

APPENDIX A

Finance & Performance Report, Month 12, as at 31 March 2016

Appendix A

Finance & Performance Report Month 12 as at 31 March 2016

1. Financial Position

- 1.1 As at 29 February 16, NHS Eastern Cheshire Clinical Commissioning Group (ECCCCG) is reporting a year end surplus of £1,414k and is in line with its initial Plan. **Table One-A** shows the current financial position by key expenditure type.

Table One-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) 2015/16 Financial Summary to 31 March 2016					
	Annual Plan	Revised Plan (Budget)	Budget YTD	Actual YTD	Variance YTD
	£000s	£000s	£000s	£000s	£000s
Income	(241,544)	(243,837)	(243,837)	(243,837)	0
Expenditure					
Programme Costs	236,023	237,677	238,024	238,173	147
Running Costs	4,400	4,400	4,400	4,250	(150)
Sub Total	240,423	242,077	242,424	242,423	(3)
2015/16 Deficit/(Surplus)	(1,121)	(1,760)	(1,413)	(1,414)	(3)

- 1.2 The financial outturn has concluded a number of outstanding issues that have been building during the previous two months. The majority of key providers have agreed a year end position so there is not anticipated to be any significant movement between the reported position within this report and the production of the annual accounts.

1.3 **Table One-B** shows the yearend outturn by key service area.

Table One-B: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) 2015/16 Financial Summary to 31 March 2016							
	Original Plan	Revised Plan (Budget)	Budget YTD	Actual YTD	Variance YTD	Plan Cost Per Head	YTD Cost Per Head
	£000s	£000s	£000s	£000s	£000s	£'s	£'s
Income							
Programme	(237,234)	(239,527)	(243,119)	(243,119)	0	(£1,163)	(£1,174)
Running Costs	(4,400)	(4,400)	(733)	(733)	0	(£22)	(£22)
2013/14 Surplus b'f	90	90	15	15	0	£0	£0
Sub Total - Total Income	(241,544)	(243,837)	(243,837)	(243,837)	0	(£1,184)	(£1,195)
Expenditure							
Acute Contracts	120,842	118,593	118,593	120,596	2,003	£592	£596
Mental Health Contracts	15,636	17,017	17,017	17,387	370	£77	£84
Community Contracts	15,227	17,072	17,072	16,893	(179)	£75	£82
Ambulance Contracts	6,789	6,789	6,789	6,578	(211)	£33	£33
Commercial Sector Contracts	4,378	4,477	4,477	3,171	(1,306)	£21	£16
Voluntary Sector	567	567	567	546	(21)	£3	£3
	163,439	164,515	164,515	165,171	656	£801	£815
Other	7,534	8,013	8,360	9,721	1,360	£37	£47
Continuing Health Care	15,788	15,788	15,788	19,377	3,589	£77	£87
NHS Funded Care	5,556	5,556	5,556	4,679	(877)	£27	£23
Learning Disabilities	2,182	2,182	2,182	1,836	(347)	£11	£10
Transformation Fund	2,673	2,672	2,672	0	(2,672)	£13	£0
Better Care Fund - Third Parties and Performance Fund	5,416	5,416	5,416	3,723	(1,693)	£27	£18
Prescribing	32,785	32,785	32,785	33,115	330	£161	£164
Sub Total	71,934	72,412	72,759	72,451	(310)	£353	£350
Running Costs	4,400	4,400	4,400	4,250	(150)	£22	£22
Caring Together (CT) Programme	650	750	750	551	(199)	£3	£1
Sub Total - Total Expenditure	240,423	242,077	242,424	242,423	(3)	£1,179	£1,188
2015/16 Final Planned Position - Deficit/(Surplus)	(1,121)	(1,760)	(1,413)	(1,414)	(3)	(£5)	(£7)

1.4 **Tables One-C to One-F** provide an overview of the annual performance against key service areas and their component providers.

Table One-C: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Acute Contracts						
Acute Contracts	Annual Contract	%	Revised Annual Budget	Budget YTD	Actual YTD	Variance YTD
	£000s		£000s	£000s	£000s	£000s
Aintree Hospital NHSFT	66	0.1%	66	66	79	13
Alder Hey Childrens NHSFT	112	0.1%	111	111	137	26
BMI	1,277	1.1%	1,277	1,277	1,473	196
Central Manchester NHSFT	6,259	5.2%	6,269	6,269	6,172	(97)
Countess of Chester Hospital NHSFT	163	0.1%	163	163	153	(10)
East Cheshire NHS Trust	75,908	63.7%	75,061	75,061	75,388	327
Liverpool Community Healthcare Trust	42	0.0%	42	42	42	-
Liverpool Women's NHSFT	281	0.2%	281	281	271	(10)
Mid Cheshire Hospitals NHSFT	4,257	3.6%	4,265	4,265	4,465	200
Pennine Acute NHST	334	0.3%	334	334	168	(166)
Robert Jones & Agnes Hunt NHSFT	313	0.3%	313	313	252	(61)
Royal Liverpool Broadgreen NHST	262	0.2%	262	262	269	7
Salford Royal NHSFT	1,681	1.4%	2,243	2,243	1,907	(336)
Spire	2,556	2.1%	2,556	2,556	2,995	439
Staffs & SOT Partnership NHST	296	0.2%	296	296	315	19
St Helens & Knowsley NHST	62	0.1%	63	63	69	6
Stockport NHSFT	10,553	8.9%	10,490	10,490	11,439	949
University Hospital of North Midlands NHST	1,682	1.4%	1,682	1,682	1,829	147
University Hospital of South Manchester NHSFT	12,055	10.1%	12,055	12,055	11,903	(152)
Warrington & Halton NHSFT	307	0.3%	306	306	332	26
Wirral University Hospital NHSFT	132	0.1%	183	183	130	(53)
Wrightington Wigan Leigh NHSFT	638	0.5%	638	638	687	49
High Cost Drugs and Other Exclusions	606	0.0%	427	429	121	(308)
Overperformance	1,000	0.0%	(1,688)	(1,313)	-	1,313
QIPP	-	0.0%	900	525	-	(525)
Total	120,842	100%	118,595	118,597	120,596	1,999

Table One-D: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Mental Health Contracts						
Mental Health Contracts	Annual Contract	%	Revised Annual Budget	Budget YTD	Actual YTD	Variance YTD
	£000s		£000s	£000s	£000s	£000s
Cheshire & Wirral MH Partnership NHSFT	13,475	86.2%	14,614	14,614	15,050	436
North Staffordshire Combined Healthcare NHST	16	0.1%	16	16	23	7
Other	2,145	13.7%	2,387	2,387	2,314	(73)
Total	15,636	100%	17,017	17,017	17,387	370

Table One-E: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Community Contracts						
Community Contracts	Annual Contract £000s	%	Revised Annual Budget £000s	Budget YTD £000s	Actual YTD £000s	Variance YTD £000s
Derbyshire Community	132	0.9%	132	132	143	11
East Cheshire NHST	14,977	98.4%	16,232	16,232	16,285	53
Rent Subsidy for Community Buildings	-	0.0%	590	590	396	(194)
Other	118	0.8%	118	118	69	(49)
Total	15,227	100%	17,072	17,072	16,893	(179)

Table One-F: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Ambulance Contracts						
Ambulance Contracts	Annual Contract £000s	%	Revised Annual Budget £000s	Budget YTD £000s	Actual YTD £000s	Variance YTD £000s
Northwest Ambulance Service NHST	6,624	97.6%	6,624	6,624	6,548	(76)
Other incl ERS Medical Patient Transport	165	2.4%	165	165	30	(135)
Total	6,789	100%	6,789	6,789	6,578	(211)

2. Financial Plan Amendments

- 2.1 The 2015/16 Financial Plan agreed at the May 2015 Governing Body was set against ECCCCG's opening allocation of £241,824,000. Throughout the year, ECCCCG has had its allocations amended by directives from NHS England.
- 2.2 Since setting the 2015/16 Plan, there has been an additional £2.3m worth of allocations throughout the year. **Table Two-A** outlines the allocations received throughout the year.

Table Two-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Reconciliation of Allocation		
	Governing Body Updated (Financial Report)	Allocation £000s
Original Plan		241,824
General Practice Information Technology	June 15	527
IAPTS operational processes funding	July 15	7
Collaborative fees funding	July 15	9
Eating disorders	Aug 15	109
Neurology Commissioning Responsibility Transfer	Oct 15	537
Specialist Wheelchair Commissioning	Oct 15	45
Liaison Psychiatry	Oct 15	42
Liaison Psychiatry	Dec-15	42
Mental Health CAMHs - Transformational Allocation	Dec-15	235
14-15 Quality Premium award	Dec-15	347
Vanguard: Pioneer - Cheshire	Dec-15	100
Scottish, Welsh and overseas visitors	Jan-16	(246)
Immunosuppressants	Jan-16	10
PMS Contract Premium	Jan-16	284
Specialist Wheelchair Commissioning	Mar-16	(35)
Total		243,837

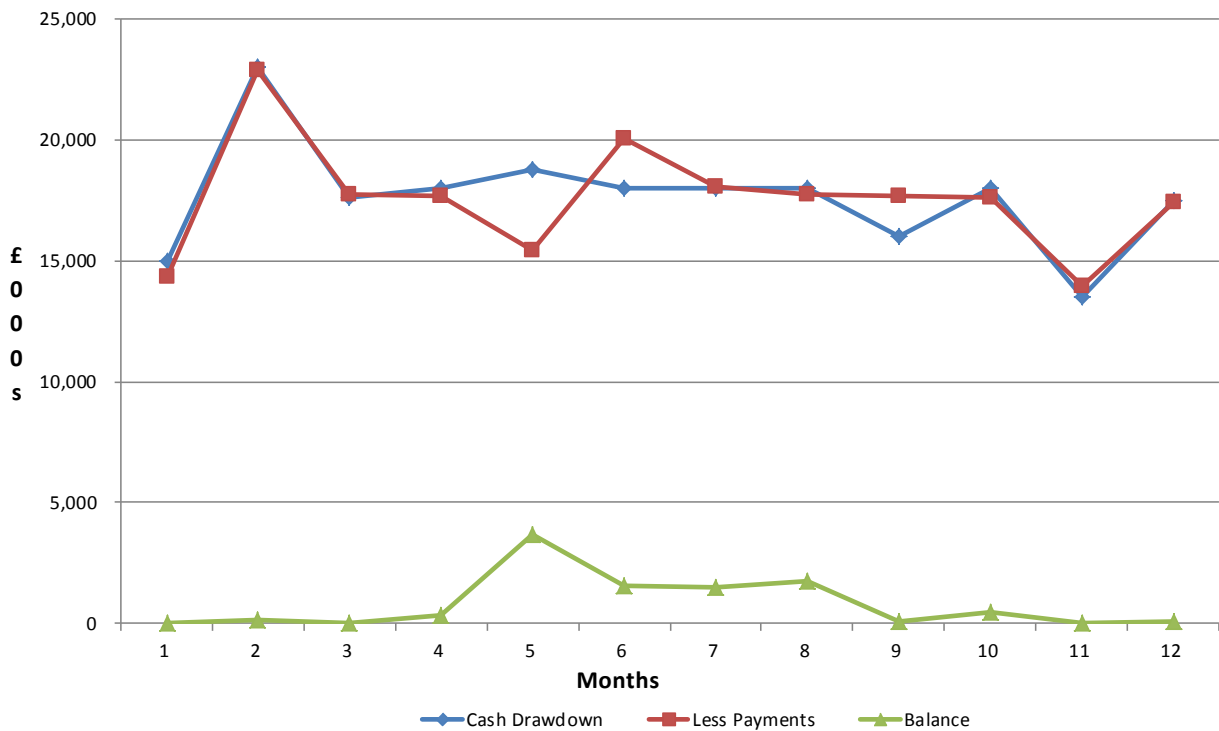
3. Cash Management

- 3.1 Part of ECCCCG's financial duty is to deliver a yearend cash balance of less than £250,000 as at 31 March 16 and to manage its cash throughout the year to ensure payments are made to suppliers and staff.
- 3.2 As at 31 March 16, ECCCCG had a cash balance of £78k held within its bank account, as shown in **Table Three-A**.

Table Three-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Cash Forecast 2015/16

	Apr £000s	May £000s	Jun £000s	Jul £000s	Aug £000s	Sep £000s	Oct £000s	Nov £000s	Dec £000s	Jan £000s	Feb £000s	Mar £000s
Cash Drawdown	15,000	23,000	17,600	18,000	18,750	18,000	18,000	18,000	16,000	18,000	13,500	17,500
Less Payments	14,366	22,880	17,747	17,659	15,436	20,073	18,062	17,750	17,703	17,627	13,922	17,445
Balance	32	152	5	346	3,660	1,587	1,525	1,775	72	445	23	78

**NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's)
 Cash Forecast 2015/16**



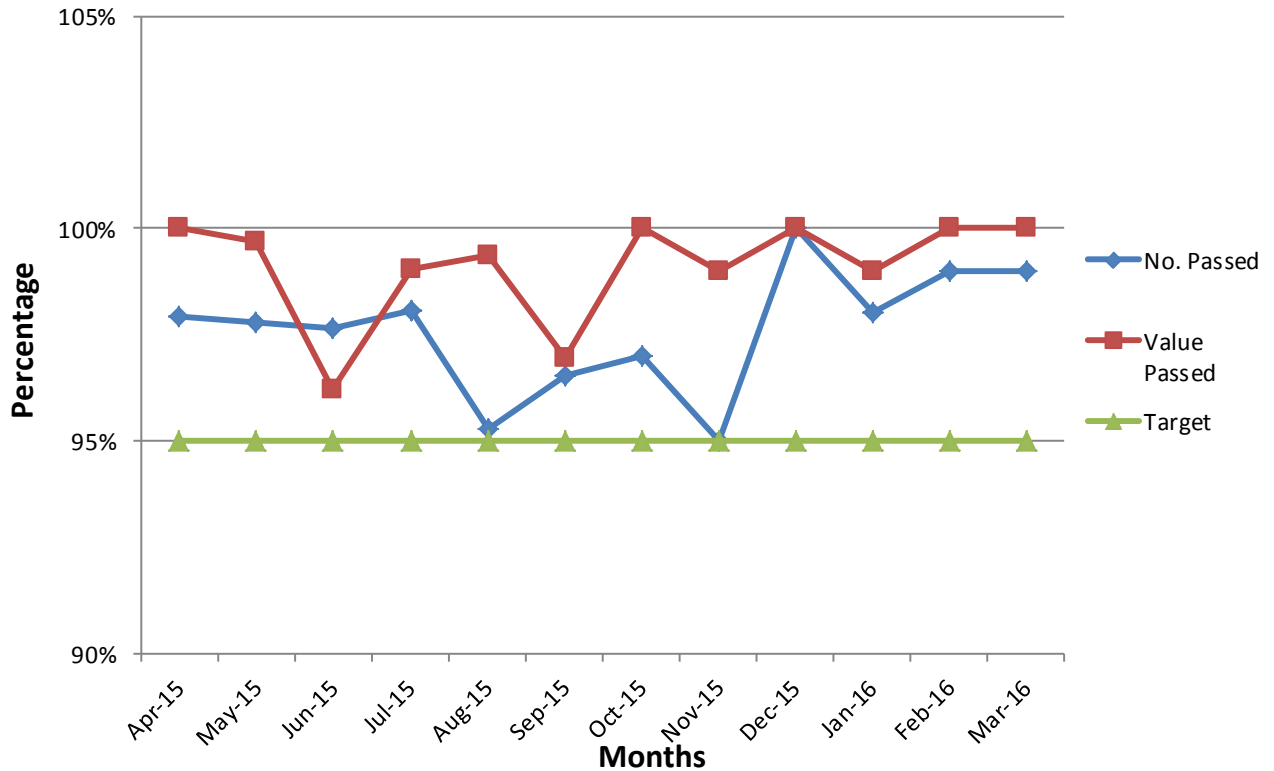
4. Better Payments Practice Code (BPPC)

- 4.1 The BPPC is aimed at paying non disputed non NHS trade creditors within 30 days of receipt of goods or a valid invoice, unless other payment terms have been agreed.
- 4.2 Compliance is measured by achieving 95% or more against the number of invoices paid and is calculated on both the number of invoices and the value of invoices.
- 4.3 Currently ECCCG has achieved an average for the year of 98% for invoice numbers and 99% for invoice values as per **Table Four-A**.

Table Four-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Better Payments Practice Code (BPPC) Summary Analysis

Months	No. of Invoices			Value of Invoices		
	Received	Paid	Passed	Received	Paid	Passed
Apr-15	808	784	98%	15,290,498	15,294,131	100%
May-15	913	900	98%	22,741,999	22,718,800	100%
Jun-15	973	949	98%	17,574,478	16,911,661	96%
Jul-15	984	965	98%	17,379,145	17,215,600	99%
Aug-15	887	845	95%	16,044,391	15,942,675	99%
Sep-15	978	944	97%	19,108,527	18,523,955	97%
Oct-15	950	922	97%	18,180,245	18,160,267	100%
Nov-15	1,198	1,134	95%	17,883,715	17,717,030	99%
Dec-15	890	887	100%	17,750,648	17,731,677	100%
Jan-16	865	845	98%	17,474,370	17,385,621	99%
Feb-16	964	954	99%	14,031,069	14,022,353	100%
Mar-16	1,387	1,376	99%	17,739,113	17,722,094	100%
Total	11,797	11,505	98%	211,198,199	209,345,863	99%

NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Better Payments Practice Code (BPPC) Summary Analysis



5. Productivity Efficiencies for 2015/16

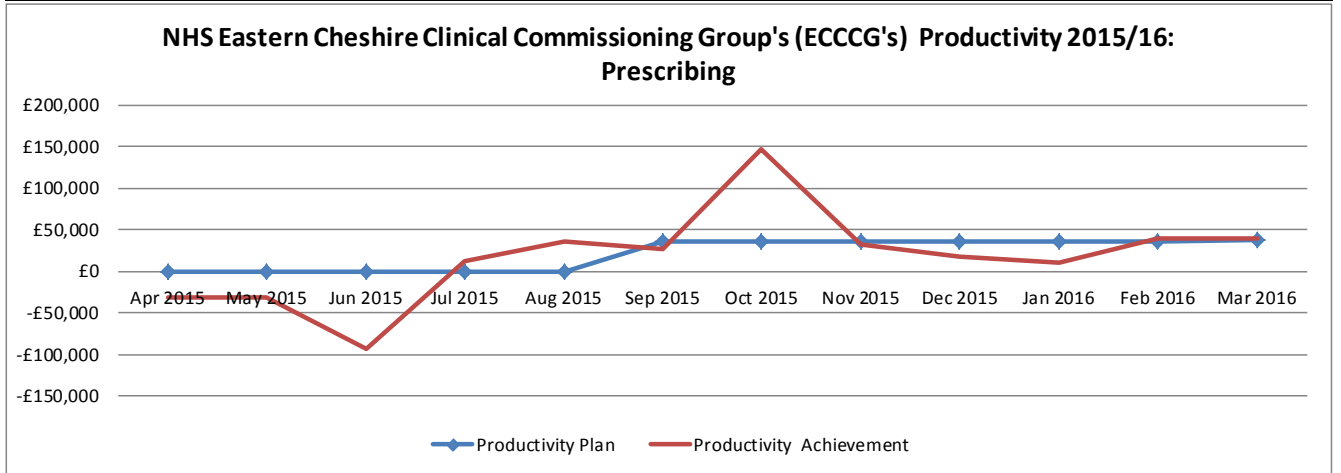
- 5.1 ECCC CG's Financial Plan for 2015/16 includes circa £2.55m of productivity efficiencies. **Table Five-A** summarises the productivity schemes along with their outturn. Overall the forecast remains constant with some changes within schemes producing circa £2.4m of productivity savings for the year.

Productivity Scheme	Plan £000s	Outturn £000s
Prescribing	248	204
Pro-active Care - Reducing Non Elective Admissions	700	150
Contract Management	600	461
Contract Management (AMD Pathway & Pricing)	400	1,149
Elective Variation	200	-
Continuing Healthcare	400	450
Caring Together Transformational	-	-
Total	2,548	2,414

- 5.2 The productivity schemes were all aimed at reducing the expenditure when compared to the agreed Financial Plan for 2015/16. Overall the progress made during 2015/16 has been a success although the schemes aimed at reducing activity are taking longer to implement than planned and in some cases, ie, Elective Variation, are being carried forward into 2016/17.
- 5.3 There has been an overall reliance on contract management and non recurrent schemes in year which is acknowledged and being addressed for future year's productivity savings, although non recurrent opportunities will be maximised.
- 5.4 The Non Elective (NEL) Schemes are difficult to quantify when reviewing individual initiatives. It is recognised that overall, the NEL costs are marginally under the 2015/16 planned levels and have been mitigated by the schemes put in place.
- 5.5 The Elective Variation Scheme has been piloted with the practices in the Congleton locality reviewing Cardiology, Gastro-Intestinal, Diabetes and Respiratory pathways. The learning from the pilot will be featured in the 2016/17 productivity schemes opportunities. Therefore, no reductions in year have arisen as a result of specific action, resulting in a zero delivery against the Plan.

5.6 **Tables Five-B to Table Five-G** provide an overview of each productivity scheme providing an insight into the level of savings that have been achieved in year.

Table Five-B: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Productivity Schemes 2015/16 - Prescribing			
Productivity Scheme Heading	Financial Measures	2015/16 £000s	2016/17 £000s
Prescribing Savings Schemes	Budget vs Actual for GP Prescribing	248	tbc



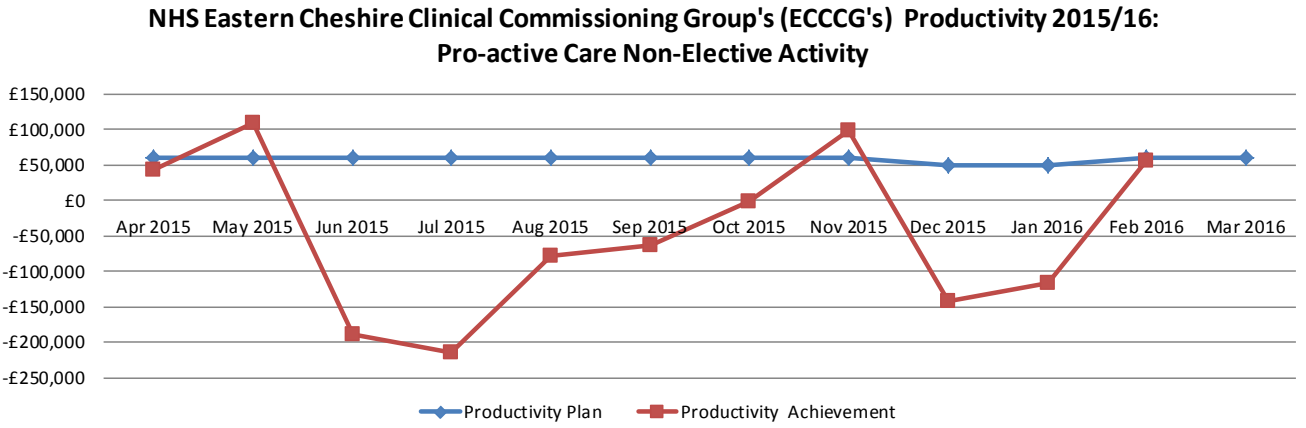
The Prescribing schemes have focused on reducing GP variation for seven discreet products. Due to a change in the market with a new introduction of a therapies anti-coagulant the intended savings have been outstripped by demand for the new drug. Therefore, it is not possible to identify any savings associated with this product. This has been assessed financially by comparing the 2015/16 actual costs against the 2014/15 outturn plus 3% (population growth and general growth in usage).

This has also been supported by an overall reduction in the Prescribing outturn which has improved by £399k when compared to the February reported forecast outturn.

Amber

Table Five-C: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Productivity Schemes 2015/16 - Pro-active Care Non Elective Activity

Productivity Scheme Heading	Financial Measures	2015/16 £000s	2016/17 £000s
Pro-active Care: Reducing Non-Elective Admissions	Contract plan vs actual for Non-Elective Admissions in four main Acute Providers	700	tbc

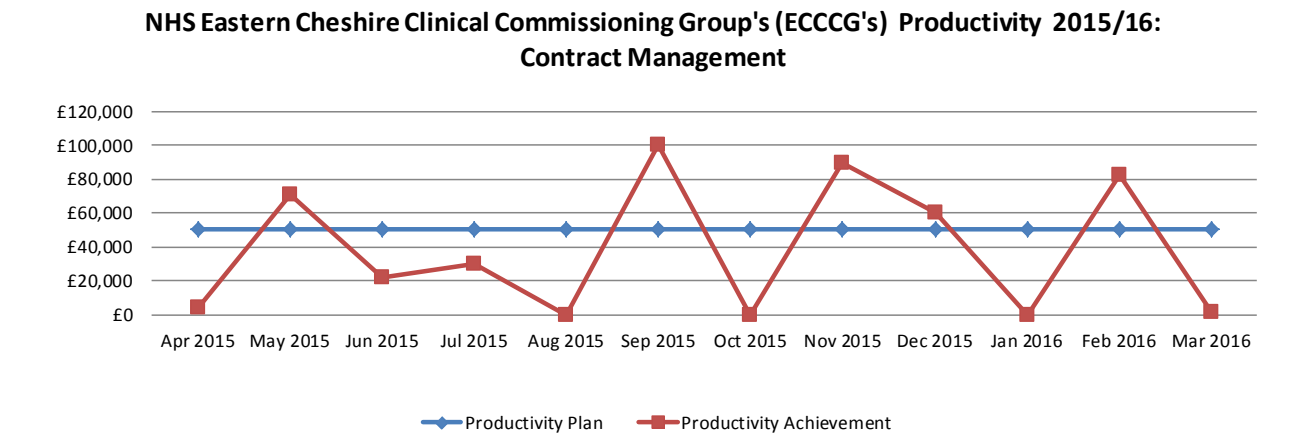


Overall, the Non Elective schemes have been difficult to monitor the impact when reviewing individual areas of investment. The overall position for Non Electives is marginally under Plan (subject to final figures) which indicates, albeit unscientifically, an improved position.

Amber

Table Five-D: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Productivity Schemes 2015/16 - Contract Management

Productivity Scheme Heading	Financial Measures	2015/16 £000s	2016/17 £000s
Contract Management	Contracts Plan vs Actual does not exceed budget. Savings log maintained for all contracts.	600	300

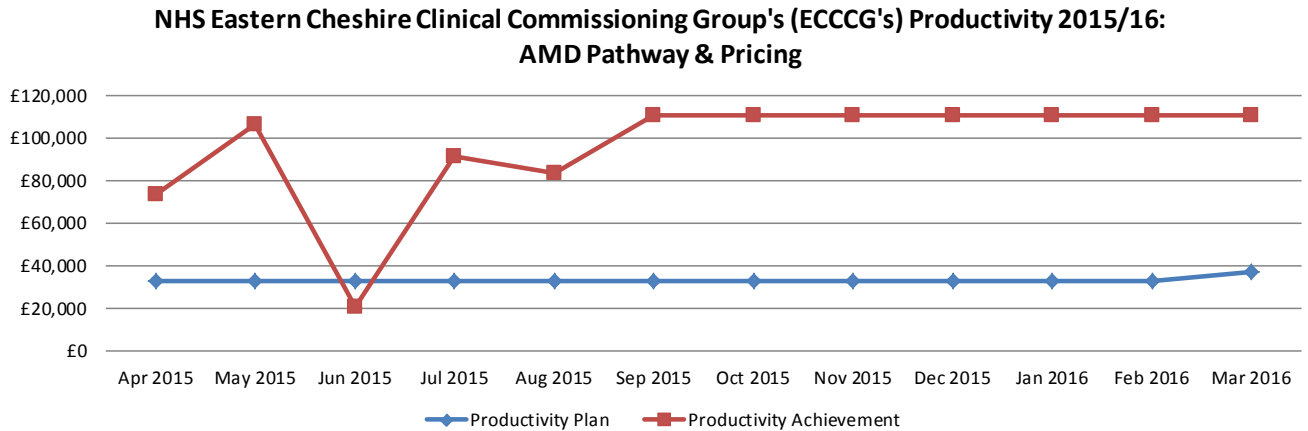


The progress throughout the year has reflected the robustness of data validation that has been undertaken. If unchecked, this would have resulted in additional expenditure of circa £461k.

Amber

Table Five-E: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Productivity Schemes 2015/16 - AMD Pathway and Pricing

Productivity Scheme Heading	Financial Measures	2015/16 £000s	2016/17 £000s
Contract Management: AMD Pathway and Pricing	Contract plan vs Actual shows reduction in costs due to price shift.	400	1,148

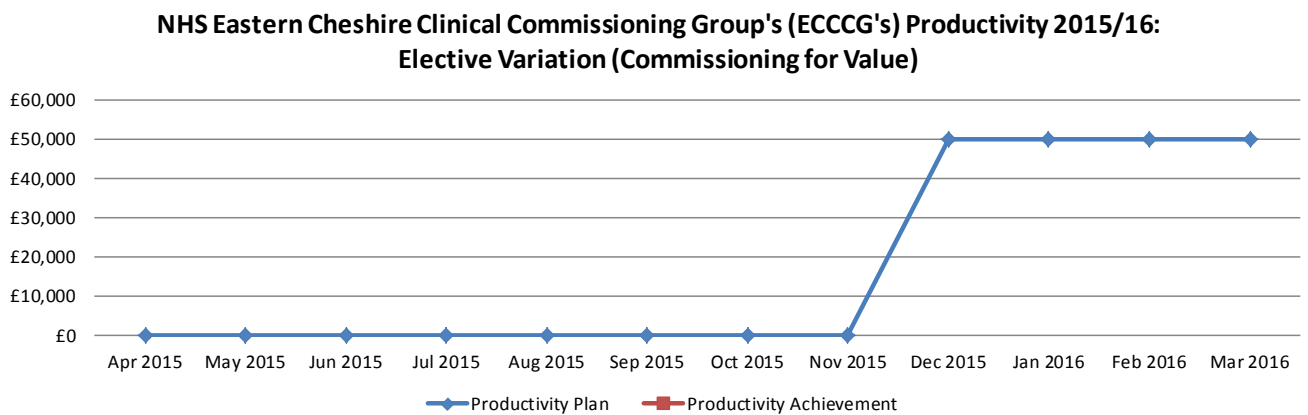


The implementation of the new AMD pathway following the tender exercise in 2014/15 has significantly reduced the costs when compared to the 2015/16 Plan. The scheme has reduced ECCCG costs significantly compared to the costs in 2014/15.

Green

Table Five-F: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Productivity Schemes 2015/16 - Elective Variation (Commissioning for Value)

Productivity Scheme Heading	Financial Measures	2015/16 £000s	2016/17 £000s
Elective Variation	Referrals reduce vs previous year. Contract plan vs actual shows reduction in First Outpatient attendances.	200	tbc

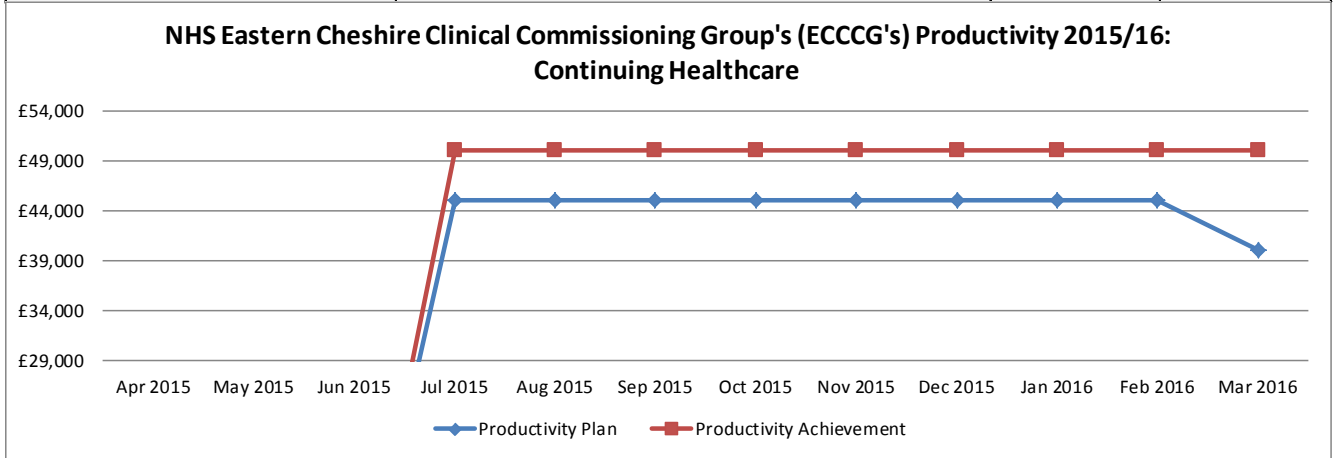


This scheme is being implemented using the national Commissioning for Value packs as a key driver. The scheme detail and approach has been discussed at the Finance Committee and initial meetings have been held with Holmes Chapel and Congleton locality. Review of the national benchmarking tool indicates that initial pathways should include Cardiovascular Disease, Gastro-Intestinal Pathways, Respiratory Conditions and Diabetes. These areas are also highlighted within the Rightcare indicators and will form part of the 2016/17 QIPP initiatives

Red

Table Five-G: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Productivity Schemes 2015/16 - Continuing Healthcare

Productivity Scheme Heading	Financial Measures	2015/16 £000s	2016/17 £000s
Continuing Healthcare (CHC)	Management of National Risk Pool for old CHC cases ("Restitution"); Productivity represents estimated funding to be returned to ECCCCG in 2015/16.	400	



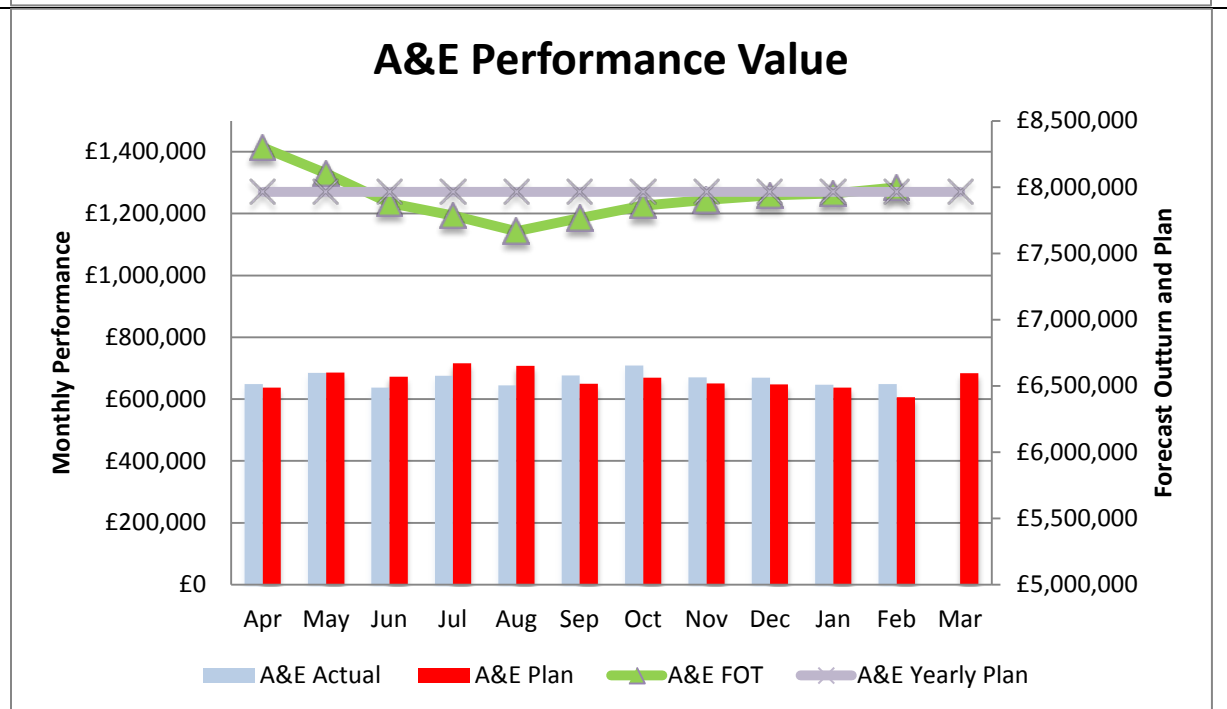
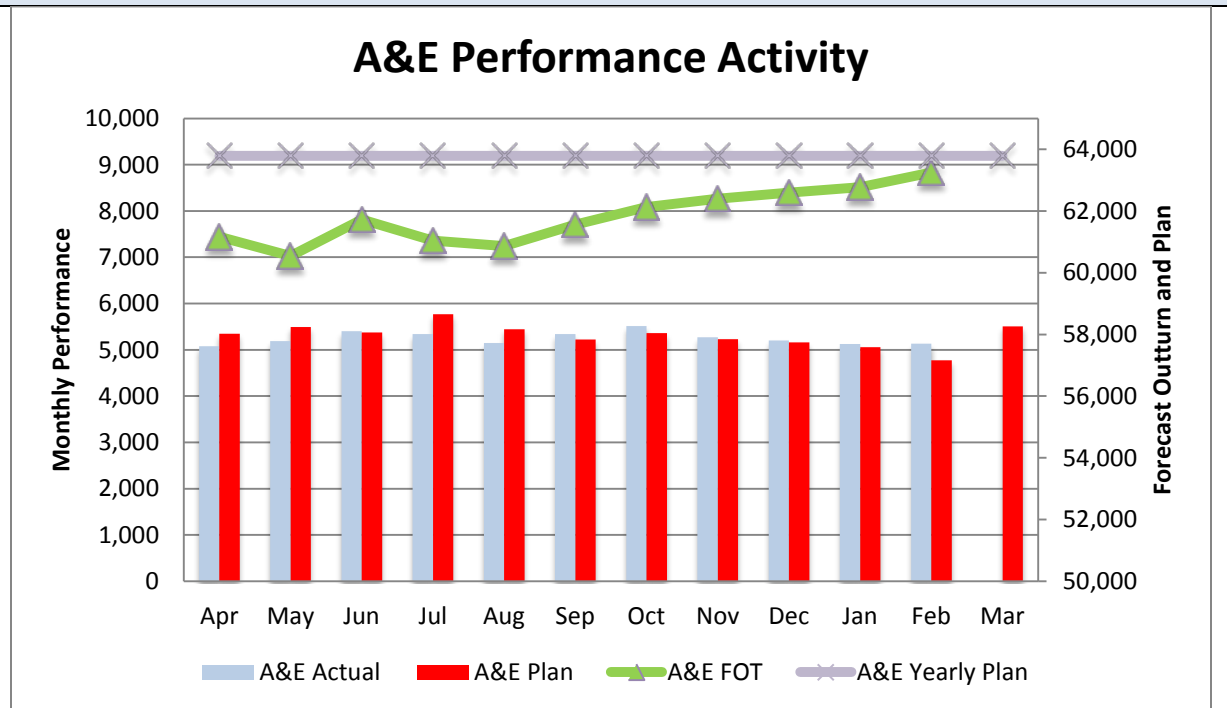
Correspondence received in mid July from NHS England has rebased the contribution levels for 2015/16. The reduced contribution levels have resulted in a benefit of £450k in year when compared to the original 2015/16 Plan.

Green

6. Activity Performance

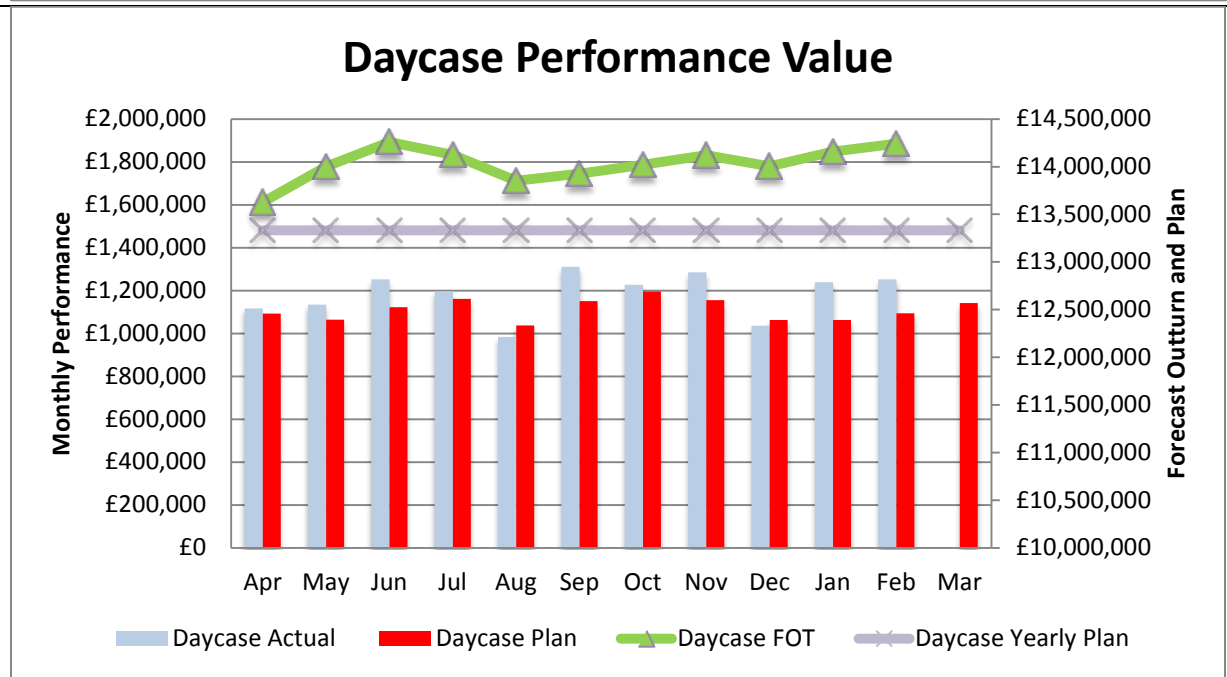
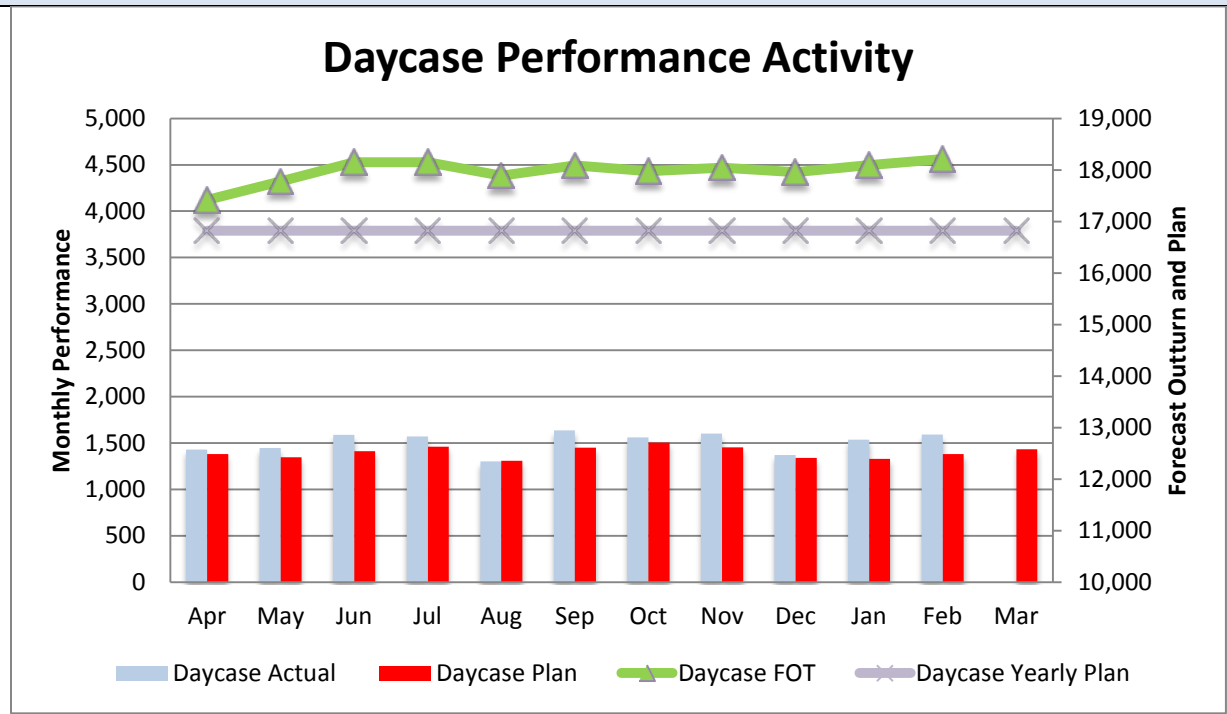
- 6.1 This section of the Finance & Performance Report outlines at an ECCCCG level how we have performed against our overall planned levels of activity. The associated costs are an extract from the provider contracts and are included within the individual provider contracts and their forecast outturns.
- 6.2 **Tables Six-A to Six-G** provide an overview of the variances to date along with any supporting information. It is recognised that there are some wider connections to be made around evidencing the links with, for example, the reduction in Non-Elective Activity with the various transformation initiatives already implemented, ie, Proactive Care Coordinators.

Table Six-A: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCGB's) A&E Performance



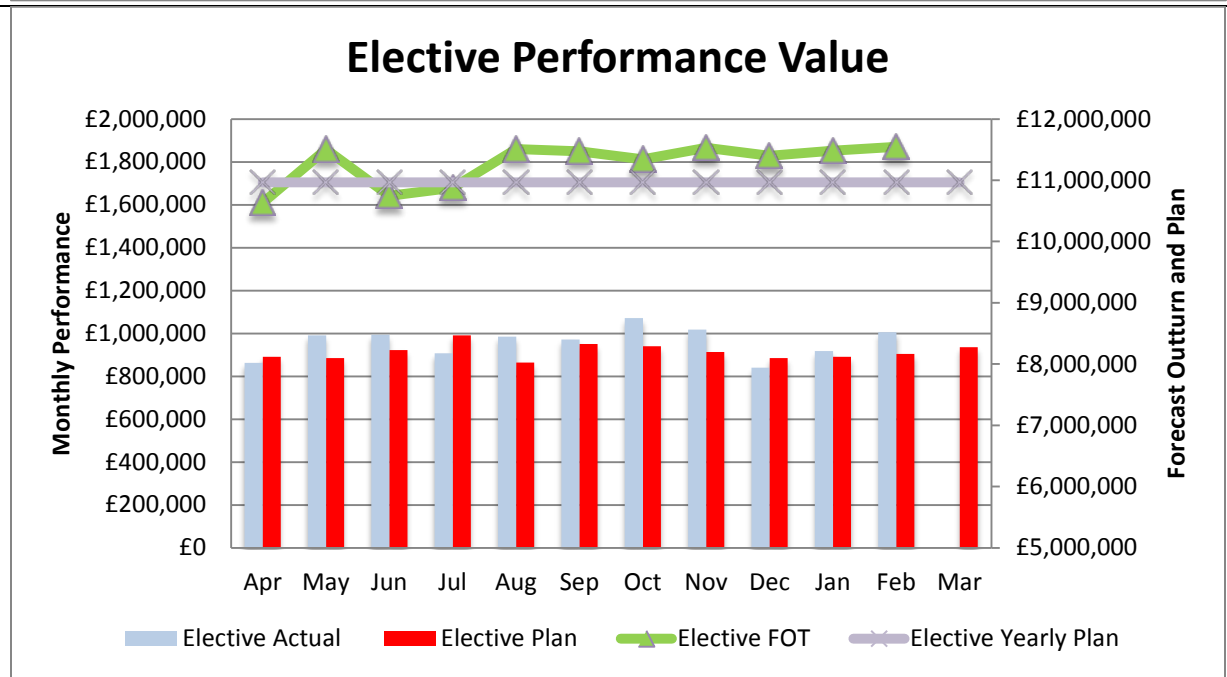
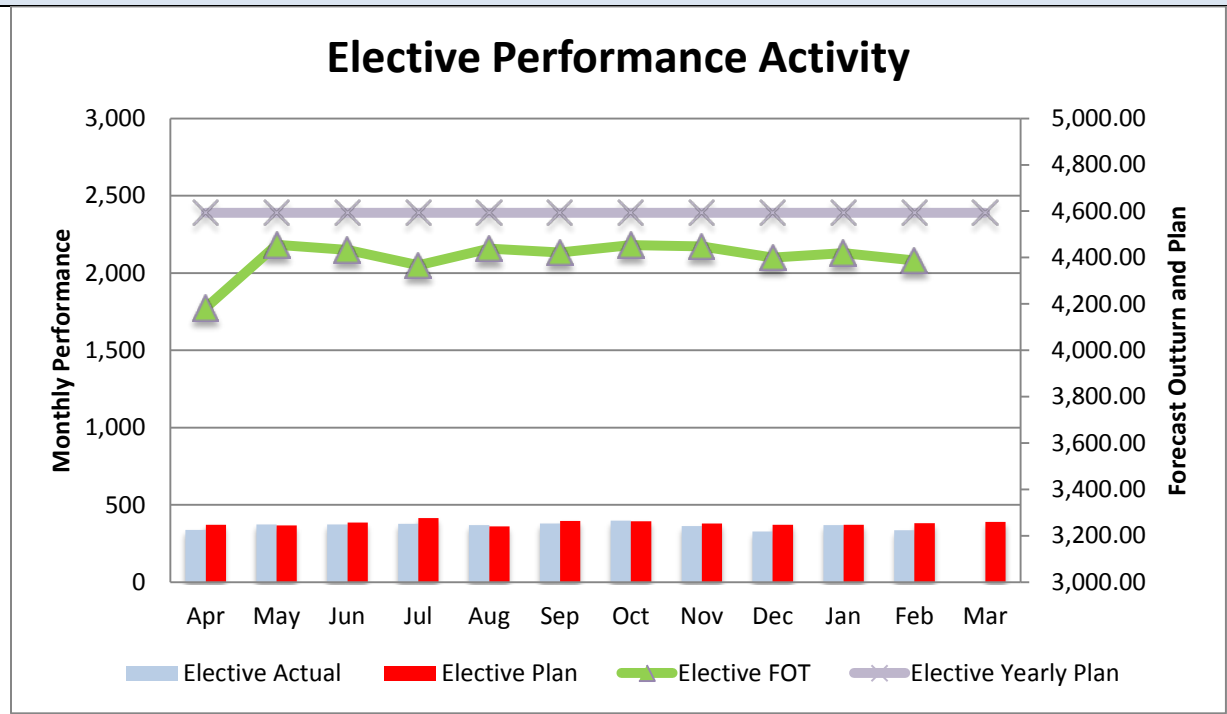
A&E performance overall in terms of value is broadly in line with Plan although the activity is under reported due to the missing Stockport FT data.

Table Six-B: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Day Case Performance



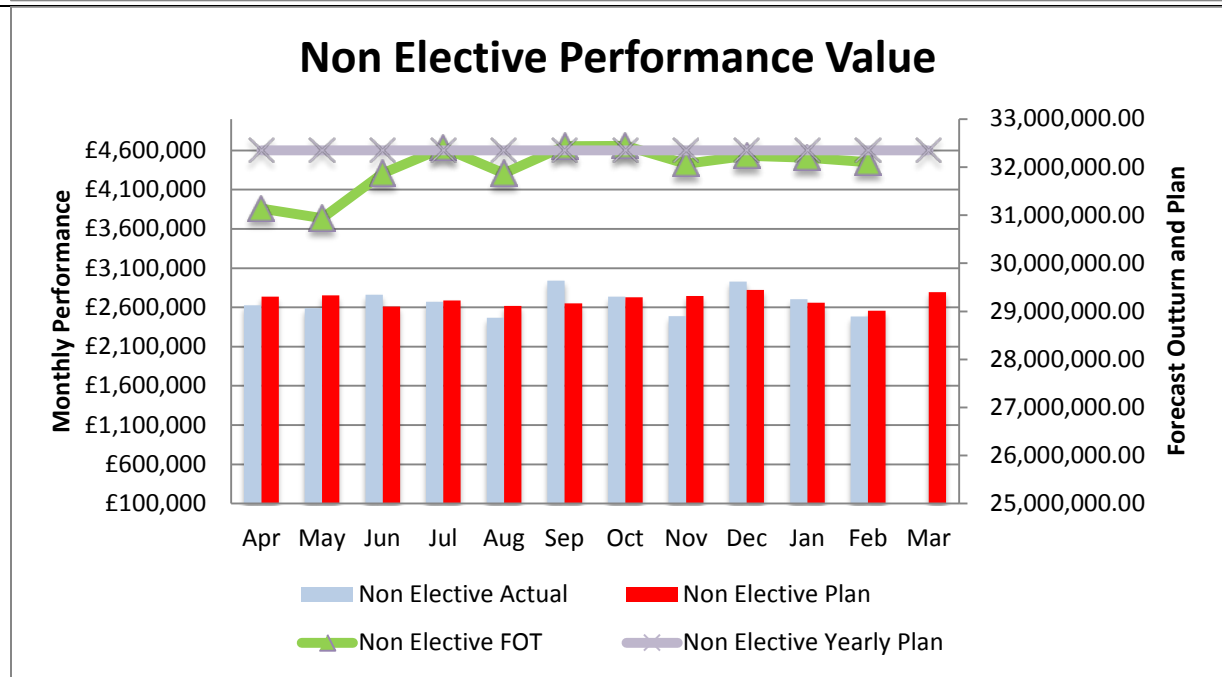
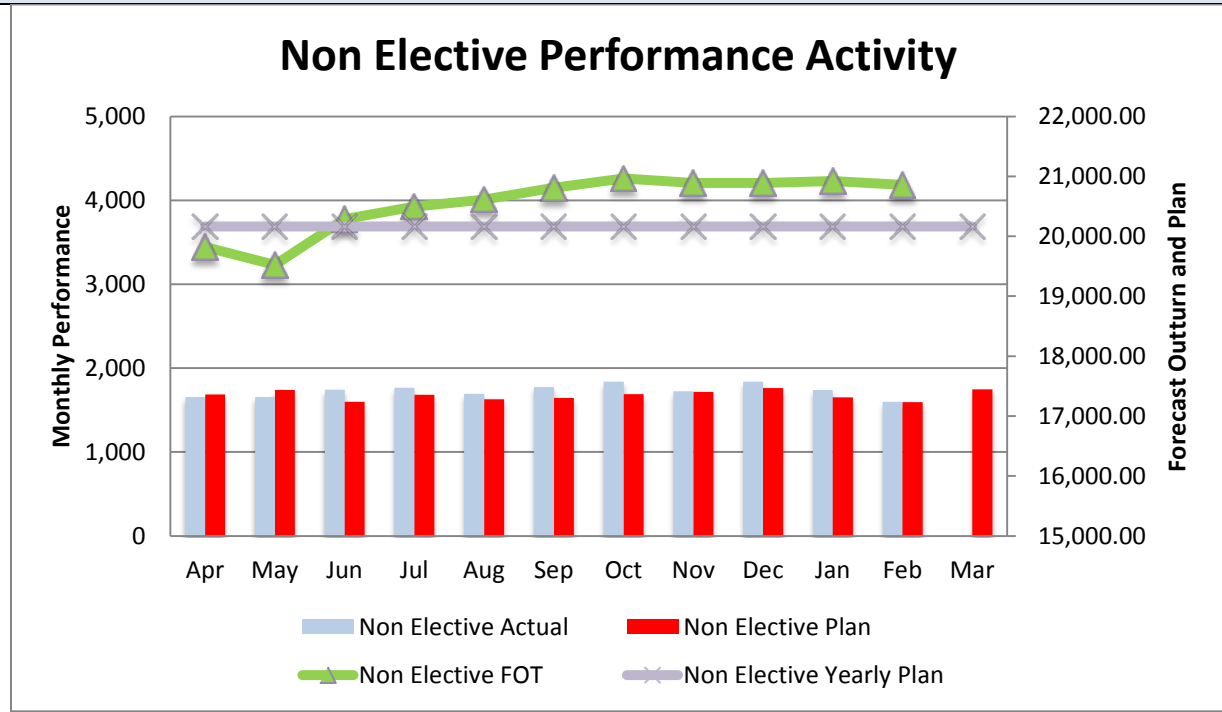
Day Case activity and costs are higher than planned due to the increased activity within East Cheshire Trust.

Table Six-C: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) Elective Performance



Elective Performance in terms of activity is higher than planned with costs reflecting higher activity levels.

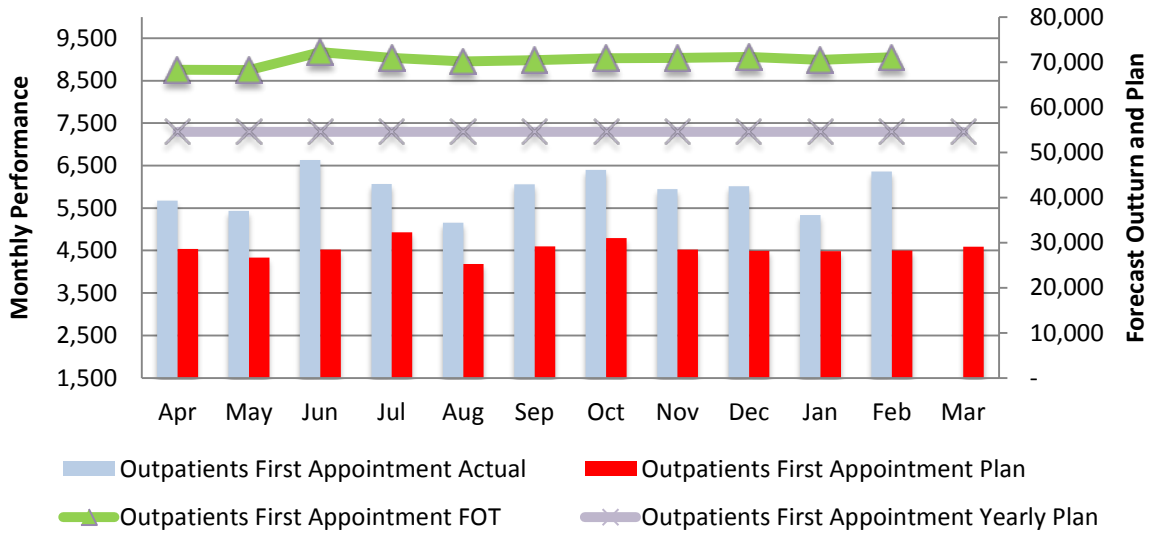
Table Six-D: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCGB's) Non-Elective Performance



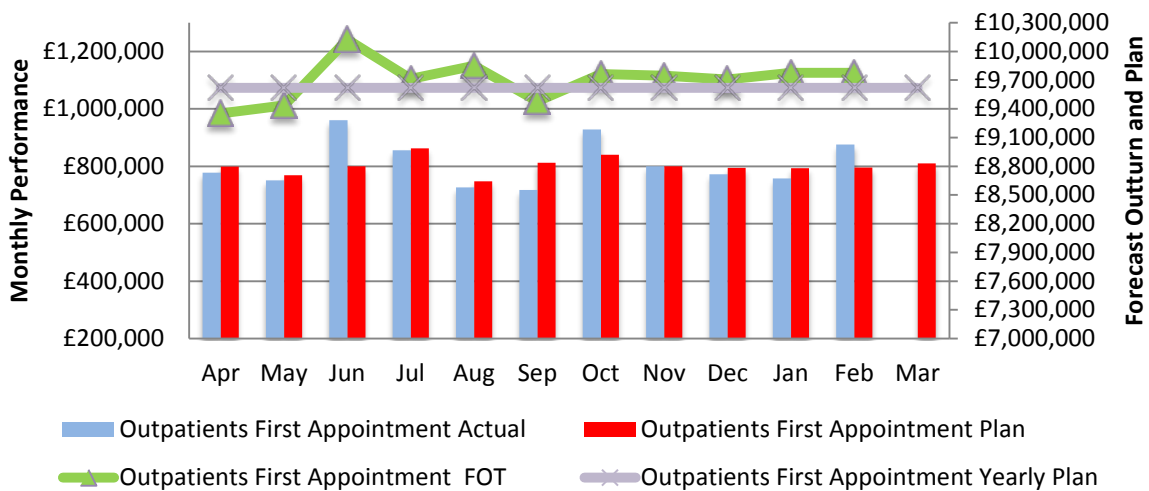
The activity overall for ECCCGB is above planned levels whilst the value remains on average in line with our 2015/16 Plans. As with Elective, this will reflect a number of issues not least of which is the case mix of patients being treated.

Table Six-E: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCCG's) Outpatient First Appointment Performance

Outpatients First Appointment Performance Activity

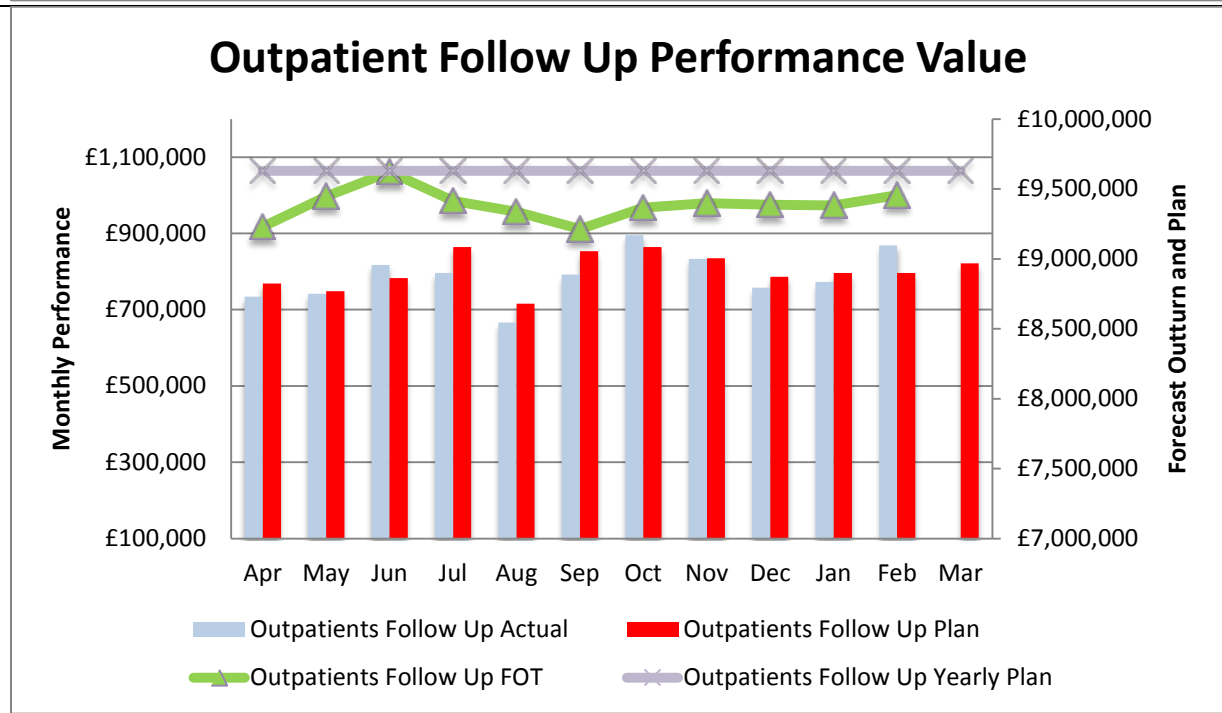
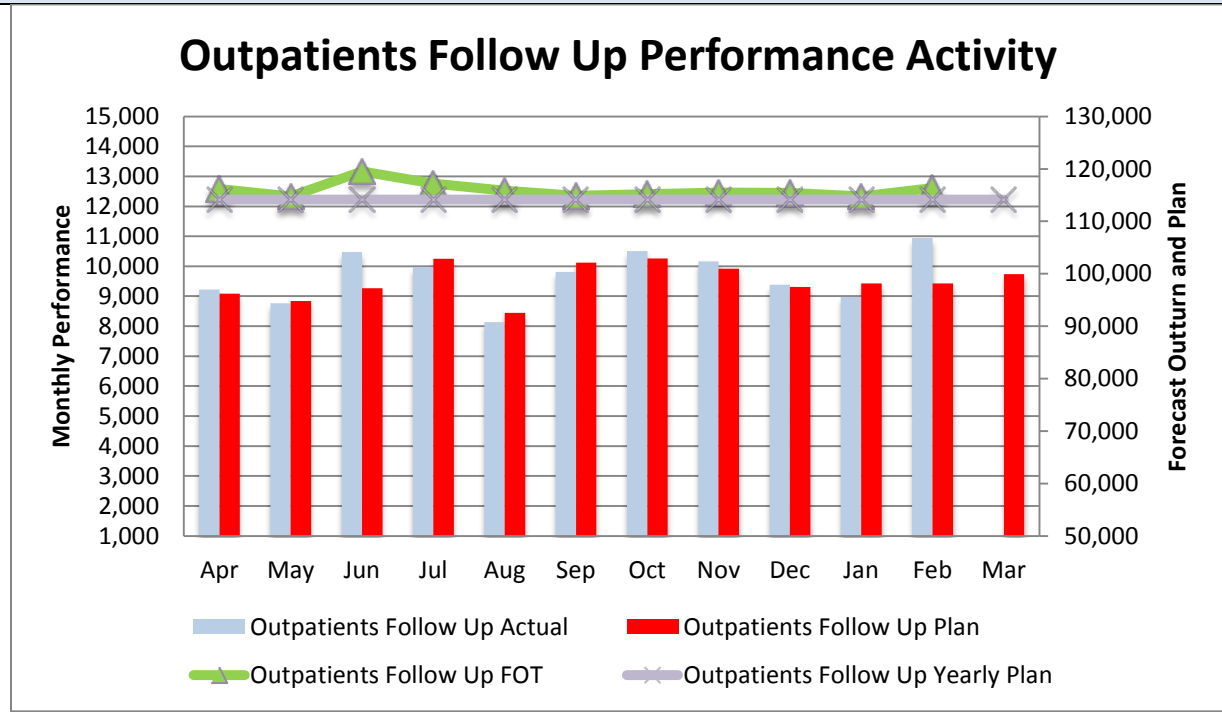


Outpatient First Appointment Performance Value



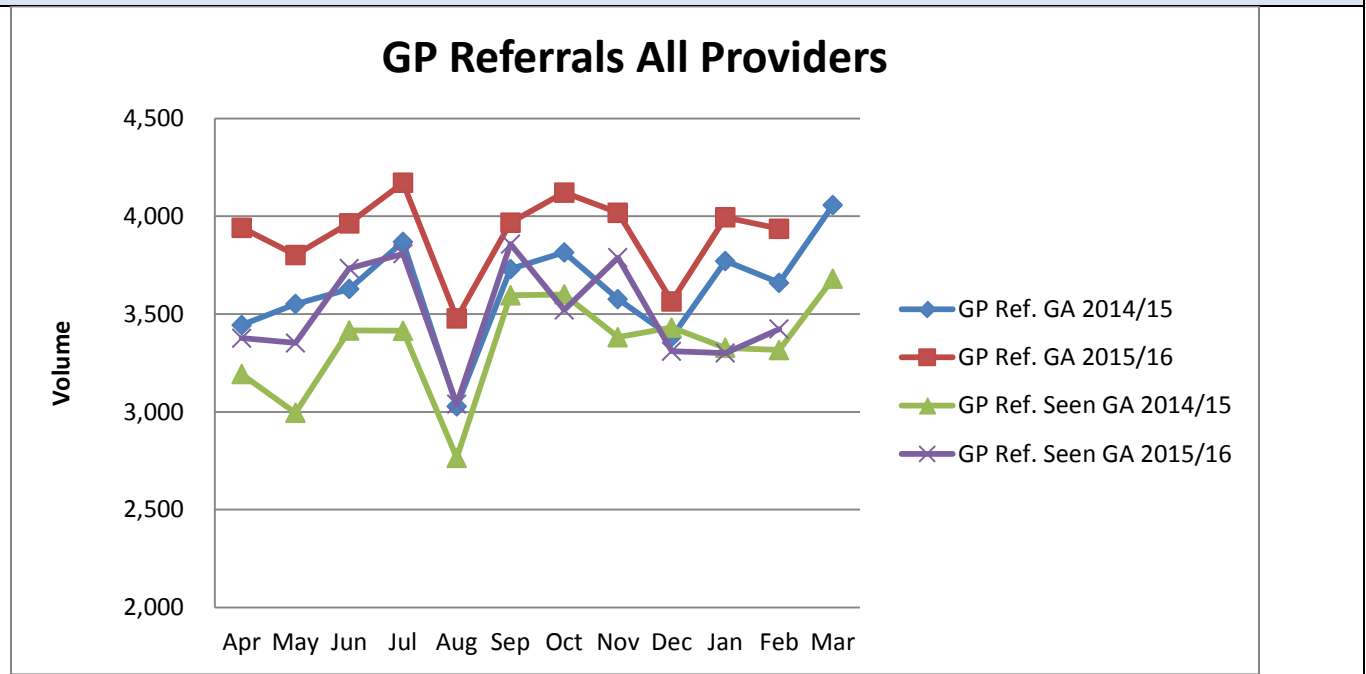
The increased activity being experienced is a direct correlation to increased referrals from Primary Care.

Table Six-F: NHS Eastern Cheshire Clinical Commissioning Group's (ECCC CG's) Outpatients Follow Up Appointment Performance



Overall both the activity and value remain in line with Plan.

Table Six-G: NHS Eastern Cheshire Clinical Commissioning Group's (ECCCG's) GP Referrals All Providers



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
GP Referrals (2014/15)	3,444	3,551	3,628	3,869	3,028	3,730	3,815	3,576	3,382	3,771	3,660	4,057	43,511
GP Referrals (2015/16)	3,941	3,802	3,964	4,171	3,478	3,967	4,121	4,018	3,565	3,994	3,936	-	42,957
GP Referrals Seen (2014/15)	3,193	2,995	3,416	3,414	2,765	3,596	3,600	3,382	3,431	3,327	3,316	3,681	40,116
GP Referrals Seen (2015/16)	3,377	3,352	3,733	3,808	3,040	3,858	3,521	3,788	3,310	3,301	3,423	-	38,511

Referrals for the initial four months of 2015/16 have slowed and are cumulatively 10% higher than that of the previous financial year. Much of this is expected to be due to pressures on Primary Care. **Table Six-G** indicates that the trend continues to remain consistent at circa 10% above the 2014/15 levels.