

Finance & Contracting Performance Report: *Period ended 29th February 2016*

Introduction

This report provides the headlines of the finance and contracting position.

1 Revenue Resource Allocation

NHS Rotherham CCG has been notified of a revenue resource allocation of £393.3m for operational purposes. The total includes £34.3m for GP Primary Care, which is still being transacted by NHS England until national systems are updated.

2 Cash

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Monthly Cash Drawings	£25m	£24.5m	£25.5m	£28.0m	£20.5m	£24.0m	£26.5m	£24.5m	£25.7m	£26.0m	£28.5m
Ledger Cash Balance	£23k	£900k	£2,905k	£2,542k	£1,287k	£18k	£2,632k	£55k	£1,133k	£404k	£2,720k
Cash Balance as % of Drawings	0.09%	3.68%	11.39%	9.08%	6.28%	0.08%	9.93%	0.22%	4.41%	1.55%	9.54%

CCG's are not allocated Cash Resource Limits but instead negotiate a Maximum Cash Drawdown (MCD) figure with the NHS England Cash Management Team. Our CCG's revised MCD has been set at £388.2m. The percentage of total MCD utilised as at February 2016 is 90%.

3 Better Payment Practice Code

NHS Rotherham CCG has signed up to the Prompt Payment Code administered by the Institute of Credit Management which requires the CCG to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

April 2015 to February 2016	Number of Invoices 2015-16	Value of Invoices 2015-16
Percentage of non-NHS trade invoices paid within target	99.8%	99.6%
Percentage of NHS trade invoices paid within target	100.0%	100.0%

4. Secondary Care (and QIPP) Position

Data is now available up to the end of January but not fully validated.

The Rotherham NHS Foundation Trust's (TRFT) levels of uncoded activity remains the same in January at 5% on average with non elective activity also the same as last month at 7% within that total. Month 10 contract monitoring data received from the Trust has shifted and now shows a £0.9m under-performance against plan.

This has been adjusted upwards by £0.7m to show a £0.39m under-performance. As reported previously the need for the adjustment is due to TRFT's contract monitoring system calculating income due for all un-coded activity at a single average rate, based on it being a relatively low cost emergency admission. The single rate did not adequately reflect casemix, in particular short stay/same day admissions being paid at a lower price.

Other secondary care contracts - Sheffield Childrens' Hospital is overperforming on outpatient follow up and non elective, and both Barnsley and Doncaster & Bassetlaw Hospitals are overperforming on non-elective. Sheffield Teaching Hospitals are overperforming on excluded drugs and growing underperformances on daycase and elective have now shifted the contract into an overall forecast underspend position, reflecting issues the Trust has been experiencing in the second part of the year and since introducing a new Patient Administration System (PAS).

QIPP Position

2015-16 QIPP Plans	Year to Date Plan	Year to Date Savings	Under / (Over) Achievement	Annual Plan	Forecast Outturn Savings	Forecast Outturn Under / (Over) Achievement
	£'000	£'000	£'000	£'000	£'000	£'000
Medicines Management	(1,759)	(1,759)	0	(1,919)	(1,919)	0
Unscheduled Care	(1,301)	(867)	434	(1,421)	(635)	786
Clinical Referrals	(4,776)	(5,335)	(559)	(5,205)	(6,044)	(839)
Mental Health	(464)	(464)	0	(506)	(506)	0
Corporate Services	(92)	(92)	0	(100)	(100)	0
Total	(8,392)	(8,517)	(125)	(9,151)	(9,204)	(53)

The QIPP position is assessed through contract monitoring information, currently being adjusted for levels of uncoded data at TRFT which presents a minimum risk to the assessment of the forecast outturn.

- Clinical Referrals: **favourable** due to under-performance in day case and elective admissions overall, but predominantly at TRFT and STHT. There has been an increase in the over-achievement of QIPP due to the issues at STHT as described above. The forecast outturn is underpinned by the new information provided by TRFT which allows for a more detailed forecast taking casemix and volumes at speciality level, into account. The general context remains an underperformance on activity matched by a larger underperformance against financial plan due to actual casemix.
- Unscheduled Care: **adverse** reflecting emergency admissions overall above plan. The increase in activity first seen in August is continuing across providers and expected casemix shifts between long and short stay activity are impacting the forecast outturn.

5. Other

(a) Prescribing

The assessment of forecast outturn has been increased by circa £0.1m in month. This is due to more data becoming available relating to the work of the additional wound care team, within the Prescribing Projects area of spend. In other areas, drug cost projections have now been updated to reflect January actual prescribing data. Headline reports show a reduction in the average unit cost of drugs prescribed during January. We are assuming this is related to the Category M drug price decreases, which were advised of nationally pre-christmas and which we expected to kick in from quarter 4, and on this basis this reduced average unit cost has been modelled forward in constructing the forecast outturn. The CCG has been building up a 'database' of prescribing spend at BNF level over the past year which now holds 10 months of data and is being used in shadow form to produce price and volume variances and, alongside other data sources, to inform the forecast outturn. The intention is to continue to grow this database, and use it to provide additional management information going forwards.

A breakdown of the current forecast outturn is below.

	Forecast Outturn Variance
	£m
GP Prescribing	767
Creditor Adjustment (Relating to prescribing spend)	317
Community Nurse Prescribing	98
Central Prescribing charges (Relating to prescribing spend)	228
Prescribing projects (Continence, Stoma, Enteral Feeds, Spec.feeds, Wound Care)	714
	2,124
Income and Contract Rebates	(509)
Recharges / misc other services received and provided	(185)

TOTAL Over / (Under) Spend

1,431

As previously reported, the proposed strategy for containing the general growth currently being experienced is as follows;

- Increased use of GP computer prompts to guide prescribers to the most cost effective options; these will have to be updated continually as the price of pharmaceuticals is currently very volatile. Success will depend on the prescribers' willingness to act on the prescribing-prompt.
- Reducing medicines waste; Efforts are underway to identify the causes of medicines waste, early results indicate that this is a significant problem; however, to tackle this issue will require practices to devote greater resources to managing repeat prescribing systems.
- Introducing a range of branded-generic products; cooperation from prescribers will be required. These may be unpopular with patients and prescribing by a brand name rather than the drug name as the potential to cause confusion.

(b) Delegated Primary Care services

NHS England continue to manage the financial transactions. Forecast outturn remains at £1.5m underspend a breakdown of which is detailed below:

	£m
0.5% Contingency	(0.2)
Local Contingency	(0.6)
Balance on (ex PCT) Development Reserve	(0.3)
APMS Contract Values	(0.1)
Other	(0.3)
TOTAL	(1.5)

(c) Continuing Care

Individual care packages are being reviewed more frequently by clinical teams to ensure that appropriate packages are in place. There are reductions in costs in some cases which has allowed resources to be made available to address the increased demand from new patients. There is also likely to be a provision at the end of this year for new appeals to CHC decisions. As previously reported this is currently being assessed and an estimated financial risk of £0.4m has been included in the forecast until more detailed information becomes available.

As previously reported, anticipated costs for a specific individual package of care is included within the forecast outturn at £0.5m. This is now showing under the 'Other Providers (Mental Health & LD)' line in the attached table.

In addition, changes to payment rules for Section 117 patients have resulted in a part year increase in costs of £0.4m. This is showing against the 'Other Providers (Mental Health & LD)' line in the attached table.

(d) Centrally held Budgets

Include reserves for a small number of specific schemes and the 0.5% contingency monies.

6a. Reporting of Control Total

As previously reported there is a £9.8m non-recurrent fund which relates to the return of previous years' surpluses (pre-CCG). NHSE have instructed all CCG's to report this figure in the form of a control total which needs to be added to the 1% surplus figure which all CCGs are obligated to achieve from operating activities. NHSE also requires CCG's to express both of these numbers combined as a total for 2015/16 which is a total of £14.2m.

6b. Operating Cost Statement (OCS)

	Prior Month		Year to Date			Forecast Outturn		
	Variance to Date	Forecast Outturn Variance	Budget	Actual	Variance to Date	Annual Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Acute Services								
Rotherham NHS Foundation Trust - Acute	(184)	(652)	126,214	125,824	(390)	137,838	137,187	(652)
Sheffield Teaching Hospitals NHS FT	(225)	(202)	19,964	19,572	(392)	22,179	21,828	(351)
Doncaster & Bassetlaw Hospitals NHS FT	319	419	8,827	9,153	326	9,631	10,035	405
Other NHS Contracts	368	442	3,368	3,716	348	3,685	4,068	383
Ambulance Services (including PTS and 111)	(130)	(179)	9,468	9,250	(218)	10,329	10,098	(231)
Other Non NHS Acute Services	233	322	4,621	4,857	236	5,037	5,363	326
Other Non Contract (including NCA's)	69	83	1,662	1,764	101	1,814	1,924	111
Sub total Acute Services	450	233	174,124	174,136	12	190,513	190,503	(10)
Mental Health & Learning Disability								
Rotherham, Doncaster & South Humber FT	34	9	28,297	28,289	(8)	30,937	30,941	4
Other Providers (Mental Health & LD)	373	1,014	3,263	3,879	615	3,560	4,567	1,007
Sub total Mental Health & LD	408	1,022	31,560	32,168	608	34,497	35,507	1,010
Community Services								
Rotherham NHS Foundation Trust - Community	-	-	26,105	26,175	70	28,478	28,548	70
Rotherham Hospice	(3)	(3)	2,944	2,918	(26)	3,218	3,192	(26)
Other Providers (Community)	63	72	372	434	62	406	419	14
Sub total Community Services	61	69	29,420	29,527	106	32,102	32,160	58
Primary Care								
Prescribing	1,025	1,345	42,792	43,925	1,133	46,567	47,997	1,430
Commissioned Primary Care Services (Delegated)	(1,138)	(1,547)	31,410	30,188	(1,221)	34,265	32,718	(1,547)
Commissioned Primary Care Services (Other)	(353)	(349)	5,759	5,307	(452)	6,283	5,840	(443)
GP Information Technology	(13)	(12)	608	595	(13)	663	651	(12)
Sub total Primary Care Services	(478)	(563)	80,568	80,015	(553)	87,778	87,205	(572)
Other Programme Services								
Local Authority / Joint Services	(369)	(444)	10,469	10,551	82	11,416	11,501	85
Continuing Care & Free Nursing Care	(780)	(1,157)	20,790	20,044	(747)	22,513	22,009	(504)
Voluntary Sector Grants / Services	5	6	1,276	1,281	5	1,383	1,389	6
Sub total Other Programme Services	(1,144)	(1,595)	32,535	31,876	(659)	35,312	34,899	(413)
Corporate								
Corporate : Running Costs	(9)	-	5,244	5,242	(2)	5,721	5,721	-
Corporate : Non- Running Costs	206	239	1,904	2,115	211	2,046	2,281	235
Sub total Corporate	197	239	7,148	7,357	209	7,767	8,002	235
Sub total - all areas	(507)	(596)	355,357	355,078	(278)	387,969	388,276	307
Central								
Centrally held Budgets	(76)	(104)	1,532	1,169	(364)	1,672	665	(1,007)
Internal Planned Surplus	(3,063)	(3,676)	3,369	-	(3,369)	3,676	-	(3,676)
Sub total Central	(3,139)	(3,780)	4,901	1,169	(3,733)	5,348	665	(4,683)
TOTAL FUNDS : AVAILABLE TO CCG FOR OPERATING ACTIVITIES	(3,646)	(4,376)	360,258	356,247	(4,011)	393,317	388,941	(4,376)

7. Risks to the Current Forecast for 2015/16 - minor risks remain.

RISKS TO FORECASTING OF 2015/16 POSITION	£m
Uncoded activity at TRFT, impacting ability to accurately model finances	0.3
PAS issues at STH impacting data, and ability to robustly forecast	(0.3)
Prescribing price and volume volatility presenting risk to forecast outturn.	0.2
Continuing Healthcare – lack of information regarding financial impact and volume of legacy cases which will be settled in year, presenting issues with forecasting	0.2
Contingency: Available to release against risks	(0.4)
Total	0.0