

Introduction

This report provides an outline of the financial position at Month 2.

1. Revenue Resource Allocation

NHS Rotherham CCG has been notified of a revenue resource allocation of £398m for operational purposes.

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
Monthly Cash Drawings	£31m	£28.5m										
Ledger Cash Balance	£403.3k	£74.3k										
Cash Balance as % of Drawings	1.3%	0.26%										

CCGs are no longer allocated Cash Resource Limits but instead negotiate a Maximum Cash Drawdown (MCD) figure with the NHS England Cash Management Team. The CCG at month 2 has been notified of an initial MCD of £413.6m. The CCG will have an opportunity at month 6 and 9 to revise this figure 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.

May-17	Number of Invoices 2017-18	Value of Invoices 2017-18
Percentage of non-NHS trade invoices paid within target	99.82%	99.43%
Percentage of NHS trade invoices paid within target	99.70%	99.99%

4. Reporting of Control Total

NHSE require CCG's to report a control total. The figures which are recognised in this control for 2017-18 are set out in the table below ; 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.

	Prior Month		Year to Date (Month 2)			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	0	0	23,025	23,186	161	138,151	138,151	0
Sheffield Teaching Hospitals NHS FT	0	0	3,679	3,679	0	22,076	22,072	(4)
Doncaster & Bassetlaw Hospitals NHS FT	(0)	0	1,695	1,695	(0)	10,170	10,170	0
Other NHS Contracts	0	0	647	662	15	3,882	3,864	(18)
Ambulance Services (including PTS and 111)	(0)	0	1,796	1,800	4	10,775	10,759	(16)
Other Non NHS Acute Services	0	0	600	602	2	3,599	3,611	11
Other Non Contract (including NCA's)	0	0	336	336	0	2,014	2,014	0
Sub total Acute Services	0	0	31,778	31,959	181	190,667	190,641	(26)
Mental Health & Learning Disability								
Rotherham, Doncaster & South Humber FT	(0)	0	4,986	5,007	22	29,914	30,042	129
Other Providers (Mental Health & LD)	0	0	942	1,001	59	5,652	6,024	372
Sub total Mental Health & LD	0	0	5,928	6,008	81	35,565	36,066	501
Community Services								
Rotherham NHS Foundation Trust - Community	0	0	4,864	4,864	0	29,185	29,185	0
Rotherham Hospice	0	0	522	522	0	3,129	3,129	0
Other Providers (Community)	0	0	38	38	0	225	225	0
Sub total Community Services	0	0	5,423	5,423	0	32,540	32,540	0
Primary Care								
Prescribing	0	0	8,273	8,273	0	49,641	49,641	0
GP Primary Care Services (Primary Care Committee)	(0)	0	6,335	6,271	(65)	38,014	37,962	(52)
Commissioned Primary Care Services (Other)	(0)	0	161	160	(1)	965	957	(8)
GP Information Technology	0	0	102	102	0	613	613	0
Sub total Primary Care Services	0	0	14,872	14,806	(66)	89,233	89,173	(60)
Other Programme Services								
Local Authority / Joint Services	0	0	1,914	1,914	0	11,486	11,486	0
Continuing Care & Free Nursing Care	0	0	3,306	3,287	(19)	19,834	19,801	(33)
Voluntary Sector Grants / Services	0	0	276	276	0	1,654	1,654	(0)
Sub total Other Programme Services	0	0	5,496	5,477	(19)	32,974	32,941	(33)
Corporate								
Corporate : Running Costs	(0)	0	901	901	0	5,435	5,435	(0)
Corporate : Non- Running Costs	(0)	0	403	389	(14)	2,418	2,408	(10)
Sub total Corporate	(0)	0	1,304	1,290	(14)	7,852	7,843	(10)
Sub total - all areas	0	0	64,799	64,963	164	388,831	389,203	373
Central								
Centrally held Budgets	0	0	1,171	1,007	(164)	7,688	7,316	(373)
0.5 % Risk Reserve uncommitted	0	0	0	0	0	1,794	1,794	0
Sub total Central	0	0	1,171	1,007	(164)	9,482	9,110	(373)
TOTAL (Surplus)/ Deficit	0	0	65,971	65,971	0	398,313	398,313	0

6. Acute Services

6.1. The Rotherham Foundation Trust (TRFT)

There is access to month 1 flex data. This indicates a £0.16m over-performance against plan but as this is still flex data and there is no Secondary Uses Service (SUS) data with which to validate the position, the forecast is breakeven.

6.2. Other secondary care contracts

There is access to month 1 flex data for Barnsley FT and Sheffield Childrens' Hospital. The data indicates a small over-performance of £0.02m against plan but as there is no SUS data with which to validate this position, the forecast is breakeven.

There is a small underspend against Leeds Teaching Hospitals relating to a refund from 2016/17.

7. Mental Health & Learning Disabilities

7.1. RDaSH

The main RDaSH contract is a block contract and therefore generally will not show 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 ensuring appropriate packages and package prices 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. Three brain injury patients, one currently in receipt of additional observations. The risk to forecast outturn could be £0.3m if all three patients were to stay beyond current expectation and up to the end of the financial year.

7.2.2. A high cost LD patient currently forecast to remain for the full year.

8. Prescribing

There is limited data 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 may lead to increased costs throughout the year.

9. Primary Care

There are no significant variances to date.

10. Centrally held budgets

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

11. QIPP Position

The table at Appendix A sets out the list of schemes with an estimated forecast outturn. A RAG risk rating will be applied to figures and updated as the year progresses and monitoring data becomes available.

12. Risks to the current Forecast for 2017-18

Challenges to achieving the current forecast are considered below:-

- 12.1.** Operational delivery of the QIPP;
- 12.2.** The CCG's ability to handle any unforeseen in-year cost pressures from within existing resource when there are limited reserves to call upon;
- 12.3.** Specialist placements (e.g. brain injury and MD/LD placements) being extended beyond current projections;
- 12.4.** National influence of drug pricing changes in prescribing;
- 12.5.** Pressures arising from the movement towards wider footprints for example from the Transforming Care Programme initiative;
- 12.6.** Pressures arising from changes in commissioning for example specialised services and social care.

Rotherham Clinical Commissioning Group - 2017-18 QIPP Schemes on a Page

QIPP SCHEME DESCRIPTION		Planned Savings	RAG Rating
		£000s	
1	Reduction in follow-ups where provider is above peer average.	(488)	Green
2	Reduce the levels of growth in A&E, assessments and non elective admission activity in line with local trend analysis to take account of the impact of CCG initiatives implemented over recent years.	(1,932)	Green
3	Clinical Thresholds - TRFT	(2,453)	Amber
4	Clinical Thresholds - Other Contracts	(738)	Amber
5	Reduction in demand for Ferns	(800)	Green
6	Rollout of medicines waste reduction programme to all GP Practices.	(1,400)	Green
7	Branded Generics - switch range of drugs to specific brands at below drug tariff price	(750)	Green
8	Projects and product switch - introduction of guidelines, switches to more cost effective products etc	(350)	Green
9	Self management of a range of identified drugs	(151)	Green
10	Waste reduction scheme, expand into Care Homes	(500)	Amber
11	Review of CHC cases against frameworks and legislation.	(207)	Green
12	Review of assessment tool for determining care packages	(200)	Green
13	Ongoing clinical review of high cost placement packages	(50)	Green
14	Further development of Personal Health Budgets	(200)	Amber
15	Reductions in running costs - various schemes	(200)	Green
16	Slippage on developments	(500)	Green
17	Tariff Efficiency through prices	(5,009)	Green
TOTAL		(15,928)	