

**Agenda Item 7.4  
CCG BOARD  
EXECUTIVE SUMMARY SHEET**

<b>DATE:</b>		11 <sup>th</sup> April 2017			
<b>TITLE OF PAPER:</b>		Financial Position- Month 11			
<b>EXECUTIVE RESPONSIBLE:</b>		Laura Clare - Acting Chief Finance Officer Ext:2483 Email: <a href="mailto:laura.clare@nhs.net">laura.clare@nhs.net</a>			
<b>AUTHOR (if different from above)</b>		Ruth Yates- Finance Manager Ext:2324 Email: <a href="mailto:ruth.yates7@nhs.net">ruth.yates7@nhs.net</a>			
<b>CCG OBJECTIVE:</b>		9. Improving quality of health outcomes within the agreed resources.			
For Information	<input checked="" type="checkbox"/>	For decision		For performance monitoring	<input checked="" type="checkbox"/>
<b>EXECUTIVE SUMMARY (Key points in report)</b>		<ul style="list-style-type: none"> <li>• This report provides an update on Telford and Wrekin CCG’s financial position for the period ending 28th February 2017 and performance against key financial objectives.</li> <li>• We are currently on target to achieve our agreed financial targets.</li> <li>• Our forecast assumes continuation of prudent financial management and QIPP delivery and reflects an additional £1m surplus above our control total.</li> <li>• A number of our partners within the health system face significant financial challenges .</li> <li>• The CCG is working with partners , where possible, to support the local system through the Sustainability and Transformation Plan (STP).</li> </ul>			
<b>FINANCIAL IMPLICATIONS:</b>		As outlined above			
<b>EQUALITY &amp; DIVERSITY</b>		None			
<b>PATIENT &amp; PUBLIC ENGAGEMENT</b>		None			
<b>LEGAL IMPACT:</b>		None			
<b>RECOMMENDATIONS:</b>		Members are asked to: <ul style="list-style-type: none"> <li>• Note the current financial position reported at Month 11.</li> <li>• Note that the CCG is currently on target to achieve a “business rules” 1% surplus .</li> <li>• Note the risks highlighted in the report.</li> <li>• Note the financial challenges faced by partner organisations within the health system.</li> </ul>			
<b>Is there a need to consider inclusion in the Corporate Risk Register?</b>		No			

# 1. Executive Summary

This report provides an update on Telford and Wrekin CCG's financial position to 28<sup>th</sup> February 2017 and performance against key financial objectives. A summary of performance against the objectives is shown in the table below:-

Objective	RAG	In Month Change	Comments
Our year to date position is in line with the plan trajectory	On Track	➔	Our year to date position is above plan and it has been agreed with NHSE that we will increase our surplus by £1m for this financial year. At Month 11 there is a £907k surplus against available resources.
Our year end forecast is in line with breakeven plan	On Track	➔	The required cumulative surplus for the CCG is £2.4m and we are on track to achieve a surplus of £3.4m.
We do not exceed our Running Cost Allowance	On Track	➔	We are reporting a £52k underspend against running costs at Month 11.
We deliver recurrent cashable efficiencies outlined in the QIPP Programme	Moderately Off Track	⬇	Recurrent cashable efficiencies based on current contractual performance are slightly below plan year to date and the overall forecast is now £110k behind plan.
Our Cash balances are a max. of 1.25% of drawdown at month end	On Track	➔	During Month 11 the CCG achieved this target.
We pay our bills in line with Better Payment Practice Code	On Track	➔	In February we achieved this target for value and volume for both NHS and Non NHS invoices.
We live within our Capital Resource Limit	On Track	➔	The CCG applied for a small capital allocation for 2016/17 of £42k. We received this allocation in January and are forecasting that this will be spent on IT equipment.

Appendix 1 shows the key data return that has been submitted to NHS England for Month 11.

**Key**

On Track
  Moderately Off Track
  Materially Off Track

Improvement
  No Change
  Deterioration

# 2. Summary Financial Position Month 10

Appendix 2 shows the overall financial position for the CCG at the end of February 2017 split by expenditure area. This is summarised in the table and chart below:-

	Total Budget	Forecast Outturn	Forecast Variance	Budget Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000	£000	£000	£000
<b>Total Resource Limit</b>	<b>234,916</b>	<b>234,916</b>	<b>0</b>	<b>211,626</b>	<b>211,626</b>	<b>0</b>
Acute services	112,869	112,214	(655)	103,392	102,136	(1,256)
Community Health Services	24,814	24,630	(184)	22,746	22,565	(181)
CHC, FNC & Special Placements	9,147	9,647	500	8,356	8,237	(119)
Mental Health Services	16,822	16,513	(309)	15,419	15,363	(56)
Primary care services	35,985	35,895	(90)	32,769	32,936	167
Other	6,470	6,209	(261)	2,571	3,243	672
Running costs	3,809	3,809	0	3,458	3,406	(52)
Primary Care Co-Commissioning	22,576	22,576	0	20,694	20,612	(82)
<b>Total Expenditure</b>	<b>232,493</b>	<b>231,493</b>	<b>(1,000)</b>	<b>209,405</b>	<b>208,498</b>	<b>(907)</b>
<b>Budget (Surplus) / Deficit</b>	<b>(2,423)</b>	<b>(3,423)</b>	<b>(1,000)</b>	<b>(2,221)</b>	<b>(3,128)</b>	<b>(907)</b>

## Key Messages

The CCG is currently on target to contain expenditure within its available resources. Due to the favourable position on prescribing, the CCG has agreed with NHSE that it will achieve an additional £1m surplus.

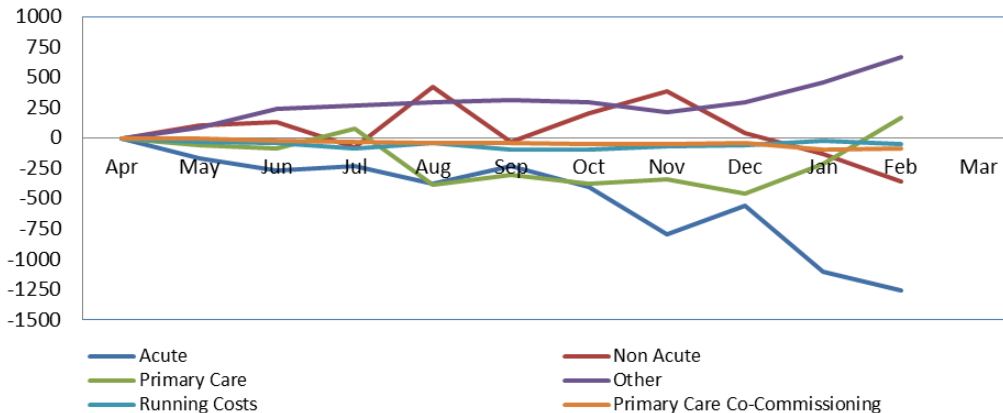
Delivery of QIPP schemes and strong management of contracts will be key in delivering the overall surplus target.

Key points from each expenditure header are highlighted in the following pages.

In 2016/17 NHS England required all CCGs to maintain an uncommitted non recurrent reserve of 1% to contribute to an NHS national risk reserve of £800m. The CCG has now received a letter on how this reserve will be released at Month 12. This is attached at appendix 4. The release of this reserve at the end of the year will help to offset the overall NHS deficit. This action will increase our 2016/17 surplus by a further 1%. For performance management purposes the CCG will be monitored against its surplus before the release of this reserve.

If we were to remove non recurrent expenditure from the position then the underlying position shows a recurrent surplus of £5.84m which has not changed since the beginning of the financial year.

YTD Variance by Major Spend Area



# 3. Acute Services Month 11

	Total Budget	Forecast Outturn	Forecast Variance	Budget Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000	£000	£000	£000
In County NHS	95,371	94,827	(544)	87,552	87,045	(507)
Out of County NHS	7,084	7,012	(72)	6,494	6,421	(73)
WMAS	5,303	5,064	(239)	4,861	4,641	(220)
NCA's & Other	5,111	5,311	200	4,485	4,029	(456)
<b>Total Acute Service</b>	<b>112,869</b>	<b>112,214</b>	<b>(655)</b>	<b>103,392</b>	<b>102,136</b>	<b>(1,256)</b>

## Key Messages

Financial performance against the following areas are of note:-

Further detail can be found in appendix 3

As previously discussed the CCG has secured capacity at other providers to improve our 18 week target performance. Additional expenditure was funded from CCG reserves and this is now factored into the position.

### In County NHS –

SATH SLAM data for Month 10 indicates an under performance against contract of approximately £2,072k so far for the year. The position reported in the table reflects the agreement between the CCG and SATH to create certainty in the system by having a year end settlement. This has now been finalised. The favourable year to date and forecast variance mostly relates to the partially completed spells correction which has been previously discussed.

As previously discussed there is an under performance on the RJAH contract. The year to date position in the ledger and the forecast on this contract assumes that this underperformance will not continue. The Trust have prioritised clearance of their 18+ week backlog in 2016-2017 for other Commissioners.

It is likely that this will have had an impact on work done for Telford CCG and we would anticipate that there would be a 'catch up' of activity.

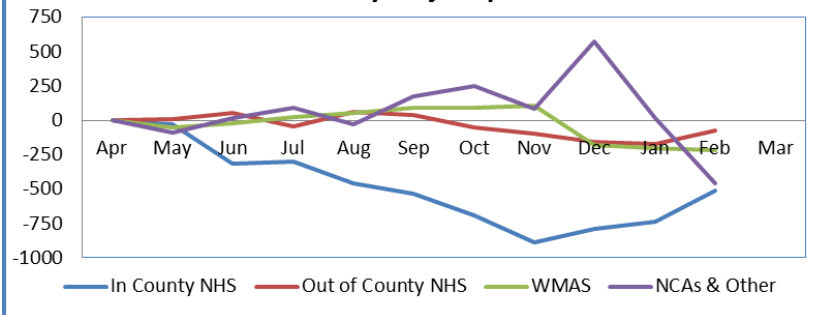
### Other Acute Contracts –

Based on the information that we have received at Month 10, these contracts show an overall underspend of £127k against plan. This position includes overspends at Birmingham Children's, Sandwell & West Birmingham and University Hospitals Birmingham. There are underspends at Royal Wolverhampton, University Hospital North Midlands.

As discussed in previous months the financial position for the Nuffield assumes that the under spend will not continue because money is being invested to achieve RTT targets.

Contracts will be closely monitored throughout the year and any significant variances will be reported to PPQ.

YTD Variance by Major Spend Area



# 3a. Acute Services – SaTH Admitted

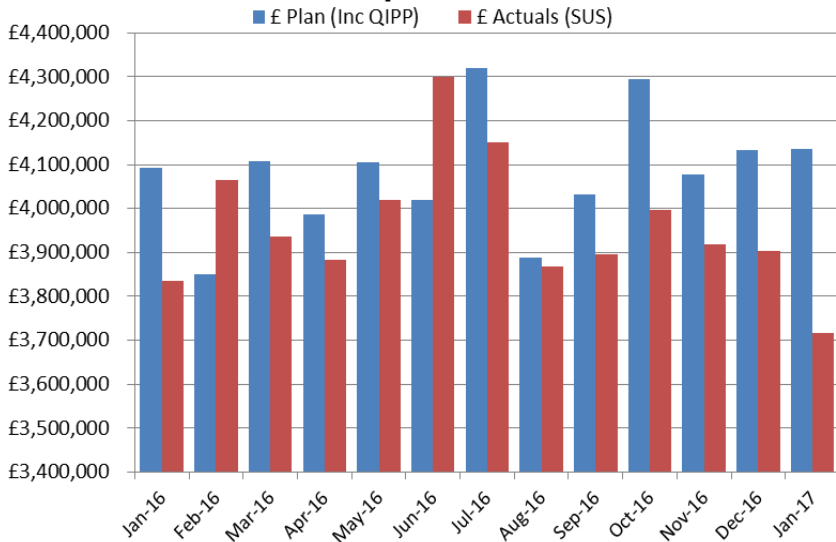
For the first ten months of 2016/17, combined SATH admitted activity is under plan by 995, 4% of contracted activity.

Financial performance is under by £1,340k year to date. The majority of this underspend sits within Elective. The graphs below show how this compares to the last twelve months of activity and costs.

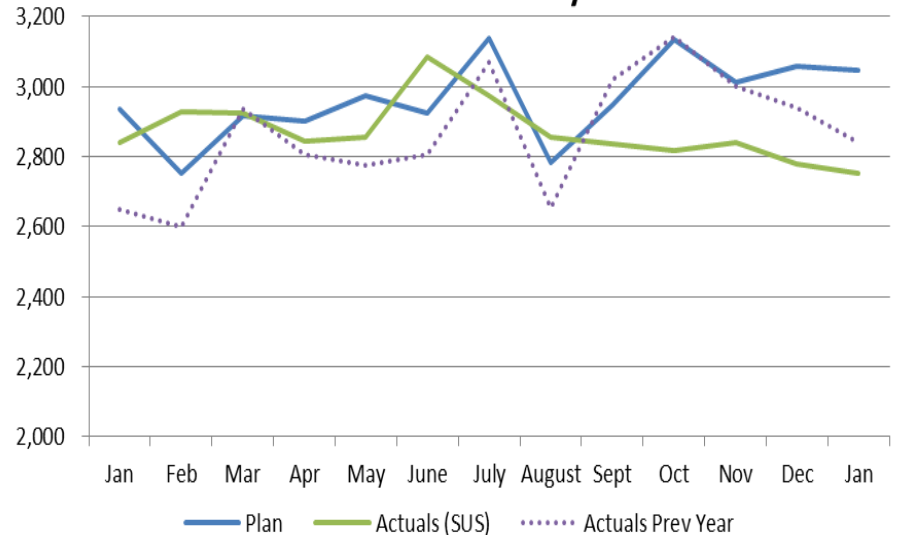
Point of Delivery	Activity			Cost			Var Caused by:	
	Plan	Actual	Variance	Plan	Actual	Variance	Activity	Price
				£'000	£'000	£'000	£'000	£'000
Admitted	29,913	28,627	(1,286)	40,990	39,650	(1,340)	(1,762)	422
			-4%			-3.3%		

Note:- This is based on 10 months initial activity. Costs exclude the impact of Emergency Threshold adjustments.

### SaTH Inpatient Cost



### SaTH Admitted Activity



# 3a.1 SaTH Admitted – Elective / Non Elective

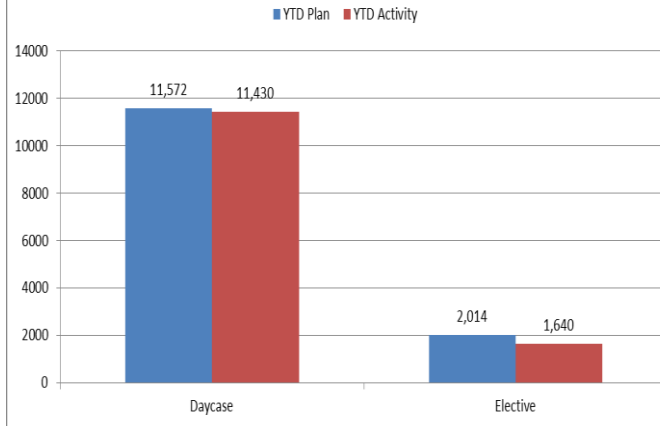
## SaTH Elective Activity

As at Month 10 of 2016/17 SaTH Elective Activity is underperforming by 516 spells.

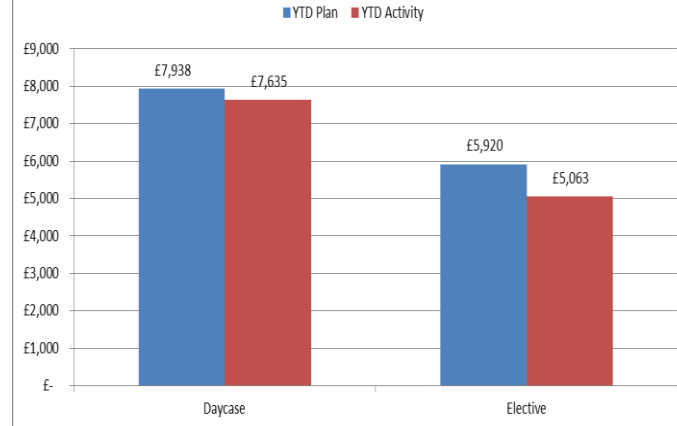
The underperformance is mainly driven by trauma & orthopaedics, clinical oncology and vascular surgery.

The cost of this activity shows an underspend of £1,160k.

### SaTH Elective Activity Against Plan



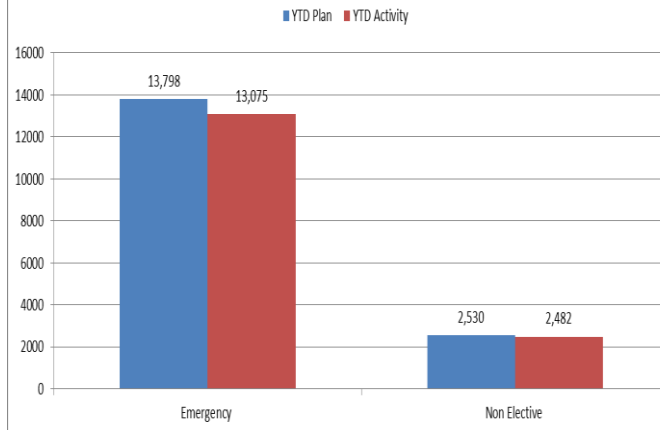
### SaTH Elective Cost Against Plan



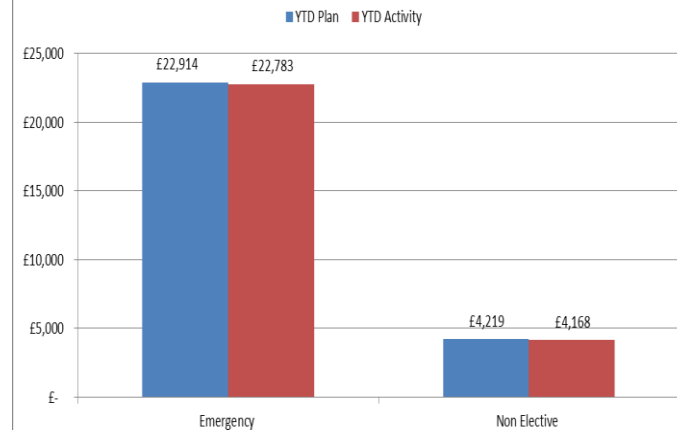
## SaTH Non Elective Activity

Non Elective activity is currently under performing on plan by 771 spells. The underperformance mainly sits within paediatrics, cardiology and obstetrics. The cost of the activity shows an underspend of £182k.

### SaTH Non Elective Activity Against Plan



### SaTH Non Elective Cost Against Plan



# 3b. Acute Services – SaTH Outpatients

For the first ten months of 2016/17, SATH outpatient activity is under performing by 11,903 attendances, this represents 10% of the overall contract.

Financial performance is also under by £1,308k.

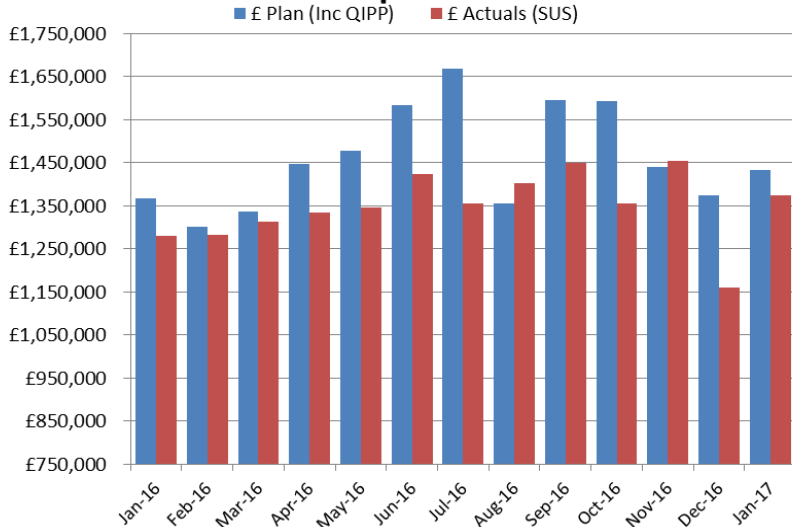
The majority of the underperformance in activity and finance falls within Outpatient Follow-up Attendances. There is a significant underspend within general medicine and cardiology. First outpatient attendances are also underperforming and the main specialties are physiotherapy and cardiology.

The graphs below show how month 10 of 2016/17 compares to the last twelve months of activity and costs.

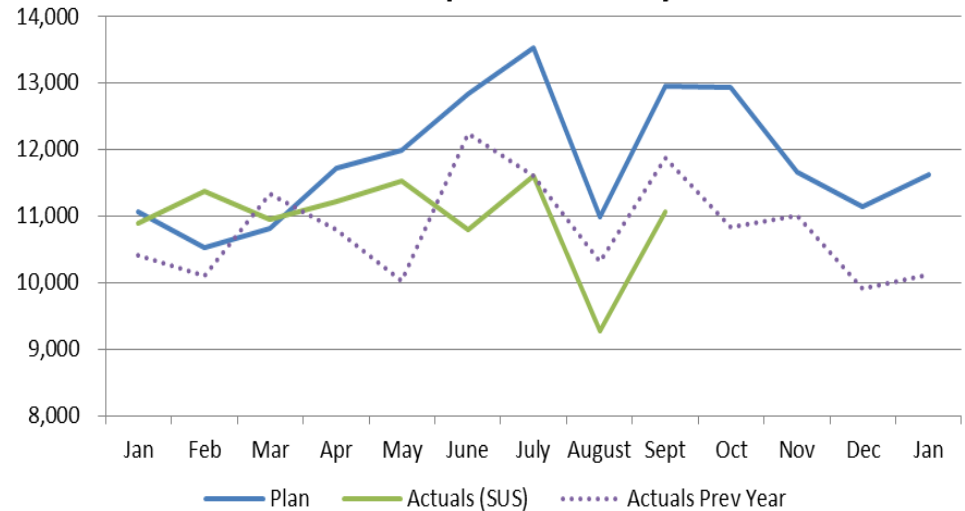
Point of Delivery	Activity			Cost			Var Caused by:	
	Plan	Actual	Variance	Plan	Actual	Variance	Activity	Price
				£'000	£'000	£'000	£'000	£'000
Outpatients	121,400	109,497	(11,903)	14,970	13,661	(1,308)	(1,468)	159
			-10%			-9%		

Note - this is based upon 10 months initial activity.

### SaTH Outpatient Cost



### SaTH Outpatient Activity



# 3c. Acute Services – SaTH A&E

For the first ten months of 2016/17 A&E activity is below plan by 1,094 attendances.

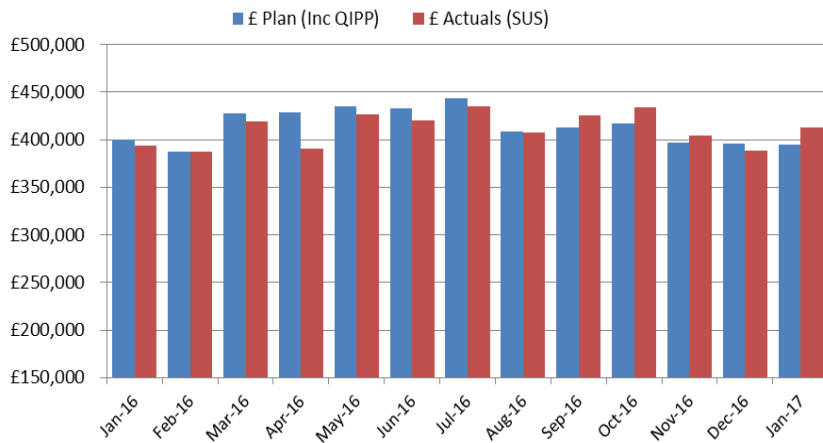
Financial performance in this area is also below plan by £19k.

The graphs below show how Month 10 of 2016/17 compares to the last twelve months of activity and costs.

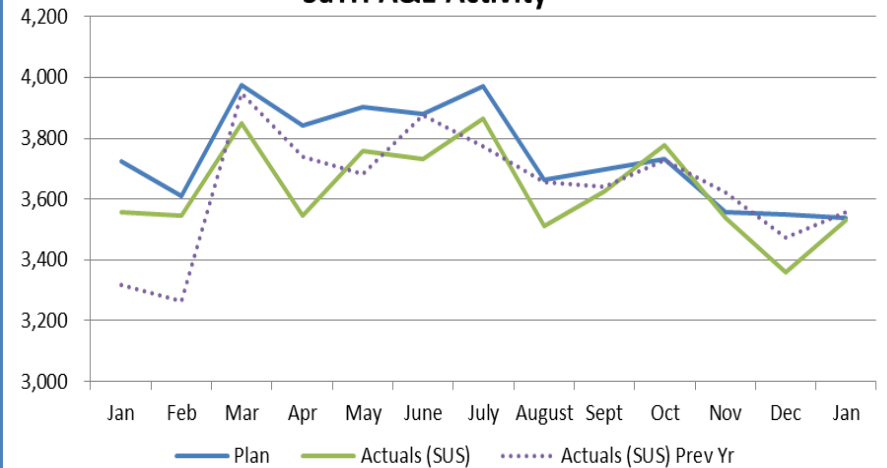
Point of Delivery	Activity			Cost			Var Caused by:	
	Plan	Actual	Variance	Plan	Actual	Variance	Activity	Price
A&E	37,335	36,241	(1,094)	£'000 4,166	£'000 4,146	£'000 (19)	£'000 (122)	£'000 103
			-3%			0%		

Note - this is based upon 10 months initial activity

SaTH A&E Cost



SaTH A&E Activity





# 4. Non Acute Services

## Key Messages

The contract with Shropshire Community Trust is set at budgeted levels. This is the main area of expenditure in community spend which is predominantly a block contract arrangement.

As previously discussed, the CCG recently changed the way it procures MSK care through a formal tender and the contract is monitored separately. In the absence of robust contract monitoring the CCG had previously used TRAQS referral information to inform the financial forecast. A service review has recently been undertaken and a number of data validations have taken place between the referral information provided by TRAQS and the information now provided by the Trust. DNA rates and rejected referral information have now been taken into account and this has led to an agreed forecast position between the Trust and the CCG that results in a small underspend against the planned contract value by year end. This has therefore moved the forecast from an over spend at month 10 to an under spend in month 11.

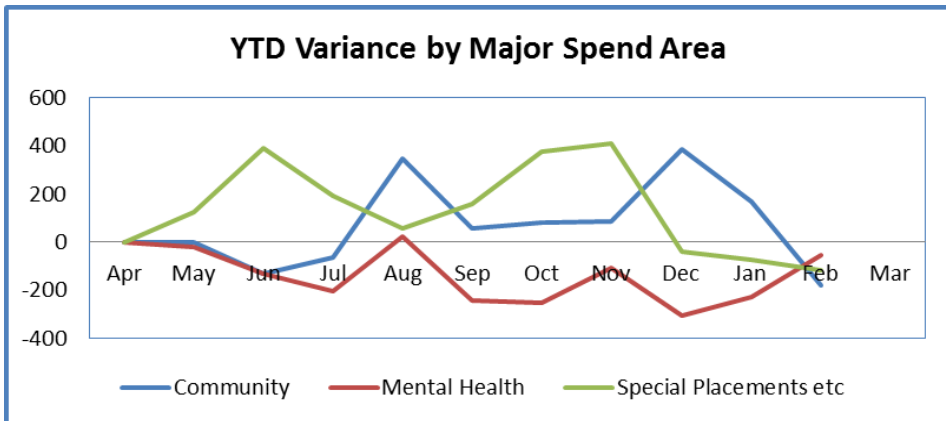
The forecast on CHC and special placements reflects our agreement with the Local Authority to increase investment in CHC whilst tapering transitional payments to the Council.

The forecast also assumes that there will be increased expenditure on a programme aimed at adults with Learning Disabilities who are currently in inpatient facilities. The programme is aimed at repatriating patients into better community based services locally. Most are funded by NHSE at the moment but when they are repatriated the costs will transfer to the CCG . It is not yet known whether the funding will be transferred to support this.

As previously discussed, there is an overspend due to a national decision to increase Funded Nursing Care prices from £112 per week to £156.25 per week. The forecast includes a cost pressure of £0.5m in relation to this. The CCG will need to use contingency reserves to fund this.

As previously discussed there has been a non recurrent benefit to the position on CHC and special placements due to the reversal of 15/16 creditors. Whilst this has meant that the year to date position is under spent we are forecasting that there will be an over spend due to the other issues identified above.

	Total Budget	Forecast Outturn	Forecast Variance	Budget Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000	£000	£000	£000
Community	24,814	24,630	(184)	22,746	22,565	(181)
Mental Health	16,822	16,513	(309)	15,419	15,363	(56)
Special Placements etc	9,147	9,647	500	8,356	8,237	(119)
<b>Total Non Acute</b>	<b>50,783</b>	<b>50,790</b>	<b>7</b>	<b>46,521</b>	<b>46,165</b>	<b>(356)</b>



# 5. Primary Care Services and Other

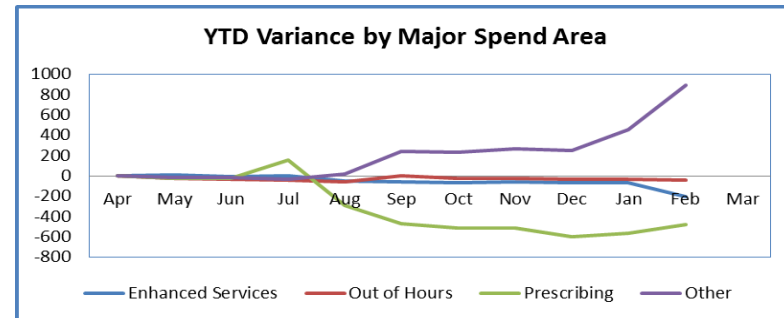
## Primary Care

Over 80% of expenditure in this area relates to Prescribing. We have now received 9 months NHS BSA data and so have accrued for 2 months costs to get to the year to date position. It has been calculated by applying the new profile provided by the NHS BSA to the year to date spend. This has led to a significant underspend year to date.

Forecasting the outturn for primary care prescribing is notoriously challenging in the early months of the financial year. In prescribing prices can change quite quickly and have a significant impact on the bottom line. The forecast now reflects the value provided by the NHS BSA and shows a significant underspend. This will be monitored carefully and updated as necessary.

The CCG is currently working with its practices to start to implement the requirements within the GP forward view guidance.

	Total Budget	Forecast Outturn	Forecast Variance	Budget Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000	£000	£000	£000
Enhanced Services	1,236	1,012	(224)	941	731	(210)
Out of Hours	2,327	2,280	(47)	2,133	2,094	(39)
Prescribing	29,301	28,469	(832)	26,831	26,353	(478)
Primary Care Other	3,121	4,134	1,013	2,864	3,758	894
<b>Total Primary Care</b>	<b>35,985</b>	<b>35,895</b>	<b>(90)</b>	<b>32,769</b>	<b>32,936</b>	<b>167</b>



## Other

The 'Other' budget of £6m includes budget for; patient transport, programme projects, the quality team and reserves.

The year to date overspend is mostly due to in year risks and discussions with the Local Authority in relation to ALD and CHC. STP costs have also been phased to reflect the nature of the work and population most affected. Over the course of the STP the split of costs will be equal between each CCG.

Reserves are being used in the forecast position to offset some of the cost pressure areas that are discussed throughout the report.

	Total Budget	Forecast Outturn	Forecast Variance	Budget Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000	£000	£000	£000
Other	6,470	6,209	(261)	2,571	3,243	672

# 6. Running Cost Allowance

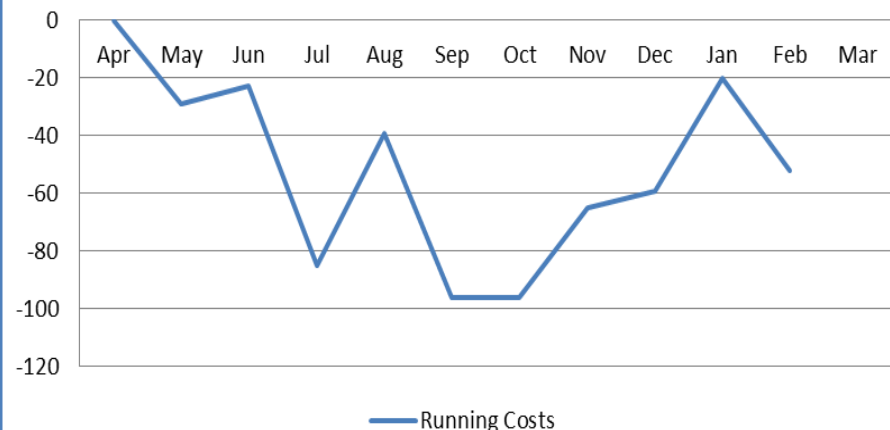
	Budget Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000
Area			
Corporate	932	907	(25)
Commissioning	364	400	36
Finance (inc CSU)	1,822	1,808	(14)
Nursing	75	48	(26)
Governance & Performance	266	242	(23)
<b>Total</b>	<b>3,459</b>	<b>3,405</b>	<b>(52)</b>
Pay	1,432	1,432	0
Non Pay	2,027	1,973	(52)

### Key Messages

The Running Costs element of the CCG allocation is currently showing an underspend of £52k at Month 11. More detailed analysis can be found in Appendix 3.

It was queried at the March Board why there was an overspend against finance. This was due to an error where trainee costs had been included twice at month 10 causing an overspend. This has now been corrected at month 11.

### Year to Date Variance



# 7. Recurrent cashable efficiencies based on contractual performance.

The table below shows the current performance of our QIPP schemes that create recurrent cashable efficiencies. This data is based on current contractual performance. Due to the timing of the report the QIPP position is based on Month 9 SUS data and Month 10 ledger position.

Transactional QIPP	Total Annual NHSE Plan	YTD Plan Amount £m	Actual YTD £m	YTD Variance £m	Forecast Actual
Acute Services	0.49	0.45	0.63	0.19	0.68
MH Services	0.20	0.18	0.18	-	0.20
Community Health Services	0.04	0.03	0.03	0.00	0.03
Primary Care	0.73	0.67	1.19	0.52	1.45
Other Programme Services	-	-	0.00	0.00	-
<b>Total</b>	<b>1.46</b>	<b>1.33</b>	<b>2.04</b>	<b>0.71</b>	<b>2.37</b>

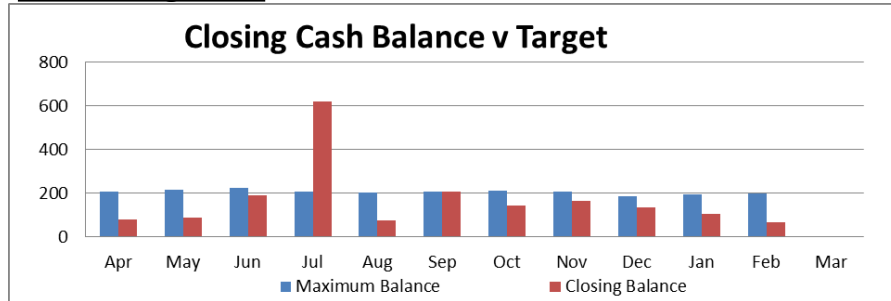
Transformational QIPP	Total Annual NHSE Plan	YTD Plan Amount £m	Actual YTD £m	YTD Variance £m	Forecast Actual
Acute Services	2.43	2.16	1.14	1.02	1.26
MH Services	0.30	0.27	0.52	0.25	0.57
Community Health Services	0.57	0.53	0.02	0.51	0.02
Continuing Care Services	0.36	0.33	1.10	0.77	1.20
Other Programme Services	0.02	0.02	0.02	0.00	0.02
Primary Co Commissioning	0.32	0.29	0.28	0.00	0.30
<b>Total</b>	<b>4.00</b>	<b>3.60</b>	<b>3.07</b>	<b>0.52</b>	<b>3.37</b>
<b>Unidentified Amount</b>	<b>0.39</b>	<b>0.29</b>		<b>0.29</b>	
<b>Grand Total</b>	<b>5.85</b>	<b>5.22</b>	<b>5.12</b>	<b>0.11</b>	<b>5.74</b>

The table above provides the Month 11 position for Telford and Wrekin CCG's QIPP schemes based on information received up to Month 9 SUS Data and Month 10 Ledger Position. This highlights that the CCG has achieved savings of £5.12m at Month 11 with a forecast achievement of £5.74m. This represents a current year to date under performance of £110k against the QIPP target and a forecast underperformance of £110k. As reported in previous months, this is mainly due to the Primary Care Demand Management scheme underperforming, however there has also been a significant deterioration in the position on the Intermediate Care scheme although the scheme is still achieving the planned savings. The reasons for the deterioration in the intermediate care scheme performance are currently being investigated and will be reported verbally to the next programme management committee but one of the reasons for the change is an issue identified in coding at SATH which had resulted in some SUS data records being excluded and therefore the position understated. This has now been rectified in the dataset.

# 8. Statement of Financial Position

The charts & narrative below highlight the key indicators from the CCG Statement of Financial Position or Balance Sheet.

## Cash Management



The year to date cash position is summarised in the chart to the left. The target is to have a maximum cash balance at the end of each month of no more than 1.25% of that drawn down in the month. In February the CCG achieved this target.

## Better Practice Payment Code (BPPC)

	Year to Date	
	Number	Value
NHS	97.3%	99.5%
Non NHS	98.7%	98.1%
<b>Total</b>	<b>98.4%</b>	<b>99.2%</b>

The table to the left summarises CCG current performance against BPPC. The target is to pay 95% of all invoices (in terms of both volume and value) within 30 days of receipt. For Month 11, we achieved this target for value and volume for both NHS and Non NHS invoices. CCG finance continue to regularly check the invoices in the ledger and remind budget holders of the need to approve invoices in a timely manner.

## Capital Resource Limit

Scheme	Cost (£)
Tablet/laptop refresh/docking station	32,479
LCD screen refresh	3,427
Print Managed solution Exec/PA	1,878
Adobe Professional licenses	1,656
Keyboard, mice, cables, adaptors	1,291
<b>Total</b>	<b>40,732</b>

The CCG applied for a small capital allocation for 2016/17 of £42k. The CCG received this in January and plans to spend it on IT equipment by the end of the financial year. The table to the left provides detail behind the plan.

## Aged Debtors

	Sum of Total AR due amount	AR overdue 1-30 days	AR overdue 31-90 days	AR overdue >90 days	Sum of Total AR due and overdue amount
NHS	32,048	64,435	52,288	45,970	194,740
NON NHS	40,974	169,991	912,102	25,244	1,148,311
<b>Grand Total</b>	<b>73,023</b>	<b>234,426</b>	<b>964,390</b>	<b>71,213</b>	<b>1,343,052</b>

This table shows the amount owed to the CCG. The majority of this is balances owed by Telford and Wrekin Council (83%). The largest outstanding invoice is for a value of £600k. The longest overdue invoice is 738 days.

# 9. Allocation Breakdown

The table below shows our current allocation and adjustments that we have received in year.

	Month	Programme		Admin		Primary Care		Total		
		R	NR	R	NR	R	NR	R	NR	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Initial CCG Programme Allocation	April	205,369						205,369	0	205,369
Initial CCG Admin Allocation	April				3,773			3,773	0	3,773
Delegated Co-Commissioning Allocation	April					22,576		22,576	0	22,576
Return of Surplus from 2015/16	April		2,668					0	2,668	2,668
Q1 Eating Disorder Service	June		90					0	90	90
H&J Secondary Care	July		12					0	12	12
Specialised Wheelchairs	July	(8)						(8)	0	(8)
GP Development Programme	August		16					0	16	16
Mental Health	October		38					0	38	38
CEOV	November		(255)					0	(255)	(255)
15/16 Quality Premium	December		333					0	333	333
IAPT/Perinatal funding	December		113					0	113	113
Mental Health	January		37					0	37	37
Improving Access to General Practice	January		76					0	76	76
Move to market rents	January		24		36			0	60	60
H&J Secondary Care Funding	February		18					0	18	18
		<b>205,361</b>	<b>3,170</b>	<b>0</b>	<b>3,809</b>	<b>22,576</b>	<b>0</b>	<b>231,710</b>	<b>3,206</b>	<b>234,916</b>

# 10. BCF

In 2016/17 the CCG makes a contribution of £11.99m to an overall pooled budget known as the Better Care Fund (BCF). The Local Authority contribute £2.26m leading to an overall fund of £14.21m. The fund is split into a number of areas and this is demonstrated in the table below. The financial position of the fund is monitored by a joint finance group and will be reported to PPQ on a monthly basis in the format below. NB These are month 10 figures for LA expenditure and month 11 figures for NHS expenditure as reported to the Pooled Budget Forum. The overspends are in LA budget lines and dialogue is taking place between the LA and CCG to determine if any of these costs should legitimately be transferred to CCG budgets. This would have an adverse impact on the financial position of the CCG – the position is being closely monitored. These cost pressures are in relation to domiciliary care and enablement and mitigating actions will take place to reduce the cost pressure.

Summary Statement	Annual Budget £	Year to Date Budget £	Year to Date Expenditure £	Year to Date Variance £	Year end Forecast Expenditure £	Year end Forecast Variance £
Intermediate Care	6,004,400	5,288,908	4,805,133	-483,775	6,224,438	220,038
Community Resilience	1,283,321	1,106,647	959,644	-147,003	1,283,321	0
Telford Neighbourhood Care	3,485,636	3,037,778	2,822,842	-214,936	3,448,395	-37,241
Other Care	3,432,564	2,889,231	2,404,275	-484,956	3,434,254	1,690
<b>Grand Total:</b>	<b>14,205,922</b>	<b>12,322,564</b>	<b>10,991,894</b>	<b>-1,330,670</b>	<b>14,390,408</b>	<b>184,486</b>

# 11. Risks and Mitigations

The risks that are currently inherent in our financial plan for the year are shown in the table below:

Financial Risks	Mitigations in place
<p><b>Contract over performance-</b> risk that activity at acute trusts will be greater than planned.</p>	<p>Ensure up to date contract information is presented to PPQ and Board as part of the finance report. Discussions with providers e.g. at contract meetings and finance and activity groups to highlight early warning signs of over performance through provider internal monitoring. Use of TRAQS data for up to date information on referrals. The CCG agreed a year end settlement with SATH which has mitigated a large proportion of the risk around this.</p>
<p><b>System Management-</b> risk related to the pressures of contributing/managing the whole LHE system rather than just the financial position of the CCG. Particular financial difficulties at Shropshire CCG and SATH.</p>	<p>Ensure regular LHE dialogue between all organisations to ensure system wide understanding of financial gap and action plan, including risk sharing where appropriate, to achieve sustainability. This will be achieved through joint working around the STP and deficit reduction plan.</p>
<p><b>QIPP Delivery-</b> risk that QIPP schemes will not deliver in year leading to a cost pressure.</p>	<p>QIPP will be monitored regularly at the QIPP sub committee. The QIPP programme is dealt with on a rolling basis so that schemes can be brought on line in year.</p>
<p><b>Local Authority-</b> There is a risk that the Council may not pass on the full value of NHS ALD funding which we had in previous years.</p>	<p>On going executive level discussion to resolve.</p>
<p><b>Specialised Services-</b> Risk that the current exercise undertaken to split specialised services activity back to CCG level will incorrectly inform allocation adjustments and leave us with a cost pressure in future years.</p>	<p>The CCG Deputy CFO will continue to attend the monthly specialised services finance work stream to ensure that we are involved in understanding the exercise that is being undertaken and that queries are passed through to both the regional and central teams.</p>
<p><b>MsK-</b> Last year the CCG revised care pathways and currencies through a formal tender for services. This service continues to be high risk and will be monitored closely throughout 2016/17.</p>	<p>A detailed report to PPQ on the MSK service against a number of performance metrics will be presented on a regular basis.</p>
<p><b>1% NR headroom reserve-</b> At the time of this report the CCG has been instructed by NHS England to hold the 1% NR headroom reserve of £2.7m as uncommitted. This presents a financial risk as the CCG would like to utilise this funding to support transformational schemes aligned to our QIPP programme and/or to support the regional STP as well as provide contingency for in year risks.</p>	<p>The CCG has now received correspondence on this issue attached at appendix 7. The CCG surplus will therefore increase by this reserve at Month 12.</p>