

FINANCE EXECUTIVE SUMMARY

This report presents the financial position for Vale of York CCG to the end of October 2013 (Month 7).

Allocations

The table below records the changes to allocations since the start of the year:

	Annual Budget £000
Initial allocation	357,831
Return of 12/13 Surplus	(3,466)
SCG Agreed Baseline Adjustment - NY&H	3,395
SCG Baseline Adjustment - CNTW	(137)
Military Health	(26)
York Contract (Secondary Care Dental, etc.)	(1,022)
Allocation at Month 2	356,575
Transfer in from Running Cost	1,733
Allocation at Month 3	358,308
GP IT Funding	1,071
Specialised services	(439)
Mid Yorks Critical Care	113
PCT deficit re - calculation	5
Allocation at Month 6	359,058
Winter pressures	2,051
Allocation at Month 7	361,109
S&R CCG Winter pressures transfer	(640)
Current allocation	360,469

The latest allocation change relates to the Winter Pressures funding of £2.1m. The previous adjustment related to the combined share for both Vale of York CCG and Scarborough and Ryedale CCG, of which £650k has now been passed over as agreed.

Expenditure – Programme Costs

The overall financial position on Programme costs to Month 8 shows an under spend of £405k against the planned 1% surplus of £2.4m. In month this represents an over spend of £584k. However, this is in line with the revised plan and forecast outturn and reflects the fact that the QIPP schemes to bring this back in line are phased over the last quarter of the year and any C-Diff penalty will be applied at the end of the year.

The CCG remains on target to deliver the revised 0.57% surplus at the year end.

Acute Services

There is now a forecast over trade of £1.5m across Acute Services having previously shown £1.3m at Month 7. This is primarily a result of the CCG building in a revised forecast against the York Foundation Trust (YFT) contract to recognise the increased level of activity seen historically in March over and above the additional weighting towards the latter half of the year. This added around £0.3m to the respective outturn.

Mental Health

Although there is no overall change in this area, it is important to note the underlying assumptions within the forecast outturn. A significant number of invoices were received in month as a catch-up for out of contract placements that reduced the YTD under spend in this area. However, the forecast is not based on the same number of patients and instead reflects the fact that as at the start of December there are just 8 out of contract placements.

Continuing Care

There is no change in this area.

Primary Care

Both Prescribing and Enhanced Services are each showing around £200k improvements in line with the actual year to date costs.

QIPP

This is covered in more detail in the separate QIPP report, but as at the end of Month 8, achievement of the 0.57% surplus is dependent upon delivering £2.1m of further savings by 31st March. Schemes totalling £1.2m have been identified and included in the YFT forecast outturn with a further £300k against Specialist Mental Health and £612k on Prescribing. These are broken down as follows and should come in over the final quarter:

£
612 Prescribing
500 Smoking Threshold
450 Pathology
300 Out of area
250 Procedures of limited clinical value
25 Home Oxygen
2,137

Expenditure – Risks

There remain significant financial risks within the system that would adversely affect the expenditure position which are summarised below:

Risks	Full risk value £'m	Probability	Potential risk value £'m
First to Follow-Up	2.9	20%	0.6
C-Diff	0.7	20%	0.1
Specialist activity (CNS and BAHAs)	0.9	20%	0.2
QIPP shortfall	2.1	67%	1.4
Total	6.6		2.3

Acute Services

It is clear from discussions with YFT that they are assuming the full payment for work undertaken in line with the condition registers they have put in place to deliver the first to follow-up ratio. Moreover, the CCG is anticipating, but not planning for, the continued level of C-Diff performance, which the Trust has an action plan to tackle.

The Specialised Services agency have been in contact with YFT regarding cancer nurse specialist funding and bone anchored hearing aid services. The agency is looking for the current charge to them to be amended by the Trust and instead passed onto the CCG. This is estimated to present a financial challenge of £0.9m and is included as a risk until formally resolved, although the Trust informed us at a recent Contract Management Board that they are using the same approach and algorithm that was used to determine the original budget split.

From a purely contractual perspective the likelihood of these occurring is fairly low. Nevertheless, agreement will be sought with YFT as soon as possible to mitigate these further.

QIPP

As these schemes are still in the early stages of implementation the risk is that the savings are smaller than expected or do not occur in the same way as expected. The risk value and probability have been agreed with the Innovation and Improvement lead.

Expenditure – Mitigations

Mitigations	Full risk value £'m	Probability	Potential risk value £'m
Further QIPP	0.2	80%	0.2
Further efficiencies in Running Costs	0.3	100%	0.3
Benefit on CHC	0.7	85%	0.6
CSU contract management	0.3	85%	0.3
Integrated hospital team	0.2	85%	0.2
PCU management costs	0.8	85%	0.7
Total	2.5		2.2

The principle source of the CCG's mitigation strategy is further benefits arising from Continuing Care and Specialist Mental Health Services. Although the forecast outturn already includes a positive position in both of these areas, further underspends are probable as the growth the CCG is building into the position is not yet coming through at that level. A further contribution from this source may also be possible following examination of current expenditure where it relates to previous years and can therefore be recharged to the legacy provision.

A further QIPP scheme has also been identified with regards to developing a MDT for Care Homes service, but this is only at the early stages of development and has therefore not been included within the forecast outturn.

The CCG is forecasting balance against its Running Cost allocation. However, work has gone on to understand the potential available to transfer to Programme Costs as part of any mitigation plan and this has been quantified at £278k.

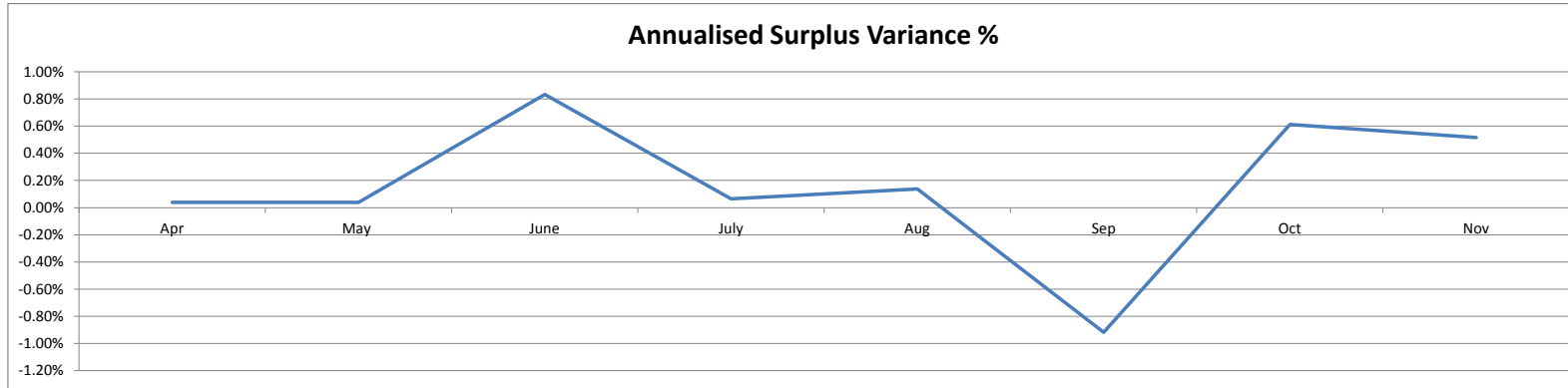
FINANCE PROGRAMME COSTS

CUMULATIVE TO DATE AND FORECAST OUTTURN

Trading Position and Reserves:

Area	Cumulative To Date			Forecast Outturn		
	Ledger			Budget £000	Actual £000	Variance £000
	Budget £000	Actual £000	Variance £000			
Acute Services						
York Teaching Hospitals NHS Foundation Trust	112,416	114,203	1,786	168,624	169,495	871
Yorkshire Ambulance Service NHS Trust	7,619	7,914	295	11,429	11,871	442
Leeds Teaching Hospitals NHS Trust	4,823	5,377	555	7,234	7,877	643
Hull and East Yorkshire Hospitals NFT	2,531	2,260	(270)	3,796	3,372	(424)
Harrogate and District NHS Foundation Trust	897	891	(6)	1,346	1,346	0
Mid Yorkshire Hospitals NHS Trust	1,200	1,178	(22)	1,801	1,778	(23)
South Tees NHS Foundation Trust	716	734	18	1,074	1,101	27
North Lincolnshire & Goole	500	394	(106)	750	530	(220)
Non Contracted Activity	2,702	2,694	(8)	4,054	3,798	(256)
Ramsay	5,160	5,440	280	7,740	8,123	383
Nuffield Health	1,961	2,305	344	2,941	3,272	331
Other Private Providers	221	47	(173)	331	100	(231)
Winter Pressures	0	0	0	1,411	1,411	0
Sub Total	140,746	143,437	2,692	212,530	214,074	1,544
Mental Health Services						
Leeds & York Partnerships NHS Foundation Trust	20,281	19,155	(1,126)	30,421	28,871	(1,550)
Humber NHS Foundation Trust	1,500	1,500	0	2,249	2,249	(0)
Tees Esk and Wear Valleys NHS Foundation Trust	882	882	0	1,323	1,323	0
Mental Health Specialist Services	2,973	2,958	(15)	4,459	3,775	(684)
Other Mental Health	172	155	(17)	258	258	0
Sub Total	25,807	24,649	(1,157)	38,710	36,476	(2,234)
Community Services						
York Hospitals NHS Foundation Trust - Community	11,681	11,646	(35)	17,522	17,487	(35)
York Hospitals NHS Foundation Trust - MSK	1,405	1,377	(28)	2,107	2,079	(28)
Harrogate and District NHS Foundation Trust - Community	5,370	5,311	(59)	8,055	8,055	0
Hospices	794	789	(6)	1,192	1,192	0
Other Community	29	29	(0)	44	44	0
Sub total	19,280	19,151	(128)	28,920	28,857	(63)
Other Services						
Continuing Care	14,287	12,264	(2,022)	21,430	20,014	(1,416)
Funded Nursing Care	2,971	2,679	(293)	4,457	4,009	(448)
Partnerships	1,610	1,610	0	2,415	2,321	(95)
Patient Transport - Yorkshire Ambulance Service NHS Trust	1,297	1,285	(12)	1,945	1,945	0
GP IT	714	714	0	1,071	1,071	0
Property Services	172	172	(0)	295	295	0
NHS 111	176	379	203	264	601	337
Other Services	120	124	4	180	192	12
Sub total	21,347	19,227	(2,120)	32,058	30,448	(1,610)
Primary Care						
Prescribing	30,759	31,283	524	45,289	45,978	689
Enhanced Services	963	833	(131)	1,445	1,245	(200)
Oxygen	201	178	(22)	301	276	(25)
Other Primary Care	200	173	(26)	300	260	(40)
Sub Total	32,123	32,467	344	47,335	47,759	424
Trading Position	239,303	238,933	(370)	359,552	357,613	(1,939)
Reserves						
Reserves	608	0	(608)	1,713	800	(913)
Contingency	650	0	(650)	1,040	0	(1,040)
Unallocated QIPP	(3,601)	0	3,601	(5,402)	0	5,402
Sub Total	(2,342)	0	2,342	(2,649)	800	3,449
CCG Financial Position net of required recurrent surplus	236,961	238,933	1,972	356,903	358,413	1,510
Surplus (1%)	2,377	0	(2,377)	3,566	0	(3,566)
CCG Financial Position Including recurrent Surplus	239,338	238,933	(405)	360,469	358,413	(2,056)

FINANCE PROGRAMME RUN RATE



	Apr £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000	Total £'000
Planned Spend													
Per Month	29,278	29,278	30,026	30,177	29,610	30,080	28,949	29,564					356,903
Cumulative	29,278	58,555	88,581	118,758	148,368	178,448	207,397	236,961					
Actual spend													
Per Month	29,289	29,289	30,746	29,511	29,739	28,247	31,874	30,238					
Cumulative	29,289	58,578	89,324	118,835	148,574	176,821	208,695	238,933					
Variance against plan													
Variance in month - £'000	12	12	720	(666)	129	(1,833)	2,925	674					
Cumulative Variance - £'000	12	23	743	77	206	(1,639)	1,275	1,229					
Variance in Month %	0.04%	0.04%	2.40%	-2.21%	0.44%	-6.09%	10.10%	2.28%					
Annualised Variance %	0.04%	0.04%	0.83%	0.06%	0.14%	-0.92%	0.61%	0.52%					

FINANCE PROGRAMME COSTS BY MONTH

Area	Apr - 13 £000	May - 13 £000	Jun - 13 £000	Jul - 13 £000	Aug - 13 £000	Sept - 13 £000	Oct - 13 £000	Nov - 13 £000	Dec - 13 £000	Jan - 14 £000	Feb - 14 £000	Mar - 14 £000	Year to Date £000
Acute Services													
York Teaching Hospitals NHS Foundation Trust	13,219	13,219	15,792	14,048	14,228	14,272	14,952	14,474					114,203
Yorkshire Ambulance Service NHS Trust	910	910	1,038	952	952	952	1,127	1,072					7,914
Leeds Teaching Hospitals NHS Trust	559	559	691	669	536	603	1,001	759					5,377
Hull and East Yorkshire Hospitals NFT	325	325	154	338	377	276	240	224					2,260
Harrogate and District NHS Foundation Trust	109	109	98	71	156	125	72	151					891
Mid Yorkshire Hospitals NHS Trust	91	91	91	197	177	158	209	163					1,178
South Tees NHS Foundation Trust	102	102	54	108	74	98	110	87					734
North Lincolnshire & Goole	63	63	63	(84)	119	41	44	87					394
Non Contracted Activity	283	283	306	66	162	653	451	491					2,694
Ramsay	609	609	724	861	494	742	722	679					5,440
Nuffield Health	272	272	190	314	291	248	425	294					2,305
Other Private Providers	216	216	107	(350)	396	(364)	(9)	(174)					47
Sub Total	16,758	16,758	19,307	17,191	17,961	17,804	19,353	18,306	0	0	0	0	143,437
Mental Health Services													
Leeds Partnerships NHS Foundation Trust	2,714	2,714	2,559	2,723	2,709	1,005	2,451	2,279					19,155
Humber NHS Foundation Trust	91	91	369	183	183	208	187	187					1,500
Tees Esk and Wear Valleys NHS Foundation Trust	116	116	116	115	116	83	110	110					882
Mental Health Specialist Services	0	0	0	780	324	192	891	770					2,958
Other Mental Health	7	7	62	59	(111)	105	21	5					155
Sub Total	2,927	2,927	3,106	3,861	3,221	1,594	3,661	3,352	0	0	0	0	24,649
Community Services													
York Hospitals NHS Foundation Trust	1,477	1,477	1,427	1,461	1,460	1,460	1,460	1,425					11,646
York Hospitals NHS Foundation Trust - MSK	166	166	195	185	166	176	155	168					1,377
Harrogate and District Foundation Trust	764	764	295	863	643	652	705	626					5,311
Hospices	99	99	99	292	4	6	94	94					789
Other Community	0	0	0	0	0	22	4	4					29
Sub Total	2,505	2,505	2,016	2,800	2,273	2,316	2,419	2,316	0	0	0	0	19,151
Other Services													
Continuing Care	1,938	1,938	1,967	571	1,493	1,295	1,212	1,849					12,264
Funded Nursing Care	371	371	371	418	122	329	376	319					2,679
Partnerships	384	384	391	(490)	171	234	298	238					1,610
Patient Transport - Yorkshire Ambulance Service NHS Trust	154	154	116	174	191	183	164	150					1,285
GP IT	0	0	0	0	0	536	89	89					714
Property Services	0	0	0	86	22	22	22	22					172
NHS 111	0	0	0	222	55	55	(9)	55					379
Other Services	0	0	0	0	0	91	14	19					124
Sub Total	2,848	2,848	2,845	980	2,054	2,744	2,166	2,742	0	0	0	0	19,227
Primary Care													
Prescribing	3,999	3,999	3,541	4,445	4,059	3,434	4,117	3,690					31,283
Enhanced Services	144	144	72	121	120	120	120	(9)					833
Oxygen	25	25	25	13	26	23	17	26					178
Other Primary Care	0	0	0	100	25	5	22	22					173
Sub Total	4,168	4,168	3,638	4,679	4,230	3,582	4,275	3,728	0	0	0	0	32,467
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	0	0	0	0	0	0	0	0
CCG Financial Position net of required recurrent surplus	29,206	29,206	30,912	29,511	29,739	28,041	31,874	30,444	0	0	0	0	238,933

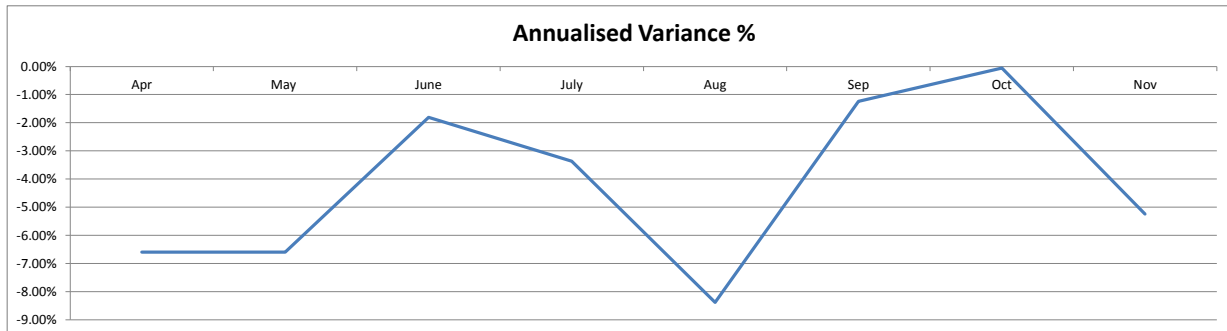
FINANCE RUNNING COSTS & RUN RATE

Area	Cumulative to Date			Forecast		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Pay Budgets	2,407	2,103	(303)	3,624	3,344	(281)
Non Pay Budgets						
- North Yorkshire & Yorkshire CSU	1,301	1,562	260	1,990	2,257	267
- Other Non Pay Budgets	211	24	(187)	404	418	14
- Contingency	0	0	0	833		833
Transfer to Programme	0	0	0	(833)		(833)
Reserve	0	0	0	1,478	578	900
Transfer to Programme	0	0	0	(900)		(900)
Total expenditure	3,919	3,689	(230)	6,597	6,597	(0)
Total	3,919	3,689	(230)	6,597	6,597	(0)

Reconciliation of running cost allocation

	Annual Budget £000
Initial allocation	8,330
Transfer to Programme Costs	(1,733)
Allocation at Month 3	6,597
Current allocation	6,597

Running costs run rate



	Apr £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000
Planned Spend												
Per Month	454	454	454	433	2,123	(1,208)	673	535				
Cumulative	454	909	1,363	1,796	3,919	2,711	3,384	3,919				
Actual spend												
Per Month	418	418	497	389	1,967	(1,019)	712	307				
Cumulative	418	836	1,333	1,722	3,689	2,670	3,382	3,689				
Variance against plan												
Variance in month - £'000	(36)	(36)	43	(44)	(156)	189	39	(228)				
Cumulative Variance - £'000	(36)	(73)	(30)	(74)	(230)	(41)	(2)	(230)				
Variance in Month %	-7.98%	-7.98%	9.41%	-10.21%	-7.37%	-15.68%	5.79%	-42.67%				
Annualised Variance %	-6.59%	-6.59%	-1.80%	-3.37%	-8.38%	-1.24%	-0.05%	-5.24%				

FINANCE CODE OF BETTER PAYMENT PRACTICE

NON-NHS CREDITORS

Month	Total paid No.	Paid on time No.	Paid within target %	Total paid £	Paid on time £	Paid within target %
Apr-13	51	51	100.0%	985,004	985,004	100.0%
May-13	134	130	97.0%	1,070,939	1,059,594	98.9%
Jun-13	183	161	88.0%	2,068,828	2,014,690	97.4%
Jul-13	199	175	87.9%	2,184,748	2,099,334	96.1%
Aug-13	353	297	84.1%	2,339,380	2,172,621	92.9%
Sep-13	182	161	88.5%	1,099,704	1,004,410	91.3%
Oct-13	360	323	89.7%	2,664,111	2,622,928	98.5%
Nov-13	298	265	88.9%	2,447,241	2,382,550	97.4%
Dec-13						
Jan-14						
Feb-14						
Mar-14						

NHS CREDITORS

Month	Total paid No.	Paid on time No.	Paid within target %	Total paid £	Paid on time £	Paid within target %
Apr-13	12	12	100.0%	20,107,497	20,107,497	100.0%
May-13	18	14	77.8%	21,107,430	20,993,947	99.5%
Jun-13	35	29	82.9%	22,007,192	21,940,575	99.7%
Jul-13	182	175	96.2%	23,120,732	23,069,670	99.8%
Aug-13	326	312	95.7%	16,010,782	15,877,055	99.2%
Sep-13	249	232	93.2%	25,393,252	25,291,676	99.6%
Oct-13	204	188	92.2%	21,798,549	21,734,827	99.7%
Nov-13	165	158	95.8%	24,686,328	24,640,928	99.8%
Dec-13						
Jan-14						
Feb-14						
Mar-14						

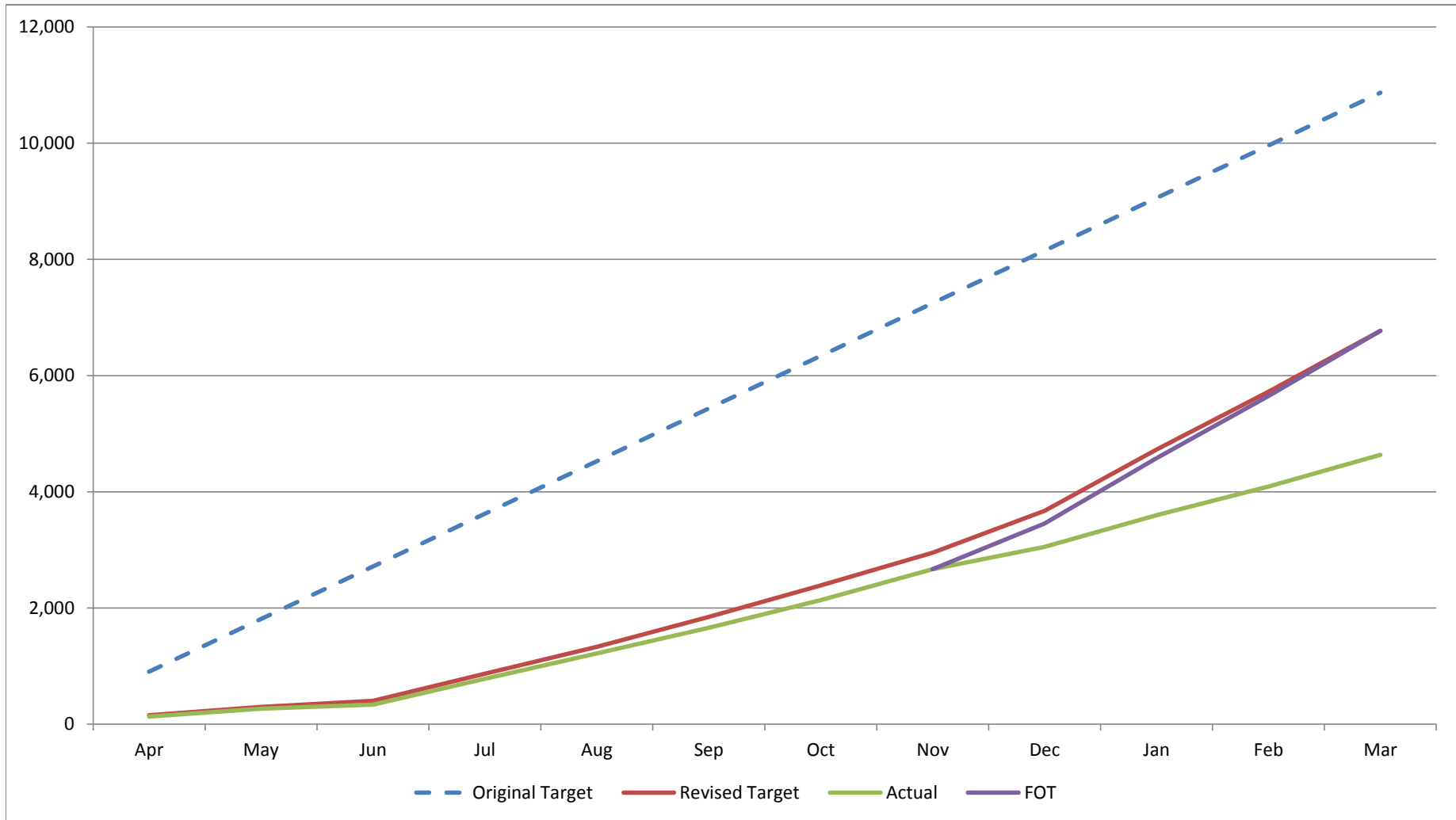
OUTSTANDING CREDITORS AS AT MONTH 7

	1-4 weeks No.	1-4 weeks £	5-8 weeks No.	5-8 weeks £	> 9 weeks No.	> 9 weeks £	Total No.	Total £
	As at Oct	205	652,244	140	632,242	218	556,629	563

FINANCE AGED DEBTORS REPORT

	No. of Invoices	Current £	Days Overdue					Total £	
			0-30 £	31-60 £	61-90 £	91-180 £	181-360 £		361+ £
NHS English CCG'S									
NHS Commissioning Board	2	0	0	344,315	0	0	0	0	344,315
CCG's	1	151,316	0	160,043	0	0	0	0	311,359
Councils	2	0	0	345,654	0	0	0	0	345,654
	5	151,316	0	850,011	0	0	0	0	1,001,328
Aged Debt by Organisation									
	No. of Invoices	Current £	0-30 £	31-60 £	61-90 £	91-180 £	181-360 £	361+ £	Total £
NHS Commissioning Board	2	0	0	344,315	0	0	0	0	344,315
NHS Scarborough CCG	1	151,316	0	160,043	0	0	0	0	311,359
North Yorkshire County Council	1	0	0	116,056	0	0	0	0	116,056
City of York County Council	1	0	0	229,598	0	0	0	0	229,598
	5	151,316	0	850,011	0	0	0	0	1,001,328

FINANCE CUMULATIVE QIPP



FINANCE QIPP DETAIL

Scheme	Revised Target		Current Position	Actual			Performance against project milestones	Performance against financial savings	FOT		Risk Adjusted FOT	
	CYE	FYE		YTD	CYE	FYE			CYE	FYE	CYE	FYE
	£'000s	£'000s		£'000s	£'000s	£'000s			£'000s	£'000s	£'000s	£'000s
Better Care Better Values First to Follow-Up Ratios	3,902	3,902	Actioned	2,179	3,902	3,902	<ul style="list-style-type: none"> - Agreed with provider and actioned in contract - Provider review presented for CCG clinical review 	<ul style="list-style-type: none"> - Actioned - Provider have requested recognition of work done and payment for work undertaken - Discussion with contracting teams now required, scheduled for Dec 13 	3,902	3,902	3,902	3,902
Prescribing	945	945	Actioned in part	222	333	333	<ul style="list-style-type: none"> - Schemes identified - Incentive scheme approved by Governing Body - Assurance needed from medicines mangement team on deliverability of the QIPP proposals. Update at SMT Dec 13 	<ul style="list-style-type: none"> - Delivering approx 44% of year to date target, 35% of annual. This reflects the planned phasing of schemes and suggests that a number of the schemes that were backloaded to the end of the year have yet to come into effect. 	945	945	473	473
Smoking Thresholds	500	0	To be actioned	0	0	0	<ul style="list-style-type: none"> - Dependent on RSS Delivery - All practices now have software installed to enable them to use the RSS - Stop before your op formally approved at Council of Represntatives Nov 13 - Procedure now being put in place to monitor the actual impact of the scheme in terms of overall York activity. 	<ul style="list-style-type: none"> - Non recurrent with effect from Q4 - Not fully quantified. However, original estimate based on total elective care spend. Needs reprofiling for RSS specialities: ENT, Gynae, General Surgery, Dermatology and Pain. 	500		125	
Pathology	450	700	To be actioned	0	0	0	<ul style="list-style-type: none"> - Update provided Dec 13 - Savings still to be confirmed - awaiting further benchmarking. However, in light of the findings, the bulk of the saving will be achieved through contract negotiation for next year. 	<ul style="list-style-type: none"> - Contract notification period may stop this in year - Need to quantify saving on tariff vs. inconsistent charging for tests 	450	700	113	175
Contracting - Lucentis drug discount	400	400	Actioned	267	400	400	<ul style="list-style-type: none"> - Agreed with drug company and now in contract 	<ul style="list-style-type: none"> - Actioned 	400	400	400	400
Out of area	300	400	To be actioned	0	0	0	<ul style="list-style-type: none"> - Patients being reviewed. As of Dec 13 only 8 patients now out of area (2 Independent acute beds & 6 NHS beds) vs 25 patients that were out of area in Oct 13 	<ul style="list-style-type: none"> - Risk sharing with other CCGs. Savings being estimated on reduced number of placements 	300	400	225	300
Procedures of Limited Clinical Value	250	400	To be actioned	0	0	0	<ul style="list-style-type: none"> - Dependent on RSS Delivery - Roll-out expected to complete early December 	<ul style="list-style-type: none"> - Early indications are that we already sending referrals back. This needs to be quantified in Dec - Need to establish a way of quantifying this saving so that it is not lost in YFT over-trade 	250	400	125	200
Home Oxygen	25	100	To be actioned	0	0	0	<ul style="list-style-type: none"> - Now on Choose and Book - Referral pathway has gone to GP practices who are now using this - No backlog review has taken place to date 	<ul style="list-style-type: none"> - No saving expected this year. - Scheme to be revisited for 14/15 plan. 	25	100	6	25
Total	6,772	6,847		2,668	4,635	4,635			6,772	6,847	5,368	5,475