

Finance & Contracting Performance Report: Period ended 31 March 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	Feb-16	Mar-16
Monthly Cash Drawings	£25m	£24.5m	£25.5m	£28.0m	£20.5m	£24.0m	£26.5m	£24.5m	£25.7m	£26.0m	£28.5m	£27.9m
Ledger Cash Balance	£23k	£900k	£2,905k	£2,542k	£1,287k	£18k	£2,632k	£55k	£1,133k	£404k	£2,720k	£90k
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%	9.54%	0.32%

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 final MCD for 2015-16 was set at £388.2m. The percentage of total MCD utilised as at March 2016 was 98.8%.

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 March 2016	Number of Invoices 2015-16	Value of Invoices 2015-16
Percentage of non-NHS trade invoices paid within target	99.8%	99.6%
Percentage of NHS trade invoices paid within target	99.9%	99.9%

4. Secondary Care (and QIPP) Position

Data is now available up to the end of February but not fully validated.

The Rotherham NHS Foundation Trust's (TRFT) levels of uncoded activity remains the same in February at 5% on average with non elective activity also the same as last month at 7% within that total. Month 11 contract monitoring data received from the Trust has shifted and now shows a £0.5m under-performance against plan.

This has been adjusted upwards by £0.6m to show a £0.1m over-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 low cost emergency admission. The single rate did not adequately reflect casemix, in particular short stay/same day admissions being paid at a lower price.

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 underspends on daycare 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	Year to Date Savings	Under / (Over) Achievement	Annual Plan	Forecast Outturn	Forecast Outturn Under / (Over) Achievement
	£'000	£'000	£'000		£'000	£'000
Medicines Management	(1,919)	(1,919)	0	(1,919)	(1,919)	0
Unscheduled Care	(1,421)	(435)	986	(1,421)	(435)	986
Clinical Referrals	(5,205)	(6,643)	(1,438)	(5,205)	(6,643)	(1,438)
Mental Health	(506)	(506)	0	(506)	(506)	0
Corporate Services	(100)	(100)	0	(100)	(100)	0
Total	(9,151)	(9,602)	(451)	(9,151)	(9,602)	(451)

The QIPP position is assessed through contract monitoring information, currently being adjusted for levels of uncoded data at TRFT which presents a minimum risk to the assessment of the forecast outturn.

- Clinical Referrals: **favourable** due to under-performance in day case and elective admissions overall, but predominantly at TRFT and STHT. There has been an further increase in the over-achievement of QIPP due to the issues at STHT as described above. 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

A breakdown of the final position is detailed below

	Forecast Outturn Variance		Movement in month
	AP11	AP12	
	£m	£m	
GP Prescribing	767	727	(40)
Creditor Adjustment (Relating to prescribing spend)	317	326	9
Community Nurse Prescribing	98	95	(3)
Central Prescribing charges (Relating to prescribing spend)	228	232	4
Prescribing projects (Continence, Stoma, Enteral Feeds, Spec.feeds, Wound Care)	714	816	102
	2,124	2,196	72
Income and Contract Rebates	(509)	(521)	(12)
Recharges / misc other services received and provided	(185)	(41)	144
TOTAL Over / (Under) Spend	1,430	1,634	204

The shift in prescribing project overspend is due to wound care. Forecasting has been difficult in this area driven by the service being rolled out into additional GP practices, and the practical difficulty of being able to predict the eventual cost-mix of dressings for patient being transferred into the service. Over the next few months all GP Practices will be covered by the scheme which should assist with forecasting moving forwards. Associate decreases in the GP prescribing budget will follow (only) when GPs stop prescribing ie take the dressings off repeat prescription.

As previously reported, the proposed strategy for containing the general growth 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.

A range of QIPP schemes have been developed supporting continuation of this strategy into 2016-17

(b) Delegated Primary Care services

NHS England continue to manage the financial transactions. The final year end position is detailed below and takes into account updated predictions on practice achievement of activity related work and best available information on NHS Property Service's costs.

	Forecast Outturn Variance		Movement in month £m
	AP11	AP12	
	£m	£m	
0.5% Contingency	(0.20)	(0.20)	0.00
Local Contingency	(0.60)	(0.60)	0.00
Balance on (ex PCT) Development Reserve	(0.30)	(0.30)	0.00
APMS Contract Values	(0.10)	0.03	0.13
Other	(0.30)	(0.58)	0.28
TOTAL	(1.50)	(1.65)	0.15

(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 a provison 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.

(d) Centrally held Budgets

Include reserves for a small number of specific schemes and the 0.5% contingency monies.

6a.

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.

6b. 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
Acute Services								
Rotherham NHS Foundation Trust - Acute	(390)	(652)	137,838	137,574	(264)	137,838	137,574	(264)
Sheffield Teaching Hospitals NHS FT	(392)	(351)	22,179	21,746	(434)	22,179	21,746	(434)
Doncaster & Bassetlaw Hospitals NHS FT	326	405	9,631	9,932	301	9,631	9,932	301
Other NHS Contracts	348	383	3,685	4,179	494	3,685	4,179	494
Ambulance Services (including PTS and 111)	(218)	(231)	10,329	10,082	(247)	10,329	10,082	(247)
Other Non NHS Acute Services	236	326	5,037	5,391	354	5,037	5,391	354
Other Non Contract (including NCA's)	101	111	1,814	1,994	180	1,814	1,994	180
Sub total Acute Services	12	(10)	190,513	190,897	384	190,513	190,897	384
Mental Health & Learning Disability								
Rotherham, Doncaster & South Humber FT	(8)	4	30,937	31,252	315	30,937	31,252	315
Other Providers (Mental Health & LD)	615	1,007	3,560	4,405	845	3,560	4,405	845
Sub total Mental Health & LD	608	1,010	34,497	35,657	1,159	34,497	35,657	1,159
Community Services								
Rotherham NHS Foundation Trust - Community	70	70	28,478	28,117	(361)	28,478	28,117	(361)
Rotherham Hospice	(26)	(26)	3,218	3,393	174	3,218	3,393	174
Other Providers (Community)	62	14	406	441	35	406	441	35
Sub total Community Services	106	58	32,102	31,950	(152)	32,102	31,950 -	152
Primary Care								
Prescribing	1,133	1,430	46,567	48,208	1,641	46,567	48,208	1,641
Commissioned Primary Care Services (Delegated)	(1,221)	(1,547)	34,265	32,613	(1,652)	34,265	32,613	(1,652)
Commissioned Primary Care Services (Other)	(452)	(443)	6,283	6,217	(65)	6,283	6,217	(65)
GP Information Technology	(13)	(12)	663	621	(42)	663	621	(42)
Sub total Primary Care Services	(553)	(572)	87,778	87,660	(118)	87,778	87,660	(118)
Other Programme Services								
Local Authority / Joint Services	82	85	11,412	11,551	139	11,412	11,551	139
Continuing Care & Free Nursing Care	(747)	(504)	22,513	21,902	(611)	22,513	21,902	(611)
Voluntary Sector Grants / Services	5	6	1,383	1,388	5	1,383	1,388	5
Sub total Other Programme Services	(659)	(413)	35,308	34,841	(467)	35,308	34,841	(467)
Corporate								
Corporate : Running Costs	(2)	-	5,721	5,639	(82)	5,721	5,639	(82)
Corporate : Non- Running Costs	211	235	2,046	2,302	256	2,046	2,302	256
Sub total Corporate	209	235	7,767	7,941	174	7,767	7,941	174
Sub total - all areas	(278)	307	387,965	388,945	980	387,965	388,945	980
Central								
Centrally held Budgets	(364)	(1,007)	1,676	(4)	(1,680)	1,676	(4)	(1,680)
Internal Planned Surplus	(3,369)	(3,676)	3,676	-	(3,676)	3,676	0	(3,676)
Sub total Central	(3,733)	(4,683)	5,352	(4)	(5,356)	5,352	(4)	(5,356)
TOTAL FUNDS : AVAILABLE TO CCG FOR OPERATING ACTIVITIES	(4,011)	(4,376)	393,317	388,941	(4,376)	393,317	388,941	(4,376)