

## **Meetings in Common of the Boards of NHS England and NHS Improvement**

**Meeting Date:** Thursday 27 September 2018

**Agenda item:** 01.b

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**Report on:** Month 4, 2018/19 Finance and Operational Performance Report

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### **Introduction**

1. This paper provides the following:
  - an update on the overall NHS England / NHS Improvement financial plan position for 2018/19, where further progress has been made towards achieving an overall balanced plan for the NHS;
  - the combined financial position at month 4 across the NHS commissioning and provider sectors; and
  - a summary of the most up to date operational performance including recent activity trends.

### **Concluding the financial plans for 2018/19**

2. The NHS set out to deliver a breakeven financial position overall in both the commissioner and provider sectors for 2018/19, facilitated by the injection of additional provider funding of £650m in the form of an increased Provider Sustainability Fund (PSF).
3. As reported to the NHS England board on 4<sup>th</sup> July the commissioner sector overall has achieved balanced plans. However, as reported in the NHS Improvement quarter 1 performance publication the planning gap stood at £519m. To close this gap NHS England and NHS Improvement have continued working closely with local systems to take direct action to address shortfalls, and to generate compensating underspends elsewhere.

4. NHS England and NHS Improvement are committed to achieving a balanced plan and have agreed a joint programme of actions designed to eliminate the £519m deficit in previously submitted operating plans in time for Q2 reporting. As agreed, the commissioning sector will deliver £265m of planned underspend as at M5, and NHS Improvement is currently reviewing returns from providers to confirm the level of improvement achievable by providers against a target of £254m.

### Overall month 4 financial position

5. Table 1 summarises the combined year to date and full year forecast position for NHS England and NHS Improvement. At the time of Month 4 reporting the actions to improve plans set out above were ongoing, and so the resultant changes are not reflected in the Month 4 position.

**Table 1**

Suplus / (Deficit)	Year to Date				Forecast Outturn			
	Plan £m	Actual £m	Under/(over) spend		Plan £m	FOT £m	Under/(over) spend	
			£m	%			£m	%
<b>NHS England</b>								
Clinical Commissioning Groups	0.0	(41.2)	(41.2)	(0.1%)	0.0	0.0	0.0	0.0%
Direct Commissioning	0.0	5.3	5.3	0.1%	0.0	0.0	0.0	0.0%
NHSE Running & central programme costs	0.0	46.1	46.1	8.0%	0.0	57.4	57.4	1.1%
Other including technical & ringfenced adjustments	0.0	(6.2)	(6.2)		0.0	(63.2)	(63.2)	
<b>NHSE Total - non-ringfenced RDEL</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>(5.8)</b>	<b>(5.8)</b>	<b>(0.0%)</b>
<b>NHS Improvement</b>								
NHS Providers	(1,023.0)	(1,110.0)	(87.0)	(8.5%)	(1,414.0)	(1,512.0)	(98.0)	(6.9%)
Technical adjustments inc. uncommitted PSF	198.0	272.0	74.0	(37.4%)	915.0	1,012.0	97.0	(10.6%)
GIRFT funded from PSF	0.0	0.0	0.0	0.0%	(20.0)	(20.0)	0.0	0.0%
<b>NHSI Total - including PSF</b>	<b>(825.0)</b>	<b>(838.0)</b>	<b>(13.0)</b>	<b>(1.6%)</b>	<b>(519.0)</b>	<b>(520.0)</b>	<b>(1.0)</b>	<b>(0.2%)</b>
<b>Total combined position</b>	<b>(825.0)</b>	<b>(834.0)</b>	<b>(9.0)</b>	<b>(1.1%)</b>	<b>(519.0)</b>	<b>(525.8)</b>	<b>(6.8)</b>	<b>(1.3%)</b>

6. Table 1 shows an aggregated position for both the commissioner and provider sectors based on current reporting practices. The NHS England figures in Table 1 are presented on a non-ringfenced RDEL basis and include NHS England central and corporate budgets. The NHS Improvement figures are reported using Generally Accepted Accounting Principles on an adjusted financial position basis. They include the Provider Sustainability Fund (PSF) within provider results and forecasts where expected to be earned and centrally in other cases. They only include the aggregated individual provider positions, though NHS Improvement corporate budgets are not material to the overall position.

7. Table 2 shows the number and value of CCGs and NHS providers who are reporting over or underspends against plan at month 4.

**Table 2**

	Month 4 Year to Date				Month 4 Forecast			
	Overspend		Underspend		Overspend		Underspend	
	#	£m	#	£m	#	£m	#	£m
Clinical Commissioning Groups	29	(48.9)	20	7.7	0	0.0	0	0.0
NHS Providers (inc PSF)	100	(136.9)	118	49.5	63	(98.6)	21	1.0

8. At month 4, the commissioning sector is reporting a position broadly in line with plan. There are signs of pressures in 29 CCGs who are reporting year to date positions worse than plan, but the forecast currently assumes that any CCG overspends will be recovered by the end of the financial year. Further detail on the NHS England financial position can be found in appendix A.
9. At month 4, the provider sector is £13m over plan and there are 100 trusts reporting a financial position that is worse than plan including PSF, with 21 trusts reporting variances greater than £1m. If PSF is excluded the number of trusts reporting a year to date overspend reduces to 73, with 8 trusts forecast to overspend at the end of the year. This reduction is primarily due to the cohort of trusts that have not achieved the required levels of A&E performance and therefore are not eligible to earn the performance element of the PSF, despite having delivered their financial plan. The sector as a whole is forecasting to finish the year on plan at £520m deficit. Further detail on the NHS Improvement financial position can be found in appendix B.
10. The higher levels of emergency activity described in paragraph 16 are only being partially offset by lower levels of elective activity, which is creating a financial pressure for commissioners. Despite increased emergency revenue the relatively higher cost of delivering emergency care which is unplanned is translating into cost pressures, which combined with the lost elective income, is creating pressure on providers' financial positions. The higher level of emergency activity growth is also resulting in significant operational pressures for acute providers (see below).
11. At month 4, commissioners are forecasting to deliver 94% of their savings plans, a total of £3.2bn. At the same point providers are forecasting to deliver 95% of their savings plans, a total of £3.4bn
12. Providers and commissioners are reporting delivery risks of around £900m (before the impact of any funding shortfalls in relation to the Agenda for Change and Medical pay awards), around half of which relates to concerns with efficiency delivery. The overall level of risk is broadly similar to previous years, and we have achieved a much higher level of alignment between commissioner and provider plans than previous years due to joint action by NHSE/I and STPs, but to maximise the upfront funding for front line services we did not set aside a system reserve in 2018/19, as we did in each of the last two years. Therefore concerted action is required to avert a material risk of aggregate overspend.
13. To address this risk, a number of further mitigating initiatives are being developed jointly by NHS England and NHS Improvement national and regional teams. These include:
  - Strengthening Provider and Commissioner efficiency plans to maximise delivery;
  - Maximising the impact of agreed actions relating to low value and over the counter medicines following the recent consultations, and acting in

due course on any agreed outcomes from the consultation on interventions with limited evidence of effectiveness;

- Ensuring all systems will fully realise the potential savings from biosimilar drug launches in November and December;
- Reducing or deferring central programme spending where possible and pushing down on consultancy spend; and
- Working with DHSC to minimise the impact on the NHS of pressures driven by external factors, such as pay awards and centrally determined drugs pricing, and identifying opportunities in other areas.

14. These measures may not be sufficient alone to deliver an acceptable risk profile for year-end financial delivery, meaning that any new investments will need to be carefully considered, and we will be supporting those systems operating at the highest levels of risk in making difficult choices and trade-offs as the year progresses.

### Summary of latest operational performance

15. The NHS continues to experience significant performance and demand challenges in 2018/19. A summary can be found in appendix C.

16. Demand for emergency and non-elective NHS services continues to rise. However there is evidence that our strategy to ensure patients are treated in the most appropriate setting for their urgent care needs is having an impact on A&E attendance growth, as **A&E attendances** for Type 1 increased by 0.7% whereas Type 2, 3 and 4 attendances increased by 10.0% in the first four months of 2018/19 (total A&E attendances increased by 4.0% over this period). This increase in Type 2 – 4 attendances is understood in part to reflect changes associated with streaming and the implementation of new models of care. **Non-elective admissions** increased by 10.4% for zero length of stay patients, and by 2.8% for stays of one day or longer, over the same period. Analysis suggests over half of the zero day length of stay non-elective growth relates to the reclassification of some same day emergency care activity from being counted as outpatient attendances into non-electives spells. In addition, non-elective bed days have reduced by 1.8% compared to the same period last year, reflecting the planned move to more ambulatory same day emergency care provision.

17. Meanwhile, growth in **elective referrals** is flat, with only a 0.2% increase in GP referrals over the last four months compared to the same period last year. In the period April to July 2018, **elective spells** decreased by 0.2%. However, within this, day cases increased by 1.0% and ordinary (overnight) admissions decreased by 6.2%. First outpatient attendances grew by 1.1% in the first four months of this year when compared to the same four months last year.

18. Cost-weighted admission activity growth of 2.7% over the same period compares with a three-year average of 2.2%

19. To create capacity for more inpatient activity and emergency admissions, we are focusing on initiatives to **reduce bed occupancy** by reducing numbers of

“long stay patients” (those patients who have been in hospital over three weeks and who would be better suited to care in another location). If the NHS reduced the number of these patients by 25%, it would release over 4,000 beds to provide capacity for emergency patients waiting in A&E and planned patients on waiting lists. As at 31 July 2018, we had seen a 9% reduction against our December 2018 ambition, equating to 1,697 beds released so far.

20. In July 2018, there were on average 4,516 beds occupied each day by people who were **delayed in their Transfer of Care (DToC)**, a reduction of 23% since July 2017 (5,867). This means nearly 2,200 hospital beds have been freed from DToC reduction between February 2017 (the high point) and now – equivalent to opening up more than four new hospitals. Of this 2,200 improvement, approximately half has been delivered by the NHS and half by social care. This follows a concerted focus on reducing delayed transfers, which is helping to absorb some of the impact of the increased demand for emergency services. A programme of support is being made available to systems to help further decrease delayed transfers of care, with enhanced counting guidance due to be published in November 2018 to further support the accurate recording of delays. A series of health and social care integration reviews undertaken by the Care Quality Commission has enabled learning to be shared across systems.
21. The average daily number of General & Acute (G&A) **beds** open overnight decreased by 1.6% from 102,898 in Quarter 1 2017/18 to 101,259 in Quarter 1 2018/19. During the same period, the **occupancy rate** increased from 89.1% to 89.9%, and as a result the number of **occupied beds** decreased by 0.7% from 91,724 to 91,052. Bed days figures calculated from KH03 bed availability and occupancy return data showed a decrease of 0.7% over the same period.
22. When looking at the average number of discharges on a weekday versus a weekend, data shows that there is still progress to be made to achieve seven-day working. Analysis shows on average, across England, 1.8 more discharges occur per day on weekdays compared to the weekend for all length of stays of one day or longer. The national ambition to reduce long stay patients has a particular focus on discharges at weekdays and weekends, so over time we would expect to see the variation between weekends and weekdays reduce as true seven-day working increases.
23. The most recent data shows that 89.7% of patients who attended **A&E** in August 2018 were admitted, transferred or discharged within 4 hours, compared to 89.3% in July 2018 and 90.3% in August 2017. We are committed to delivering 90% performance by September 2018. Providers have managed to treat almost 52,000 more patients within 4 hours than during the same period last year, but this is against an increase of almost 71,000 additional A&E attendances.
24. We are working to ensure that the sickest patients get seen in A&E and that more appropriate alternatives to A&E are offered for all other patients who don't require the same level of care. This is being achieved through increasing clinical

advice through NHS 111, offering extended access to evening and weekend GP appointments and better access to urgent treatment centres staffed by appropriate clinicians. To improve A&E waiting times performance further, capital funding has been made available to support same day emergency care services, where patients can be seen and treated and discharged home on the same day. The work described above on reducing long stay patients and those who were delayed in their transfer of care will also help to free up beds and improve patient flow throughout the system.

25. At a national level, performance against all six **ambulance response time standards** improved between July 2018 and August 2018, although only two met the standard. For both the category 1 response time standards (calls from people with life-threatening illnesses or injuries), the August 2018 national figures were the shortest since the current categorisation of calls was first used throughout England<sup>1</sup> in December 2017. In August 2018 there were 23,000 calls to 999 answered per day, a decrease of 10% on July 2018, and 21,700 incidents per day that received a response from an Ambulance Service, a decrease of 5% on the previous month.
26. **Referral to treatment time** (RTT) performance in July 2018 was 87.8%, the same performance as the previous month, but a reduction from the 89.9% reported in July 2017. The number of patients waiting to start elective treatment at the end of July 2018 was just over 4.1m, an increase of 7.1% on the previous year. This increases to 4.3m when adjusted for the estimated impact of trusts that did not submit data. The growth in the waiting list is mainly a consequence of lower than planned growth in elective activity – especially for ordinary (overnight) admissions.
27. At the end of July 2018, 3,464 patients were waiting over a year for treatment compared to 3,517 in June 2018 and 1,642 in July 2017.
28. We continue to work with systems to ensure the necessary levels of activity are commissioned and delivered to achieve the improvements in performance which are needed. Where gaps are identified, robust and locally-owned plans are put in place. These plans include a focus on reducing long-stay patients, making use of all capacity across the country and further implementation of national improvement and efficiency programmes.
29. In July 2018, 78.2% of patients received a first definitive treatment for **cancer** following an urgent GP referral for suspected cancer within 62 days, against a standard of 85%. This compares to 79.2% in June 2018 and 81.4% in July 2017. More patients than ever before were treated within 62 days, reversing the trend seen in Q3 and Q4 2017/18, and increasing by 11.6% over the three months to July 2018 compared with the same period last year.

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<sup>1</sup> Excluding the Isle of Wight.

30. Current performance in part reflects the extremely high number of patients being referred, despite the growth in the numbers of patients being treated. 2018/19 has seen steep increases in referrals across all tumour types (13.6% growth in April-July 2018 compared with the corresponding period last year), most starkly in urology (26%). The Cancer Programme aims to diagnose cancer earlier in order to increase survival rates. This focus leads to an increase in referrals which in turn puts pressure on diagnostic and treatment services.
31. We are taking focussed action to support the NHS to meet the operational standard, including close operational oversight, targeted improvement support and prioritising system transformation which supports operational delivery.
32. In response to the recent rise in referrals, we are making more funding available to support delivery of immediate actions to improve performance, with priority given to actions that will improve performance on the urology pathway. The funding will be directed locally by joint 'SWAT teams' from regions and Cancer Alliances working in the worst-performing areas and trusts. These teams will diagnose and address the key issues and barriers affecting performance.
33. Ensuring transformation activity stays on track while performance is improved is key to delivering sustainable services in the medium to long-term. At the same time, to support improvements against the 62 day urology pathway in particular, we will require all Alliances to further prioritise and accelerate implementation of the best practice timed pathway for prostate cancer across all of their providers, and work with their regional teams to ensure that any shorter-term interventions that will support delivery of the 62 day pathway for urology are immediately implemented.
34. The total number of patients waiting six weeks or longer from referral for key **diagnostic** tests at the end of July 2018 was 27,700. This was 2.8% of the total number of patients waiting at the end of the month and higher than the 1% standard. This compares to reported performance of 2.9% for June 2018 and 1.8% for July 2017. A total of 1,940,200 diagnostic tests were undertaken in July 2018; an increase of 104,400 from July 2017.
35. We are developing initiatives to improve diagnostic performance, including examining how resources can be efficiently deployed through pilots in networking imaging services and pathology consolidation, allowing diagnostic resources to be shared. We are also investigating how technology can support diagnostic tests in the future through use of the artificial intelligence in speeding-up reporting of test results. An audit of diagnostic equipment is being carried out to identify where machinery needs to be updated.
36. Delivery of the **Five Year Forward View for Mental Health** continues to progress. Latest data from the mental health dashboard shows that more CCGs than ever before have met the Mental Health Investment Standard (MHIS), with 90% of CCGs meeting the requirement in 2017/18 - up from 85% the previous year. In addition, CCGs increased their mental health spend from £9,723m in 2016/17 to £10,080m in 2017/18 – an increase of 3.7% compared to 2.1%

growth in CCG programme allocation. There are robust local assurance processes for delivery of mental health standards, including a requirement that all CCGs meet the Mental Health Investment Standard (MHIS), in 2018/19.

37. The **Improving Access to Psychological Therapy (IAPT)** access rate was 4.2% for the quarter to June 2018, with a recovery rate for June 2018 of 52.4% against a standard of 50%. In June 2018, 89.6% of people finished treatment having waited less than six weeks to enter treatment (against a standard of 75%) and 99.0% of people finished treatment having waited less than 18 weeks to enter treatment (against a standard of 95%).
38. Data for the first quarter of 2018/19 shows the proportion of children and young people accessing treatment for eating disorders within four weeks for routine cases was 81.2%. The proportion of children and young people accessing treatment within one week for urgent cases was 74.7%. The programme is on track to achieve 95% for routine and urgent cases by 2020/2021.
39. The national standard for 53% of people to start treatment for **Early Intervention in Psychosis (EIP)** within two weeks was exceeded in July 2018, with a performance of 75.9%. Ongoing improvement work is underway to enhance patients' access to the full range of NICE recommended treatment and support once they have been allocated a care coordinator within an EIP team.
40. At the end of August 2018, the diagnosis rate for **dementia**, which is calculated for people aged 65 and over, was 67.8%. This is above the ambition that at least two-thirds (66.7%) of people living with dementia receive a formal diagnosis. The standard has been consistently achieved since July 2016. A project to examine potential strategies to reduce unnecessary admissions and length of stay in acute hospitals for people with dementia has been established, and three STPs have been invited to participate in the development and testing of these new approaches
41. Since April 2018, over half the country has had access to evening and weekend appointments in **primary care** 7 days a week. We are continuing to support CCGs to provide extended access to GP services for 100% of their population by 1 October 2018, and are on track to meet this national commitment. NHS England invested £10.8bn in general practice in 2017/18, a real terms increase of 3.9% on the previous 12 months. This increase means that we are ahead of schedule to invest £12bn a year by 2020 and primary care has seen investment rise every year since the creation of NHS England.

## **Recommendation**

42. The Boards are asked to note this report.



## NHS ENGLAND FINANCIAL PERFORMANCE

### Summary of Year to Date and Forecast Expenditure by Area of Commissioning

	Year to Date Net Expenditure				Forecast Net Expenditure			
	Plan £m	Actual £m	Var £m	Var %	Plan £m	Forecast £m	Var £m	Var %
North	8,316.4	8,314.2	2.2	0.0 %	25,051.7	25,051.7	0.0	0.0 %
Midlands & East	8,120.9	8,148.2	(27.3)	(0.3%)	24,494.1	24,494.1	0.0	0.0 %
London	4,438.8	4,453.1	(14.3)	(0.3%)	13,358.6	13,358.6	0.0	0.0 %
South West	2,632.7	2,632.7	0.0	0.0 %	7,885.2	7,885.2	0.0	0.0 %
South East	4,200.6	4,202.4	(1.8)	(0.0%)	12,633.6	12,633.6	0.0	0.0 %
Quality Premium <sup>1</sup>	0.0	0.0	0.0	0.0 %	90.0	90.0	0.0	0.0 %
<b>Total CCG Net Expenditure</b>	<b>27,709.4</b>	<b>27,750.6</b>	<b>(41.2)</b>	<b>(0.1%)</b>	<b>83,513.2</b>	<b>83,513.2</b>	<b>0.0</b>	<b>0.0 %</b>
Specialised Commissioning	5,595.3	5,595.3	0.0	0.0 %	17,648.8	17,648.8	0.0	0.0 %
Armed Forces	20.4	20.4	0.0	0.0 %	63.9	63.9	0.0	0.0 %
Health & Justice	191.5	191.4	0.1	0.1 %	593.1	593.1	0.0	0.0 %
Primary Care & Secondary Dental	1,867.7	1,863.9	3.8	0.2 %	5,747.9	5,748.2	(0.3)	(0.0%)
Public Health	306.9	305.5	1.4	0.5 %	1,042.1	1,041.8	0.3	0.0 %
<b>Total Direct Commissioning Expenditure</b>	<b>7,981.8</b>	<b>7,976.5</b>	<b>5.3</b>	<b>0.1 %</b>	<b>25,095.8</b>	<b>25,095.8</b>	<b>0.0</b>	<b>0.0 %</b>
NHS England Running Costs (exl. dep'n)	152.2	139.0	13.2	8.7 %	482.6	476.8	5.8	1.2 %
NHS England Central Programme Costs (exc. dep'n)	245.1	216.6	28.5	11.6 %	896.1	844.5	51.6	5.8 %
CSUs net margin	2.0	(2.4)	4.4	220.0 %	2.0	2.0	0.0	0.0 %
Other Central Budgets (including PSF) <sup>2</sup>	175.3	175.3	0.0	0.0 %	3,838.8	3,838.8	0.0	0.0 %
<b>Total NHS England Other</b>	<b>574.6</b>	<b>528.5</b>	<b>46.1</b>	<b>8.0 %</b>	<b>5,219.5</b>	<b>5,162.1</b>	<b>57.4</b>	<b>1.1 %</b>
NHS England depreciation charges	44.7	35.0	9.7		136.0	105.9	30.1	
Remove ringfenced under/(over) spend (depreciation and impairments)	(54.7)	(40.6)	(14.1)		(166.0)	(121.7)	(44.3)	
Remove AME/Technical items	(3.0)	(1.2)	(1.8)		24.4	73.4	(49.0)	
<b>Total non-ringfenced RDEL under/(over) spend</b>	<b>36,252.8</b>	<b>36,248.8</b>	<b>4.0</b>	<b>0.0%</b>	<b>113,822.9</b>	<b>113,828.7</b>	<b>(5.8)</b>	<b>(0.0%)</b>

Note 1 - Quality Premium is added to the planned expenditure (and income) of CCGs in the lines above when earned. This line shows the element of annual quality premium budget which has not yet been earned.

Note 2 - Expenditure relating to awards under the provider element of the Sustainability Fund (PSF) is assumed to be in line with the full allocation of £2.45bn. The related income for trusts is fully accounted for in the provider position reported by NHS Improvement - either within individual organisations' results and forecasts or as a separate line to the extent that it is either not yet allocated or not earned under the relevant award criteria.

At month 4, NHS England is reporting a year to date underspend of £4m (0.0%) and the full year forecast shows a bottom line position that is broadly in line with plan. There are 29 CCGs with year to date overspends which are offset by underspends on direct commissioning and NHS England central budgets. All CCGs are forecasting that any overspends will be recovered by the end of the financial year.

NHS England central budgets are showing a year to date and forecast underspend which is due to vacancies and income from GP rates rebates not included in the operating plan. The forecast also reflects greater pressure than expected from the impact of the technical and ringfenced adjustments relating to provision movements and depreciation, both of which are adjusted for when reporting against the core non-ringfenced RDEL measure.

Alongside the forecast, NHS England monitors financial risks and available mitigations. At month 4 there is an overall net risk of £458m. There has been a reduction in locally reported risk; however, the total net risk has increased from the level previously reported as a result of a number of unplanned-for national-level pressures.

Detailed financial performance information is also published on the NHS England website on a quarterly basis (<https://www.england.nhs.uk/publication/financial-performance-reports/>).

**NHS ENGLAND FINANCIAL PERFORMANCE**  
**Summary of Year to Date and Forecast Efficiency Performance by Area of Commissioning**

	Year to Date Commissioner Efficiency				Forecast Commissioner Efficiency						2017/18		Percentage Increase	
	Plan £m	Actual £m	Var £m	Achieved %	Plan £m	As % of Allocation	Forecast £m	As % of Allocation	Var £m	Achieved %	Outturn £m	As % of Allocation	Planned %	Forecast %
Local														
North	183.6	185.0	1.4	100.8 %	673.2	2.7%	636.5	2.5%	(36.7)	94.5 %	630.1	2.6%	6.8%	1.0%
Midlands and East	244.8	232.1	(12.7)	94.8 %	903.7	3.7%	871.7	3.6%	(32.0)	96.5 %	855.6	3.6%	5.6%	1.9%
London	130.9	115.6	(15.3)	88.3 %	522.3	3.9%	453.2	3.4%	(69.1)	86.8 %	410.8	3.2%	27.1%	10.3%
South West	71.5	71.0	(0.5)	99.3 %	253.7	3.2%	242.1	3.1%	(11.6)	95.4 %				
South East	100.8	89.2	(11.6)	88.5 %	383.8	3.1%	344.8	2.8%	(39.0)	89.8 %	589.1	3.0%	8.2%	(0.4%)
<b>Total Local</b>	<b>731.6</b>	<b>692.9</b>	<b>(38.7)</b>	<b>94.7 %</b>	<b>2,736.7</b>	<b>3.3%</b>	<b>2,548.3</b>	<b>3.1%</b>	<b>(188.4)</b>	<b>93.1 %</b>	<b>2,485.6</b>	<b>3.1%</b>	<b>10.1%</b>	<b>2.5%</b>
Direct Commissioning														
Specialised	159.7	159.2	(0.5)	99.7 %	523.9	3.0%	523.9	3.0%	0.0	100.0 %	413.9	2.5%	26.6%	26.6%
Armed Forces	0.0	0.0	0.0	100.0 %	0.0	0.0%	0.0	0.0%	0.0	100.0 %	0.0	0.0%	0.0%	0.0%
Health & Justice	1.1	1.1	0.0	100.0 %	3.7	0.6%	3.7	0.6%	0.0	100.0 %	3.5	0.6%	0.0%	0.0%
Primary Care and Secondary Dental	16.2	16.4	0.2	101.2 %	77.1	1.2%	77.1	1.2%	0.0	100.0 %	110.9	1.7%	(30.5%)	(30.5%)
Public Health	1.2	1.2	0.0	100.0 %	3.6	0.3%	3.6	0.3%	0.0	100.0 %	7.5	0.8%	(51.7%)	(51.7%)
<b>Total Direct Commissioning</b>	<b>178.2</b>	<b>177.9</b>	<b>(0.3)</b>	<b>99.8 %</b>	<b>608.4</b>	<b>2.3%</b>	<b>608.4</b>	<b>2.3%</b>	<b>0.0</b>	<b>100.0 %</b>	<b>535.8</b>	<b>2.2%</b>	<b>13.6%</b>	<b>13.6%</b>
<b>Total Commissioner Efficiency</b>	<b>909.8</b>	<b>870.8</b>	<b>(39.0)</b>	<b>95.7 %</b>	<b>3,345.1</b>	<b>3.1%</b>	<b>3,156.7</b>	<b>2.9%</b>	<b>(188.4)</b>	<b>94.4 %</b>	<b>3,021.4</b>	<b>2.9%</b>	<b>10.7%</b>	<b>4.5%</b>
Of which transformational	396.5	346.4	(50.1)	87.4 %	1,527.7	1.4%	1,440.4	1.3%	(87.3)	94.3 %	1,208.0	1.2%	26.5%	19.2%

The NHS England figures in this report are derived from the consolidated financial reports of clinical commissioning groups (CCGs) and direct commissioning units, which have been reviewed and assured by local offices and the regional teams, and from the monthly financial reports on central budgets. The information is presented on a non-ringfenced RDEL basis.

**NHS IMPROVEMENT FINANCIAL PERFORMANCE**  
**Financial performance overview by sector**

4 months ended 31 July 2018 by sector	Number of providers	Year to date Month 4 2018/19				Forecast outturn 2018/19				
		Plan	Actual	Variance to plan	Deficit Providers	Plan	Forecast	Variance to plan		Deficit Providers
		£m	£m	£m	No.	£m	£m	£m	%	No.
Acute	133	(1,002.0)	(1,107.0)	(105.0)	119	(1,566.0)	(1,666.0)	(100.0)	(6.4%)	89
Ambulance	10	1.0	3.0	2.0	4	3.0	3.0	0.0	0.0%	5
Community	17	2.0	4.0	2.0	6	22.0	23.0	1.0	4.5%	4
Mental Health	53	(9.0)	(3.0)	6.0	20	96.0	97.0	1.0	1.0%	10
Specialist	17	(15.0)	(7.0)	8.0	10	31.0	31.0	0.0	0.0%	5
<b>Control total basis surplus / (deficit) including PSF</b>	<b>230</b>	<b>(1,023.0)</b>	<b>(1,110.0)</b>	<b>(87.0)</b>	<b>159</b>	<b>(1,414.0)</b>	<b>(1,512.0)</b>	<b>(98.0)</b>	<b>(6.9%)</b>	<b>113</b>
Technical adjustments including uncommitted PSF		198.0	272.0	74.0		915.0	1,012.0	97.0	10.6%	
Less GIRFT funded from PSF		0.0	0.0	0.0		(20.0)	(20.0)	0.0	0.0%	
<b>Reported adjusted financial position surplus / (deficit) inc. all PSF</b>		<b>(825.0)</b>	<b>(838.0)</b>	<b>(13.0)</b>		<b>(519.0)</b>	<b>(520.0)</b>	<b>(1.0)</b>	<b>(0.2%)</b>	

The NHS provider sector overspent by £87 million against plan in the period to month 4, however this is offset by uncommitted PSF funding of £74 million, reducing the overall overspend against plan to £13 million or 1.6%. The month 4 figures are driven by higher than expected income (particularly non-elective income) of £144 million which is offset by an increase in both pay expenditure (up by £145 million) and non-pay costs (up by £86 million). This is principally due to pressures in the acute sector resulting in an adverse variance from plan of £105 with 119 providers reporting deficits at month 4. The acute sector overspend is offset by smaller underspends in the ambulance, community, mental health and specialist sectors.

At month 4 trusts provided data on the impact of the Agenda for Change pay awards. This information is being reviewed and the impact of any funding shortfalls have not been reflected in the month 4 figures.

## NHS IMPROVEMENT FINANCIAL PERFORMANCE

### Financial performance overview by region

4 months ended 31 July 2018 by region	Number of providers	Year to date Month 4 2018/19				Forecast outturn 2018/19				
		Plan	Actual	Variance to plan	Deficit Providers	Plan	Forecast	Variance to plan		Deficit Providers
		£m	£m	£m	No.	£m	£m	£m	%	No.
London	36	(179.0)	(195.0)	(16.0)	23	(234.0)	(250.0)	(16.0)	(6.8%)	15
Midlands	69	(385.0)	(427.0)	(42.0)	48	(646.0)	(686.0)	(40.0)	(6.2%)	39
North	70	(295.0)	(306.0)	(11.0)	51	(440.0)	(474.0)	(34.0)	(7.7%)	33
South	55	(164.0)	(182.0)	(18.0)	37	(94.0)	(102.0)	(8.0)	(8.5%)	26
<b>Control total basis surplus / (deficit) including PSF</b>	<b>230</b>	<b>(1,023.0)</b>	<b>(1,110.0)</b>	<b>(87.0)</b>	<b>159</b>	<b>(1,414.0)</b>	<b>(1,512.0)</b>	<b>(98.0)</b>	<b>(6.9%)</b>	<b>113</b>
Technical adjustments including uncommitted PSF		198.0	272.0	74.0		915.0	1,012.0	97.0	10.6%	
Less GIRFT funded from PSF		0.0	0.0	0.0		(20.0)	(20.0)	0.0	0.0%	
<b>Reported adjusted financial position surplus / (deficit) inc. all PSF</b>		<b>(825.0)</b>	<b>(838.0)</b>	<b>(13.0)</b>		<b>(519.0)</b>	<b>(520.0)</b>	<b>(1.0)</b>	<b>(0.2%)</b>	

At an aggregate level the South region is forecasting the biggest % variance to plan but in absolute terms the Midlands is currently forecasting the highest level of financial deterioration by the year end.

Detailed financial performance information at a provider level is available in the NHS Improvement quarterly report.

**NHS IMPROVEMENT FINANCIAL PERFORMANCE**  
**Summary of Year to Date and Forecast CIP Performance**

4 months ended 31 July 2018	Year to date Month 4 2018/19				Forecast outturn 2018/19			
	Plan	Actual	Variance	Variance	Plan	Forecast	Variance	Variance
	£m	£m	£m	%	£m	£m	£m	%
Recurrent	703.0	535.0	(168.0)	(23.9%)	3,130.0	2,799.0	(331.0)	(10.6%)
Non Recurrent	103.0	188.0	85.0	82.5%	447.0	619.0	172.0	38.5%
<b>Total efficiency savings</b>	<b>806.0</b>	<b>723.0</b>	<b>(83.0)</b>	<b>(10.3%)</b>	<b>3,577.0</b>	<b>3,418.0</b>	<b>(159.0)</b>	<b>(4.4%)</b>
Efficiencies as a % of Spend	2.8%	2.5%			4.1%	3.8%		

In the period to month 4, the provider sector has delivered efficiency savings of £723 million, representing 2.5% of expenditure. Although significant, this is £83 million (10%) below the planned efficiency savings. The under-achievement of CIPs has been reported against both pay and non-pay schemes with a small over achievement against income CIPs.

This is consistent with the pattern of CIP delivery seen in previous years with an under achievement of recurrent CIPs (24%) being partially compensated by an over-recovery of non-recurrent CIPs (83%).

The sector is forecasting to achieve £3.4 billion of savings by the year end (3.8% of expenditure) against a plan of £3.6 billion (4.1% of expenditure).

The operational pressures in the sector combined with the high level of vacancies have impacted on the sector's ability to deliver the planned level of efficiencies.

## OPERATIONAL PERFORMANCE Key Metrics Overview

Metrics	Target / Ceiling	2018	2017
<b>Urgent and Emergency Care (Provider-based)</b>			
<b>Accident &amp; emergency: August</b>			
A&E attendances	-	<b>1,995,405</b>	1,924,663
Performance – All A&E types (%)	95%	<b>89.7%</b>	90.3%
Performance – Acute trusts only (%)	95%	<b>83.9%</b>	85.4%
<b>Ambulance response times: August</b>			
Category 1 mean/90th centile	<i>7 mins / 15 mins</i>	<b>7:17 / 12:46</b>	9:14 / 15:12
Category 2 mean/90th centile	<i>18 mins / 40 mins</i>	<b>20:42 / 42:34</b>	23:55 / 53:09
Category 3 mean/90th centile	<i>No standard / 120 mins</i>	<b>57:34 / 135:18</b>	50:41 / 118:05
Category 4 mean/90th centile	<i>No standard / 180 mins</i>	<b>79:23 / 176:14</b>	81:25 / 152:49
<b>Delayed Transfers of Care: July</b>			
Total number of delayed days per day	-	<b>4,516</b>	5,867
<b>NHS 111: August</b>			
Contacts (calls per day)	-	<b>41,258</b>	37,615
<b>Elective Care (Commissioner-based)</b>			
<b>Referral to treatment (RTT): July</b>			
18 w eeks incomplete (%)	92%	<b>87.8%</b>	89.9%
52-w eek w aits (number)	-	<b>3,464</b>	1,642
<b>Diagnostics: July</b>			
Number of diagnostic tests w aiting 6 weeks+ (%)	1%	<b>2.8%</b>	1.8%
<b>Cancer (Commissioner-based)</b>			
<b>Cancer: July</b>			
2-w eek GP referral to 1 <sup>st</sup> outpatient, cancer (%)	93%	<b>91.9%</b>	94.1%
2-w eek referral to 1 <sup>st</sup> outpatient - breast symptoms (%)	93%	<b>88.3%</b>	93.5%
31-day w ait from diagnosis to first treatment (%)	96%	<b>97.1%</b>	97.6%
62-day urgent GP referral to treatment for all cancers (%)	85%	<b>78.2%</b>	81.4%
62-day referral from screening services	90%	<b>89.0%</b>	90.5%
<b>Mental Health (Commissioner-based)</b>			
<b>Mental Health</b>			
Improving Access to Psychological Therapy (Q1) – access rate (%)	<i>4.2% (3.75% in 2017)</i>	<b>4.2%</b>	4.0%
Children and young people accessing treatment for eating disorders (Q1) – urgent w ithin 1 w eek (%)	<i>95% by 2020/21</i>	<b>74.7%</b>	73.3%
Children and young people accessing treatment for eating disorders (Q1) – routine w ithin 4 w eeks (%)	<i>95% by 2020/21</i>	<b>81.2%</b>	78.7%
Early Intervention in Psychosis (July - %)	<i>53% (50% in 2017)</i>	<b>75.9%</b>	74.9%
Diagnosis rate for dementia (August - %)	66.7%	<b>67.8%</b>	68.2%
<b>Infection control (Provider-based)</b>			
<b>Infection control: July</b>			
C. Difficile (Total cases)	409	<b>426</b>	464
MRSA (Total cases)	0	<b>18</b>	17
E-Coli (Total cases)	-	<b>3,858</b>	3,731

## OPERATIONAL PERFORMANCE NHS activity and referral summary

Year-on-year growth rates (%) Sources: Referrals - MAR A&E attendances - SitRep All other activity - SUS		Total NHS Commissioned All Provider Activity			
		Average growth in three years to 2017/18	12 M growth rate	3 M growth rate	YTD growth rate
<b>Referrals</b>	GP referrals	1.5%	(1.1%)	(0.0%)	0.2%
	Other referrals	3.5%	3.1%	3.9%	3.3%
	Total referrals	2.2%	0.4%	1.5%	1.4%
<b>Outpatients</b>	First attendances	4.0%	1.1%	1.5%	1.1%
	- Exc. diagnostic imaging	2.6%	0.6%	1.6%	1.2%
	Follow-up attendances	2.1%	0.2%	0.5%	0.3%
	- Exc. diagnostic imaging	1.8%	0.2%	0.4%	0.3%
	Total attendances	2.7%	0.5%	0.8%	0.6%
	- Exc. diagnostic imaging	2.1%	0.4%	0.8%	0.6%
<b>Electives</b>	Day case	2.6%	0.8%	1.8%	1.0%
	Ordinary admissions	(3.0%)	(5.9%)	(3.7%)	(6.2%)
	Total spells	1.6%	(0.4%)	0.9%	(0.2%)
	Bed days	(3.0%)	(4.0%)	(3.5%)	(5.6%)
<b>Non-electives</b>	Zero day LoS spells	6.4%	9.1%	10.2%	10.4%
	1+ day LoS spells	1.1%	2.7%	2.2%	2.8%
	Total spells	2.6%	4.6%	4.7%	5.1%
	Bed days	0.8%	0.3%	(1.3%)	(1.8%)
<b>Total admissions</b>	Total spells	n/a	1.3%	2.2%	1.6%
	Bed days	0.3%	(0.3%)	(1.6%)	(2.3%)
<b>A&amp;E</b>	Type 1 Attendances	1.7%	0.7%	1.0%	0.7%
	All Attendances	2.1%	2.9%	4.8%	4.0%
<b>Weighted activity</b>	Admissions (Total Elec & Non-Elec)	2.2%	2.4%	2.9%	2.7%
	Admissions (DC & Ord. Elec & Non-Elec)	1.7%	1.4%	2.1%	1.7%
	All (1st OP & FU OP & Total Elec & Non-Elec & A&E)	2.4%	2.0%	2.5%	2.3%
	All (1st OP & FU OP & DC & Ord. Elec & Non-Elec & A&E)	1.9%	1.3%	2.0%	1.6%

Referrals, outpatients, elective spells and bed day measures are working-day adjusted.

Non-electives and A&E are calendar day-adjusted.

Total spells and weighted activity measures are calculated accounting for working-day and calendar-day differences for their constituent parts.