



Freedom of Information request & West Norfolk CCG response

WN-2017-0139 - VAT

1. Since the creation of CCGs in 2013 following the Health and Social Care Act in 2012, has the CCG merged with any other CCGs?

No

2. Does the organisation use an external provider for VAT advisory services?

Yes

If so please state the name of the organisation used? (E.g. Ernst Young, Berthold Bauer, Liaison, CRS, KPMG, RSM etc.)?

Liaison VAT Consultancy Ltd

- a) Please state the contract start and end date or review period.

Rolling

- b) Please confirm the total value of VAT recovered by the provider in 2016/17

£67,889

- c) Please state the total amount spent by the organisation for these services in 2016/17

I can confirm that the CCG do hold information relevant your question the amount spent on this service, however, we are withholding it under section 43 of the Act (Commercially sensitive). The reason is that this information combined with the information provided above (question 2 b)) would allow a competitor to work out the rate which Liaison VAT Consultancy Ltd charges the CCG.

Section 43 of the Act provides an exemption for information, the disclosure of which would or would be likely to prejudice the commercial interests of any person (including the interests of suppliers).

The CCG consider that the commercial interests of the providers would be likely to be prejudiced if we disclose the information requested, as it could alert their competitors to their pricing strategies. The CCG's interests would be prejudiced if it was no longer able to secure good rates for the services it needs and ultimately value for money for the taxpayer.

As this is a qualified exemption we must consider whether the public interest in withholding the information outweighs the public interest in disclosing it.

Factors in favour of disclosure of the information are as follows:

- a) Furthering the understanding of and participation in the public debate of issues of the day.
- b) Promoting accountability and transparency by public authorities for decisions taken by them and in the spending of public money.

Factors in favour of non-disclosure are as follows:

- a) There is a strong public interest in ensuring that the commercial interests of the companies providing the services are not prejudiced. If such prejudice occurs it would enable competitors to undercut the organisations when bidding for contracts of a similar nature.
- b) Disclosure of the withheld information into the public domain could decrease the differentiation between suppliers, as processes, practices and commercial offerings may become homogenised, thus endangering true and fair competition. This would further hinder the ability of suppliers to act competitively within the market. Internal processes that allow such suppliers to create and maintain a competitive advantage would be lost as they become public knowledge, creating unfair competition and stifling innovation and creativity.
- c) An expectation that the CCG is able to withhold information valuable to a supplier ensures that the CCG has a reputation of being a reliable partner and is therefore able to secure best value for public money when commissioning services and thus saving tax payers' money.

The CCG consider that there is a public interest in disclosure of the withheld information as it promotes openness and transparency around surrounding public spending within the NHS.

The CCG have consulted with Liaison VAT Consultancy Services who have argued that disclosure of this information would prejudice their commercial interest. The CCG agree and does not consider that it would be in the public interest to damage their suppliers' commercial position by disclosure of current commercially sensitive pricing information, which would be relied upon by their competitors/bidders to obtain a commercial advantage in upcoming procurements.

On balance the CCG consider that the public interest in favour of disclosure is outweighed by the public interest in favour of maintaining the exemption in this case. Section 43(2) FOIA was therefore correctly applied to withhold the requested information.

3. Did the organisation use an external provider to re-review VAT recovered in the last financial year (16/17)? If so please state the name of the company used.

No

4. Please state the total number of Accounts Payable invoices processed by the organisation in the last financial year (16/17)

9,977

5. Please state the total value of Accounts Payable invoices in the last financial year (16/17)

£223m

6. Which Finance system is used by the CCG (Oracle, Agresso, Sage, E-Financial, SAP etc.)

Oracle, managed by NHS SBS, which is the system mandated by NHS England.

7. How many active suppliers are currently on the Supplier Masterfile

2,786

8. How many inactive suppliers are currently on the Supplier Masterfile

233

9. Is 3rd party pre-payment software utilised by the CCG to prevent invoice payment errors from occurring?

No

- a) If so, please provide contract period

N/A

10. Since 2013, please state the name(s) of all external organisation(s) used to review AP and identify and recover erroneous payments, and the period(s) reviewed by each.

None, however the CCG does have a check provided by Cabinet Office National Fraud Initiative which reviews two years data.

- a) Please state the total value of moneys recovered by each provider in the period(s) reviewed.

Nil

- b) Please state the total amount paid to any external parties/ total cost to of utilising these services, for this review work.

Nil

11. Do you use any external provider to ensure invoices correlate to the contract charges i.e. checking volume discounts have been applied (please state name)?

The CCG uses an NHS Commissioning Support Unit to provide certain services. Checking contract charges is included in some of these services.

- a) What % fee or rates does the trust pay for this service?

The information requested is not held by the CCG.

It is not possible to identify this element of the service separately.

12. What is annual spend on agency staff during the last financial year – broken down by staffing category?

Admin / Managerial £459k

13. How many contracts are currently active at the CCG?

Clarification received

Provide Non clinical contracts that are currently active in terms of business occurring within the financial year.

There are approximately 10 non-clinical contracts.

14. What internal controls does the CCG have to prevent payment errors occurring (3 way matching, no PO no PAY, invoice scanning etc.)

CCGs are mandated by NHS England to use the Integrated Single Financial Environment (ISFE) Oracle system. This system is provided and managed by NHS SBS.

15. Please provide a current CCG contact list/organisations structure for finance & procurement departments

The CCG has attached it's structure chart.

NHS West Norfolk CCG publish the names of key individuals on their [website](#). If you wish to contact anyone within the CCG please use the following email address:

contact.wnccg@nhs.net or, call the main switchboard on 01553 666 900. This will then be passed onto the appropriate individual/s for a response.

Please note, the CCG commission the procurement service from NHS NEL Commissioning Support Unit.

If you wish to contact anyone in the CSU, please use the contact form on the CSU's website: <http://www.nelcsu.nhs.uk/aboutus/contact-us.htm>

16. Does the CCG conduct supplier statement reconciliation exercises on any suppliers?

Yes, an exercise is carried out by NEL CSU on behalf of the CCG of NHS suppliers. This exercise is mandated by the Department of Health (DoH).

a) If so, what selection criteria is adhered to?

The selection criteria are those mandated by the DoH at the time of the exercise.

For any future correspondence regarding this request, please quote the reference number **FOI.17.WNO139**