


Item Number: 8											
Name of Presenter: Tracey Preece											
Meeting of the Governing Body 6 August 2015	 Vale of York Clinical Commissioning Group										
Finance, Activity and QIPP Report											
Purpose of Report For Information											
<p>1. Rationale To brief members on the financial position and achievement of key financial duties for 2015/16 (as at end of June 2015). This is an exception report only and therefore only reports on those areas where there is a material variance.</p> <p>To provide details and assurance around the actions being taken.</p> <p>To provide an update to the Governing Body on progress associated with QIPP schemes to date and other programme delivery areas.</p>											
<p>2. Strategic Initiative <i>Impact across all initiatives</i></p> <table border="0"> <tr> <td><input type="checkbox"/> Integration of care</td> <td><input type="checkbox"/> Planned care</td> </tr> <tr> <td><input type="checkbox"/> Person centred care</td> <td><input type="checkbox"/> Transforming MH and LD services</td> </tr> <tr> <td><input type="checkbox"/> Primary care reform</td> <td><input type="checkbox"/> Children and maternity</td> </tr> <tr> <td><input type="checkbox"/> Urgent care reform</td> <td><input type="checkbox"/> Cancer, palliative care and end of life care</td> </tr> <tr> <td><input type="checkbox"/> Effective and Efficient Organisation</td> <td><input type="checkbox"/> System resilience</td> </tr> </table>		<input type="checkbox"/> Integration of care	<input type="checkbox"/> Planned care	<input type="checkbox"/> Person centred care	<input type="checkbox"/> Transforming MH and LD services	<input type="checkbox"/> Primary care reform	<input type="checkbox"/> Children and maternity	<input type="checkbox"/> Urgent care reform	<input type="checkbox"/> Cancer, palliative care and end of life care	<input type="checkbox"/> Effective and Efficient Organisation	<input type="checkbox"/> System resilience
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<p>3. Local Authority Area</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> CCG Footprint</td> <td><input type="checkbox"/> East Riding of Yorkshire Council</td> </tr> <tr> <td><input type="checkbox"/> City of York Council</td> <td><input type="checkbox"/> North Yorkshire County Council</td> </tr> </table>		<input checked="" type="checkbox"/> CCG Footprint	<input type="checkbox"/> East Riding of Yorkshire Council	<input type="checkbox"/> City of York Council	<input type="checkbox"/> North Yorkshire County Council						
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<p>4. Actions / Recommendations The Governing Body is asked to receive and note the Finance, Activity and QIPP report.</p>											
<p>5. Engagement with groups or committees N/A</p>											
<p>6. Impact on Primary Care Investment through the GP Innovation Fund is as yet undecided and requires a return at least equivalent to the amount invested to be viable. The CCG is committed to investment in primary care but recognises the parallel requirement to achieve the financial plan.</p>											
<p>7. Significant issues for consideration The CCG is reporting the delivery of both the year to date and forecast 1% surplus, but has had to re-profile reserves and unallocated QIPP in order to achieve this.</p>											

This has been done due to the fact that there has been a significant change in the financial risk profile, which is detailed in this report. The impact of this is a risk adjusted £1.2m forecast surplus, £2.7m below the 1% requirement. This has already been reported to NHS England as part of the monthly finance return.

The report details a number of contingencies which forms the basis of a financial recovery plan and part of the development of system-wide financial sustainability.

8. Implementation

N/A

9. Monitoring

The Quality and Finance Committee receives a report each month.

10. Responsible Chief Officer and Title

Tracey Preece, Chief Finance Officer
Rachel Potts, Chief Operating Officer

11. Report Author and Title

Michael Ash-McMahon, Deputy Chief Finance Officer, and Paul Howatson, Senior Innovation and Improvement Lead

12. Annexes

N/A

GOVERNING BODY: 6 AUGUST 2015

Finance, Activity and QIPP Report



2. Month 3 Financial Position

2.1 Table 1 below shows that in overall terms the CGG reported the delivery of the 1% year to date (£986k) and forecast outturn (£3.9m) surplus. However, there are a number of variances within this that will be detailed later in this report and an increased level of risk to the forecast outturn that will also be covered.

Table 1 – Vale of York CCG Month 3 Position

	Cumulative To Date			Forecast Outturn			Position from prior Month
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	
Programme	109,299	109,326	-28	424,336	424,336	0	
Running Costs	1,869	1,841	28	7,476	7,476	0	
Surplus (1%)	986	0	986	3,945	0	3,945	
Overall Financial Position	112,154	111,167	986	435,757	431,812	3,945	

Allocations

2.2 There have already been a number of adjustments to the notified allocation, which are detailed below.

Table 2 – Allocation Reconciliation

Description	Month of transaction	Recurrent/Non Recurrent	Annual Budget £'0000				Total
			Running Sub-total	Programme	Prior Year Surplus	Programme Sub-total	
Initial allocation			7,476	376,168	3,850	380,018	387,494
BCF	April	Recurrent		5,938		5,938	5,938
2014-15 recurrent transfers post allocation setting (mth07)	April	Recurrent		(56)		(56)	(56)
ETO/DTR Funding	May	Non-Recurrent		1,109		1,109	1,109
Transfer to Co-Commissioning Funds to CCGs	May	Recurrent		38,682		38,682	38,682
Resource Transfer to match drugs expenditure	June	Recurrent		1		1	1
Co-Com Public Health reduction agreed Funding Support	June	Non-Recurrent		1,539		1,539	1,539
GP IT	June	Non-Recurrent		900		900	900
GPIT - Transition Funding	June	Non-Recurrent		150		150	150
Closing allocation			7,476	424,431	3,850	428,281	435,757

- 2.3 The overall Programme allocation is £428.3m including the return of the 2014/15 surplus and the Primary Care Co-Commissioning funding of £38.7m, which has now been corrected to include the additional Public Health adjustment referred to in previous reports of £1.5m. The Co-Commissioning allocation now reconciles to the original bid.
- 2.4 The overall allocation also now includes the GP IT allocation of £900k and the final transition monies of £150k, which is being used to support the transfer from NYNET and telephony contract changes.
- 2.5 There is an issue where CCGs have received non-recurrent allocations, particularly for primary care co-commissioning, where the additional allocation means that they are no longer meeting the 1% surplus rule. The central finance team are aware of this and are looking at how it should be treated in Month 4.

3. Expenditure – Programme Costs

- 3.1 The detailed financial position is included in Appendix A and is summarised in Table 3.
- 3.2 In total, Programme Costs are effectively balanced to both the YTD and forecast surplus. Overall there is a small over spend of £28k as at the end of Month 3, but this is off-set by the equivalent underspend within Running Costs to deliver an overall balanced position. However, there a number of variances, over and under spends, within this that are described later on in this section of the report.
- 3.3 In terms of the forecast outturn the majority of lines have been matched to plan apart from the brought forward issues from 2014/15 where the year-end forecast positions came in higher than anticipated and where agreements around disputed amounts have now been reached.
- 3.4 Where there are adverse variances in the YTD position that are likely to impact the outturn these are built into the Risk and Mitigations section later in this report in together with the proposals to off-set them.

Table 3 – 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	53,530	55,461	(1,930)	217,888	217,888	0
Mental Health Services	9,717	10,037	(320)	39,416	39,416	0
Community Services	7,258	7,214	44	29,033	29,033	0
Other Services	8,470	8,833	(363)	30,710	30,710	0
Primary Care	13,501	13,688	(187)	55,577	55,577	0
Primary Care Co-Commissioning	10,055	10,032	23	40,221	40,221	0
Better Care Fund	3,718	3,376	343	14,874	14,874	0
Trading Position	106,250	108,640	(2,390)	427,718	427,718	0
Prior year balances	0	686	(686)	0	686	(686)
Reserves	1,889	0	1,889	4,558	3,872	686
Contingency	1,160	0	1,160	1,972	1,972	0
Unallocated QIPP	0	0	0	(9,912)	(9,912)	0
Financial Position	109,299	109,326	(28)	424,336	424,336	(0)
Surplus (1%)	986	0	986	3,945	0	3,945
Overall Financial Position	110,285	109,326	959	428,281	424,336	3,945

Acute Services

- 3.5 The Month 3 report is based on Month 1 Freeze and Month 2 Flex activity and is therefore still subject to change from final coding and counting.
- 3.6 The £1.9m over spend for the YTD relates largely to the position with York Teaching Hospital NHS Foundation Trust (YTHFT), which is £1.4m over spent across the following areas. Of this over spend, £1.3m relates to April and £89k to May. Although May's figure includes 23% un-coded Emergency activity, which is not unusual, the estimated value the CCG puts in for this usually means this is a reasonably accurate position.

Table 4 – YTHFT contract position by Point of Delivery

Point of Delivery (POD)	Expenditure				Activity			
	Plan	Actual	Var.	%	Plan	Actual	Var.	%
Daycase	2,718,347	2,930,311	(211,964)	(8%)	4,553	5,123	(570)	(13%)
Elective	1,796,550	1,523,437	273,114	15%	774	681	93	12%
Emergency	7,547,253	9,244,552	(1,697,299)	(22%)	4,167	4,796	(629)	(15%)
Non-Emergency	1,193,019	1,163,039	29,980	3%	683	758	(75)	(11%)
Accident & Emergency	1,201,253	1,442,327	(241,074)	(20%)	10,715	12,904	(2,189)	(20%)
First Outpatient Attendances	1,902,246	1,893,170	9,076	0%	11,171	11,356	(185)	(2%)
Follow Up Outpatient Attendances	2,165,961	2,284,652	(118,691)	(5%)	21,854	23,167	(1,313)	(6%)
Outpatient Procedures	718,772	705,883	12,889	2%	5,202	5,357	(155)	(3%)
Non-Elective Threshold Adjustment	0	(412,349)	412,349	-	0	0	0	-
Other	8,943,368	8,804,081	139,286	2%	361,439	371,451	(10,013)	(3%)
Sub-Total	28,186,769	29,579,103	(1,392,334)	(5%)	420,558	435,593	(15,035)	(4%)

- 3.7 The key points of note are as follows:

- Elective activity is down, primarily within Trauma and Orthopaedics, although this is off-set by a corresponding over trade with Ramsay of £231k.
- Emergency activity is up 16% and £1.3m (£1.7m less £412k Threshold Adjustment).
- A&E activity is up 20% and £241k.
- The YTD plan includes the effect of £1.1m of savings from Better Care Fund schemes.

- 3.8 There are further overspends with both Leeds Teaching Hospital NHS Trust (£110k) and Mid-Yorkshire Hospitals NHS Trust (£118k), both which relate to specific patients who required long stays in critical care and high cost devices respectively over and above that planned for.

- 3.9 None of these positions have yet been built into the outturn position, primarily because of the inherent issues with using what is still an early cut of the activity information and whether this represents the trend for the year. However, this has been built into the risk section later into the document.

Mental Health

- 3.10 The overspend relates to an increase in the Mental Health Out of Contract placements not covered by the block arrangement with Leeds and York Partnership.

Other Services

- 3.11 The overspend relates mainly to Continuing Healthcare, but as with the Acute positions it is difficult to establish whether this is a strong indication of the basis for any forecast outturn.

Primary Care

- 3.12 Currently this area is showing a £187k over spend, of which £221k is against the GP Out of Hours service. However, this represents a cash profiling issue only in that the CCG agreed to pay over a higher amount in Month 1 as part of the new contract, which is then recovered over the following five months. The contract is actually performing to plan.

Better Care Fund

- 3.13 This area is showing a YTD underspend of £343k which relates to the withheld payment for performance fund and, in part, off-sets the non-elective position described earlier.

Reserves and Contingency

- 3.14 The variances described above have resulted in a YTD £2.4m over spend. In order to off-set this the CCG has had to release those budgets where they are wholly within our control and agreed:
- Final contract adjustments
 - Seasonal Resilience
 - GP Innovation Fund
 - Readmissions adjustment reinvestment
 - Voluntary Sector revised budgets
 - 0.5% Contingency
- 3.15 Moreover, these budgets have been re-profiled to show a larger proportion over the first quarter, £3m, than if they were just in twelfths, which would have been £1.6m for the YTD. Moreover, the reverse has been done with the Unallocated QIPP budget, which has been profiled out across the remainder of the year.

4. Expenditure – Running Costs

4.1 The Running Costs are detailed in Appendix B and summarised in the table below reflect the actual position at the end of June.

Table 5 – 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	949	824	125	3,796	3,796	(0)
Non-Pay	387	495	(107)	1,550	1,550	0
Commissioning Support Unit	536	544	(8)	2,142	2,142	0
Income	(5)	(24)	19	(10)	(10)	0
	1,867	1,838	29	7,478	7,478	(0)
Reserves	(0)	0	(0)	(2)	(2)	0
Total	1,866	1,838	28	7,476	7,476	(0)

4.2 In overall terms there is a £28k YTD underspend, although this has not been factored into the FOT. The Pay and Non-Pay variances are largely related to coding corrections for PCU expenditure that will need to be finalised to ensure budgets are appropriately allocated.

5. QIPP and Procurements

QIPP

5.1 Alongside the brought forward schemes from 2014/15 which continue to deliver further savings this year, some of the new schemes (such as the elective orthopaedic and out of hours procurements) for 2015/16 are beginning to deliver in accordance with plans. Where schemes are not performing as expected, plans are in place to address these delays although it is too early to quantify the impact, if any.

5.2 The overall position with Better Care Fund (BCF) remains **AMBER** for implementation but **RED** on forecast delivery. All planned schemes (for which the CCG retain direct responsibility) are now fully operational, albeit some have taken longer than planned to come up to full capacity. There has been little progress on schemes out with CCG control, predominantly those schemes badged as the Whole System Review. A plan is currently being developed to access additional support (funded by NHS England) to bring these schemes on line this financial year. It is hoped to realise benefits from these schemes from late Quarter 3 to early Quarter 4. It is also planned to access additional NHS England funded Business Intelligence capacity to support the next stage development of our BCF dashboard.

- 5.3 Discussions are also taking place with NHS England around the impact of re-profiling our current BCF trajectory reduction for Non Elective admissions from the current position of 11.7%. The CCG is clear that in order to fully fund the current BCF plan an 11.7% reduction is required, however Month 2 performance figures, and the lack of progress on some schemes, indicate a 5% in year reduction in NELs is a more likely outcome. The financial pressure caused by the failure to reach 11.7% is being mitigated through CCG financial plans and wider discussion around the pooled element of the current BCF budget. It is hoped to have an agreed new baseline by the end of July.
- 5.4 The Innovation and Improvement team is working with Finance and Contracting and Quality and Performance colleagues to identify potential transformational and transactional schemes for the current year recognising the financial gap that still remains across the CCG. To support a review of data to help identify possible new project areas, a series of RAIDR training workshops with both managers and clinical leads have been undertaken. Colleagues are also actively pursuing other contacts to discuss QIPP schemes being delivered in other CCG areas to see if there are any areas which may be applied to Vale of York. A workshop is planned for September with representation from across the CCG to try to identify next steps and alternative areas for QIPP.
- 5.5 As capacity becomes available schemes will be developed as Initial Viability Assessments (IVAs) for consideration by the Senior Management Team (SMT). The SMT continue to review the workforce capacity within the CCG to address pressure points as they arise and to reprioritise workloads. Clinical leads are now working with the senior members of the team to clarify the strategy for each of the key work programme areas (planned care; urgent care; cancer; mental health; community/Integration; prescribing; primary care) to help to prioritise the work programme for the coming months.
- 5.6 Next month the covalent software, which the Innovation and Improvement Team are using to manage projects and programmes, will be used to produce automatically populated reports.

Procurements

- 5.7 The following key updates are provided:
- **MSK** – This contract was been awarded to Healthshare Limited; mobilisation is about to commence. The contract formally begins on 1 November 2015.
 - **Mental Health and Learning Disability** – This contract has been awarded to Tees, Esk and Wear Valley (TEWV) and a formal complaint has been lodged with Monitor by LYPFT. The CCG has had a preliminary telephone conference with Monitor this week and was represented by Chief Finance Officer, Senior

Procurement Adviser and the Commissioning Lead for Mental Health and Learning Disabilities. Currently, the CCG awaits the outcome of that telephone conference. Mobilisation is proceeding as planned with TEWV in order to meet the 1st October deadline.

- **Other developments** – In conjunction with members of the team and other colleagues, further innovation has been championed using the Covalent Project and Risk Management resource. Future reports through the governance structures of the CCG will include high level programme and project updates. By the autumn further work will result in the reporting of project and programme specific risks.

6. Risks and Mitigations

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

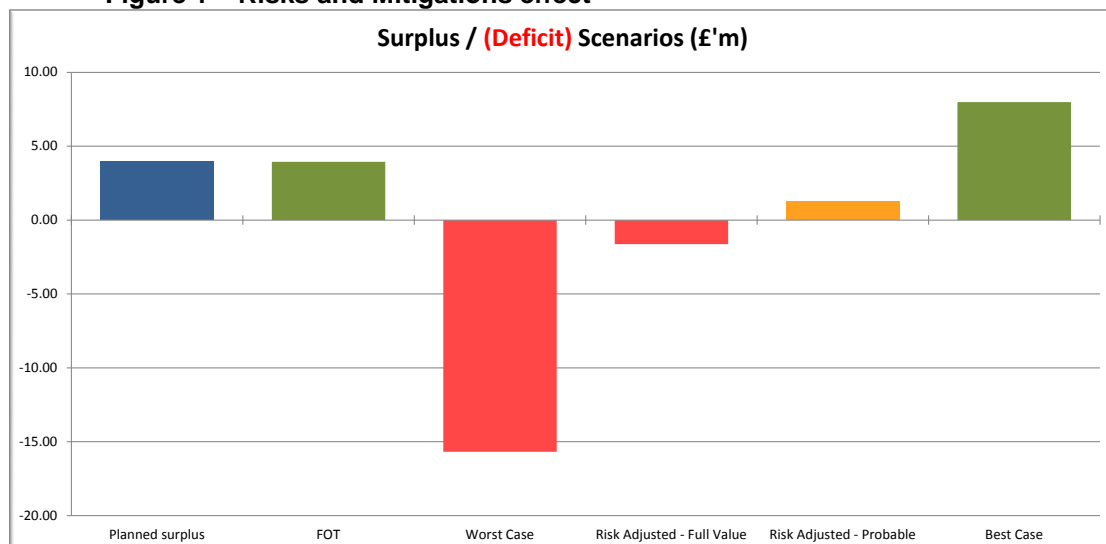
Worst Case – Full value of all risks realised with no contingencies

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 uncommitted funds realised with no risks

Figure 1 – Risks and Mitigations effect



6.2 All of the above scenarios relate to the impact on the overall forecast outturn, which is currently showing a match to plan.

6.3 The gap between the Best and Worst case positions is £33.67m. At this stage of the year this represents significant variability and highlights the financial risk currently within the system. The closure of this gap will be a key priority for the CCG in the coming weeks.

6.4 The potential risks within this are detailed below:

Table 6 – Potential Risks

NONISFE	Risks	Full value £'m	Probability	Probable value £'m
Acute SLAs	Acute overtrades	1.94	86%	1.67
Acute SLAs	Brought forward pressures	0.65	100%	0.65
Total		2.59	90%	2.32
QIPP Under-Delivery	Unidentified QIPP	9.91	90%	8.92
Total		9.91	90%	8.92
Other Risks	Non delivery of BCF savings	7.13	50%	3.56
Total		7.13	50%	3.56
	Total	19.63		14.81

- 6.5 The **Acute overtrades** are based on an assessment of the YTD positions described earlier in this report and the likelihood of these continuing throughout the remainder of the year. This relates solely to activity growth rather than non-delivery of BCF or QIPP schemes.
- 6.6 **Brought forward pressures** have been quantified and although reported in Table 3 earlier, they were negated in the overall bottom line surplus through the use of reserves. The risk has therefore been included here in full.
- 6.7 As at the time of writing this report there is a further £475k currently in dispute with providers in relation to 2014/15. This is a combination of £213k that was not agreed / recognised as part of the year end process with the balance being additional invoices received after the Agreement of Balances exercise, but which relate to the last financial year.
- 6.8 The **Unidentified QIPP** and **Non delivery of the BCF savings** risks remain the same. However, it is now anticipated that the probability has increased from 60% to 90% for the Unidentified QIPP. Although there are no definitive plans in place to meet the remaining 10%, the financial recovery plan that will be developed as part of the in-year recovery and long-term financial sustainability will address this.
- 6.9 The CCG has therefore developed a series of contingency schemes to mitigate these risks. This will form the basis of the financial recovery plan and if they cannot be delivered at this level alternatives will need to be found and ultimately should ensure long-term financial sustainability.

Table 7 – Contingencies

NONISFE	Contingencies	£'m	Probability	value
Contingency Held	0.5% Contingency	1.97	100%	1.97
Total		1.97	100%	1.97
Investments Uncommitted	GP Innovation Fund	1.74	78%	1.35
Investments Uncommitted	Readmissions investment	0.33	100%	0.33
Total		2.07	81%	1.68
Non-Recurrent Measures	Apply contract penalties to acute provider	3.00	100%	3.00
Non-Recurrent Measures	Transfer from running costs	0.53	100%	0.53
Total		3.53	100%	3.53
Other Mitigations	Further contract adjustments	1.01	100%	1.01
Other Mitigations	BCF performance funds	1.86	100%	1.86
Other Mitigations	CS proposals	0.50	25%	0.13
Other Mitigations	CHC local provision	0.50	50%	0.25
Other Mitigations	BCF clawback	1.50	50%	0.75
Other Mitigations	SRG contingency	0.50	100%	0.50
Other Mitigations	Other programme costs	0.30	50%	0.15
Total		6.18	75%	4.65
Mitigations relying on potential funding	Quality Premium Payment	0.30	100%	0.30
Total		0.30	100%	0.30
	Total	14.05		12.13

- 6.10 The **0.5% Contingency** remains the same as previously reported.
- 6.11 The **GP Innovation Fund** has been included before, but at a much higher value than the £1 per head held back. This is premised on either holding further amounts, of what is a discretionary fund, or only approving bids that evidence an equivalent return on investment.
- 6.12 The only remaining uncommitted investment is with regards to **Readmissions**, which currently has no plans and could be held back or as above would be invested where a return could be guaranteed.
- 6.13 The CCG is not currently planning for any financial penalties to be applied and would prefer to work constructively with providers to help resolve any poor performance. Nevertheless, **Applying contract penalties to acute providers** remain as contract levers, especially in light of the acute contract overtrades.
- 6.14 Initial discussions have already taken place with YTHFT and Scarborough and Ryedale CCG to explore a system wide financial solution to the trading position and penalty applications.
- 6.15 The **Transfer from running costs** scheme remains the same, but the value has increased £200k following a further review of budgets.
- 6.16 **Further contract adjustments** remain in line with previous reports.
- 6.17 The **Better Care Fund performance funds** relate to those amounts held by the CCG and dependent on delivery of the non-elective admissions target.
- 6.18 The final set of **Commissioning Support (CS) proposals** that have been submitted as part of the Lead Provide Framework project deliver a full year effect (FYE) saving of £504k. However, this will be significantly reduced in-year given that the outcome from any procurement is unknown, there will only be a half year impact and there are potential one-off stranded costs. Moreover, the CCG are exploring

payment options where there are gaps in service provision, although this may need to be seen in light of any overall Yorkshire and Humber wide financial package for CS.

- 6.19 Early indications from with the Partnership Commissioning Unit are that there remains further potential benefit within the **CHC local provision** and accruals. Although a significant amount of work was under taken in 2014/15 to cleanse this, further opportunities still exist and would potentially have the double benefit of releasing the provision into the position and reducing the in-year costs / forecasts.
- 6.20 Given the non-elective / BCF performance outlined earlier in this report and the fact that within the City of York (CYC) pooled budget a number of the partner schemes, in particular the Whole System Review (£4.3m), are not delivering. The CCG will need to consider and work with CYC to identify additional **BCF claw back** of funds and share the financial risk that is currently sat with the CCG.
- 6.21 There remains £500k currently unallocated as **Systems Resilience Group (SRG) contingency**, but provisionally earmarked for the winter period. The risks identified above effectively build in a significant amount of expenditure for increased demand over the remainder of this year. Therefore, this pot could be held back from investment or could be put into schemes that would reduce some of this demand further.
- 6.22 The **Other programme costs** line simply represents the underspends elsewhere within the CCG's budget that may continue.
- 6.23 The final mitigation is the only proposal that relies on additional income in the form of the **Quality Premium Payment**, currently based on the equivalent of the amount received in 2014/15 for 2013/14 performance. The CCG is currently working to quantify this based on actual performance.
- 6.24 In overall terms the net effect of these has increased the unmitigated risk from £1.2m as per the original plan to £2.7m, which would be a probable surplus position of £1.2m. It is therefore critical to note the following in order to ensure the CCG can fully meet the business rules:
- A further £2.7m must be identified to deliver a full 1% surplus
 - All other budget lines and proposals must deliver as planned
 - The CCG must find £1m towards the unallocated QIPP
 - If any of the mitigations identified are not progressed, alternatives will need to be found.
- 6.25 Should any of the above not be the case the CCG will need to be aware that NHS England may apply a new special measures regime. The application of special measures will usually result from issues that have persisted over a period of two quarters, unless action is required sooner, such as when financial problems are identified. It is most likely

to be applied to those CCGs in the 'limited assurance' and 'not assured' categories.

- 6.26 A CCG placed in special measures will be required to agree with NHS England, and to deliver, a sustainable improvement plan, with the assistance of a range of intensive support options.
- 6.27 The CCG should have made significant progress in its recovery plan in a maximum of 12 months and, following a review, should exit special measures at this point, if not sooner, even though there may be on-going deliverables to be achieved as part of the improvement plan.
- 6.28 In exceptional circumstances NHS England may need to exercise its statutory powers of direction immediately, without a CCG having previously been placed in special measures, or during the special measures process, if the CCG's situation deteriorates.
- 6.29 In light of the above the CCG will be producing a detailed and robust financial recovery plan. This will include liaising with YTHFT, Scarborough and Ryedale CCG and local authorities to agree plans across the health and social care economy to tackle both the in-year and medium to long-term financial sustainability of these organisations. Contact with other health and social care economies that have undertaken this, such as North Lincolnshire, has already been made and will help inform the recovery plan.

7. Working Capital

Cash

- 7.1 At the end of Month 3, the CCG ledger cash book balance was £222k, within the target 1.25% (circa £350k) of drawdown maximum allowed.

Code of Better Payment Practice

- 7.2 The value and volume of NHS invoices paid during June was at 99.90% and 94.38% 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.
- 7.3 There continues to be concern around the reduction in the numbers paid which is at 151 for June. This relates to Non Contract Activity invoices for which there remains a large backlog. This is further reflected in Table 8 below where there is an increasing number of high volume of invoices over 9 weeks old.
- 7.4 Whilst assurances have been received that all invoices are still going through the same stringent processes, this will be closely monitored in order to ensure the continued delivery of the working capital targets.

7.5 Table 8 below highlights the fact in June the CCG failed to meet the 95% target with regards to the number of invoices paid within 30 days. Although the target is cumulative this is the first time it has been missed in any one month since 2013/14. Further analysis has shown that of the nine that were not paid on time, three were NCAs. Of the remaining six wholly within the CCG's control, five were paid after 32 days. Early indications are that two of these could / should have been placed on hold as they were initially queried. Had one more invoice been paid the target would have been met in month.

Table 8 – NHS Creditors

Month	Total paid No.	Paid on time No.	Paid within target %	Total paid £	Paid on time £	Paid within target %
Apr-15	224	223	99.55	25,531,878.72	25,531,768.72	100.00
May-15	139	138	99.28	27,311,615.22	27,311,598.01	100.00
Jun-15	160	151	94.38	24,530,141.01	24,505,339.39	99.90
	523	512	97.90	77,373,634.95	77,348,706.12	99.97

7.6 The value and volume of Non-NHS invoices paid during June was at 96.94% and 97.11% 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 9 – Non-NHS Creditors

Month	Total paid No.	Paid on time No.	Paid within target %	Total paid £	Paid on time £	Paid within target %
Apr-15	299	294	98.33	7,311,786.14	7,310,442.79	99.98
May-15	266	259	97.37	3,044,065.55	3,029,439.19	99.52
Jun-15	381	370	97.11	2,837,400.19	2,750,621.31	96.94
	946	923	97.57	13,193,251.88	13,090,503.29	99.22

7.7 The total outstanding Creditors are as follows:

Table 10 – 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 June	216	1,332,109	142	477,468	393	1,200,676	751	3,010,253
As at May	133	406,438	153	1,431,875	321	1,617,222	607	3,455,534

7.8 The CCG remains in a strong position in terms of its outstanding debts with the majority due within 30 days.

Table 11 – Total outstanding debtors

June 2015	No. of Invoices	Current	Days Overdue						Total
			0-30	31-60	61-90	91-180	181-360	361+	
			£	£	£	£	£	£	
CCG's	1	0	0	0	0	0	0	9,775	9,775
Foundation Trusts	1	0	118	0	0	0	0	0	118
Councils	8	0	145	0	21,357	58,855	35,073	0	115,430
Other	3	0	16,792	0	0	592	0	0	17,384
	13	0	17,055	0	21,357	59,447	35,073	9,775	142,707

Aged Debt by Organisation	No. of Invoices	Current	Days Overdue						Total
			0-30	31-60	61-90	91-180	181-360	361+	
			£	£	£	£	£	£	
NHS East Riding Of Yorkshire CCG	1	0	0	0	0	0	0	9,775	9,775
York Teaching Hospital NHS Foundation Trust	1	0	118	0	0	0	0	0	118
East Riding of Yorkshire Council	3	0	0	0	21,357	0	0	0	21,357
North Yorkshire County Council	4	0	0	0	0	58,855	35,073	0	93,928
City of York Council	1	0	145	0	0	0	0	0	145
Other	3	0	16,792	0	0	592	0	0	17,384
	13	0	17,055	0	21,357	59,447	35,073	9,775	142,707



Appendix A – Detailed Programme Costs

	Cumulative To Date			Forecast Outturn		
	Month 3			Month 12		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Acute Services						
York Teaching Hospital NHS Foundation Trust	42,518	44,141	(1,622)	173,830	173,830	0
Yorkshire Ambulance Service NHS Trust	3,306	3,277	29	13,225	13,225	0
Leeds Teaching Hospitals NHS Trust	2,051	1,981	70	8,305	8,305	0
Hull and East Yorkshire Hospitals NHS Trust	547	487	60	2,220	2,220	0
Harrogate and District NHS Foundation Trust	301	343	(43)	1,241	1,241	0
Mid Yorkshire Hospitals NHS Trust	443	620	(177)	1,804	1,804	0
South Tees NHS Foundation Trust	285	381	(97)	1,160	1,160	0
North Lincolnshire & Goole Hospitals NHS Trust	161	160	1	655	655	0
Sheffield Teaching Hospitals NHS Foundation Trust	50	50	0	202	202	0
Non-Contracted Activity	686	685	1	2,745	2,745	0
Other Acute Commissioning	24	24	0	94	94	0
Ramsay	1,980	2,211	(231)	8,008	8,008	0
Nuffield Health	912	819	93	3,641	3,641	0
Other Private Providers	164	180	(16)	656	656	0
Winter Pressures	102	102	(0)	102	102	0
Sub Total	53,530	55,461	(1,930)	217,888	217,888	0
Mental Health Services						
Leeds & York Partnerships NHS Foundation Trust	7,576	7,576	0	30,257	30,257	0
Humber NHS Foundation Trust	249	253	(4)	994	994	0
Tees Esk and Wear Valleys NHS Foundation Trust	284	284	0	1,137	1,137	0
Specialist Services	1,526	1,857	(331)	6,697	6,697	0
Non-Contracted Activity - MH	37	24	13	149	149	0
Other Mental Health	45	44	2	181	181	0
Sub Total	9,717	10,037	(320)	39,416	39,416	0
Community Services						
York Teaching Hospital NHS Foundation Trust - Community / MSK	5,470	5,417	53	21,880	21,880	0
Harrogate and District NHS Foundation Trust - Community	1,118	1,132	(14)	4,471	4,471	0
Humber NHS Foundation Trust - Community	261	261	(0)	1,044	1,044	0
Hospices	294	294	(0)	1,175	1,175	0
Longer Term Conditions	87	79	8	350	350	0
Other Community	28	30	(2)	112	112	0
Sub total	7,258	7,214	44	29,033	29,033	0
Other Services						
Continuing Care	6,489	6,698	(209)	22,948	22,948	0
Funded Nursing Care	919	974	(55)	3,676	3,676	0
Patient Transport - Yorkshire Ambulance Service NHS Trust	439	438	1	1,755	1,755	0
Voluntary Sector / Section 256	190	194	(4)	759	759	0
Non-NHS Treatment	164	187	(23)	657	657	0
NHS 111	170	170	0	678	678	0
Other Services	100	173	(73)	237	237	0
Sub total	8,470	8,833	(363)	30,710	30,710	0
Primary Care						
Prescribing	11,953	11,952	1	49,384	49,384	0
Enhanced Services	340	317	23	1,359	1,359	0
Oxygen	70	60	10	282	282	0
Primary Care IT	263	263	(0)	1,050	1,050	0
Out of Hours	876	1,096	(221)	3,502	3,502	0
Sub Total	13,501	13,688	(187)	55,577	55,577	0
Primary Care Co-Commissioning						
General Practice	6,587	6,548	40	26,350	26,350	0
Premises Cost Reimbursement	1,145	1,143	1	4,579	4,579	0
Quality & Outcomes Framework (QOF)	1,020	1,020	0	4,081	4,081	0
Other Enhanced Services	616	616	0	2,464	2,464	0
Dispensing/Prescribing	446	429	17	1,786	1,786	0
Other GP Services	240	276	(36)	962	962	0
Sub Total	10,055	10,032	23	40,221	40,221	0
Better Care Fund	3,718	3,376	343	14,874	14,874	0
	106,250	108,640	(2,390)	427,718	427,718	0
Prior year balances	0	686	(686)	0	686	(686)
Reserves	1,889	0	1,889	4,558	3,872	686
Contingency	1,160	0	1,160	1,972	1,972	0
Unallocated QIPP	0	0	0	(9,912)	(9,912)	0
	3,049	686	2,363	(3,382)	(3,382)	(0)
	109,299	109,326	(28)	424,336	424,336	(0)
Surplus (1%)	986	0	986	3,945	0	3,945
	110,285	109,326	959	428,281	424,336	3,945

Appendix B – Detailed Running Costs

	Area	Ledger Forecast			
		Budget	Actual	Variance	
		£000	£000	£000	
Pay	ADMIN PROJECTS	106,000	106,000	0	
	ADMINISTRATION & BUSINESS SUPPORT	253,487	253,487	0	
	ASSURANCE	0	0	0	
	CEO/ BOARD OFFICE	1,218,917	1,175,623	43,294	
	CLINICAL SUPPORT	85,000	85,000	0	
	COMMISSIONING	689,215	732,509	(43,294)	
	CONTRACT MANAGEMENT	257,742	257,743	(1)	
	CORPORATE GOVERNANCE	192,396	192,397	(1)	
	FINANCE	303,533	303,533	0	
	NURSING DIRECTORATE	306,808	306,808	0	
	QUALITY ASSURANCE	382,876	382,875	1	
		3,795,974	3,795,975	(1)	
	Non Pay	ADMIN PROJECTS	288,171	288,171	0
		ADMINISTRATION & BUSINESS SUPPORT	500	500	0
ASSURANCE		0	0	0	
CEO/ BOARD OFFICE		5,000	5,000	0	
CLINICAL SUPPORT		65,000	65,000	0	
COMMISSIONING		5,000	5,000	0	
CONTRACT MANAGEMENT		4,000	4,000	0	
CORPORATE COSTS & SERVICES		618,180	618,180	0	
CORPORATE GOVERNANCE		8,764	8,764	0	
EDUCATION AND TRAINING		250,000	250,000	0	
FINANCE		111,643	111,643	0	
NURSING DIRECTORATE		50,949	50,949	0	
QUALITY ASSURANCE		104,783	104,783	0	
RISK MANAGEMENT		38,000	38,000	0	
QUALITY PREMIUM ADMIN		0	0	0	
		1,549,990	1,549,990	0	
Commissioning Support Unit	CSU Contract	2,142,000	2,142,000	0	
		2,142,000	2,142,000	0	
Income	ASSURANCE	0	0	0	
	CEO/ BOARD OFFICE	(10,000)	0	(10,000)	
	COMMISSIONING	0	(10,000)	10,000	
	CORPORATE COSTS & SERVICES	0	0	0	
	FINANCE	0	0	0	
	NURSING DIRECTORATE	0	0	0	
	QUALITY ASSURANCE	0	0	0	
		(10,000)	0	(10)	
	7,477,964	(1,965)	7,479,929		
	Reserves	(1,964)	0	(1,964)	
Total		7,476,000	0	7,476,000	