Item 4

Vale of York Clinical Commissioning Group

Financial Strategy

2013/14 – 2015/16

Delivering the CCG's Financial Strategy

Financial Framework

Vale of York Clinical Commissioning Group (CCG) are seeking authorisation to become an NHS body and become operational from 1 April 2013. The CCG is currently operating in shadow form and whilst the financial strategy specifically relates to the CCG some elements are derived from a disaggregation of the NHS North Yorkshire and York (NHSNYY) financial plan. Most importantly NHS NYY operates within a very challenging financial environment and for 2012/13 has submitted a deficit plan of £19m. The CCG strategy assumes a proportionate amount of that deficit will transfer over to the CCG in 13/14.

Due to the challenging financial position of NHSNYY not only does the CCG face the prospect of commencing operations with a requirement to repay a proportion of inherited deficit it also needs to ensure there is sufficient focus on the underlying recurrent position (run rate position). The transformation the CCG aims to achieve will require a shift of resources across the health system; the challenge will be to do this at scale, without significant resources to pump prime initiatives. The overarching vision of the CCG is to take a whole system approach with significant partnership working with all Local authorities within its boundaries and a collaborative approach with its main acute and community provider York Teaching Hospitals NHS Foundation Trust.

Details of CCG level allocations are not expected until autumn 2012 so planning assumptions are currently based on a disaggregation of NHS NYY allocations. Financial analysis is derived from the national data collection baseline exercise, which considered NHSNYY financial accounts outturn for 2011/12 and financial plan for 2012/13. As at the date of publication NHSNYY has not delegated running costs budgets and so assumptions are based on the national running cost maximum expenditure allowance. There will be amendments to the financial data collection in relation to specialist commissioning although the planning assumption is any budgetary or allocation change would be matched with an expenditure change. As such this financial strategy should be seen as an evolving document and will require periodic updates as clarity on the operation, funding and responsibilities within the new NHS architecture is confirmed. It is anticipated a formal review will be conducted once CCG allocations are notified and once the NCB publishes its Charter for 2013/14.

Medium term financial plan 2012/13 – 2015/16

Table 1 Medium term financial plan

Vale of York CCG has developed its outline strategic plan, based on a range of scenarios, it is important to emphasise that the significant financial risk in the local health system means any variance from plan in 12/13 has a material impact on the whole strategic programme. There are three scenarios presented here.

- The base case is a CCG level plan derived from the PCT 12/13 plan of a £19m deficit, this plan assumes full delivery of all QIPP schemes and no contract budget overspends. The planning assumption for the VOYCCG is that a proportion of this deficit will become chargeable against the 2013/14 allocation (£5.3m)
- A revised scenario details the impact of a £5.8 budgetary overspend (this is over and above the CCG's share of the planned £19m deficit), this is based on month 4 VOY dashboard information and assumes the required actions to bring spend back in line are undelivered.
- A revised scenario based on a £10m budgetary overspend, this is based on provider predictions of activity and expenditure growth throughout the remained of 2012/13

The three scenarios are summarised in the table 1 to 3 below and more detailed is provided in Appendix A, B and C. The initial planning assumption (base case)shows a return to recurrent balance in 2013/14.

Table 1 Base Case, achievement of 2012/13 plan including share of £19m PCT deficit

Table 1	2012/13			2013/14			2014/15			2015/16		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anticipated Resources Available	**353,687**	**6,690**	**360,377**	**363,590**	**6,690**	**370,280**	**367,226**	**6,690**	**373,916**	**370,898**	**6,690**	**377,588**
Anticipated Expenditure	**-382,570**	**-639**	**-383,209**	**-381,114**	**167**	**-380,947**	**-378,497**	**833**	**-377,664**	**-379,698**	**0**	**-379,698**
Surplus/(deficit)	**-28,883**	**6,051**	**-22,832**	**-17,524**	**6,857**	**-10,667**	**-11,271**	**7,523**	**-3,748**	**-8,799**	**6,690**	**-2,109**
Planned efficiencies	17,528	0	17,528	17,781	0	17,781	17,334	0	17,334	18,579	0	18,579
Surplus/(deficit)	**-11,355**	**6,051**	**-5,304**	**257**	**6,857**	**7,114**	**6,063**	**7,523**	**13,586**	**9,780**	**6,690**	**16,470**
Contingeny				0	-913	-913	0	-3,633	-3,633	0	-3,632	-3,632
Defict repayment				**0**	-5,304	-5,304	0	897	897	0	8,850	8,850
Surplus/(deficit)	**-11,355**	**6,051**	**-5,304**	**257**	**641**	**897**	**6,063**	**4,787**	**10,850**	**9,780**	**11,908**	**21,688**

Table 2 Assumed £5.8m in year overspend (in addition to share of £19m deficit)

Table 2	2012/13			2013/14			2014/15			2015/16		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anticipated Resources Available	**353,687**	**6,690**	**360,377**	**363,590**	**6,690**	**370,280**	**367,226**	**6,690**	**373,916**	**370,898**	**6,690**	**377,588**
Anticipated Expenditure	**-388,376**	**-639**	**-389,015**	**-385,228**	**167**	**-385,061**	**-384,586**	**833**	**-383,753**	**-384,945**	**0**	**-384,945**
Surplus/(deficit)	**-34,689**	**6,051**	**-28,638**	**-21,638**	**6,857**	**-14,781**	**-17,360**	**7,523**	**-9,837**	**-14,047**	**6,690**	**-7,357**
Planned efficiencies	17,528	0	17,528	18,129	0	18,129	18,503	0	18,503	18,916	0	18,916
Surplus/(deficit)	**-17,161**	**6,051**	**-11,110**	**-3,509**	**6,857**	**3,348**	**1,144**	**7,523**	**8,667**	**4,870**	**6,690**	**11,560**
Contingeny				0	-927	-927	0	-3,691	-3,691	0	-3,681	-3,681
Defict repayment				**0**	-11,110	-11,110	0	-10,689	-10,689	0	-7,713	-7,713
Surplus/(deficit)	**-17,161**	**6,051**	**-11,110**	**-3,509**	**-5,180**	**-8,689**	**1,144**	**-6,857**	**-5,713**	**4,870**	**-4,704**	**165**

Table 3 Assumed £10m in year overspend (in addition to share of £19m deficit)

Table 3	2012/13			2013/14			2014/15			2015/16		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anticipated Resources Available	**353,687**	**6,690**	**360,377**	**363,590**	**6,690**	**370,280**	**367,226**	**6,690**	**373,916**	**370,898**	**6,690**	**377,588**
Anticipated Expenditure	**-392,570**	**-639**	**-393,209**	**-389,644**	**167**	**-389,477**	**-388,984**	**833**	**-388,151**	**-389,328**	**0**	**-389,328**
Surplus/(deficit)	**-38,883**	**6,051**	**-32,832**	**-26,054**	**6,857**	**-19,197**	**-21,758**	**7,523**	**-14,235**	**-18,429**	**6,690**	**-11,739**
Planned efficiencies	17,528	0	17,528	18,381	0	18,381	18,757	0	18,757	19,172	0	19,172
Surplus/(deficit)	**-21,355**	**6,051**	**-15,304**	**-7,673**	**6,857**	**-816**	**-3,001**	**7,523**	**4,522**	**743**	**6,690**	**7,433**
Contingeny				0	-938	-938	0	-3,733	-3,733	0	-3,722	-3,722
Defict repayment				**0**	-15,304	-15,304	0	-19,058	-19,058	0	-20,269	-20,269
Surplus/(deficit)	**-21,355**	**6,051**	**-15,304**	**-7,673**	**-9,385**	**-17,058**	**-3,001**	**-15,268**	**-18,269**	**743**	**-17,302**	**-16,559**

Financial Planning Assumptions

The financial parameters included within this document build on the principles set out in the 12/13 Operating Framework, and supporting documents such as Payment by Results guidance.

The following assumptions have been made

- Allocation uplift at PCT level for 2012/13 was 2.8% this is assumed to continue until 2013/14, the forward projection from 2014/15 has been assumed at 1%
- The CCG control total for 2012/13 will be a deficit of £5,304, this is a % apportionment of the NHSNYY deficit plan of £19m
- The plan is structured to fulfil the requirement to create recurrent headroom of 2% which can only be utilised on a non recurrent basis.
- Inflation on tariff and non tariff is 2.5% and continues at this level for the duration of the plan
- Efficiency on tariff and non-tariff is -4.3% in 2012/13, and assumed to be -4.0% in each future year. The net impact on the tariff and non-tariff from 2013/14 onwards is therefore -1.5%
- The assumptions on tariff inflation and efficiency will be reset annually upon publication of the national tariff guidance.
- Payments for non elective activity will continue at 30% marginal tariff rate for the duration of the plan, similarly any QIPP reductions related to non-elective activity would also be at 30% marginal rate unless activity returns to a level below the 2008/09 threshold
- The financial impact of non payment for readmissions has been built into the plan although the clinical audit to review the baseline is underway
- The locally negotiated financial envelope for CQUINS payments of 1.5% is only assumed for 2012/13, the plan reverts to an assumption of 2.5% from 2013/14 onwards
- Additional health and social care funding for reablement is excluded from this financial plan as resources have transferred to the Local Authority, they will however be referenced in the overall strategy as a key enabler to the redesign of the local health and social care system.
- The assumption for prescribing is that inflationary increases are offset by efficiencies and therefore no uplift in prescribing expenditure is planned for until 2014/15 at which point a 1% increase is assumed.
- At this stage in the planning process there is no assumed investment in strategic developments, and service redesign or QIPP schemes are based on in year pay back and the QIPP plan should be net of any required investment. A strategic review is underway across the wider health economy and decisions on investment will be made in line with the published strategy.

- Demographic growth is assumed to be 2.8% in 2013/14 then increases to 3% from 2014/15 onwards.
- The assumed level of QIPP is 2% in each year of the financial plan
- Specialist commissioning figures submitted as part of the national baseline exercise are subject to change. As at the point of publication no notified changes have been made.
- As at the date of publication no corporate or running cost budgets have been delegated from the PCT cluster, the planning assumption is that budget delegation will match running cost assumptions as detailed in that section.

System Wide External Review

Two of the three scenarios modelled above in the medium term financial plan show that the CCG would not achieve its statutory break even duty until 2015/16 or longer if further corrective action is not taken, This is not a new financial challenge that faces the local heath economy and the former PCT has received in the region of £100m of financial support up to the end of 2011/12. For 2012/13 the PCT will receive no external support and has submitted a deficit plan. The implications for the Vale of York CCG is a brought forward deficit of £5.3m but with a higher underlying recurrent expenditure figure in the region of £11.3m

In order to address the financial challenges the whole system faces an external review has been commissioned and is due to issue its findings at the end of October 2012. No assumptions have been made within this plan of those findings, other than further significant actions will be identified to deliver radical service reconfiguration options that deliver the system wide change required.

All key stakeholders with the health economy have committed to the review including the 3 Acute and community providers within the North Yorkshire Patch one of Which York teaching Hospitals Foundation trust is the major service provider for Vale of York.

Once the North Yorkshire wide review is published and key stakeholders commit to the implementation programme this plan will be revised to take into account those additional savings.

Financial collaboration and risk sharing

NHS North Yorkshire and York has existed in its current geographical structure since 2005/06, prior to that date there were 4 PCT's covering North Yorkshire, at that time there was a strong collaborative working model which has continued through a locality model, although not identical to the proposed CCG's configurations there is a strong commitment across the health economy to maintain this collaboration, there are three key strands to this:

- Functions run at a North Yorkshire Level where there is an intention to continue through commissioning support services, for example continuing care, commissioning for vulnerable people, non-contract activity.
- Host contract arrangements where one CCG will lead on negotiation, in year performance and contract management, for Vale of York this will include York Teaching Hospitals Foundation Trust, Leeds and York Partnerships NHS Foundation Trust, Leeds Teaching Hospital Trust.
- Financial risk sharing, this is proposed to cover three areas, continuing health care, funded nursing care, high cost patients, all 4 North Yorkshire CCGs will pool resources to share risk and benefits of these areas.

Due to the challenging financial position across the whole of North Yorkshire a strategic review is currently underway, where it is beneficial both financially and strategically to collaborate VOY will do so.

Run rate

An important aspect of the financial plan for VOY is the analysis of run rate expenditure. NHS North Yorkshire and York has had historical financial problems and in 12/13 submitted a deficit plan. It is important the CCG fully understand the recurrent underlying rate of spend to ensure it is on a trajectory of improving the position and not heading further into deficit. It is essential that there is a forensic understanding of commissioning decisions, QIPP schemes and efficiency proposals and that these are all mapped to a monthly run rate analysis. This will be routinely monitored by the governing body 2012/13 onwards.

Where does the money go?

The table below details where the CCG expends its resources. The majority of resource is expended with York Hospitals Foundation Trust, following the acquisition of Scarborough and North East Yorkshire, this accounts for 47.2%
.

Table 4 where does the money go

		12/13 £000	%
Commissioned Services			
	York Hospitals Foundation Trust (Acute services)	150,760,703.6	41.2%
	York Hospitals Foundation Trust (Community Services)	17,613,460.3	4.8%
	Harrogate District Foundation Trust (Acute services)	1,292,766.2	0.4%
	Harrogate District Foundation Trust (Community services	8,999,232.8	2.5%
	Scarborough & North East Yorkshire NHS Trust	4,073,884.7	1.1%
	Leeds and York Partnership Trust	29,861,508.3	8.2%
	Yorkshire Ambulance Service	12,342,151.6	3.4%
	Leeds Teaching Hospital Trust	11,639,692.0	3.2%
	Ramsey Hospital - clifton park york	6,510,750.5	1.8%
	Hull & East Yorkshire NHS Trust	4,513,266.9	1.2%
	Nuffield Hospital - York	1,871,680.6	0.5%
	Mid Yorskhire	1,833,405.8	0.5%
	Tees Esk & Wear Valley MH	1,341,471.0	0.4%
	South Tees Foundation Trust	1,296,563.5	0.4%
	Total Major NHS Contracts above £1m	**253,950,537.6**	**69.4%**
	Other NHS Contracts below £1m.	8,136,171.3	2.2%
	NHS Non Contract Activity	6,072,301.1	1.7%
	Private Providers contracts below £1m	1,030,240.3	0.3%
	Other NHS Commissioning	3,092,544.4	0.8%
Total NHS contracts		**272,281,794.7**	**74.5%**
	Partnerships	2,718,070.8	0.7%
	Hospice payments	1,218,226.4	0.3%
	Pooled Budgets	5,049,416.7	1.4%
	Continuing Care	20,014,115.5	5.5%
	Funded Nursing Care	4,400,626.6	1.2%
Total Non NHS Contracts		**33,400,456.0**	**9.1%**
Total Commissioned Services		**305,682,250.7**	**83.6%**
Primary Care			
	Prescribing	46,438,850.0	12.7%
Total Primary Care		**46,438,850.0**	**12.7%**
	Corporate Services	tba	0.0%
	Pocklington practice commissioning to be split	13,560,000.0	
	Deficit Repayment	0.0	0.0%
Total Corporate Services		**13,560,000.0**	**3.7%**
Total Commissioned & Corporate Services		**365,681,100.7**	**100.0%**
	deficit	-5,303,684.2	

Running costs

The NHS commissioning board have set a running cost allowance for each CGG based on registered population adjusted to ONS clusters. For Vale of York this is £8.35m which equates to £24.74 per head of population (unadjusted). This is in line with expectations and the initial management structure ensures the CCG will operate within its running cost total. Throughout the remainder of 2012/13 the CCG will work closely with the PCT cluster to develop its understanding of non-pay expenditure and conclude the business case for HQ location. A significant number of support functions will be provided by the North Yorkshire and Humber commissioning support service.

Table 5 Structure Costs (Pay and Non Pay)

Running Costs	**£000's**
Board of Governors	£1,121
Clinical Engagement	£268
Management Costs	£1,804
Non pay (including CSS)	£4,985
Total	**£8,178**
Population	337,500
Running Cost per Head	**£24.23**
National Running Cost Target	£8,350
National Running Cost Per Head Target	£24.74

Practice Level information

Up to 2010/11 the PCT utilised the DH fair shares toolkit to calculate practice level budgets as part of the practice based commissioning initiative. Once the CCG is established as a statutory NHS body it will be provided with an allocation, PCT level data collection exercises have been conducted in September 2011 and July 2012 to ensure the DH has sufficient information to map expenditure from the current NHS architecture to the new system which incorporates CCGs. In addition a revised allocation formula will be put in place. This will notify the CCG of its Actual allocation and an assessment will be made of its distance from a fair shares allocation. It is also anticipated that a policy on how CCGs may move to a fair shares allocation will be published. In a period of flat growth where uplifts to the overall NHS allocation are only intended to cover inflationary increases any movement towards fair shares will be small, as such the CCG should not anticipate any significant movement from the overall PCT allocation for 12/13, once it has been disaggregated.

Once the overall CCG allocation is known the intention will be to refresh practice level budgets and ensure there is a consistent process for continuing the movement towards fair share practice level budgets.

Cash

CCGs will operate in a similar cash regime to PCTs. There will be an annual cash limit within which the CCG must remain. As part of the closedown of the PCT a greater understanding of the anticipated year end position will be sought, as with any business there is a time lag between service delivery and payment for those services, the CCG must ensure sufficient cash is available to meet those year end obligations inherited from the PCT.

Once the CCG is fully functioning in 2013/14 it will be responsible for the direct payment to providers for services. As the vast majority of CCG business is covered by the standard NHS contract 74% of all cash expenditure will flow in equal 12ths. In addition almost 13% is to cover prescribing spend, this means that each month 87% of the CCG cash flow is known. In year adjustments would have to be made for contractual under/overtrades.

Financial governance

As part of its establishment the CCG is considering its requirement to establish robust financial and corporate governance arrangements, there are several key policy and procedure documents that the CCG will adopt prior to establishment, the key ones being:

- Constitution
- Standing Orders and Standing Financial instructions
- Prime financial procedure documents
- Scheme of Delegation

In addition the CCG will be using the SBS ledger system to ensure its obligations for accounting for public funding can be met, a scheme of delegation for authorisation of all expenditure will be embedded within the system.

Committees of the board will be in place to seek assurance that the organisational governance is sound and assurance can be placed on the mechanisms in place, this will be done predominantly through the audit and governance committees.

QIPP

The VOY CCG qipp scheme for 12/13 is £7.3m detail of the schemes are provided below, there will be a mix of new schemes and full year effect of schemes that commenced in 11/12. As 12/13 is the base year for the financial strategy it is essential all schemes are fully delivered.

Table 6 Strategic QIPP plan

	Ref	Workstream	Strategy workstream	Target action	12/13	13/14	14/15	15/16
	VOYCC1	3	Elective Care pathways	Dermatology;	£26,378	£18,842		
				Ophthalmology;	£53,769	£38,407		
				Cardiology;	£68,160	£68,160		
				Gynaecology.	£57,040	£0		
	VOYCC2	2	LTC	LOC	£1,162,028	£1,144,424		
	VOYCC3	2	MH - Dementia	Psych liaison	see CE11			
[redacted]	VOYCC4	2	Urgent care	Urgent care pathway	£100,000			
	VOYCC5	3	MSK expansion	Orthopaedics	£660,339			
				Pain Management	£49,654	£16,551		
				Rheumatology	£47,882	£15,961		
				Orthopaedics	£169,532			
				Pain Management	£67,199	£22,400		
				Rheumatology	£744,079	£35,162		
	VoYCC6	3	Contracting	Effective use of Contract/VFM	£2,135,342	£818,984		
	VoYCC7	x	Lucentis		£1,488,793	£1,488,793	£819,076	
	VoYCCG 8	x	Medicine Management		£485,811			
			unidentified QIPP			£3,749,285	£7,341,980	£7,282,449
	Total				**£7,316,006**	**£7,416,969**	**£8,161,056**	**£7,282,449**

In order to deliver the financial strategy detailed in table 1, QIPP schemes which are 2% of expenditure will be required from 13/14 onwards; these are in addition to any national provider efficiency requirements set in the operating framework and PBR tariff guidance. The medium term QIPP schemes are tabled above. The detailed schemes are a continuation of schemes already commenced. There is still a significant amount of required but unidentified QIPP at this point.

Capital

Once established it is not anticipated the CCG will have any significant assets, buildings within the locality are in the process of transferring to Foundation Trusts or NHS Property Company,

The majority of IM&T infrastructure relates to those buildings or is to support primary care so is assumed not to be on the CCG balance sheet.

Future capital may be required as part of our system redesign aspirations, however it is assumed that the CCG will work with the NHS and other partners to secure any necessary capital.

At this stage the CCG does not anticipate that it will have a baseline capital allocation.

Appendix A Base Case to PCT planned £19m deficit

Category	2012/13 Rec £'000	2012/13 NR £'000	2012/13 Total £'000	2013/14 Rec £'000	2013/14 NR £'000	2013/14 Total £'000	2014/15 Rec £'000	2014/15 NR £'000	2014/15 Total £'000	2015/16 Rec £'000	2015/16 NR £'000	2015/16 Total £'000
RESOURCE AVAILABILITY												
Revenue Resource Limit	334,499	0	334,499	353,687	0	353,687	363,590	0	363,590	367,226	0	367,226
Pocklington Practice	16,512		16,512									
Revenue Growth	9,366	0	9,366	9,903		9,903	3,636		3,636	3,672		3,672
2% Topslice	-6,690	6,690	0	0	6,690	6,690		6,690	6,690		6,690	6,690
assumed return of NEL threshold funding												
Total Resources Available	**353,687**	**6,690**	**360,377**	**363,590**	**6,690**	**370,280**	**367,226**	**6,690**	**373,916**	**370,898**	**6,690**	**377,588**
UNAVOIDABLE EXPENDITURE												
Baseline expenditure	-345,558	-2,784	-348,342	-365,042	167	-364,875	-361,334	833	-360,501	-361,163	0	-361,163
Pocklington Practice	-16,512	0	-16,512	0		0	0		0	0		0
CQUIN	-6,568	2,146	-4,423									
Contract inflation	-6,106	0	-6,106	-6,472		-6,472	-7,050		-7,050	-8,312		-8,312
Demographic Growth	-7,826		-7,826	-7,600		-7,600	-8,114		-8,114	-8,223		-8,223
Cost Pressures				-2,000		-2,000	-2,000		-2,000	-2,000		-2,000
Contingency	0	0	0		-913	-913	0	-3,633	-3,633	0	-3,632	-3,632
Sub Total	**-382,570**	**-639**	**-383,209**	**-381,114**	**-746**	**-381,860**	**-378,497**	**-2,800**	**-381,297**	**-379,698**	**-3,632**	**-383,329**
TOTAL REMAINING FOR INVESTMENT	**-28,883**	**6,051**	**-22,832**	**-17,524**	**5,944**	**-11,580**	**-11,271**	**3,890**	**-7,381**	**-8,799**	**3,058**	**-5,741**
Strategic Investments (Gross)												
Strategic Investments			0			0			0			0
FINANCIAL POSITION BEFORE EFFICIENCIES	**-28,883**	**6,051**	**-22,832**	**-17,524**	**5,944**	**-11,580**	**-11,271**	**3,890**	**-7,381**	**-8,799**	**3,058**	**-5,741**
EFFICIENCY SAVINGS												
Provider Efficiencies	10,212	0	10,212	10,480		10,480	10,067		10,067	11,316		11,316
Quality and Productivity Programme	7,315		7,315	7,301		7,301	7,267		7,267	7,263		7,263
Revised In Year (Deficit) / Surplus	**-11,355**	**6,051**	**-5,304**	**257**	**5,944**	**6,201**	**6,063**	**3,890**	**9,953**	**9,780**	**3,058**	**12,838**
(deficit repayment)/ return of surplus					-5,304	-5,304		897	897		8,850	8,850
	-11,355	**6,051**	**-5,304**	**257**	**641**	**897**	**6,063**	**4,787**	**10,850**	**9,780**	**11,908**	**21,688**

Appendix B Forecast overspend of £5.8m plus share of PCT planned £19m deficit

Category	2012/13 Rec £'000	2012/13 NR £'000	2012/13 Total £'000	2013/14 Rec £'000	2013/14 NR £'000	2013/14 Total £'000	2014/15 Rec £'000	2014/15 NR £'000	2014/15 Total £'000	2015/16 Rec £'000	2015/16 NR £'000	2015/16 Total £'000
RESOURCE AVAILABILITY												
Revenue Resource Limit	334,499	0	334,499	353,687	0	353,687	363,590	0	363,590	367,226	0	367,226
Pocklington Practice	16,512		16,512									
Revenue Growth	9,366	0	9,366	9,903		9,903	3,636		3,636	3,672		3,672
2% Topslice	-6,690	6,690	0	0	6,690	6,690		6,690	6,690		6,690	6,690
assumed return of NEL threshold funding												
Total Resources Available	**353,687**	**6,690**	**360,377**	**363,590**	**6,690**	**370,280**	**367,226**	**6,690**	**373,916**	**370,898**	**6,690**	**377,588**
UNAVOIDABLE EXPENDITURE												
Baseline expenditure	-351,364	-2,784	-354,148	-368,848	167	-368,681	-367,099	833	-366,266	-366,082	0	-366,082
Pocklington Practice	-16,512	0	-16,512	0		0	0		0	0		0
CQUIN	-6,568	2,146	-4,423									
Contract inflation	-6,106	0	-6,106	-6,617		-6,617	-7,197		-7,197	-8,461		-8,461
Demographic Growth	-7,826		-7,826	-7,762		-7,762	-8,290		-8,290	-8,402		-8,402
Cost Pressures				-2,000		-2,000	-2,000		-2,000	-2,000		-2,000
Contingency	0	0	0		-927	-927	0	-3,691	-3,691	0	-3,681	-3,681
Sub Total	**-388,376**	**-639**	**-389,015**	**-385,228**	**-760**	**-385,988**	**-384,586**	**-2,858**	**-387,444**	**-384,945**	**-3,681**	**-382,945**
TOTAL REMAINING FOR INVESTMENT	**-34,689**	**6,051**	**-28,638**	**-21,638**	**5,930**	**-15,708**	**-17,360**	**3,832**	**-13,528**	**-14,047**	**3,009**	**-5,357**
Strategic Investments (Gross)												
Strategic Investments			0			0			0			0
FINANCIAL POSITION BEFORE EFFICIENCIES	**-34,689**	**6,051**	**-28,638**	**-21,638**	**5,930**	**-15,708**	**-17,360**	**3,832**	**-13,528**	**-14,047**	**3,009**	**-5,357**
EFFICIENCY SAVINGS												
Provider Efficiencies	10,212	0	10,212	10,712		10,712	10,302		10,302	11,555		11,555
Quality and Productivity Programme	7,315		7,315	7,417		7,417	8,201		8,201	7,362		7,362
Revised In Year (Deficit) / Surplus	**-17,161**	**6,051**	**-11,110**	**-3,509**	**5,930**	**2,421**	**1,144**	**3,832**	**4,976**	**4,870**	**3,009**	**7,879**
(deficit repayment)/ return of surplus					-11,110	-11,110		-10,689	-10,689		-7,713	-7,713
	-17,161	**6,051**	**-11,110**	**-3,509**	**-5,180**	**-8,689**	**1,144**	**-6,857**	**-5,713**	**4,870**	**-4,704**	**165**

Appendix C Forecast overspend of £10m plus share of PCT planned £19m deficit

Category	2012/13			2013/14			2014/15			2015/16		
	Rec £'000	NR £'000	Total £'000	Rec £'000	NR £'000	Total £'000	Rec £'000	NR £'000	Total £'000	Rec £'000	NR £'000	Total £'000
RESOURCE AVAILABILITY												
Revenue Resource Limit	334,499	0	334,499	353,687	0	353,687	363,590	0	363,590	367,226	0	367,226
Pocklington Practice	16,512		16,512									
Revenue Growth	9,366	0	9,366	9,903		9,903	3,636		3,636	3,672		3,672
2% Topslice	-6,690	6,690	0	0	6,690	6,690		6,690	6,690		6,690	6,690
assumed return of NEL threshold funding												
Total Resources Available	**353,687**	**6,690**	**360,377**	**363,590**	**6,690**	**370,280**	**367,226**	**6,690**	**373,916**	**370,898**	**6,690**	**377,588**
UNAVOIDABLE EXPENDITURE												
Baseline expenditure	-355,558	-2,784	-358,342	-373,042	167	-372,875	-371,264	833	-370,431	-370,228	0	-370,228
Pocklington Practice	-16,512	0	-16,512	0		0	0		0	0		0
CQUIN	-6,568	2,146	-4,423									
Contract inflation	-6,106	0	-6,106	-6,722		-6,722	-7,303		-7,303	-8,569		-8,569
Demographic Growth	-7,826		-7,826	-7,880		-7,880	-8,418		-8,418	-8,531		-8,531
Cost Pressures				-2,000		-2,000	-2,000		-2,000	-2,000		-2,000
Contingency	0	0	0		-938	-938	0	-3,733	-3,733	0	-3,722	-3,722
Sub Total	**-392,570**	**-639**	**-393,209**	**-389,644**	**-771**	**-390,415**	**-388,984**	**-2,900**	**-391,884**	**-389,328**	**-3,722**	**-387,328**
TOTAL REMAINING FOR INVESTMENT	**-38,883**	**6,051**	**-32,832**	**-26,054**	**5,919**	**-20,135**	**-21,758**	**3,790**	**-17,968**	**-18,429**	**2,968**	**-9,739**
Strategic Investments (Gross)												
Strategic Investments			0			0			0			0
FINANCIAL POSITION BEFORE EFFICIENCIES	**-38,883**	**6,051**	**-32,832**	**-26,054**	**5,919**	**-20,135**	**-21,758**	**3,790**	**-17,968**	**-18,429**	**2,968**	**-9,739**
EFFICIENCY SAVINGS												
Provider Efficiencies	10,212	0	10,212	10,880		10,880	10,472		10,472	11,727		11,727
Quality and Productivity Programme	7,315		7,315	7,501		7,501	8,284		8,284	7,445		7,445
Revised In Year (Deficit) / Surplus	**-21,355**	**6,051**	**-15,304**	**-7,673**	**5,919**	**-1,754**	**-3,001**	**3,790**	**789**	**743**	**2,968**	**3,710**
(deficit repayment)/ return of surplus					-15,304	-15,304		-19,058	-19,058		-20,269	-20,269
	-21,355	**6,051**	**-15,304**	**-7,673**	**-9,385**	**-17,058**	**-3,001**	**-15,268**	**-18,269**	**743**	**-17,302**	**-16,559**