

Finance Report

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| Agenda Item 14, Paper 10 | |
| Author: | Dan Brown, Head of Finance |
| Executive Lead: | Matthew Knight, Chief Finance Officer |
| Relevant Committees or forums that have already reviewed this paper: | Finance & Performance Committee |
| Action required: | For decision |
| Attached: | Month 3 Finance Report |
| CCG Strategic objectives relevant to this paper: | Strategy implementation Organisational development Financial balance Core business: relevant to all / most objectives |
| Risk | Significant risks on risk register re financial balance, QIPP and control of acute spend |
| Compliance observations: | Finance: Subject of report |
| | Engagement : No specific issues |
| | Quality impact: The potential impact on service quality is assessed where significant changes are made to commissioned services or the commissioning / decommissioning of services. |
| | Equality impact: The potential impact on protected groups under equality and diversity legislation (and the CCG's own policies) is assessed where significant changes are made to commissioned services or the commissioning / decommissioning of services. |
| | Privacy impact: No specific issues |

Legal: The CCG is under a statutory duty to break even.

EXECUTIVE SUMMARY

The purpose of this report is to summarise the CCG's financial position and to forecast the expected year end position; it also describes capital and revenue operational matters and seeks to identify financial risks and their mitigation.

Key points are covered in the paper.

Date of paper

22nd July 2016

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Surrey Downs CCG: Finance and Activity Report

2016/17 M3

1. Purpose

The purpose of this report is to:

- Present and provide commentary on the financial performance (Outturn) at Month 3 ([section 2](#)).
- Update on acute referral activity ([section 3](#)).
- Update on the current forecast and budget position ([section 4](#)).
- Report of the achievement of QIPP at Month 3 ([section 5](#)).
- Report on the risks and mitigations ([section 6](#)).
- Report and update on finance operations ([section 7](#)).

2. Outturn

| £M | YTD | | | FULL YEAR | | |
|--|-------------|-------------|------------|--------------|--------------|------------|
| | Act | Bud | Var | FOT | BUD | Var |
| Acute (incl SRG) | 52.6 | 52.4 | -0.2 | 209.5 | 209.5 | 0.0 |
| Mental Health | 6.3 | 6.4 | 0.1 | 25.7 | 25.7 | 0.0 |
| Community | 6.9 | 7.0 | 0.1 | 28.0 | 28.0 | 0.0 |
| CHC | 5.3 | 5.3 | 0.0 | 21.1 | 21.1 | 0.0 |
| Primary Care | 11.7 | 11.7 | 0.0 | 46.8 | 46.8 | 0.0 |
| Other | 3.5 | 3.5 | 0.0 | 13.9 | 13.9 | 0.0 |
| Corporate | 1.8 | 1.8 | 0.0 | 6.4 | 6.4 | 0.0 |
| Reserves (A) | 2.9 | 2.9 | 0.0 | 12.1 | 12.1 | 0.0 |
| TOTAL | 91.0 | 91.0 | 0.0 | 363.4 | 363.4 | 0.0 |
| Allocation (B) | -81.6 | -81.6 | 0.0 | 326.1 | 326.1 | 0.0 |
| In year Surplus / (Deficit) (B) | -2.2 | -2.2 | 0.0 | -8.7 | -8.7 | 0.0 |
| Cumulative surplus (Deficit) | -9.4 | -9.4 | 0.0 | -37.3 | -37.3 | 0.0 |

(A) Reserves include £1.6m contingency, £6.8m investment money, and £3.5m uncommitted reserves (1% of RRA) which the CCG is required to budget for as part of the 2016/17 business rules. Investments principally comprise of £3.0m ESH investment, £1.7m CMT/CMSP at East Elmbridge and Dorking, £1m of service reprovion costs.

(B) Allocation is actual allocation (i.e. with historic deficit removed). An 'in-year' only surplus / deficit is presented (i.e. with the allocation historic deficit adjustment removed).

2.1 Outturn

The CCG reported a cumulative deficit of £9.4m in M3, which is as per budget.

2.2 Acute Outturn M3

2.2.1 SLAM Data at M3

The M3 SLAM position was reviewed (M2 activity data extrapolated for M3). The CSU reported that:

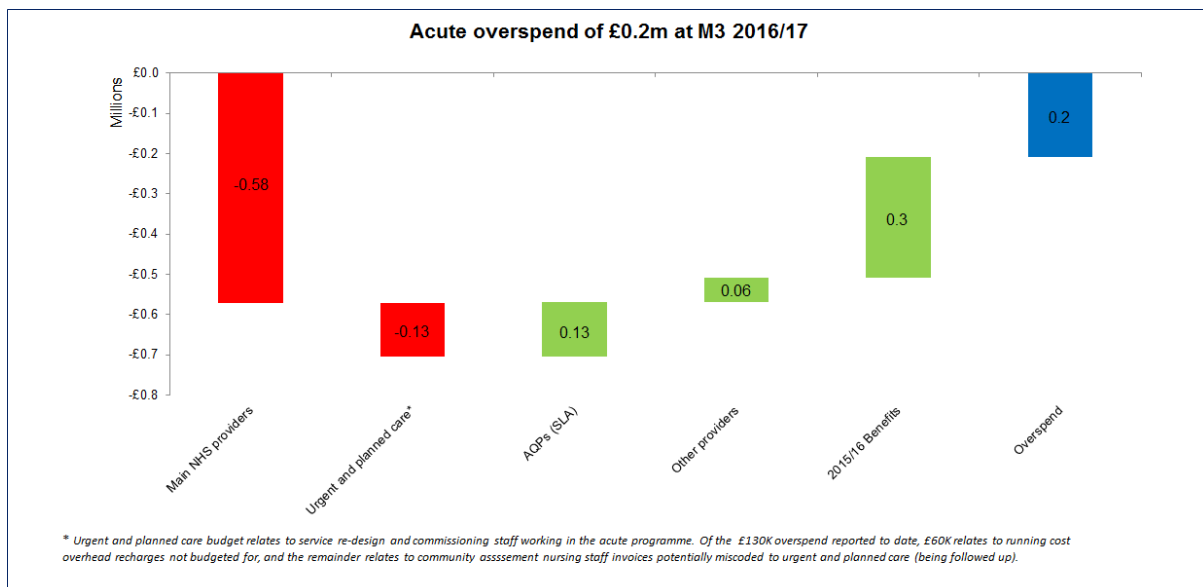
- i. The activity data for some acute providers (e.g. St Georges) was not complete or was being challenged by the co-ordinating commissioner / CSU for accuracy; and
- ii. Whilst some activity data was assured at a total level, in some cases (e.g. SASH) the detailed analysis at a Point of Delivery (POD) level was missing, meaning the CSU / CCG could not challenge or interrogate performance.

It should also be noted that the first submitted activity data for Epsom and St Helier Hospital (ESH) was rejected by the CSU on the grounds it was incomplete, and whilst the activity data the Trust re-provided was more robust, the CSU is continuing to work with ESH to ensure a better suite of activity data is prepared for M4.

The CSU has prioritised engaging with providers and co-commissioning organisations to ensure a more complete data set is available for M4 close.

2.2.2 Reported acute outturn M3

The acute programme reported a £0.2m overspend at M3 as follows:



As per the above diagram, the majority of the overspend per the CSU activity report was offset by releasing benefits arising from 2015/16 year end deals: the CCG accrued a prudent position at 31.03.2016 with regards to potential final 2015/16 values, and the £0.3m represents the favourable delta between the amount accrued at year end and the sum of final agreed values with providers.

It should also be noted that of the £580K overspend on the main NHS providers above, £96K relates to one critical care patient at Ashford and St Peters. The CSU have validated that the cost of care should be CCG-funded, and that the patient is attributable to Surrey Downs.

The £580k overspend is split approximately half and half between non-elective and elective care. For elective, reduced benefits from transformational planned care schemes (see section 5 QIPP) has increased activity (see section 3) and cost. The quality of the data at M3 does not support a fully detailed analysis.

2.3 Non Acute Programme Outturn

Non acute outturn was -£0.2m underspent at M3. The underspend was driven by a £0.1m underspend in Mental Health (a £50K prior year accrual release and £50K to date underspend against IAPT) and a £0.1m underspend in community.

The -£0.2m underspend in the non-acute programme area offset the corresponding overspend in acute (2.2.1) meaning the CCG reported outturn on budget at M3.

3. Acute Activity

Acute activity as reported in M2 is currently slightly below plan.

| Metric | Source | Monthly | | | | Year to Date | | | |
|--|--------|-----------------------------|--------------|------------|------------|------------------|--------------|------------|------------|
| | | 2016/17 activity | 2016/17 plan | # Variance | % Variance | 2016/17 activity | 2016/17 plan | # Variance | % Variance |
| | | E.M.7 Total Referrals (G&A) | MAR | 8,599 | 8,000 | 599 | 7.5% | 17,212 | 16,247 |
| E.M.8 Consultant Led First Outpatient Attendances (Specific Acute) | SEM | 9,214 | 9,152 | 62 | 0.7% | 17,988 | 18,556 | -568 | -3.1% |
| E.M.9 Consultant Led Follow-up Outpatient Attendances (Specific Acute) | | 19,043 | 20,088 | -1,045 | -5.2% | 38,228 | 40,653 | -2,425 | -6.0% |
| E.M.10 Total Elective FFCes (Specific Acute) | | 2,501 | 2,542 | -41 | -1.6% | 5,008 | 5,084 | -76 | -1.5% |
| E.M.10.a Elective Ordinary FFCes (Specific Acute) | | 499 | 510 | -11 | -2.2% | 1,025 | 1,020 | 5 | 0.5% |
| E.M.10.b Elective Day Case FFCes (Specific Acute) | | 2,002 | 2,032 | -30 | -1.5% | 3,983 | 4,064 | -81 | -2.0% |
| E.M.11 Non-Elective FFCes (Specific Acute) | | 2,197 | 2,336 | -139 | -6.0% | 4,340 | 4,596 | -256 | -5.6% |
| E.M.12 Total A&E Attendances excluding planned follow ups | | 8,818 | 8,287 | 531 | 6.4% | 16,873 | 16,305 | 568 | 3.5% |

Comparing previous year's YTD M2 activity with current year's YTD M2 activity shows an increase of 7.9% in outpatient first attendances. It is expected that this level of growth will fall to demographic growth levels which are reflected in the plans as QIPP programmes start to have an impact and GP referral rates are expected to fall. Current GP referral rates are 4.9% above the same period in the previous year.

| Metric | Monthly | | | | Year to Date | | | | | | |
|--|-------------------------------|-------------------------|------------|------------|-------------------------------|------------|------------|------------------|--------------------------------|------------|------------|
| | 2016/17 activity | Previous month activity | # Variance | % Variance | 2015/16 activity (same month) | # Variance | % Variance | 2016/17 activity | 2015/16 activity (same period) | # Variance | % Variance |
| | Elective Ordinary FFCes (G&A) | 542 | 554 | -12 | -2.2% | 490 | 52 | 10.6% | 1,099 | 995 | 104 |
| Elective Day Case FFCes (G&A) | 2,369 | 2,506 | -137 | -5.5% | 2,264 | 105 | 4.6% | 4,745 | 4,699 | 46 | 1.0% |
| Total Elective FFCes (G&A) | 2,911 | 3,060 | -149 | -4.9% | 2,754 | 157 | 5.7% | 5,844 | 5,694 | 150 | 2.6% |
| Non-Elective FFCes (G&A) | 2,151 | 2,146 | 5 | 0.2% | 2,229 | -78 | -3.5% | 4,301 | 4,426 | -125 | -2.8% |
| All First Outpatient Attendances (G&A) | 8,327 | 7,939 | 388 | 4.9% | 7,516 | 811 | 10.8% | 16,308 | 15,120 | 1,188 | 7.9% |
| First Outpatient Attendances following GP Referral (G&A) | 5,655 | 5,316 | 339 | 6.4% | 5,219 | 436 | 8.4% | 11,137 | 10,495 | 642 | 6.1% |
| GP Written Referrals Made (G&A) | 6,743 | 6,926 | -183 | -2.6% | 6,299 | 444 | 7.0% | 13,590 | 12,955 | 635 | 4.9% |
| Other Referrals for a First Outpatient Appointment (G&A) | 1,856 | 1,755 | 101 | 5.8% | 1,709 | 147 | 8.6% | 3,622 | 3,501 | 121 | 3.5% |
| Total Referrals (G&A) | 8,599 | 8,681 | -82 | -0.9% | 8,008 | 591 | 7.4% | 17,212 | 16,456 | 756 | 4.6% |

4. Full year forecast and budget position 2016/17

4.1 Forecast

The CCG is currently forecasting to be in line with budget 2016/17.

The forecast by programme area also remains unchanged since M2 i.e. each programme is being forecast as per budget. Note that whilst the main NHS provider acute outturn at M3 recorded a year to date overspend (see 2.2.2, above), this to date overspend has not been extrapolated forwards on the acute programme line, given the limited data available (two months of acute data) and the variable quality of the data provided (see comments 2.2.1). The risk to the CCGs forecast of non-delivery of QIPP or higher growth is commented on further in section 4.2 below and in Section 6, Risks and Mitigations.

4.2 Overall budget position

4.2.1 Overspend Risk

As reported at M2, the sum of the acute contract envelopes currently stands approximately £4.0m over the acute contract budget, representing the QIPP which was unidentified at the time acute contract values were being negotiated (March – April 2016) and consequently was excluded from calculations and contract cash envelopes. This £4m is an overspend risk if the additional QIPP were not to deliver in 2016/17 and no further mitigating actions are found.

4.2.2. Additional QIPP identified: impact on overspend risk / budget

Since the first iteration of the budget which identified a £4m gap arising as a result of unidentified QIPP, additional QIPP has been identified (see 4.2, below). Identified QIPP has increased from £16.0m (at the time of the contracting round) to £17.6m. The additional QIPP is mostly related Rightcare opportunities potentially realisable in year. The CCG now needs to complete work to include the additional QIPP identified into the provider forecasts / baseline, and thereby reduce the unattributed £4m gap. This will be completed when a provider split of the benefit is available which will reduce the overspend risk in 4.2.1 above.

4.3 Contracts outstanding

4.3.1 Summary

Excluding AQPs, contract values for 2016/17 are now agreed with the exception of Royal Marsden NHS Trust. Note of the providers where the contract value is agreed, Kings College, Chelsea and Westminster, Imperial, Great Ormond Street, UCL and Frimley Health are still pending paperwork / formal contract signature.

4.3.2 Royal Marsden

In respect of Royal Marsden NHS Trust, there still remains a significant gap between the CCG's proposed 2016/17 baseline value of £5.0m and the Trust's proposal of £5.6m. The difference in values is driven primarily by the Trust's wish to set the 2016/17 baseline value on local prices

(applied retrospectively since 1 April 2016). The Co-ordinating Commissioner is Sutton CCG, which does not accept the Trust's approach, and the proposed pricing approach has been rejected. In the event that no compromise or solution can be reached, Sutton CCG will enact a dispute resolution process. Note the CCGs budget at M3 assumes a contract baseline of £5.0m and that any baseline agreed over that amount would increase the £4.0m gap between the value of the contract envelopes and the CCG's acute budget.

4.3.3 AQPs

The contracts for the three main AQPs (Ramsey Ashtead, Dorking and Epsomedical) are still to be agreed and the budget assumes will be consistent with 2015/16 outturn.

4.4 Running costs

The CCG receives a separate allocation for running costs, which is £6.4m in 2016/17. The CCG's initial forecast of its running and administrative costs based on the current establishment and view of likely non-staff costs (e.g. rent, CSU support, training etc.) is approximately £0.4m higher than the 2016/17 allocation, although this projection will be revisited in July 2016. The CCG is in the process of evaluating the current projected overspend and identifying mitigations.

5. QIPP

5.1 QIPP 2016/17

QIPP is currently on plan at M3, as per the table below.

| £M | To Date | | | Full Year | | |
|-------------------------|------------|------------|-------------|-------------|-------------|------------|
| | Act | Bud | Var | FOT | Bud | Var |
| Transactional | | | | | | |
| Acute | 1.4 | 1.1 | 0.3 | 6.2 | 6.2 | 0.0 |
| CHC | 0.3 | 0.3 | 0.0 | 1.4 | 1.4 | 0.0 |
| Other | 0.1 | 0.1 | 0.0 | 0.6 | 0.6 | 0.0 |
| Subtotal | 1.8 | 1.5 | 0.3 | 8.1 | 8.1 | 0.0 |
| Transformational | | | | | | |
| Acute | 1.1 | 1.4 | -0.3 | 9.6 | 9.6 | 0.0 |
| Other | 0.2 | 0.2 | 0.0 | 1.9 | 1.9 | 0.0 |
| Subtotal | 1.3 | 1.6 | -0.3 | 11.5 | 11.5 | 0.0 |
| TOTAL QIPP | 3.1 | 3.1 | 0.0 | 19.6 | 19.6 | 0.0 |

Transformational Acute QIPP is adverse YTD vs forecast primarily as a result of the cancellation of some projects (e.g. neurology, gynaecology) where it was concluded the potential savings benefit was not proportionate to the cost investment. The decrease in QIPP in the acute transformational area is offset by benefits in the non-transformational acute area (e.g. integration).

5.2 QIPP 2016/17: gap to £19.6m target

The QIPP delivery summary currently records schemes totalling £17.6m which are being measured and tracked as part of the CCG's PMO assurance process. There are 36 schemes currently listed on the tracker, of which 14 are assessed as red in terms of delivery status.

The £17.6m is an increase of £1.6m on the previously identified QIPP. The majority of the new QIPP relates to Rightcare opportunities relating to, for example, direct access pathology and CVD. The specific project plans relating to these initiatives are still in development. Note there still remains £2m of unidentified QIPP (£17.6m identified against the target of £19.6m).

6. Risks and Mitigations

The below analysis of risk is as per that presented in the financial plan template 2016/17 and the latest non-ISFE submission to NHSE at Month 3.

| Area | Unweighted (£m) | Weighting (%) | Weighted (£m) | Comment |
|------------------------------|-----------------|---------------|---------------|---|
| RISKS | | | | |
| Acute SLA overspend | -2.00 | 50% | -1.00 | Risk that growth is over and above that anticipated in the plan |
| CHC | -0.60 | 50% | -0.30 | Risk that growth is over and above that anticipated in the plan |
| QIPP | -6.50 | 50% | -3.25 | Weighted Risk of £3.25m is approximately equivalent to the current QIPP gap of identified schemes |
| Prescribing | -1.00 | 50% | -0.50 | Risk that post QIPP net growth number of 1.5% is not adequate to cover actual growth / cost pressures |
| Subtotal: RISKS | -10.10 | | -5.05 | |
| MITIGATIONS | | | | |
| Contingency | 1.62 | 100% | 1.62 | Eg continued lower than planned take up of IAPT, further prescribing underspends. |
| Investments | 1.50 | 50% | 0.75 | Delay or underspend on investments |
| Subtotal: Mitigations | 3.12 | | 2.37 | |
| NET | -6.98 | | -2.68 | |

The CCG's current net (weighted) risk position is -£2.68m (i.e. weighted risks are greater than weighted mitigations). This position is as reported at M2.

7. Finance Operations / Other

To note:

1. Recruitment process is underway to recruit a CHC finance manager, which is the one outstanding vacancy to be filled in the finance team.

END

Appendices

- 1 M2 Outturn Detail**
- 2 M3 Acute Detail**
- 3 M3 Running Cost Detail**

Appendix 1: M3 Outturn (Detail)

| SURREY DOWNS CCG - M3 OUTTURN REPORT BY PROGRAMME 2016/17 | | | | | | | | | | | | | | |
|---|----------------|---------------|------------|----------------|----------------|------------|---------------|-----------------|-----------------|----------|---------------|-----------------|---------------|------|
| M2 | M | M | M | YTD | YTD | YTD | Var % | FOT | FOT | FOT | Var % | FOT | FOT var | Note |
| | ACT | BUD | Var | ACT | BUD | Var | (-ve = under) | FCT | BUD | Var | (-ve = under) | M-1 | (-ve = fav) | |
| | £K | £K | £K | £K | £K | £K | % | £K | £K | £K | % | £K | £K | |
| Mental Health | 2,094 | 2,168 | -74 | 6,324 | 6,429 | -105 | -1.6% | 25,714 | 25,714 | 0 | 0.0% | 25,560 | 154 | (i) |
| Acute | 17,840 | 17,698 | 142 | 52,140 | 51,939 | 201 | 0.4% | 207,755 | 207,755 | 0 | 0.0% | 205,443 | 2,312 | (i) |
| WR | 137 | 148 | -11 | 411 | 443 | -32 | -7.1% | 1,772 | 1,772 | 0 | 0.0% | 1,772 | 0 | |
| Primary Care | 3,927 | 3,897 | 30 | 11,725 | 11,692 | 33 | 0.3% | 46,767 | 46,767 | 0 | 0.0% | 46,767 | 0 | |
| CHC | 1,743 | 1,756 | -13 | 5,268 | 5,269 | -1 | 0.0% | 21,075 | 21,075 | 0 | 0.0% | 21,075 | 0 | |
| Community | 2,224 | 2,331 | -108 | 6,903 | 6,993 | -90 | -1.3% | 27,974 | 27,974 | 0 | 0.0% | 27,974 | 0 | |
| Reserves | 1,850 | 1,824 | 26 | 2,918 | 2,922 | -4 | -0.1% | 8,632 | 8,632 | 0 | 0.0% | 8,632 | 0 | |
| Other (ii) | 1,089 | 1,159 | -70 | 3,301 | 3,314 | -12 | -0.4% | 16,714 | 16,714 | 0 | 0.0% | 16,714 | 0 | |
| Running Costs | 643 | 608 | 35 | 1,950 | 1,973 | -23 | -1.2% | 7,034 | 7,034 | 0 | 0.0% | 7,034 | 0 | |
| Total Expenditure | 31,547 | 31,590 | -43 | 90,941 | 90,973 | -32 | 0.0% | 363,436 | 363,436 | 0 | 0.0% | 360,970 | 2,466 | |
| Allocation | 0 | | | -81,633 | -81,633 | 0 | 0.0% | -326,123 | -326,123 | 0 | 0.0% | -323,657 | 2,466 | |
| Surplus (Deficit) | -31,547 | | | -9,308 | -9,340 | -32 | 0.3% | -37,313 | -37,313 | 0 | 0.0% | -37,313 | 28,005 | |
| Deficit c/f | | | | | | | | 28,613 | 28,613 | 0 | 0 | 28,613 | | |
| In Year | | | | | | | | -8,700 | -8,700 | 0 | 0 | -8,700 | | |

(i) Offset by allocation increases (£2.3m Cytokine Modulator, £154K Eating Disorders)

Appendix 2: M3 Acute Outturn (Detail)

| SURREY DOWNS CCG - M3 ACUTE SPEND BY PROVIDER 2016/17 | | | | | | | | |
|---|-------------------------|---------------------|---------------------------|----------------------------|-----------------|-----------------|---------------------------|----------------------------|
| | Budget To date £K | M3 To date £K | Var (-ve = over) £K | as % (-ve = over) £K | FY BUD £K | FY FOT £K | Var (-ve = over) £K | as % (-ve = over) £K |
| Epsom and St Helier (Acute and Renal) | 23,371 | 23,371 | 0 | 0.0% | 92,978 | 92,978 | 0 | 0.0% |
| Kingston Hospital | 6,658 | 6,549 | 109 | 1.6% | 26,467 | 26,467 | 0 | 0.0% |
| Surrey and Sussex. | 3,348 | 3,644 | -296 | -8.8% | 13,347 | 13,347 | 0 | 0.0% |
| St George's Healthcare | 2,379 | 2,450 | -71 | -3.0% | 9,444 | 9,444 | 0 | 0.0% |
| South East Coast Ambulance Trust | 2,291 | 2,242 | 49 | 2.1% | 9,133 | 9,133 | 0 | 0.0% |
| Epsom and St Helier (SWLEOC) | 1,854 | 2,080 | -225 | -12.2% | 7,300 | 7,300 | 0 | 0.0% |
| Royal Surrey County Hospital | 1,691 | 1,698 | -7 | -0.4% | 6,729 | 6,729 | 0 | 0.0% |
| Royal Marsden. | 1,282 | 1,128 | 153 | 12.0% | 5,066 | 5,066 | 0 | 0.0% |
| Ashford and St Peters | 1,255 | 1,465 | -210 | -16.8% | 5,002 | 5,002 | 0 | 0.0% |
| Guy's and St Thomas' | 559 | 559 | 0 | 0.0% | 2,220 | 2,220 | 0 | 0.0% |
| University College London | 281 | 264 | 17 | 5.9% | 1,115 | 1,115 | 0 | 0.0% |
| Moorfields. | 243 | 249 | -7 | -2.8% | 957 | 957 | 0 | 0.0% |
| Royal Brompton & Harefield | 228 | 254 | -26 | -11.4% | 903 | 903 | 0 | 0.0% |
| Queen Victoria. | 215 | 178 | 37 | 17.1% | 848 | 848 | 0 | 0.0% |
| Kings | 205 | 205 | 0 | 0.0% | 811 | 811 | 0 | 0.0% |
| Chelsea and Westminster | 153 | 198 | -45 | -29.5% | 606 | 606 | 0 | 0.0% |
| Queen Mary Roehampton | 141 | 142 | -2 | -1.1% | 559 | 559 | 0 | 0.0% |
| Imperial College | 139 | 161 | -22 | -15.6% | 554 | 554 | 0 | 0.0% |
| Royal National Orthopaedic Hospital. | 117 | 142 | -24 | -20.7% | 462 | 462 | 0 | 0.0% |
| Frimley Park | 107 | 91 | 16 | 14.7% | 423 | 423 | 0 | 0.0% |
| GOS | 56 | 68 | -12 | -22.2% | 219 | 219 | 0 | 0.0% |
| Croydon Health Service | 51 | 55 | -4 | -8.6% | 201 | 201 | 0 | 0.0% |
| Subtotal Main NHS providers | 46,622 | 47,193 | -571 | -1.2% | 185,343 | 185,343 | 0 | 0.0% |
| Dorking Healthcare | 1,723 | 1,851 | -128 | -7.4% | 6,784 | 6,784 | 0 | 0.0% |
| Epsom Medical | 1,645 | 1,630 | 15 | 0.9% | 6,474 | 6,474 | 0 | 0.0% |
| Ramsay Ashted Hospital | 1,243 | 995 | 247 | 19.9% | 4,892 | 4,892 | 0 | 0.0% |
| Subtotal Main Independents | 4,611 | 4,476 | 135 | 2.9% | 18,151 | 18,151 | 0 | 0.0% |
| Grand Total Tier 1 Providers | 51,233 | 51,670 | -437 | -1% | 203,494 | 203,494 | 0 | 0.0% |
| GUM | 192 | 192 | 0 | 0.0% | 766 | 766 | 0 | 0.0% |
| RSS | 85 | 76 | 9 | 10.1% | 340 | 340 | 0 | 0.0% |
| Urgent and planned care | 218 | 351 | -133 | -60.9% | 828 | 828 | 0 | 0.0% |
| Non Contract Activity | 899 | 906 | -6 | -0.7% | 3,599 | 3,599 | 0 | 0.0% |
| Tier 2 | 583 | 529 | 54 | 9.2% | 2,330 | 2,330 | 0 | 0.0% |
| IFR / IT | 4 | -9 | 13 | 367.7% | 14 | 14 | 0 | 0.0% |
| Headroom (i) | -1,852 | -1,852 | 0 | 0.0% | -5,928 | -5,928 | 0 | 0.0% |
| Prior Year Acute Accrual | 0 | -300 | 300 | - | 0 | 0 | 0 | 0.0% |
| Other (Cytokine Modulator) | 578 | 578 | 0 | 0.0% | 2,312 | 2,312 | 0 | 0% |
| Subtotal Other Acute | 706 | 470 | 236 | 33.4% | 4,261 | 4,261 | 0 | 0.0% |
| QIPP Adjustment (i) | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | - |
| TOTAL Acute excl SRG | 51,939 | 52,140 | -201 | -0.4% | 207,755 | 207,755 | 0 | 0.0% |
| SRG | 443 | 443 | 0 | - | 1,772 | 1,772 | 0 | - |
| GRAND TOTAL Acute incl SRG | 52,382 | 52,583 | -201 | -0.4% | 209,527 | 209,527 | 0 | 0.0% |

Note

(i) The £5,928 is effectively the gap between the contract values and the acute budget. The gap will reduce to £4.2m once the resource allocation given to support the Surrey Health Economy (£1.7m) in 2015/16 is returned in 2016/17

Appendix 3: M3 Running Costs (Detail)

| SURREY DOWNS CCG - M3 OUTTURN REPORT RUNNING COSTS 2016/17 | | | | | | | | | | |
|--|------------|---------|---------|-------|---------------|----------|----------|-----|---------------|--|
| M3 | | YTD | YTD | YTD | Var % | FOT | FOT | FOT | Var % | |
| | Owner | ACT | BUD | Var | (-ve = under) | FCT | BUD | Var | (-ve = under) | Comment on outturn to date |
| | | £K | £K | £K | % | £K | £K | £K | % | |
| CEO/Board Office | D Brown | 346.3 | 337.6 | 8.7 | 2.6% | 1,120.3 | 1,120.3 | 0.0 | 0.0% | No significant variance from budget |
| Chair and Non - Execs | D Brown | 110.2 | 79.4 | 30.8 | 38.8% | 317.7 | 317.7 | 0.0 | 0.0% | Budget based on 2015/16. To be reviewed July 2016 |
| Clinical Governance | E Clark | 90.5 | 98.1 | -7.6 | -7.7% | 445.8 | 445.8 | 0.0 | 0.0% | No significant variance from budget |
| Communications & PR | S Shettle | 73.4 | 81.7 | -8.3 | -10.2% | 327.1 | 327.1 | 0.0 | 0.0% | No significant variance from budget |
| Contract Management | J W-Smith | 91.6 | 100.6 | -9.0 | -8.9% | 408.4 | 408.4 | 0.0 | 0.0% | No significant variance from budget |
| Corporate costs & Services | J W-Smith | 523.8 | 565.9 | -42.1 | -7.4% | 2,263.7 | 2,263.7 | 0.0 | 0.0% | To date underspent: potentially one off costs to come (eg Boardware Software and Ipads). |
| Corporate Governance | J Dix | 53.2 | 45.4 | 7.8 | 17.2% | 190.5 | 190.5 | 0.0 | 0.0% | Datix Corporate Governance Software (£7.7K) not included in budget |
| Estates and Facilities | J W-Smith | 163.7 | 220.5 | -56.8 | -25.8% | 882.0 | 882.0 | 0.0 | 0.0% | Includes M1-3 CSU desk recharge (£26.9k) from South East CSU which was not in budget |
| Finance and Legal | D Brown | 298.7 | 286.7 | 12.0 | 4.2% | 905.1 | 905.1 | 0.0 | 0.0% | No significant variance from budget |
| Human Resources | B Brewer | 65.8 | 68.2 | -2.4 | -3.5% | 272.8 | 272.8 | 0.0 | 0.0% | No significant variance from budget |
| Operations Management | - | -30.5 | 0.0 | -30.5 | - | -392.1 | -392.1 | 0.0 | 0.0% | £26k from MacMillan nurse contribution - need to match off versus |
| Performance | M Wu | 64.7 | 86.0 | -21.3 | -24.8% | 281.5 | 281.5 | 0.0 | 0.0% | Unfilled vacancies |
| Strategy and Development | J Chalmers | 243.3 | 115.9 | 127.4 | 109.9% | 463.8 | 463.8 | 0.0 | 0.0% | £109k relates to STP contractors (engagement now finished). |
| Recharges to programme* | - | -286.5 | -276.7 | -9.8 | 3.5% | -1,107.4 | -1,107.4 | 0.0 | 0.0% | No significant variance from budget |
| Other | | -22.3 | 0.0 | -22.3 | - | 0.0 | 0.0 | 0 | - | - |
| Total Expenditure | | 1,785.9 | 1,809.3 | -23.4 | -1.3% | 6,379.2 | 6,379.2 | 0.0 | 0.0% | |

* An element of corporate costs are cross-charged to programme and hosted services such as CHC and Meds Management to reflect the usage of office space, IT etc.