

## Finance & Contracting Performance Report: *Period ended 31<sup>st</sup> January 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
Monthly Cash Drawings	£25m	£24.5m	£25.5m	£28.0m	£20.5m	£24.0m	£26.5m	£24.5m	£25.7m	£26.0m
Ledger Cash Balance	£23k	£900k	£2,905k	£2,542k	£1,287k	£18k	£2,632k	£55k	£1,133k	£404k
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%

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 January 2016 is 81%.

### 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 January 2016	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 December but not fully validated.

The Rotherham NHS Foundation Trust's (TRFT) levels of uncoded activity have reduced by a further 5% to 5% on average with non elective activity also improving from 11.7% to 6.8% within that total. Month 9 contract monitoring data received from the Trust has shifted and now shows a £1.0m under-performance against plan.

This has been adjusted upwards by £0.6m to show a £0.36m 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 high cost emergency admission. The single rate did not adequately reflect casemix, in particular short stay/same day admissions being paid at a lower price.

A summary of the TRFT contract position projected to month 10 is set out below :

Rotherham NHS Foundation Trust	Over / (under) performance AP10 £m	Description of significant variances	Forecast Outturn £m
Antenatal and Postnatal Maternity Pathway	0.64	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 the under -performance position. We now expect the trust to deliver the overall planned activity. The financial under-performance is as previously reported due to casemix where activity is up in relatively lower cost specialities (i.e. General Medicine) and down in relatively higher cost specialities (i.e. 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.	(0.16)
Non Elective	(0.35)	Levels of uncoded data at freeze continue to improve; impacting year to date underspends and forecast outturn positions.	0.03
Outpatients	0.29	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.	(0.36)
Assessments and A&E	(0.09)		(0.10)
Excluded drugs and devices	0.03		0.08
Other	(0.19)		(0.84)
<b>TOTAL</b>	<b>(0.18)</b>		<b>(0.65)</b>

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 £'000	Year to Date Savings £'000	Under / (Over) Achievement £'000	Annual Plan £'000	Forecast Outturn Savings £'000	Forecast Outturn Under / (Over) Achievement £'000
Medicines Management	(1,599)	(1,599)	0	(1,919)	(1,919)	0
Unscheduled Care	(1,188)	(1,123)	65	(1,421)	(934)	487
Clinical Referrals	(4,348)	(4,639)	(291)	(5,205)	(5,788)	(583)
Mental Health	(422)	(422)	0	(506)	(506)	0
Corporate Services	(83)	(83)	0	(100)	(100)	0
<b>Total</b>	<b>(7,640)</b>	<b>(7,866)</b>	<b>(226)</b>	<b>(9,151)</b>	<b>(9,247)</b>	<b>(96)</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 overspend has been increased by a further £0.2m. Headline reports received from Prescribing Services at Business Services Authority indicate a potential increase of up to £0.6m, but these appear to project the higher prescribing volumes being seen in December into the remainder of the year. This is at odds with trends seen locally in previous years therefore we are currently treating this projection with caution whilst the Medicine Management Team can investigate. Data is being gathered on Rotherham in a local and national context to identify whether and where we are potentially an outlier so we can attempt to get to the root cause of any variations.

Meanwhile - and as previously reported - the proposed strategy for containing the general 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.

### (b) Delegated Primary Care services

NHS England continue to manage the financial transactions until national systems are updated. As last month 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)
<b>TOTAL</b>	<b>(1.5)</b>

### 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.

**(c) 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	(419)	(712)	115,141	114,958	(184)	137,838	137,187	(652)
Sheffield Teaching Hospitals NHS FT	43	(19)	18,171	17,946	(225)	22,179	21,977	(202)
Doncaster & Bassetlaw Hospitals NHS FT	245	359	8,065	8,384	319	9,631	10,049	419
Other NHS Contracts	273	354	3,066	3,434	368	3,685	4,127	442
Ambulance Services ( including PTS and 111)	(203)	(187)	8,608	8,477	(130)	10,329	10,151	(179)
Other Non NHS Acute Services	233	359	4,206	4,439	233	5,037	5,358	322
Other Non Contract (including NCA's)	44	58	1,511	1,580	69	1,814	1,896	83
<b>Sub total Acute Services</b>	<b>215</b>	<b>212</b>	<b>158,768</b>	<b>159,218</b>	<b>450</b>	<b>190,513</b>	<b>190,745</b>	<b>233</b>
<b>Mental Health &amp; Learning Disability</b>								
Rotherham, Doncaster & South Humber FT	(69)	(39)	25,688	25,723	34	30,894	30,903	9
Other Providers (Mental Health & LD)	(92)	1,359	2,967	3,340	373	3,560	4,574	1,014
<b>Sub total Mental Health &amp; LD</b>	<b>(160)</b>	<b>1,321</b>	<b>28,655</b>	<b>29,063</b>	<b>408</b>	<b>34,454</b>	<b>35,477</b>	<b>1,022</b>
<b>Community Services</b>								
Rotherham NHS Foundation Trust - Community	-	-	23,732	23,732	-	28,478	28,478	-
Rotherham Hospice	(3)	-	2,669	2,667	(3)	3,218	3,215	(3)
Other Providers (Community)	66	72	338	401	63	406	477	72
<b>Sub total Community Services</b>	<b>64</b>	<b>72</b>	<b>26,739</b>	<b>26,800</b>	<b>61</b>	<b>32,102</b>	<b>32,170</b>	<b>69</b>
<b>Primary Care</b>								
Prescribing	867	1,188	39,100	40,126	1,025	46,567	47,912	1,345
Commissioned Primary Care Services (Delegated)	(1,154)	(1,500)	28,554	27,416	(1,138)	34,265	32,718	(1,547)
Commissioned Primary Care Services (Other)	(357)	(438)	5,236	4,883	(353)	6,283	5,934	(349)
GP Information Technology	-	-	553	540	(13)	663	651	(12)
<b>Sub total Primary Care Services</b>	<b>(643)</b>	<b>(749)</b>	<b>73,443</b>	<b>72,964</b>	<b>(478)</b>	<b>87,778</b>	<b>87,215</b>	<b>(563)</b>
<b>Other Programme Services</b>								
Local Authority / Joint Services	117	156	9,522	9,153	(369)	11,416	10,972	(444)
Continuing Care & Free Nursing Care	(1,157)	(1,235)	19,068	18,288	(780)	22,513	21,357	(1,157)
Voluntary Sector Grants / Services	14	15	1,169	1,174	5	1,383	1,389	6
<b>Sub total Other Programme Services</b>	<b>(1,027)</b>	<b>(1,065)</b>	<b>29,759</b>	<b>28,615</b>	<b>(1,144)</b>	<b>35,312</b>	<b>33,717</b>	<b>(1,595)</b>
<b>Corporate</b>								
Corporate : Running Costs	(6)	0	4,767	4,758	(9)	5,721	5,721	0
Corporate : Non- Running Costs	28	56	1,763	1,969	206	2,046	2,285	239
<b>Sub total Corporate</b>	<b>22</b>	<b>56</b>	<b>6,530</b>	<b>6,727</b>	<b>197</b>	<b>7,767</b>	<b>8,006</b>	<b>239</b>
<b>Sub total - all areas</b>	<b>(1,530)</b>	<b>(153)</b>	<b>323,894</b>	<b>323,387</b>	<b>(507)</b>	<b>387,926</b>	<b>387,330</b>	<b>(596)</b>
<b>Central</b>								
Centrally held Budgets	1,530	(547)	1,392	1,316	(76)	1,672	1,568	(104)
Internal Planned Surplus	(2,757)	(3,676)	3,063	-	(3,063)	3,676	-	(3,676)
<b>Sub total Central</b>	<b>(1,227)</b>	<b>(4,222)</b>	<b>4,455</b>	<b>1,316</b>	<b>(3,139)</b>	<b>5,348</b>	<b>1,568</b>	<b>(3,780)</b>
<b>TOTAL FUNDS : AVAILABLE TO CCG FOR OPERATING ACTIVITIES</b>	<b>(2,757)</b>	<b>(4,376)</b>	<b>328,349</b>	<b>324,703</b>	<b>(3,646)</b>	<b>393,274</b>	<b>388,898</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>Acute Services:</b>	
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)
<b>Primary Care:</b>	
Prescribing price volatility and increasing volumes presenting risk to forecast outturn.	0.4
<b>Other Programme Services:</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>Contingency: Available to release against risks</b>	(0.6)
<b>Total</b>	<b>0.0</b>