

# NHS Rotherham Clinical Commissioning Group

Clinical Commissioning Group Governing Body - 3 July 2019

## Finance and Contracting Performance Report

Lead Executive:	<b>Wendy Allott, Chief Finance Officer</b>
Lead Officer:	<b>Joanne Sarsby, Head of Financial Management</b>
Lead GP:	<b>Jason Page</b>

<b>Purpose:</b>
To provide an update to members on the financial and contracting performance position as at 31 May 2019, also referred to as month 2.
<b>Background:</b>
The final version of the CCG's financial plan was approved at the May 2019 Governing body meeting. This paper provides a financial summary against the key categories of expenditure.
<b>Analysis of key issues and of risks</b>
Included in the report
<b>Patient, Public and Stakeholder Involvement:</b>
N/A
<b>Equality Impact:</b>
N/A
<b>Financial Implications:</b>
The CCG is on plan.
<b>Human Resource Implications:</b>
N/A
<b>Procurement Advice:</b>
N/A
<b>Data Protection Impact Assessment:</b>
N/A
<b>Approval history:</b>
N/A
<b>Recommendations:</b>
Governing Body is asked to note the current position and the additional commentary to support the operating cost statement.
<b>Paper is for Approval / Noting / Discussion / Advice</b>

## 1. Revenue Resource Allocation

NHS Rotherham CCG has been notified of a revenue resource allocation of £431.1m for operational purposes at month 2. There have been no new allocations received in month.

## 2. Cash

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Monthly Cash drawings	37.5	29.0										
Ledger Cash Balance	5.1	5.3										
Cash Balance as a %	13.6%	18.3%										

CCGs are allocated an Annual Cash Drawdown (ACD) figure previously referred to as Maximum Cash Drawdown (MCD) from the NHSE Cash Management Team. The CCGs notified ACD for 2019-20 at month 2 is £430.2m.

## 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 19 - May 19	Number of Invoices	Value of Invoices
Percentage of Non-NHS Trade invoices paid within target	100.00%	100.00%
Percentage of NHS Trade invoices paid within target.	100.00%	100.00%

## 4. Reporting of Historical Control Total

NHSE require CCGs to report a historical control total. Agreed drawdown of £4.0m in 2019/20 has been reflected in the table below.

	£'000
B/fw 2019-20	17,501
Agreed drawdown in 2019-20	-4,000
C/fw to 2020-21	13,501

## 5. Operating Cost Statement (OCS)

	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
<b>Acute Services</b>								
Rotherham NHS Foundation Trust - Acute	0	0	25,620	25,619	(1)	153,722	153,722	0
Sheffield Teaching Hospitals NHS FT	0	0	4,140	4,164	24	24,841	24,865	24
Doncaster & Bassetlaw Hospitals NHS FT	0	0	1,628	1,628	0	9,770	9,770	0
Other NHS Contracts	0	0	775	752	(23)	4,648	4,625	(23)
Ambulance Services ( including PTS and 111)	0	0	2,038	2,034	(4)	12,225	12,225	0
Other Non NHS Acute Services	0	0	430	404	(26)	2,577	2,583	6
Other Non Contract (including NCA's)	0	0	441	456	15	2,646	2,646	0
<b>Sub total Acute Services</b>	<b>0</b>	<b>0</b>	<b>35,071</b>	<b>35,057</b>	<b>(14)</b>	<b>210,429</b>	<b>210,436</b>	<b>7</b>
<b>Mental Health &amp; Learning Disability</b>								
Rotherham, Doncaster & South Humber FT	0	0	5,219	5,219	0	31,314	31,314	0
Other Providers (Mental Health & LD)	0	0	1,554	1,543	(11)	9,324	9,323	(0)
<b>Sub total Mental Health &amp; LD</b>	<b>0</b>	<b>0</b>	<b>6,773</b>	<b>6,762</b>	<b>(11)</b>	<b>40,638</b>	<b>40,638</b>	<b>(0)</b>
<b>Community Services</b>								
Rotherham NHS Foundation Trust - Community	0	0	4,740	4,740	0	28,438	28,438	0
Rotherham Hospice	0	0	556	556	(0)	3,335	3,335	0
Other Providers (Community)	0	0	298	302	4	1,787	1,787	0
<b>Sub total Community Services</b>	<b>0</b>	<b>0</b>	<b>5,593</b>	<b>5,597</b>	<b>4</b>	<b>33,561</b>	<b>33,561</b>	<b>0</b>
<b>Primary Care</b>								
Prescribing	0	0	8,227	8,227	0	49,360	49,360	0
GP Primary Care Services (Primary Care Committee)	0	0	6,136	6,131	(5)	38,127	38,127	0
Commissioned Primary Care Services (Other)	0	0	692	704	11	4,153	4,153	0
GP Information Technology	0	0	129	130	1	775	775	0
<b>Sub total Primary Care Services</b>	<b>0</b>	<b>0</b>	<b>15,184</b>	<b>15,191</b>	<b>7</b>	<b>92,415</b>	<b>92,415</b>	<b>0</b>
<b>Other Programme Services</b>								
Local Authority / Joint Services	0	0	1,935	1,935	0	11,612	11,612	0
Continuing Care & Funded Nursing Care	0	0	4,234	4,232	(2)	25,404	25,414	10
Voluntary Sector Grants / Services	0	0	269	269	0	1,613	1,613	0
<b>Sub total Other Programme Services</b>	<b>0</b>	<b>0</b>	<b>6,438</b>	<b>6,436</b>	<b>(2)</b>	<b>38,629</b>	<b>38,639</b>	<b>10</b>
<b>Corporate</b>								
Corporate : Running Costs	0	0	742	734	(8)	4,506	4,506	0
Corporate : Non- Running Costs	0	0	538	544	6	3,227	3,227	0
<b>Sub total Corporate</b>	<b>0</b>	<b>0</b>	<b>1,280</b>	<b>1,278</b>	<b>(2)</b>	<b>7,733</b>	<b>7,733</b>	<b>0</b>
<b>Sub total - all areas</b>	<b>0</b>	<b>0</b>	<b>70,341</b>	<b>70,322</b>	<b>(19)</b>	<b>423,404</b>	<b>423,421</b>	<b>17</b>
<b>Central</b>								
Centrally held Budgets	0	0	0	19	19	7,733	7,716	(17)
<b>Sub total Central</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>19</b>	<b>7,733</b>	<b>7,716</b>	<b>(17)</b>
<b>TOTAL (Surplus)/ Deficit</b>	<b>0</b>	<b>0</b>	<b>70,341</b>	<b>70,341</b>	<b>(0)</b>	<b>431,137</b>	<b>431,137</b>	<b>0</b>

## 6. Acute Services

Month 1 Freeze data will become available to report at month 3. Month 1 flex data is limited but is not showing any significant variances. Until more data is available the reporting assumption is that contracts will perform to plan.

## 7. Mental Health & Learning Disabilities

### 7.1.RDaSH

The CCG holds a block contract with Rotherham, Doncaster and South Humber (RDaSH) FT which is unlikely to show any variance throughout the year. Separate to this is a budget to fund section 117 placements which is currently on plan.

### 7.2.Other Providers - Mental Health (MH) and Learning Disabilities (LD)

Clinical plans are in place to review and assess patients to ensure that the most appropriate packages are commissioned and financial forecasts are made on the basis of current clinical expectation regarding the intensity and length of placements. Current data is not showing any significant variances against budget.

## 8. Prescribing

Actual prescribing data will be available from month 3. The current assumption is a balanced year to date and forecast outturn position.

## 9. Continuing Healthcare Care (CHC) and Funded Nursing Care

Early information indicates no significant variances to report. The finance team is working closely with the CHC team to enhance the monthly finance and QIPP reporting.

## 10. GP Primary Care services

The CCG has a £38.13m allocation delegated from NHSE, a further £4.49m is from the CCG's core allocation. The current reporting assumption is a balanced year to date and forecast outturn position.

PRIMARY CARE	19/20 Approved Plan £m	Variance at Month 2 (under) / over £m	FOT Variance (under) / over £m
PMS/ GMS/ APMS Contract & QOF	28.88	0.00	0.00
Additional Roles, Clinical Lead, PC Network Participation	1.00	0.00	0.00
Primary Care ES, PMS Premium reinvestment e.g Quality contract	2.38	0.00	0.00
Direct reimbursement to Practices for Premises/Rent	3.04	0.00	0.00
Seniority payments, professional fees, discretionary spend	0.90	0.00	0.00
Central GP Services e.g. clinical waste, interpreter fees etc.	0.26	0.00	0.00
NHS Property Services void space and subsidies	0.48	0.00	0.00
Central Budget	1.18	0.00	0.00
<b>Total: Delegated primary care medical services</b>	<b>38.13</b>	<b>0.00</b>	<b>0.00</b>
CCG Local Enhanced Services	2.44	0.00	0.00
GP IT	0.79	0.00	0.00
Commissioning and Prescribing LIS	0.54	0.00	0.00
PCN Administration fee £1.50 p/ head	0.40	0.00	0.00
Other	0.32	0.00	0.00
<b>Total: Other primary care</b>	<b>4.49</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ALL</b>	<b>42.62</b>	<b>0.00</b>	<b>0.00</b>

## 11. Centrally held budgets

Budgets for the 0.5% contingency, overseas visitors and cash draw down are held within this line at this stage of the financial year.

## 12. Quality, Innovation, Productivity and Prevention (QIPP) Position

QIPP performance is covered by a separate report which reviews both operational progress and financial performance.

## 13. Key risks to the forecast

- (i) Failure to suitably manage unwarranted growth in hospital activity and/or experiencing warranted growth in excess of plan may create in-year financial pressure.
- (ii) The CCG was advised to expect a separate primary care allocation for the £6/head investment monies. This assumption is reflected within the CCG's financial plan. Any change to this funding arrangement would require a CCG review of planned investments.
- (iii) National guidance is still emerging around primary care including expectations around use of allocations. This has the potential to impact the financial position in year.
- (iv) Rotherham is a high volume prescriber and despite waste and other volume reduction QIPP schemes this situation remains to some extent. High volumes potentially exacerbate the financial effect of other issues which exist in the pharmaceutical market such as sudden shortages in the supply chain forcing prices to increase.
- (v) Previous years have seen significant increases in the overall cost of continuing healthcare and mental health and learning disability specialist placements. Whilst a logical approach has been taken to setting the financial plan, the nature of patient need can make this a volatile area.
- (vi) The CCG has a challenging QIPP plan, and any delivery failure poses a general risk to the forecast. However, the CCG's QIPP delivery governance structure is well placed to identify where plans are not working and allow for corrective action to be taken.