP at Hand pressures for non NW London registrations are mitigated.

QIPP

Variations
£(6.3)m Adv YTD;
£(1.7)m decrease since M3
£(20)m Adv Full year

CCGs full year forecast is £20m adverse. YTD actual QIPP equates to 81% of the plan. Main reason for forecast adverse variance is slippage of schemes. Details of how some schemes are tracked are being reviewed, particularly in apportioning benefit between local and NW London wide schemes, this may improve the reported YTD Ealing and Hounslow position.

Provider performance

Variations
£(15.9)m Adv YTD
£(4.6)m decrease since M3

M4 reported cost is 2% above plan while Activity is 11% above plan, resulting in an adverse YTD variance of £15.9m. Main YTD in sector provider adverse variances are ChelWest £2.3m and Imperial £3.7m. The main outer sector variances are with Guys 1.7m, UCL £1m & Royal Free £2.2m. By CCG the main YTD impact is; Brent £(4.8)m, H&F £(3.3)m, West £(2.1)m.

Risks & opportunities

Net position
£(49.1)m Risk
£(6.4)m decrease since M3

Full year R&O reported position highlights a net risk of £49.1m, an increase of £6.4m since M3 driven by an increase in Mental Health risks in Central London and Acute risks in H&F. C.50% of the total risk relates to acute services £(24.9)m followed by unidentified QIPP (£8.1m, in Central & Harrow) and Mental Health (placement risks).

Underlying run rate

Underlying position
£(30)m Deficit
£(11)m decrease on M3

After adjusting for non recurrent items NW London CCGs collectively are reporting an underlying position of £30m deficit, a significant increase on prior month, driven largely by an increase in non recurrent items included in the forecast (e.g. Central reliance on £4.9m of non recurrent reserves).

Reported in year position – by CCG

Variations

£(4.0)m Adv YTD
 £(0.9)m decrease
 since M3
 £0.0m FOT

CCG forecast to achieve the planned position. Harrow reported a YTD adverse variance of £1.7m, driven by over spend on acute SLAs (particularly out of sector) and Mental health placements. Brent's £1.8m YTD deficit is driven by acute overspend. Forecast assumes that adverse QIPP is mitigated through slippage of community reinvestments, underspend on continuing care and release of reserves. Also assumes that the H&F GP at Hand pressures are mitigated.

M4 (Deficit) / Surplus	YTD			YTD Var % of RRL	YTD Var £000s	Forecast			Comments
	Plan £m	Actual £m	Var £m			Plan £m	Actual £m	Var £m	
Central	0.2	0.2	0.0	0.00%	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 £0.243m. Key risks against forecast include £3.2m of unidentified QIPP and acute overperformance. The net risk of is £5m
West	1.4	1.4	0.0	0.00%	0	4.2	4.3	0.1	YTD and FOT position currently on plan, with overspends in the acute sector offset by underspends in prescribing and CHC. Mgt cost reduction on track and QIPP delivery at just over 90%
H&F	(0.6)	(1.1)	(0.5)	-0.16%	(470)	0.4	0.4	0.0	YTD deficit £1.1m off plan due to acute pressures. FOT surplus £0.4m on plan but all reserves now used to offset mostly acute pressures. GP at Hand income assumed £2.6m/£11.5m YTD/FOT needs actioning with NHSE; other risks are £11m gross/£6m net.
Hounslow	0.8	0.8	0.0	0.00%	0	2.3	2.3	0.0	CCG on target; YTD surplus £573k (supported by £491k contingency) and FY surplus £2.290m. Areas of o/spend; acute £2.046m, mitigated by contract reserves & MFF support and MH/LD cost volume. Planned 18/19 ULP £2.641m surplus; M3 £2.522m surplus.
Ealing	(0.6)	(0.6)	0.0	0.00%	0	1.9	1.9	0.0	On track for both year to date and forecast position. The position is supported by contingency, Investment reserves, prior year balance sheet gain and back-ended QIPP delivery. Net risk to the forecast position is £4.2m including the key risks on acute over performance/QIPP under delivery and prescribing.
Brent	0.4	(1.4)	(1.8)	-0.36%	(1,790)	1.2	1.2	0.0	YTD in-year deficit (£1.4m), (£1.8m) away from plan, Royal free YTD M4 £1.5m variance. FOT breakeven overall. Over-spends on Acute commissioning, QIPP risk and Prescribing offset by slippage in Community and QIPP re-provision budgets, Mental Health and the release of reserves.
Harrow	(6.7)	(8.5)	(1.7)	-0.53%	(1,730)	(20.2)	(20.2)	0.0	Year to date in-year deficit (£8.46m), a further (£1.7m) over plan. Main overperformance on Acute SLAs, Mental health placements and prescribing.
Hillingdon	0.1	0.1	0.0	0.00%	0	0.2	0.2	0.0	The CCG is reporting a balanced position at M4 both YTD and FOT. Overspends on Acute, MH and CHC (mainly LD), mitigated by release of Contingency Reserve. QIPP behind plan (£0.4m) YTD and (£1m) FOT. Net risks of £5.5m.
NWL Total	(5.1)	(9.1)	(4.0)	-0.12%	(3,990)	(9.4)	(9.3)	0.1	

In year position variance – by program

Variations

£(4.0)m Adv YTD

£(0.0)m FC

YTD adverse variances reported of £4.0m across NW London includes overspend on Acute £14m and Mental Health £1.3m, which is partially offset by underspend in Other Programme Services £8.6m which is made up of one off contingency, investment provision and balance sheet releases.

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	(1.4)	(1.6)	(0.9)	(0.5)	(2.4)	(4.1)	(1.9)	(1.3)	(14.0)
Mental Health Services	(0.1)	0.1	0.1	0.1	(0.3)	(0.1)	(0.8)	(0.3)	(1.3)
Community Health Services	(0.3)	(0.0)	0.2	(0.0)	0.1	1.0	0.2	0.1	1.2
Continuing Care Services	(0.3)	0.9	(0.0)	0.1	(0.5)	0.2	(0.1)	(0.1)	0.2
Primary Care Services	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.1	0.1	0.3
<i>Prescribing</i>	0.1	0.6	0.7	(0.1)	(0.9)	(0.4)	(0.8)	0.0	(0.7)
Primary Care Co-Commissioning	0.1	0.2	0.3	0.0	0.0	0.1	0.1	0.1	0.9
Other Programme Services	1.8	(0.2)	(0.8)	0.5	3.6	1.2	1.3	1.3	8.6
Running Costs	0.0	0.1	0.0	0.1	0.4	0.2	0.1	0.1	0.9
TOTAL CCG NET EXPENDITURE	0.0	0.0	(0.5)	0.0	0.0	(1.8)	(1.7)	0.0	(4.0)

Forecast £m Variance	Central 9A	West 8Y	H&F 8C	Hounslow 7Y	Ealing 7W	Brent 7P	Harrow 8E	Hillingdon 8G	Total
Acute Services	(3.3)	(3.3)	(2.2)	(0.6)	(5.0)	(7.8)	(5.6)	(1.6)	(29.4)
Mental Health Services	0.3	0.3	1.2	0.8	(1.3)	(0.3)	(1.6)	(1.1)	(1.6)
Community Health Services	(0.2)	(0.7)	1.2	0.1	0.2	2.2	0.5	0.4	3.7
Continuing Care Services	(0.4)	2.8	(0.1)	(0.9)	(1.5)	0.7	(0.6)	(0.3)	(0.1)
Primary Care Services	0.0	(0.3)	(1.6)	0.1	(0.4)	(0.0)	0.3	0.1	(1.7)
<i>Prescribing</i>	0.0	1.7	2.2	(0.4)	(2.3)	(0.7)	0.0	0.1	0.6
Primary Care Co-Commissioning	0.0	0.0	1.2	0.0	0.0	0.0	0.5	0.1	1.8
Other Programme Services	3.6	(0.5)	(2.1)	0.9	10.0	5.9	6.4	2.0	26.3
Running Costs	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.2	0.5
TOTAL CCG NET EXPENDITURE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

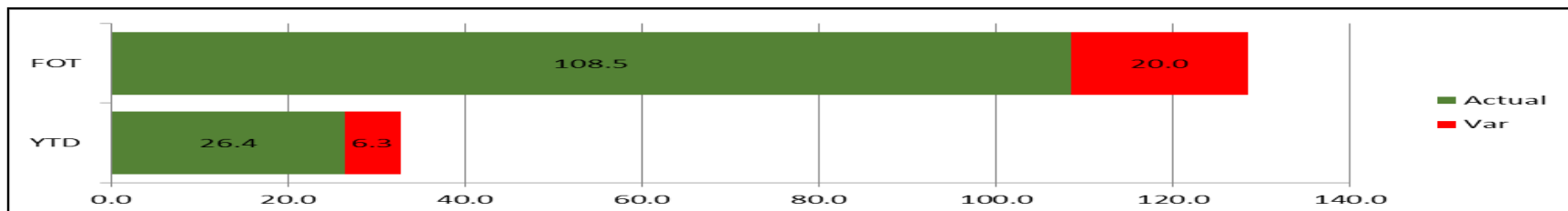
Note: Spend by programme area above may differ to local reporting, particularly in mental health and CHC areas due to differences in how mental health placement spend is grouped for internal CCG reporting to external reporting to NHSE. This should not affect total financial variances by CCG

QIPP by CCG (as per Non ISFE)

Variations

£(6.3)m Adv YTD;
 £(1.7)m decrease since M3
 £(20)m Adv Full year

YTD actual QIPP equates to 81% of the plan. CCGs full year forecast is £20m adverse. Main reason for forecast adverse variance is slippage of schemes. Details of how some schemes are tracked are being reviewed, particularly in apportioning benefit between local and NWL wide schemes, this may improve the reported YTD Ealing and Hounslow position. In addition the H&F YTD over performance is being reviewed as this does not match internal reporting (showing YTD £0.1m adverse).



M4 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	5.6	4.6	(1.1)	81%	26%	17.6	14.8	(2.8)	84%	1.4	1.4
West	5.1	4.7	(0.4)	92%	31%	15.4	14.2	(1.2)	92%	0.0	0.0
H&F	2.0	2.5	0.5	123%	14%	17.3	14.7	(2.6)	85%	0.6	4.4
Hounslow	3.6	2.4	(1.1)	68%	20%	12.0	9.5	(2.5)	79%	0.0	0.0
Ealing	4.2	2.3	(1.9)	55%	13%	18.2	13.3	(4.9)	73%	0.0	0.0
Brent	5.7	4.3	(1.4)	76%	28%	15.3	13.1	(2.2)	85%	0.0	0.0
Harrow	4.1	3.6	(0.5)	87%	18%	20.2	17.5	(2.7)	86%	5.7	0.0
Hillingdon	2.3	2.0	(0.4)	84%	16%	12.4	11.4	(1.0)	92%	0.0	0.5
Grand Total	32.7	26.4	(6.3)	81%	21%	128.4	108.5	(20.0)	84%	7.7	6.3

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

* Note – Harrow's non recurrent plan represented the unidentified amount at the time of submission, current forecast plans all relate to recurrent schemes

Provider performance by CCG and provider

Variations

£(15.9)m Adv YTD
£(4.6)m decrease
since M3

M4 reported cost is 2% above plan while Activity is 11% above plan, resulting in an adverse YTD variance of £15.9m. Main YTD in sector provider adverse variances are ChelWest £2.3m and Imperial £3.7m. The main outer sector variances are with Guys 1.7m, UCL £1m & Royal Free £2.2m. By CCG the main YTD impact is; Brent £(4.8)m, H&F £(3.3)m, West £(2.1)m.

Table 1 by CCG

CCG	Month 3 (actual)		Month 4 (Est.)		QIPP M4 YTD Cost £000	Forecast Var £000 as at 13/08
	M3 cost variance £000	% Cost variance M3	M4 cost variance £000	% Cost variance M4		
Brent	-3,796	-5%	-4,830	-5%	-2,094	-10,384
Harrow	-1,384	-3%	-2,038	-3%	-824	-5,910
Hillingdon	-683	-1%	-1,012	-1%	-788	-1,058
Central London	-873	-2%	-1,090	-2%	-409	-1,548
Ealing	-613	-1%	-970	-1%	-1,062	-3,400
H&F	-2,506	-5%	-3,331	-5%	-521	-7,269
Hounslow	-637	-1%	-578	-1%	-754	-2,154
West London	-1,571	-3%	-2,074	-3%	-1,082	-4,696
Grand Total	-12,062	-2%	-15,923	-2%	-7,534	-36,419

Table 2 by Provider

Provider	M3 cost variance £000	% Cost variance M3	M4 cost variance £000	% Cost variance M4	QIPP M4 YTD Cost £000	Forecast Var £000 as at 13/08
LNWH	-1,786	-2%	-2,112	-2%	-2,688	-5,985
CWHFT	-1,677	-3%	-2,292	-3%	-1,445	-7,487
ICHT	-2,840	-3%	-3,660	-3%	-2,000	-7,094
RBHFT	-305	-7%	-418	-7%	-25	-559
THHFT	280	1%	183	0%	-668	23
In sector acute	-6,329	-7%	-8,299	-7%	-6,825	-21,103
Guys & St Thomas's	-1,333	-20%	-1,785	-20%	-80	-£3,790
Moorfields	-518	-9%	-703	-9%	-286	-£2,116
Royal Free	-1,579	-15%	-2,150	-15%	-202	-£4,528
UCLHFT	-745	-6%	-1,005	-6%	-79	-£1,560
All other OOS	-1,837	-9%	-2,355	-9%	-61	-4,639
Sub total OOS Sector acute	-6,012	-11%	-7,998	-11%	-708	-16,634
London Ambulance	436	2%	582	2%	0	1,745
Sub total LAS	436	2%	582	2%	0	1,745
Community	-7	0%	-8	0%	0	173
Mental Health	-150	0%	-200	0%	0	-600
Grand Total	-12,062	-2%	-15,923	-2%	-7,534	-36,419

Notes: The above demonstrates that while in sector acute over performance continues to be an issue there is a particularly large adverse variance on out of sector providers
At Moorfields the over performance relates largely to a QIPP that has not been delivered.

Provider performance – overall by POD

Table 3 by POD	Month 3 (actual)				Month 4 (Est.)			
CCG	M3 Activity variance	% activity variance M3	M3 cost variance £000	% Cost variance M3	M4 Activity variance	% activity variance M4	M4 cost variance £000	% Cost variance M4
A&E & UCC	-4,637	-3%	-1,212	-5%	-6,153	-3%	-1,625	-5%
Critical Care	-1,066	-9%	-1,673	-13%	-1,336	-9%	-2,158	-12%
Non Elective	-1,252	-2%	-5,575	-5%	-1,720	-2%	-6,916	-5%
Daycase & Elective	-507	-1%	-873	-1%	-713	-1%	-1,239	-1%
Outpatients	-35,072	-6%	-4,826	-7%	-48,392	-7%	-6,661	-7%
Direct Access	-272,319	-28%	-591	-5%	-369,125	-28%	-815	-5%
Maternity	-627	-3%	606	1%	-867	-3%	784	1%
Other	105,064	50%	702	0%	141,413	50%	833	0%
Fines/Claims/Metrics	-510		2,169	-19%	-679		2,974	-20%
Drugs & Devices	-4		-790	-6%	-941		-1,100	-6%
Grand Total	-210,929	-10%	-12,062	-2%	-288,514	-11%	-15,923	-2%
In sector acute (incl. LAS)	-291,974	-18%	-6,329	-2%	-397,096	-18%	-8,299	-2%
Out of sector acute	8,661	3%	-5,576	-7%	12,065	3%	-7,416	-7%
Community	72,383	99%	-7	0%	96,517	99%	-8	0%
Mental Health	0		-150	0%	0		-200	0%
Grand Total	-210,929	-10%	-12,062	-2%	-288,514	-11%	-15,923	-2%

Notes: Critical Care is driven by specific high cost patients discharged early in the year (and largely covered financially by work in progress provisions from the prior year). Non elective adverse variances are partially linked to winter pressure beds still open at London North West as well as out of sector increases being investigated.

Provider activity by POD and CCG

Table 4 by POD	2018/19 actual to M3		2018/19 M3 YTD								
			+% favourable / -% adverse activity movement								
Delivery point	Activity	Activity variance	Total	Brent	Central	Ealing	H&F	Harrow	Hillingdon	Hounslow	West
A&E & UCC	151,718	-4,637	-3%	-5%	-2%	2%	-11%	1%	-1%	-8%	-3%
Critical Care (Note 1)	12,520	-1,066	-9%	-14%	9%	15%	-27%	-16%	-39%	-18%	-3%
Non Elective	55,644	-1,252	-2%	-15%	6%	-2%	-9%	-7%	-6%	15%	-15%
Daycase & Elective	54,917	-507	-1%	-5%	-2%	2%	-2%	2%	0%	-3%	-2%
Outpatients	584,922	-35,072	-6%	-14%	-2%	-3%	-8%	-12%	-4%	1%	-8%
Direct Access	1,235,549	-272,319	-28%	-15%	-1%	-2251%	-5%	-29%	-8%	-23%	-9%
Maternity	24,334	-627	-3%	8%	4%	1%	0%	2%	-32%	6%	-2%
Other(1)	106,175	105,064	50%	15%	5%	26%	2%	22%	78%	21%	5%
Grand Total	2,225,778	-210,415	-10%	-10%	-1%	-108%	-6%	-10%	10%	0%	-8%

Table 5 by POD	2018/19 actual to M3		Growth vs 2017/18 M3 YTD								
			+% growth / -% reduction								
Delivery point	Activity	Activity variance	Total	Brent	Central	Ealing	H&F	Harrow	Hillingdon	Hounslow	West
A&E & UCC	151,718	-4,637	3%	1%	7%	-2%	11%	-2%	1%	7%	1%
Critical Care (Note 1)	12,520	-1,066	11%	18%	-3%	-16%	42%	9%	47%	6%	10%
Non Elective	55,644	-1,252	8%	19%	-10%	5%	10%	19%	0%	7%	15%
Daycase & Elective	54,917	-507	4%	11%	6%	1%	7%	3%	-3%	6%	4%
Outpatients	584,922	-35,072	-3%	2%	-7%	-3%	4%	-1%	-10%	-3%	0%
Direct Access	1,235,549	-272,319	9%	-9%	-3%	767%	0%	-6%	6%	-83%	4%
Maternity	24,334	-627	-5%	-6%	-16%	-12%	0%	-5%	4%	-10%	-1%
Other(1)	106,175	105,064	150%	142%	328%	178%	187%	128%	91%	183%	187%
Grand Total	2,225,778	-210,415	8%	3%	1%	100%	4%	2%	4%	-38%	5%

Notes: Year on year non elective variances are particularly high in Harrow and Brent. It is believed this is linked to the winter beds which are still open at London North West. Maternity activity continues to reduce year on year apart from in Hillingdon. Direct Access in Ealing will require further analysis.

Provider activity by CCG

ProviderName	Brent	Harrow	Hillingdon	Central London	Ealing	H&F	Hounslow	West London	NWL Total
ICHT	(1,104)	(323)	148	(626)	(177)	(550)	70	(1,097)	(3,660)
THHFT	(43)	66	33	35	175	86	(178)	10	183
RBHFT	(54)	(147)	(198)	130	(162)	(119)	106	26	(418)
LNWH	(1,585)	(451)	(64)	36	(131)	(53)	19	117	(2,112)
CWHFT	(52)	(48)	(37)	(190)	(113)	(623)	(369)	(860)	(2,292)
In sector acute	(2,839)	(903)	(118)	(615)	(409)	(1,259)	(352)	(1,804)	(8,299)
Guys & St Thomas's	(105)	(38)	(425)	(606)	(88)	(345)	(45)	(132)	(1,785)
Moorfields	(97)	(357)	(16)	(57)	(116)	(48)	6	(17)	(703)
Royal Free	(1,508)	(540)	58	(10)	(22)	(170)	31	12	(2,150)
UCLHFT	(446)	192	(42)	(172)	78	(322)	(18)	(275)	(1,005)
Other Out of Sector	113	(348)	(461)	356	(411)	(883)	(280)	140	(1,774)
Out of Sector acute (including LAS)	(2,043)	(1,092)	(886)	(489)	(560)	(1,768)	(306)	(271)	(7,416)
Community	0	(7)	(8)	14	(1)	(37)	34	(3)	(8)
Mental Health	51	(36)	(0)	(0)	0	(265)	46	4	(200)
Grand Total	(4,830)	(2,038)	(1,012)	(1,090)	(970)	(3,331)	(578)	(2,074)	(15,923)

Notes: All CCGs apart from West London have a significant over performance in out of sector acute providers. That said the bulk of the out of sector over performance is affecting Brent, Harrow and Hammersmith & Fulham. The H&F over performance is driven by GP at Hand but the Brent and Harrow appear to be driven by non delivered QIPP (Moorfields) and possible drift of activity. The contract teams are reviewing this in more detail.

Risks and opportunities – by CCG (as per Non ISFE)

Net position

£(49.1)m Risk

£(6.4)m decrease since M3

Full year R&O reported position highlights a net risk of £49.1m, an increase of £6.4m since M3 driven by an increase in mental health risks in Central London and acute risks in H&F. C.50% of the total risk relates to acute services £(24.9)m followed by unidentified QIPP (£8.1m, in Central & Harrow) and mental health (placement risks).

CCG RISKS & MITIGATIONS M4	Central £m	West £m	H&F £m	Hounslow £m	Ealing £m	Brent £m	Harrow £m	Hillingdon £m	Total £m
REVENUE RESOURCE LIMIT (IN YEAR)	327	407	298	399	563	502	327	411	3,234
Acute Services	(0.8)	(2.5)	(5.9)	(2.8)	(3.3)	(3.7)	(3.0)	(2.9)	(24.9)
Mental Health Services	(3.0)	0.0	(1.1)	(0.5)	(0.6)	(0.1)	(2.0)	(0.5)	(7.8)
Community Health Services	0.0	1.0	(0.5)	(0.4)	0.0	(0.1)	0.0	(0.2)	(0.3)
Continuing Care Services	0.0	0.0	(2.1)	(0.1)	0.0	(0.5)	(0.4)	(0.8)	(4.0)
Primary Care Services	(0.3)	(0.6)	(0.3)	(0.7)	(1.1)	(1.0)	(2.2)	(0.3)	(6.5)
Primary Care Co-Commissioning	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.6	0.5
Other Programme Services	1.5	0.2	3.6	1.4	(0.1)	(0.6)	(3.6)	(1.4)	0.9
Commissioning Services Total	(2.6)	(1.9)	(6.3)	(3.2)	(5.2)	(6.2)	(11.1)	(5.5)	(42.0)
Running Costs	0.0	0.0	0.0	0.0	1.0	0.0	0.0	(0.0)	1.0
Unidentified QIPP	(2.4)	0.0	0.0	0.0	0.0	0.0	(5.7)	0.0	(8.1)
TOTAL CCG NET RISK	(5.0)	(1.9)	(6.3)	(3.2)	(4.2)	(6.2)	(16.8)	(5.5)	(49.1)

Underlying run rate – by CCG

Underlying position

£(30)m Deficit
 £(11)m decrease since
 M3

After adjusting for non recurrent items NW London CCGs collectively are reporting an underlying position of £30m deficit, a significant increase on prior month, driven largely by an increase in non recurrent items included in the forecast (e.g. Central reliance on £4.9m of non recurrent reserves).

CCG UNDERLYING POSITION £m	Forecast Net Expenditure			Remove Non Recurrent Items				Part/Full Year Effects		2018/19 Underlying Position
	Plan	Actual	Variance	NR Allocations & Matched Expenditure	NR QIPP Benefit	Contingency	Other NR Spend / Income	QIPP	Other	
Central	0.7	0.7	(0.0)	-	(1.4)	-	(4.9)	-	-	(5.6)
West	4.2	4.3	0.0	-	-	-	-	-	-	4.3
H&F	0.4	0.4	0.1	(3.9)	(4.4)	-	(0.3)	-	(0.1)	(8.3)
Hounslow	2.3	2.3	-	-	(0.2)	0.6	(0.7)	-	-	1.9
Ealing	1.9	1.9	-	-	-	-	(3.4)	-	-	(1.5)
Brent	1.2	1.2	0.0	(9.5)	-	-	(0.4)	-	-	(8.7)
Harrow	(20.2)	(20.2)	0.0	10.7	-	-	(8.2)	-	-	(17.7)
Hillingdon	0.2	0.2	0.0	5.1	(0.5)	-	0.8	-	-	5.6
NWL Total	(9.4)	(9.3)	0.1	2.4	(6.5)	0.6	(17.1)	-	(0.1)	(30.0)

Glossary

YTD – Year to date
FOT – Forecast out turn
FY – Full year
PY – Part year
FYE – Full year effect
Fav – Favourable
Adv – Adverse
CT – Control total
STF – Sustainability Transformation Fund
CEP – Capped expenditure process
NHSI – NHS Improvement
NSHE – NHS England
NSCO – No cheaper stock obtainable (drugs)
CHC – Continuing healthcare
CIP – Cost improvement programmes
QIPP – Quality, innovation, productivity & prevention
POD –
Non ISFE –

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

Glossary

QIPP – QIPP (Quality, Innovation, Productivity and Prevention) are savings which can be made by commissioners buying more efficient services. These savings will not just impact this financial year, but are ongoing improvements.

CIP – Financial pressures are not just a problem for commissioners. The NHS trusts in our area have the same issues but they have CIPs - Cost Improvement Programmes. Similar to QIPP, these are schemes to increase efficiency/ or reduce expenditure.

CEP - There are however areas of joint working where it makes sense to have some pan NW London schemes for providers and commissioners to work together to make savings. These are known as CEP (Capped Expenditure Programme).

Underlying position – This is the position comparing our resources with our expenditure, identifying whether we are in surplus or deficit when comparing the two. It 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).

Underlying run rate – Comparing the underlying position month on month to see whether the financial position is improving.

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.

Royal Free overspend based on month three trust reporting

Summary

The detailed table below was reviewed following the Month 4 report finalisation and so some figures may differ – this table is used to identify the key areas of risk.

Royal Free London NHS Foundation Trust									
	M3 Year to date unmitigated variance			Unmitigated Forecast variance			Mitigated Forecast variance		
	NHS Brent CCG	NHS Harrow CCG	All 8 CCGs	NHS Brent CCG	NHS Harrow CCG	All 8 CCGs	NHS Brent CCG	NHS Harrow CCG	All 8 CCGs
POD2Description	Cost variance	Cost variance	Cost variance	UnMitigated FOT Variance Cost	UnMitigated FOT Variance Cost	UnMitigated FOT Variance Cost	Mitigated FOT Variance Cost	Mitigated FOT Variance Cost	Mitigated FOT Variance Cost
Outpatient First Attendance	-£77,144	-£64,528	-£160,216	-£345,252	-£341,111	-£777,091	-£345,252	-£341,111	-£777,091
Outpatient Follow Up Attendance	-£19,927	-£28,031	-£54,192	-£98,652	-£162,131	-£329,675	-£98,652	-£162,131	-£329,675
Outpatient Procedures	-£96,851	-£8,353	-£134,486	-£419,532	-£68,667	-£610,608	-£419,532	-£68,667	-£610,608
Total Outpatients	-£193,923	-£100,912	-£348,895	-£863,436	-£571,909	-£1,717,374	-£863,436	-£571,909	-£1,717,374
Day Case and Elective Inpatients	-£121,102	£12,666	-£58,357	-£494,174	£51,711	-£238,107	-£494,174	£51,711	-£238,107
Total Planned Care	-£315,025	-£88,246	-£407,252	-£1,357,610	-£520,198	-£1,955,482	-£1,357,610	-£520,198	-£1,955,482
Non Elective Inpatients	-£507,192	£25,920	-£460,471	-£2,094,704	£103,359	-£1,907,917	-£59,768	£103,359	£127,020
Accident and Emergency	-£40,845	£5,757	-£71,344	-£167,208	£23,090	-£289,540	-£167,208	£23,090	-£289,540
Critical Care	-£528,798	-£159,072	-£621,970	-£2,121,004	-£638,036	-£2,494,714	-£459,691	-£159,072	-£354,437
Total Unplanned	-£1,076,835	-£127,395	-£1,153,785	-£4,382,916	-£511,587	-£4,692,170	-£686,666	-£32,623	-£516,956
Antenatal/Postnatal	£45,907	-£96,696	-£78,653	£187,331	-£394,583	-£320,953	£187,331	-£394,583	-£320,953
Births	£6,633	-£28,236	-£59,575	£26,603	-£113,255	-£238,957	£26,603	-£113,255	-£238,957
Maternity Other	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Maternity	£52,540	-£124,933	-£138,228	£213,934	-£507,838	-£559,909	£213,934	-£507,838	-£559,909
Subtotal - Planned, Unplanned and Maternity	-£1,339,320	-£340,573	-£1,699,265	-£5,526,592	-£1,539,624	-£7,207,561	-£1,830,342	-£1,060,660	-£3,032,347
High Cost Drugs and Devices	-£25,146	-£5,434	-£25,953	-£102,612	-£22,174	-£105,904	-£102,612	-£22,174	-£105,904
Direct Access	-£42,458	-£5,935	-£46,045	-£173,258	-£24,218	-£187,892	-£173,258	-£24,218	-£187,892
Regular Day Admissions	-£47,282	-£9,201	-£65,529	-£192,940	-£37,547	-£267,401	-£192,940	-£37,547	-£267,401
Other	-£15,798	£39,823	-£8,846	-£60,011	£164,522	-£28,215	-£60,011	£164,522	-£28,215
Ward Attenders	-£375	£805	£331	-£1,531	£3,285	£1,351	-£1,531	£3,285	£1,351
Rehab	£2,058	-£20,228	-£18,170	£8,398	-£82,542	-£74,144	£8,398	-£82,542	-£74,144
Renal	-£58	-£29	-£442	-£237	-£239	-£1,804	-£237	-£239	-£1,804
Community	-£1,166	-£765	-£1,577	-£4,678	-£3,069	-£6,326	-£4,678	-£3,069	-£6,326
Adjustments	-£137,113	-£53,934	-£206,351	-£548,452	-£215,736	-£825,406	-£548,452	-£215,736	-£825,406
Incentive Fund	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Other	-£267,339	-£54,927	-£372,582	-£1,075,321	-£217,718	-£1,495,740	-£1,075,321	-£217,718	-£1,495,740
Grand Total	-£1,606,659	-£395,500	-£2,071,847	-£6,601,913	-£1,757,342	-£8,703,302	-£2,905,663	-£1,278,378	-£4,528,088

Royal Free overspend based on month three trust reporting

Summary

Total unmitigated forecast over spend from plan across Royal Free London at the end of M3 is a potential £8,703,302 based on SLAM data (see Table 1 above). The table shows the impact for Brent and Harrow (main commissioners) although the mitigation actions will apply to all CCGs. Some differences between Brent and Harrow are highlighted. Mitigated year end forecast position at end of M3 is £4,528,088 (when unexpected spikes in activity, contractual issues, correction of inaccurate data are taken into account). The main over performance areas are as below before mitigations:

- Over spend for maternity is mainly in Harrow and accounts for year end projection of £559,909. This is partly due to a shift in activity from LNWH to RF.
- Critical care accounts for a potential £2,494,714 full year effect (unmitigated). This mainly due to high cost patient in M1 and the CCG will be asking for the Trust for 'open Spell reports' to understand how many patients have been discharged and how many are due to be discharged. This will help predict financially if any further long stay patients will impact on the contractual performance. .
- Non-electives account for £1,907,917 over performance at Month 3 (>£4m potential full year effect). Brent is mainly impacted with Harrow under performing. Key lines of enquiry include potential changes to coding resulting in more expensive activity, changes in service to treat more complex cases, the use of chairs in A&E and whether any specialist commissioning activity is being recorded in error.
- OP Procedures (OPPROCS) - £610,608 year end. Year on Year analysis shows a step change in cost of £122,110 for Q1 compared to same period prior year. Partly due to the coding of diagnostic activities like vascular imaging, female reproductive procedures and Chemotherapy to OPPROCS which accounts for £402,861. We will be challenging this figure as some may be incorrectly coded.
- Outpatient first attendance accounts for a potential pressure of £777,091 at year end, partly due to cardiology which makes up £159,620 of the forecast variance, Colorectal surgery (£45,809) and Gynaecology and ENT. The Trust have admitted that a substantial amount of duplicate counting in their system has occurred and the teams are presently assessing the financial impact of this.
- An A&E over performance gives a year end pressure of £289,540. Teams are currently assessing the financial implications of ECDS (Emergency Care Data Set) which may have costed the activity differently although the activity has increased.
- Final agreement on contract plan is still required owing to delays in finalising how the contractual emergency threshold is applied for Brent and could account for a full year pressure of nearly £1m.

In summary there is an impact of increased demand (potentially Cardiology, A&E), probably RTT work in elective, errors in coding (duplicate recording of outpatients and diagnostics), potential coding changes which require deep dive evidence and a contractual disagreement on how to apply the emergency threshold metric. Actions to address issues are highlighted. The impact of changes to emergency coding has impacted on plan levels since they occurred in the period after the planning round as do QIPP reductions.

Royal Free overspend based on month three trust reporting

POD level detail and Mitigating Actions Critical Care

As at the end of M3 the unmitigated forecast overspend for critical care stood at £2.5m. YoY comparison shows the service performed more or less against plan last financial year (2017-18) with the odd spike in July and December. Compared to this year the trend is different with a sharp spike in M1 against plan with. The service has also seen an increase against planned activity in July. The increase in activity against plan for Q1 has reflected on the spend for Q1. YTD spend currently £1.1M against plan of £487K.



Key Lines of Enquiry

High cost patient(s) validated including any excess bed days associated to allow accurate year end forecasting. This will include assessing what type of emergency activity this is to help correlate with sector position (is it aligned with a speciality in RF or general emergency activity).

Action to be taken

- Contract managers to request Trust Open Spell report to see how many high cost patient have been discharged or are yet to be discharged to pre-empt any future demand.
- Ask host commissioner if our Critical care figure is in line with theirs – assess total capacity of Trust to check whether there has been an increase in CC beds or not.
- These actions will help log a more accurate figure for year end mitigation.

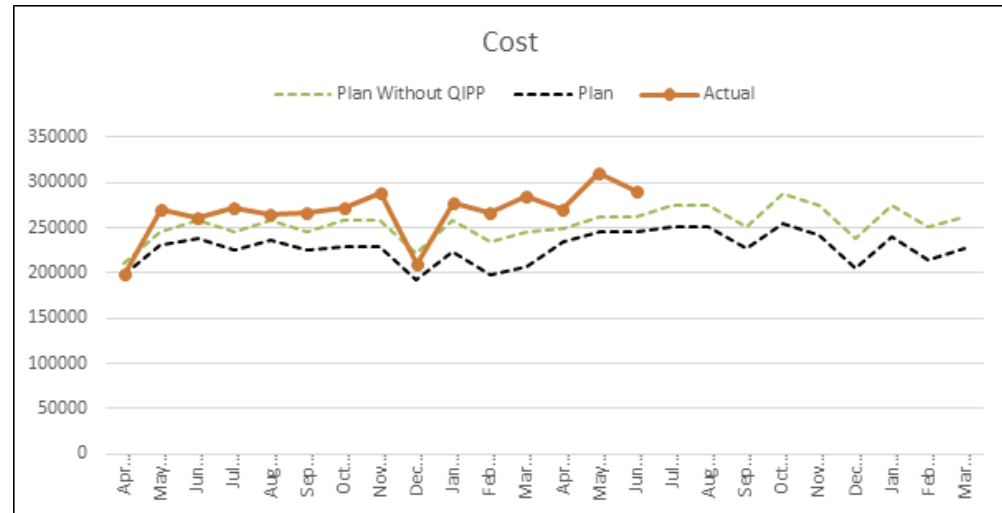
Royal Free overspend based on month three trust

reporting

Outpatient First Attendance

As at the end of M3 the forecast over spend for Outpatient first attendance at the trust was £777K. YoY analysis shows OPFA has been over performing against plan for 2017-18 and 2018-19 financial years but YTD actual cost is higher than that of prior year due to high levels of activity this year.

A deep dive into this activity shows over performance in almost all outpatient activity with notable high variance over performance against plan for cardiology, colorectal surgery and ENT.



Key Lines of Enquiry

Demand on acute cardiology has gone up understandably because of the Royal Free's decision to close the Brent community cardiology service – the teams are presently assessing the impact on all hospital activity as LNWHT had agreed to take over the service. Review to date shows increases in RF, Imperial and LNHWT and a full year impact to include the cost for the old community service will be made.

What percentage of this activity has to do with RTT backlog? If increase in activity is expected then we request for demand and capacity assessment report.

Diagnostics activity has been seen to be coded to outpatient first activity and this has recently been confirmed by the Trust. A financial adjustment is being validated.

Action to be taken

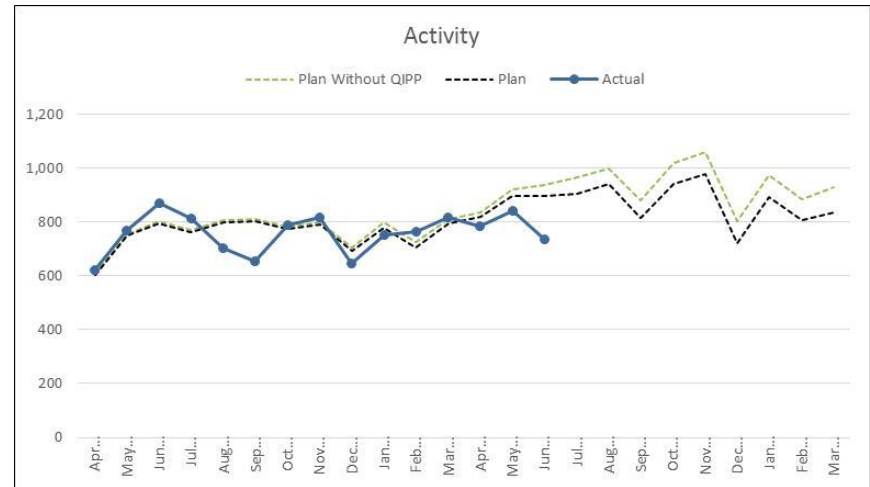
- The CCG have requested an RTT trajectory from the CSU however discussions with NHSE have indicated that baseline plans for RTT at RF can not be validated due to the poor quality of the PRL. It is likely that much of the activity increase at RF includes demand increase and/or waiting list initiatives. We will work with host CCG and NHSE to get further clarity on impact.
- Diagnostics activity has been coded to outpatient first activity and discussions with RF have indicated duplication of activity – this is being analysed to assess potential credit as part of the challenge process.

Royal Free overspend based on month three trust reporting

Outpatient Procedures (OPPROCS)

Forecast over spend for OPPROCS at M3 is £610K. A YoY analysis shows a step change in cost for Q1 this financial year. Average cost for outpatient procedures for last year was £114. This has gone up steeply in April and the average for Q1 this year is £152.

A deep dive into activity and cost shows cost over performance in all outpatient procedures but the trust has been coding diagnostic activities which accounts for **£402,861 (forecast spend)** into OPPROCS and the CCG will be challenging this



Key Lines of Enquiry

Spend as a result of case mix? Is the provider coding activity correctly?
 What is the impact of HRG4 and impact of maternity on ultrasound?

Action to be taken

- Business Intelligence conducting a deep dive on the coding of OP Procedures in next week to assess scope of changes to be challenged. Liaising with Host CCG/CSU to share intelligence.

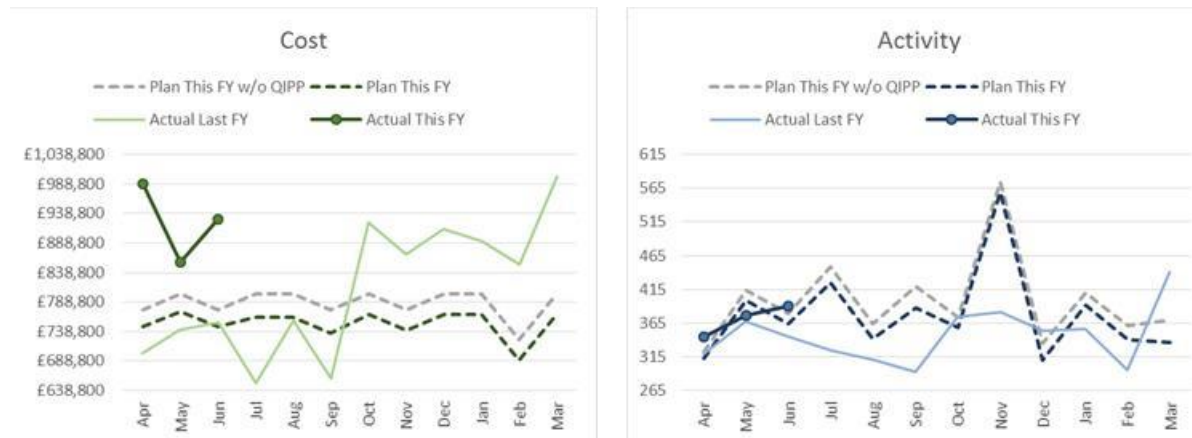
Royal Free overspend based on month three trust

reporting

Non Electives and A&E

Forecast over spend of £290K although Harrow is under plan in this area. Financial implications of ECDS (emergency care data set) on A&E activity as this has resulted in a different coding approach (charges based on diagnosis) although activity has also increased for Brent.

Forecast over spend for non-electives at M3 is £1.8m of which non-elective inpatient accounts for £1.7m and non-elective short stay accounts for £216k. This is particularly so for Brent patients while Harrow shows an underperformance to plan in A&E and emergency admissions. The graph below shows the step wise cost changes emanating from the end of last year and a key line of enquiry is estimating whether this is a change in counting and coding without due notice or whether a case mix change. **It is important to note that this step change may have impacted on the baseline plan for this year.**



Key Lines of Enquiry

How much of non-elective activity relates to growth in A&E? Changes in admissions (are we paying for spec com activities) or do we need a case mix variance review? Are there chairs in A&E?

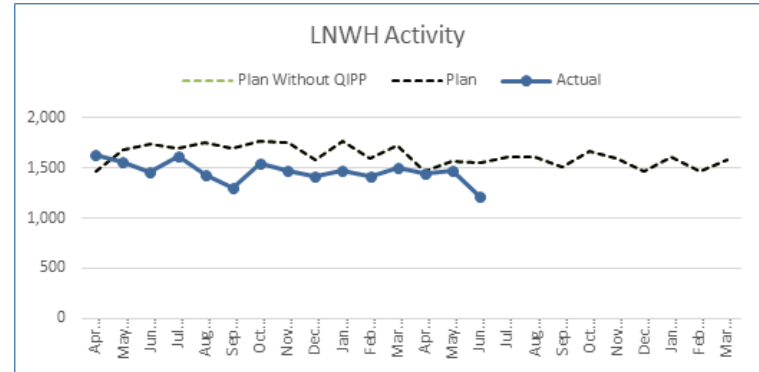
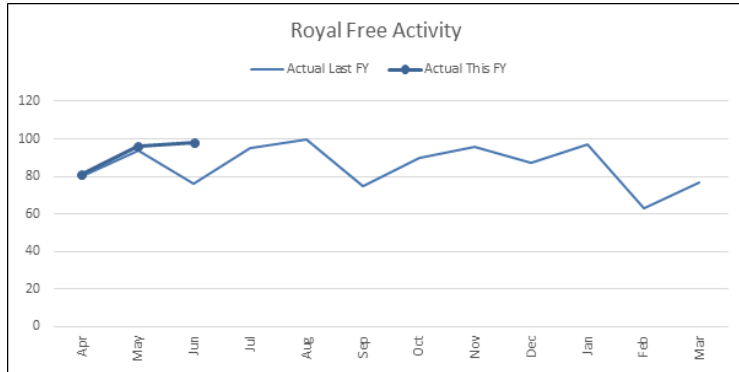
Action to be taken

- BI undertaking a deep dive to check if CCG is not being charged for spec com activities and to assess whether any coding and counting changes have occurred without due notice or whether case mix has changed. A CCG wide estimation of cardiac non elective across all providers to be assessed in case market share from closure of London Heart Hospital has impacted.
- Teams to find out if there are chairs in A&E and if so carry out audit to ascertain clinical appropriateness of the chairs.
- Written case according to Guidance being prepared on Non Elective threshold payment.

Royal Free overspend based on month three trust reporting

Maternity

Forecast over spend of £560K and mainly impacts Harrow. The majority of the over performance for Harrow appears to be in ante natal activity which may indicate further over performance in births later in the year. Brent appears to be under performing which may indicate patient choice of provider.



Key Lines of Enquiry

Has there been a shift in activity from LNW to RFL? Has the overall maternity activity to all providers remained constant or is there growth in all providers not just changes in market share?

Action to be taken

Current analysis indicates a shift in maternity activity from LNW to RFL for Harrow and the overall market share in births will be reviewed on a quarterly basis. Recent population growth analysis suggests a growth in births in Harrow and Brent but not elsewhere in NWL.