



THE SCOTTISH OFFICE

National Health Service in Scotland Management Executive

COMMON SERVICES AGENCY	
RECEIVED:	NHS: MEL(1994)43
18 APR 1994	
File No.	
REFERRED TO	ACTION TAKEN

3071

St Andrew's House
Edinburgh EH1 3DG

Dear Colleague

IN-YEAR CONTRACT PERFORMANCE MONITORING 1994/95

15 April 1994

Summary

1. NHS MEL(1993)155 required purchasers to ensure all contracts for 1994/95 had at least indicative volumes, floors, ceilings and reopener clauses, and that simple block contracting should cease. This letter asks Health Boards to complete the relevant form for their Board area from those attached to show contracted volume and contract value for 1994/95 and to return the form to the Management Executive by 15 May 1994.

Action

2. Detailed notes are set out on the reverse of the form explaining the definitions used and the sources of data included in the 1993 baseline. I would like to draw your attention to the note at the bottom of the front page of the form which explains that Health Boards are being asked to work with GP fundholders in their area to obtain details of GP fundholder contracts and to aggregate data together for the whole area. Health Boards should complete the form in line with the contracts they and GP fundholders in their area have signed. If separate contract values have not been negotiated for each of the headings used in the form, Health Boards should bracket together the activity bands covered by a single contract value. Returns should be submitted to Mr P Knight, ISD, Trinity Park House, South Trinity Road, Edinburgh EH5 3SQ by 15 May 1994.

Other Information

3. The form consists of a full year baseline - 1993 - and columns for entering planned activity and contract expenditure in 1994/95. The intention is that the information submitted by Health Boards will be held on the MIS and that, quarterly, figures will be updated to show actual activity and expenditure versus plan. The MIS will provide the ability to "drill down" to purchaser and specialty. In most cases actual activity will be reported from ISD standard returns and Health Boards will only

Addressees

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Health Boards

For information:
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be asked to submit details of activity where national information is not available, and contract expenditure. For this purpose revised forms will be issued by ISD each quarter filled in as far as possible.

4. The headings chosen in the form have been selected because we understand that similar headings are used by several Health Boards in contracting, and because activity data is available under these headings from ISD standard data sets.

5. The format used in the attached reports was developed by the Joint Working Group on Purchasing to enable monitoring of actual performance against contracts in-year, and was agreed with General Managers and Trust Chief Executives. It is an interim measure for use in 1994/95 to allow monitoring of contract activity and expenditure, primarily at a national level, while work continues in Health Boards, Trusts and Units on developing contract management systems; and, under the auspices of the National Costing Project, on developing a standard currency for contracting.

Yours sincerely
William Moyes

WILLIAM MOYES
Directorate of Strategic Management and Performance Review

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