

GOVERNING BODY MEETING **in Public**

29 March 2017

Agenda Item 2.1

Paper Title	Financial Performance Report Month 11, as at 28 February 2017
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Purpose of paper / report

To provide the Governing Body with a summarised overview of NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) financial performance for the period ending 28 February 17.

Outcome Required:	Approve		Ratify		Decide		Endorse	<input checked="" type="checkbox"/>	For information	<input checked="" type="checkbox"/>
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Recommendation(s)

The Governing Body is asked to note the following:

- Forecast outturn remains at a revised forecast deficit of £15.2m.
- The position includes all known risks.
- The treatment of the 1% Non Recurrent Headroom has been confirmed by NHS England and will be released in the Month 12 reported position, which will reduce our final outturn position to a forecast deficit of £12.44m.

Benefits / value to our population / communities

The report outlines ECCCG's performance against its statutory financial duty of commissioning services within its agreed financial envelope.

Key Implications of this report – please indicate

Strategic	<input checked="" type="checkbox"/>	Consultation & Engagement	
Financial	<input checked="" type="checkbox"/>	Equality	<input checked="" type="checkbox"/>
Quality & Patient Experience	<input checked="" type="checkbox"/>	Legal / Regulatory	<input checked="" type="checkbox"/>
Staff / Workforce		Safeguarding	

Governing Body Assurance Framework Risk Mitigation:

This paper supports the continued progress in managing the risks associated with: GBAF247 NHS Eastern Cheshire CCG 2016/17 Planned Financial Deficit.

Report Author	Contributors	
Alex Mitchell Chief Finance Officer	Neil Evans Turnaround Director	Elizabeth Insley Finance Manager
	Niall O'Gara Technical Accountant	
Date of report	21 March 2017	

Financial Performance Report Month 10 as at 28 February 2017




1. Executive Summary

1.1 The Financial Dashboard, **Table One-A**, summarises NHS Eastern Cheshire Clinical Commissioning Group's (ECCC G's) key performance indicators on which its progress can be monitored.

Table One-A: NHS Eastern Cheshire Clinical Commissioning Group's Financial Dashboard as at 28 February 2017						
Indicator	Target £'000s	Actual £'000s	Rating This Month	Mvmt (last mth)		
Spend - month	22,878	23,648	⊗ 3.4%	↓		Variance from plan
Spend - year to date	254,198	264,389	⊗ 4.0%	↔		Variance from plan
Spend - forecast outturn	280,672	292,018	⊗ 4.0%	↔		Variance from plan
Variance month	321	1,091	⊗ 239.8%	↓		Variance from plan
Variance year to date	3,533	13,724	⊗ 288.5%	↔		Variance from plan
Variance forecast outturn	3,854	15,200	⊗ 294.4%	↔		Variance from plan
QIPP month	336	397	⊙ 18.2%	↑		Variance from plan
QIPP year to date	5,081	5,705	⊙ 12.3%	↑		Variance from plan
QIPP Forecast	9,660	6,155	⊗ -36.3%	↔		Variance from plan
BPPC year to date	95%	99%/100%	⊙	↔		Number / value in 30 days
Cash - year to date	265,019	261,896	⊙ -1.2%	↑		Variance from plan
Cash - forecast outturn	289,112	288,396	⊙ -0.2%	↑		Variance from plan
Risk / Opportunities		0	⚠	↔		(Net risk) outside reported position
Key:						
⊙	On Plan		↔	No Material Movement		
⚠	Take Note		↑	Better		
⊗	Action Required		↓	Worse		

1.2 Key Areas for Consideration

1.2.1 **⊗ Forecast Outturn:** Following further reviews undertaken in February 2017, the forecast financial deficit remains consistent at a £15.2m deficit. The position has previously been discussed and agreed with NHS England Cheshire and Merseyside. As referred to in **Section 1.4.2** the treatment of the 1% Non Recurrent Headroom has been confirmed by NHS England and will be incorporated into the March (Month 12) position.

- 1.2.1.1 As a consequence, the forecast outturn will improve by circa £2.8m to a reduced deficit of £12.44m. This is aligned with previous guidance from NHS England and ECCCCG's finance reports, albeit the release of the 1% Non Recurrent Headroom has now been finalised.
- 1.2.2  **Quality, Innovation, Productivity and Prevention (QIPP) Forecast:** The current assessment of the QIPP schemes is indicating a shortfall in year of circa £3.5m. The impact has been built into our revised forecast outturn and is part of the reason for its deterioration. Neil Evans, Turnaround Director, is working with executive sponsors to ensure delivery of existing schemes alongside the implementation of 2017/18 (QIPP) schemes.
- 1.2.3  **Cash Forecast:** The revised cash allocation confirmed with ECCCCG is sufficient to meet its forecast commitments for the financial year.
- 1.2.4  **Risks and Opportunities:** In revising ECCCCG's deficit to £15.2m, all known risks have been included within the position. Whilst confidence is high that it can accommodate all known pressures, it is feasible that a material unforeseen event could impact on ECCCCG's ability to remain within the £15.2m deficit.

2. Recommendation(s)

- 2.1 The Governing Body is asked to note the following:
- Forecast outturn remains at a revised forecast deficit of £15.2m.
 - The position includes all known risks.
 - The treatment of the 1% Non Recurrent Headroom has been confirmed by NHS England and will be released in the Month 12 reported position, which will reduce our final outturn position to a forecast deficit of £12.44m.

3. Reasons for recommendation(s)

- 3.1 The recommendations highlight ECCCCG's performance against key financial indicators.

4. Peer Group Area / Town Area Affected

- 4.1 This relates to all of NHS Eastern Cheshire geographical areas.

5. Population affected

- 5.1 This relates to all of NHS Eastern Cheshire population.

6. Context

- 6.1 The Financial Performance Report is prepared by the Chief Finance Officer to ensure the Governing Body is informed and where necessary takes appropriate decisions concerning ECCCCG's financial performance to ensure it discharges its financial duties.

7. Finance

7.1 Not applicable.

8. Quality and Patient Experience

8.1 Not applicable.

9. Consultation and Engagement (Public/Patient/Carer/Clinical/Staff)

9.1 Not applicable.

10. Health Inequalities

10.1 Not applicable.

11. Equality

11.1 Not applicable.

12. Legal

12.1 Not applicable.

13. Communication

13.1 Communication with the public and other interested parties via the publication of the Financial Performance Report on ECCCCG's website.

14. Background and Options

14.1 Not applicable.

15. Access to further information

15.1 For further information relating to this report contact:

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16. Glossary of Terms

ECCCCG	NHS Eastern Cheshire Clinical Commissioning Group
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17. Appendices

Appendices Table

Appendix A	Financial Performance Report Month 11 as at 28 February 2017
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Prior Committee Approval / Link to other Committees

Not applicable

CCG 5 Year Strategic Plan programme of work this report links to

Caring Together	<input checked="" type="checkbox"/>	Quality Improvement	<input checked="" type="checkbox"/>
Mental Health & Alcohol	<input checked="" type="checkbox"/>	Other	

CCG 5 Year Strategic Plan ambitions addressed by this report

Increase the number of our citizens having a positive experience of care	<input checked="" type="checkbox"/>	Increase the proportion of older people living independently at home and who feel supported to manage their condition	<input checked="" type="checkbox"/>
Reduce the inequalities in health and social care across Eastern Cheshire	<input checked="" type="checkbox"/>	Improve the health-related quality of life of our citizens with one or more long term conditions, including mental health conditions	<input checked="" type="checkbox"/>
Ensure our citizens access care to the highest standard and are protected from avoidable harm	<input checked="" type="checkbox"/>	Secure additional years of life for the citizens of Eastern Cheshire with treatable mental and physical health conditions	<input checked="" type="checkbox"/>
Ensure that all those living in Eastern Cheshire should be supported by new, better integrated community services	<input checked="" type="checkbox"/>		

CCG Operational Plan 2016/17 programme of work this report links to

Quality, Innovation, Prevention & Productivity	<input checked="" type="checkbox"/>	Transformation across a wider geographic footprint	
Transformation of Primary Care	<input checked="" type="checkbox"/>	Continuous Service Improvement	<input checked="" type="checkbox"/>
Commissioning an integrated care system		Systems resilience	<input checked="" type="checkbox"/>

CCG Values supported by this report – please indicate

Valuing People		Innovation	<input checked="" type="checkbox"/>
Working Together		Quality	
Investing Responsibly	<input checked="" type="checkbox"/>		

NHS Constitution Values supported by this report – please indicate

Working together for patients		Compassion	
Respect and dignity		Improving lives	
Commitment to quality of care	<input checked="" type="checkbox"/>	Everyone counts	

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APPENDIX A

Financial Performance Report, Month 11, as at 28 February 2017

Appendix A

Financial Performance Report Month 11 as at 28 February 2017

1. Financial Position

- 1.1 As at 28 February 2017, NHS Eastern Cheshire Clinical Commissioning Group (ECCCCG) is reporting a year to date deficit of £10.2 with a consolidated forecast outturn remaining at a deficit of £15.20m. The forecast outturn excludes the benefit of the 1% Non Recurrent Headroom of £2.76m as per NHS England's instructions. This will be incorporated into the Financial Statements for the period ending March 2017. **Table One-A** shows a summary of the current financial position.

Table One-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) 2016/17 Financial Summary to 28 February 17								
	Current Plan (Budget) £000s	Monthly Expenditure		Budget YTD £000s	Actual YTD £000s	Variance YTD £000s	Forecast For Year £000s	Change
		January £000s	February £000s					
Income	(276,818)	(22,794)	(22,557)	(250,666)	(250,666)	0	(276,818)	↔
Expenditure								
Programme Costs	276,289	22,789	23,310	250,181	260,507	10,327	287,802	↔
Running Costs	4,383	280	339	4,018	3,882	(136)	4,216	↔
2015/16 Deficit/(Surplus)	3,854	275	1,091	3,533	13,724	10,191	15,200	
Key*:								
↔ >1% No Material Movement								
↑ >1% Better								
↓ >1% Worse								

*Note: The key is the same for all tables within Appendix One.

- 1.2 **Table One-B** shows a summary of the current financial position by key expenditure type.

Table One-B: NHS Eastern Cheshire Clinical Commissioning Group's (ECCC G's) 2016/17 Financial Summary to 28 February 17								
	Current Plan £000s	Monthly Expenditure		Budget YTD £000s	Actual YTD £000s	Variance YTD £000s	Forecast For Year £000s	Change
		January £000s	February £000s					
Income	(276,818)	(22,794)	(22,557)	(250,666)	(250,666)	0	(276,818)	↔
Expenditure								
Acute services	119,905	9,747	9,824	109,985	110,664	679	120,705	
Acute other	17,981	2,037	1,849	16,482	18,174	1,691	20,174	
Sub total	137,886	11,783	11,672	126,468	128,838	2,370	140,879	↔
Mental Health services	16,466	1,380	1,386	15,094	15,423	329	16,778	
Mental Health Other	551	(72)	83	505	819	314	1,093	
Sub Total	17,017	1,308	1,469	15,599	16,242	643	17,871	↓
Community Health Services	20,741	1,682	1,712	19,013	18,945	(68)	20,645	
Community Health Other	2,202	300	177	2,018	2,350	332	2,410	
Sub Total	22,944	1,982	1,889	21,031	21,295	264	23,055	↔
Continuing Healthcare	29,483	1,686	2,483	27,049	30,393	3,344	32,979	
Prescribing	33,910	2,739	2,415	31,052	30,199	(853)	33,383	
Primary Care	6,688	551	526	6,130	5,868	(262)	6,498	
Primary Care Co-Commissioning	25,674	1,700	2,216	22,774	22,263	(511)	24,864	
Other	2,687	1,040	638	79	5,411	5,332	8,273	
Sub Total	98,442	7,715	8,279	87,083	94,133	7,050	105,997	↑
Programme Costs Sub Total	276,289	22,789	23,310	250,181	260,508	10,327	287,802	↔
Running Costs	4,383	383	339	4,018	3,882	(136)	4,216	↔
Total Expenditure	280,672	23,172	23,648	254,198	264,390	10,192	292,018	↔
Net Deficit / (Surplus)	3,854	378	1,091	3,533	13,724	10,192	15,200	↔

1.3 **Forecast Outturn:** During the month of February 2017, all of the forecast assumptions have been reviewed. Whilst this has resulted in some minor changes within categories, the forecast remains constant at a projected deficit of £15.2m. **Table One-C** highlights the key movements in the forecast outturn from its initial Plan which was set at £3.855m to the current forecast deficit of £15.2m. The treatment of the 1% Non Recurrent Headroom is outlined in **Section 1.4.2**.

1.3.1 **Mental Health:** The position overall for Mental Health forecast outturn has moved in Month 11 by £246k. As queried by the Governing Body in February 2017, the majority of the expenditure is associated with a contract with Cheshire and Wirral Partnership Trust (CWP) and is operated on a block basis, ie, fixed payment for delivery of service.

1.3.1.1 There is however, addition expenditure which operates on a cost per case basis included within this section, ie:

- Mental Health Non Contract Activity – mainly patients referred to Greater Manchester Mental Health NHS Foundation Trust.
- Mental Health assessments delivered in the communities, ie, police stations.
- Complex Assessment and Rehabilitation referrals mainly associated with personality disorders.
- Section 117 packages of care funded jointly between ECCC G and Cheshire East Council (CEC).

- 1.3.2 **Continuing Healthcare (CHC):** Forecast outturn has improved in the month by £421k. The improvement reflects a number of issues around current caseloads for CHC and Funded Nursing Care (FNC), in addition to resolving the majority of cases that have been in dispute with CEC (6 out of the 62 cases remain unresolved and are progressing through the agreed escalation process which is due to be completed in early April).

Table One-C: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) 2016/17 Forecast Outturn as at 28 February 17 (key areas)	
	Forecast For Year £000s
Opening Planned Deficit	3,854
Funded Nursing Care	1,936
Stroke	1,530
QIPP Phasing (Target £9.66m less £6.21m estimated delivery)	3,715
CHC Revised Forecast	2,096
Acute / Mental Health Activity Revised Forecast	2,069
Forecast Outturn Deficit	15,200
1% Non Recurrent Headroom "Released" in Mth 13"	(2,760)
Forecast Outturn Deficit as at at Mth 13/Annual Accounts	12,440
Distance From Target Allocation -3.43%	8,700

- 1.4 **⊗ NHS England's External Reporting:** ECCCCG's forecast outturn has been updated in line with NHS England's agreement following a number of discussions. **Table One-D** summarises ECCCCG's external reporting to NHS England for 2016/17. Since July 2016, the total net position has remained constant at an estimated deficit of circa £10.8m. The deterioration in the position to a revised £15.2m was identified in November 2016 although due to further validation work both internally and externally with NHS England the formal monthly reports were updated in December 2016 and remain constant as at February 2017.
- 1.4.1 The forecast has been subject to ongoing reviews both internally as part of its normal processes and via NHS England, albeit at a high level and aimed at seeking assurance concerning the deliverability of the year end position. As stated earlier, despite minor movements within categories, the forecast outturn of £15.2m remains unchanged.

Table One-D: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) External Reporting to NHS England of 2016/17 Forecast Outturn

	Forecast Outturn	Net Risk	Total	1% NR Headroom	Mth 13 Outturn (Accounts)
	Deficit/(Surplus)	Deficit/(Surplus)	Deficit/(Surplus)		Deficit/(Surplus)
	£000s	£000s	£000s	£000s	£000s
May	3,850	3,700	7,550	(2,760)	4,790
June	3,850	4,550	8,400	(2,760)	5,640
July	5,790	5,000	10,790	(2,760)	8,030
August	8,000	2,770	10,770	(2,760)	8,010
September	10,790	-	10,790	(2,760)	8,030
October	10,790	-	10,790	(2,760)	8,030
November	10,790	-	10,790	(2,760)	8,030
December	15,200	-	15,200	(2,760)	12,440
January	15,200	-	15,200	(2,760)	12,440
February	15,200	-	15,200	(2,760)	12,440

1.4.2 Following on from previous guidance and reported within the February 2017 Finance Report, NHS England has now confirmed how the 1% Non Recurrent Headroom will be treated. NHS England has formally communicated to CCGs how they should release the 1% Non Recurrent Headroom reserve and incorporate it into the Month 12 (March 2017) reported position. The required forecast position to be reported in March will be the current ECCCCG deficit of £15.2m deficit, less the release of the 1% Non Recurrent Headroom reserve of £2.76m, resulting in a reduced deficit of £12.44m. It is also expected that this should be the only movement between the forecast as at Month 11 and that reported in Month 12.

1.4.2.1 Across NHS England, the expected impact is an improvement in the aggregate CCG's financial positions of circa £800m and will support the NHS in reaching a balanced financial position.

2. Provider Performance

2.1 **Tables Two-A to Two-C** outline the main providers' cumulative performance and forecast outturn.

Table Two-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCGB's) 2016/17 Analysis of Acute Services Spend as at 28 February 2017

	Current Plan (Budget)	Monthly Expenditure		Budget YTD	Actual YTD	Variance YTD	Forecast For Year
		January	February				
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
East Cheshire NHS Trust	69,092	5,664	5,831	63,454	65,048	1,594	70,630
Stockport NHS Foundation Trust	12,200	1,384	1,099	11,136	11,499	363	12,802
University Hospitals of South Manchester	12,049	767	918	11,045	11,172	127	12,113
Mid Cheshire Hosp NHS Foundation Trst	6,977	572	588	6,396	6,744	348	7,406
North West Ambulance Service NHS Trust	6,403	514	540	5,869	5,985	116	6,540
Central Manchester Uni Hospitals NHS FT	5,472	377	375	5,016	4,721	(295)	5,189
University Hospital of North Midlands NHS	1,810	131	126	1,659	1,574	(85)	1,732
Salford Royal NHS FT	1,424	147	178	1,305	1,478	173	1,622
Cheshire and Wirral Partnership NHSFT	0	0	0	0	0	0	0
Wrightington Wigan and Leigh NHS FT	620	29	56	568	723	155	789
Warrington and Halton NHS FT	302	32	17	277	280	3	308
Liverpool Womens NHS Foundation Trust	289	18	22	264	264	0	288
Royal Liverpool & Broadgreen Uni Hosp	294	40	14	269	275	6	300
Robert Jones & Agnes Hunt Orthopaedic	235	9	11	215	270	55	297
Countess of Chester NHS Foundation Trst	155	11	9	142	94	(48)	103
Wirral University Teaching Hosp NHS Trst	122	7	3	112	76	(36)	83
Pennine Acute NHS Trust	122	14	4	112	85	(27)	92
Alderhey Childrens NHS FT	124	13	13	114	109	(5)	119
North Staffs Combined H'Care NHS Trust	0	0	0	0	0	0	0
Aintree University Hospitals NHS FT	71	(2)	6	65	43	(22)	47
St Helens & Knowsley Teaching NHS Trst	67	4	6	62	39	(23)	43
Liverpool Community Healthcare Trust	0	0	0	0	0	0	0
Derbyshire Community Health Services	108	12	13	99	110	11	120
Staffs & Stoke Partnership NHS Trust	27	2	(8)	25	50	25	55
Effect of Prior year and other unders/overs	1,942	2	3	1,781	25	(1,756)	27
Total	119,905	9,747	9,824	109,985	110,664	679	120,705

Table Two-B: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCGB's) 2016/17 Analysis of Mental Health Services Spend as at 28 February 2017

	Current Plan (Budget)	Monthly Expenditure		Budget YTD	Actual YTD	Variance YTD	Forecast For Year
		January	February				
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cheshire and Wirral Partnership NHS FT	16,246	1,345	1,355	14,892	15,133	241	16,493
North Staffs Combined H'Care NHS Trust	34	20	16	31	104	73	78
Pennine Care NHS FT	187	16	16	171	171	0	187
Effect of Prior year and other unders/overs	(1)	(1)	(1)	0	15	15	0
Total	16,466	1,380	1,386	15,094	15,423	329	16,778

Table Two-C: NHS Eastern Cheshire Clinical Commissioning Group's (ECCC G's) 2016/17 Analysis of Community Health Services Spend as at 31 February 2017

	Current Plan (Budget)	Monthly Expenditure		Budget YTD	Actual YTD	Variance YTD	Forecast For Year
		January	February				
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
East Cheshire NHS Trust	19,829	1,588	1,645	18,176	18,102	(74)	19,809
NHS Property Services-Community	462	50	0	423	434	11	434
Staffs & Stoke Partnership NHS Trust	152	19	10	139	83	(56)	90
Stockport NHS Foundation Trust	73	5	6	67	67	0	73
Mid Cheshire Hosp NHS Foundation Trst	134	13	11	123	136	13	148
Derbyshire Community Health Services	35	3	3	32	33	1	36
Pennine Acute NHS Trust	7	1	1	7	7	0	7
Effect of Prior year and other unders/overs	49	3	36	46	83	37	48
Total	20,741	1,682	1,712	19,013	18,945	(68)	20,645

3. Financial Plan Amendments

- 3.1 The 2016/17 Financial Plan agreed at the May 2016 Governing Body was set against ECCC G's opening allocation of £276,161k. Throughout the year, ECCC G has its allocations amended by directives from NHS England.
- 3.2 Since setting the 2016/17 Plan, there have been additional allocations of £657k during the year which have increased our income to £276,818k. **Table Three-A** outlines the allocations received throughout the year.

Table Three-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCC G's) Reconciliation of Allocation

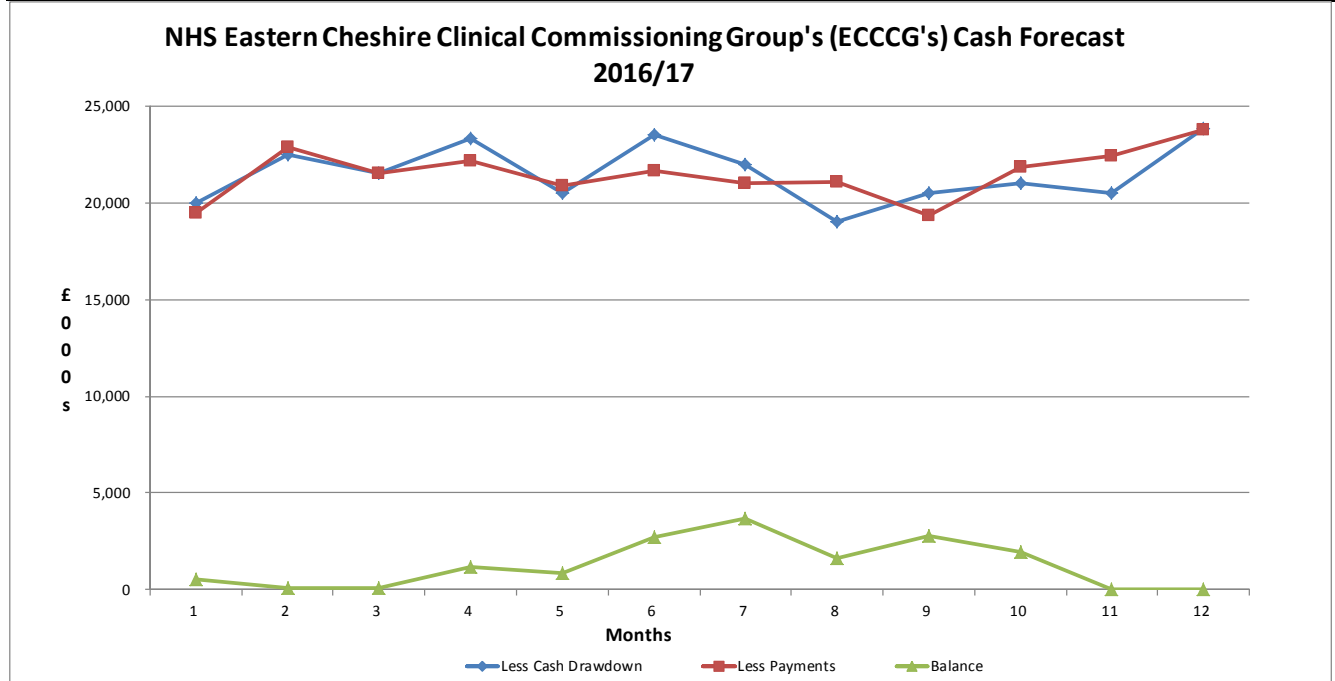
	Governing Body Updated (Financial Report)	Allocation £000s
Original Plan		276,161
Adjustment	Jun-16	4
Eating disorders	Jul-16	107
Primary Care development	Aug-16	18
Mental Health - Adults	Oct-16	45
Chargeable Exempt Oversea Visitors adjustment	Nov-16	(257)
Quality Premium	Dec-16	427
Clinical Waste - Courier services for Pathology to GPs	Jan-17	110
Mental Health Children and Young People Waiting List	Jan-17	40
NHS Property Services	Jan-17	137
Acute Medical Modelling - Pass through payment	Feb-17	11
Mental Health Children and Young People Waiting List	Feb-17	15
Total		276,818

- 3.4 **Acute Medical Modelling £11k:** Allocation direct from the NHS and is a pass through payment to East Cheshire Trust (ECT).
- 3.5 **Mental Health Children and Young People Waiting List £15k:** Additional funding to support waiting list.
- 3.6 **Referral to Treatment Allocation (RTT) *Pending* £374k:** Whilst this allocation has not yet been received by ECCCCG, it is of relevance to note the pending allocation that will be transferred to ECCCCG in March.
- 3.6.1 In January 2017, NHS England wrote out to Cheshire and Merseyside CCGs concerning the decline in RTT performance which has seen an overall downward trend since April 2016. Additional funding has been secured to improve the RTT performance.
- 3.6.2 CCGs were asked to submit a Plan in order to achieve the 92% standard and that priority would be given for those organisations who are furthest away from the target. It was also noted that the funding must be spent by the end of March 2017, is to be used to secure additional activity to treat patients waiting longer than 18 weeks and, if needed, to also validate waiting lists. It is anticipated that activity will be diverted or outsourced to the independent sector for high numbers of patients, probably with a relatively low level of complexity.
- 3.6.3 In response, ECT and ECCCCG jointly submitted a bid for £560k of funding to deliver 170 procedures across Ophthalmology, Orthopaedics and Ear Nose and Throat (ENT). As expected, the submitted bids exceeded the available funding and as such each organisation has received a pro rata share of its original request. I am pleased to confirm that ECCCCG has been allocated £374k.
- 3.6.4 In response to the reduced value, ECCCCG has prioritised the funding to deliver the majority of the Orthopaedic procedures and then scaled back the two other specialities. This is on the basis that Orthopaedics was the speciality that was furthest from meeting the 92% target.

4. **Cash Management**

- 4.1 Part of ECCCCG's financial duty is to deliver a year end cash balance of less than £250,000 as at 31 March 17 and to manage its cash throughout the year to ensure payments are made to suppliers and staff.
- 4.2 As at 28 February 17, ECCCCG had a cash balance of £18k held within its bank account, as shown in **Table Four-A**.

Table Four-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Cash Forecast 2016/17													2016/17 Total £000s
	Apr £000s	May £000s	Jun £000s	Jul £000s	Aug £000s	Sep £000s	Oct £000s	Nov £000s	Dec £000s	Jan £000s	Feb £000s	Forecast Mar £000s	
Cash Available	289,112	267,291	241,318	217,552	192,862	168,357	144,611	119,276	94,679	74,973	49,452	25,285	289,112
Less Prescribing	2,332	2,569	2,639	2,516	2,547	2,447	2,489	2,500	2,454	2,552	2,551	2,700	30,296
Cash Available to Drawdown	286,780	264,211	239,072	215,056	189,209	166,262	140,273	115,773	94,319	71,267	47,716	24,516	258,816
Less Cash Drawdown	20,000	22,500	21,500	23,300	20,500	23,500	22,000	19,000	20,500	21,000	20,500	23,800	258,100
% of Total	7.7%	16.5%	24.8%	33.8%	41.8%	50.9%	59.4%	66.8%	74.7%	82.8%	90.8%	100.0%	100.0%
Less Payments	19,489	22,893	21,520	22,194	20,852	21,651	20,997	21,094	19,346	21,815	22,431	23,777	258,059
% of Total	7.6%	16.4%	24.8%	33.4%	41.4%	49.8%	58.0%	66.1%	73.6%	82.1%	90.8%	100.0%	100.0%
Balance	511	118	98	1,204	852	2,701	3,704	1,610	2,764	1,949	18	41	41



4.3 **Cash Forecast Deficit**

4.3.1 The current financial process allocates cash to ECCCG based on its allocation. The cash is then reduced by payments made centrally for Prescribing which leaves an available sum of £258.8m. This available balance is now in line with local projections as detailed in **Table Four-A**.

5. Better Payments Practice Code (BPPC)

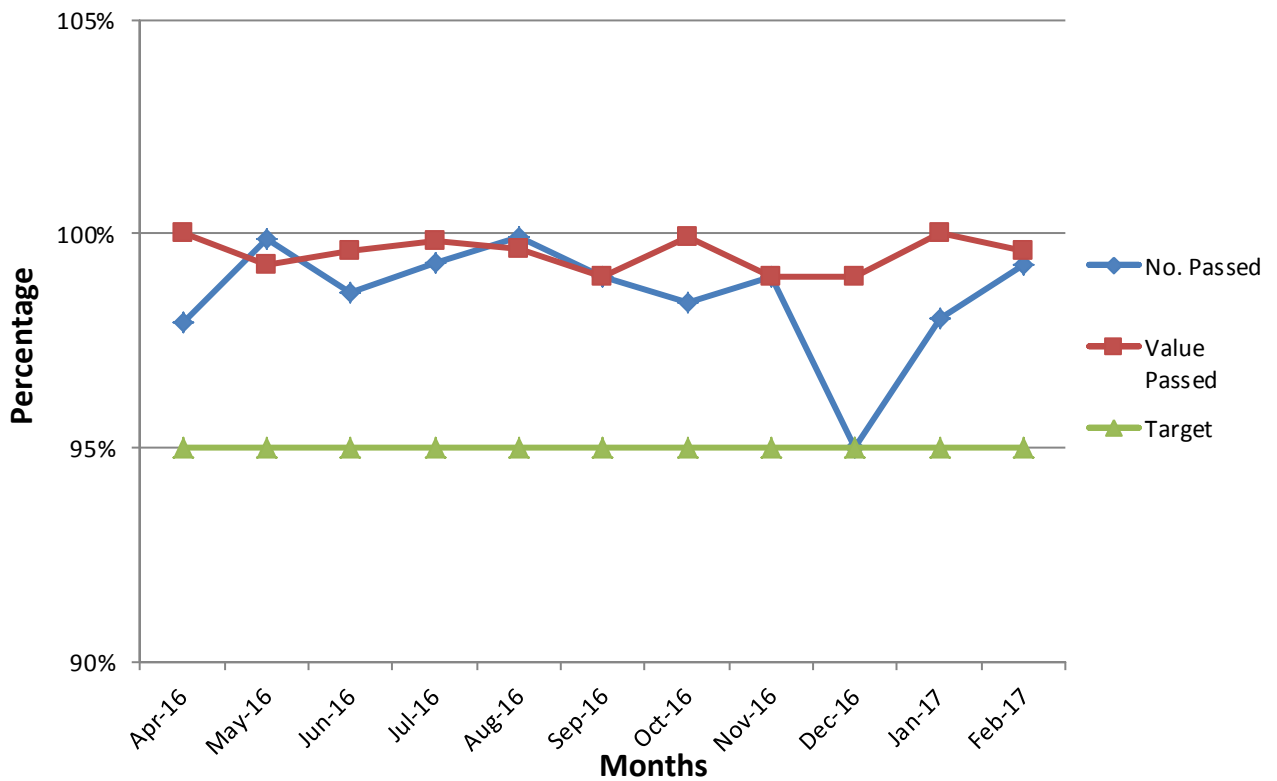
5.1 The BPPC is aimed at paying non disputed non NHS trade creditors within 30 days of receipt of goods or a valid invoice, unless other payment terms have been agreed.

- 5.2 Compliance is measured by achieving 95% or more against the number of invoices paid and is calculated on both the number of invoices and the value of invoices.
- 5.3 Currently ECCCCG has achieved an average for the year to date position of 99% for invoice numbers and 100% for invoice values as per **Table Five-A**. Despite the drop in compliance in December 2016 due to annual leave, the compliance rate has now returned to previous levels. The cumulative performance remains on target to exceed the 95% target for the whole year.

Table Five-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Better Payments Practice Code (BPPC) Summary Analysis

Months	No. of Invoices			Value of Invoices		
	Received	Paid	Passed	Received	Paid	Passed
Apr-16	971	962	99%	19,604,912	19,589,922	100%
May-16	1,212	1,203	100%	22,417,961	22,393,775	99%
Jun-16	1,095	1,080	99%	22,165,150	22,081,884	100%
Jul-16	1,136	1,128	99%	21,848,678	21,810,964	100%
Aug-16	1,100	1,096	100%	21,051,742	21,036,333	100%
Sep-16	1,167	1,154	99%	20,770,057	20,661,104	99%
Oct-16	1,163	1,144	98%	21,190,806	21,170,591	100%
Nov-16	1,042	1,030	99%	21,071,930	20,914,713	99%
Dec-16	1,226	1,167	95%	20,607,170	20,465,718	99%
Jan-17	1,060	1,044	98%	22,519,976	22,446,419	100%
Feb-17	1,065	1,057	99%	21,811,838	21,722,873	100%
Total	12,237	12,065	99%	235,060,220	234,294,296	100%

NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Better Payments Practice Code (BPPC) Summary Analysis



6. Quality, Innovation, Productivity & Prevention Schemes

6.1 **Progress on Implementation:** As reported in February 2017, in year delivery remains consistent with recent months and is not expected to materially change before the end of this financial year. As indicated in summary form in **Table Six-A**, and in more detail in **Table Six-B**, the net position sees a gap of £3.5m. This leaves an estimated delivery of £6.2m in Year 1 against a Plan of £9.6m.

6.2 **Table Six-A: Summary of Progress**

Table Six-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Summary of Progress		
Category	2016/17 Original Plan (£000s)	2016/17 Outturn (£000s)
Caring Together Transformation Programme	100	-
Decommissioning, curtailment & one-off benefits	2,491	3,629
Improving productivity & efficiency	4,422	2,212
Recommissioning for better value	2,147	314
Wider Partner & NHS System Reform	500	-
Grand Total	9,660	6,155

6.3 As stated above it is not projected that additional savings will be achieved beyond those already identified this financial year however the full year benefits of a number of schemes are expected to materialise in April. As reported last month a number of schemes developed in 2016/17 will deliver benefits from April:

- The revised policy relating to Procedures of Lower Clinical Priority, following the Public Consultation. This is forecast to save £0.4m next year.
- Agreement to vary the approach to commissioning of Intermediate Care which delivered a saving of £566k.
- Implementation of a system based approach to pre-optimisation of health, following agreement to implement this work at the February Governing Body.
- The ongoing implementation of medicines schemes in relation to repeat ordering of medication and self-care.

Table Six-B: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCGB's) Current Quality, Innovation, Productivity and Prevention (QIPP) Schemes													
Initiative	2016-17 Original Plan	2016-17 Revised Plan	Delivery Due	Outturn £000s	Quarter 1 Total		Quarter 2 Total		Quarter 3 Total		Quarter 4 Total		
					Planned £000s	Actual £000	Planned £000s	Actual £000	Planned £000s	Actual £000	Planned £000s	Actual £000	
QP/2016/01	Running Costs	200	200	Complete	218	32	132	141	27	27	59	0	0
QP/2016/02	Non PTS transport	80	80	Complete	18	21	0	21	0	20	0	18	0
QP/2016/03	Withdraw grants to "deprioritised commissioning areas"	147	119	Complete	119	119	0	0	0	0	0	0	0
QP/2016/04	Suspension of planned additional investment in CAHMS	409	409	Complete	409	409	0	0	0	0	0	0	0
QP/2016/05	Quality Premium Achievement	529	215	Complete	227	0	0	0	0	215	227	0	0
QP/2016/06	Invoice validation efficiencies	200	100	Complete	100	22	22	51	34	15	32	12	8
QP/2016/07	Repatriation of out of area AMD treatment	102	102	Complete	36	4	4	28	8	35	24	35	0
QP/2016/08	Continuing Healthcare Approvals and Review Processes and Contracting Improvements	275	0	Ongoing	0	0	0	0	0	0	0	0	0
QP/2016/09	Mental Health Reablement Contract with local Housing Provider	18	18	Ongoing	18	0	0	6	0	6	0	6	0
QP/2016/10	Systems Resilience Prioritisation	301	301	Complete	705	301	594	0	0	0	0	0	111
QP/2016/11	Cheshire Care Record	124	124	Complete	124	124	124	0	0	0	0	0	0
QP/2016/12	Withdraw support to Cheshire East Council for Mental Health Reablement	231	347	Complete	347	347	347	0	0	0	0	0	0
QP/2016/13a	Delivering the productivity benefits in the Primary Care Contract	1,565	500	Ongoing	739	391	0	36	0	36	124	37	410
QP/2016/13b	Medicines Management Efficiencies	799	799	Ongoing	799	0	0	183	60	236	361	380	239
QP/2016/14	Urgent Care Access Changes (Minor Injuries available in Primary Care)	150	60	Complete	60	10	15	28	16	12	20	10	7
QP/2016/15	Direct Access Pathology Efficiencies	50	25	No in-year savings -> 17/18	0	0	0	0	0	15	0	10	0
QP/2016/16	Intermediate Care/Community Beds commissioned in line with national levels of expenditure	800	334	Complete	238	0	68	0	59	183	111	151	0
QP/2016/17	Recommission Community Musculoskeletal Services (including Physiotherapy)	162	0	Ongoing	0	0	0	0	0	0	0	0	0
QP/2016/18	Recommissioning of Primary Mental Health services (IAPT)	125	40	Complete	40	0	0	0	0	0	0	40	20
QP/2016/19	Achieving a DTOC level < 7% of bed stock	100	0	No in-year savings	0	0	0	0	0	0	0	0	0
QP/2016/20	Clinical Treatment Thresholds and Procedures of Limited Clinical Value	200	0	No in-year savings -> 17/18	0	0	0	0	0	0	0	0	0
QP/2016/21	Acute Stroke Services and Community Rehabilitation	0	100	No in-year savings -> 17/18	0	0	0	0	0	50	50	50	(50)
QP/2016/22	Benchmarking of Commissioning by CCGs at same funding level and Right Care Programme Opportunities	456	0	No in-year savings -> 17/18	0	0	0	0	0	0	0	0	0
QP/2016/24	Establishment of a single Cheshire CCG "cluster board/alliance" to reduce Governing Body and running costs	0	0	No in-year savings	0	0	0	0	0	0	0	0	0
QP/2016/25	Community Based Coordinated Care implemented	0	0	Incorporated into QP/2016/13a	0	0	0	0	0	0	0	0	0
QP/2016/26	Specialised Services	0	0	Incorporated into QP/2016/31	0	0	0	0	0	0	0	0	0
QP/2016/27	Development of Commercial Service sponsorship arrangements (research and innovation)	0	0	No in-year savings	0	0	0	0	0	0	0	0	0
QP/2016/28	Develop a policy whereby on referral patients are asked to use insurance policy; to include covering personal excess	100	0	Not progressed	0	0	0	0	0	0	0	0	0
QP/2016/29	Identify and abandon any uncommitted funding schemes.	0	0	Complete	0	0	0	0	0	0	0	0	0
QP/2016/30	Reintroduce more robust assessment process for new cases using a panel approach	487	0	Complete	0	0	0	0	0	0	0	0	0
QP/2016/31	Early and more intensive activity to materialise the benefits from Spec Comm Review	500	0	Not progressed - NHSE direction 18/19	0	0	0	0	0	0	0	0	0
QP/2016/32	Non achievement of CQUIN schemes	750	750	Ongoing	500	189	189	189	126	186	186	186	0
QP/2016/33	Consult Connect - Improving communications between clinicians to reduce activity	0	0	No in-year savings	0	0	0	0	0	0	0	0	0
QP/2016/34	Additional Medicines Management Initiatives (Rebate Schemes and Reductions in repeat prescribing wastage)	800	260	Ongoing	260	0	0	0	0	130	130	130	86
QP/2016/35	Historic prepayment S256 repayment	0	1,198	Complete	1,198	0	0	0	0	1,198	1,198	0	0
Sub Total		9,660	6,081		6,155	1,969	2,022	683	330	2,364	2,522	1,065	831
					3,505								

7. Balance Sheet

- 7.1 The NHS does not operate in a similar manner to private companies when it prepares its balance sheet. In summary, the NHS is not funded by share capital and as such does not have any reserves to call against.
- 7.2 Primarily, the balance sheet as outlined in **Table Seven-A** reflects the difference between its liabilities, ie, what it owes, and its debtors, ie, what is owed to ECCCCG, plus any cash balances at that point in time. The net liability, which for February 2017 was (£12,561k), is funded by the General Fund which in effect is the balancing figure.
- 7.3 The position remains consistent with that of the 2015/16 yearend accounts and does not show any material movement in the value of debtors or creditors as at February 2017. A significant part of the payables and accruals value relates to Prescribing expenditure. The payment for Prescribing runs approximately two months in arrears and as such circa £6m is accrued into the financial position to reflect January 2017 and February 2017 estimates.

Table Seven-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Statement of Financial Position as at 28 February 2017			
	At 28 February 2017 £000s		At 31 March 2016 £000s
Property Plant and Equipment	268		268
Current Assets			
<i>NHS Receivables</i>	555		832
<i>Other Receivables</i>	46		312
<i>Prepayments</i>	665	✓	1,370
<i>Accrued income</i>	251		27
<i>Recoverable VAT</i>	(1)		4
Trade and other receivables	1,515	✓	2,545
Cash at Bank and in Hand	169		87
Total Current Assets	1,685		2,632
Current Liabilities			
<i>NHS Payables</i>	(977)		(1,772)
<i>NHS Accruals</i>	(1,908)		(1,718)
<i>Other payables</i>	(3,528)	✓	(1,904)
<i>Other Accruals</i>	(7,680)		(6,933)
<i>Deferred income</i>	(285)		(332)
<i>Tax and social security</i>	(79)	✓	(76)
<i>Pension liabilities</i>	(57)		(48)
Trade and other payables	(14,514)	✓	(12,783)
Provisions	-	✓	(455)
Total Current Liabilities	(14,514)		(13,238)
Net Current Liabilities	(12,829)	✓	(10,606)
Total Assets Less Current Liabilities	(12,561)	✓	(10,338)
General Fund			
Revenue resources b/f	(10,338)	✓	(10,530)
Resources drawn down	262,166	✓	242,612
Spending in year to date	(264,389)	✓	(242,420)
Total General Funds	(12,561)	✓	(10,338)

KEY:

✓ On Plan
⚠ Take Note
✗ Action Required