

NHS

Bexley

Clinical Commissioning Group

NHS Bexley CCG

2016/17 Financial Planning

January 2016



Summary of achievements

- High level of transparency on financial position
- Detailed understanding of finance and activity
- Successfully managing running costs within resource
- Achieved statutory breakeven target in 13/14 & 14/15, currently forecasting to do so in 2015/16
- Clinically led and quality based approach to driving efficiency and performance gains
- Leaders in Outcomes Based Commissioning to transform services and provide more efficiently
- Unqualified audit opinion in 2013/14 and 2014/15
- Mainly good scores on financial control environment assessment
- Most 2015/16 Internal Audits “Significant Assurance with minor improvements” or above
- Effective risk sharing agreement across SEL
- SEL strategy & PMO
- Achieved an element of Quality Premium for 14/15



Process

- Financial Planning process started month 5 (August 2015)
- Commissioning Intentions issued to providers - Oct 2015 (part of on-going discussions)
 - Based on CCG and service priorities
 - Proposed service redesign / QIPP schemes
- Budget holders asked for 16/17 cost pressures and savings – Dec 2015
- Planning Guidance and allocations received - Jan 2016
- Initial Planning template (finance, activity & performance) to be submitted on 8th February 2016
- Budgets distributed to budget holders for review / sign off – Feb/Mar 2016
- Further submission dates expected, final submission 11th April 2016
- Submission of SE London level plans (Strategic Transformation plan, reflects Strategic Partnership Group) end June 2016 – local plans reflect SEL plans & vice versa)
- Activity to be triangulated with providers
- Plans to be submitted - 2 years detailed and 3 years summary



16/17 Planning Considerations (1 of 2)

- Bexley remains 3.09% below target in 2016/17 despite 5.3% growth
- Lower growth years 2-4. Higher growth in year 5
- Start acute envelopes based on month 6 X 2
 - Risk that final agreement will be higher than envelopes set
- Underlying acute performance will need to be included, as in 2015/16 the CCG negotiated block and cap and collar contracts
- Inflation assumptions and efficiency assumptions are a net increase on previous planning (now 1.1% net tariff increase)
- Property costs increased to market rate from historical cost
- Equalisation of GMS practices as a result of PMS review
- Changes to NI requirements for staff and employers (c1%)



16/17 Planning Considerations (2 of 2)

- SEL Strategy & London Health Commission
 - Provides an opportunity for cross CCG working and to improve services for longer term sustainability
 - Expected investment – time & money
- Challenging provider position on targets & finance
- Expected continued increased investment in Mental Health services
 - New targets will improve outcomes but needs investment
 - Guidance expects investment to be at least as much as overall expenditure increase
- Winter Pressures funding
 - Provides an opportunity to forward plan with monies in baseline
 - Consider winter initiatives against Business cases



Planning assumptions included

- All national planning assumptions included
- Prescribing budget has been based upon Medicines Management 3-year Strategy document approved by the Medicines Management Committee
- Budgets based on 2015/16 forecast outturn plus notified cost pressures
- 0.5% contingency included
- 1% transformation reserve (for non-recurrent spend)
 - For SEL PMO, CHC risk pool, 0.15% London Health Commission contribution & QIPP implementation (e.g. project managers)



2016/17 Opportunities

- SEL joint working and new models of care including:
 - Local Care Networks
 - Urgent and Planned Care
 - Cancer, Maternity and Paediatrics
 - Collaborative provider approach; £1.8bn national provider funding
- Transformational approach to redesign
 - Children's & Young People / Diabetes
- Primary Care Co-Commissioning and PMS review; possible additional national funding
- Primary Care Development
 - Momentum to continue
 - Data Sharing
 - Development of new GP information pack (PCART)
 - Social Prescribing
 - Healthcare Champions
 - EMIS web pilot
 - Iplato
 - Practice Visits



2016/17 Risks (1 of 2)

- Loss of £2.5m transitional MFF funding from SEL
- 16/17 acute contracts higher than planning & acute over-performance above contracted levels
- Identification and delivery of 16/17 QIPP schemes needed
- Potential that level 2 co-commissioning CCGs may be responsible for Primary Care QIPP
- Potential costs of specialist commissioning transfers to CCGs
- Continued rise in prescribing costs



2016/17 Risks (2 of 2)

- Investment required to implement SEL strategy, Transforming Primary Care or London Health Commission not being available
- SEL is a distressed health economy (King's, LGT & DGT reporting 15/16 deficits; Oxleas reducing surplus in 15/16 to 0.5%); Possibility of not achieving required productivity gains
- Impact of funding reductions on local government– may lead to additional cost pressures within CCG
- Commissioning Support services
- Additional CCG responsibilities and the impact on running costs
- No non-mandated reserves to mitigate position



16/17 Mitigations

- SEL risk share
- 0.5% contingency
- Uncommitted non-recurrent transformation reserve
- SEL approach to service transformation
- Local Care Network Implementation
- Joint approach by Community and Primary Care including Better Care Fund

