

Agenda Item: 16.0

<p>Governing Body <i>held in public</i></p>	<p>Report</p> <p>Date of Meeting: 25th January 2018</p>
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Report Title	Briefing paper for Financial Plan 18/19		
Report Author	Presented By	Responsible Director	
Jim Hayburn, Chief Finance Officer	Jim Hayburn, Chief Finance Office	Jim Hayburn, Chief Finance Officer Signature:	
Purpose for presenting report	This report gives an update of the first draft of the 2018/19 Financial Plan.		
Action Required:	For decision /For approval / For discussion /To give assurance /For information only		
Approval Route:	N/A		
Further Assurance:	Finance and Performance Committee		
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.			x
We will lead, engage and operate as an effective place based and STP wide system partner to achieve greater integration of care delivery.			x
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.			x
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			
Executive Summary	The purpose of this paper is to provide the Governing Body with an update on the first draft of the 2018/19 Financial Plan. There will be a number of reiterations of the plan to reflect the further development of the QiPP Programme		

	and further more detailed analysis of activity trends and discussions with providers.
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1. Introduction

The purpose of this paper is to provide the Governing Body with an update on the first draft of the 2018/19 Financial Plan. There will be a number of reiterations of the plan to reflect the further development of the QIPP Programme and further more detailed analysis of activity trends and discussions with providers.

The planned control with NHSE is a surplus of £11.4m. In order to achieve this target the CCG will have to deliver a QIPP of £27.9m of which £16m has been identified and being worked upon. The detail is provided at Appendix A. It is intended that as a vanguard Accountable Care System it will move to a single control total. However, if this was the case the CCG would have to be satisfied that such a move would support the CCG's Financial Recovery Plan. This would include a different way of managing risk between organisations i.e. a move away from PBR; a joint programme of work to take costs out of the system, and an agreement not to worsen individual Clinical Commissioning Organisations financial performance due to actions undertaken by the STP.

2. Key Planning Assumptions

The key planning assumptions which underpin this plan are as follows:-

- a) That the Plan is compliant with NHSE Business Rules. Namely that it includes:-
 - 0.5% Contingency
 - 0.5% Non-recurrent Reserve (national risk reserve guidance)
 - 0.5% Non-recurrent Reserve (committed)
- b) The Plan delivers a control total of a 1% surplus plus 1% recovery of past year's deficits.
- c) The Plan includes an overall tariff uplift of 0.8%.
- d) The Plan includes growth of £19.1m in the CCG's allocation.
- e) The Plan includes demographic growth of 1.2% and non demographic growth of 3%. Except in those contracts where it is not appropriate to include activity growth eg. Mental Health Contract and specific areas such as CHC and Prescribing which have specific growth of 3.7% and 4.7% respectfully.
- f) A QiPP target of £27.9m (48%).
- g) A Plan that is compliant with the Mental Health Parity of Esteem requirement.
- h) Reflects the requirement of transformation funding of £3 per head in Primary Care.

3. Conclusion

2018/19 will be a difficult financial year for the CCG and it is anticipated that further updates will need to be scrutinised through Finance and Performance Committee.

Appendix A

	2017-2018		2018-19
	Full Year	Month 8	Full Year
	Plan	FOT	Plan
	£'000	£'000	£'000
Resources	557,822	557,822	574,507
Expenditure			
Acute services	301,127	325,078	325,193
Mental Health services	55,555	57,997	60,570
Community Health Services	38,697	37,599	39,420
Continuing Care services	39,395	37,904	40,841
Primary Care services	71,632	73,289	73,117
Other Programme services	25,116	22,630	19,805
0.5% Non-recurrent - uncommitted funds	2,741	2,741	2,837
0.5% Contingency	2,741	0	2,837
Running Costs (within RCA)	9,818	10,062	10,356
Unidentified QiPP	0	(1,030)	(11,869)
Total Expenditure	546,822	566,270	563,107
Surplus/(Deficit)	11,000	(8,448)	11,400