

## Finance & Contracting Performance Report: *Period ended 31<sup>st</sup> December 2015*

### 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 £393.6m 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. The allocation has increased by £0.7m this month; £0.5m for liaison psychiatry and CAMHS and £0.2m for Quality Premium.

### 2 Cash

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

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 £389.2m. The percentage of total MCD utilised as at December 2015 is 72.5%.

### 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 December 2015	Number of Invoices 2015-16	Value of Invoices 2015-16
Percentage of non-NHS trade invoices paid within target	99.8%	99.5%
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 November but not fully validated.

The Rotherham NHS Foundation Trust's (TRFT) levels of uncoded activity have reduced by a further 1% to 10% on average with non elective activity also improving from 14.5% to 11.66% within that total. Month 8 contract monitoring data received from the Trust shows a £0.2m over-performance against plan. We have adjusted this month 8 data by £1.3m to show a £1.1m underspend as TRFT's contract monitoring system calculates the income due for un-coded activity at an average price. It does not adjust for short stay/same day admissions which are at a lower price - all uncoded activity is costed as an emergency admission hence the large adjustment.

A summary of the TRFT contract position projected to month 9 is set out below :

Rotherham NHS Foundation Trust	Over / (under) performance AP09	Description of significant variances	Forecast Outturn
	£m		£m
Antenatal and Postnatal Maternity Pathway	0.59	Activity numbers are up compared to last year, coupled with a shift to a richer casemix. The casemix issue will be picked up through contract negotiations.	0.70
Daycase and Elective	(0.51)	TRFT has improved on their under -performance position. We are now forecasting 0.5% down on activity plan and 0.7% down on financial plan, the differential is due to casemix where activity is up in relatively lower cost specialities (ie General Medicine ) and down in relatively higher cost specialities (ie Trauma and Orthopaedics, Urology, Cardiology).TRFT have given assurance that there will be no problems with any specialities meeting the 18 week targets and we have asked for assurance that this will continue to be the case.	(0.20)
Non Elective	(0.44)	Levels of uncoded data at freeze have improved at September and October, hence forecasting an improvement on the underspend.	(0.13)
Outpatients	0.24	The ratio of follow ups to firsts is greater than agreed in the contract, this presents a financial risk to the Trust at year end if not resolved.	(0.48)
Assessments and A&E	(0.06)		(0.14)
Excluded drugs and devices	(0.01)		0.05
Other	(0.23)		(0.51)
<b>TOTAL</b>	<b>(0.42)</b>		<b>(0.71)</b>

Other secondary care contracts - Sheffield Childrens Hospital is overperforming on outpatient follow up and non elective, Sheffield Teaching Hospitals is overperforming on excluded drugs but is under in other areas bringing the contract to a break-even position, and both Barnsley and Doncaster & Bassetlaw Hospitals are overperforming on non-elective.

### 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	(1,439)	(1,439)	0	(1,919)	(1,919)	0
Unscheduled Care	(1,068)	(973)	95	(1,421)	(941)	480
Clinical Referrals	(3,919)	(4,107)	(188)	(5,205)	(5,730)	(525)
Mental Health	(380)	(380)	0	(506)	(506)	0
Corporate Services	(75)	(75)	0	(100)	(100)	0
<b>Total</b>	<b>(6,880)</b>	<b>(6,974)</b>	<b>(93)</b>	<b>(9,151)</b>	<b>(9,196)</b>	<b>(45)</b>

The QIPP position is assessed through contract monitoring information, currently being adjusted for levels of uncoded data at TRFT. This continues to pose a risk to the assessment of forecast outturn in particular.

- Clinical Referrals : **favourable** due to under-performance in day case and elective admissions overall, but predominantly at TRFT. 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 year-end forecast has been maintained at £1.1m reflecting the high level breakdown below:

	£m
Prescribing	633.8
Central Prescribing charges	211.5
Prescribing projects ( Continence, Stoma, Enteral & Specialist feeds, Wound Care)	611.9
Income and Contract Rebates	(550.9)
Creditor adjustments (relating to prescribing spend)	281.8
<b>TOTAL</b>	<b>1,188.0</b>

Further detailed analysis will be undertaken following receipt of quarter 3 data in early February, but as reported last month the proposed strategy for containing the cost 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.

Central Prescribing charges: Increasing and reflecting the general price and volume trends and, as such, now overspending.

Prescribing Projects: These projects deliver net savings to the CCG, by reducing GP prescribing spend. Two projects (continence and wound care) are showing forecast outturn overspends against budget. Budgets will be re-aligned as part of the 2016-17 budget setting to rebase these schemes. Were these prescribing projects not in place, overall pressure on the GP Prescribing budget would be even greater.

### (b) Delegated Primary Care services

NHS England continue to manage the financial transactions until national systems are updated. Following the joint detailed review of forecast outturn with NHSE mentioned in last months report, forecast outturn has been revised from £0.8m to £1.5m underspend a breakdown of which is detailed below:

	<b>£m</b>
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)
<b>TOTAL</b>	<b>(1.5)</b>

The CCG has increased its surplus with NHSE in response to this changed position.

**(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 £0.8m. 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. 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
<b>Acute Services</b>								
Rotherham NHS Foundation Trust - Acute	(644)	(619)	103,745	103,326	(419)	137,838	137,126	(712)
Sheffield Teaching Hospitals NHS FT	69	91	16,382	16,426	43	21,798	21,779	(19)
Doncaster & Bassetlaw Hospitals NHS FT	218	351	7,211	7,456	245	9,631	9,990	359
Other NHS Contracts	291	393	2,797	3,069	273	3,731	4,085	354
Ambulance Services ( including PTS and 111)	(223)	(140)	7,747	7,544	(203)	10,329	10,142	(187)
Other Non NHS Acute Services	195	319	3,790	4,023	233	5,037	5,395	359
Other Non Contract (including NCA's)	28	42	1,360	1,404	44	1,814	1,872	58
<b>Sub total Acute Services</b>	<b>(66)</b>	<b>436</b>	<b>143,032</b>	<b>143,248</b>	<b>215</b>	<b>190,178</b>	<b>190,389</b>	<b>212</b>
<b>Mental Health &amp; Learning Disability</b>								
Rotherham, Doncaster & South Humber FT	(9) -	70	23,120	23,051	(69)	30,894	30,856	(39)
Other Providers (Mental Health & LD)	434	1,152	2,670	2,579	(92)	3,560	4,920	1,359
<b>Sub total Mental Health &amp; LD</b>	<b>425</b>	<b>1,082</b>	<b>25,790</b>	<b>25,629</b>	<b>(160)</b>	<b>34,454</b>	<b>35,775</b>	<b>1,321</b>
<b>Community Services</b>								
Rotherham NHS Foundation Trust - Community	-	-	21,358	21,358	-	28,478	28,478	-
Rotherham Hospice	0	-	2,350	2,347	(3)	3,133	3,133	-
Other Providers (Community)	64	80	304	370	66	406	477	72
<b>Sub total Community Services</b>	<b>64</b>	<b>80</b>	<b>24,013</b>	<b>24,076</b>	<b>64</b>	<b>32,017</b>	<b>32,088</b>	<b>72</b>
<b>Primary Care</b>								
Prescribing	735	1,126	35,104	35,971	867	46,567	47,755	1,188
Commissioned Primary Care Services (Delegated)	(800)	(800)	25,699	24,545	(1,154)	34,265	32,765	(1,500)
Commissioned Primary Care Services (Other)	(286)	(534)	4,712	4,356	(357)	6,283	5,845	(438)
GP Information Technology	0	-	497	497	0	663	663	-
<b>Sub total Primary Care Services</b>	<b>(351)</b>	<b>(207)</b>	<b>66,013</b>	<b>65,369</b>	<b>(643)</b>	<b>87,778</b>	<b>87,029</b>	<b>(749)</b>
<b>Other Programme Services</b>								
Local Authority / Joint Services	106	156	8,575	8,692	117	11,416	11,572	156
Continuing Care & Free Nursing Care	(1,097)	(861)	17,345	16,188	(1,157)	22,513	21,278	(1,235)
Voluntary Sector Grants / Services	13	15	1,062	1,076	14	1,383	1,398	15
<b>Sub total Other Programme Services</b>	<b>(977)</b>	<b>(690)</b>	<b>26,982</b>	<b>25,956</b>	<b>(1,027)</b>	<b>35,312</b>	<b>34,248</b>	<b>(1,065)</b>
<b>Corporate</b>								
Corporate : Running Costs	(5)	(44)	4,291	4,284	(6)	5,721	5,721	0
Corporate : Non- Running Costs	(0)	20	1,621	1,649	28	2,046	2,102	56
<b>Sub total Corporate</b>	<b>(5)</b>	<b>(24)</b>	<b>5,911</b>	<b>5,933</b>	<b>22</b>	<b>7,767</b>	<b>7,824</b>	<b>56</b>
<b>Sub total - all areas</b>	<b>(910)</b>	<b>677</b>	<b>291,740</b>	<b>290,210</b>	<b>(1,530)</b>	<b>387,506</b>	<b>387,353</b>	<b>(153)</b>
<b>Central</b>								
Centrally held Budgets	910	(677)	1,812	3,342	1,530	2,444	1,897	(547)
Internal Planned Surplus	(2,450)	(3,676)	2,757	-	(2,757)	3,676	-	(3,676)
<b>Sub total Central</b>	<b>(1,541)</b>	<b>(4,353)</b>	<b>4,569</b>	<b>3,342</b>	<b>(1,227)</b>	<b>6,119</b>	<b>1,897</b>	<b>(4,222)</b>
<b>TOTAL FUNDS : AVAILABLE TO CCG FOR OPERATING ACTIVITIES</b>	<b>(2,450)</b>	<b>(3,676)</b>	<b>296,309</b>	<b>293,553</b>	<b>(2,757)</b>	<b>393,625</b>	<b>389,249</b>	<b>(4,376)</b>

## 6b. 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.

## 7. Risks to the Current Forecast for 2015/16

The table below gives a summary of the variability in the trends and information for the remainder of this financial year. This is reviewed each month and no significant overall risk is predicted as a result of these variables. Month on month the risks are reviewed and where appropriate get incorporated into substantiated into the reported financial position above.

<b>RISKS TO FORECASTING OF 2015/16 POSITION</b>	<b>£m</b>
<b><i>Acute Services:</i></b>	
Uncoded activity at TRFT, impacting ability to accurately model finances plus potential "catch up" of planned care	0.5
Continuation of non elective volumes through Winter	0.1
<b><i>Primary Care:</i></b>	
Prescribing price volatility and increasing volumes presenting risk to forecast outturn.	0.2
<b><i>Other Programme Services:</i></b>	
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
<b><i>Contingency: Available to release against risks</i></b>	<b>(1.0)</b>
<b>Total</b>	<b>0.0</b>