

**NHS England
NHS Improvement**

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

Meeting Date: Thursday 28 March 2019

Agenda item: 4

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Report on: **Month 10, 2018/19 Finance and Operational Performance Report**

Decision Making Responsibility:

NHS England	<input type="checkbox"/>
NHS Improvement	<input type="checkbox"/>
NHS England and NHS Improvement	<input type="checkbox"/>
N/A - joint discussion	<input checked="" type="checkbox"/>

Introduction

1. This paper provides the following:
 - A summary of the most up to date operational performance including recent activity trends.
 - The financial position of the commissioning sector at month 10.
2. We also publish comprehensive statistics regarding NHS performance on our website: <https://www.england.nhs.uk/statistics/statistical-work-areas/combined-performance-summary/>

Managing Demand and Transforming Care Models

Urgent and Emergency Care

3. 1,953,782 people attended A&E in February 2019, which is an increase of 7.3% on the same month last year. This is the highest year-on-year growth for any month in three years, pushing down performance in February to 84.2%; a 0.8ppt decrease in performance compared to 85.0% in February 2018. The number of patients seen and admitted or discharged within 4 hours has increased by 97,533 (6.3%) compared to the previous year.
4. Taking winter to date overall (December 2018 – February 2019) performance was 85.0% compared to 85.1% for the same three months last year. *In total, more than 239,000 more people were seen within 4 hours than the winter same period last year.*
5. Growth in attendances, particularly in non-A&E services, such as urgent care centres, minor injuries units and walk-in centres (Type 2 and 3), has resulted in year-to-date growth of 8.33% to February 2019. These services are supporting patients to access the most appropriate setting for their urgent care needs, helping avoid inappropriate attendances at type 1 A&E departments. Type 1 A&Es attendances have risen by 1.62% over the same period.
6. The majority of growth in non-elective admissions has been for patients with no overnight stay, with year-to-date growth of 12.0% compared to 2.8% for those patients who required an overnight stay in the year to January 2019. This reflects the move to same day emergency care provision, helping to reduce unnecessary hospital admissions and occupied bed days.
7. Despite the increases in demand, bed occupancy has remained stable and was 0.6 percentage points lower than last year (February 2018 – 95%, February 2019 – 94.4%). This can, in part be attributed to the focus on reducing long length of stay patients, showing a reduction on last year of 11% and releasing 2,193 beds. Continued DTOC reductions show that there were 4,377 beds equivalent to delayed days in January 2019, down by 506 compared to January 2018.
8. National and regional teams have worked closely together to support local systems to prepare for winter and they continue to have daily engagement with health systems across the country to monitor and support delivery. This includes intensive targeted support for organisations where there may be significant challenges, both at senior executive level through NHSI and NHSE directors and at operational level through the deployment of improvement support teams such as the Emergency Care Intensive Support Team.
9. The burden of flu on the overall system has been lower than last year and the trivalent vaccine has been a good match for the H1N1 strain. Hospitalisation rates increased during the month of February to levels above those seen last year, though have been declining in more recent weeks.

10. Healthcare worker vaccination uptake levels achieved a record this year at 70.3%, whilst public vaccination rates achieved 71.3% uptake among over 65s; 46.9% for under 65s in clinical risk groups; 45.0% for pregnant women. Among children, vaccination uptake rates were 43.1% and 45.2% for two and three-year olds, respectively and between 56.2% and 63.9% for the other eligible age groups.
11. This winter has seen a strong ongoing clinical engagement through NEPP (the National Escalation Pressures Panel). Chaired by the National Medical Director Professor Steve Powis, NEPP brings together clinical leaders and experts from organisations including: the Royal College of Surgeons, the Royal College of Physicians, the Royal College of GPs, the Royal College of Nursing, Public Health England and the Care Quality Commission (CQC). The panel meetings have now ended for this year.
12. Ambulance arrivals increased in February 2019 compared to last year (circa 5%). Despite the rise in demand hospitals and the ambulance service have worked collaboratively with regional colleagues to significantly reduce ambulance handover delays. The published data for February 2019 showed reductions nationally in both 30 minute and 60 minute handover delays compared to last February, of the order 0.15% and 5.13% respectively. There remain variations between trusts with some outliers, and regional teams are working very closely with those who continue to face challenges.
13. We have seen improved performance delivery in the ambulance sector during the last year across categories 1, 2 and 4 of the performance standards, with all trusts (excluding Isle of Wight) regularly achieving the 90th centile standard for Category 1 response times for the most life-threatening cases. National performance against the Category 1 mean was 7 minutes and 17 seconds, reflecting an improvement of 1 minute against performance in February 2018.
14. In February 2019, the NHS managed 1.41 million 111 calls. The year-to-date figure for 2018/19 (up to February) has seen over 935,000 more calls than the same period last year. Of calls answered by NHS 111 in February, 73.7% were answered within 60 seconds compared to 70.4% in the same month last year, whilst clinical advice was provided in 53.8% of triaged calls, up from 46.5% in February 2018.
15. 100% of the country's population is covered by NHS 111 Online (with at least phase 1 functionality). The full 111 online service (known as phase 3 - full integration) covers 77.4% of the population, and a further 17.5% can receive a call back when appropriate (known as phase 2 - CAS integration). The remaining work to bring all areas to phase 3 integration is planned to take place over the coming months. In February, NHS 111 online accounted for 10.5% of all NHS Pathways triages (across online and telephone). 2% of NHS 111 online users access the service via the NHS app. The majority of users still come via internet search engines (37%) or via symptom pages on NHS.uk (32%).

RTT

16. Performance on the referral to treatment (RTT) waiting time standard in January 2019 saw 86.7% of patients waiting less than 18 weeks, a slight improvement on 86.6% in the previous month. The overall reported waiting list size increased from 4.15 million in December 2018 to 4.16 million in January 2019. This increase was more than accounted for by the return of RTT reporting by St George's University Hospitals NHS Foundation Trust.
17. There has been a reduction of 38.67% over 52 week waits from the peak in June 2018 (3,517), to the published January position of 2,157. Scrutiny and support at both a national and regional level is seeing the number of patients waiting 52 or more weeks for treatment continuing to reduce month on month. This includes regional teams working with systems to find resolutions to capacity issues in certain specialties.
18. Quarter 4 has seen significant progress with mobilisation of First Contact Practitioner (FCP) services with 95% of STPs having at least one live site at the end of February 19, covering a patient population of approximately 4,250,000. This is expected to raise to 98% by April 19. FCP services support patients with MSK conditions to be seen directly by a physiotherapist in GP practices without the need to see a GP. Mobilisation plans for 2019/20 are in place with NHS England regions. This is in line with the NHS Long-Term Plan for FCP services to be rolled out across all health economies and population by 2023/24, covering a patient population of approximately 42,000,000.
19. The fifth and final wave of specialty-based rapid testing has been completed. Five specialty handbooks have been published, three are ready for publication and the remaining six will be ready for publication shortly. These are part of the suite of resources available on the Elective Care Community of Practice to support the transformation of elective care in local systems.

Digital

20. The England-wide rollout of the NHS app is progressing. The app is currently enabled in over 1,500 GP practices (over 20% of the country) and on track to be close to one third by the end of March. There is a very intensive rollout period scheduled from April-July 2019. Biometric login (fingerprint and facial recognition) is being deployed in response to user feedback. A public marketing campaign is planned to run from September 2019 once we are confident that access to GP appointments will be in place across the country. NHS login entered a beta phase, through the NHS App, in January 2019, and we are now working with a number of other suppliers to increase service usage. On average we are able to verify patients in around 30 minutes, and we are working to provide near real-time verification so people can be verified at the point of accessing services.
21. The evidence standards framework for digital health technologies produced with NICE and a range of partners has been updated and re-published in

March 2019 following stakeholder feedback.¹

22. Our service design manual has been rebuilt and now includes the frontend library, prototyping kit and guidance on health literacy.

Cancer

23. The first key action on cancer in the NHS Long Term Plan was taken in February with the launch of the targeted lung health checks rollout, building on the promising results from pilots in Manchester and Liverpool. Around £70 million will fund 10 projects in areas that have some of the highest lung cancer mortality rates, potentially reaching 600,000 people over four years and saving hundreds of lives across the country.
24. During 2018/19 we have seen several months of record breaking numbers of referrals and treatments, and continued to see historically high numbers of referrals in January 2019. Adjusting for working days, the number of referrals seen in January 2019 was up 16.3% (25,488) on January 2018, and referrals are up 15.0% (258,479) for the year-to-date on the same period last year. We have seen high growth in referral volumes particularly for certain tumour types which is in part attributable to high profile and public figures raising awareness of their cancer diagnosis and treatment and public awareness campaigns.
25. The referral increase in part reflects improvements in referral practice by GPs, and this will be vital if we are to deliver on the ambition in the Long Term Plan (LTP) to diagnose 75% of cancers at stages 1 and 2.
26. We continue to treat more cancer patients than ever with 13,975 patients receiving a first treatment for cancer following an urgent GP referral in January 2019. This is 10.5% greater than January 2018. Year-to-date treatments are also higher at 11.3% (14,002) more than the same period in 2017/18. Treatments for urological cancers have increased significantly so far this year by 25.8%. 7,515 more treatments have been delivered this year compared to last year, accounting for over half of the total growth in treatments.
27. The two specific work streams to support performance improvement, funded by the £10m transformation money released in October 2018, have continued to be implemented. Across England, additional capacity has been put in place in both diagnostics and treatments, as well as new roles to support pathway improvement. The senior specialist visits to especially challenged areas are almost complete with follow on support underway for each Trust.

Primary Care

28. The Primary Care Programme is supporting the delivery of the General Practice Forward View (GPFV) and Long Term Plan by increasing investment

¹ Available at: <https://www.nice.org.uk/about/what-we-do/our-programmes/evidence-standards-framework-for-digital-health-technologies> [accessed: 18 March 2019]

in primary care services, developing an increased and expanded workforce, and supporting the improvement of access, services and premises.

29. Everyone across the country can now access general practice appointments in the evenings and weekends which is helping to increase capacity over the winter period. This means that patients can see a doctor, nurse or other member of the practice team at a time that is convenient to them, and will provide an estimated nine million additional appointments per year.
30. Work with regions is underway to ensure the delivery of all the “access” national core requirements by end of March 2019. In addition, preparatory work has commenced on a review of extended access services that was set out in the recently published *“Investment and evolution: A five-year framework for GP contract reform to implement The NHS Long Term Plan”*.² The purpose of the review is to make recommendations that will enable the development and implementation of a single coherent “extended access” offer that Primary Care Networks (PCNs) will make, for both physical and digital services. This review will commence in April 2019 and current expectation is there will be a final report early March 2020.
31. The NHS Long Term Plan reconfirmed our commitment to ensure an increase of 5,000 full time equivalent GPs as soon as possible. Alongside a two-year fellowship offer for the newly qualified, work to grow the number of nurses and doctors working in general practice will be supported by increased funding for the core GP practice contract, rising by £978 million a year by 2023/24.
32. Latest quarterly statistics indicate that there were 34,510 full-time equivalent (FTE) doctors (44,396 headcount) working in general practice in England as at December 2018. This represents a growth in headcount terms of 459 doctors and a decrease of 27 FTE since December 2017, reflecting an increase in the number of GP Registrars (+566 FTE) and salaried doctors (+392 FTE), and a continued decrease in the number GP partners (-980 FTE).
33. We have now recruited 110 doctors from overseas through the extended national programme and pilots. Of these, over 50 are in the country either seeing patients or in observer placements in practices. There is a further pipeline of doctors undergoing interviews and language assessments for entry to the programme. We have launched a targeted social media marketing campaign to promote the programme and general practice in England as a place to work, as well as trialling different models to maximise the potential pipeline. We are working with colleagues in the RCGP and the GMC to explore potential routes into general practice for non-EEA doctors, although regulatory restrictions prevent recruitment from most non-EEA countries. In addition, there are now over 780 doctors who have applied to join an improved induction and refresher scheme. These are both domestically trained or international doctors who have previously trained or

² Available at: <https://www.england.nhs.uk/wp-content/uploads/2019/01/gp-contract-2019.pdf>
[Accessed: 18 March 2019]

worked in the NHS but have not practised for two years or more, as well as new international doctors who are joining the NHS for the first time.

34. We continue to build on recent provision for a range of other roles to relieve pressure on GPs and develop the skill mix of the wider multi-disciplinary team. Building on the success in increasing the wider workforce in general practice by over 5,000 over the past three years, in January 2019 we set out reforms to the GP Contract. These ensure that practices working together in PCNs will be guaranteed funding to support recruitment of up to an estimated 20,000 additional staff to work alongside GPs by 2023/24, with an initial focus on pharmacists and social prescribing link workers. Work progresses to support introduction of the Additional Roles Reimbursement Scheme from July 2019, including work to develop guidance and training infrastructure to support individuals, teams and networks as they drive transformation in primary care.
35. As at 30 December 2018, there were 96,018 FTE (137,151 headcount) non-GP staff working in general practice in England, representing an increase of 2,493 FTE since December 2017. This growth includes nurses, pharmacists, paramedics and physician associates.
36. As at 31 January 2019, we have supported improvements to primary care estate and technology infrastructure, through the delivery of 1,102 projects, with a further 765 schemes in development.
37. During 2019/20, we expect PCNs to establish themselves as capable networks with people and support in place, laying the foundations for transformation, and as new collectives acting to improve the care model locally. We are committed to ensuring that the target of 100% coverage, set out in the planning guidance and GP contract reform documents, is achieved by 30 June 2019 at the latest, and ahead of the Network Contract going live on 1 July 2019. A comprehensive development support offer is being established. Work is underway with key stakeholders to ensure that the support meets the needs of local systems, is easily accessible, and can respond to the varied PCN development picture across England.

Mental Health

38. The Long Term Plan highlighted Mental Health as a priority, making at least an extra £2.3bn a year real terms available by 2023/24 to continue our commitment to increasing the share of NHS spending that goes on mental health services.
39. Delivery of the Five Year Forward View for Mental Health continues to progress. Latest data from the mental health dashboard shows that for the first time all 195 CCGs (covering every part of England) are on track to meet the Mental Health Investment Standard in 2018/19, an increase from 186 (90%) out of 207 CCGs that achieved it in 2017/18.
40. The latest **Improving Access to Psychological Therapy (IAPT)** data in

December 2018 shows the rolling quarter access rate to be 4.48%, with ongoing work to ensure sufficient workforce expansion to meet the 25% access rate by 2020/21. The 50% recovery rate has continuously been exceeded, reaching 51.5% in December 2018. In December 2018, 90% of people entered treatment having waited less than six weeks (against a standard of 75%) and 98.9% of people entered treatment having waited less than 18 weeks (against a standard of 95%) the same month. All areas are required to commission an integrated IAPT Long Term Condition service in 2018/19 and assurance mechanisms are in place to ensure delivery.

41. A second wave of **community perinatal mental health** funding has been distributed to a further 35 STP-led sites, which will allow expectant and new mothers experiencing mental health difficulties to access specialist perinatal mental health community services in every part of the country by April 2019. There will be an additional 9,000 women receiving specialist perinatal care in 2018/19. Approximately 8,650 additional women accessed services by Quarter 3 2018/19.
42. The NHS is ahead schedule on access to **children and young people's mental health services**. NHS Digital published a one-off data collection for access to **children and young people's mental health services** in July 2018. Results indicate that nationally 324,724 children and young people accessed mental health services in 2017/18, which approximately equates to 30.5% of children and young people and exceeds our annual trajectory of 30% for 2017/18.
43. Data for the third quarter of 2018/19 shows the proportion of children and young people accessing treatment for **eating disorders** within four weeks for routine cases was 86.8%. The proportion of children and young people accessing treatment within one week for urgent cases was 80.7%. The programme is on track to achieve 95% for both routine and urgent cases by 2020/21.
44. The national standard for 53% of people to start treatment for **Early Intervention in Psychosis (EIP)** within two weeks was exceeded in December 2018, with a performance of 75.2%. 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.
45. At the end of February 2019, the diagnosis rate for **dementia**, which is calculated for people aged 65 and over, was 67.9%, exceeding 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.

Integrating Care Locally

46. In line with the commitment set out in the NHS Long Term Plan (LTP) for all STPs to transition to ICSs by April 2021, we are working with all systems across England to either set out the development path for a STP to become an ICS, or to support the further development and strengthening of ICSs.
47. An updated ICS maturity matrix, the 'bronze' diagnostic (shortly to be available to all systems), and soft-intelligence will be used to identify the starting point of each systems' development journey and key areas of focus, aligned to their five-year plans.
48. Building on learning from the New Care Models (NCM) programme and the current 14 ICSs, we will work to facilitate the implementation of integrated care models, including full coverage of PCNs by July 2019.
49. We will support STPs and ICSs to focus on:
 - boosting out-of-hospital care to improving the link between primary and community services;
 - re-designing and reducing pressure on emergency hospital services;
 - supporting people to get more control over their own health, and more personalised care when they need it;
 - ensuring digitally-enabled primary and outpatient care will go main stream
 - increasingly, population health and local partnerships with local authority-funded services.
50. We are in the process of agreeing what the LTP implementation framework will ask of systems, and when this will be required. We will take this opportunity to re-emphasise that systems must demonstrate progress on the main deliverables on the LTP rather than just focussing on changing the 'wiring' of systems.

Ten Point Efficiency Plan

51. The Ten Point Efficiency Plan (10PEP) within 'Next Steps' sets out how the NHS will deliver significant efficiency opportunities through concerted action across the system to enable the NHS to balance its budget and to invest in new treatments and better care. There are ten overarching aims within the plan, supported by a series of over forty efficiency programmes across NHS England, NHS Improvement and the Department of Health and Social Care.
52. As at January 2019, CCGs are forecasting £2.4bn of CCG quality, innovation, productivity and prevention savings attributable to the 10PEP in 2018/19.
53. CCGs are forecasting that £517m of efficiencies will be delivered using a RightCare approach in 2018/19. An additional £112m is expected to be delivered within Specialised Commissioning in 2018/19 compared to £78m in 2017/18. In service areas that have been prioritised for a RightCare focus within CCGs, elective activity demand growth is 0.9% lower and non-elective

demand growth is 0.6% lower than in areas where RightCare is not active. This helps to demonstrate the savings made by reducing unwarranted variation in clinical quality and efficiency. 2018/19 and 2019/20 will see implementation of the new RightCare Delivery Strategy which includes increasing close working with other national programmes and the 'getting it right first time' workstream to further embed the improvement methodology.

54. The Medicines Value Programme is forecasting £815m efficiency savings in 2018/19. From 1 April to 30 October 2018, expenditure on low priority prescribing products was, in cash terms, 20.4% below the same six months in 2017/18, with the trajectory expected to improve further. Uptake of best value biologics has increased month-on-month, with three of four currently available products exceeding the 80% target for uptake within 12 months of on-set. The fourth is at 77.0% and expected to reach target by the end of 2018/19, having become available at the end of 2017/18.
55. Continuing Healthcare (CHC) expenditure is stabilising, with lower growth than forecast in each of the last three years. CCGs delivered £530m of QIPP savings in 2017/18, with an additional £227m expected to be delivered in 2018/19 (gross impact of £757m). At the same time, eligibility rates have remained constant. Location of assessment and 28-day standard targets continue to show improving trends to the end of December 2018. Further work is being undertaken in 2018/19 to identify opportunities from reducing the still high level of variation seen across the country.
56. The Evidence Based Interventions (EBI) programme consultation closed on 28 September. We expect the EBI programme to result in a reduction in activity by ensuring appropriate use of the 17 procedures it covers. While the national implementation levers such as the NHS standard contract and National Tariff come into force on 1 April 2019, we are already seeing that, at December 2018, activity is estimated to be 6.2% lower than at the same point in the in year 2017/18 for these 17 procedures (at tariff prices this would free up £27m to be reinvested in more clinically appropriate frontline care). Further data returns will give us a better indication of whether progress is on track. The statutory consultation on the 2019/20 National Tariff included a proposal for a zero-price tariff for the four Category 1 interventions when not accompanied by an individual funding request (IFR). The consultation objection threshold was not triggered and final approval is currently being sought for the 19/20 Tariff. Changes to the NHS Standard Contract were consulted on and have been included in the final version of the 2019/20 NHS Standard Contract to support CCGs to implement the EBI policy. Our goal, by April 2020, is to reduce activity by 129,119 procedures per annum, to free up capacity for other activity rather than delivering cash-releasing savings.
57. At March 2019, £24m savings are forecast for 2018/19 through our proactive counter-fraud work in identifying inappropriate dental and pharmacy fee exemption claims. A further £12m savings are forecast for 2018/19 through identifying and recovering over-claimed dental fees.

Summary of month 10 financial position

58. Table 1 shows the commissioner financial position to month 10. The sector figures are presented on a non-ringfenced RDEL basis and include NHS England central and corporate budgets.

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	%
Commissioner Sector								
Clinical Commissioning Groups	(110.4)	(322.7)	(212.3)	(0.3%)	48.2	(111.9)	(160.1)	(0.2%)
Direct Commissioning	5.3	157.3	152.0	0.8%	115.0	266.6	151.6	0.6%
NHSE Running & central programme costs	(199.9)	(54.6)	145.3	8.3%	101.8	597.1	495.3	10.5%
Other including technical & ringfenced adjustments	0.0	(26.1)	(26.1)		0.0	(45.4)	(45.4)	
Commissioner Sector Total - non-ringfenced RDEL	(305.0)	(246.1)	58.9	0.1%	265.0	706.4	441.4	0.4%

59. Table 2 shows the number and value of CCGs who are reporting over or underspends at month 10.

Table 2

	Month 10 Year-to-Date				Month 10 Forecast			
	Overspend		Underspend		Overspend		Underspend	
	#	£m	#	£m	#	£m	#	£m
Clinical Commissioning Groups	49	(249.1)	27	36.8	28	(247.8)	12	27.8

60. At month 10, the headline year-to-date position for the commissioner sector remains broadly in line with plan, and a forecast underspend of £706m against the planned underspend of £265m. Following month 9, NHS England conducted a 'deep dive' review into the CCG position which resulted in a number of CCGs crystallising a deterioration in their forecast position at month 10; a total of 28 CCGs are now forecasting material deteriorations against plan, totalling £248m. Based on current intelligence, it is expected that CCGs will overspend by a combined total of around £250m by the end of the year, with up to 35 CCGs likely to end the year with an overspend. The forecast CCG overspends are partially offset by the release of £60m of the centrally held Quality Premium budget which we do not expect to be earned.

61. NHS England central budgets are showing a year-to-date and forecast managed underspend. The forecast also reflects greater pressure than expected from the impact of the technical and ringfenced adjustments relating to provision movements and depreciation. Further detail on the NHS England financial position is included in appendix A.

62. Alongside the forecast, local commissioners are reporting £53m of risk. NHS England has earmarked emerging central underspends to cover the local commissioning pressures.

APPENDIX A

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	20,903.1	20,924.7	(21.6)	(0.1%)	25,185.4	25,203.2	(17.8)	(0.1%)
Midlands & East	20,417.7	20,495.3	(77.6)	(0.4%)	24,636.3	24,686.3	(50.0)	(0.2%)
London	11,182.7	11,248.7	(66.0)	(0.6%)	13,486.8	13,569.7	(82.9)	(0.6%)
South West	6,603.0	6,603.0	0.0	0.0%	7,928.5	7,928.5	0.0	0.0%
South East	10,525.1	10,572.2	(47.1)	(0.4%)	12,692.3	12,761.7	(69.4)	(0.5%)
Quality Premium ¹	0.0	0.0	0.0	0.0%	62.2	2.2	60.0	96.5%
Total CCG Net Expenditure	69,631.6	69,843.9	(212.3)	(0.3%)	83,991.5	84,151.6	(160.1)	(0.2%)
Specialised Commissioning	14,154.9	14,080.0	74.9	0.5%	17,307.6	17,217.6	90.0	0.5%
Armed Forces	49.5	49.5	0.0	0.0%	62.9	62.9	0.0	0.0%
Health & Justice	475.7	471.2	4.5	0.9%	588.8	583.0	5.8	1.0%
Primary Care & Secondary Dental	4,580.8	4,532.9	47.9	1.0%	5,624.6	5,594.3	30.3	0.5%
Public Health	870.9	846.2	24.7	2.8%	1,087.9	1,062.4	25.5	2.3%
Total Direct Commissioning Net Expenditure	20,131.8	19,979.8	152.0	0.8%	24,671.8	24,520.2	151.6	0.6%
NHS England Running Costs (exc. dep'n)	377.8	349.0	28.8	7.6%	470.6	453.4	17.2	3.7%
NHS England Central Programme Costs (exc. dep'n)	637.7	532.6	105.1	16.5%	888.2	739.1	149.1	16.8%
CSUs net margin	5.5	(5.9)	11.4	207.3%	6.2	6.2	0.0	0.0%
Other Central Budgets (including PSF) ²	725.3	725.3	0.0	0.0%	3,373.1	3,044.1	329.0	9.8%
Total NHS England Other	1,746.3	1,601.0	145.3	8.3%	4,738.1	4,242.8	495.3	10.5%
NHS England depreciation charges	112.5	90.0	22.5		136.0	108.8	27.2	
Remove ringfenced under/(over) spend (dep'n & impairments)	(137.4)	(106.9)	(30.5)		(166.0)	(126.0)	(40.0)	
Remove AME/Technical items	(23.7)	(5.6)	(18.1)		(12.8)	19.8	(32.6)	
Total non-ringfenced RDEL	91,461.1	91,402.2	58.9	0.1%	113,358.6	112,917.2	441.4	0.4%

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 10, 49 CCGs are reporting year-to-date overspends and 28 CCGs are forecasting overspends. The most significant forecast overspends are in 3 CCGs in the North (£18.9m), 4 CCGs in Staffordshire (£56.6m), 5 CCGs in Kent & Medway (£43.4m) and across London (£102.8m). There are also further emerging pressures across a number of other CCGs in the South-East totalling £26.1m. The main reasons for CCG overspends are QIPP under-delivery and acute contract pressures.

The 2018/19 plan includes £90m that is initially held centrally for CCG Quality Premium and then added to CCG budgets when earned. We are currently forecasting a £60m underspend against this budget due to a high proportion of CCGs failing to deliver the relevant performance and/or financial targets in 2017/18.

Direct Commissioning underspends relate to central specialised commissioning budgets, dental budgets and slippage on the Bowel Scope Screening programme in line with the revised implementation profile. Community Pharmacy pressures associated with the reduction in pharmacy fee savings in 2018/19 are being managed non-recurrently across all regions.

NHS England central budgets are showing a year-to-date and forecast underspend, largely due to vacancies, income from GP rates rebates and counter fraud receipts not included in the operating plan, and the release of contingencies and reserves that are no longer expected to be required. The forecast reflects greater pressure than expected from the impact of the technical and ringfenced adjustments relating to provision movements and depreciation.

OFFICIAL
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	530.9	469.7	(61.2)	88.5 %	675.6	2.7%	586.2	2.3%	(89.4)	86.8 %	630.1	2.6%	7.2%	(7.0%)
Midlands and East	722.0	651.6	(70.4)	90.2 %	903.7	3.7%	817.5	3.3%	(86.2)	90.5 %	855.6	3.6%	5.6%	(4.4%)
London	405.1	329.6	(75.5)	81.4 %	522.4	3.9%	428.4	3.2%	(94.0)	82.0 %	410.8	3.2%	27.2%	4.3%
South West	202.1	196.3	(5.8)	97.1 %	253.7	3.2%	240.9	3.0%	(12.8)	95.0 %				
South East	299.4	264.6	(34.8)	88.4 %	384.2	3.0%	334.8	2.7%	(49.4)	87.1 %	589.1	3.0%	8.3%	(2.3%)
Total Local	2,159.5	1,911.8	(247.7)	88.5 %	2,739.6	3.3%	2,407.8	2.9%	(331.8)	87.9 %	2,485.6	3.1%	10.2%	(3.1%)
Direct Commissioning														
Specialised	423.8	370.2	(53.6)	87.4 %	523.9	3.0%	499.3	2.9%	(24.6)	95.3 %	413.9	2.5%	26.6%	20.6%
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	3.1	3.1	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	43.1	34.1	(9.0)	79.1 %	57.3	0.9%	49.1	0.8%	(8.2)	85.7 %	110.9	1.7%	(48.3%)	(55.7%)
Public Health	3.0	3.0	0.0	100.0 %	3.6	0.3%	3.6	0.3%	0.0	100.0 %	7.5	0.8%	(51.7%)	(51.7%)
Total Direct Commissioning	473.0	410.4	(62.6)	86.8 %	588.5	2.3%	555.7	2.2%	(32.8)	94.4 %	535.8	2.2%	9.8%	3.7%
Total Commissioner Efficiency	2,632.5	2,322.2	(310.3)	88.2 %	3,328.1	3.0%	2,963.5	2.7%	(364.6)	89.0 %	3,021.4	2.9%	10.2%	(1.9%)
Of which transformational	1,222.7	939.3	(283.4)	76.8 %	1,531.2	1.4%	1,164.8	1.1%	(366.4)	76.1 %	1,208.0	1.2%	26.8%	(3.6%)

Year-to-date at month 10 CCGs have delivered 88.5% of their efficiency plans, and are currently forecasting to deliver 87.9% of their savings plans for the year. This compares with 81.7% and 80.3% at this point in 2017/18; the final position for 2017/18 was 80%. Overall, NHS England is forecasting to deliver £3.0bn of efficiencies (89.0% of plan).

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.

Detailed financial performance information is published on the NHS England website on a quarterly basis

(<https://www.england.nhs.uk/publication/financial-performance-reports/>).