

Thurrock Clinical Commissioning Group
2015/16 Planning - Progress Update

1. Introduction

1.0 This paper provides the Board with an update on the on the planning process for the 2015/16, being the second year of the previously approved 2014 – 2016 Operational Plan and 2014 -2019 Strategic Plan.

1.1 The improvement outcomes and ambitions signalled by NHS England in its suite of planning guidance “Everyone Counts – Planning for Patients 2014/15 to 2018/19” and supporting material issued in December 2013, were reported to the board in January 2014. Similar guidance for 2015/16 is due to be published shortly but a time table is already available and is attached as Appendix 1. The key dates to note are as follows:

- Submission of initial headline plan data on 13 Jan
- Signed Contracts with main NHS Providers on 27 Feb
- Submission of full draft plans on 27 Feb
- Contracts signed post-mediation on 11 Mar
- Contract arbitration outcomes notified to relevant parties on 25 March
- CCG Board approval of plans by 31 March
- Submission of full plans on 10 April.

1.2 The board is already aware of the Better Care Fund (BCF) assurance process that is currently in progress. Thurrock’s plan was assessed as “approved with conditions” and both CCG and Council officers have been working with the identified external resource to address the outstanding issues in order to re-submit the Plan. The plan – once final approval is secured – will form an integral part of 2015/16 planning documents submission.

2. Financial Planning

2.0 The year to date financial performance as at 30th November is contained elsewhere within the board papers for this month and suggests that the planned surplus will be achieved at year-end.

2.1 In preparation for the 2015/16 planning cycle, NHS England’s Regional Team asked for initial draft plan submissions to be made at the end of November. The first cut of the refreshed five-year summary underpinning our submission is shown below.

Thurrock Clinical Commissioning Group

NHS THURROCK CCG						
2015/16 - 2018/19 DRAFT FINANCIAL PLAN						
(as at 28/11/2014)						
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Outturn	Forecast	Plan	Plan	Plan	Plan
	£000s	£000s	£000s	£000s	£000s	£000s
Allocation:						
Programme Allocation	180,528	186,921	190,061	191,324	195,649	200,013
Running Cost Allocation	4,100	4,121	3,727	3,746	3,766	3,785
Revenue Resource Limit	184,628	191,042	193,788	195,070	199,415	203,798
Expenditure:						
Acute Services	103,550	107,018	107,762	108,840	110,363	111,908
Mental Health	18,412	18,713	18,706	18,893	19,157	19,426
Community Services	20,517	20,452	20,425	20,629	20,918	21,211
Continuing Health Care	7,801	8,030	8,351	8,602	8,860	9,126
Prescribing & Primary Care	25,566	24,871	25,536	26,813	28,154	29,562
Other	3,429	3,817	3,853	3,930	4,009	4,089
Running Costs	3,650	3,982	3,727	3,746	3,766	3,785
Contingency, Reserves & Non-Recurrent Headroom	13	2,179	6,876	6,013	6,134	6,256
Better Care Fund			4,243	4,243	4,243	4,243
Total Expenditure	182,938	189,063	199,479	201,709	205,603	209,605
QIPP Required			(5,791)	(6,739)	(6,288)	(5,907)
Cumulative Surplus	1,690	1,979	2,079	2,180	2,279	2,379
In-Year Surplus	1,690	290	100	100	100	100
QIPP Required (as a % of Programme Allocation)			3.05%	3.52%	3.21%	2.95%
Surplus (as a % of Revenue Resource Limit)	0.92%	1.04%	1.07%	1.12%	1.14%	1.17%

2.2 The starting point was the forecast outturn for 2014/15 as at Month 7, with strategic priorities provided for. It also includes provision for the following:

- 1% Contingency (0.5% nationally mandated)
- 1% Non-recurrent Headroom
- BCF funding implications.
- 10% reduction in Running Cost Allowance
- 1% Surplus

In order to achieve the above imperatives, the CCG will need to deliver QIPP saving of £5.8m as shown above. Hence Commissioners have been tasked with identifying a total of £6.4m, including a 10% buffer.

3. Contract Negotiations and QIPP

3.0 NHS Contracts are expected to be signed by 27th February 2015 and we are currently in the early stages of negotiations. However, this year's round is expected to be extremely challenging given the current activity pressures - both emergency and elective - being experienced within the local health and care economy. This has resulted in a number of partner organisations forecasting significant year-end deficits that were not envisaged during the planning round. Additionally, the board is already aware of the scale of the financial efficiencies that the Local Authority has to achieve.

3.1 QIPP Plans are being developed by Commissioning Officers working closely with QIPP Lead Clinicians and other CCG and CSU staff. An element of the plan covers the full year effect of schemes that commenced during 2014/15 in addition to formulation of new initiatives requiring service re-design and re-modelling of care pathways. However, as signalled within our commissioning intentions, a significant part of the plan is expected to be achieved via a 0.5% local deflator (in addition the nationally mandated value) as well as providers absorbing the impact of population growth.

3.2 Initial QIPP Plans were shared at the QIPP Committee at its meeting in December and a full update will be provided to both this Committee and the Finance & Performance Committee on a monthly basis from January 2015 onwards. Working with Provider Trusts, baseline activity plans are also being developed and the impact of agreed QIPP schemes will be reflected as the contract negotiation round progresses.

4. Conclusion

The board is asked to note the planning time-table and the steps taken thus far. The financial plan will be refreshed to include any additional must-dos contained within the planning guidance (once published) and monthly updates will be provided to the Board.