

**HEALTH OVERVIEW AND SCRUTINY PANEL
3 DECEMBER 2009**

**NHS BERKSHIRE EAST BUDGET
Assistant Chief Executive**

The Chairman of the Health Overview and Scrutiny Panel has invited Dawn Hines, Director of Finance and Performance, NHS Berkshire East (the PCT) to attend the Health Overview and Scrutiny Panel meeting to give an update on the PCT's budget and answer Members' questions, with particular reference to progress on the PCT's process to save 15-20% of costs in the annual budget over the next five years.

The Director of Finance and Performance has sent in the attached monitoring report on the PCT's budget.

Contact for further information

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BOARD: Meeting in Public

DATE: 26th November 2009

TITLE: 2009/10 Month 7 Finance Report

SUMMARY

The PCT is reporting a surplus of £537k for the first six months of the year. This represents an adverse variance of £201k from the financial plan although it is anticipated that the achievement of the year end target will still be met.

The report highlights a number of financial risks facing the PCT and outlines the actions being taken to address these risks in order that the PCT does achieve its financial targets for the 2009/10 financial year.

RECOMMENDED ACTION:

The Board are requested to:-

- note the financial position of the PCT including the financial risks included in Appendix 1 and
- note the approach being taken to utilise Programme Budgeting to inform the planning for future spending.

Originator	Dawn Hines, Director of Finance & Performance
Tabled By	Dawn Hines, Director of Finance & Performance
Directorate	Finance
Date	19 November 2009

SUPPORTING INFORMATION

Localities Affected

The report covers Berkshire East as a whole.

Relevant Guidance, Legislation and Policies

This is a standing item to ensure that the Board is kept fully informed of the PCTs financial position, as required by the PCTs Standing Orders.

Contribution to HealthCare Commission Standards

The report directly contributes to the Healthcare Standard relating to Governance.

Public & Stakeholder Involvement

Not applicable.

Financial Implications

This paper discusses the PCTs financial position and highlights the risks and opportunities to this position.

Diversity and Equality

There are no diversity and equality implications of this paper.

Background Papers

This is a standing item on the Board agenda. Further reports are made as required to Audit Committee and PEC. Discussions relating to the financial position will be held with Non Executive Directors via Audit Committee where there is no scheduled Board meeting.

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FINANCE REPORT

1. Introduction

- 1.1 The purpose of this paper is to outline to the Board the financial position of Berkshire East PCT for the first seven months of the financial year 2009/10.
- 1.2 The PCT is reporting a surplus of £537k for the first seven months of the financial year and is anticipating achieving a surplus of £1,265k at the year end. This represents a small adverse variance from the planned profile of PCT's financial plan which has been approved by SCSHA and Department of Health. However, the PCT remains confident that, if the risks are appropriately managed and there are no significant areas of unforeseen expenditure, the PCT will achieve its year end target of £1,265k surplus.

2 Executive Summary

- 2.1 The financial performance of the PCT is measured against four key financial targets and the current position and forecasted year end position of each of these is as follows:

	Target	M7 Position	Year End Forecast
Achieve financial balance	£1,265k	£537k	£1,265k
Operate within Cash Limit	£0	£7,747k	£0
Operate within Capital Plan	£0	£0	£0
Comply with BPPC - Value	95%	71.1%	95%
Comply with BPPC – Number	95%	77.3%	95%

- 2.2 The overall financial position of the PCT for the first seven months of the financial year is summarised in the following table.

Summary Financial Report 7 Periods to October 2009

* Contracts not yet agreed	Year to Date			Full Year		
	Budget £'000	Actual £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Revenue Resource Limit						
Revenue Resource Limit Brought Forward	318,371	318,371	0	547,142	547,142	0
Supplementary Allocations						
Anticipated Allocations						
Total Revenue Resource Limit	318,371	318,371	0	547,142	547,142	0
Commissioning Budgets						
Main Provider Trusts						
Heatherwood & Wexham Park Hospitals NHS Foundation Trust	87,208	87,208	(0)	149,500	149,500	0
Royal Berkshire NHS Foundation Trust *	8,864	9,344	(480)	15,196	16,189	(993)
Frimley Park Hospital NHS Foundation Trust	9,665	10,586	(921)	16,500	18,360	(1,860)
Ashford & St Peter's Hospitals NHS Trust	2,928	3,010	(82)	4,999	5,139	(140)
Buckinghamshire Hospitals NHS Trust	956	1,041	(85)	1,631	1,776	(145)
South Central Ambulance Service	6,032	6,032	(0)	10,340	10,340	0
Berkshire Healthcare NHS Foundation Trust	20,407	20,407	0	34,983	34,983	0
Sub-Total Main Provider Trusts	136,060	137,627	(1,568)	233,149	236,287	(3,138)
Other Provider Trusts	6,320	6,856	(536)	10,824	11,731	(907)
Specialist Commissioning Budgets	19,024	19,095	(71)	32,613	31,752	861
London Trusts	9,082	11,960	(2,879)	15,569	19,260	(3,691)
Commissioned from Berkshire East Community Health Service	24,166	24,066	100	41,427	41,327	100
Other Commissioning Budgets	19,104	18,273	831	32,654	32,088	565
Total Commissioning Budgets	213,756	217,878	(4,122)	366,235	372,444	(6,209)
Grants						
Continuing Care	12,072	12,650	(578)	20,695	21,940	(1,245)
LD Grants	6,127	6,127	0	10,503	10,503	0
All Other Grants	674	695	(21)	1,156	1,191	(36)
Total Grants	18,873	19,472	(598)	32,354	33,635	(1,281)
Primary Care						
GMS & PMS	30,003	29,450	552	51,088	50,908	180
Dental	7,199	7,320	(121)	13,229	13,229	(0)
Prescribing	32,073	32,480	(407)	55,203	56,157	(954)
Total Primary Care	69,275	69,250	24	119,520	120,294	(774)
PCT Corporate Costs	10,518	11,234	(717)	18,137	19,505	(1,367)
Reserves	2,997	0	2,997	5,834	0	5,834
Contingency	2,215	0	2,215	3,796	0	3,796
Total PCT Budgets	317,633	317,834	(201)	545,877	545,877	(0)
Surplus/(Deficit)	738	537	(201)	1,265	1,265	0

3 Commissioning Budgets and Activity

3.1 Commissioning Budgets

3.1.1 September activity and finance information has been received from all of the main provider trusts for which contracts are directly managed. The financial position for September has been arrived at by extrapolating this information in line with an agreed activity profile. The activity profile has been phased by working days for elective and outpatient activity, and by calendar days for non elective activity. Block contracts have been profiled by equal twelfths. Some of the recently reported activity received from trusts has yet to be verified by the PCT and may therefore be revised once this analysis and verification has been undertaken.

3.1.2 The commissioning budget portfolio is showing an overall overspend of £4,122k for the 7 months to October. The largest individual variance is Frimley Park which is overspent by £921k. The forecast outturn variance includes data challenges that the Trust is discussing with the PCT. Activity on this contract is discussed in more detail below. Other Trusts with significant adverse variances are Royal Berkshire £480k, Nuffield Orthopaedic £233k and Oxford Radcliffe £241k.

3.1.3 The Board will recall that the contract with Heatherwood and Wexham Park Hospitals NHS Foundation Trust, which is based on the 2009/10 National Contract terms from

1st September 2009, gives both organisations a significant degree of financial certainty for 2009/10 and removes the risks relating to activity for the PCT.

- 3.1.4 The PCT and Royal Berkshire Hospital have worked hard to reach agreement regarding the contract for 2009/10. It is anticipated that the contract will be signed this month. In the meantime, the PCT pays for activity undertaken via the 'Non Contract Activity' invoices and the value of these less data challenges has been reflected in the financial position.
- 3.1.5 South Central Ambulance Services (SCAS), who are not achieving their targets, have issued additional invoices for activity, delayed handover penalties and their non-conveyance incentive scheme. These additional charges are being contested vigorously by the PCT until SCAS can provide the basis for their additional charges and that the PCT agrees that no other parties are liable for these costs.
- 3.1.6 Information has been received from South Central Specialised Services Commissioning Group (SCSCG) for the period up to the end of September. An estimated £71k over spend is being reported for the year to date with a forecast of £861k under spend. Data challenges have been raised on 4 months data and have yet to be reflected in the forecasts.
- 3.1.7 Commissioning responsibilities for the London trusts were also transferred to SCSCG and are being managed by United Health UK from 1st April. It is being reported that the PCT (which is the largest user of London Trusts in South Central) is overspent by £2,879k to date with a forecast of £3,691k over at the year end. This represents a significant change in the position of the PCT and has increased the financial risk of this area considerably. In previous months the figures were split on a weighted capitation basis. A service split analysis between specialised and non specialised has now been done and more robust risk sharing principles have been applied. The main pressures reported across the London contacts are critical care, paediatric critical care, cardiac and non PbR activity in cardiothoracic and paediatric cardiology.
- 3.1.8 The SCG has a savings target of £10m across the Group of which £7m will be going back to the SHA and £3m is available for re-investment. The original £3m has been delivered and is now included in individual PCT positions. A further £3.3 m is assessed as deliverable and £3.7m is assessed as non deliverable in this financial year.

3.2 Activity

- 3.2.1 Tables 1 and 2 below, provide a summary of activity and finance by main provider and by point of delivery (POD). This information is provided by trusts and is received approximately one month in arrears. Due to this timing difference these tables will not reconcile back to the main Summary Financial Report above but represent the most up to date information available on activity.

Month 06 YTD

Table 1 - SLAM Analysis by main provider for the year to September 2009

Provider	Annual Budget	YTD Budget	YTD Variance	FOT Variance
Heatherwood & Wexham Park NHS Foundation Trust	149,500,000	74,750,000	0	0
Frimley Park NHS Foundation Trust	16,500,000	8,248,933	(790,000)	(1,860,000)
Ashford & St Peters Hospitals NHS Trust	4,999,367	2,498,570	(70,124)	(140,017)
Royal Surrey County Hospital	1,389,533	692,686	(68,515)	(137,073)
Nuffield Orthopaedic Centre NHS Trust	1,044,215	520,228	(198,749)	(398,859)
Total	173,433,115	86,710,417	(1,127,388)	(2,535,949)

3.2.2 There is a significant financial risk with Frimley Park's over performance which is causing considerable concern. Work continues by the Practice Based Commissioning team and GP Commissioners to fully understand the reasons for this and an agreed action plan has been agreed.

3.2.3 Details of the overall activity levels for providers excluding HWWP are shown in Table 2 and discussed briefly below:

Month 06YTD

Table 2 - SLAM Analysis by POD by main provider excluding Heatherwood & Wexham Park for the year to September 2009

Area	YTD Activity			YTD Costs		
	Plan	Actual	Variance	Plan	Actual	Variance
Accident & Emergency	6,568	7,692	(1,124)	631,304	745,626	(114,322)
Elective	377	455	(78)	1,128,516	1,395,237	(266,721)
Planned same day	1,318	1,523	(205)	1,104,073	1,316,561	(212,488)
Non Elective	2,297	2,709	(412)	4,774,769	5,604,057	(829,288)
Outpatient New Attendance	5,644	6,791	(1,147)	966,896	1,172,995	(206,099)
Outpatient Follow Up Attendance	13,095	14,204	(1,109)	1,195,571	1,273,005	(77,434)
Outpatient procedures	768	967	(199)	191,788	236,326	(44,538)
Critical care	260	350	(90)	394,552	589,999	(195,447)
Other				1,572,948	753,999	818,949
Total				11,960,417	13,087,805	(1,127,388)

Accident & Emergency

Frimley Park continues to report over activity with an adverse variance of £103k as a result of 1,087 (24%) attendances in excess of the plan. Part of this increase in activity is attributable to the reconfiguration of Heatherwood Hospital and the closure of the Medical Assessment Unit (MAU) that has resulted in a diversion of activity to Frimley Park.

Elective

Frimley Park is reporting over activity of 81 spells and an adverse variance of £228k. £83k of this variance is attributable to cardiology and £70k to trauma and orthopaedics. Nuffield Orthopaedic Centre is also reporting an adverse variance on elective activity of £73k.

Planned Same Day

Frimley Park is reporting over activity of 167 spells, an adverse variance of £195k on planned same day activity, of which £88k is trauma and orthopaedics and £34k ophthalmology. Royal Surrey County is £24k over plan and Ashford is £22k under plan.

Non-Elective

Frimley Park continues to report over activity of 356 spells, an adverse variance of £761k at month 6. Adverse variances are spread over a number of specialties, notably cardiology (£145k), general medicine (£97k), general surgery (£179k), obstetrics (£160k) and orthopaedics (£90k). Part of this increase in activity at Frimley Park is thought to be due to the closure of the MAU at Heatherwood Hospital.

Outpatients

Outpatient activity continues to exceed plan at Frimley Park. First attendances are £165k over plan, £41k of which is trauma and orthopaedics, and follow up attendances are £61k over.

Critical Care

There has been an increase in critical care at Frimley Park in month 6. Activity has increased from 243 bed days at month 5 to 290 at month 6. This has resulted in an over spend of £189k.

3.3 Other Commissioning Budgets

- 3.3. There has been considerable movement on the summary line of 'Other Commissioning budgets' which is now reporting an underspend of £800k to date. Whilst there are a number of budgets incorporated in this line, the most significant change is as a result of work by budget managers to evaluate their expenditure after the first half of the year and re-assess expected spend.

4 Other Budgetary areas

- 4.1 There are a number of over spends being reported in other areas, most notably on Continuing Care, Prescribing and Corporate costs. A separate report on Continuing Care is included elsewhere on the Board agenda.
- 4.2 Within the Prescribing budget there are a number of areas, in addition to GP prescribed drugs, that are overspending and these include Dressings and Dispensing fees. An action plan has been agreed to address the drugs expenditure budget and attention is now being addressed to these other areas to ensure that these costs are also controlled appropriately.
- 4.3 There are a number of reasons for the increase in corporate costs. These include the costs of interim staff that are currently being incurred, the significant costs of H1N1 which are likely to exceed £500k this year and were not foreseen in the financial plan and some newly emerged risks against the planned income of the PCT from use of its sites which are under review.

5 Risks and Opportunities

- 5.1 The key risks and opportunities and whether these risks or opportunities have been included in the forecast outturn have been reflected in Appendix 1.
- 5.2 The key risks facing the PCT at this stage of the year continue to relate to Secondary Care and most significantly to the increases in activity being seen at Frimley Park. The Practice based Commissioning team are actively working on seeking ways to reduce this activity and costs.
- 5.3 The PCT is also conscious that the transfer of the contract management for London Trusts to the Specialist Commissioning Group has meant that SCG is now responsible for a portfolio of over £50m on behalf of the PCT. The PCT continues to work hard to ensure that it engages at all levels with SCG to gain assurance of the steps being taken to validate and control the expenditure in these areas.
- 5.4 Other risks include costs in prescribing as highlighted above, a potential shortfall in rental income and a less significant risk associated with the increased Dental funding received in 2009/10.
- 5.5 The risks associated with the Demand Management and Cost Improvement Programme have reduced but discussed in paragraph 11 below.

6 Reserves

- 6.1 The centrally held contingency fund has been phased into the financial position in full, given the scale of the year end forecasts. Managers continue to be encouraged to

realistically review these forecasts and are working closely with all staff to understand the causes of these in order that actions can be taken as necessary.

7 Revenue Resource Limit

7.1 The allocations for October 2009 are shown below:

Movement of Allocations 2009-10

	Oct-09 £000
2009-10 Revenue Resource Limit Brought Forward	546,059
Notified RLAs/IATs	
Allocation for Pandemic Flu Preparedness - BE PCT	36
Allocation for Pandemic Flu Preparedness - HWWP	31
IT for GP Led health Centres	10
Return of impairment funding (£26k greater than planned)	-26
Dental access funding	887
2008/09 final MFF	-194
	744
Anticipated RLAs	
	0
System & investment reform fund (SIRF)	
Return of unused element of COM Funding	339
	339
Total Anticipated Revenue Resource Limit 2009-10	547,142

8 Capital

8.1 The PCT has now received formal confirmation of its capital budget of £5,565k as shown below, of which £2,784k is anticipated to be funded from capital income. We have received an additional £1,180k capital funding for the Primary Care Strategy which will provide additional accommodation for the trainee GPs. Expenditure in this area is proving difficult due to the tight restrictions placed on this funding but every effort is being made to ensure maximum use is made of this funding locally.

8.2 In addition there are now considerable risks associated with the planned capital income from the sale of two assets and work is underway to assess whether it is appropriate to sell these in the current economic climate. As mitigation against this, capital expenditure has been slowed to ensure that the PCT can still meet its Capital Resource Limit target. Further details of this will be provided next month once this work has been completed.

Capital Plan 2009-10

Source of Funding	Approved 2009-10	YTD Spend Oct-09	Year-End Forecast Mar-10
	£'000	£'000	£'000
Original Capital Allocation	2,781		2,781
Capital Sales:	2,784		2,784
Additional Capital - GP Training Practices	1,180		1,180
Total capital available	6,745	0	6,745

Application of Funding	Approved 2009-10	YTD Spend Aug-09	Year-End Forecast Mar-10
	£'000	£'000	£'000
CHS Capital plan	510	-	510
IT (from Performance & Resilience Review)	776	128	776
Other IT Projects	849	363	849
Estates maintenance	1,370	399	1,370
SOC Right Care Right Place	1,000	56	1,000
Holyport Manor redevelopment (Capital to Revenue Grant)	203	-	203
Dental Modernisation & GP Premises (Capital to Revenue)	857		857
GP Training Practices (Capital to Revenue grant)	1,180		1,180
Total capital expenditure	6,745	947	6,745

Over/Under CRL	0
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9 Balance Sheet

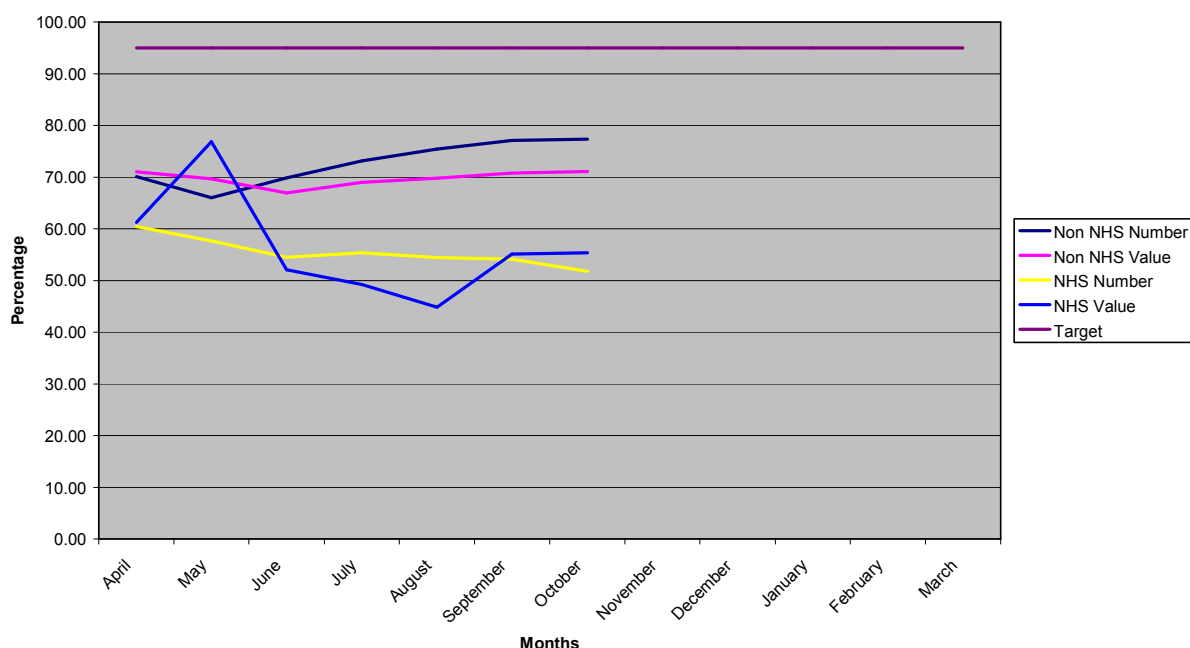
- 9.1 The balance sheet for Berkshire East PCT as at 31 October 2009 shows a movement in the cash due to a number of high value invoices not being processed in the month this has led to an increase in the NHS creditors showing at the end of the period.

10 Better Payment Practice Code (BPPC)

- 10.1 NHS organisations have to apply the BPPC and achieve a public sector payment standard of paying at least 95% of un-disputed invoices within 30 days (or the agreed payment terms if different) of receipt of the invoice.

The graph below shows the upward trend in the BPPC cumulative performance for April to October for the PCT.

Better Payment Practice Code (BPPC) 2009-10



- 10.2 The cumulative BPPC that the PCT has achieved for the period April to October is 71.07% by value and 77.34% by number, against the 95% Better Payments Practice Code (BPPC) for non-NHS invoices for the year to date, which is a slight improvement over the previous months figures.
- 10.3 The BPPC for NHS invoices shows the position has improved to 55.34% by value and has slightly deteriorated to 51.76% by number but this is largely due to the need to appropriately validate the activity reflected in these invoices.
- 10.4 The table below shows the actual monthly performance for September and October 2009 with the % movement between the two months. It should be noted that there has been a deterioration in the monthly figures for both Non NHS and NHS invoices by value and by number of invoices processed meeting the target.

Better Payment Practice Code - Monthly Performance

	Non NHS			NHS		
	Sep-09	Oct-09	Movement	Sep-09	Oct-09	Movement
Number	86.6%	78.9%	-7.7%	52.0%	41.3%	-10.7%
Value	77.3%	72.9%	-4.5%	74.7%	60.3%	-14.4%

- 10.5 This target continues to be actively monitored through regular meetings between Finance staff, budget managers and BSS, and this approach is proving successful to date at highlighting issues and finding solutions.

11 Demand Management and Cost Improvement Programme

- 11.1 Appendix 3 shows an abbreviated version of the most recent detailed Demand Management and Cost Improvement report that is submitted twice a month to the SHA.
- 11.2 This report shows that the majority of schemes have been assessed as on target to deliver the agreed levels of savings in 2009/10. The nature of the contract with HWP has reduced the financial risk facing the PCT relating to these savings but it remains vital that action is taken to ensure demand for services is at an appropriate level in future years

- 11.3 All savings have now been identified through input from all directorates and these additional schemes are now also being monitored.
- 11.4 An additional risk emerged earlier in the year relating to the diversion of staff to assist with the H1N1 outbreak which has meant that the schemes relating to prescribing in particular, were being compromised due to lack of staff availability. Additional temporary resources are helping to reduce this risk.
- 11.5 The issues associated with Continuing Healthcare and how the increased costs relate to the reported achievement of the savings plan remain outstanding.

12 Programme Budgeting

12.1 Each year, the PCT is required to analyse its expenditure into 23 programmes of care based on medical conditions and linked to the International classification of diseases (ICD 10), some of which have sub categories. The aim of this is to gain a better understanding of where our money is being invested, so to ensure investment is aligned with the needs of Berkshire East's population. This should also enable the PCT to focus work on areas where we could potentially change the way in which we commission services in the future to provide better value for money.

12.2 The 2008/09 return has been compared with the other commissioners in South Central. Our expenditure on each programme in 2008-09 compared to 2007-08, plus the spend on each category as a proportion of the total compared to the SHA average is shown in Table 1.

Programme Budget Categories	SUB CODE	2008-09 Gross Spend £000s	2007-08 Gross Spend £000s	% change in spend	2008-09 % of total spend	2008-09 SHA Average (draft)	Difference
Infectious Diseases	1	7,081	7,063	0.25%	1.32%	1.08%	0.24%
Cancers & Tumours	2	24,263	28,601	-15.17%	4.79%	5.54%	-0.76%
Blood Disorders	3	6,345	6,372	-0.42%	1.06%	1.27%	-0.21%
Endocrine, Nutritional and Metabolic Problems	4	14,716	14,373	2.39%	2.85%	2.51%	0.34%
Mental Health Problems	5	65,211	60,168	8.38%	12.94%	11.68%	1.26%
Learning Disability Problems	6	25,298	23,220	8.95%	4.78%	3.88%	0.91%
Neurological	7	25,160	18,138	38.71%	4.99%	4.45%	0.54%
Eye/Vision Problems	8	9,528	9,651	-1.27%	1.40%	2.10%	-0.70%
Hearing Problems	9	3,309	2,825	17.13%	0.51%	0.47%	0.04%
Circulation Problems (CHD)	10	38,879	44,353	-12.34%	7.51%	7.89%	-0.38%
Respiratory System Problems	11	20,709	21,082	-1.77%	4.11%	4.68%	-0.57%
Dental Problems	12	21,203	18,936	11.97%	3.86%	4.02%	-0.15%
Gastro Intestinal System Problems	13	23,891	23,913	-0.09%	4.74%	4.61%	0.13%
Skin Problems	14	10,717	8,858	20.99%	2.75%	2.10%	0.65%
Musculo Skeletal System Problems (excl trauma)	15	23,839	23,004	3.63%	4.70%	5.65%	-0.95%
Trauma & Injuries (includes burns)	16	19,343	18,441	4.89%	3.84%	4.14%	-0.30%
Genito Urinary System Disorders (excl infertility)	17	29,564	23,572	25.42%	5.77%	5.15%	0.62%
Maternity & Reproductive Health	18	23,597	23,624	-0.11%	4.15%	3.56%	0.59%
Neonate Conditions	19	6,966	4,584	51.96%	1.86%	1.39%	0.47%
Adverse effects of poisoning (AEoP)	20	4,933	6,051	-18.48%	0.98%	1.15%	-0.17%
Healthy Individuals	21	7,808	8,534	-8.51%	1.52%	2.00%	-0.48%
Social Care Needs	22	9,139	12,004	-23.87%	1.79%	2.57%	-0.78%
Other	23	89,213	73,189	21.89%	17.79%	18.12%	-0.33%
Grand Total	24	510,712	480,556		100.00%	100.00%	

Table 1: BEPCT programme budgets per category for 2008-09 & 2007-08 and percentage of total spend compared to SHA average.

12.3 As part of the WCC framework, Competency 6 sections B and C require the use of programme budgets to inform strategic investment and disinvestment decisions, with progression to demonstrating use of a whole systems approach to investment and disinvestment. This programme budgeting information will therefore be used to inform commissioning decisions for future planning which in turn will help in achieving improved decision making processes.

13 Conclusion

13.1 The overall financial position of the PCT shows that the PCT is reporting a surplus of £521k for the first seven months of the financial year and anticipates the PCT will achieve its budgeted surplus of £1,265k. However it should be noted that there remain a significant number of risks relating to the achievement of this target and will need to be closely monitored over the coming months.

Dawn Hines
Director of Finance & Performance
18 November 2009

Financial Risk and Opportunity Schedule October 2009

Description of Risk/Opportunity	Risk (✓)	Opportunity (✓)	Risk Rating (R/A/G)	Risk/Opportunity allowed for in Forecasts (✓ = in forecast)	Residual financial risk/opportunity (✓ = not in forecast)	Lead	Actions being taken to mitigate risks	Progress / Completion
Risks								
Acute Provider Over-performance	✓		A	✓	✓	DC	Ensure data received asap and performance monitored closely and meetings to discuss any over performance trends.	Meetings with Trusts taking place on a regular basis.
Specialist Transfer of London Trusts to Specialist Commissioners	✓		A		✓	DC	Review and clarify position with Specialist Commissioner in order to ascertain performance to date and forecast outturn.	
Failure to achieve Demand Mangement and Cost Improvement Programmes targets as set out in the Financial Plan.	✓		A		✓	DoF	Review and clarify position. Prepare and present report to Performance Group with options to manage risk.	Work ongoing to clarify position over various projects. Report being prepared.
Costs associated with H1N1 virus	✓		R		✓	DPH	Ensure costs are kept to reasonable level and that local measures are replaced by national ones when available	Being monitored
Requirement to return part of the Dental Allocation if we fail to meet our dental UDA targets	✓		R		✓	DC	Ensure that the required dental UDAs are met.	Being monitored
Opportunities								
Contract validation		✓	A		✓	DC	Continued development of Contractual scrutiny to identify new areas of challenges through PbC localities intelligence	
Investment slippage		✓	A		✓	DoF	Implementation of Commissioning Priorities may take longer than expected leading to slippage on levels of investment.	

Balance sheet as at 31 October 2009

	Opening Balances 01/04/2009 £000	Closing Balances 31/08/2009 £000	Movement in Balances £000
FIXED ASSETS			
Intangible assets	35	27	(8)
Tangible assets	60,784	60,092	(692)
	60,819	60,119	(700)
CURRENT ASSETS			
Stocks and work in progress	146	146	0
NHS Debtors	7,612	8,199	587
Other Debtors	2,877	2,777	(100)
Cash at bank and in hand	0	7,747	7,747
TOTAL CURRENT ASSETS	10,635	18,869	8,234
CREDITORS : Amounts falling due within one year NHS	(4,236)	(14,975)	(10,739)
CREDITORS : Amounts falling due within one year Other	(27,912)	(28,424)	(512)
NET CURRENT ASSETS / (LIABILITIES)	(21,513)	(24,530)	(3,017)
TOTAL ASSETS LESS CURRENT LIABILITIES	39,306	35,589	(3,717)
CREDITORS: Amounts falling due after more than one year	0	0	0
Provision for Liabilities and Charges	(893)	(836)	57
TOTAL ASSETS EMPLOYED	38,413	34,753	(3,660)
FINANCED BY:			
TAXPAYERS EQUITY			
General Fund	25,423	21,762	(3,661)
Revaluation reserve	12,923	12,925	2
Donated asset reserve	67	66	(1)
TOTAL CAPITAL AND RESERVES	38,413	34,753	(3,660)

APPENDIX 3

FY 09/10 DEMAND MANAGEMENT & CIP BI-MONTHLY REPORTING TEMPLATE											Date		Responsible officer		
Organisation: Berkshire East PCT											6th October 2009		Jane Batty		
Project/workstream specific questions															
Project/Workstream Title & Brief Description (categorised by workstream type)	Lead Director	Project Manager	FY09/10 Saving (original estimate) £'000	Nature of Saving (Recurrent / non-recurrent)	YTD Planned Saving (£'000)	YTD Saving (£'000) for:	Variance from plan (£'000)	Revised forecast out-turn (£'000)	Variance from initial savings target (£'000)	Performance to date against milestones?	Performance Indicators				Other comments (insert details or explanations for any large variances or other issues that have arisen)
						September					Are there any significant risks or	Stakeholder	Resource	Other	
Demand Management															
Right Care Right Place	Paula Head	Alan Kennedy	1,062	Recurrent	-	-	-	-	1,062		R/A/G				This programme of work is in process of being redefined / detailed as new projects to include: Rapid Response, Urgent Care, End of Life Care, A & E avoidance. See new projects
Practice based commissioning scheme Heart Failure	Viki Wadd	Sangeeta Saran	510	Recurrent	246	246	-	615	105	g	g	g	g	Risks now green as 49/53 GP surgeries to use new process. Some actual data collection issues. Covered by Contract Agreement therefore assumed in line with financial plan. We are using HF as a testpiece to establish 'best' method for measuring activity levels	
Practice based commissioning scheme Oral Surgery	Viki Wadd	Sangeeta Saran	65	Recurrent	-	-	-	60	5	g	g	g	g	Phasing adjusted due to tendering process timing. Letters have now been issued to successful bidders and looking to start mid Novembr. 4th Nov will be an Open Event to roll out pathway.	
Practice based commissioning scheme Direct Access Hernia	Viki Wadd	Sangeeta Saran	28	Recurrent	10	10	-	21	7	A	r	g	A	Likely to be impacted by anticipated telephone based consultant charges (£35k). Savings now unlikely. This project may be discontinued.	
Practice based commissioning scheme Urology LUTS	Viki Wadd	Sangeeta Saran	27	Recurrent	14	14	-	28	1	g	g	g	g	Covered by Contract Agreement. Savings assumed in line with plan	
Practice based commissioning scheme Pilot Urology PSA	Viki Wadd	Sangeeta Saran	15	Recurrent	7	7	-	15	-	g	a	g	g	Covered by Contract Agreement. Savings assumed in line with plan. Patient rate of return to GP poss. Issue	
Practice based commissioning scheme ENT Community Services	Viki Wadd	Sangeeta Saran	228	Recurrent	142	142	-	286	58	g	g	g	g	Covered by Contract Agreement. Savings assumed in line with plan. Established scheme assumed in line with plan.	
Practice based commissioning scheme Plastics Minor Surgery	Viki Wadd	Sangeeta Saran	225	Recurrent	6	6	-	13	212	A	g	g	g	Reduced forecast in Primary followed Clinical Governance issue. A new pathway has been issued and will impact on volumes presenting at Acute. Looking at rescoping the savings.	
Practice based commissioning scheme Ophthalmology	Viki Wadd	Sangeeta Saran	160	Recurrent	175	175	-	377	217	g	g	g	g	Established scheme. Assumed in line with plan.	
Obesity initiative - savings on gastric bands	Angela Snowling	Angela Snowling	90	Recurrent	30	-	-	30	90	-	R	R	R	R	This was part of an 'invest to save' project. Expected to discontinue. Savings sought within Public Health
Obesity initiative - savings on prescriptions in primary care	Angela Snowling	Shairoz Claridge	103	Recurrent	31	-	-	31	103	-	r	R	R	R	This was part of an 'invest to save' project. Expected to discontinue. Savings sought within Public Health
Cardiology savings (smoking cessation)	Paula Head	Trevor Keable	46	Recurrent	16	8	-	8	46	-	R	A	a	R	The lag indicator is not going to be sufficiently tied to the Smoking Cessation initiative to come through as a clear savings. Decision as to route required. New research findings from Smoking bans in Public places (18% reduction in AMI) noted.
C2C referrals reduction via GPs	Paula Head	Sangeeta Saran	500	Recurrent	206	206	-	412	88	A	A	g	g	Financials are agreed (Contract Agreement) and a LES is in place (not included in original budget). Operational detail to be agreed before RAG changes on milestones. 'Actual' equal forecast value. C2C referrals not accepted with exception of urgent orthopaedics, oncology and cardiology assessment.	
Treatments of low efficacy	Paula Head	Eleanor Mitchell	50	Recurrent	11	-	-	11	50	-	G	g	G	g	Resource was diverted due to Swine Flu pandemic, now resolved but focusing on PbR immediately.
CATs pilot	Paula Head	Mike Jensen	64	Recurrent	-	-	-	64	-	g	g	g	g	This Musculo-skeletal CATS pilot due to be in place by Q3. Full roll out would equate to £450k+. In process of checking against HWW Contract Agreement	
Review of discretionary payments	Dawn Hines	David Chandler	442	Recurrent	220	220	-	442	-	g	g	g	g	Managed budget reduction. Actual for period equals budget reduction	
CHC re-assessment	Paula Head	Trevor Keable	1,218	Recurrent	513	561	-	48	1,128	90	g	g	g	g	Revised FOT adjusts for transposition of figures in original plan. Transfers already identified in Mar 09 were £247k;
High cost/low vol nursing packages	Paula Head	Trevor Keable	952	Recurrent	362	362	-	952	-	g	g	G	g	Politically difficult to maximise potential. Reviews in Appeal now 26k; expected deaths included. Unexpected LTC deaths and Clients in Appeal omitted.	
PbR Exclusions (High Drug Cost Treatments)	Paula Head	Eleanor Mitchell		Recurrent	75	75	-	300	300	G	g	G	g	Following slippage, attention has now been focused. Significant challenges have been raised. Expected to come back on track now very quickly.	
Rapid Response	Paula Head	Jo Hawthorne		Non-recurrent	-	-	-	253	253	A	R	R	R	Implementation is being brought fwd from Jan 10 to Sept 09 in the Slough area as a pilot. This will give early evidence of benefits levels	
End of Life Care	Paula Head	Carolyne McFinlay		Non-recurrent	-	-	-	253	253	A	A	a	A	Has become part of an Integrated Care Review, and so the details of the specification are in revision. Community Matrons in Slough handling short term provision wef. Sept 09.KPI's need to be agreed. Project Lead needs be appointed.LES needs to be agreed and signed off and go to Clinical Executive.Commissioning plan and service spec needs to be reviewed and updated. Market strategy and commissioning approach needs to agreed.	
Minor Injuries Unit	Paula Head	Alan Kennedy		Non-recurrent	-	-	-	253	253			R	R	Several strands. GP in A&E to be assessed. Slough pilot to report and St. Marks MIU pilot. Awaiting review to Board (Autumn 09) PIKlot extended to Christmas 2009	
A & E Avoidance	Paula Head	Kevin Pritchard		Non-recurrent	-	-	-	253	253			R	R	Preferred partner and MOU in place.(Apl 09) for BHSpace; Changes to HWWT contract may have significant impact (GP in A&E).	
Maternity Ratio (from 1:8 to 1:6)	Paula Head	Kevin Pritchard		Recurrent	82	82	-	268	268	G	G	G	G	Part of Contract agreement. FYE 268k. Started July 09	
Discretionary Payments (2)	Dawn Hines	Simon McGrath		Non-recurrent	150	150	-	150	150	G	G	G	G	Removed from budget. Actual for periods equals budget reduction	
Unidentified Demand Management savings															
Total Demand Management Target					6,598	DM Total:	2,296	2,264	-	32	6,432	647			

FY 09/10 DEMAND MANAGEMENT & CIP BI-MONTHLY REPORTING TEMPLATE

Organisation:										Date	Responsible officer					
Berkshire East PCT										6th October 2009	Jane Batty					
Project/workstream specific questions																
Project/Workstream Title & Brief Description (categorised by workstream type)	Lead Director	Project Manager	FY09/10 Saving (original estimate) £'000	Nature of Saving (Recurrent / non-recurrent)	YTD Planned Saving (£'000)	YTD Saving (£'000) for:	Variance from plan (£'000)	Revised forecast out-turn (£'000)	Variance from initial savings target (£'000)	Performance to date against milestones?	Are there any significant risks or issues identified?			Performance Indicators		
						September					Stake- holder	Resource	Other	Other comments		
															(insert details or explanations for any large variances or other issues that have arisen)	
CIPs																
Budget adjusted for removal of vacancies	Nancy Barber	Julie Hill	1,180	Recurrent	-		-	-	1,180	g	g	g	g	Actual for period equals budget reduction.		
Workforce - Clinical	Nancy Barber	Julie Hill		Recurrent	414	414	-	855	855	g	g	g	g	Actual for period equals budget reduction.		
Workforce - non clinical (excl Back Office+)	Nancy Barber	Julie Hill		Recurrent	75	75	-	175	175	g	g	g	g	Actual for period equals budget reduction.		
Workforce - Back Office	Nancy Barber	Julie Hill		Recurrent	50	50	-	125	125	g	g	g	g	Actual for period equals budget reduction.		
Non Pay Savings	Nancy Barber	Julie Hill		Recurrent	50	50	-	125	125	g	g	g	g	Actual for period equals budget reduction.		
Corporate Cost Savings (1) -	Dawn Hines	Simon McGrath		Recurrent	-		-	19	19	g	g	g	g	Actual for period equals budget reduction.		
Corporate Cost Savings (2) -	Dawn Hines	Simon McGrath		Recurrent	-		-	42	42	g	g	g	g	Actual for period equals budget reduction.		
Unidentified CIPs savings																
Total CIPs Target				CIP Total:												

Agreed to financial plan (Resources & Apps, subcode 100)