

Finance & Contracting Performance Report: *Period ended 28 February 2017*

Introduction

This report provides the headlines of the finance and contracting position for the first eleven months of the year. The forecast outturn will change in month 12 following instruction from Paul Baumann in a letter dated 15th March 2017 to effect release of the 1% risk reserve.

1 Revenue Resource Allocation

NHS Rotherham CCG has a revenue resource allocation of £400.0m for operational purposes. This is an increase of £0.06m on last month, due to receipt of the following non-recurrent allocations;

Children and Young People underspend from services – £0.06m
 Children and Young People IAPT backfill - £0.02m
 Bassetlaw Health Partnerships 16-17 contract adjustment - (£0.02m)

2 Cash

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Monthly Cash Drawings	£31m	£27.5m	£27.5m	£29.0m	£27.5m	£25.0m	£29.5m	£30.5m	£29.5m	£32.0m	£29.0m	
Ledger Cash Balance	£5k	£3.6m	£3.9m	£4.1m	£5.0m	£1.2m	£4.4m	£1.1m	£127k	£2.4m	£4.6m	
Cash Balance as % of Drawings	0.01%	13.09%	14.18%	14.14%	18.22%	4.80%	14.9%	3.6%	0.04%	8.0%	16.0%	

The CCG has been notified of a revised Maximum Cash Drawdown (MCD) of £392.4m at month 11.

3 Better Payment Practice Code

The Better Payment Practice Code requires the CCG to pay all valid invoices by the due date or within 30 days of a receipt of a valid invoice, whichever is later. The target has been set at 95% which is currently being achieved.

April 2016 to February 2017	Number of Invoices 2016-17	Value of Invoices 2016-17
Percentage of non-NHS trade invoices paid within target	99.96%	99.97%
Percentage of NHS trade invoices paid within target	99.83%	99.95%

4. 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 CCGs 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 CCGs to express both of these numbers combined, which for 2016-17 is a total of £13.5m.

5. Operating Cost Statement (OCS)

The overall position for the CCG is shown below. Further details regarding exceptional variances against specific lines are provided in the remainder of this report.

	Prior Month		Year to Date (Month 11)			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	541	1,005	125,669	126,073	405	137,389	138,380	991
Sheffield Teaching Hospitals NHS FT	242	229	20,697	21,087	391	22,578	22,961	383
Doncaster & Bassetlaw Hospitals NHS FT	(74)	(61)	9,343	9,365	22	10,253	10,222	(31)
Other NHS Contracts	251	294	3,698	3,975	277	4,046	4,359	313
Ambulance Services (including PTS and 111)	111	152	9,506	9,644	139	10,370	10,531	161
Other Non NHS Acute Services	282	217	5,043	5,288	245	5,353	5,671	318
Other Non Contract (including NCA's)	73	88	1,760	1,812	52	1,920	1,976	57
Sub total Acute Services	1,426	1,924	175,714	177,244	1,530	191,909	194,100	2,192
Mental Health & Learning Disability								
Rotherham, Doncaster & South Humber FT	192	228	27,848	28,059	211	30,380	30,608	228
Other Providers (Mental Health & LD)	272	350	4,724	5,061	337	5,153	5,539	386
Sub total Mental Health & LD	464	578	32,572	33,120	548	35,533	36,147	614
Community Services								
Rotherham NHS Foundation Trust - Community	(0)	0	26,263	26,263	0	28,644	28,644	0
Rotherham Hospice	14	17	2,866	2,887	21	3,127	3,148	22
Other Providers (Community)	(18)	(19)	194	204	10	212	212	0
Sub total Community Services	(4)	(2)	29,323	29,354	31	31,982	32,004	22
Primary Care								
Prescribing	26	(67)	44,571	44,798	227	48,668	48,853	185
GP Primary Care Services (Primary Care Committee)	(1,056)	(914)	34,256	33,185	(1,071)	37,372	36,578	(794)
Commissioned Primary Care Services (Other)	(93)	(82)	2,543	2,538	(5)	2,624	2,621	(3)
GP Information Technology	(40)	-	608	574	(34)	663	663	-
Sub total Primary Care Services	(1,162)	(1,064)	81,978	81,094	(884)	89,327	88,715	(612)
Other Programme Services								
Local Authority / Joint Services	(456)	(500)	10,544	10,033	(510)	11,502	11,002	(500)
Continuing Care & Free Nursing Care	(474)	(376)	19,053	18,915	(138)	20,704	20,565	(140)
Voluntary Sector Grants / Services	(15)	(24)	1,478	1,458	(20)	1,612	1,588	(24)
Sub total Other Programme Services	(945)	(900)	31,075	30,407	(668)	33,819	33,155	(664)
Corporate								
Corporate : Running Costs	(267)	(320)	4,872	4,442	(430)	5,315	4,858	(457)
Corporate : Non- Running Costs	(215)	(280)	2,109	1,952	(156)	2,300	2,099	(202)
Sub total Corporate	(483)	(600)	6,980	6,394	(586)	7,615	6,956	(659)
Sub total - all areas	(705)	(65)	357,642	357,613	(29)	390,185	391,077	892
Central								
Centrally held Budgets	705	65	1,990	2,019	29	6,062	5,170	(892)
Surplus required by business rules	(3,107)	(3,729)	3,418	-	(3,418)	3,729	-	(3,729)
Sub total Central	(2,402)	(3,664)	5,408	2,019	(3,389)	9,791	5,170	(4,621)
TOTAL	(3,107)	(3,729)	363,050	359,632	(3,418)	399,976	396,247	(3,729)

6. Acute Services

6.1 Contract position (using data up to the end of January but not fully validated)

The Rotherham NHS Foundation Trust's (TRFT) contract monitoring data includes a low level of uncoded activity (85 spells) at flex, therefore no adjustment to data has been necessary. However the data has still been adjusted for other items (e.g. non-elective threshold being omitted).

A summary of the TRFT contract position at month 10 is set out below

TRFT Acute Contract	OCS YTD Variance £m	Activity			
		Apr-Jan 2015	Apr-Jan 2016	Year on Year +/-	% +/-
AandE	(0.0)	52,572	53,538	966	1.8%
Assessments	0.6	5,225	5,818	593	11.3%
Emergency Admissions	0.6	16,864	17,916	1,052	6.2%
Outpatient First Attendances	(0.0)	51,834	50,987	(847)	-1.6%
Outpatient Follow up Attendances	0.7	117,918	110,047	(7,871)	-6.7%
Day Case & Elective	(1.0)	23,379	22,702	(677)	-2.9%
Maternity Pathway	0.5	4,444	5,139	695	15.6%
Other	0.6				
Contract Adjustments (e.g. OP ratios/CDU block)	(1.5)				
Total	0.4	272,236	266,147	(6,089)	-2.2%

Activity trends against the same period last year are as follows:

- (i) **AandE:** continues to over-perform. RCCG analysis indicates the increase in A&E attendance is mainly attributable to Ambulance arrivals. Further work was done with the Trust and Ambulance service to understand the necessity of the conveyance to hospital. This has been discussed at A&E Delivery Board and has been used in 2017-19 contract negotiations. The Urgent and Emergency Care Centre opens in July and will enable the deflection pathways to be implemented which are not workable in the temporary A&E.
- (ii) **Assessments and Emergency Admissions:** Assessments continue to over-perform in all specialties and emergency admissions in General Medicine, T&O and General Surgery. RCCG have carried out detailed analysis at specialty level across emergency admissions and assessments, indicating the increase in both emergency admissions and surgical assessments to be related to referrals from A&E.

Action: Two audits were undertaken to understand this increase. These demonstrated 44% of avoidable emergency admissions and 18% of inappropriate assessments. A series of actions have been agreed and will be implemented through the Transformation Board and Urgent and Emergency Care Centre Sponsoring Group. For 2017-19, RCCG has agreed a block contract with TRFT - this is an excellent opportunity to work with TRFT to realise the potential for emergency admission avoidance.
- (iii) **Outpatient first attendances:** Slight reduction in year on year activity, slight overperformance against plan, no major concerns.
- (iv) **Outpatient follow ups:** Down 7% on last year's activity, however we contracted for an 11% reduction in follow-ups, therefore the Trust are over planned activity.
As previously reported we have an agreed ratio in the contract above which the CCG will not pay. This equates to a £1.2m reduction at month 10 flex.
- (v) **Day Case and Elective:** Under-performing overall as previously reported with two exceptional areas of Obstetrics and DRI ENT having been separately investigated and addressed via the 2017-18 activity plan.

- (vi) **Maternity pathway:** Continues to be a problem both in increased activity against plan and case-mix. Although the over-performance this year is not as a result of casemix shift but as a result of a 15.7% increase in ante-natal activity, the plan was set at a high casemix with an agreement that an audit would take place during 2016/17. The audit, undertaken during November, indicates the Trust under-recording casemix.

Action: We have agreed to contract for 2017-18 in line with the audit results. However should we not see a consequential increase in births, we will reserve the right to challenge the level of contracted activity without a counting and coding notification being issued.

- (vii) **Other:** Critical Care is under-performing but is being offset by a marginal rate adjustment. Excluded Drugs are underperforming mainly due price reductions and switch to biosimilars. Direct Access Imaging and outpatient unbundled diagnostics (OPDIAG) are significantly over-performing; the main tests being CT scans, ultrasound scans and nuclear medicine category 4 activity.

Action: We understand this trend to be common across south yorkshire but have asked TRFT to reflect on whether this is due to say pathway changes and are still awaiting a response.

SUMMARY

The forecast outturn for 2016/17 is a £1m over-performance, this takes account of the final reconciliation for 2015-16.

6.2 Other secondary care contracts

Other Acute contracts are over-performing in total by £0.8m.

Other Acute Contract	OCS YTD Variance £m	Activity			
		Apr-Jan 2015	Apr-Jan 2016	Year on Year +/-	% +/-
AandE	0.1	13,175	13,822	647	4.9%
Assessments	0.0	236	260	24	10.2%
Emergency Admissions	0.5	3,349	3,322	(27)	-0.8%
Outpatient First Attendances	(0.0)	13,511	14,010	499	3.7%
Outpatient Follow up Attendances	0.2	36,018	37,744	1,726	4.8%
Day Case & Elective	0.4	10,017	10,617	600	6.0%
Maternity Pathway	0.0	621	652	31	5.0%
Other	(0.4)				
Contract Adjustments (e.g. OP ratios/CDU block)					
Total	0.8	76,927	80,427	3,500	4.5%

- (i) **AandE:** Doncaster and Bassetlaw Hospitals and Sheffield Childrens Hospital continue to see a slight year on year over-performance in A&E, with Sheffield Teaching also showing an overperformance.
- (ii) **Emergency admissions:** Although activity is down on last year we are seeing an over-performance against plan of £0.5m being £0.2m at Sheffield Teaching and £0.3m at Doncaster & Bassetlaw. Sheffield Teaching's over-performance is mainly in General Surgery, Spinal Surgery, General Medicine and Elderly Medicine. Doncaster and Bassetlaw's main over-performance is in ENT and General Medicine.
- (iii) **Outpatient first attendances:** are slightly up on last years activity but down against plan; the main overperformance is at Doncaster and Bassetlaw in T&O and ENT, with the underperformance at Sheffield Teaching mainly in ENT, Neurology and Plastic Surgery.

- (iv) **Outpatient follow ups:** are slightly down on last year mainly at Doncaster & Bassetlaw in Trauma & Orthopaedics, Urology, Ophthalmology and Respiratory Medicine. There is a slight over-performance against planned levels at Sheffield Teaching in Ophthalmology, Cardiology and Upper Gastro Intestinal Surgery.
- (v) **Day Case and Elective:** slightly over plan mainly at Sheffield Childrens Hospital in Paediatric Clinical Immunology and Paediatric Surgery and at Sheffield Teaching in Hepatobiliary & Pancreatic Surgery, Obstetrics, Clinical Oncology, Gastroenterology and Gynaecological Oncology.
- (vi) **Maternity pathway:** slightly over-performing.
- (vii) **Other:** variances mainly at Sheffield Teaching who are under on Non Elective Non Emergency admissions in Obstetrics, General Surgery and Vascular.

Summary

The above variances continue to be monitored and discussed with providers at contract performance meetings.

6.3 Mental Health and LD activity

RDaSH

The main RDaSH contract is a block contract and therefore generally will not show a variance. Separate to the block contract is budget to fund Section 117 placements, which is currently overspending with a forecast overspend of £0.2m.

Other Providers (Mental Health & LD)

This line contains a number of specialist placements including:

- (i) An LD patient who's package had transferred to a new provider from June. The ambition for the patient was to require a less intensive care package from October onwards and this expectation was initially built into forecast outturn. Following clinical review this has not achieved within the originally anticipated timeframe and the assumption in forecast outturn is now that the current care package will be in place for the remainder of the financial year.
- (ii) An unusually high number of brain injury placements, whose placements are being extended beyond initial expectation. As previously reported the CCG assess forecast outturn on the basis of the length of the currently agreed placement, however as patients are clinically reviewed packages may be extended in length or intensity. Forecast outturn has been revised upwards in month due to one placement increasing in clinical intensity, and two Non-Contract Activity (NCA) placements being newly notified.
- (iii) There are clinical plans in place to review and assess patients to ensure the appropriate packages and prices are being commissioned. There is confidence that this improvement in efficiency and effectiveness will contribute to the cost of new patients whilst still achieving the QIPP target.
- (iv) As previously reported, there is one QIPP scheme which is unlikely to be achieved following a review by RDaSH and the CCG to establish whether any out of area patients could be cared for more appropriately in a more local setting. There is no evidence to suggest that this is the case therefore a saving of £0.2m remains unachieved. This has been mitigated by slippage in developments until the start of 2017/18.

7. Prescribing

- (i) Figures are based on nine months of actual prescribing data, overlaid with the CCG's assessment of other activities such as its own prescribing projects and intelligence and assessment of QIPP scheme performance for the remainder of the year.
- (ii) As previously reported prescribing is volatile and presents a risk to forecast outturn in terms of price and volume due to multiple factors including nationally negotiated price deals, national

and international supply issues and local dispensing behaviours. However it is confirmed the Category M price reductions currently in force will continue to the end of the financial year.

- (iii) The CCG has developed a number of QIPP schemes targeting specific price and volume issues it can have influence over. These schemes are being implemented on a rolling basis and consequently the financial effects are exponentially increasing as the year progresses.
- (iv) There is a delay of around two months in drug data becoming available which presents an added challenge to assessing forecast outturn and the figures may prove to be overly prudent because of this. However in terms of actual evidence on prices changes, the Medicines Management Team can link the vast majority of the top 20 price increases and decreases to targeted QIPP interventions, for example branded generics and product switching schemes. This is evidence of the schemes delivering effectively to date.
- (v) In terms of volumes, these will mainly be impacted through our waste schemes which are being implemented on a rolling basis but predominantly throughout the second half of the financial year. A total of 29 (of 31) Practices will be signed up to the scheme by 1st April 2017. Latest figures provide good evidence of forecast actual achievement against this QIPP scheme being substantially in line with plan.
- (vi) In summary the medicines management team are continuing to monitor all schemes and good progress is being evidenced against schemes currently up and running. Based on nine months' prescribing data, QIPP progress has been reviewed and there is evidence to suggest achievement of the full £3.2m QIPP could be achieved by year end.
- (vii) Significant risks to the prescribing budget continue to be in-year volume growth and price volatility in excess of planning and QIPP assumptions.

8 GP Primary Care services (Co-Committee)

Practice related elements of the GP primary care allocation delegated to the CCG from NHSE have been combined with the £3.2m of CCG funds to create a total allocation of £37.4m which the Primary Care Committee will oversee. The Walk in Centre and GP Out of Hours services are shown separately. The performance at month 11 is set out below

Area of Spend	Month 11	
	Variance to Date	Forecast Outturn Variance
	£m	£m
Premises Cost Reimbursement	0.0	0.0
Other Premises costs	0.0	0.0
Enhanced Services (DES + LES)	0.6	0.8
General Practice - APMS	0.0	0.0
General Practice - GMS	0.0	0.0
General Practice - PMS	(0.9)	(1.0)
Other GP Services	0.1	0.1
Other Misc - Reserves	(0.7)	(0.7)
QOF	(0.2)	(0.1)
TOTAL	(1.1)	(0.8)

As previously reported, the underspend on PMS lines is as a result of NHSE's national equitable funding exercise whereby the value of Rotherham PMS contracts will decrease by circa £1.9m over 4 years. 2016-17 is year 2 of 4 and 50% (£1m) of funds are withdrawn to date. The CCG has worked with GP Practices to devise PMS Reinvestment Local LES schemes capable of reinvesting the withdrawn funds back with Rotherham GP Practices, for delivery of agreed outputs. These schemes are included within the Enhanced Services line above alongside the CCG's longer-standing LES schemes.

For transparency purposes a reserve line was created to house residual growth monies at the start of the year, this has been supplemented in-year by other funds. Around £0.7m of primary care developments have since been agreed at Primary Care Committee to be funded utilising this reserve and monies from NHSE; the reserve will offset the agreed additional expenditure which will be incurred on other lines. Forecast outturn has been adjusted at month 11 to allow for the effect of these developments.

9 Continuing Care

Individual care packages are being reviewed more frequently by clinical teams to ensure that appropriate packages are in place. The data cleansing work between CCG and RMBC prioritising Adult Funded Nursing Care (FNC) and Fast Track cases is ongoing. The assessment of forecast outturn has been reviewed based on the latest package data for Adult Continuing Health Care (CHC) and remains in line with last month. As previously reported FNC rates have been increased in-year and backdated to April 2016 at an estimated full year cost of £0.6m to the CCG, and the forecast outturn has already been adjusted for this.

We were advised these rates are 9 month interim rates but as no further updates have been received we are assuming no further risk to forecast outturn in this financial year. The Department of Health set the FNC rate for patients that require 24 hour care that do not meet full CHC funding but need healthcare.

The increased FNC rate has potential to trigger an associated financial risk to the CCG element of CHC packages funded jointly with the council. This could give rise to a further £0.3m cost pressure in a full year, again based on the 9 month interim rate described above.

An additional risk to forecast outturn is in Childrens CHC as, with limited data from RMBC, the CCG are currently forecasting to budget. CCG finance met with RMBC in October to discuss the data issue and RMBC have committed to progress. We will continue to review this risk.

10 Centrally held Budgets

Predominantly include reserves for the 0.5% contingency monies, the non recurrent 1% we have been instructed to hold as uncommitted, and the QIPP target not yet identified. In month 12 the 1% reserve will be released following instruction from Paul Baumann in a letter dated 15th March 2017.

11. QIPP Position - additional analysis

The table below sets out the list of schemes on a page together with an estimated forecast outturn and a RAG rating of the risk of success against this estimate.

Rotherham Clinical Commissioning Group - QIPP Schemes on a Page					
SCHEME DESCRIPTION		Planned savings	Forecast Savings	Forecast Variance	RAG Rating
		£000s	£000s	£000s	
1	Reduction in follow-ups where provider is above peer average.	816	1,383	567	Green
2	Reducing levels of Activity growth in direct access pathology in line with clinical pathways.	73	94	21	Green
3	Delivery of A and E Assessments through the Clinical Decision Unit.	286	286	0	Green
4	Reduce the levels of growth in A&E, assessments and non elective non emergency admission activity in line with local trend analysis to ensure impact of previous QIPP schemes are captured.	280	188	(92)	Red
5	Reduce the levels of growth in emergency admission through reconfiguration of the neuro rehab unit, introduction of the Integrated Rapid Response Service and Integrated Locality Teams.	1,039	(178)	(1,217)	Red
6	Acute Services Other Contracts - Unscheduled Care.	226	166	(60)	Red
7	Acute Services Other Contracts - Planned care.	509	(142)	(651)	Red
8	Review of Assessment and Treatment Unit capacity in block purchase or spot purchase.	483	483	0	Green
9	Mental Health & Learning Disabilities - working with RDASH to reduce the Out of Area activity.	369	184	(185)	Red
10	Medicines Waste reduction.	700	700	0	Green
11	Product switch schemes to more cost effective products, pen needles, blood glucose monitoring, vitamin D, gliptin+metformin, glucosamine combination products.	550	430	(120)	Green
12	Switching a range of drugs prescribed generically to a specific brand that is below drug tariff price as of March 2016.	250	522	272	Green
13	Participating in rebate schemes as identified by PRESCQIPP.	200	0	(200)	Green
14	Reduction in prescribing rates of a limited range of drugs to national average prescribing rates.	150	0	(150)	Green
15	Negotiated price reductions.	1,000	2,142	1,142	Green
16	Service redesign - Nutrition/Gluten Free Schemes.	90	90	0	Green
17	Prescribing QIPP schemes for £190k yet to be identified.	190	0	(190)	Red
18	Primary Care APMS Core Contract re-tendered.	125	125	0	Green
19	Premises Costs reimbursements.	118	118	0	Green
20	Slippage on Primary Care Premises Developments.	274	274	0	Green
21	Review of all 40 cases against the new framework.	250	250	0	Green
22	Review of Assessment tool for determining care packages.	150	150	0	Green
23	Review of High Cost Care packages.	100	100	0	Green
24	Reductions in Running Costs - various initiatives achieved.	250	500	250	Green
25	Other savings and non recurrent underspends	2,700	3,313	613	Green
26	Tariff efficiency through prices.	4,400	4,400	0	Green
TOTAL SAVINGS PLANS		15,578	15,578	0	Green

(i) Line 2 - Reductions in Direct Access Pathology in line with Clinical Pathways

As previously reported, the QIPP was a financial assumption predicated on a observation by Clinical Referrals Management Committee (CRMC) of the existence of duplicate testing and a commitment to reduce it. To date TRFT data alone does not evidence any net reduction in tests. To fully assess the QIPP therefore data from GP systems is required in order to validate and/or challenge the TRFT data. We understand that RCCG's GPIT service are scoping out what can be extracted in order for this to happen.

(ii) Lines 4, 5 and 6 – Reductions in levels of growth in A&E, admissions and non elective admissions

The forecast at this stage is that these schemes will not achieve the required savings and are flagged as red to highlight the fact that whilst all schemes are fully in place the system has seen a 5.6% increase in footfall - in line with national trends. This has therefore led to higher conversion rates which is impacting on our non elective position.

(iii) Line 7 – Other Contracts Planned Care

The forecast currently is that this area will not achieve the required savings due to above expected volumes of activity in Hepatobiliary and Pancreatic Surgery at Sheffield Teaching, and in T&O and Spinal Surgery at both Sheffield Teaching and the Independent Sector, which is being used for capacity reasons.

(iv) Line 9 – Mental Health and Learning Disabilities

There is one QIPP scheme which is unlikely to be achieved following a review by RDaSH and the CCG to establish whether any out of area patients could be cared for more appropriately in a more local setting. There is no evidence to suggest that this is the case therefore a saving of £200k remains unachieved. This has been mitigated by slippage in developments until the start of 2017/18.

(v) Lines 10 to 17 Medicines Management

The forecast is that, in combination, schemes will over achieve the required savings and as such are now flagged as green. One substitute scheme which was in the end not required is flagged as red.

(vi) Lines 21, 22 and 23 Continuing Healthcare Initiatives

Progress has been made in the improved utilisation of the Childrens' Community Nursing Service whereby the CCG is applying the assessment rules correctly. Reviews of the assessment tool and high cost packages are having a positive impact upon the costs of continuing healthcare after four years of steep increases in costs.

(vii) Line 25 Other Savings still to be determined

This represents the mitigating actions in year including the use of the 0.5% contingency and underspends in areas such as primary care and the BCF risk pool.