

NHS Rotherham Clinical Commissioning Group

Governing Body 3 January 2018

Finance & Contracting Performance Report: *Period ended 30 November 2017*

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This report provides an outline of the financial position at Month 8.

1. Revenue Resource Allocation

NHS Rotherham CCG has been notified of a revenue resource allocation of £398.5m for operational purposes at month 8. The CCG during the month received two reductions totalling £0.507m with one reduction of £0.043m relating to a further IR adjustment that had been taken off of the CCG earlier on in the financial year and the other for £0.464m relating to overseas visitors.

2. Cash

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
	£'m											
Monthly Cash Drawings	31.0	28.5	33.0	29.0	31.5	29.0	27.0	27.0				
Ledger Cash Balance	0.4	0.1	2.9	5.1	6.2	6.1	3.6	4.2				
Cash Balance as a %	1.29%	0.35%	8.79%	17.59%	19.68%	21.17%	13.41%	15.56%				

CCGs are allocated a Maximum Cash Drawdown (MCD) figure from the NHSE Cash Management Team. The CCG has been notified of an initial MCD of £398.9m. The CCG has had an opportunity at month 7 to revise this figure and has a further opportunity at month 10 to adjust again as its planned cash position for the financial year crystallises.

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.

	Number of invoices	Value of invoices
April 2017 to November 2017	2017-18	2017-18
Percentage of non -NHS trade invoices paid within target	99.95%	99.83%
Percentage of NHS trade invoices paid within target	99.94%	99.99%

4. Reporting of Control Total

NHSE require CCGs to report a control total. The figures which are recognised for 2017-18 are set out in the table below comprising of; the £9.5m non-recurrent fund relating to the return of previous years' surpluses (pre-CCG), drawdown of £1.2m 'returned' from this £9.5m, the 1% surplus figure which all CCG's are obligated to achieve, and the 1% 'national risk reserve' which the CCG released in 2016-17.

	£'000
Previously banked surpluses	9,523
Agreed cash drawdown 2017/18	(1,200)
17/18 1% surplus	3,952
Add back 1% risk reserve 16/17	3,891
TOTAL	16,166

5. Operating Cost Statement (OCS)

The overall position for the CCG is shown below. Further details regarding significant variances are provided in the remainder of this report. Following guidance from NHSE in October, it is likely that the CCG will be instructed to contribute an additional £1.8m (being the 0.5% risk reserve held in the CCG's central budgets as per the 2017/18 business rules) which will be reported as a surplus to the control total in section 4 above. This is not reflected in the table below as it is assumed to be dependent upon the national position which will be more certain after the Q3 returns have been consolidated nationally.

	Prior Month		Year to Date (Month 8)			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	(50)	180	92,100	92,221	120	138,151	138,319	168
Sheffield Teaching Hospitals NHS FT	243	440	14,752	15,093	341	22,033	22,516	483
Doncaster & Bassetlaw Hospitals NHS FT	(200)	(208)	6,810	6,605	(205)	10,159	9,929	(229)
Other NHS Contracts	18	75	2,600	2,705	104	3,925	4,096	170
Ambulance Services (including PTS and 111)	2	(19)	7,293	7,278	(14)	10,852	10,842	(11)
Other Non NHS Acute Services	130	172	2,403	2,430	27	3,608	3,661	53
Other Non Contract (including NCA's)	(1)	(2)	1,354	1,366	12	2,030	2,049	19
Sub total Acute Services	143	637	127,312	127,697	385	190,758	191,411	653
Mental Health & Learning Disability								
Rotherham, Doncaster & South Humber FT	75	128	19,975	20,028	53	29,963	30,043	80
Other Providers (Mental Health & LD)	266	467	3,768	4,204	436	5,652	6,313	662
Sub total Mental Health & LD	341	595	23,743	24,232	490	35,614	36,356	741
Community Services								
Rotherham NHS Foundation Trust - Community	0	0	19,403	19,403	0	29,104	29,104	0
Rotherham Hospice	(0)	0	2,087	2,087	(0)	3,130	3,130	0
Other Providers (Community)	(0)	0	138	146	9	206	226	20
Sub total Community Services	(0)	0	21,627	21,636	9	32,441	32,461	20
Primary Care								
Prescribing	(109)	(188)	33,094	32,943	(151)	49,641	49,413	(228)
GP Primary Care Services (Primary Care Committee)	(395)	(627)	25,341	24,972	(369)	38,014	37,415	(600)
Commissioned Primary Care Services (Other)	(95)	(152)	935	803	(132)	1,402	1,289	(113)
GP Information Technology	(5)	0	473	447	(26)	710	710	0
Sub total Primary Care Services	(604)	(966)	59,843	59,165	(678)	89,767	88,826	(940)
Other Programme Services								
Local Authority / Joint Services	(21)	0	7,657	7,627	(31)	11,486	11,486	0
Continuing Care & Funded Nursing Care	420	755	13,844	14,545	701	20,766	21,850	1,084
Voluntary Sector Grants / Services	0	(0)	1,105	1,105	0	1,665	1,665	(0)
Sub total Other Programme Services	399	755	22,606	23,276	671	33,917	35,001	1,084
Corporate								
Corporate : Running Costs	(330)	(520)	3,648	3,257	(391)	5,473	4,891	(582)
Corporate : Non- Running Costs	(44)	(75)	1,663	1,643	(20)	2,494	2,449	(45)
Sub total Corporate	(374)	(595)	5,311	4,901	(410)	7,967	7,340	(627)
Sub total - all areas	(96)	426	260,442	260,908	466	390,464	391,395	931
Central								
Centrally held Budgets	96	(426)	3,692	3,226	(466)	6,211	5,280	(931)
0.5 % Risk Reserve uncommitted	0	0	0	0	0	1,794	1,794	0
Sub total Central	96	(426)	3,692	3,226	(466)	8,005	7,074	(931)
TOTAL (Surplus)/ Deficit	(0)	0	264,133	264,133	0	398,469	398,469	0

6. Acute Services

6.1. The Rotherham Foundation Trust (TRFT)

Based on the unvalidated month 7 data a £0.16m over-performance is forecast for year end, this assumes that the remaining planned reductions for clinical thresholds will be achieved. The data available indicates a £0.1m over-performance year to date. However TRFT's data includes uncoded activity (7407 spells) for month 7 flex, which creates issues with both assessing and valuing the likely chargeable activity at the freeze date. Previously TRFT's system calculated income due for un-coded activity based on the HRG with the highest activity in the previous month. The Trust is now using a different method that apportions the u codes across all activity. The CCG will monitor this to ensure it is more in line with what is charged when the activity is coded at freeze. A summary of the TRFT contract position at month 7 is set out below:

TRFT Acute Contract	OCS YTD Variance £m	Activity			
		Apr-Oct 2016	Apr-Oct 2017	Year on Year +/-	% +/-
AandE	0.2	43,440	41,978	(1,462)	-3.4%
Assessments	0.2	4,955	5,210	255	5.1%
Emergency Admissions	0.7	11,463	11,957	494	4.3%
Outpatient First Attendances	(0.0)	37,134	38,878	1,744	4.7%
Outpatient Follow up Attendances	0.8	82,014	86,959	4,945	6.0%
Day Case & Elective	0.2	15,031	15,027	(4)	0.0%
Maternity Pathway	(0.2)	3,593	3,487	(106)	-3.0%
Other	(0.1)				
Contract Adjustments (e.g. OP ratios/UECC block)	(1.7)				
Total	0.1	197,630	203,496	5,867	3.0%

- (i) **A&E attendances** are down against plan and against last year's activity. There is a block contract agreement for all emergency activity; this is therefore adjusted back to plan.
- (ii) **Assessments and emergency admissions** are £0.9m over plan which has been adjusted back to plan in line with the block contract agreement. The year on year activity increase of 4.3% is predominantly Paediatric activity.
Action: TRFT colleagues took an action from the contract performance meeting on the 2nd November to complete the analysis for the Paediatric admission/assessments and to correct the classification of the admissions that should be assessments – this is still outstanding but TRFT have given a commitment to have this complete by the month 8 contract monitoring file.
- (iii) **Outpatient first attendances** are slightly up against plan and 4.7% up against last year. This appears to be in Ophthalmology and Dermatology but the overall year on year increase is in line with the growth included in the contract.
- (iv) **Outpatient follow-up attendances** are £0.8m up against plan; a £0.5m reduction on the contract adjustment line has been made for the specialties that are above the contracted ratios. The remaining over-performance is in several specialties.
Action taken: TRFT have produced a schedule of those services where follow-ups are over performing above planned ratio levels and shared it with service leads who have been tasked by the COO to deliver in line with planned levels at year end (as per the contract agreement).
- (v) **Day Case & Elective activity** is still under plan in Urology despite the adjustment being made for the activity that is now being recorded under outpatient procedures. By adjusting for the under-performance in Urology, the over-performance against plan is £0.7m. In the main this relates to General Surgery and T&O. Month 7 reporting on clinical thresholds is showing a reduction, but not the reduction contracted for, particularly hip and knee replacement, gallstones and inguinal hernias in adults which fall under these specialties. The audits are now complete and a report will be presented at CRMC for formal sign off. When final sign off has been completed RCCG will adjust for any activity not payable.

(vi) **Other** – no significant issues to report.

6.2. Other secondary care contracts

There is access to month 7 flex data for all other secondary care contracts showing an over-performance of £0.4m against plan, mainly in day case and elective activity. Month 7 reporting on clinical thresholds below (all contracts) is showing that although there has been a reduction, it isn't the reduction contracted for. Care UK, BMI and One Health are over-performing by £0.2m, £0.2m of this is Clinical Thresholds.

Other Acute Contract	OCS YTD Variance £m	Activity			
		Apr-Oct 2016	Apr-Oct 2017	Year on Year +/-	% +/-
AandE	0.0	9,802	9,840	38	0.4%
Assessments	(0.0)	170	173	3	1.9%
Emergency Admissions	0.0	2,242	2,346	104	4.7%
Outpatient First Attendances	0.1	11,526	10,255	(1,270)	-11.0%
Outpatient Follow up Attendances	0.2	28,303	28,849	546	1.9%
Day Case & Elective	0.5	6,794	7,402	609	9.0%
Maternity Pathway	0.0	466	430	(36)	-7.7%
Other	(0.5)				
Contract Adjustments (e.g. OP ratios/UECC block)	0.0				
Total	0.4	59,303	59,296	-6	0.0%

6.3. April to October 17 Clinical Threshold Position

Clinical Thresholds are showing a reduction in all areas but not the reductions that were expected at this point, particularly in gallstones, hip and knee replacement and inguinal hernias in adults. This is consistent with the over-performance at TRFT and other contracts.

Action taken: All audits are now complete and a report will be taken to the next CRMC for the CCG and TRFT to agree and formally sign off. The results of the audit will then be used to determine the activity that will not be payable. The table below provides additional information:

Procedure	Spells Meeting Threshold Criteria				
	2016/17	2017/18	Increase/ (Decrease)	% Increase/ (Decrease)	Required Reduction
Carpal Tunnel Syndrome	190	140	-50	-26%	-40%
Cataract Surgery	1,188	995	-193	-16%	-30%
Dupuytren's Contracture	58	47	-11	-19%	-20%
Asymptomatic Gallstones	168	125	-43	-26%	-100%
Ganglion	51	39	-12	-24%	-100%
Hip and Knee Replacement	444	418	-26	-6%	-25%
Inguinal hernias in adults	252	198	-54	-21%	-50%
Trigger Finger	48	26	-22	-46%	0%
Grand Total	2,399	1,988	-411	-17%	

7. Mental Health & Learning Disabilities

7.1. RDaSH

The main RDaSH contract is a block contract and generally will not show any variance. Separate to the block contract is a budget to fund Section 117 placements, which is currently overspending with a forecast overspend of £0.1m.

7.2. Other Providers (Mental Health and LD)

Clinical plans are in place to review and assess patients to ensure that the most appropriate packages are commissioned. Financial forecasts are made on the basis of current clinical expectation regarding the intensity and length of placements. This line contains a number of specialist placements which currently include:-

- 7.2.1.** The forecast outturn in this area has increased by £0.2m since last month with both an additional admission and an extension of the placements of two of the existing clients which has been highlighted previously as a potential risk. There is a further risk to forecast outturn of £0.2m if all patients stay beyond current care plans.
- 7.2.2.** Following clinical reviews undertaken by the case manager it is probable that no clients will be moved this year therefore the additional costs have been accounted for prudently in the full year forecast.
- 7.2.3.** A high cost LD patient is currently forecast to remain for the full year.

8. Prescribing

- 8.1.** There is limited data (6 months) to work with at this stage in the year so forecasting an accurate year end position is challenging. Early indications suggest that whilst most QIPP schemes are well progressed, national shortages in specific items is contributing to increased costs throughout the year and leading to some pharmacies experiencing considerable supply challenges at the moment.
- 8.2.** There are significant risks emerging in 2017/18. There are an increasing number of “No Cheaper Stock Alternative” drugs (NCSOs) and this is currently estimated as a pressure of £1.6m in 2017/18. The forecast outturn position accounts for this prudently but the extent to which the full pressure is recognised in national monitoring data is less clear and a risk to the prescribing envelope.
- 8.3.** As reported in November, all CCGs are in receipt of a letter from Paul Baumann setting out intentions for managing the savings from Category M drugs on a national scale. There is new guidance on how this will be accounted for and assumptions have been adjusted for prudently in the forecast outturn.

9. Continuing Care and Funded Nursing Care

The position to date and forecast outturn are reflective of the updated version of the Broadcare CHC system which has now been completed. There have also been high increases in costs this month and a consequent increase in the forecast outturn due to three new Learning Disability Clients and five new clients with physical disabilities.

10. 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 £38m which the Primary Care Committee will oversee.

Over the last 2 years, the CCG has worked with GP Practices to agree PMS Reinvestment Local LES schemes capable of reinvesting funds back into Rotherham GP Practices, for delivery of agreed outputs. The underspend at month 7 and full year forecast is largely attributable to a combination of the reinvestment LES and the CCG's more mature schemes - particularly the case management LES. The table below summarises the position and the financial position is considered in more detail at the Primary Care Committee.

Area of Spend	2017-18 Budget (Approved May PCC)	Variance as at November M8	Forecast Outturn Variance
	£m	£m	£m
		<i>(under) / overspend</i>	
CQC and Indemnity Fees	0.35	(0.04)	(0.06)
Enhanced Services	3.70	0.46	0.74
General Practice - APMS	0.76	(0.00)	0.01
General Practice - GMS	4.07	0.01	0.01
General Practice - PMS	21.02	(1.03)	(1.52)
Other GP Services	0.86	0.06	0.07
Other premises costs	0.63	0.04	0.01
Premises Cost Reimbursement	3.13	0.04	0.00
QOF	3.38	0.03	0.05
Central Budgets *	0.11	0.06	0.09
Total	38.00	(0.37)	(0.60)

11. Centrally held budgets - Predominantly budgets for the 0.5% contingency and the non-recurrent 0.5% risk reserve as instructed by NHS England.

12. Quality, Innovation, Productivity and Prevention (QIPP) Position - Further to discussions at the July governing body, the QIPP performance is now covered by a new report which aims to review both the operational progress as well as the financial impact.

13. Risks to the current Forecast for 2017-18

Challenges to achieving the current forecast are listed below:

- 13.1.** Operational delivery of the QIPP;
- 13.2.** The CCG's ability to handle any unforeseen in-year cost pressures from within existing resource if there are limited reserves to call upon;
- 13.3.** Specialist placements (e.g. brain injury and MH/LD placements) being extended beyond current projections;
- 13.4.** Growth in volumes and cost of CHC packages over those currently coming through reported data;
- 13.5.** Further national drug supply and pricing changes in prescribing;
- 13.6.** Pressures linked to the Transforming Care Partnerships programme;
- 13.7.** Additional Winter Pressures particularly around local community bed provision;
- 13.8.** In year national changes to the business rules or previously agreed principles e.g. drawdown funds;
- 13.9.** Pressures arising from the movement towards wider footprints for example from the SYB Accountable Care System;
- 13.10.** Pressures arising from commissioning decisions external to the CCG for example specialised services and social care.