



South West London

Sutton and Merton Borough Teams
Merton Clinical Commissioning Group

Report to the Merton Clinical Commissioning Group Governing Body

Date of Meeting: Thursday 27th September 2012

Agenda No: 7.2

ATTACHMENT 08

<p>Title of Document: NHS Sutton & Merton Financial Position: Month 05 i) Merton CCG ii) Sutton and Merton PCT</p>	<p>Purpose of Report: For Review</p>
<p>Report Author: Karen McKinley, Assistant Director of Finance</p>	<p>Lead Director: Eleanor Brown –Chief Officer – Merton CCG</p>
<p>Contact details: Karen.Mckinley@smpct.nhs.uk Eleanor.brown2@nhs.net</p>	
<p>Executive Summary:</p> <p>YTD performance</p> <p>The financial performance shows a YTD deficit against plan and a full year breakeven against plan, due to phasing of the overall QIPP plan.</p> <p>Forecast Outturn</p> <p>The PCT is reporting breakeven at Month 5.</p>	
<p>Key sections for particular note (paragraph/page), areas of concern etc:</p> <p>Key issues of concern have been reflected in the document</p>	
<p>Recommendation(s): The Clinical Commissioning Group Governing Body is requested to review.</p>	

Committees which have previously discussed/agreed the report: Merton Executive
PEC Comments where appropriate: N/A
Financial Implications: Financial Balance
Implications for the Sutton and Merton Board or Joint PCT Boards: Financial Balance
Implications for transition to future commissioning structures. N/A
Other Implications: N/A
Equality Impact Assessment: N/A
Information Privacy Issues: N/A
Communication Plan: N/A

INTRODUCTION

1. This report presents the financial results for the period to 31st August 2012.




FINANCIAL OUTLOOK 2012/13

2. Merton CCG’s financial plan is a recurrent surplus of £2.3m which is 0.9% of recurrent revenue resource

The financial performance shows, as detailed in Figure 1a/b, **a year to date deficit position against plan and a full year forecast of breakeven against plan.** The position assumes full utilisation of reserves and contingencies, achievement of Merton CCG’s financial and investment plans and delivery of the QIPP (Quality, Innovation, Productivity & Prevention) programme.

KEY FINANCIAL PERFORMANCE INDICATORS 2012/13

3. The table sets out the financial performance targets and indicators against which Merton CCG will be monitored during 2012/13.

Financial Performance Target/ Indicator	Measure	Target	Forecast	Status	Performance Improving?
Statutory Break Even Duties					
Revenue Resource Limit (RRL)	Stay within RRL	£238.7m	£236.3m	Green	
Other Significant Financial Targets					
Remain within Control Total	Deliver control total	£2.3m Surplus	£2.4m Surplus	Green	
QIPP- Quality, Innovation, Productivity & Prevention Programme (Net)	Delivery of Programme Savings	£9.7m	£9.2m	Amber	

KEY FINANCIAL RISKS (Figure 2)

4. There are a number of risks which may impact on the delivery of Merton CCG 2012/13 plans. Merton CCG has contingencies, reserves and a planned surplus that should enable it to manage/mitigate many of these risks in year and within the planning period.

CONTINGENCY RESERVES & PROVISIONS (Figure 3a)

5. Merton CCG's budget book at the beginning of the year contained £5.4m of provisions & reserves to mitigate increased activity over funded growth levels and the financial impact of unforeseen events, this also includes the 70% threshold adjustment which is transferred to NHS London throughout the year.
6. The status and assumptions relating to each of those reserves is reflected in Figure 3a. Delivery of the QIPP plan is expected to be reflected in the outturn later in the year through reduced expenditure, as it is achieved.

CHANGES TO RESOURCE & APPLICATION – NHS SUTTON & MERTON (Figure 3b)

7. A detailed analysis of the PCT's Resource Limit is provided in Figure 3b. It should be noted that further budget changes will arise throughout the year, particularly as a result of changes to the PCT's Revenue Resource Limit.

QUALITY, INNOVATION, PRODUCTIVITY & PREVENTION (QIPP) (Figure 4)

8. With the devolvement of budgets from NHS Sutton & Merton to the two CCG's, Merton CCG must deliver a balanced financial position in 2012/13 to achieve authorisation. In order to meet this requirement and with the financial pressures faced the CCG must implement a QIPP plan. An overall target of £9.7 million has been set for Merton CCG. This report attempts to provide an update on the CCG's QIPP plan for 2012/13.
9. The QIPP report for Month 4 shows a year to date shortfall against plan of £0.1m and the forecast outturn position is projected a shortfall against target of £0.5m. The high risk projects are rapid response, impact of PMS review, virtual care home, and activity management. The medium risk projects include Urgent Care Centre/KPI's, cancer service redesign, rapid response, impact of PMS review, virtual care home, and activity management.

COMMISSIONED SERVICES

Acute Services

10. It should be noted that the actual year to date is based on July monitoring reports and has been straight line extrapolated to report at Month 5.
11. An assessment of the likely value of key performance indicators has been included for all South West London providers based on the QIPP plans. Given that KPI's will be calculated on a quarterly or even annually there is some risk that if performance improves this will minimise the impact. Additionally some of the KPI's are based on audits or data sources such as secondary user's services may have incomplete data contained within it which may reduce the value.
12. The single biggest risk to the PCT is the level of KPI's and demand management which has been taken out of provider plans. This totals £6.5m with the majority included against the local providers of Epsom St Helier and St Georges.
13. Overall the extrapolated CCG position on the acute position year to date with an estimate for challenges and KPI's results in an overspend of **£1.2m** with a projected year end overspend of **£2.8m**.

Below is a short summary by provider of the main issues. Note any values quoted are all before challenges unless stated:

14. **St Georges;** This contract has moved adversely by £0.6m over and above the month 3 run rate, it is over performing by £2.2m as at Month 4. In general the service lines of critical care, emergency and outpatients, programmes of care and drugs and devices are showing significant over performance. A number of challenges have been raised to the trust such as preoperative assessment clinics being charged over and above the level of activity within the plan, multiple first attendances picked up from a recent notes audit and incorrect categorisation of emergency patients of transfers of care.

These along with calculation of KPI's will be agreed as part of the Quarter 1 reconciliation. South West London Cluster has been trying to agree a cap and collar approach to all service lines in the contract excluding A&E which at present has not been formally agreed. If this does get agreed it is expected that based on current run rate Sutton & Merton will benefit from this approach, this has been factored into the overall outturn figure.

15. **ESHUT:** Overall expenditure for Month 4 has increased over Month 3 but is not as high as the Month 2 expenditure which is the highest reported month to date. A number of areas have seen increased expenditure this month in particular around planned care, unplanned care and outpatients. A&E continues to perform above plan although this is more to do with case mix rather than volume driven when compared with the same period last year. Challenges have been raised on all of these areas to understand the reasons for the increase and estimate of the likely value of challenge has been included at a relatively low level. The Trust has confirmed the value of rebate for the agreed KPI's which SWL Cluster are currently validating as part of the Quarter 1 wrap up.

16. **Royal Marsden:** The over-performance (£0.25m) has seen a slight increase in Month 4. Activity is still over-performing in elective and day-case work. Additional over-performance in critical care and radiotherapy contribute to the overall position. At this point the elective work is not a reflection of the trust-wide position and the ACU are working with the Trust and information teams to understand the drivers of the over-performance. Initial work demonstrates that while there has been additional activity over plan, the numbers are not large but the associated costs are. This will therefore, need monitoring closely to ascertain whether at this early stage the figures are indicative of a trend or simply how the activity has fell in the first quarter. The radiotherapy costs have seen significant increase in month trust-wide and this could be a result of an agreed PACE trial, however, NHS Sutton & Merton should not be charged for additional costs. Royal Marsden are validating this work.
17. **Kingston:** This contract continues to under-perform in a month that has seen significant movement (over-performance) trust-wide. There are some areas of pressures on outpatients which are being offset by under-spends against planned and emergency care. Critical care also shows an under performance.
18. **Imperial:** continues to over perform although has slowed marginally from month 3 mainly due to critical care and High Cost Drugs spend being lower during month 3. Emergency performance relates to one high cost admission.
19. **Royal Surrey County:** Although this is a relatively small contract but the performance has all but doubled between months 03 and 04 with Elective, Non Elective In Patient and Adult Critical Care activity driving performance. Elective performance relates to increased Day Case volumes, Non Elective In Patient mainly relates to an increased number of intra Trust transfers and one long stay patient.
20. **Other Trusts:** Guys, Kings, Royal Brompton and Barts are the other Trusts showing an over spend. This is mainly due to critical care and high cost drugs apart from Kings where there emergency activity is the largest area of concern and primarily results from MDS Cardiology.

NON ACUTE SERVICES

21. Overall non acute commissioned services are reflecting an under spend of £0.2m year to date this underspend mainly relates to continuing healthcare. There are no other key issues to report at Month 5.

PRESCRIBING

22. The PCT has received the month 3 (June) prescribing data and this has been extrapolated to month 5. Overall the prescribing budget is reporting an underspend year to date and forecast outturn.

CORPORATE SERVICES

23. There are a number of underspends on corporate services mainly arising from PCT estates and central reserves. The headquarters functions have a small YTD underspend against budget, no other issues to report at Month 5.

RECOMMENDATION

24. To note the forecast financial position for 2012/13 and the assumptions contained within it.

Karen McKinley
Chief Finance Officer (Designate)
September 2012

**Merton Clinical Commissioning Group
Summary of Financial Performance
Financial Year 2012/13: Month Ending August 2012 - Reporting Month 5**

	Annual Allocation £'000	Cumulative Position			Forecast Outturn	
		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
Resource Limit	238,684	99,336	99,336	0	238,684	0
1. Operational Financial Balance						
A) Acute Commissioning						
Acute NHS Secondary Care	147,537	61,474	62,695	(1,221)	150,343	(2,806)
Acute Healthcare Provisions	7,800	3,980	3,093	887	7,431	369
	155,337	65,454	65,788	(334)	157,774	(2,437)
B) Non Acute Commissioning						
Mental Health Commissioning	21,742	9,060	9,074	(14)	21,773	(31)
Learning Disabilities	2,020	841	821	20	1,973	47
EOLC, Long Term Conditions, Urgent & Intermediate Care	4,308	1,795	1,783	12	4,262	46
Community Provider Services	13,846	5,769	5,748	21	13,849	(3)
Children & Young People	1,250	521	524	(3)	1,240	10
Continuing Care	6,374	2,656	2,572	84	6,173	201
Primary Care (Dental, Pharmacy/GPs)	2,124	885	833	52	2,032	92
	51,664	21,527	21,355	172	51,302	362
C) Community Prescribing						
Community Prescribing	23,164	9,652	9,683	(31)	23,262	(98)
	23,164	9,652	9,683	(31)	23,262	(98)
D) Corporate Budgets						
Technical & Estates	(225)	(95)	(968)	873	(1,041)	816
Headquarters	4,991	2,204	2,096	108	4,991	0
	4,766	2,109	1,128	981	3,950	816
Total Before Reserves	3,753	594	1,382	788	2,396	(1,357)
E) Corporate Reserves						
0.5% Contingency	1,476	615	615	0	0	1,476
Surplus / Deficit	2,277	(21)	767	788	2,396	119

**Merton Clinical Commissioning Group
Summary of Financial Performance
Financial Year 2012/13: Year Ending August 2012 - Reporting Month 5**

Budget Movements			Descriptions	Cumulative Position			Forecast Outturn	
Month 4 Allocation £'000	Month 5 Changes £'000	Month 5 Allocation £'000		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
1. Operational Financial Balance								
237,892	792	238,684	Resource Limit	99,336	99,336	0	238,684	0
Acute Commissioning (Annex 1)								
99,015	0	99,015	SLA PbR Expenditure	41,256	41,663	(407)	100,447	(1,432)
48,522	0	48,522	SLA Non-PbR Expenditure	20,218	21,032	(814)	49,896	(1,374)
147,537	0	147,537	Total Acute SLAs (FTs and Non-FTs)	61,474	62,695	(1,221)	150,343	(2,806)
2,814	0	2,814	Acute NCAs and Oversea Visitors	1,173	1,173	0	2,814	0
3,297	1,689	4,986	Other Acute Provisions	2,807	1,920	887	4,617	369
153,648	1,689	155,337	Sub-Total - Acute Commissioning	65,454	65,788	(334)	157,774	(2,437)
Mental Health Commissioning (Annex 2)								
15,566	0	15,566	Mental Health NHS SLAs	6,486	6,504	(18)	15,609	(43)
547	0	547	Mental Health Resettlements & DAAT	228	228	0	547	0
3,357	0	3,357	Mental Health Named Patients	1,399	1,399	0	3,357	0
864	0	864	Mental Health Voluntary Sector Contracts	360	360	0	864	0
1,207	2	1,209	Mental Health Primary Care Services	504	505	(1)	1,209	0
165	34	199	Mental Health Provisions	83	78	5	187	12
21,706	36	21,742	Sub-Total - Mental Health Commissioning	9,060	9,074	(14)	21,773	(31)
People With Learning Disabilities (Annex 3)								
135	0	135	PLD Retained Provider Services	56	36	20	88	47
704	0	704	PLD Section 75 Agreements	293	293	0	704	0
1,181	0	1,181	PLD Named Patients	492	492	0	1,181	0
2,020	0	2,020	Sub-Total - People With Learning Disabilities	841	821	20	1,973	47
EOLC, LTCM, Urgent and Intermediate Care (Annex 4)								
980	0	980	End Of Life Care	408	416	(8)	980	0
258	0	258	Long Term Conditions Management	108	88	20	212	46
4,005	(935)	3,070	Urgent And Intermediate Care	1,279	1,279	0	3,070	0
5,243	(935)	4,308	Sub-Total - EOLC, LTCM, Urgent and Intermediate Care	1,795	1,783	12	4,262	46
Community, Children & Young People and Continuing Care (Annex 5)								
13,846	0	13,846	Community Services	5,769	5,748	21	13,849	(3)
1,250	0	1,250	Children And Young People	521	524	(3)	1,240	10
6,374	0	6,374	Continuing Care	2,656	2,572	84	6,173	201
21,470	0	21,470	Sub-Total - Community, Children & Young People and Continuing Care	8,946	8,844	102	21,262	208
Primary Care (Annex 6)								
112	0	112	Primary Care Developments	47	31	16	83	29
87	0	87	Pharmacy Services	36	23	13	54	33
1,925	0	1,925	GMS / PMS / APMS Services	802	779	23	1,895	30
2,124	0	2,124	Total Primary Care	885	833	52	2,032	92
Prescribing (Annex 8)								
23,164	0	23,164	Prescribing	9,652	9,683	(31)	23,262	(98)
23,164	0	23,164	Sub-Total - Prescribing	9,652	9,683	(31)	23,262	(98)
Technical & Estates (Annex 9)								
(452)	0	(452)	Corporate Expenditure	(189)	(173)	(16)	(452)	0
225	2	227	Technical Provisions	94	(795)	889	(589)	816
(227)	2	(225)	Sub-Total - Technical & Estates	(95)	(968)	873	(1,041)	816
Corporate Headquarters (Annex 10)								
4,991	0	4,991	Corporate Headquarters	2,204	2,096	108	4,991	0
4,991	0	4,991	Sub-Total - Corporate Headquarters	2,204	2,096	108	4,991	0
3,753	0	3,753	Surplus / Deficict Before Reserves	594	1,382	788	2,396	(1,357)
Reserves								
1,476	0	1,476	0.5% Contingency	615	615	0	0	1,476
1,476	0	1,476	Sub-Total - Reserves	615	615	0	0	1,476
2,277	0	2,277	Surplus / Deficict	(21)	767	788	2,396	119

**London Borough Of Merton Public Health
Revenue Resource Limit 2012/2013 - Position For The Month Ending 31st August 2012**

	Annual Allocation £'000	Cumulative Position			Forecast Outturn	
		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
REVENUE EXPENDITURE						
COMMISSIONING EXPENDITURE						
Acute Healthcare Services - Appendix 1	1,819	758	758	0	1,819	0
Mental Health Healthcare Services - Appendix 2	2,077	865	865	0	2,077	0
Community, Children and Young People and Continuing Care - Appendix 5	1,574	656	656	0	1,574	0
	5,470	2,279	2,279	0	5,470	0
OTHER EXPENDITURE						
Primary Care LES - Appendix 6	776	323	327	(4)	784	(8)
Public Health - Appendix 7	1,319	550	510	40	1,319	0
Headquarters - Appendix 10	665	277	277	0	665	0
	2,760	1,150	1,114	36	2,768	(8)
	8,230	3,429	3,393	36	8,238	(8)

**Merton Clinical Commissioning Group
Financial Risk And Mitigations
Financial Year 2012/13: Month Ending August 2012 - Reporting Month 5**

Number	Risk Description	Potential Risk	Impact on Performance Indicator	Mitigation	Risk Range
1	SLA Over-performance - Commissioned Services & Control Of Demand	There is a high risk that the current SLA over performance risk will worsen. Acute activity historically increased in the last six months of the year in both elective and particularly non elective care.	RRL, Control Total.	A contract management plan will be in place and will be regularly reported. A small contingency reserve is held to mitigate some of this risk.	High
2	Reserves & Contingencies	Pressure on reserves and contingencies exceeding current planned levels.	RRL, Control Total	Review of options to protect and increase reserves.	High
3	Delivery of QIPP	Full delivery of the QIPP programme net £19.1m, demand management schemes not fully developed which could result in delayed delivery by the 1st April 2012, possible lack of support from clinical commissioning.	RRL, Control Total / Investment Programme	Joint Sign off, responsibility for all aspects of the plan.	High
4	GP focus addressing consortium priorities which may not coincide with PCT priorities	Different focus of attention from PCT priorities to deliver plan not prime focus.		Maintaining joint ownership of plan. Common focus on budgetary control.	Medium
5	Resources required post transfer are insufficient to manage the scale of change	Loss of organisational memory due to the transition process and lower level of resource which has too many priorities.		Expectation that a number of key staff will be retained in the new structures.	High
6	Cost Pressures	Unforeseen cost pressures in other areas.	RRL, Control Total	The development of plans to protect against cost rises in area that are likely to give rise to cost pressures	Medium



Sutton and Merton

Figure 3a.

**Merton Clinical Commissioning Group
Commissioner Provisions & Reserves 2012/13 as at 31st August 2012**

	£000's
Reserves Held by the PCT	
70% Emergency Threshold	866
Demographic Reserve	4,600 High Probability of being spent
Total	<u>5,466</u>

**Merton Clinical Commissioning Group
Summary of Financial Performance
Resource Summary 2012/13 as at 31st August 2012**

Sutton & Merton Primary Care Trust 2012/2013 ALLOCATION	INITIAL RECURRING BUDGET £0	RECURRING CHANGES £0	TOTAL RECURRING BUDGET £0	INITIAL NON- RECURRING BUDGET £0	NON- RECURRING CHANGES £0	TOTAL NON- RECURRING BUDGET £0	TOTAL BUDGET £0
CONFIRMED INITIAL RESOURCE LIMIT - 2011/12	570,408,000	0	570,408,000	0	0	0	570,408,000
ANTICIPATED FURTHER RECURRENT ADDITIONAL ALLOCATIONS 2012/13 GROWTH @ 3.00% - On £570,408K	16,978,000	0	16,978,000	0	0	0	16,978,000
OPENING RECURRENT RESOURCE LIMIT EXCLUDING NON-RECURRENT ITEMS	587,386,000	0	587,386,000	0	0	0	587,386,000
Un-Confirmed							
JOINT WORKING - SOCIAL CARE	0	0	0	3,861,000	0	3,861,000	3,861,000
COMMISSIONING DENTAL SERVICES - PER AWP 10/11 PCT01	14,614,000	0	14,614,000	0	0	0	14,614,000
GENERAL OPHTHALMIC SERVICES - PER AWP 10/11 PCT01	2,439,000	0	2,439,000	0	0	0	2,439,000
GENERAL PHARMACEUTICAL SERVICES - PER AWP 10/11 PCT01	4,796,000	0	4,796,000	0	0	0	4,796,000
DRUG ACTION TEAMS ALLOCATIONS	2,859,000	113,000	2,972,000	0	0	0	2,972,000
CANCER DRUGS	-961,000	21,000	-940,000	0	0	0	-940,000
FREE SCHOOL FRUIT	-289,000	7,000	-282,000	0	0	0	-282,000
CHILDHOOD VACCINATIONS	64,000	-8,000	56,000	0	0	0	56,000
NHS LONDON IAT - PCT 2010/11 LEVIES	-336,000	-155,000	-491,000	0	0	0	-491,000
NHS LONDON IAT - LONDON NHS DIAGNOSTICS	0	0	0	0	-30,000	-30,000	-30,000
NHS LONDON IAT - 2% NON-RECURRENT HEADROOM	0	0	0	0	-11,748,000	-11,748,000	-11,748,000
CANCER DRUGS FUNDING	0	0	0	0	335,000	335,000	335,000
PMEDS: PERSONAL ADMIN COSTS FOR NON-DISPENSING	0	0	0	0	39,000	39,000	39,000
LOCAL PHARMACEUTICAL SERVICES	0	0	0	0	7,000	7,000	7,000
NCAT - NATIONAL LUNG CAMPAIGN (CE)	0	0	0	0	10,000	10,000	10,000
CANCER PROJECT FUNDING	0	0	0	0	750,000	750,000	750,000
FREEMAN PRACTICE TRANSFER TRANSITION	0	0	0	838,000	0	838,000	838,000
CANCER PROJECT FUNDING	0	0	0	0	750,000	750,000	750,000
WANDSWORTH PCT FREEMAN LAS TRANSFER	550,000	-13,000	537,000	0	0	0	537,000
WANDSWORTH PCT HIV/AIDS TRANSFER	-474,000	0	-474,000	0	0	0	-474,000
SWL SAFEGUARDING ADULT NETWORK	0	0	0	0	5,000	5,000	5,000
CLINICAL EXCELLENCE M1-M6 FOR EPSOM AND ST HELIER	0	0	0	0	107,000	107,000	107,000
CLINICAL EXCELLENCE M1-M6 FOR ROYAL MARSDEN	0	0	0	0	762,000	762,000	762,000
MENTAL CAPACITY ACT	0	0	0	0	69,000	69,000	69,000
Confirmed							
2012/13 NCSS TRANSFERS	-3,853,000	0	-3,853,000	0	0	0	-3,853,000
CANCER NETWORK SUPPORT 2010/11	253,000	0	253,000	0	0	0	253,000
2010/11 CHARGE EXEMPT OVERSEAS VISITORS	811,000	0	811,000	0	0	0	811,000
ST GEORGES 70% NON-ELECTIVE PERFORMANCE	-1,724,000	0	-1,724,000	0	0	0	-1,724,000
CURRENT CONFIRMED RESOURCE LIMIT	606,135,000	-35,000	606,100,000	4,699,000	-8,944,000	-4,245,000	601,855,000
Un-Confirmed Adjustments							
DENTAL VOCATIONAL TRAINEES	375,000	0	375,000	0	0	0	375,000
CLINICAL EXCELLENCE AWARDS	2,398,000	0	2,398,000	0	-869,000	-869,000	1,529,000
2011/12 SURPLUS	0	0	0	6,128,000	0	6,128,000	6,128,000
GP CONSOTIA FUNDING £2 PER HEAD	0	0	0	784,000	0	784,000	784,000
LATEST REVENUE RESOURCE LIMIT	608,908,000	-35,000	608,873,000	11,611,000	-9,813,000	1,798,000	610,671,000

**Merton Clinical Commissioning Group
Summary of QIPP Performance
Financial Year 2012/13: Month Ending July 2012 - Month 4**

		RAG Rating	START	Net savings 12/13 £000s	Cost 12/13 £000s	Gross savings 12/13 £000s	YTD Plan £000s	YTD Achievement £000s	YTD Variance £000s
	DESCRIPTION								
PLANNED CARE	Pelvic Floor Clinic	G	Jun-12	52	-	52	18	6	(12)
	Activity Management	A	Apr-12	531	-	531	177	(79)	(256)
	Anticoag	G	Jun-12	75	-	75	15	(1)	(16)
	Urology (Sutton Scheme)	R	Oct-12	-	-	-	-	-	-
	Ophthalmology (Sutton Scheme)	R	Oct-12	-	-	-	-	-	-
	Community Planned Care (Sutton Scheme)	R	Oct-12	-	-	-	-	-	-
	InHealth Contract	G	Apr-12	TBC	-	377	127	57	(70)
	Specialist Commissioning	G	Apr-12	251	-	251	84	84	(0)
	Hips and Knees Pathway	G	Apr-12	15	-	15	4	3	(1)
PLANNED CARE TOTAL			924	-	1,301	425	70	(355)	
URGENT CARE	Impact of PMS review (incorporated in QIPP)	R	Oct-12	754	-	754	-	-	-
	Urgent Care Centre - St Helier	A	Apr-12	716	-	716	239	89	(150)
	Urgent Care Centre - St Georges	A	Sep-12	176	-	176	35	-	(35)
	Rapid Response	R	Jul-12	435	-	435	145	112	(33)
	Reduction of #NOF	G	Apr-12	72	-	72	24	133	109
	Tele-Health (Sutton Scheme)	B	May-12	-	-	-	-	-	-
	ECCG	A	Jun-12	246	-	246	82	3	(79)
	Urgent Care at Home Service	A	Apr-12	246	-	246	82	33	(49)
URGENT CARE TOTAL			2,646	-	2,646	608	370	(238)	
LONG TERM CONDITIONS	Implementation of new Diabetes Service	G	Apr-12	35	149	184	60	12	(48)
	Reduction in stroke	G	Apr-12	22	92	114	38	100	62
	Improving management of LTCs	G	Apr-12	365	139	504	169	23	(146)
	Cancer Service Redesign	A	Apr-12	251	-	251	-	16	16
	Dementia (Merton Scheme)	B	Apr-12	100	-	100	-	-	-
	Virtual Care Home (Merton Scheme)	R	Oct-12	250	-	250	-	-	-
	Additional LTC (dependent on investment bid) non-investment Q1 LTC projects	G	Apr-12	65	-	-	-	96	96
LONG TERM CONDITIONS TOTAL			1,088	380	1,403	267	247	(20)	
END OF LIFE CARE	End of Life Care	G	Jun-12	153	161	314	105	132	27
	non-investnebt Q1 EoL	G	Apr-12	-	-	-	-	40	40
END OF LIFE CARE TOTAL			153	161	314	105	172	67	
COMMUNITY SUPPORT SERVICES	Continuing Care Placements	G	Apr-12	503	-	503	167	167	0
	Additional continuing care placements	G	May-12	-	-	-	-	-	-
COMMUNITY SUPPORT SERVICES TOTAL			503	-	503	167	167	0	
OTHER ACUTE EFFICIENCIES	Acute Trust KPIs/LCIs	A	Apr-12	800	-	800	267	296	29
	Acute challenges inc HCD, alternative therapy	G	Apr-12	266	-	266	88	-	(88)
	Getting Fit for Surgery	B	Apr-12	63	-	63	-	-	-
	Alternative Care Pathways (ACP's)	R	Apr-12	146	54	201	-	8	8
	Acute based Alcohol Care Teams	B	Apr-12	209	-	209	-	-	-
	Special Care Dental Service (SCDS) **Without	G	Apr-12	116	27	143	-	48	48
	Admissions Avoidance (Alcohol)	G	Jun-12	-	-	-	-	-	-
	Additional acute challenges inc HCD at SGH	G	May-12	-	-	-	-	-	-
	non-investment ACPs	G	Apr-12	-	-	-	-	18	18
	non investment SCDS	G	Apr-12	-	-	-	-	10	10
Acute CQIN 70% delivery	G	Jul-12	-	-	-	-	-	-	
OTHER ACUTE EFFICIENCIES TOTAL			1,601	81	1,683	356	380	24	
MENTAL HEALTH & LD	Mental Health	G	Apr-12	251	-	251	-	84	84
MENTAL HEALTH & LD TOTAL			251	-	251	-	84	84	
PREVENTION	Health Diversity Programme	G	Aug-12	25	6	31	-	-	-
PREVENTION TOTAL			25	6	31	-	-	-	
PRIMARY CARE	GP Discretionary Payments	G	Apr-12	8	-	8	-	3	3
	Tight contract management/adjustments, inc	G	Apr-12	101	-	101	-	34	34
	Cease paying superannuation 14% payment to	G	Apr-12	5	-	5	-	2	2
PRIMARY CARE TOTAL			113	-	113	-	39	39	
PRESCRIBING	Prescribing workstreams	G	May-12	503	-	503	137	286	149
PRESCRIBING TOTAL			503	-	503	137	286	149	
BACK OFFICE	Back Office / Estates / Other budget	G	Apr-12	1,581	-	1,581	527	527	0
	List cleansing	G	Apr-12	29	12	40	14	-	(14)
	Additional back office/ estates	G	Apr-12	-	-	-	-	-	-
BACK OFFICE TOTAL			1,610	12	1,621	541	527	(14)	
PROGRAMME TOTAL			9,417	639	10,369	2,606	2,342	(264)	

INTRODUCTION

1. This report presents the financial results for the period to 31st August 2012.

FINANCIAL OUTLOOK 2012/13

2. NHS Sutton & Merton's financial plan is a recurrent surplus of £4.5m which is 0.7% of recurrent revenue resource limit.

The financial performance, as detailed in Figure 1a/b, **shows a year to date deficit position against revised plan and a full year forecast of breakeven against revised plan.** The position assumes utilisation of reserves and contingencies, achievement of NHS Sutton & Merton's financial and investment plans and delivery of the QIPP (Quality, Innovation, Productivity & Prevention) programme.

KEY FINANCIAL PERFORMANCE INDICATORS 2012/13

3. The table sets out the financial performance targets and indicators against which NHS Sutton & Merton monitors during 2012/13.

Financial Performance Target/ Indicator	Measure	Target	Forecast	Status	Performance Improving?
Statutory Break Even Duties					
Revenue Resource Limit (RRL)	Stay within RRL	£610.7m	£606.2m	Green	↔
Capital Resource Limit	Stay within CRL	£-1.2m	£-1.2m	Green	↔
Cash Resource Limit	Stay with Cash Limit	£600.8m	£600.8m	Green	↔
Administration Duties					
Better Practice Payment Policy	Payment of valid invoices within 30 days.	95%	Value 91.3% Number 86.2%	Amber	↔
Other Significant Financial Targets					
Remain within Control Total	Deliver control total	£4.5m Surplus	£4.5m Surplus	Green	↔
QIPP- Quality, Innovation, Productivity & Prevention Programme (Net)	Delivery of Programme Savings	£19.1m	£18.3m	Amber	↔
Running Costs	Stay within running cost envelope.	£13.5m	£13.5m	Green	↔

KEY FINANCIAL RISKS (Figure 2a)

4. There are a number of risks which may have an impact on the delivery of NHS Sutton & Merton 2012/13 plans. NHS Sutton & Merton has contingencies, reserves and a planned surplus that will be used to manage/mitigate many of these risks in year and within the planning period.

CONTINGENCY RESERVES & PROVISIONS (Figure 3a)

5. NHS Sutton & Merton's budget book at the beginning of the year contained £11.9m of provisions & reserves to mitigate increased activity over funded growth levels and the financial impact of unforeseen events.

CHANGES TO RESOURCE & APPLICATION (Figure 3b)

6. A detailed analysis of the PCT's Resource Limit is provided in Figure 3b. Any changes to the resource during the year will be reflected in this figure.
7. It should be noted that further budget changes will arise throughout the year, particularly as a result of changes to the PCT's Revenue Resource Limit.

QUALITY, INNOVATION, PRODUCTIVITY & PREVENTION (QIPP) (Figure 4)

8. In 2011/12 NHS Sutton & Merton was in its second year of a 2 year turnaround programme, with a net QIPP plan of £23.4m.
9. In 2012/13 Sutton & Merton continues with a net QIPP plan of £19.1m and will continue building on the successes of the year 2 programme, much of the year 2 programme was focussed on driving down acute spend, which requires even greater operational focus.
10. The QIPP report for Month 4 shows a year to date net shortfall of £0.3m against plan and the forecast outturn position has a net shortfall of £0.8m. The high risk projects are rapid response, impact of PMS review, virtual care home, and activity management. Medium risk projects include Urgent Care Centre/KPI's, cancer service redesign.

The QIPP project groups for both Sutton & Merton meet monthly to identify mitigations to offset any current risk within the overall programme.

COMMISSIONED SERVICES**Acute Services**

11. It should be noted that the actual year to date is based on July monitoring reports and has been straight line extrapolated to report at Month 5.
12. An assessment of the likely value of key performance indicators has been included for all South West London providers based on the QIPP plans. Given that KPI's will be calculated on a quarterly or even annually there is some risk that if performance improves this will minimise the impact. Additionally some of the KPI's are based on audits or data sources such as secondary user's services may have incomplete data contained within it which may reduce the value.
13. The single biggest risk to the PCT is the level of KPI's and demand management which has been taken out of provider plans. This totals £6.5m with the majority included against the local providers of Epsom St Helier and St Georges.
14. Overall the extrapolated PCT acute position year to date with an estimate for challenges and KPI's results in a £4.1m over spend St Georges (Acute) accounts for £2.2, Epsom and St. Helier £1.6m and Royal Marsden £0.3m with the balance spread across the tertiary contracts.

Below is a short summary by provider of the main issues. Note any values quoted are all before challenges unless stated:

15. **St Georges;** This contract has moved adversely by £0.6m over and above the month 3 run rate, it is over performing by £2.2m as at Month 4. In general the service lines of critical care, emergency and outpatients, programmes of care and drugs and devices are showing significant over performance. A number of challenges have been raised to the trust such as preoperative assessment clinics being charged over and above the level of activity within the plan, multiple first attendances picked up from a recent notes audit and incorrect categorisation of emergency patients of transfers of care.

These along with calculation of KPI's will be agreed as part of the Quarter 1 reconciliation. South West London Cluster has been trying to agree a cap and collar approach to all service lines in the contract excluding A&E which at present has not been formally agreed. If this does get agreed it is expected that based on current run rate Sutton & Merton will benefit from this approach, this has currently been factored into the outturn position.

16. **ESHUT:** Overall expenditure for Month 4 has increased over Month 3 but is not as high as the Month 2 expenditure which is the highest reported month to date. A number of areas have seen increased expenditure this month in particular around planned care, unplanned care and outpatients. A&E continues to perform above plan although this is more to do with case mix rather than volume driven when compared with the same period last year. Challenges have been raised on all of these areas to understand the reasons for the increase and estimate of the likely value of challenge has been included at a relatively low level. The Trust has confirmed the value of rebate for the agreed KPI's which SWL Cluster are currently validating as part of the Quarter 1 wrap up.

17. **Royal Marsden:** The over-performance (£0.25m) has seen a slight increase in Month 4. Activity is still over-performing in elective and day-case work. Additional over-performance in critical care and radiotherapy contribute to the overall position. At this point the elective work is not a reflection of the trust-wide position and the ACU are working with the Trust and information teams to understand the drivers of the over-performance. Initial work demonstrates that while there has been additional activity over plan, the numbers are not large but the associated costs are. This will therefore, need monitoring closely to ascertain whether at this early stage the figures are indicative of a trend or simply how the activity has fell in the first quarter. The radiotherapy costs have seen significant increase in month trust-wide and this could be a result of an agreed PACE trial, however, NHS Sutton & Merton should not be charged for additional costs. Royal Marsden are validating this work.

18. **Kingston:** This contract continues to under-perform in a month that has seen significant movement (over-performance) trust-wide. There are some areas of pressures on outpatients which are being offset by under-spends against planned and emergency care. Critical care also shows an under performance.

19. **Imperial:** continues to over perform although has slowed marginally from month 3 mainly due to critical care and High Cost Drugs spend being lower during month 3. Emergency performance relates to one high cost admission.

20. **Royal Surrey County:** Although this is a relatively small contract but the performance has all but doubled between months 03 and 04 with Elective, Non Elective In Patient and Adult Critical Care activity driving performance. Elective performance relates to increased Day Case volumes, Non Elective In Patient mainly relates to an increased number of intra Trust transfers and one long stay patient.

21. **Other Trusts:** Guys, Kings, Royal Brompton and Barts are the other Trusts showing an over spend. This is mainly due to critical care and high cost drugs apart from Kings where there emergency activity is the largest area of concern and primarily results from MDS Cardiology.

NON ACUTE SERVICES

22. Overall non acute commissioned services are reflecting an under spend of £0.2m year to date this underspend mainly relates to continuing healthcare. There are no other key issues to report at Month 5.

PRIMARY CARE SERVICES

23. **GMS/ PMS Services** – There is currently a reported small year to date under-spend on GMS PMS Services.
24. **General Ophthalmic Services** – The current year to date position is an overspend of £0.3m and includes five months of actual activity from March 2012 and the monthly average accrual. The projected forecast outturn is a £0.4m overspend consisting of 2011/12 inherent cost pressure identified £0.2m, monthly accrual, 2.5% price increases and increase in activity.
25. **Dental** – At M5 the position is a £0.2m underspend and a favourable yearend forecast of £0.3m. Activity is predominantly based on five months of available NHSBSA Payments Online activity and seven months of analytically projected activity. The current 2011/12 clawback is £0.2m and will be deducted over 6 months to January 2013. The Team proposes to redistribute UDA's on a recurrent basis to other Dental Practices as Dental Access Targets are not being met and to undertake an in-house procurement process.
26. **Pharmacy** – There is currently a year-to-date overspend on Pharmacy which is forecasting to the year end. The estimated NHSBSA Payments Online (POL) figure is based on projected April to June activity.

Work is being done to analyse the effect of the New Medicine Service implemented in October 2011 and its impact on the 2012/13 financial outturn.

PUBLIC HEALTH

27. Overall the Public Health budget is reporting a small underspend year to date, and a reported breakeven there are no other key issues to report.

PRESCRIBING

28. The PCT has received the Month 3 (June) prescribing data and this has been extrapolated to month 5. Overall the prescribing budget is reporting an underspend year to date and forecast outturn.

CORPORATE SERVICES

29. There are a number of underspends on corporate services mainly arising from PCT estates and central reserves. The headquarters functions have a small YTD underspend against budget, no other issues to report at Month 5.

CAPITAL POSITION (Figure 5a)

30. The capital plan reflects Capital Resource Limit (CRL) for 2012/13 of (£1.205m) for which the PCT have received approval. This net figure represents capital receipts to be in excess of gross capital expenditure. NHS Sutton and Merton are anticipating capital receipts this financial year in respect of Carshalton War Memorial, Osborne House, The Nelson Hospital Car Park and Homeland Drive.

Spend against programme to Month 5 is £33k, with sale of the above 4 properties pending.

CASH POSITION (Figure 5b)

31. Sutton & Merton's cash position reflected in Figure 5b shows that the cash drawn down to the 31st August 2012 is within the monthly plan.

BALANCE SHEET (Figure 5c)

32. Sutton & Merton's balance sheet reflected in Figure 5c, which shows the position as at Month 5.

BETTER PRACTICE PAYMENT POLICY

33. There has been significant change to the PCT's performance against the better payment practice policy. NHS Sutton & Merton is not achieving the target against values but not volumes; the escalation period on an invoice has now been reduced to 7 days to ensure prompt action.

RECOMMENDATION

34. To note the forecast financial position for 2012/13 and the assumptions contained within it.

Karen McKinley
Chief Finance Officer (Designate)
September 2012

Summary of Financial Performance
Financial Year 2012/13: Month Ending August 2012 - Reporting Month 5

	Annual Allocation £'000	Cumulative Position			Forecast Outturn	
		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
Resource Limit	610,671	253,969	253,969	0	610,671	0
1. Operational Financial Balance						
A) Acute Commissioning						
Acute NHS Secondary Care	301,546	125,644	129,822	(4,178)	307,731	(6,185)
Acute NHS Specialist Care	21,696	9,040	9,087	(47)	21,809	(113)
Acute Healthcare Provisions	15,863	8,061	6,297	1,764	15,130	733
	339,105	142,745	145,206	(2,461)	344,670	(5,565)
B) Non Acute Commissioning						
Mental Health Commissioning	52,683	21,950	21,993	(43)	52,763	(80)
Learning Disabilities	4,019	1,674	1,634	40	3,925	94
EOLC, Long Term Conditions, Urgent & Intermediate Care	8,569	3,570	3,547	23	8,477	92
Community Provider Services	34,949	14,562	14,520	42	34,956	(7)
Children & Young People	2,855	1,189	1,195	(6)	2,835	20
Continuing Care	12,679	5,283	5,116	167	12,279	400
Primary Care (Dental, Pharmacy/GPs)	82,394	34,331	34,512	(181)	82,840	(446)
	198,148	82,559	82,517	42	198,075	73
C) Public Health						
Choosing Health	1,051	438	362	76	1,051	0
Health Promotion	1,495	623	623	0	1,495	0
	2,546	1,061	985	76	2,546	0
D) Community Prescribing						
Community Prescribing	46,076	19,198	19,100	98	45,887	189
	46,076	19,198	19,100	98	45,887	189
E) Corporate Budgets						
Technical & Estates	4,153	1,733	(354)	2,087	1,786	2,367
Headquarters	13,179	5,491	5,333	158	13,179	0
	17,332	7,224	4,979	2,245	14,965	2,367
Total Before Reserves	7,464	1,182	1,182	0	4,528	(2,936)
F) Corporate Reserves						
0.5% Contingency	2,936	1,223	1,223	0	0	2,936
2% Transition Fund - Borough	0	0	0	0	0	0
2% Transition Fund - Provider	0	0	0	0	0	0
2% Transition Fund - Sector	0	0	0	0	0	0
Surplus / Deficit	4,528	(41)	(41)	0	4,528	0
2. Capital Programme	6,795	33	33	0	6,795	0
3. Public Sector Payment Policy						
NHS - By Value	95%	95%	92%	-3%	92%	-3%
NHS - By Number	95%	95%	86%	-9%	86%	-9%
Non NHS- By Value	95%	95%	88%	-7%	88%	-7%
Non NHS - By Number	95%	95%	86%	-9%	86%	-9%

Summary of Financial Performance
Financial Year 2012/13: Year Ending August 2012 - Reporting Month 5

Budget Movements			Descriptions	Cumulative Position			Forecast Outturn	
Month 4 Allocation £'000	Month 5 Changes £'000	Month 5 Allocation £'000		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
1. Operational Financial Balance								
609,097	1,574	610,671	Resource Limit	253,969	253,969	0	610,671	0
Acute Commissioning (Annex 1)								
120,882	0	120,882	Epsom & St Helier Hospital University NHS Trust	50,367	51,924	(1,557)	123,557	(2,675)
94,265	0	94,265	St Georges Hospital NHS Trust	39,277	41,527	(2,250)	97,243	(2,978)
16,241	0	16,241	Royal Marsden NHS Foundation Trust	6,767	7,083	(316)	17,000	(759)
10,822	0	10,822	Kingston Hospital NHS Trust	4,509	4,322	187	10,372	450
59,336	0	59,336	Other NHS Trusts and Foundation Trusts including LAS	24,724	24,966	(242)	59,559	(223)
301,546	0	301,546	Total Acute SLAs (FTs and Non-FTs)	125,644	129,822	(4,178)	307,731	(6,185)
21,696	0	21,696	Acute Specialist Care SLAs via London SCG	9,040	9,087	(47)	21,809	(113)
5,945	0	5,945	Acute NCAs and Oversea Visitors	2,477	2,477	0	5,945	0
6,558	3,360	9,918	Other Acute Provisions	5,584	3,820	1,764	9,185	733
335,745	3,360	339,105	Sub-Total - Acute Commissioning	142,745	145,206	(2,461)	344,670	(5,565)
Mental Health Commissioning (Annex 2)								
31,903	0	31,903	Mental Health NHS SLAs	13,293	13,329	(36)	31,989	(86)
5,423	0	5,423	Mental Health NHS Consortium SLAs	2,259	2,274	(15)	5,442	(19)
4,061	0	4,061	Mental Health Resettlements & DAAT	1,692	1,692	0	4,061	0
6,678	0	6,678	Mental Health Named Patients	2,782	2,782	0	6,678	0
1,816	0	1,816	Mental Health Voluntary Sector Contracts	757	757	0	1,816	0
2,400	5	2,405	Mental Health Primary Care Services	1,002	1,004	(2)	2,405	0
328	69	397	Mental Health Provisions	165	155	10	372	25
52,609	74	52,683	Sub-Total - Mental Health Commissioning	21,950	21,993	(43)	52,763	(80)
People With Learning Disabilities (Annex 3)								
270	0	270	PLD Retained Provider Services	112	72	40	176	94
1,400	0	1,400	PLD Section 75 Agreements	583	583	0	1,400	0
2,349	0	2,349	PLD Named Patients	979	979	0	2,349	0
4,019	0	4,019	Sub-Total - People With Learning Disabilities	1,674	1,634	40	3,925	94
EOLC, LTCM, Urgent and Intermediate Care (Annex 4)								
1,949	0	1,949	End Of Life Care	812	827	(15)	1,949	0
514	0	514	Long Term Conditions Management	214	176	38	422	92
7,967	(1,861)	6,106	Urgent And Intermediate Care	2,544	2,544	0	6,106	0
10,430	(1,861)	8,569	Sub-Total - EOLC, LTCM, Urgent and Intermediate Care	3,570	3,547	23	8,477	92
Community, Children & Young People and Continuing Care (Annex 5)								
34,949	0	34,949	Community Services	14,562	14,520	42	34,956	(7)
2,855	0	2,855	Children And Young People	1,189	1,195	(6)	2,835	20
12,679	0	12,679	Continuing Care	5,283	5,116	167	12,279	400
50,483	0	50,483	Sub-Total - Community, Children & Young People and Continuing Care	21,034	20,831	203	50,070	413
Primary Care (Annex 6)								
2,663	0	2,663	Primary Care Developments	1,109	1,412	(303)	3,089	(426)
9,229	0	9,229	Pharmacy Services	3,846	3,939	(93)	9,614	(385)
16,311	0	16,311	Dental Services	6,796	6,583	213	16,035	276
54,191	0	54,191	GMS / PMS / APMS Services	22,580	22,578	2	54,102	89
82,394	0	82,394	Total Primary Care	34,331	34,512	(181)	82,840	(446)
Public Health (Annex 7)								
1,051	0	1,051	Choosing Health	438	362	76	1,051	0
1,495	0	1,495	Health Promotion	623	623	0	1,495	0
2,546	0	2,546	Sub-Total - Public Health	1,061	985	76	2,546	0
Prescribing (Annex 8)								
46,076	0	46,076	Prescribing	19,198	19,100	98	45,887	189
46,076	0	46,076	Sub-Total - Prescribing	19,198	19,100	98	45,887	189
Technical & Estates (Annex 9)								
3,706	0	3,706	Corporate Expenditure	1,544	1,224	320	2,960	746
446	1	447	Technical Provisions	189	(1,578)	1,767	(1,174)	1,621
4,152	1	4,153	Sub-Total - Technical & Estates	1,733	(354)	2,087	1,786	2,367

Summary of Financial Performance
Financial Year 2012/13: Year Ending August 2012 - Reporting Month 5

Budget Movements			Descriptions	Cumulative Position			Forecast Outturn	
Month 4 Allocation £'000	Month 5 Changes £'000	Month 5 Allocation £'000		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
			1. Operational Financial Balance					
			Corporate Headquarters (Annex 10)					
13,179	0	13,179	Corporate Headquarters	5,491	5,333	158	13,179	0
13,179	0	13,179	Sub-Total - Corporate Headquarters	5,491	5,333	158	13,179	0
7,464	0	7,464	Surplus / Deficict Before Reserves	1,182	1,182	0	4,528	2,936
			Reserves					
2,936	0	2,936	0.5% Contingency	1,223	1,223	0	0	2,936
0	0	0	2% Transition Fund					
0	0	0	Borough Balance	0	0	0	0	0
0	0	0	Provider Support Projects	0	0	0	0	0
0	0	0	Sector Projects	0	0	0	0	0
0	0	0	Sector Balance	0	0	0	0	0
2,936	0	2,936	Sub-Total - Reserves	1,223	1,223	0	0	2,936
4,528	0	4,528	Surplus / Deficict	(41)	(41)	0	4,528	0

**Merton Clinical Commissioning Group
Summary of Financial Performance
Financial Year 2012/13: Month Ending August 2012 - Reporting Month 5**

	Annual Allocation £'000	Cumulative Position			Forecast Outturn	
		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
Resource Limit	238,684	99,336	99,336	0	238,684	0
1. Operational Financial Balance						
A) Acute Commissioning						
Acute NHS Secondary Care	147,537	61,474	62,695	(1,221)	150,343	(2,806)
Acute Healthcare Provisions	7,800	3,980	3,093	887	7,431	369
	155,337	65,454	65,788	(334)	157,774	(2,437)
B) Non Acute Commissioning						
Mental Health Commissioning	21,742	9,060	9,074	(14)	21,773	(31)
Learning Disabilities	2,020	841	821	20	1,973	47
EOLC, Long Term Conditions, Urgent & Intermediate Care	4,308	1,795	1,783	12	4,262	46
Community Provider Services	13,846	5,769	5,748	21	13,849	(3)
Children & Young People	1,250	521	524	(3)	1,240	10
Continuing Care	6,374	2,656	2,572	84	6,173	201
Primary Care (Dental, Pharmacy/GPs)	2,124	885	833	52	2,032	92
	51,664	21,527	21,355	172	51,302	362
C) Community Prescribing						
Community Prescribing	23,164	9,652	9,683	(31)	23,262	(98)
	23,164	9,652	9,683	(31)	23,262	(98)
D) Corporate Budgets						
Technical & Estates	(225)	(95)	(968)	873	(1,041)	816
Headquarters	4,991	2,204	2,096	108	4,991	0
	4,766	2,109	1,128	981	3,950	816
Total Before Reserves	3,753	594	1,382	788	2,396	(1,357)
E) Corporate Reserves						
0.5% Contingency	1,476	615	615	0	0	1,476
Surplus / Deficit	2,277	(21)	767	788	2,396	119

**Sutton Clinical Commissioning Group
Summary of Financial Performance
Financial Year 2012/13: Month Ending August 2012 - Reporting Month 5**

	Annual Allocation £'000	Cumulative Position			Forecast Outturn	
		Budget to date £'000	Actual to date £'000	Variance to date £'000	Year End Forecast £'000	Forecast Variance Forecast
Resource Limit	236,087	98,255	98,255	0	236,087	0
1. Operational Financial Balance						
A) Acute Commissioning						
Acute NHS Secondary Care	145,932	60,805	63,762	(2,957)	149,311	(3,379)
Acute Healthcare Provisions	7,715	3,936	3,059	877	7,351	364
	153,647	64,741	66,821	(2,080)	156,662	(3,015)
B) Non Acute Commissioning						
Mental Health Commissioning	21,506	8,961	8,975	(14)	21,537	(31)
Learning Disabilities	1,998	833	813	20	1,951	47
EOLC, Long Term Conditions, Urgent & Intermediate Care	4,261	1,775	1,763	12	4,215	46
Community Provider Services	13,695	5,706	5,685	21	13,699	(4)
Children & Young People	1,236	515	518	(3)	1,226	10
Continuing Care	6,305	2,627	2,544	83	6,106	199
Primary Care (Dental, Pharmacy/GPs)	2,101	875	824	51	2,010	91
	51,102	21,292	21,122	170	50,744	358
C) Community Prescribing						
Community Prescribing	22,911	9,546	9,418	128	22,625	286
	22,911	9,546	9,418	128	22,625	286
D) Corporate Budgets						
Technical & Estates	(221)	(92)	(956)	864	(1,029)	808
Headquarters	4,937	2,180	2,073	107	4,937	0
	4,716	2,088	1,117	971	3,908	808
Total Before Reserves	3,711	588	(223)	(811)	2,148	(1,563)
E) Corporate Reserves						
0.5% Contingency	1,460	608	608	0	0	1,460
Surplus / Deficit	2,251	(20)	(831)	(811)	2,148	(103)

Summary of Financial Performance
Financial Year 2012/13: Month Ending August 2012 - Reporting Month 5

Number	Risk Description	Potential Risk	Impact on Performance Indicator	Mitigation	Risk Range
1	SLA Over-performance - Commissioned Services & Control Of Demand	There is a high risk that the current SLA over performance risk will worsen. Acute activity historically increased in the last six months of the year in both elective and particularly non elective care.	RRL, Control Total.	A contract management plan will be in place and will be regularly reported. A small contingency reserve is held to mitigate some of this risk.	High
2	Reserves & Contingencies	Pressure on reserves and contingencies exceeding current planned levels.	RRL, Control Total	Review of options to protect and increase reserves.	High
3	Delivery of QIPP	Full delivery of the QIPP programme net £19.1m, demand management schemes not fully developed which could result in delayed delivery by the 1st April 2012, possible lack of support from clinical commissioning.	RRL, Control Total / Investment Programme	Joint Sign off, responsibility for all aspects of the plan.	High
4	GP focus addressing consortium priorities which may not coincide with PCT priorities	Different focus of attention from PCT priorities to deliver plan not prime focus.		Maintaining joint ownership of plan. Common focus on budgetary control.	Medium
5	Resources required post transfer are insufficient to manage the scale of change	Loss of organisational memory due to the transition process and lower level of resource which has too many priorities.		Expectation that a number of key staff will be retained in the new structures.	High
6	Cost Pressures	Unforeseen cost pressures in other areas.	RRL, Control Total	The development of plans to protect against cost rises in area that are likely to give rise to cost pressures	Medium



Sutton and Merton

Figure 3a.

**Summary of Financial Performance
Commissioner Provisions & Reserves 2012/13 as at 31st August 2012**

	£000's
Reserves Held by the PCT	
70% Emergency Threshold	1,724
Demographic Reserve	9,150 Currently predicted as being spent
Total	<u>10,874</u>

**Summary of Financial Performance
Resource Summary 2012/13 as at 31st August 2012**

Sutton & Merton Primary Care Trust 2012/2013 ALLOCATION	INITIAL RECURRING BUDGET £0	RECURRING CHANGES £0	TOTAL RECURRING BUDGET £0	INITIAL NON- RECURRING BUDGET £0	NON- RECURRING CHANGES £0	TOTAL NON- RECURRING BUDGET £0	TOTAL BUDGET £0
CONFIRMED INITIAL RESOURCE LIMIT - 2011/12	570,408,000	0	570,408,000	0	0	0	570,408,000
ANTICIPATED FURTHER RECURRENT ADDITIONAL ALLOCATIONS 2012/13 GROWTH @ 3.00% - On £570,408K	16,978,000	0	16,978,000	0	0	0	16,978,000
OPENING RECURRENT RESOURCE LIMIT EXCLUDING NON-RECURRENT ITEMS	587,386,000	0	587,386,000	0	0	0	587,386,000
<u>Un-Confirmed</u>							
JOINT WORKING - SOCIAL CARE	0	0	0	3,861,000	0	3,861,000	3,861,000
COMMISSIONING DENTAL SERVICES - PER AWP 10/11 PCT01	14,614,000	0	14,614,000	0	0	0	14,614,000
GENERAL OPHTHALMIC SERVICES - PER AWP 10/11 PCT01	2,439,000	0	2,439,000	0	0	0	2,439,000
GENERAL PHARMACEUTICAL SERVICES - PER AWP 10/11 PCT01	4,796,000	0	4,796,000	0	0	0	4,796,000
DRUG ACTION TEAMS ALLOCATIONS	2,859,000	113,000	2,972,000	0	0	0	2,972,000
CANCER DRUGS	-961,000	21,000	-940,000	0	0	0	-940,000
FREE SCHOOL FRUIT	-289,000	7,000	-282,000	0	0	0	-282,000
CHILDHOOD VACCINATIONS	64,000	-8,000	56,000	0	0	0	56,000
NHS LONDON IAT - PCT 2010/11 LEVIES	-336,000	-155,000	-491,000	0	0	0	-491,000
NHS LONDON IAT - LONDON NHS DIAGNOSTICS	0	0	0	0	-30,000	-30,000	-30,000
NHS LONDON IAT - 2% NON-RECURRENT HEADROOM	0	0	0	0	-11,748,000	-11,748,000	-11,748,000
CANCER DRUGS FUNDING	0	0	0	0	335,000	335,000	335,000
PMEDS: PERSONAL ADMIN COSTS FOR NON-DISPENSING	0	0	0	0	39,000	39,000	39,000
LOCAL PHARMACEUTICAL SERVICES	0	0	0	0	7,000	7,000	7,000
NCAT - NATIONAL LUNG CAMPAIGN (CE)	0	0	0	0	10,000	10,000	10,000
CANCER PROJECT FUNDING	0	0	0	0	750,000	750,000	750,000
FREEMAN PRACTICE TRANSFER TRANSITION	0	0	0	838,000	0	838,000	838,000
CANCER PROJECT FUNDING	0	0	0	0	750,000	750,000	750,000
WANDSWORTH PCT FREEMAN LAS TRANSFER	550,000	-13,000	537,000	0	0	0	537,000
WANDSWORTH PCT HIV/AIDS TRANSFER	-474,000	0	-474,000	0	0	0	-474,000
SWL SAFEGUARDING ADULT NETWORK	0	0	0	0	5,000	5,000	5,000
CLINICAL EXCELLENCE M1-M6 FOR EPSOM AND ST HELIER	0	0	0	0	107,000	107,000	107,000
CLINICAL EXCELLENCE M1-M6 FOR ROYAL MARSDEN	0	0	0	0	762,000	762,000	762,000
MENTAL CAPACITY ACT	0	0	0	0	69,000	69,000	69,000
<u>Confirmed</u>							
2012/13 NCSS TRANSFERS	-3,853,000	0	-3,853,000	0	0	0	-3,853,000
CANCER NETWORK SUPPORT 2010/11	253,000	0	253,000	0	0	0	253,000
2010/11 CHARGE EXEMPT OVERSEAS VISITORS	811,000	0	811,000	0	0	0	811,000
ST GEORGES 70% NON-ELECTIVE PERFORMANCE	-1,724,000	0	-1,724,000	0	0	0	-1,724,000
CURRENT CONFIRMED RESOURCE LIMIT	606,135,000	-35,000	606,100,000	4,699,000	-8,944,000	-4,245,000	601,855,000
<u>Un-Confirmed Adjustments</u>							
DENTAL VOCATIONAL TRAINEES	375,000	0	375,000	0	0	0	375,000
CLINICAL EXCELLENCE AWARDS	2,398,000	0	2,398,000	0	-869,000	-869,000	1,529,000
2011/12 SURPLUS	0	0	0	6,128,000	0	6,128,000	6,128,000
GP CONSOTIA FUNDING £2 PER HEAD	0	0	0	784,000	0	784,000	784,000
LATEST REVENUE RESOURCE LIMIT	608,908,000	-35,000	608,873,000	11,611,000	-9,813,000	1,798,000	610,671,000

Summary of QIPP Performance
Financial Year 2012/13: Month Ending July 2012 - Month 4

		RAG Rating	START	Net savings 12/13 £000s	Cost 12/13 £000s	Gross savings 12/13 £000s	YTD Plan £000s	YTD Achievement £000s	YTD Variance £000s
	DESCRIPTION								
PLANNED CARE	Pelvic Floor Clinic	G	Jun-12	104	-	104	36	12	(24)
	Activity Management	A	Apr-12	1,056	-	1,056	352	(151)	(503)
	Anticoag	G	Jun-12	150	-	150	30	(2)	(32)
	Urology	R	Oct-12	15	-	15	2	1	(1)
	Ophthalmology	R	Oct-12	25	-	25	4	2	(2)
	Community Planned Care	R	Oct-12	25	-	25	4	2	(2)
	InHealth Contract	G	Apr-12	TBC	-	750	252	113	(139)
	Specialist Commissioning	G	Apr-12	500	-	500	168	168	-
Hips and Knees Pathway	G	Apr-12	29	-	29	8	5	(3)	
PLANNED CARE TOTAL				1,904	-	2,654	856	150	(706)
URGENT CARE	Impact of PMS review (incorporated in QIPP)	R	Oct-12	1,500	-	1,500	-	-	-
	Urgent Care Centre - St Helier	A	Apr-12	1,425	-	1,425	476	177	(299)
	Urgent Care Centre - St Georges	A	Sep-12	350	-	350	70	-	(70)
	Rapid Response	R	Jul-12	865	-	865	288	222	(66)
	Reduction of #NOF	G	Apr-12	144	-	144	48	264	216
	Tele-Health	B	May-12	27	11	38	9	-	(9)
	ECCG	A	Jun-12	490	-	490	164	7	(157)
	Urgent Care at Home Service	A	Apr-12	490	-	490	164	65	(99)
URGENT CARE TOTAL			5,291	11	5,302	1,219	735	(484)	
LONG TERM CONDITIONS	Implementation of new Diabetes Service	G	Apr-12	70	296	366	120	23	(97)
	Reduction in stroke	G	Apr-12	43	183	226	76	199	123
	Improving management of LTCs	G	Apr-12	726	276	1,002	336	46	(290)
	Cancer Service Redesign	A	Apr-12	500	-	500	-	32	32
	Dementia	B	Apr-12	100	-	100	-	-	-
	Virtual Care Home	R	Oct-12	250	-	250	-	-	-
	Additional LTC (dependent on investment bid) non-investment Q1 LTC projects	G	Apr-12	65	-	-	-	190	190
LONG TERM CONDITIONS TOTAL			1,754	755	2,444	532	490	(42)	
END OF LIFE CARE	End of Life Care	G	Jun-12	304	320	624	208	262	54
	non-investnebt Q1 EoL	G	Apr-12	-	-	-	-	81	81
END OF LIFE CARE TOTAL			304	320	624	208	343	135	
COMMUNITY SUPPORT SERVICES	Continuing Care Placements	G	Apr-12	1,000	-	1,000	332	332	-
	Additional continuing care placements	G	May-12	-	-	-	-	-	-
COMMUNITY SUPPORT SERVICES TOTAL			1,000	-	1,000	332	332	-	
OTHER ACUTE EFFICIENCIES	Acute Trust KPIs/LCIs	A	Apr-12	1,591	-	1,591	532	589	57
	Acute challenges inc HCD, alternative therapy	G	Apr-12	530	-	530	176	-	(176)
	Getting Fit for Surgery	B	Apr-12	126	-	126	-	-	-
	Alternative Care Pathways (ACP's)	R	Apr-12	291	108	399	-	15	15
	Acute based Alcohol Care Teams	B	Apr-12	416	-	416	-	-	-
	Special Care Dental Service (SCDS) **Without	G	Apr-12	231	54	285	-	94	94
	Admissions Avoidance (Alcohol)	G	Jun-12	-	-	-	-	-	-
	Additional acute challenges inc HCD at SGH	G	May-12	-	-	-	-	-	-
	non-investment ACPs	G	Apr-12	-	-	-	-	36	36
	non investment SCDS	G	Apr-12	-	-	-	-	20	20
Acute CQIN 70% delivery	G	Jul-12	-	-	-	-	-	-	
OTHER ACUTE EFFICIENCIES TOTAL			3,185	162	3,347	708	754	46	
MENTAL HEALTH & LD	Mental Health	G	Apr-12	500	-	500	-	167	167
MENTAL HEALTH & LD TOTAL			500	-	500	-	167	167	
PREVENTION	Health Diversity Programme	G	Aug-12	50	12	62	-	-	-
PREVENTION TOTAL			50	12	62	-	-	-	
PRIMARY CARE	GP Discretionary Payments	G	Apr-12	15	-	15	-	5	5
	Tight contract management/adjustments, inc	G	Apr-12	200	-	200	-	67	67
	Cease paying superannuation 14% payment to	G	Apr-12	10	-	10	-	4	4
PRIMARY CARE TOTAL			225	-	225	-	76	76	
PRESCRIBING	Prescribing workstreams	G	May-12	1,000	-	1,000	273	569	296
PRESCRIBING TOTAL			1,000	-	1,000	273	569	296	
BACK OFFICE	Back Office / Estates / Other budget	G	Apr-12	3,145	-	3,145	1,048	1,048	-
	List cleansing	G	Apr-12	57	23	80	28	-	(28)
	Additional back office/ estates	G	Apr-12	-	-	-	-	-	-
BACK OFFICE TOTAL			3,202	23	3,225	1,076	1,048	(28)	
PROGRAMME TOTAL			18,415	1,283	20,383	5,204	4,664	(540)	

2011/2012 Capital Programme As At 31st August 2012

Annual Plan £'000	Description	YTD Budget £000	Total Expenditure £000	YTD Variance £000	Final Outturn £000	Forecast Variance £000
CAPITAL RESOURCES						
Anticipated Allocations						
(1,205)	Capital Funding Required				(1,205)	0
Anticipated Capital Appropriation In Aid						
5,400	Nelson Car Park				5,400	0
500	Homeland Drive				500	0
503	Carshalton War Memorial				503	0
1,597	Osborne House				1,597	0
6,795	Total				6,795	0
CAPITAL EXPENDITURE PROGRAMME						
Scheme No OPERATIONAL CAPITAL PROJECTS						
4,612	Nelson	533	533	0	4,612	0
599	Wilson	0	0	0	599	0
0	Jubilee	(706)	(706)	0	0	0
100	Health and Safety	0	0	0	100	0
250	Fire Safety Compliance	0	0	0	250	0
250	Other Statutory Compliance	0	0	0	250	0
300	Green Wrythe Lane- planning obligation	0	0	0	300	0
Rolling IT Programme						
250	Primary Care IT	26	26	0	250	0
154	Informatics Transition	0	0	0	154	0
40	IT Refresh	0	0	0	40	0
240	IT Switches Replacement	180	180	0	240	0
6,795	TOTAL CAPITAL EXPENDITURE	33	33	0	6,795	0
0	CAPITAL POSITION				0	0

Cashflow Analysis For The 12 Months To 31st March 2013

	Actual April-12 £000s	Actual May-12 £000s	Actual June-12 £000s	Actual July-12 £000s	Actual August-12 £000s	Estimate September-12 £000s	Estimate October-12 £000s	Estimate November-12 £000s	Estimate December-12 £000s	Estimate January-13 £000s	Estimate February-13 £000s	Estimate March-13 £000s	Estimate Annual £000s
Income													
Opening Balance	60	5,130	1,887	3,242	1,452	1,750	50	50	50	50	50	50	60
Income From Other Organisations	9,520	2,091	963	1,591	2,808	1,000	1,000	1,000	1,000	1,000	1,000	9,000	31,973
Monthly Drawings Including PPA	41,090	46,967	53,631	46,997	46,707	50,707	52,707	52,707	52,707	52,707	52,707	51,202	600,836
Total Income Available	50,670	54,188	56,481	51,830	50,967	53,457	53,757	53,757	53,757	53,757	53,757	60,252	632,869
Expenditure													
Monthly SLA Payments	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Other NHS Payments	445	6,669	5,739	5,441	4,495	7,050	6,250	6,250	6,250	6,250	6,250	10,295	71,384
Non-NHS Payments	4,158	4,415	4,945	4,415	4,445	6,200	6,500	6,500	6,500	6,500	6,500	9,000	70,078
Payroll	447	450	454	465	465	450	450	450	450	450	450	450	5,431
PCSS Cash	4,900	4,800	6,470	4,060	4,105	4,000	4,800	4,800	4,800	4,800	4,800	4,800	57,135
PDS Recharges	1,091	1,227	1,203	1,254	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	13,831
PPA Recharges	4,499	4,740	4,428	4,743	4,575	4,575	4,575	4,575	4,575	4,575	4,575	4,575	55,010
Total Expenditure	45,540	52,301	53,239	50,378	49,217	53,407	53,707	53,707	53,707	53,707	53,707	60,252	632,869
Monthly Closing Balance	5,130	1,887	3,242	1,452	1,750	50	50	50	50	50	50	0	0

CASH POSITION AS AT 31st AUGUST 2012	
	£000
Total Revenue Resource Limit	603,866
Total Capital Resource Limit	(1,205)
Total Resource	602,661
Other Anticipated Revenue Cash limit adjs.	(1,825)
Other Anticipated Capital Cash Limit adjs	0
Total Cash Limit as at 31 August 2012 for the year	600,836
Cash Budget as at 31 August 2012 (for the year to date)	250,348
Cash Actually Drawn as at 31 August 2012	235,392
Cash Drawn Variance as at 31 August 2012	14,956

**Balance Sheet
As at 31st August 2012**

	Balance Sheet As At 31st Aug 2012 £000s	Opening Balance Sheet 2012/13 £000s	Movement From Opening Balance Sheet £000s
Fixed Assets			
Property Plant & Equipment	45,187	47,535	(2,348)
Intangible Assets	366	366	0
Other Financial Assets	2	2	0
Trade and Other Receivables	7,658	408	7,250
	53,213	48,311	4,902
Current Assets			
Debtors	13,884	19,894	(6,010)
Cash at Bank and in hand	1,750	35	1,715
Non-Current Assets Held For Sale	8,000	8,000	0
	23,634	27,929	(4,295)
Total Assets	76,847	76,240	607
Current Liabilities			
Trade and Other Payables	(72,795)	(44,000)	(28,795)
Provisions	(606)	(606)	0
Borrowings	(177)	(169)	(8)
	(73,578)	(44,775)	(28,803)
Net Current Assets/(Liabilities)	(49,944)	(16,846)	(33,098)
Total Assets Less Current Liabilities	3,269	31,465	(28,196)
Non-Current Liabilities			
Trade And Other Payables	(2,192)	0	(2,192)
Provisions For Liabilities And Charges	(3,586)	(3,724)	138
Borrowings	(7,994)	(8,073)	79
	(13,772)	(11,797)	(1,975)
Assets Less Liabilities	(10,503)	19,668	(30,171)
Financed By:			
Taxpayers Equity			
General Fund	(36,578)	(6,854)	(29,724)
Revaluation Reserves	26,075	26,522	(447)
Total Taxpayers Equity	(10,503)	19,668	(30,171)