

Item Number: 10

**NHS VALE OF YORK CLINICAL  
COMMISSIONING GROUP**

**GOVERNING BODY MEETING**



**Vale of York**

**Clinical Commissioning Group**

**Meeting Date: 5 June 2014**

**Title: Finance, Activity and QIPP**

**Responsible Chief Officer:**  
Tracey Preece, Chief Finance Officer

**Report Author:**  
Michael Ash-McMahon, Deputy Chief  
Finance Officer and  
Liza Smithson, Head of Contracting

**Strategic Priority:**

Financial balance and the availability of resources support the achievement of all of these.

**Purpose of the Report**

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

To provide details and assurance around the actions being taken.

**Recommendations**

The Governing Body is asked to receive and note the finance, activity and QIPP report.

**Impact on Patients and Carers**

N/A

**Impact on Resources (Financial and HR)**

N/A

**Risk Implications**

A financial risk section will be included in the narrative from month 2 onwards. Risks are currently as described in the CCG financial plan approved by the Governing Body.

**Equalities Implications**

No impact assessment has been done.

**Sustainability Implications**

N/A

**GOVERNING BODY MEETING: 5 JUNE 2014**

**Finance, Activity and QIPP**

**1. Purpose of the Report**

- 1.1 To brief the Governing Body with regards to the financial position and activity performance of NHS Vale of York Clinical Commissioning Group (the CCG) as at 30 April 2014 (Month 1) and achievement of the key financial duties.
- 1.2 It should be noted that as this is a Month 1 report large parts of the usual contents are to be confirmed or not yet available. However, it is important to provide some of the baseline information that will be reported on throughout the year.

**2. Allocations**

- 2.1 The total notified programme allocation is £367.4m, which is made up of the Programme budget and 1% Surplus. However, the overall Programme allocation is £369.5m including the return of the 2013/14 surplus and a further £8.3m for Running Costs.

**Table 1 – Allocation Reconciliation**

Description	Annual Budget £'0000				Total
	Administration	Programme	Surplus	Prior Year Surplus	
Initial allocation	8,312	363,765	3,674	2,046	377,797
Closing allocation	8,312	363,765	3,674	2,046	377,797

- 2.2 There have been no notified allocations adjustments so far in 2014/15.
- 2.3 However, one point of clarification that has been issued in early May with regards to allocations is that there will be no additional allocation relating to Public Dividend Capital for property that transferred to providers from PCTs. In setting the allocations for CCGs no funding was held back centrally to cover these costs. How provider costs are reflected in pricing and therefore a matter for local negotiation. This equates to a cost pressure of around £0.5m for the CCG in 2014/15.

**3. Expenditure – Programme Costs**

- 3.1 The detailed financial position is included in Appendix A and is summarised in the following table. Due to the fact that activity is reported one month in arrears and whilst contracts are still being agreed budgets are based on the annual plan and actual expenditure matched to this in month.

**Table 2 – 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	17,796	17,792	4	213,558	213,558	0
Mental Health Services	3,067	3,072	(5)	36,802	36,802	0
Community Services	2,618	2,616	3	31,420	31,420	0
Other Services	2,372	2,376	(4)	28,463	28,463	0
Primary Care	4,371	4,369	2	51,053	51,053	0
<b>Trading Position</b>	<b>30,225</b>	<b>30,225</b>	<b>(0)</b>	<b>361,297</b>	<b>361,297</b>	<b>0</b>
Reserves	0	0	0	11,950	11,950	0
Contingency	0	0	0	1,837	1,837	0
Unallocated QIPP	0	0	0	(9,274)	(9,274)	0
<b>Financial Position</b>	<b>30,225</b>	<b>30,225</b>	<b>(0)</b>	<b>365,811</b>	<b>365,811</b>	<b>0</b>
Surplus (1%)	306	0	306	3,674	0	3,674
<b>Overall Financial Position</b>	<b>30,531</b>	<b>30,225</b>	<b>306</b>	<b>369,485</b>	<b>365,811</b>	<b>3,674</b>

3.2 At this moment in time the Reserves, Contingency and Unallocated QIPP have not been allocated out in the ledger to the anticipated budget lines and are profiled into Month 12 only.

3.3 The contract with Humber NHS Foundation Trust is for community, mental health and out of hours services and has previously been reported just as mental health but this has been corrected in the financial reporting from this month forward and also the contract itself. Out of hours is included in the community contract lines.

#### 4. Expenditure – Running Costs

4.1 The Running Costs reflect the actual position in April.

**Table 3 – Summary financial position by area**

Area	Cumulative to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Pay	321	231	90	3,847	3,847	0
Non-Pay	124	96	28	1,476	1,476	0
Commissioning Support Unit	174	191	(17)	2,090	2,090	0
Income	0	(26)	26	0	0	0
	<b>619</b>	<b>492</b>	<b>127</b>	<b>7,413</b>	<b>7,413</b>	<b>0</b>
Reserves	75	75	0	899	899	0
<b>Total</b>	<b>694</b>	<b>566</b>	<b>127</b>	<b>8,312</b>	<b>8,312</b>	<b>0</b>

4.2 This position includes the reversal of some of the year-end accruals that have carried over, but for which no invoice has yet been received. This will require further review to check the accuracy of this position. Expenditure on the Reserves line, which represents the balance of unallocated budget, has been accrued to budget for now.

4.3 The forecast outturn negates the actual in-month position and reflects the CCG's aim to deliver a balanced, 0% surplus position.

## 5. QIPP

5.1 Due to activity data being 1 month in arrears and prescribing 2 months in arrears, it has not been possible to validate the majority of the QIPP schemes that should have delivered with effect from April, apart from the Telehealth cessation.

5.2 The current year effect (CYE) for the Telehealth scheme is slightly lower than anticipated to take account of the one-off disposal costs.

**Table 4 – QIPP**

Scheme	Revised Target		Current Position	Actual			FOT		Variance		Risk Adjusted FOT	
	CYE	FYE		YTD	CYE	FYE	CYE	FYE	CYE	FYE	CYE	FYE
	£'000s	£'000s		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Telehealth cessation of contract	(188)	(188)	Complete	0	164	176	164	176	(24)	(12)		
Prescribing (Various projects)	(737)	(737)					737	737	0	0		
Diagnostics direct access	(375)	(500)					375	500	0	0		
Schemes below £500k	(375)	(500)					375	500	0	0		
Emergency Care Practitioners	(1,404)	(1,512)					1,404	1,512	0	0		
Care Hub - Selby	(1,650)	(1,650)					1,650	1,650	0	0		
Care Hub - Priory Medical Group	(375)	(500)					375	500	0	0		
Street Triage	(450)	(500)					450	500	0	0		
Hospice at Home	(608)	(675)					608	675	0	0		
Neurology	(183)	(731)					183	731	0	0		
Referral Support Service	(159)	(249)					159	249	0	0		
Diabetes	(288)	(288)					288	288	0	0		
Improving Length of Stay	(375)	(500)					375	500	0	0		
Continuing Care	(899)	(899)					899	899	0	0		
Unallocated	(1,371)	(8)					1,395	20	24	12		
<b>Total</b>	<b>(9,437)</b>	<b>(9,437)</b>		<b>0</b>	<b>164</b>	<b>176</b>	<b>9,437</b>	<b>9,437</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6. Working Capital

### Cash

6.1 At the end of Month 1, the CCG ledger cash book balance was £241k, within the target 5% (circa £1.4m) of drawdown maximum allowed.

### Code of Better Payment Practice

6.2 The value and volume of NHS invoices paid during April was at 99.7% and 93.49% respectively against a target for both of 95% of invoices paid within 30 days of the invoice date. This reflects the fact that the high value block contracts are paid, but the CCG struggles to approve the volume of invoices received. The authorisation process is being reviewed to rectify this and ensure that over the year the target will be achieved.

**Table 5 – 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	26,547,406	26,471,918	99.72

6.3 The value and volume of Non-NHS invoices paid during April was, at 99.6% and 98.85% respectively against a target for both of 95% of invoices paid within 30 days of the invoice date.

**Table 6 – Non-NHS Creditors**

Month	Total paid No.	Paid on time No.	Paid within target %	Total paid £	Paid on time £	Paid within target %
Apr-14	261	258	98.85	3,129,910	3,128,646	99.96

6.4 The CCG has now signed up to and been approved for the Prompt Payment code, administered by the Institute of Credit Management, as required in the Annual Report. The code is administered by the Institute of Credit Management and signatories agree to pay suppliers on time, give clear guidance to suppliers and encourage good practice.

6.5 The total outstanding Creditors are as follows:

**Table 7 – Creditors**

	1-4 weeks No.	1-4 weeks £	5-8 weeks No.	5-8 weeks £	> 9 weeks No.	> 9 weeks £	Total No.	Total £
As at Apr	131	2,154,754	92	1,482,812	302	697,084	525	4,334,650
As at Mar	252	4,102,442	75	178,229	251	529,365	578	4,810,036

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

**Table 8 – Total outstanding debtors**

	No. of Invoices	Current £	Days Overdue						Total £
			0-30 £	31-60 £	61-90 £	91-180 £	181-360 £	361+ £	
<b>NHS English CCG'S</b>									
NHS Commissioning Board	3	21269	79386	0	98201	0	0	0	198856
CCG's	7	161899	35296	0	0	0	0	0	197195
Councils	2	156005	0	0	0	0	0	0	156005
Department of Health	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
	<b>12</b>	<b>339,173</b>	<b>114,682</b>	<b>0</b>	<b>98,201</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>552,056</b>
	No. of Invoices	Current £	Days Overdue						Total £
			0-30 £	31-60 £	61-90 £	91-180 £	181-360 £	361+ £	
<b>Aged Debt by Organisation</b>									
NHS Commissioning Board	3	21,269	79,386	0	98,201	0	0	0	198,856
NHS Scarborough CCG	2	3,705	9,993	0	0	0	0	0	13,698
NHS East Riding Of York CCG	1	0	9,775	0	0	0	0	0	9,775
NHS Airedale Wharfedale and Craven CCG	1	0	15,528	0	0	0	0	0	15,528
NHS Harrogate & R. District CCG	1	97,555	0	0	0	0	0	0	97,555
NHS Darlington CCG	1	16,792	0	0	0	0	0	0	16,792
East Riding of Yorkshire Council	1	14,512	0	0	0	0	0	0	14,512
North Yorkshire County Council	1	141,493	0	0	0	0	0	0	141,493
NHS Cumbria CCG	1	43,847	0	0	0	0	0	0	43,847
	<b>12</b>	<b>339,173</b>	<b>114,682</b>	<b>0</b>	<b>98,201</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>552,056</b>

## 7. Contract Activity and Demand Analysis

7.1 As contract data for 2014/15 becomes available, an overview of acute hospital activity and demand will be reported and aligned to the financial position.

7.2 The charts below provide an initial move towards reporting activity and demand trends for the CCG main provider of acute healthcare provision, York Teaching Hospital NHS Foundation Trust (YFT). An important caveat to note is that the activity data is based on unvalidated weekly fast-track data which is provided directly by the hospital. The validated payment data from the Secondary Users Service (SUS) is received almost two months in arrears; however the fast-track data usefully provides a reasonable early cut of activity and demand.

Figure 1 – Inpatient Admissions to YFT (Weekly)

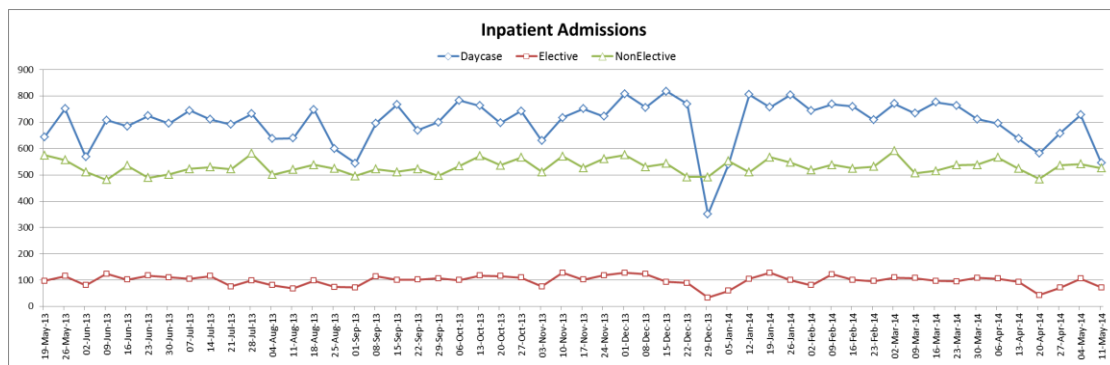
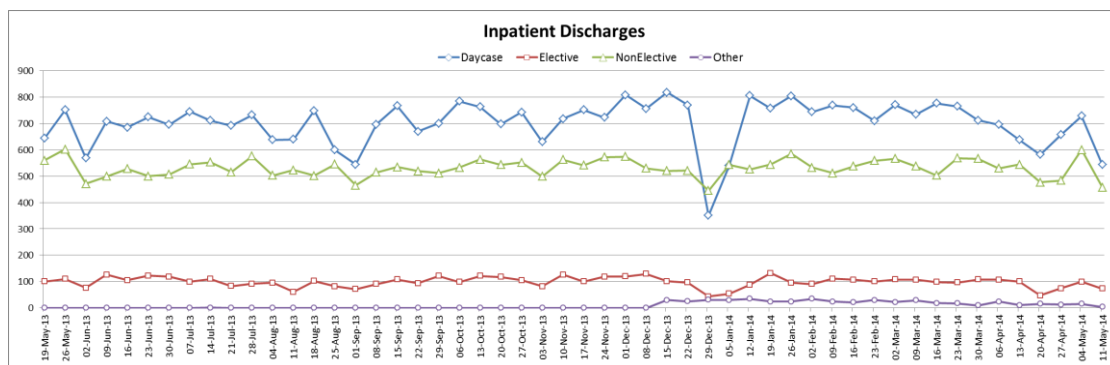
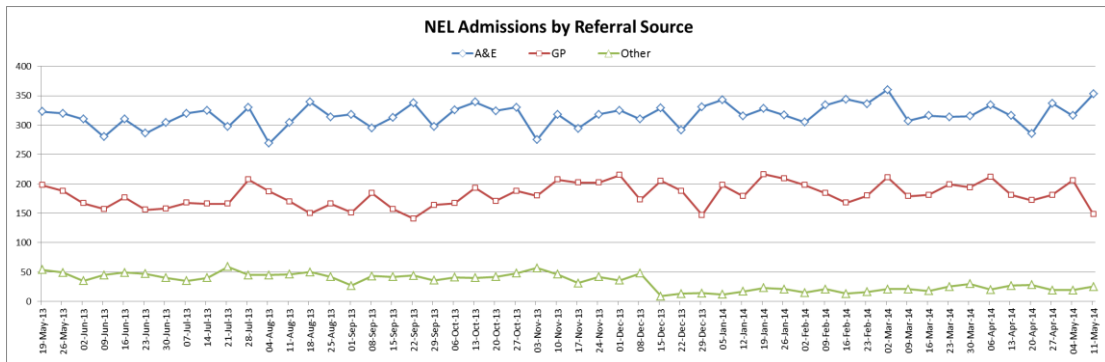


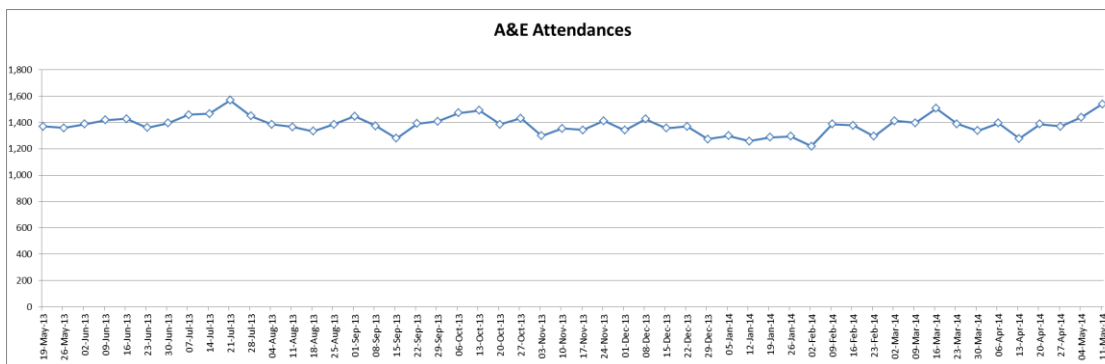
Figure 2 – Inpatient Discharges from YFT (Weekly)



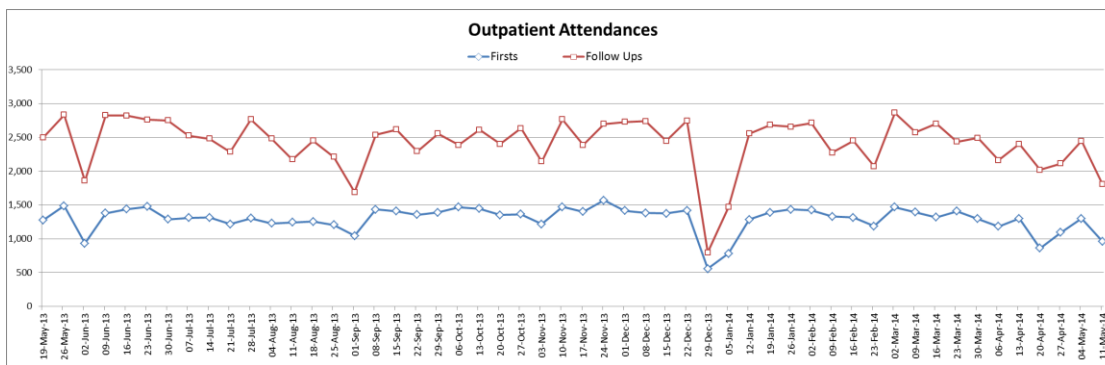
**Figure 3 – Emergency Admissions by Referral Source (Weekly)**



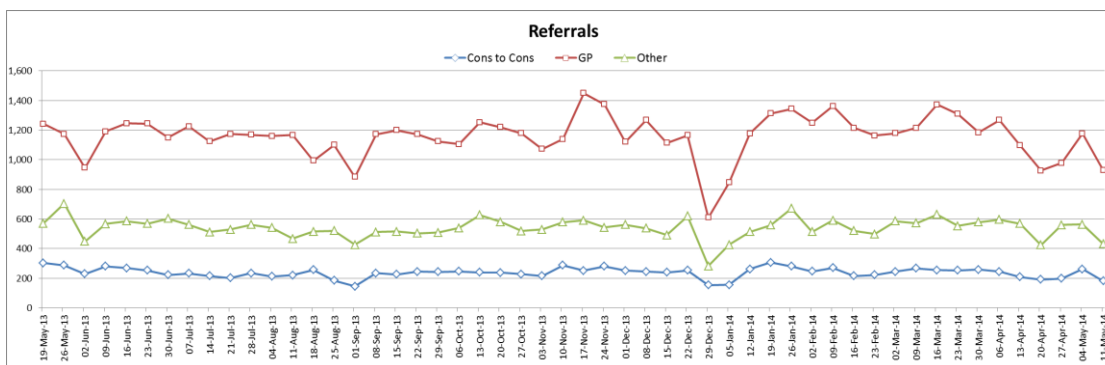
**Figure 4 – Accident and Emergency Attendances (Weekly)**



**Figure 5 – Outpatient Attendances**



**Figure 6 – Referrals by Source**



- 7.3 Future Finance and Activity Dashboards will provide a visual summary to compare planned and actual financial expenditure, enabling rapid identification of the key pressure areas to initiate discussions and identify possible solutions to intervene where possible.

**8. Recommendations**

- 8.1 The Governing Body is asked to receive and note the finance, activity and QIPP report.



## Appendix A – Detailed Programme Costs

	Cumulative To Date			Forecast Outturn		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
<b>Acute Services</b>						
York Teaching Hospital NHS Foundation Trust	14,333	14,331	3	172,002	172,002	0
Yorkshire Ambulance Service NHS Trust	973	973	0	11,681	11,681	0
Leeds Teaching Hospitals NHS Trust	637	638	(0)	7,648	7,648	0
Hull and East Yorkshire Hospitals NHS Trust	184	184	0	2,214	2,214	0
Harrogate and District NHS Foundation Trust	114	112	2	1,363	1,363	0
Mid Yorkshire Hospitals NHS Trust	175	175	0	2,100	2,100	0
South Tees NHS Foundation Trust	90	88	2	1,085	1,085	0
North Lincolnshire & Goole Hospitals NHS Trust	42	42	0	504	504	0
Sheffield Teaching Hospitals NHS Foundation Trust	17	17	(0)	199	199	0
Non-Contracted Activity	230	230	0	2,759	2,759	0
Other Acute Commissioning	33	33	0	392	392	0
Ramsay	680	680	(0)	8,160	8,160	0
Nuffield Health	263	263	0	3,155	3,155	0
Other Private Providers	25	27	(3)	296	296	0
Winter Pressures	0	1	(1)	0	0	0
<b>Sub Total</b>	<b>17,796</b>	<b>17,792</b>	<b>4</b>	<b>213,558</b>	<b>213,558</b>	<b>0</b>
<b>Mental Health Services</b>						
Leeds & York Partnerships NHS Foundation Trust	2,433	2,433	(0)	29,195	29,195	0
Humber NHS Foundation Trust	86	86	0	1,029	1,029	0
Tees Esk and Wear Valleys NHS Foundation Trust	115	116	(1)	1,381	1,381	0
Specialist Services	395	395	(0)	4,744	4,744	0
Non-Contracted Activity - MH	18	22	(4)	220	220	0
Other Mental Health	19	19	(0)	233	233	0
<b>Sub Total</b>	<b>3,067</b>	<b>3,072</b>	<b>(5)</b>	<b>36,802</b>	<b>36,802</b>	<b>0</b>
<b>Community Services</b>						
York Teaching Hospital NHS Foundation Trust - Community / MSK	1,693	1,692	0	20,310	20,310	0
Harrogate and District NHS Foundation Trust - Community	694	694	0	8,328	8,328	0
Humber NHS Foundation Trust - Community	101	101	0	1,216	1,216	0
Hospices	98	98	(0)	1,173	1,173	0
Longer Term Conditions	29	27	2	350	350	0
Other Community	4	3	0	43	43	0
<b>Sub total</b>	<b>2,618</b>	<b>2,616</b>	<b>3</b>	<b>31,420</b>	<b>31,420</b>	<b>0</b>
<b>Other Services</b>						
Continuing Care	1,666	1,666	0	19,995	19,995	0
Funded Nursing Care	348	348	(0)	4,179	4,179	0
Patient Transport - Yorkshire Ambulance Service NHS Trust	158	156	2	1,890	1,890	0
Voluntary Sector / Section 256	66	69	(3)	791	791	0
Non-NHS Treatment	61	63	(2)	737	737	0
NHS 111	55	55	(0)	655	655	0
Other Services	18	18	(0)	216	216	0
<b>Sub total</b>	<b>2,372</b>	<b>2,376</b>	<b>(4)</b>	<b>28,463</b>	<b>28,463</b>	<b>0</b>
<b>Primary Care</b>						
Prescribing	4,219	4,218	0	49,220	49,220	0
Enhanced Services	108	108	(0)	1,295	1,295	0
Oxygen	23	21	2	278	278	0
Primary Care IT	0	0	(0)	0	0	0
Other Primary Care	22	22	(0)	260	260	0
<b>Sub Total</b>	<b>4,371</b>	<b>4,369</b>	<b>2</b>	<b>51,053</b>	<b>51,053</b>	<b>0</b>
	<b>30,225</b>	<b>30,225</b>	<b>(0)</b>	<b>361,297</b>	<b>361,297</b>	<b>0</b>
Reserves	0	0	0	11,950	11,950	0
Contingency	0	0	0	1,837	1,837	0
Unallocated QIPP	0	0	0	(9,274)	(9,274)	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,514</b>	<b>4,514</b>	<b>0</b>
	<b>30,225</b>	<b>30,225</b>	<b>(0)</b>	<b>365,811</b>	<b>365,811</b>	<b>0</b>
<b>Surplus</b>	306	0	306	3,674	0	3,674
	<b>30,531</b>	<b>30,225</b>	<b>306</b>	<b>369,485</b>	<b>365,811</b>	<b>3,674</b>