City of Westminster

Westminster Health & Wellbeing Board

Date:	21 January 2016
Classification:	**General Release**
Title:	NHS England's planning guidance and Central London CCG's operational plan
Report of:	Matthew Bazeley, Managing Director Central London CCG
Wards Involved:	Westminster, excluding Queens Park and Paddington
Policy Context:	CLCCG's response to the recently issued planning guidance.
Financial Summary:	-
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1. Executive Summary

1.1 Following commissioning intentions discussed in the October meeting, and given the current financial challenges of the CCG, the organisation is currently working on its Operational Plan, looking to draw further initiatives for delivering its financial and strategic objectives. A copy of the draft plan (as discussed with the Governing Body in January) is provided for discussion.

2. Key Matters for the Board

2.1 The Board is asked to:

- note the requirements set in the operational guidance;
- discuss the operational plan.

3. Background

3.1 NHS England, NHS Improvement and others published *Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21* in December 2015. This

document outlined the high level planning requirements for all NHS organisations for 2016/17 and beyond. The planning round will be aimed at accomplishing three 'essential' tasks:

- Implement the Five Year Forward View
- Restore and maintain financial balance
- Deliver core access and quality standards

3.2 The guidance stipulates that organisations are now required to produce a detailed plan for the coming financial year, as usual, and, in addition, a “five year Sustainability and Transformation Plan (STP)”. The STP needs to be “place-based” and demonstrate how the Five-Year Forward View will be implemented. The Operational Plan needs to be year-one of the STP and must show significant progress towards transformation.

4. Options / Considerations

4.1 Central London CCG has identified a number of possible opportunities that will explore to assure strategic fit and ability to support return to financial balance. Areas of work include Out of hospital services, Diagnostics, Patient pathways, Urgent Care, Preventative strategies and Integration.

4.2 The CCG, local authority and local partners will be considering options around the development of the STP and how it will be used to join up planning around health and care, and also its relationship to Shaping a Healthier Future (SaHF).

5. Legal Implications

5.1 Operational plans might imply sign off by several organisations in the health economy with a rapid turnaround through the usual governance structures.

6. Financial Implications

6.1 There is a clear emphasis on reconciliation of activity and finance between organisations. This is likely to be challenging, both from the point of view of achieving financial balance, and also technically, as there is no clear one source of data in the NHS. The CCG BI teams have prepared baselines to send out to trusts based on SUS to allow this process to begin.

6.2 Plans also need to clearly show efficiency savings and delivery of a number of “must-dos”. This will mean that CCGs and trusts need to understand demand and capacity better and funding must be made available if required for meeting RTT, A&E and other key “must-do” standards.

6.3 CLCG allocations indicate modest growth in 2016/17 and no growth in running costs. While a full financial assessment is currently underway, it is recognised this represents a significant challenge given the financial context of provider organisations, the need of increasing access to seven-day services, and achieving the other “must-dos”. More details are provided in the operational plan.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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APPENDICES:
Central London CCG’s Draft Operational Plan

BACKGROUND PAPERS:
Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21

NHS
Central London
Clinical Commissioning Group

Central London CCG Draft Operational plan 2015-16 & 2016-17

Matthew Bazeley, Managing Director
January 2016

Executive Summary

- Central London CCG (CLCCG) covers a registered population of 190,000 across 35 practices in Westminster; however the daytime population, which includes workers and tourists may be up to 1 million. Our population is characterised by a large proportion of young working age residents, high levels of migration in and out the borough, and ethnic and cultural diversity
- Our health system comprises of Imperial College Healthcare NHSFT, Chelsea & Westminster NHSFT, University College London Hospitals NHSFT, Guy's & St Thomas' NHSFT, Central London Community Health Services NHS Trust, Central & North West London Mental Health NHSFT.
- CLCCG is here to effect change for patients and our local residents and, ultimately, improve health outcomes. We have developed, through our strategy, projects and plans a programme of work to meet these aims. Activity is translated into our contracts at the beginning of each year, this drives our financial position. We are seeing increases in activity at our acute providers that are beyond our growth expectations and this, in conjunction with delays in mobilisation of some QIPP projects, has impacted our ability to successfully achieve financial balance in 2015-16.
- CLCCG recognises that it must have a firm grip on its financial situation and seeks firstly to stabilise a deteriorating position and then look at pace, to implement any further short term savings schemes it can do. We will continue to work across the whole system to transform services and improve care across all organisations.
- This new programme of work will address the recovery of a £3.2m underlying deficit position in 2015-16, and the stabilisation of the underlying position to achieve breakeven and delivery the required surplus of 2% in 2016-17. By the end of November 2015 we will also have developed the medium terms plans which seek to bring the organisation back into financial sustainability for the next 3 years.
- Managing change at a pace which is achievable but not destabilising is viewed as one of our main critical success factors.
- The operational plan continues to reflect the CCG's strategic objectives agreed at the Public meeting of the Governing Body on 3rd June 2015, the CWHHE strategic objectives were also presented and accepted as the CCG's long term goals.

Strategic Objectives

- Enabling people to take more control of their health and wellbeing through information and ill-health prevention.
- Securing high quality services for patients and reducing the inequality gap.
- Strengthen the organisation's infrastructure to help us deliver high quality commissioning.

- Working with stakeholders to develop strategies and plans.
- Delivering strategic change programmes in the areas of primary care, mental health, integrated care, and hospital reconfiguration.
- Empowering staff to deliver our statutory and organisational duties.

Priority areas

The CCG agreed its priority areas should focus on having clarity of purpose and outcomes to be achieved, leading to sustainable change with measurable results, supported by well-established processes.

Our three transformational objectives for the year are:

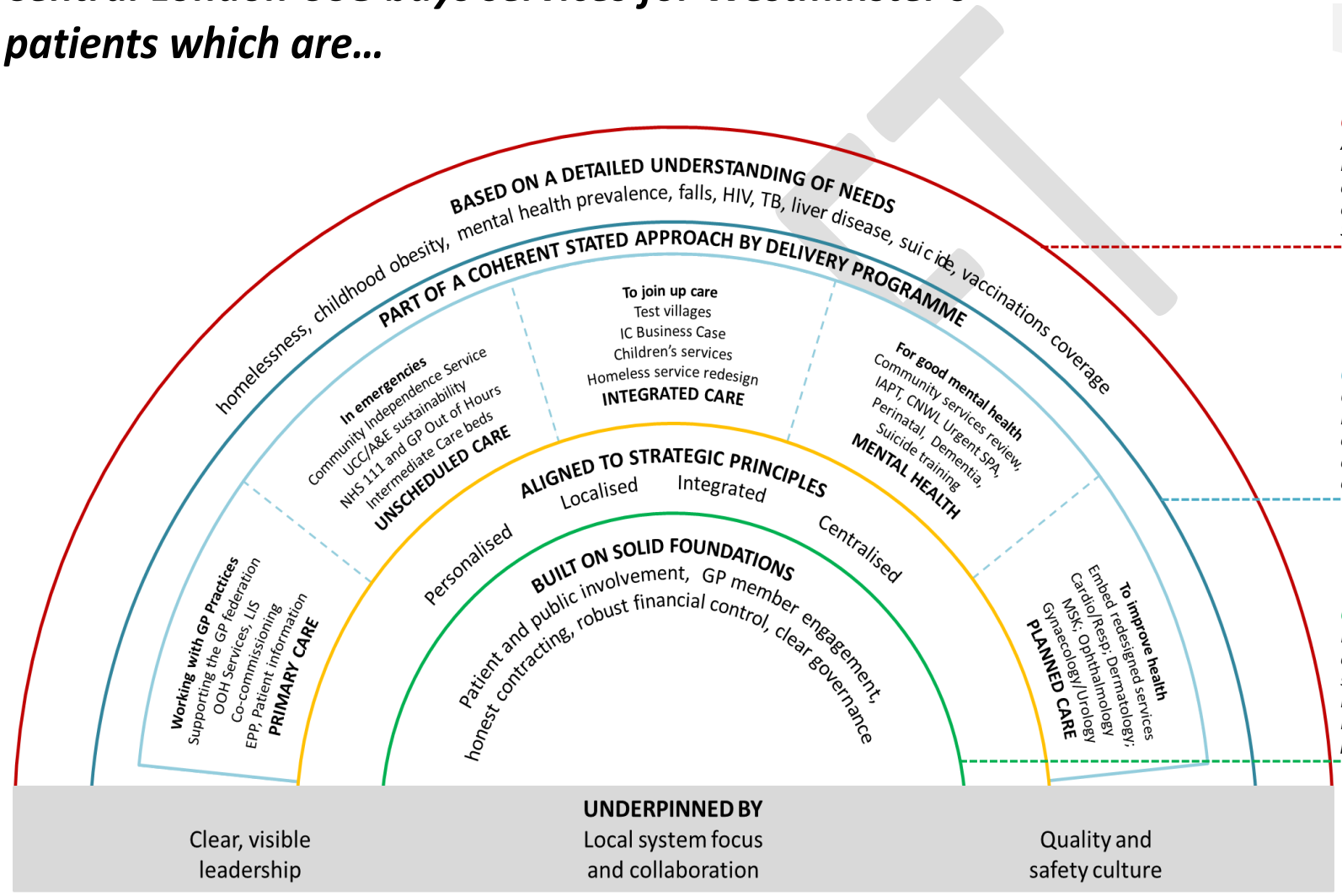
- Confirm clear, aligned models of care for key areas with our members and CCG partners, in conjunction with existing system transformation and supporting incentive approaches for:
  - Integrated care
  - Primary care
  - Unscheduled care
  - Mental Health
  - Planned Care

- Address Westminster's priority inequalities by, working with the LA, developing a clear plan to address key areas of focus arising from the JSNA

- Establish priorities for contracting by, developing a set of 'must-do' KPIs to be included in contracts that are relevant to Westminster's particular needs and achieve our ambition for meaningful value based outcomes.

NHS
Central London
Clinical Commissioning Group

Central London CCG buys services for Westminster's patients which are…



CCG transformational objectives 2015/16

CCG annual objective:
Address Westminster's priority inequalities by developing a clear plan to address key areas of focus arising from the Joint Strategic Needs Assessment

CCG annual objective:
Confirm models of care for key areas by establishing clear, shared delivery models and supporting incentive approaches

CCG annual objective:
Establish priorities for contracting by developing a set of 'must-do' KPIs to be included in contracts that are relevant to Westminster's particular needs,

The Plan

CLCCG has identified a number of possible opportunities that we will explore to assure ourselves of their strategic fit and their ability to support our return to financial balance. The delivery teams will work with Finance, Contracting and BI colleagues to consider each project and agree a standard methodology by which we will measure success and thereby identify the projects which will meet our objectives. The Project Brief that will require sign off before a Project initiation Document is completed; these will then be taken to the Transformation Redesign Group (TRG for approval).

Areas of work include:

- Out of hospital services
- Diagnostics
- Patient pathways
- Urgent Care
- Preventative strategies
- Integration

Governance

The CLCCG has reviewed the remit of its TRG and will propose a new Terms of Reference alongside agreed Objectives and Critical success factor's for the Group. Its purpose and aims are:

"The Transformational and Redesign Group (TRG) reports to the Governing Body. It is established to shape and oversee the delivery of the CCG's Service Redesign and Improvement programme to deliver a health and social care service which meets the needs of the CCG's patients and delivers to the standards and outcomes detailed in the NHS Outcomes Framework".

(CLCCG constitution, section 6.8.2)

Within the above remit the following aims are outlined:

- Helping deliver the CCG's transformational objectives for the year
- Focus on driving strategy and innovation within the CCG to inform the transformational programme;
- Ensuring accountability of the delivery of such transformational programme

It is further proposed that the TRG will only consider projects which have a ROI of 20%, this will be subject to agreement by the Finance & Performance Committee.

RISKS & ISSUES

In delivering this operational plan we have identified our top three risks as:

- The pace and scale of change could put patients at risk.
- Schemes might result in a higher cost to the whole sub-economy as some costs cannot be removed. Defining the right schemes is critical.
- Clinical engagement, capacity, strategic clinical thought and willingness to transform are crucial to success. Phasing of schemes if done incorrectly will risk loss of engagement.

A system wide approach and engagement strategy for these schemes will seek to ensure that we have mitigated these risks.

FINANCIAL POSITION M8

The financial position for month 8 showed a deterioration of the financial position of £2m. This was driven by:

- Imperial activity £0.6m
- Guy's activity £0.4m
- Community Cardio activity £0.4m
- BCF shortfall in funding £0.3m
- Continuing Healthcare £0.8m

The additional adjustment of £0.7m for QPP patients flows created in month 7 was reversed following analysis of data which failed to provide sufficient evidence for the adjustment. The result of these changes and pressures was a £3.2m shortfall against the control total, which had to be covered through the CWHHE Risk Share. The reported position therefore meets the CCG's control total, and requirement to deliver £8.64m surplus, but the underlying position cannot sustain this.

Underlying causes of deteriorating position:

There are a number of causes which have impacted on our ability to maintain our financial position and we are working with colleagues to understand what the main drivers are and how we can be sure our plans will contribute to addressing the issues we identify.

Key issues that have contributed to the deterioration in the financial position are:

- 2015-16 main acute contract plans assuming reductions in activity and costs of 5% (or £5m) compared to 2014-15 outturn. Actual activity across these contracts is forecast to be 5% above plan and consequently 10% above 2014-15 outturn.
- Insufficient QIPP schemes put in place to deliver the reduction in activity, with schemes targeted at reducing activity across these contracts not delivering to plan.
- Shifts of acute activity into the community resulting in greater demand than anticipated, with capacity supply not reducing on the acute side.

The table below shows the movement of plans and actuals from 2014-15 to 2015-16:

NHS CENTRAL LONDON CCG

	Annual Plan 2014-15	Outturn 2014-15	Variance 2014-15	Annual Plan 2015-16	FOT 2015-16	*Year on year movement* 15-16 Plan v 14-15 outturn	15-16 FOT v 14-15 outturn	Combined impact
	£000	£000	£000	£000	£000			
IMPERIAL (actual given as per SLAM, SLA was block in 14-15)	**£44,186**	£46,155	-£1,969	**£45,268**	£47,584	-1.9%	3%	5%
CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST	**£16,726**	£17,552	-£826	**£16,741**	£18,382	-4.6%	5%	10%
GUY'S AND ST THOMAS' NHS FOUNDATION TRUST	**£11,160**	£12,087	-£927	**£10,956**	£12,002	-9.4%	-1%	10%
ROYAL FREE LONDON NHS FOUNDATION TRUST	**£3,359**	£3,586	-£226	**£3,088**	£4,114	-13.9%	15%	33%
UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST	**£13,951**	£15,465	-£1,513	**£13,840**	£16,571	-10.5%	7%	20%
Total	**£90,147**	**£95,743**	**-£5,596**	**£90,857**	**£99,617**	**-5.1%**	**4%**	**10%**

Lessons learnt from the 2015-16 planning and contracting round are:

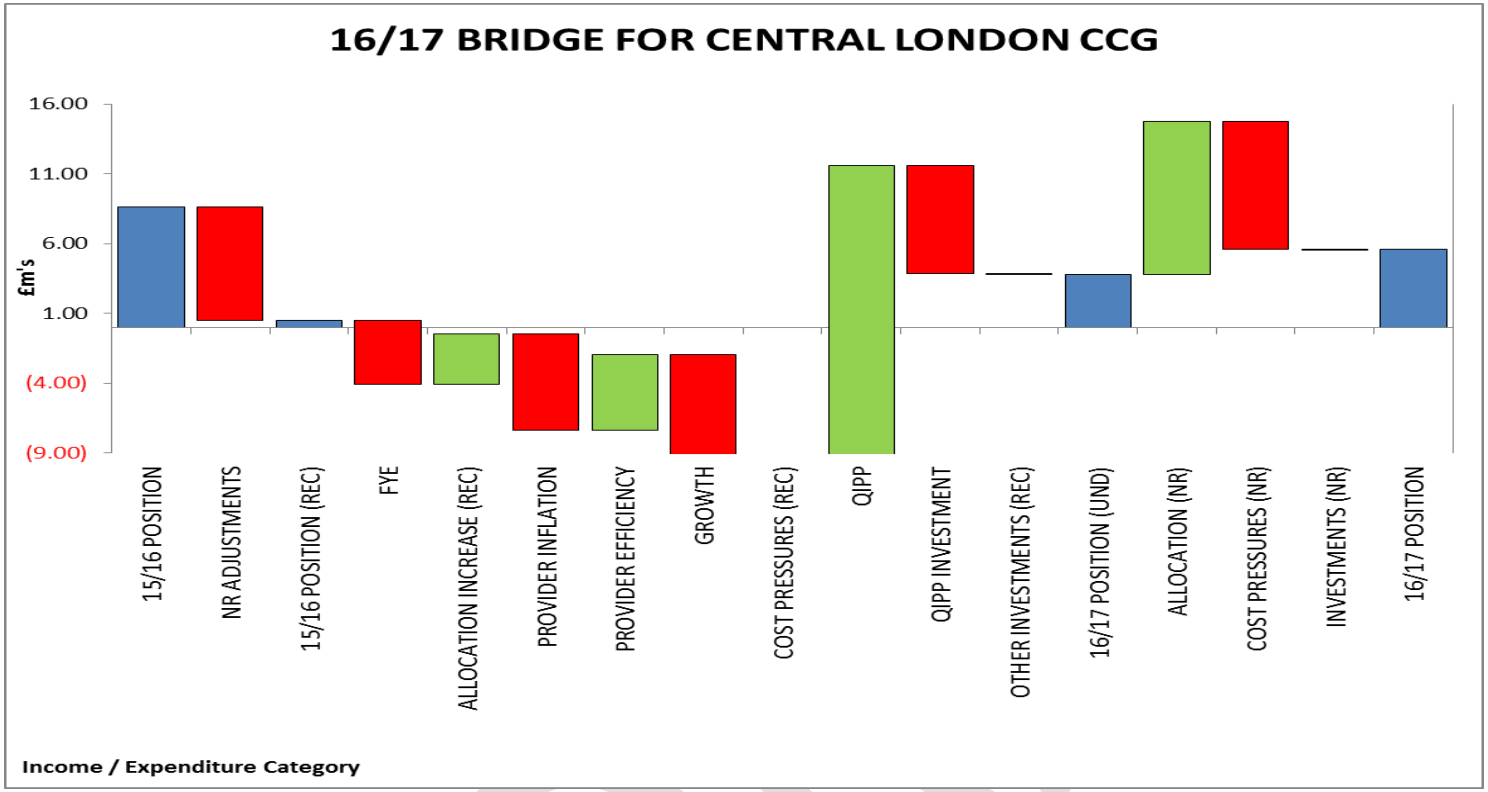
- Activity reductions in acute contracts need to be matched by QIPP schemes that are designed to address the underlying issues of demand.
- QIPP schemes need to have clear performance monitoring and risk management frameworks.
- Contracts to better reflect the CCG's requirements to achieve transformational change that delivers reductions in demand and activity, and to include mechanisms that help us to control expenditure more effectively.
- Significant Out of Area providers (UCLH, Guys) to be included in our system planning, and contract monitoring mechanisms to be strengthened.
- Review of all commissioned services to ensure value for money and remove duplication.
- Review of acute and non-acute data quality to ensure that we only pay for what we use.
- Re-procured contracts to redress balance of risk which currently rests mainly with CCGs. Contracts to include levers and KPIs that ensure demand is managed and costs are contained.
- Review current contract monitoring arrangements to ensure we have full sight and take full ownership of all demand and activity, from primary to secondary care.
- Closer monitoring of all contracts to ensure we have full sight and ownership of all demand and activity moving from primary to secondary care

Financial Challenge for 2016-17

The draft plans for 2016-17 present a significant financial challenge. We are awaiting final planning guidance and CCG allocations, but using the latest available assumptions of potential growth in allocation, inflationary pressures, and reflecting current trends in demand and activity, the net QIPP requirement for the CCG is around £13m. This compares to a net QIPP of £7m for 2015-16, against which we forecast a delivery of £4.8m, excluding £0.7m of operational plan actions.

Net QIPP assumes a balance of around 60:40 for savings and reinvestment. The net QIPP of £13m therefore represent gross savings of £21m, with £7.7m of reinvestment to achieve transformation. By comparison, gross QIPP in 2015-16 is £9.6m.

The table below shows the movement in position from 2015-16 to 2016-17:



Next Steps

We are creating a dashboard that will give us early warning indicators of a change in our referral patterns currently showing a year on year increase in referrals; we acknowledge data quality has been cited as an underlying cause of this at Imperial. Next steps are to work with business intelligence and contract finance teams to rationalise all the data that we have and further develop our dashboard so that we have clear sight of what is happening across the system answering the right questions we need to be asking e.g. have we done what we said we would and has it achieved the outcome we expected.

We have also identified the contract management of the newly developed planned care pathways being delivered by Imperial Healthcare Foundation Trust may be better supported if managed outside of the main acute contract as a single set of community contracts. We are working with our partners to implement this proposal as soon as possible.

Our plans are working on three main solutions; each of these we believe will support a sustainable system for the future.

Transformation: Developing a system that ensures the most appropriate clinician sees the patient in the right place, first time.

- Whole System Integration
- Work across 3, 5, 8 CCGs in NWL with single owner across CCG.

Demand Management: Ensuring that we eliminate all waste within our system

- Exploring further use and impact of the Patient Referral System
- Guidelines and Pro-forma's
- E-mail advice & guidance
- Practice Performance Pack's

Contract Management: Building and managing contracts that deliver the right outcomes for patients

- Holding providers to account for under performance
- Creating contracts that deliver the outcomes we expect
- Working together to find solutions

Governance & Process:

- TRG taking on the formal role of delivery board for the CCG to monitor progress on transformational programmes
- Additional scrutiny of business cases prior to Finance and Performance Committee