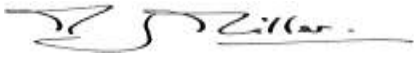


Agenda Item: 14.0

<p>Governing Body <i>held in public</i></p>	<p>Report</p> <p>Date of Meeting: 3 May 2018</p>
---	--

Report Title	Financial Plan 2018/19		
Report Author	Presented By	Responsible Director	
Malcolm Miller, Chief Finance Officer	Malcolm Miller, Chief Finance Officer	<i>Malcolm Miller, Acting Chief Finance Officer</i> Signature: 	
Purpose for presenting report	The CCG is required to produce an annual Financial Plan. The report presents the Governing Body with the proposed Financial Plan 2018/19.		
Action Required:	For approval		
Approval Route:	Finance and Performance Committee		
Further Assurance:	N/A		
Which Strategic Objectives does this report provide evidence for?	Please Tick ✓		
We will commission high quality, safe and sustainable models of care that deliver effective clinical outcomes and patient experience using evidence based decisions and best practice			
We will ensure that there is a financially sustainable and affordable healthcare system in Bedfordshire.	✓		
We will lead, engage and operate as an effective place based and STP wide system partner to achieve greater integration of care delivery.			
We will support local people and stakeholders to have an influence on services we commission to ensure our decisions are informed and shaped by local views and insights.			
We will operate and manage our Governing Body to the highest standards of accountability and transparency.	✓		
Implications/Assessments	Yes	No	N/A
Have any financial implications been signed off by the Chief Finance Officer?	✓		
Have any quality implications been signed off by the Director of Nursing & Quality?			
Have any privacy implications been signed off by the Head of Information Governance?			
Have any conflicts of interest implications been signed off by the Corporate Office?			
Have any public engagement implications been signed off by the Head of Communications & Engagement?			
Has an Equality Impact Assessment been carried out?			

Key Risks	As outlined in the report
Executive Summary	The report provides the Governing Body with the proposed Financial Plan 2018/19. The plan delivers the target Control Total Surplus of £10.0m, is compliant with all national planning guidance, achieves the Mental Health Investment Standard and makes full provision for the mandated investment in the General Practice Forward View.

Bedfordshire CCG

BCCG Draft Financial Plan

2018/19

25th April 2018



Contents

Topic	Page
Background	3
Key Planning Assumptions	4
Source & Application of Funds	6
Summary of expenditure	7
Contractual status	8
Analysis of key movements in expenditure	9
QiPP	11
Key Risks to the delivery of the Financial Plan	13
Risk Assessment of the Financial Plan	14
2016/17 – 2018/19 Activity Change	15



Background

- Initial draft plan produced mid-Jan based on known planning assumptions at that date
- 2nd Feb updated national planning guidelines issued
- Impact of new planning guidelines on BCCG:
 - £4.7m additional recurrent funding
 - Control total reduced from £11.4m surplus to £10.0m surplus
 - Mandate to provide for 0.5% national risk reserve removed
 - Commitment to meet national growth requirements in the acute sector
- STP assurance process:
 - Triangulation process between providers and commissioners
 - Alignment of commissioner QiPP and provider CIP (Cost Improvement Plans)



Key Planning Assumptions 2018-19

- Based on forecast recurrent exit rate at M10 for 2017-18
- Compliant with revised planning guidance:
 - £4.7m of additional funding included
 - 0.5% Contingency
 - Tariff uplift 0.8% (no change)
- QIPP target £26.1m (4.5%)
- Control Total £10m (1% surplus & 0.75% deficit recovery)



Key Planning Assumptions 2018-19

- Acute growth per national guidelines
- Acute contract values included on the following basis:
 - Signed and agreed £257.6m (95%)
 - Under negotiation provider position included £14.4m (5%)
- Compliant with the Mental Health Investment Standard
- Primary Care:
 - Investment in transformation funding (£3 per head population £1.0m), Urgent Treatment Centre (£0.6m)
 - 2017-18 Medicines Management national cost pressures (£2.6m) treated as non-recurrent



Source & Application of Funds

	2018-19 Plan £m
Recurrent Surplus Brought Forward	0.1
Source of Funds	
Increase in Recurrent Programme Funding	23.9
Recurrent QiPP	25.8
Total Source of Recurrent Funds	49.8
Recurrent Application of Funds	
Acute growth	(22.2)
Non acute growth	(8.7)
Investment in Primary Care	(0.6)
Investment in QiPP delivery	(2.1)
Recurrent Applications	(33.6)
Surplus after Recurrent Application of Funds	16.2
Non-recurrent QiPP	0.3
Non-Recurrent Application of Funds	
MRET - Risk Share	(2.6)
Investment in Primary Care	(1.0)
Contingency 0.5%	(2.9)
Non-Recurrent Applications	(6.5)
Surplus 2018/19	10.0



Analysis of planned spend

Expenditure	Month 10 - January		2018/19 Draft Plan £'000	% Increase/ (Decrease) on FOT	Note
	Annual Budget £'000	Forecast Outturn £'000			
Acute Services	305,105	326,649	335,658	2.8%	
Mental Health Services	55,836	58,252	58,997	1.3%	
Community Health Services	38,874	37,498	40,403	7.7%	1
Continuing Healthcare Services	39,395	36,790	39,800	8.2%	2
Primary Care Services	11,166	11,237	11,077	-1.4%	
Prescribing	60,331	61,866	59,260	-4.2%	3
Other Programme Services	19,152	18,593	14,718	-20.8%	4
Total Expenditure	529,859	550,885	559,913	1.6%	

Notes

1. Includes £0.9m transfer of services into the new community contact & £0.6m QiPP investment
2. Forecast position reduced by non-recurrent items
3. Excludes national cost pressures incurred in 2017/18
4. Includes unidentified QiPP



Contractual status – £371.3m (93%) signed and agreed

	Position as at 23/04/18	Revised SLA	MRET/ Readmissions Risk Share	Total	Agreed (including risk share)	Not Yet Agreed
Bedford	Agreed	128,573	1,200	129,773	129,773	
L&D	Agreed	72,237	1,400	73,637	73,637	
ENHT	Agreed	22,800		22,800	22,800	
Cams	Agreed	10,083		10,083	10,083	
MK	Agreed	12,101		12,101	12,101	
Bucks	Not Yet Agreed	7,028		7,028		7,028
Top Six		252,821	2,600	255,421	248,393	7,028
GOSH	Agreed	457		457	457	
Guys and St Thomas	Not Yet Agreed	996		996		996
Imperial	Agreed	385		385	385	
London North West	Not Yet Agreed	747		747		747
Moorfields	Agreed	885		885	885	
North West Anglia	Agreed	954		954	954	
Northampton	Agreed	725		725	725	
Oxford University	Not Yet Agreed	1,392		1,392		1,392
Papworth	Agreed	2,446		2,446	2,446	
RNOH	Not Yet Agreed	1,555		1,555		1,555
Royal Brompton	Agreed	921		921	921	
Royal Free	Not Yet Agreed	1,216		1,216		1,216
UCL	Agreed	2,437		2,437	2,437	
West Herts	Not Yet Agreed	1,136		1,136		1,136
Other Acute		16,252	0	16,252	9,210	7,043
Circle	Agreed	31,284		31,284	31,284	
ELFT - Community	Agreed	31,094		31,094	31,094	
ELFT - MH	Agreed	51,321		51,321	51,321	
EEAST	Not Yet Agreed	13,987		13,987		13,987
Total		396,760	2,600	399,360	371,302	28,057

93%

7%



Analysis of key movements

- Acute growth based on national guidance – see slide 14
- Mental Health includes specific investment (£826k) to achieve the Mental Health Investment Standard
- Community Services have been aligned to the new East London Foundation Trust community contract
- Continuing Healthcare increase distorted by non-recurrent items in 2017/18 baseline
- Primary Care includes investments detailed on slide 10
- Prescribing reflects the removal of the national cost pressures incurred in 2017/18



2018-19 Investments in Primary Care

Included in the 2018/19 budget for primary care are the following investments:

Recurrent investments	£m
Urgent Treatment Centre (part year costs) (Nationally mandated)	0.6
Non-recurrent investments	£m
Support complex patients out of hospital (National mandate based on £3 per head)	0.6
GP extended access (National mandate based on £3 per head)	0.4



QIPP – RAG rating of schemes

RAG Rating	Assessment Criteria
Blue	Scheme is fully planned, approved and delivering
Green	Scheme is planned and approved but not yet delivering
Amber	Scheme has been developed and costed and is planned in outline but is not yet finalised
Red	Scheme is not developed beyond 'idea' stage. A high level concept, or Pipeline scheme, with very limited or no assessment of potential impact



QIPP Status as at 9 April 2018

QIPP Movement Update					
	Analysis by risk rating				
	Blue	Green	Amber	Red	Total
	£'000	£'000	£'000	£'000	£'000
Gross QIPP					
At 23 March 2018	7,608	9,460	2,528	6,466	26,062
At 9 April 2018	10,404	5,869	5,012	5,287	26,572
Movement	2,796	(3,591)	2,484	(1,179)	510
Risk Assessed QIPP					
At 23 March 2018	7,608	7,568	1,264		16,440
At 9 April 2018	10,404	4,695	2,506		17,605
Movement	2,796	(2,873)	1,242	0	1,165



There is no unidentified QiPP at 9th April 2018
better care, better value, better health

Key risks to the delivery of the 2018/19 Plan

- Non-achievement of QiPP
- Integrated Care System (ICS) not operating under a single control total
- Merger of Bedford Hospital with Luton & Dunstable FT
- 2017/18 acute providers exit baseline
- Continuing pressures on Mental Health S117 out of hospital care
- Additional cost of financial recovery



Risk Assessment of 2018/19 Financial Plan

	£m
2018/19 Control Total Surplus	10.0
Less risks:	
Shortfall on QiPP delivery	(3.2)
Additional S117 Mental Health out of hospital liabilities	(0.7)
Total Risks	(3.9)
Mitigations:	
Release of contingency provision	2.9
Management of cost pressures	1.0
Total Mitigations	3.9
Risk Assessed Surplus	10.0

In order to deliver the £10.0m Control Total Surplus the CCG will need to identify additional QiPP, in excess of the current £26.1m target, to provide resilience against any emerging risks. The CCG is currently focussing on delivering a £30.0m target QiPP programme.



2016/17 to 2018/19 Activity change

	2016/17	2017/18 FOT	Year on Year Growth %	2018/19 Plan	Year on Year Growth %
Planned Care					
GP Referrals	83,088	88,052	6.0%	90,073	2.3%
Other Referrals	63,755	64,921	1.8%	67,754	4.4%
1St OP	124,466	132,871	6.8%	143,636	8.1%
FU OP	217,342	227,471	4.7%	238,302	4.8%
Electives DC	44,865	47,705	6.3%	50,100	5.0%
Elective IP	9,215	8,857	-3.9%	8,953	1.1%
Unplanned Care					
A&E	127,430	132,763	4.2%	136,881	3.1%
Non Elective Zero LOS	13,991	16,682	19.2%	18,309	9.8%
Non Elective +1 LOS	32,742	33,111	1.1%	33,782	2.0%

Dermatology switch from Community to acute has increased planned care actual in 17/18.
Dermatology also affects the 18/19 growth from 17/18 as the service only went live partway through 17/18

