

Report to:	Clinical Commissioning Group
Date of Meeting:	22 nd March 2013
Subject:	Business Intelligence Report
Presented by:	Emma Sayner, Chief Financial Officer
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STATUS OF THE REPORT:

To approve

To endorse

To ratify

To discuss

To consider

For information

PURPOSE OF REPORT:

The purpose of this report is to:

1. Present the summary financial performance for the period 1 April 2012 to 28 February 2013 and forecasts achievement of the PCTs target surplus of £19.4m at 31 March 2013;
2. Provide assurance around delivery of all financial targets including QIPP and the Investment Programme.
3. Provide an update on performance against national and local indicators

RECOMMENDATIONS:

The Group is asked to:

1. Note the emerging financial risks and mitigation, and,
2. Note the financial performance for the year to 28 February 2013 and the forecast for a planned surplus of £19.4m for the year ended 31 March 2013 and,
3. Note the planned delivery of all financial targets and,
4. Be assured of the on-going action in relation to performance.

REPORT EXEMPT FROM PUBLIC DISCLOSURENo Yes If yes, grounds for exemption
(FOIA or DPA section reference)

CCG STRATEGY NUMBER REFERENCE	ASSURANCE FRAMEWORK REFERENCE NUMBER
<p>The financial section of the report covers performance against the CCG's financial plan which is the financial interpretation of the Strategic Direction of the CCG.</p> <p>The CCG's expenditure plan has been established in order to aim to deliver on the CCG's strategic priorities as far as possible.</p>	<p>The performance section of the report identifies key performance indicators and demonstrates/provides assurance against delivery of the strategy and national performance reporting requirements</p>

IMPLICATIONS: *(summary of key implications, including risks, associated with the paper),*

Finance	Financial risk is considered as an integral part of the report and where cost pressures or changes in expenditure are forecast these are being taken in to account both for in year performance as well as for the impact on the Medium Term Financial Plan going forward.
HR	No HR Implications
Quality	Risks not addressed may result in quality issues for patients, staff and public.
Safety	Risks not addressed may result in safety issues for patients, staff and public.

ENGAGEMENT: *(Explain what engagement has taken place e.g. Partners, patients and the public prior to presenting the paper and the outcome of this)*

No specific engagement activity has taken place, however all elements of the Business Intelligence Framework are subject of on-going engagement with key partners/providers as part of the day to day management of the CCG.

LEGAL ISSUES: *(Summarise key legal issues / legislation relevant to the report)*

The legality in relation to signing off contracts and incurring expenditure is a clear part of the procurement process so there are no issues to report in relation to this area.

EQUALITY AND DIVERSITY ISSUES: *(summary of impact, if any, of CCG's duty to promote equality and diversity based on Equality Impact Analysis (EIA). **All** reports relating to new services, changes to existing services or CCG strategies / policies **must** have a valid EIA and will not be received by the Committee if this is not appended to the report)*

No issues to report.

THE NHS CONSTITUTION: *(How the report supports the NHS Constitution)*

The Business Intelligence Framework/reporting is a critical tool in ensuring the CCG ensures its patients are accessing/receiving their constitutional rights.

BUSINESS INTELLIGENCE REPORT

1 Introduction

This combined Business Intelligence Report seeks to inform the CCG across the following three areas:

- Financial Performance
- Performance against national and local indicators
- Update on contract management and performance.

The financial section of this report outlines the financial position as at 28 February 2013 against the PCT's total allocation, and identifies any potential risk against the achievement of the PCT's control total. Other Key financial targets are discussed, and summarised in the appendices to this report.

The performance section of this report will outline performance against national indicators for 2012/13 and selected local indicators. Indicators have been aligned to the four programmes around which the CCG's commissioning strategy is structured.

The contracting update will provide information and updates on current contract performance and some of the more significant areas of work that are currently running.

2 Appendices

Appendices to the report are as follows:

- Financial Performance to 28 February 2013 – Covers Total, CCG and Transition Managed Areas of Responsibility (*Appendix 1*)
- Other Financial Targets and Performance (*Appendix 2*)
- PCT Summary Performance Report (*Appendix 3*)

3 Financial Performance for 2012/13

Financial performance to 28 February 2013 has reported a £17.714m underspend and gives assurance on achievement of the PCT's control total for 2012/13 which comprises a planned surplus of £19.4m with no resources on deposit in the Strategic Investment Fund held by the SHA.

The commentary below identifies the significant financial risks to achievement of the financial plan and financial performance targets and how these are being managed:-

Areas of Financial Pressure:

Yorkshire Ambulance Services (CCG Responsibility)

(£0.1m forecast cost pressure – in line with previous forecast, Annual Budget £9.9m): Forecast cost pressure is based on annual contract value which reflects the 11/12 contract overtrade, and year to date activity which is above plan at the end of Quarter 3. Monthly activity reports are received from the provider, and these are used to inform the forecast position which remains consistent with the previously reported position. This cost pressure has been factored into 13/14 medium term financial planning.

Specialised Commissioning (Transition Responsibility)

(£0.5m forecast cost pressure – in line with previous forecast, Annual Budget £34.9m): This cost pressure reflects the value of specialised contracts agreed by Yorkshire and the Humber Specialist Commissioning Group, together with latest forecast level of spend as per Month 9 activity reports. Forecast information from SCG is routinely reviewed and challenged via contract management committee's and the regional SCG finance and performance sub-group. A process for managing the year end position for SCG contract has now been reached.

Care in the Community (Split CCG and Transition Responsibility)

(£0.3m forecast cost pressure – in line with previous forecast, Annual Budget £7.7m): This majority of this cost pressure relates to a non-specialised Out of Area CAMHS patient (£0.270m) which had previously been funded from the core CAMHS budget. The forecast pressure has remained constant for some months, and on-going monitoring of patient status will inform the final year end position.

Continuing Healthcare (CCG Responsibility)

(£0.6m forecast cost pressure – in line with previous forecast, Annual Budget £20.7m): This cost pressure reflects additional growth in patients in the early part of the year. The PCT continues to monitor Patient growth on a monthly basis, which in recent months has stabilised and is in line with the PCT's planning assumptions on growth going forward.

Other Providers including Private Sector (Predominantly CCG Responsibility)

(£1.6m forecast cost pressure – in line with previous forecast, Annual Budget £13.7m): This cost pressure relates to 3 areas:

- i)* Any Qualified Provider for Psychological Therapies where activity has increased in the early part of the year (£0.3m cost pressure), and
- ii)* Mental Health out of Area Placements (£0.6m cost pressure) where there are currently 7 additional patients in out of area beds, above MTFP planning assumptions.
- iii)* Personalisation Budgets – Adults (£0.2m), relates to increased spend, partly in relation to continuing healthcare patients.
- iv)* ICES where the level of prescribing activity, predominantly special orders, currently exceeds MTFP planning assumptions (£0.6m cost pressure).

Gross Financial Pressures Reported of £3.1m (Previous Forecast Pressures of £3.1m)

Areas of Forecast underspend:

Prescribing (CCG Responsibility)

(1.7m forecast underspend – in line with previous forecast, Annual Budget £47.9m): Forecast is based on latest Prescribing Monitoring Document (PMD) report (December 2012), with the level of underspend primarily attributable to the CAT M price reduction to the cost of generic drugs, and some reduction in prescribing levels reflecting QIPP initiatives. PMD reports are used to inform the prescribing forecast (alongside local intelligence) which is based on spending patterns provided by the Department of Health.

GMS/PMS/APMS (Transition Responsibility)

(0.4m forecast underspend – in line with previous forecast, Annual Budget £40.1m): Following reconciliation of list sizes with APMS providers, a forecast underspend for the year of £0.4m is envisaged.

Dental (Transition Responsibility)

(0.5m forecast underspend – in line with previous forecast, Annual Budget £14.7m): Forecast is based on latest Units of Dental Activity (UDA) estimates and Patient Charge Revenue (PCR) income, with movement this month relating to PCR income. Forecast is based on NHS BSA payment online information (activity and finance), which is cross referenced to annual contract value's on a monthly basis with adjustment made for PCR income based on weighted average income collected.

Corporate Budget (Split CCG and Transition Responsibility)

(£0.9m forecast underspend, in line with previous forecast, Annual Budget £24.5m): Continued review of corporate budgets is still showing a forecast underspend for the year, with the main areas of underspend being public health (£0.2m forecast underspend) and Capital Charges (0.3m).

Gross Forecast Underspend Reported of £3.6m (Previous Forecast Underspend of £3.5m)

4 Other Financial Target Performance and issues

The PCT is on target to achieve all its statutory financial duties in 2012/13.

A summary of other Financial Performance Measures is attached at *Appendix 2*, the key points from this being:

- i) The PCT is forecasting to use the entire Capital Resource limit for 2012/13.
- ii) The PCT will incur running costs equivalent to £35.90 per head of weighted population inclusive of commissioning and Public Health Costs in 2012/13.
- iii) The PCT is achieving its responsibility regarding payment of invoices in relation to the Better Payment Practice Code, and payment of Non NHS Invoices within 10 days is good.
- iv) Current forecast are that the PCT is on Track to exceed its annual QIPP target.
- v) Good progress has been made regarding delivery of the PCT's investment programme to enable delivery of the PCT's commissioning strategy.

5 Performance Update

The current PCT Performance Report is attached at Appendix 3. This reports against all relevant national indicators and indicators for other targets which are priorities for the CCG and PCT Cluster (which is inclusive of the indicators which also form part of the Public Health Outcomes Framework).

Based on the report attached at Appendix 3, the areas of underperformance are highlighted below, and Pro Forma's will be presented at the meeting for those areas which are future CCG responsibility.

Headline Measures:

- Incidence of C.Difficile
- Eliminating Mixed Sex Accommodation (MSA Breaches)

Supporting Measures (Future CCG Responsibility)

- Access to midwifery services (*by 12th week of completed pregnancy*)
- Patients waiting 6 weeks or more for a diagnostic test
- Total numbers waiting at the end of month on a RTT pathway

Supporting Measures (Future NCB responsibility):

- Women receiving results of cervical screening within 2 weeks
- Access to NHS Dentistry
- GP WTE/100,000 registered population

Supporting Measures (Future Public Health Responsibility):

- Uptake of NHS Health Checks
- Percentage of infants breastfed at 6-8 weeks
- % Mothers initiating breastfeeding
- All-Age all-cause mortality

6 Contracts update

Details of key areas of work for contracts is summarised in the bullet points below:

- Q3 CQUINS submissions have been received for all providers, these have been validated and dialogue is continuing with providers regarding achievement of targets with final sign off due at Contract Management Board.
- Working is progressing on developing a community based tariff for the CHCP Community Contract.
- Work continues on development of Tariff and KPI for Mental Health Care Clusters.
- Children's Wheelchair Tender has selected a preferred bidder, with new service expected to go live in April.
- Work continues on finalising information for inclusion in the contract transition transfer order.
- Procurement Activity is continuing in respect of:
 - I. Interpreting Services,
 - II. Stroke Rehab GP support,
 - III. Community Paediatrics Medical Staffing , and
 - IV. Birth Preparation Services.
- Ongoing work with providers is continuing regarding negotiation of 2013/14 contracts, biggest risk in the system relates to specialist services adjustments. Deadline for signature of contracts remains the 28 March.

7 Recommendations

It is recommended that the Group

- i) Note the emerging financial risks and mitigation, and
- ii) Note the financial performance for the year to 28 February 2013 and the forecast for a planned surplus of £19.4m for the year ended 31 March 2013, and
- iii) Note the planned delivery of all financial targets, and
- iv) Be assured of the on-going action in relation to performance.

Joy Dodson
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