

**Item Number: 9**

**Name of Presenter: Tracey Preece, Chief Finance Officer**

**GOVERNING BODY MEETING**

**2 OCTOBER 2014**



**Vale of York**

**Clinical Commissioning Group**

**Finance, Activity and QIPP Report**

**For Information**

**1. Rationale**

To brief the Governing Body on the financial position and achievement of key financial duties for 2014/15 (as at end of August 2014).

To provide details and assurance around the actions being taken.

To provide an update to the Governing Body on progress associated with QIPP schemes to date and other programme delivery areas.

**2. Actions for the Governing Body**

The Governing Body is asked to receive and note the Finance, Activity and QIPP report

**3. Engagement with groups or committees**

Quality and Finance Committee

**4. Significant issues for consideration**

Finance

This report is based on the final version of the financial plan as submitted on the 20<sup>th</sup> June and therefore, amongst a number of changes, includes a reduced surplus of 0.57%, £2.1m.

In total, Programme Costs are £328k worse than the Year to Date (YTD) plan, with a reduced surplus of £544k against a target of £873k. However, this is off-set by a corresponding underspend in Running Costs, detailed later in this report, which means the CCG has delivered its overall target surplus.

There is are in month overtrade positions on the contracts with Leeds Teaching Hospital, South Tees and the Nuffield hospital which are being investigated further to see if this is likely to be a continuing trend or if these offset any under-trading in certain specialties in other contracts.

York Teaching Hospital NHS Foundation Trust (YTH) is £1,231k under against the plan for the YTD, with a further £108k under-trade from month 4. This primarily relates to elective Orthopaedic work and is off-set by corresponding over performance in the same specialty with Ramsay (£345k) and Nuffield (£187k). However, overall planned care is behind plan while unplanned care is above plan.

The Mental Health Out of Contract position has deteriorated again by a further £153k, which equates to £242k worse in the FOT. Despite receiving assurances with regards to the systems and processes that have been put in place within the Partnership Commissioning Unit (PCU) to avoid this level of variation the latest month position has highlighted further gaps. As a result of this the PCU have been unable to give firm assurance that there will be no further deterioration and what level of risk there may still be. The Director of the PCU has committed to formally writing to all the North Yorkshire CCGs to explain the reasons behind this and, more importantly, what is being done to rapidly turn this around. There has also been a commitment to provide weekly updates on these actions.

The YTD prescribing position shows an underspend of £344k and a forecast outturn position, based on the latest published profile, of £854k underspent against plan.

The 0.5% Contingency has been released into the YTD and forecast outturn position to off-set the expected shortfall on unidentified QIPP.

### QIPP

The project focus remains on optimising delivery of existing QIPP schemes across the team. Additional resource has been secured from the CSU to fast track progress on some additional areas of work, and to start to free up the senior members of the Innovation and Improvement team to undertake more focussed support with primary care teams. The QIPP tracker document continues to be updated weekly following updates from Programme Leads, and monthly flash reports are produced monthly to track progress against delivery and finance.

### Working Capital

The CCG continues to deliver its duties with regards to Cash and Better Payment Practice.

### **5. Implementation**

It is recommended the Programme Delivery Board continue to focus on delivery of existing schemes to maximise realisation of benefits and minimise risk in these areas. A focus will remain on mental health out of area placements and costs to ensure this area is brought back in to control. All areas of contingency will be explored and confirmed as far as possible by the end of Month 6.

### **6. Monitoring**

On-going review and assurance will be provided by the Quality and Finance Committee.

### **7. Responsible Chief Officer and Title**

Tracey Preece, Chief Finance Officer

### **8. Report Author and Title**

Michael Ash-McMahon, Deputy Chief Finance Officer and Fiona Bell, Deputy Chief Operating Officer and Innovation and Improvement Lead

### **9. Annexes**

N/A

**GOVERNING BODY MEETING: 2 OCTOBER 2014**

**Finance, Activity and QIPP Report**



**2. Allocations**

- 2.1 The total notified Programme allocation remains at £368.3m (Programme budget and 1% Surplus) as there have been no further changes this month.
- 2.2 The CCG has received confirmation that it will receive the non-recurrent funding for referral to treatment and further GP IT allocations in Month 6, but has still not yet had confirmation of the timescales for the operational resilience money.

**Table 1 – Allocation Reconciliation**

Description	Annual Budget £'0000				Total
	Running Costs	Programme	Surplus	Prior Year Surplus	
Initial allocation	8,312	363,764	3,675	2,046	377,797
Primary Care IT (GP IT)		876			876
Revised Reduction in Surplus		1,581	(1,581)		0
<b>Closing allocation</b>	<b>8,312</b>	<b>366,221</b>	<b>2,094</b>	<b>2,046</b>	<b>378,673</b>

- 2.3 The overall Programme allocation is £370.4m including the return of the 2013/14 surplus with a further £8.3m for Running Costs.

**3. Expenditure – Programme Costs**

- 3.1 The detailed financial position is included in Appendix A and is summarised in the following table. In total, Programme Costs are now £328k worse than the Year to Date (YTD) plan, with a reduced surplus of £544k (0.36%) against a target of £873k (0.57%). However, this is off-set by a corresponding £328k underspend in Running Costs, detailed later in this report, which means the CCG is on track and delivering its overall target surplus for the YTD.

**Table 2 – Programme Costs - Summary financial position by area**

Area	Cumulative To Date			Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Acute Services	90,133	90,029	104	215,449	216,887	(1,438)
Mental Health Services	15,370	15,678	(308)	36,888	37,738	(849)
Community Services	11,885	11,942	(58)	28,552	28,583	(31)
Other Services	12,168	11,807	361	28,704	27,954	749
Primary Care	22,772	22,416	356	54,850	53,960	889
<b>Trading Position</b>	<b>152,329</b>	<b>151,873</b>	<b>456</b>	<b>364,443</b>	<b>365,123</b>	<b>(680)</b>
Reserves	0	0	0	6,439	6,439	(0)
Contingency	766	0	766	1,838	0	1,838
Unallocated QIPP	(1,550)	0	(1,550)	(4,453)	(2,615)	(1,838)
<b>Financial Position</b>	<b>151,544</b>	<b>151,873</b>	<b>(328)</b>	<b>368,267</b>	<b>368,947</b>	<b>(680)</b>
Surplus (0.57%)	873	0	873	2,094	0	2,094
<b>Overall Financial Position</b>	<b>152,417</b>	<b>151,873</b>	<b>544</b>	<b>370,361</b>	<b>368,947</b>	<b>1,414</b>

### Acute Services

- 3.2 Acute Services have moved to £104k underspent, £336k over in month, as at the end of Month 5, but include a number of under and over trades.
- 3.3 Overtrades on Leeds Teaching Hospitals NHS Trust, £190k, South Tees Hospitals NHS Foundation Trust, £113k and Nuffield, £174k, have all resulted in a significant deterioration in month. Although further work is required to establish if all of these are indicative of a trend, the impact on the YTD position has been factored into the forecast outturn.
- 3.4 The York Teaching Hospital NHS Foundation Trust (YFT) position continues to under trade by a further £108k in month contributing to a year to date under-trade of £1,231k. This does not yet include a number of agreed contract adjustments with regards to penalties and automated invoice validation queries, which could, if applied, further increase the under trade. Early indications are that for Quarter 1 alone this is already over £600k, but this requires further validation before it can be finalised.
- 3.5 This level of under trade on the YFT position has not been continued into the Forecast Outturn (FOT) due to the phasing of the contract adjustments and QIPP that have been profiled over the remainder of the year. Due to the fact that the over trades have been brought into the year-end position, this means that the overall FOT has deteriorated by £962k this month.

### Mental Health Services

- 3.6 The Mental Health Out of Contract position has deteriorated again by a further £153k, which equates to £242k worse in the FOT. Despite receiving assurances with regards to the systems and processes that have been put in place within the Partnership Commissioning Unit (PCU) to avoid this level of variation the latest month position has highlighted further gaps. As a result of this the PCU have been unable to give firm assurance that there will be no further deterioration and

what level of risk there may still be. The Director of the PCU has committed to formally writing to all the North Yorkshire CCGs to explain the reasons behind this and, more importantly, what is being done to rapidly turn this around. There has also been a commitment to provide weekly updates on these actions.

- 3.7 Due to the level of uncertainty with this position it has not been possible to include this within the risk and contingency section of this report, but it is important to note that there is a significant risk and uncertainty associated with this area.

#### Other Services

- 3.8 The over spending in a number of areas has meant that one of the key contingencies has had to be released into the YTD and FOT position. This relates to the non-recurrent reserve that was established for 2014/15 within the Voluntary Sector / Partnerships budget line and equates to a benefit of £299k YTD and £717k FOT.
- 3.9 As part of the work on the Better Care Fund (BCF) the CCG has identified a significant proportion of existing spend and budget within the YFT community contract that actually relates to Reablement and Carers. Depending on the commitment required in 2014/15 and in line with the other North Yorkshire CCGs, it is this funding and expenditure that will be transferred into the BCF pooled budget on an on-going basis.

#### Primary Care

- 3.10 The YTD prescribing position is based on Month 3 data and the latest nationally provided phasing profile. This still produces a £344k YTD under spend and £854k under for the FOT.

#### Reserves and Contingency

- 3.11 The 0.5% Contingency has been released into the YTD and FOT position to off-set the expected shortfall on unidentified QIPP. This has previously been identified as part of the risk and contingency section of this report.
- 3.12 Given the level of certainty of this position it was felt appropriate to report it as such. This gave a £766k benefit YTD and £1.8m into the FOT, but was off-set by £66k and £1.8m respectively by the adverse impact on the unidentified QIPP. The lower figure for the YTD unidentified QIPP reflects the fact that this was largely already being reported.

## 4. Expenditure – Running Costs

4.1 The Running Costs detailed in Appendix B and summarised in the table below reflect the actual position in August.

**Table 3 – Running Costs - Summary financial position by area**

Area	Cumulative to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Pay	1,696	1,401	295	3,920	3,645	275
Non-Pay	626	605	21	1,503	1,516	(13)
Commissioning Support Unit	1,043	1,050	(7)	2,498	2,498	0
Income	(141)	(160)	20	(186)	(254)	68
	<b>3,224</b>	<b>2,896</b>	<b>328</b>	<b>7,735</b>	<b>7,406</b>	<b>330</b>
Reserves	0	0	0	577	227	350
<b>Total</b>	<b>3,224</b>	<b>2,896</b>	<b>328</b>	<b>8,312</b>	<b>7,632</b>	<b>680</b>

4.2 The Pay budgets continue to underspend due to the number of vacancies that currently exist. The finance department have continued the budget holder meetings now in place across the organisation and the FOT reflects the known and planned recruitment position.

4.3 The FOT has been improved by the reduction of expenditure against the Reserve. This has always been an uncommitted budget in line with the CCG's plan to only commit 90% of spend in this area on a recurrent basis. However, whilst this was identified as a contingency previously, this is the first month this has had to be treated in this way in order to achieve the overall required FOT surplus.

## 5. QIPP

5.1 Following discussions at Governing Body last month, the project focus remains on optimising delivery of existing QIPP schemes across the team. Additional resource has been secured from the Commissioning Support Unit (CSU) to fast track progress on some additional areas of work, and to start to free up the senior members of the Innovation and Improvement team to undertake more focussed support with primary care teams. The QIPP tracker document continues to be updated weekly following updates from Programme Leads, and monthly flash reports are produced monthly to track progress against delivery and finance.

5.2 Highlights and exceptions for this month are outlined below.

### Integration Pilots and Better Care Fund

5.3 Projects continue to develop and work is progressing with the implementation of multi disciplinary teams (MDTs) across both pilot sites in Selby and Priory Medical Group. Specific progress includes:

*a. Priory Medical Group Integration Pilot*

- Appointment of a joint health and social care worker to support the MDT's and to release community nursing time from basic tasks such as taking blood, and wound dressings.
- MDT's taking place 4-5 times a week to support care planning and management of the identified "at risk" group of patients. Patients are being tracked through the monthly dashboard.
- contacting of all patients who have had an emergency admission within 72 hours of discharge to reduce the risk of re-admission
- full out of hours data is now being provided to the practice where a patient has had an out of ours attendance
- development of care plans on SystmOne which are now being used to support care planning with patients at a high risk of emergency admission
- discussions are continuing between Haxby Group, Priory Medical Group, Unity, MyHealth and Strensall practices to look at next steps for scaling up the integration pilots.

*b. Selby Pilot*

The Selby scheme is behind the Priory Medical Group scheme in terms of implementation and regular MDTs have yet to start. It is hoped that these will be in place in the next month. Baseline activity has now been shared with stakeholders across health and social care and audits have been agreed to help with understanding of data, and a range of engagement meetings have been held with stakeholders including North Yorkshire County Council, Selby Council and Healthwatch. The CCG is supporting the pilot to move towards implementation as quickly as possible, although there remains a high risk in year of any savings being made.

*c. Hospice at Home*

Funding for the remainder of the financial year has been agreed for the Hospice at Home Scheme which was trialled last winter by St Leonard's Hospice. This extends the volume of service available to support individuals in the last few weeks of life and to help them to stay at home where this is their preferred place of care. Recruitment to permanent positions is now underway and it is hoped that the enhanced scheme will be up and running in October 2014.

### Single Point of Access (SPA)

5.4 The introduction of a Single Point of Access (SPA) service is a key enabler of change that underpins the future development of community services. The SPA service streamlines the referral pathway into adult community services, enhancing the overall experience for referring clinicians, patients and other service users. Funded through winter pressures monies for 2013/14, the SPA service pilot has provided an opportunity to test and develop an approach which it is hoped can be further developed to enable direct access to a wider range of remote services. The service has been developed in collaboration with Yorkshire Ambulance Service, who have significant expertise in establishing and operating call handling services.

5.5 Key issues were considered as part of the pre SPA service planning phase:

- The need to develop a single telephone number to manage referrals/messages across all localities;
- Provision of a robust, safe IT/telephony system;
- The need to develop an evidence based robust criteria for referral prioritisation (urgent and routine);
- The need to implement a pathway for the management of urgent referrals to ensure a timely and appropriate response that in turn can prevent a hospital admission or Emergency Department attendance;
- A need to reduce constant interruptions and phone calls whilst community nurses are with patients during home visits;
- The importance of developing of a robust operating procedure and a governance framework;
- A need to address the high abandonment call rate – ensuring capacity that can flex according to peaks in demand;
- Provision of high quality management information that will support information sharing, performance management, workforce planning and further development of community services;
- Business continuity and sustainability.

Between 7 April and 31 July 2014 the SPA service has managed 28,000 referrals. These are split as follows:

- NHS Vale of York CCG – 74%
- NHS Scarborough and Ryedale CCG – 26%

5.6 At present, 43% of calls are from patients or carers, and further work is needed to evaluate usage by GP practices and the impact of the SPA on the wider system.

5.7 Funding for an additional 7 months has been provisionally agreed to enable the SPA to develop further. New key performance indicators need to be agreed with York Teaching Hospital NHS Foundation Trust



and Yorkshire Ambulance Service to ensure that the SPA is extended to other services such as social care, in line with integration plans under the Better Care Fund. If a decision is made to mainstream this service after the initial extension of the pilot, then a Type A procurement will need to followed.

### Community Services

- 5.8 Discussions are ongoing regarding the current community contract and opportunities to reduce the gap in the cost of the block contract and expenditure which the current provider has identified. Principles for any in year savings still need to be agreed between York Teaching Hospital NHS Foundation Trust and the CCG, and the team is currently considering which, if any, areas could be decommissioned. A paper will be presented to the Governing Body in October to consider the options for the future community services tender as the current contract ends on 31 March 2016.

### Procurements

- 5.9 The following procurements are currently being progressed:

- Out of Hours - The procurement is on track to deliver as plan. The tender has now closed and the evaluation phase is about to commence. The preferred bidder will be announced in November and the planned Governing Body sign off date is 6 November 2014. The new service will commence on 1 April 2015.
- Elective Orthopaedics – Went live on Bravo Portal Monday 8 September, tenders due back Friday 24 October. Currently 12 providers have downloaded the tender documentation from the portal.
- Primary Care Local Enhanced Services – A review of all services is currently being undertaken. Report on findings, procurement options and recommendations to go to Senior Management Team on 28 October 2014.
- Mental Health – Draft specifications to be completed by Friday 19 September. Procurement Bidder Event (am) and Service User (pm) event planned for Wednesday 5 November. Tender due to go live 17 November 2014.
- Dressings – Possible 2 existing Frameworks available to source products which would negate the need to go out for competitive procurement. Waiting on benchmark information to be received. Additional cost for accessing each Framework.
- MSK – Project to commence in Oct 2014. Anticipated tender go live date is February 2015 with award by 1 June 2015 for service commencement 1 September 2015.

- Community Service – paper to go to Governing Body in October for decision on procurement strategy.

### Partnership Commissioning Unit

5.10 A lack of detail remains regarding QIPP schemes which the PCU is currently leading on. A request is being made for schemes to be reviewed as a standing item in the management board meetings, and for monthly updates to be given to the Programme Delivery Steering Group chaired by the Chief Operating Officer of the CCG.

5.11 Table 4 below shows the key schemes, both transactional and transformational, currently being delivered. Transactional schemes have been agreed through contract negotiations with key providers, such as capping of first to follow-up ratio's, reducing length of stay, and the national efficiency reduction, where appropriate.

**Table 4 – QIPP**

Programme	Ref	Type	Scheme Description	Dashboard	Start Date	Revised Plan		In Month		YTD		Forecast		RAG Rating		Risk Adjusted Position
						CYE	FYE	Plan	Act.	Plan	Act.	Plan	Act.	Deliverability	Finance	
						£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s			
Integration	BCF1	Transformational	Care Hub PMG	YTH FT	Jul-14	172	214	0		0		172	172			86
Integration	BCF2	Transformational	Care Hub Selby	YTH FT	Oct-14	179	269	0		0		179	179			134
Integration	BCF3	Transformational	Hospice at Home (York & NY)	YTH FT	Oct-14	182	272	0		0		182	182			46
Integration	BCF4	Transformational	Street Triage (York & NY)	YTH FT	May-14	450	488	41		82		450	450			338
Continuing Care	CC1	Transactional	Other PCU	Continuing Care	Apr-14	899	899	75		225		899	899			225
Contract Negotiation	CN1	Transactional	Contract Efficiency	Humber FT	Apr-14	90	90	7	7	22	22	90	90			90
Contract Negotiation	CN2	Transformational	CQUIN	YTH FT		73	73	0		0		73	73			37
Contract Negotiation	CN3	Transactional	Diagnostics direct access	YTH FT	Jul-14	0	0	0		0		0	0			0
Contract Negotiation	CN4	Transactional	FU Adj Made	YTH FT	Jul-14	770	962	0		0		770	770			578
Contract Negotiation	CN5	Transformational	Improving Length of Stay	YTH FT	Apr-14	113	113	9		28		113	113			28
Planned Care	PC1	Transactional	Decommissioning	Telehealth	Apr-14	164	177	14	14	41	41	164	164			164
Planned Care	PC2	Transformational	Diabetes	YTH FT	Jul-14	139	175	0		0		139	139			104
Planned Care	PC3	Transformational	DVT Pathway	YTH FT	Nov-14	50	78	0		0		50	50			13
Planned Care	PC4	Transformational	Neurology	YTH FT	Jan-15	73	127	0		0		73	73			54
Planned Care	PC5	Transformational	Referral Support Service	YTH FT	Apr-14	249	249	21		62		249	249			187
Prescribing	P1	Transactional	Dressings	Prescribing	Apr-14	125	125	10		31		125	125			63
Prescribing	P2	Transactional	Gluten free products	Prescribing	Jun-14	62	72	6		6		62	62			31
Prescribing	P3	Transactional	Diabetes	Prescribing	Apr-14	120	120	10		30		120	120			90
Prescribing	P4	Transactional	Quick Six	Prescribing	Apr-14	160	160	13		40		160	160			120
Prescribing	P5	Transactional	Sip feeds	Prescribing	Aug-14	120	160	0		0		120	120			90
Prescribing	P6	Transactional	Stoma care	Prescribing	Jun-14	150	176	15		15		150	150			113
Urgent Care	UC1	Transformational	UCP (York and N Yorks)	YTH FT / YAS	May-14	645	699	59		117		645	645			484
Unidentified		Unidentified			Apr-14	713		67		202		713				
Unidentified		Unidentified			Apr-14	3,740	3,740	304		912		3,740				
						9,438	9,438	652	21	1,813	63	9,438	4,985			3,075

5.12 The revised QIPP table now details the individual schemes linked to the relevant programme together with the dashboard heading they will impact. A RAG rating has also been included to assess operational delivery and financial saving to produce a risk adjusted forecast for the identified schemes.

## 6. Risk

6.1 The following graph highlights the overall level of risk to the current FOT compared to the following scenarios:

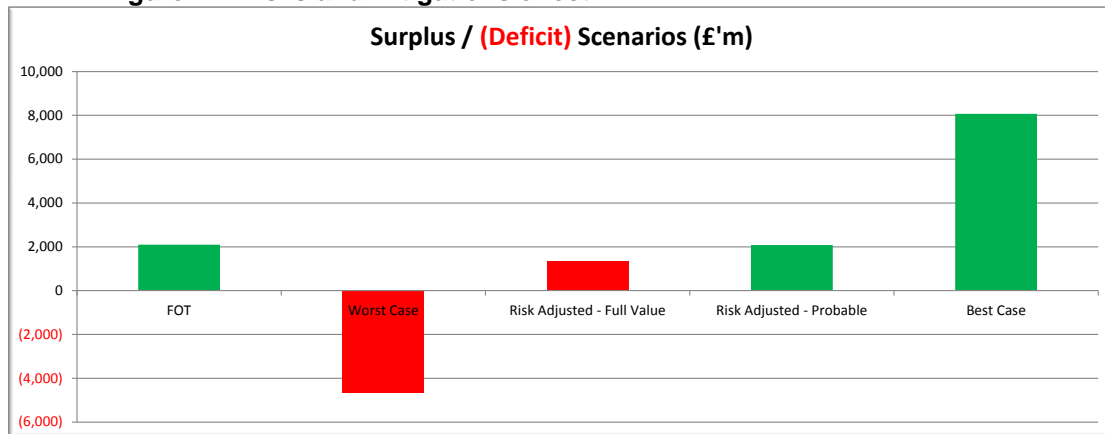
**Worst Case** – Full value of all risks realised with no contingencies

**Risk Adjusted – Full Value** – Full value of risks and contingencies

**Risk Adjusted – Probable Value** – Net effect of probable risk and contingency values

**Best Case** – Full value of all contingencies realised with no risks

**Figure 1 – Risks and Mitigations effect**



6.2 The gap between the Best and Worst case has reduced from £14.5 to £12.7m as a number of the risk and contingencies have either been removed or are now included within the reported position, as highlighted earlier.

**Table 5 – Potential Risks**

Risks	Full value £'m	Probability	Probable value £'m
Specialist Adjustment - NYYPCT and YTHFT	0.67	50%	0.34
Specialist Adjustment - HEY	0.47	100%	0.47
	<b>1.14</b>	<b>71%</b>	<b>0.81</b>
Selby Depreciation	0.50	100%	0.50
	<b>0.50</b>	<b>100%</b>	<b>0.50</b>
Investments : Improving Access to Psychological Therapies (IAPT)	0.30	50%	0.15
	<b>0.30</b>	<b>50%</b>	<b>0.15</b>
Slippage on identified QIPP	2.10	25%	0.53
Unidentified QIPP	2.70	65%	1.76
	<b>4.80</b>	<b>48%</b>	<b>2.28</b>
<b>Total</b>	<b>6.74</b>		<b>3.74</b>

6.3 **Specialist Adjustment** – Split into the two distinct elements of risk associated with this and reduced by £200k from Month 4 to reflect the latest negotiation position with the relevant parties.

6.4 **Selby Depreciation** – No change from Month 4.

- 6.5 **Investment in Improving Access to Psychological Therapies (IAPT)** – The probability has been reduced by 50% to reflect the delayed implementation against the full year effect, but this has been committed to.
- 6.6 **Slippage on identified QIPP** – No change from Month 4.
- 6.7 **Unidentified QIPP** – Reduced in terms of the full value of risk to reflect the use of the contingency reserve as per 3.12 above.
- 6.8 The CCG has therefore developed a series of contingency schemes to mitigate / off-set these risks.

**Table 6 – Contingencies**

Contingencies	Full value £'m	Probability	Probable value £'m
Urgent Care Working Group (UCWG)	0.35	100%	0.35
	<b>0.35</b>	<b>100%</b>	<b>0.35</b>
Transfer from Running costs	0.23	100%	0.23
Further transfer from Running costs	0.40	100%	0.40
	<b>0.63</b>	<b>100%</b>	<b>0.63</b>
	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Apply national efficiency to YTHFT community contract	0.70	70%	0.49
Apply contract penalties	0.60	100%	0.60
Programme budget underspend	2.70	50%	1.35
Leeds & York Partnership Foundation Trust : Phasing adjustment	1.00	30%	0.30
	<b>5.00</b>	<b>55%</b>	<b>2.74</b>
<b>Total</b>	<b>5.98</b>		<b>3.72</b>

- 6.9 **Urgent Care Working Group (UCWG)** – No change from Month 4.
- 6.10 **Transfer from Running Costs and Further transfer from Running Costs** – The first of these schemes has been reduced to reflect the fact that this has, in part, already been fed into the reported position. A further scheme has been added to identify what could be released through pro-active budgetary control e.g. freezing non-essential, non-urgent spend.
- 6.11 **Apply national efficiency to YTHFT community contract** – No change from Month 4.
- 6.12 **Apply contract penalties** – The CCG is not planning for any financial penalties to be applied and would prefer to work constructively with providers to help resolve any poor performance. Nevertheless, these remain as contract levers and could be applied. At the time of producing the risk assessment the level of penalties was an unknown and this was a prudent estimate, although this could be increased in line with what was reported in 3.4.

- 6.13 **Programme budget underspend** – This is a new scheme and is based on the on-going work with regards to contract management and the prudent approach that has been taken with this and the prescribing underspend. As an example, the pro rata effect of the YTD YFT position would actually improve the FOT by £2.5m, but there is a degree of uncertainty around this and this would have significant implications for the provider if it was realised.
- 6.14 **Leeds and York Partnership NHS Foundation Trust** – No change from Month 4.
- 6.15 The Contingency Held proposal has been removed as per 3.12 above as this is now in the reported position. The delay in the Investment in IAPT has also been removed as this is reflected in the reduced risk.

## 7. Working Capital

### Cash

- 7.1 At the end of Month 5, the CCG ledger cash book balance was £1.0m, within the target 5% (circa £1.4m) of drawdown maximum allowed. The cash holding is higher than the previous month as we continue to hold some cash for clearing old year invoices.

### Code of Better Payment Practice

- 7.2 The value and volume of NHS invoices paid during August was at 99.99% and 99.66% respectively against a target for both of 95% of invoices paid within 30 days of the invoice date. This means the CCG continues to deliver the overall target cumulatively.

**Table 7 – NHS Creditors**

Month	Total paid No.	Paid on time No.	Paid within target %	Total paid £	Paid on time £	Paid within target %
Apr-14	307	287	93.49	26,547,405.60	26,471,917.88	99.72
May-14	276	274	99.28	24,439,312.01	24,415,009.51	99.90
Jun-14	245	241	98.37	25,029,327.17	25,011,129.52	99.93
Jul-14	210	205	97.62	26,300,796.25	26,255,451.07	99.83
Aug-14	298	297	99.66	25,077,771.29	25,076,409.94	99.99
	<b>1,336</b>	<b>1,304</b>	<b>97.60</b>	<b>127,394,612.32</b>	<b>127,229,917.92</b>	<b>99.87</b>

- 7.3 The value and volume of Non-NHS invoices paid during August was at 98.97% and 98.07% respectively against a target for both of 95% of invoices paid within 30 days of the invoice date. Again, this means the CCG continues to deliver the overall target cumulatively.

**Table 8 – Non-NHS Creditors**

Month	Total paid	Paid on time	Paid within target	Total paid	Paid on time	Paid within target
	No.	No.	%	£	£	%
Apr-14	261	258	98.85	3,129,909.86	3,128,645.52	99.96
May-14	270	266	98.52	3,037,758.87	3,015,439.38	99.27
Jun-14	230	225	97.83	2,180,383.98	2,177,480.78	99.87
Jul-14	332	319	96.08	2,193,770.62	2,123,978.14	96.82
Aug-14	259	254	98.07	2,059,629.22	2,038,327.51	98.97
	<b>1,352</b>	<b>1,322</b>	<b>97.78</b>	<b>12,601,452.55</b>	<b>12,483,871.33</b>	<b>99.07</b>

7.4 The total outstanding Creditors are as follows:

**Table 9 – Creditors**

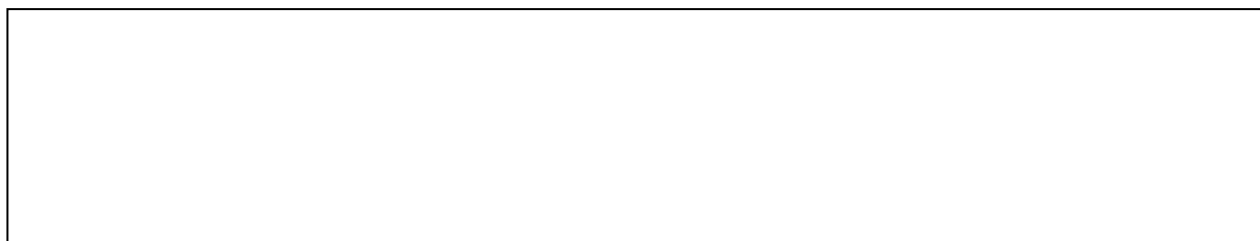
	1-4 weeks	1-4 weeks	5-8 weeks	5-8 weeks	> 9 weeks	> 9 weeks	Total	Total
	No.	£	No.	£	No.	£	No.	£
As at August	144	2,672,709	76	305,378	383	2,246,041	<b>603</b>	<b>4,613,372</b>
As at July	166	1,932,515	75	70,916	350	2,207,816	<b>591</b>	<b>4,211,247</b>

7.5 The CCG remains in a strong position in terms of its outstanding debts.

**Table 10 – Total outstanding debtors**

	No. of Invoices	Current	Days Overdue					Total
			0-30	31-60	61-90	91-180	181-360	
		£	£	£	£	£	£	£
<b>NHS English CCG'S</b>								
CCG's	4	0	0	0	0	121,029	0	121,029
Councils	3	0	0	0	25,663	156,004	0	181,667
Trusts and Foundation Trusts	2	12,708	0	0	0	0	0	12,708
Other	1	124	0	0	0	0	0	124
	<b>10</b>	<b>12,832</b>	<b>0</b>	<b>0</b>	<b>25,663</b>	<b>277,033</b>	<b>0</b>	<b>315,528</b>
	No. of Invoices	Current	Days Overdue					Total
		£	£	£	£	£	£	£
<b>Aged Debt by Organisation</b>								
NHS Scarborough CCG	1	0	0	0	0	13,699	0	13,699
NHS East Riding Of York CCG	1	0	0	0	0	9,775	0	9,775
NHS Harrogate & R. District CCG	1	0	0	0	0	97,555	0	97,555
East Riding of Yorkshire Council	1	0	0	0	0	0	0	0
North Yorkshire County Council	2	0	0	0	25,663	141,492	0	167,155
City of York Council	1	0	0	0	0	14,512	0	14,512
York Teaching Hospitals FT	2	12,708	0	0	0	0	0	12,708
Other	1	124	0	0	0	0	0	124
	<b>10</b>	<b>12,832</b>	<b>0</b>	<b>0</b>	<b>25,663</b>	<b>277,033</b>	<b>0</b>	<b>315,528</b>

7.6 Although there are a significant number of invoices that have slipped beyond 90 days, they are all known and an action plan is in place to ensure payment. At this moment in time there are genuine reasons behind the delay in payment and the assessment is that very few, if any, of these are doubtful.



## Appendix A – Detailed Programme Costs

	Cumulative To Date			Forecast Outturn		
	Month 5			Month 12		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
<b>Acute Services</b>						
York Teaching Hospital NHS Foundation Trust	73,027	71,797	1,231	174,393	173,977	416
Yorkshire Ambulance Service NHS Trust	4,738	4,738	0	11,371	11,371	0
Leeds Teaching Hospitals NHS Trust	3,189	3,570	(381)	7,694	8,350	(656)
Hull and East Yorkshire Hospitals NHS Trust	916	879	37	2,209	2,089	121
Harrogate and District NHS Foundation Trust	560	615	(55)	1,352	1,461	(109)
Mid Yorkshire Hospitals NHS Trust	796	852	(56)	1,914	1,890	24
South Tees NHS Foundation Trust	450	555	(105)	1,085	1,314	(229)
North Lincolnshire & Goole Hospitals NHS Trust	210	301	(91)	504	722	(218)
Sheffield Teaching Hospitals NHS Foundation Trust	83	82	1	199	199	0
Non-Contracted Activity	1,150	1,049	101	2,759	2,659	100
Other Acute Commissioning	163	163	(0)	392	392	0
Ramsay	3,427	3,600	(172)	8,160	8,426	(266)
Nuffield Health	1,300	1,617	(318)	3,120	3,654	(535)
Other Private Providers	123	202	(78)	296	374	(78)
Winter Pressures	0	9	(9)	0	9	(9)
<b>Sub Total</b>	<b>90,133</b>	<b>90,029</b>	<b>104</b>	<b>215,449</b>	<b>216,887</b>	<b>(1,438)</b>
<b>Mental Health Services</b>						
Leeds & York Partnerships NHS Foundation Trust	12,237	12,238	(0)	29,370	29,370	0
Humber NHS Foundation Trust	393	394	(1)	943	943	0
Tees Esk and Wear Valleys NHS Foundation Trust	574	587	(13)	1,378	1,378	0
Specialist Services	1,977	2,337	(361)	4,744	5,659	(915)
Non-Contracted Activity - MH	92	26	66	220	154	66
Other Mental Health	97	95	2	233	233	0
<b>Sub Total</b>	<b>15,370</b>	<b>15,678</b>	<b>(308)</b>	<b>36,888</b>	<b>37,738</b>	<b>(849)</b>
<b>Community Services</b>						
York Teaching Hospital NHS Foundation Trust - Community / MSK	8,815	8,845	(31)	21,185	21,216	(31)
Harrogate and District NHS Foundation Trust - Community	1,967	1,965	2	4,721	4,721	0
Humber NHS Foundation Trust - Community	450	450	(0)	1,081	1,081	0
Hospices	489	489	0	1,173	1,173	0
Longer Term Conditions	146	173	(27)	350	350	0
Other Community	18	20	(2)	43	43	0
<b>Sub total</b>	<b>11,885</b>	<b>11,942</b>	<b>(58)</b>	<b>28,552</b>	<b>28,583</b>	<b>(31)</b>
<b>Other Services</b>						
Continuing Care	7,957	7,941	16	19,096	19,086	10
Funded Nursing Care	1,741	1,694	48	4,179	4,065	114
Patient Transport - Yorkshire Ambulance Service NHS Trust	787	778	10	1,890	1,890	0
Voluntary Sector / Section 256	663	444	219	1,591	956	635
Non-NHS Treatment	309	303	6	741	735	6
NHS 111	273	257	16	655	639	16
Other Services	438	391	47	552	584	(32)
<b>Sub total</b>	<b>12,168</b>	<b>11,807</b>	<b>361</b>	<b>28,704</b>	<b>27,954</b>	<b>749</b>
<b>Primary Care</b>						
Prescribing	20,031	19,687	344	48,297	47,443	854
Enhanced Services	562	550	13	1,350	1,320	30
Oxygen	116	114	3	279	274	5
Primary Care IT	365	365	0	876	876	0
Out of Hours	1,668	1,671	(3)	4,002	4,002	0
Other Primary Care	30	30	(0)	45	45	0
<b>Sub Total</b>	<b>22,772</b>	<b>22,416</b>	<b>356</b>	<b>54,850</b>	<b>53,960</b>	<b>889</b>
	<b>152,329</b>	<b>151,873</b>	<b>456</b>	<b>364,443</b>	<b>365,123</b>	<b>(680)</b>
Reserves	0	0	0	6,439	6,439	(0)
Contingency	766	0	766	1,838	0	1,838
Unallocated QIPP	(1,550)	0	(1,550)	(4,453)	(2,615)	(1,838)
	<b>(785)</b>	<b>0</b>	<b>(785)</b>	<b>3,824</b>	<b>3,824</b>	<b>(0)</b>
	<b>151,544</b>	<b>151,873</b>	<b>(328)</b>	<b>368,267</b>	<b>368,947</b>	<b>(680)</b>
<b>Surplus (0.57%)</b>	<b>873</b>	<b>0</b>	<b>873</b>	<b>2,094</b>	<b>0</b>	<b>2,094</b>
	<b>152,417</b>	<b>151,873</b>	<b>544</b>	<b>370,361</b>	<b>368,947</b>	<b>1,414</b>

## Appendix B – Detailed Running Costs

	Area	Year to Date			Ledger Forecast		
		Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
<b>Pay</b>							
	ADMIN PROJECTS	44	11	33	106	106	0
	ADMINISTRATION & BUSINESS SUPPORT	79	70	9	189	189	0
	ASSURANCE	95	108	(13)	95	108	(13)
	CEO/ BOARD OFFICE	478	457	21	1,147	1,043	104
	CLINICAL SUPPORT	50	63	(13)	119	119	0
	COMMISSIONING	309	213	96	742	656	86
	CONTRACT MANAGEMENT	107	90	17	256	212	44
	CORPORATE GOVERNANCE	78	57	22	188	178	10
	FINANCE	147	108	39	354	335	19
	NURSING DIRECTORATE	128	142	(15)	307	307	0
	QUALITY ASSURANCE	181	81	100	417	392	25
		<b>1,696</b>	<b>1,401</b>	<b>295</b>	<b>3,920</b>	<b>3,645</b>	<b>275</b>
<b>Non Pay</b>							
	ADMIN PROJECTS	25	47	(22)	61	61	0
	ADMINISTRATION & BUSINESS SUPPORT	8	8	1	20	20	0
	ASSURANCE	0	(0)	0	0	0	0
	CEO/ BOARD OFFICE	12	5	7	29	31	(2)
	CLINICAL SUPPORT	19	5	13	45	45	0
	COMMISSIONING	4	25	(21)	10	56	(46)
	CONTRACT MANAGEMENT	2	3	(1)	4	3	1
	CORPORATE COSTS & SERVICES	249	243	6	597	597	(0)
	CORPORATE GOVERNANCE	5	4	2	13	8	5
	EDUCATION AND TRAINING	108	107	0	259	259	0
	FINANCE	66	64	2	158	153	5
	NURSING DIRECTORATE	21	0	21	51	35	16
	PATIENT AND PUBLIC INVOLVEMENT	6	(5)	11	14	9	5
	MEDICINES MANAGEMENT	0	0	0	0	0	0
	QUALITY ASSURANCE	86	85	1	208	204	4
	RISK MANAGEMENT	15	15	(0)	35	35	0
		<b>626</b>	<b>605</b>	<b>21</b>	<b>1,503</b>	<b>1,516</b>	<b>(13)</b>
<b>Commissioning Support Unit</b>							
	CSU Contract	1,043	1,050	(7)	2,498	2,498	0
		<b>1,043</b>	<b>1,050</b>	<b>(7)</b>	<b>2,498</b>	<b>2,498</b>	<b>0</b>
<b>Income</b>							
	ASSURANCE	(95)	(108)	13	(95)	(108)	13
	CEO/ BOARD OFFICE	0	0	0	0	0	0
	COMMISSIONING	0	(10)	10	0	(10)	10
	CLINICAL SUPPORT	0	0	0	0	0	0
	CORPORATE COSTS & SERVICES	(33)	(29)	(3)	(78)	(78)	0
	FINANCE	0	0	0	0	0	0
	QUALITY ASSURANCE	(13)	(13)	(0)	(13)	(57)	45
		<b>(141)</b>	<b>(160)</b>	<b>20</b>	<b>(186)</b>	<b>(254)</b>	<b>68</b>
		<b>3,224</b>	<b>2,896</b>	<b>328</b>	<b>7,735</b>	<b>7,406</b>	<b>330</b>
	<b>Reserves</b>	0	0	0	577	227	350
	<b>Total</b>	<b>3,224</b>	<b>2,896</b>	<b>328</b>	<b>8,312</b>	<b>7,632</b>	<b>680</b>