



Joint Committee of Clinical Commissioning Group's

Title of Paper	Planning/Finance Update		
Date of Meeting	1 st March 2018	Agenda Item	7

Lead Author	Gary Raphael	
Purpose of the Report	For Discussion	
	For Information	x
	For Approval	
Executive Summary	The report outlines some of the main planning issues for 2018/19, CCG allocations, 2018/19 financial performance by LDP and our approach to control totals.	
Recommendations	The Committee is asked to note the report.	
Equality Impact & Risk Assessment Completed	Not Applicable	
Patient and Public Engagement Completed	Not Applicable	
Financial Implications	Yes	
Risk Identified	No	
If Yes : Risk		
Report Authorised by:	Gary Raphael	

Planning/Finance update

Introduction

1. This is to brief members of the Committee on some of the important issues relating to the planning guidance, published allocations to CCGs, our current financial position as a system and the influence that may have on how we may wish to pitch our response to the requirements on control totals.

2018/19 allocations to CCGs

1. The most recent planning guidance, received Friday 2nd February, has notified CCGs of their allocations next year. Below are the main points to note:
 - The estimated registered population for Lancashire and South Cumbria (L&SC) in 2018/19 is 1,757,818
 - CCG allocations will rise by £19.7m more than originally planned in 2018/19 – the aggregated allocation is now £2,460m and aggregated CCG growth percentage for L&SC is 2.56%
 - The additional growth (£19.7m) amounts to 0.81% of aggregated CCG allocations with a range 0.79% to 0.84% for individual CCGs
 - The mean allocation per head in L&SC in 2018/19 is £1,400 compared to the average for England of £1,254 per head = 11.64% more per head, with the range being £1,533 in Blackpool CCG (+22.25%) to £1,283 in Greater Preston CCG (+2.31%)
 - Distance from targets range from -2.86% (= £6.5m) in Blackburn w Darwen CCG to +3.96% (= £21.9m) in East Lancashire CCG, with L&SC overall being 1% above its target allocation = £24.6m
 - L&SC has received £5.4m to date from national GP access funds
2. L&SC is planning as a first wave Integrated Care System (Fylde Coast ICS could be extended to cover the whole footprint). The ICS will ensure that our top level priorities and assumptions for resource deployment are signalled clearly to organisations within their LDPs, which henceforth will be known as Integrated Care Partnerships (ICPs).

Key issues for finance in the planning guidance

3. In addition to the extra resources being made available to CCGs (£19.7m local and £600m nationally) NHSE has notified the NHS of a number of other pots of additional resource, as follows:
 - £400m for a Commissioner Sustainability Fund (CSF) that will be used to support CCGs that are unable to achieve a balanced budget
 - £370m nationally (£12m locally) representing the 0.5% contingency sum provided by CCGs but held against national risks, which will be released back to CCGs
 - £650m extra for the Provider Sustainability Fund (now the PSF but was previously called the STF) making a total of £2.45bn (= circa 3% of provider sector turnover) with an expectation of a pound for pound improvement in the aggregate provider position

4. In return for this extra funding both NHSE and NHSI expect that both the CCG and provider sectors will be able to achieve balanced financial positions in 2018/19.
5. A number of requirements and expectations for performance are made explicit in the guidance on: RTT/waiting lists; A&E performance; elective and non-elective activity levels; and the extra money expected to be applied in the national priority areas of mental health, cancer and primary care services. As the ICS we will be developing our plans to show how we are going to meet these requirements.

STP/LDP positions

6. The latest LDP forecasts are shown below.

LDP	Annual Plan	Planned to month 9	Actual to month 9	Forecast to year end	Forecast annual variance
	£'m	£'m	£'m	£'m	£'m
Fylde Coast	4.01	0.60	-1.16	2.40	-1.61
Bay Health/Care partners	-49.71	-35.21	-52.53	-69.61	-19.90
Central Lancashire	-2.68	-14.84	-29.50	-35.24	-32.56
Pennine Lancashire	3.35	3.70	3.70	3.35	0.00
West Lancashire	1.41	1.06	1.06	1.41	0.00
Lancashire Care FT	2.10	1.19	-1.29	2.10	0.00
STP Total at month 9	-41.52	-43.49	-79.72	-95.59	-54.07
STP total at month 6	-54.77	-49.31	-69.56	-66.02	-11.25

Signing-up to control totals

7. One of the big issues for the STP moving forwards as an ICS is our ability to sign up to a system-wide financial control total, whether it is the full or partial version of the national policy. It should be noted that an inability to sign up to either of these options has an adverse financial impact on the ICS in 2018/19, because certain incentives, such as receipt of historic and enhanced PSF, the CSF, transformation funding and three year's capital funding could be affected, depending on how we are able to articulate our offer back to NHSE/I.
8. There is clear guidance that, for organisations in STPs not part of the ICS wave 1 programme, an inability to meet control totals has significant adverse financial implications. What is not yet clear is how larger ICS's like L&SC could be encouraged to take on a shared control total of any description (partial or full) and thereby trigger the financial benefits signalled in the planning guidance. I am working with finance colleagues across L&SC to scope the extent to which we can improve our financial standing in 2018/19 and thereby propose to NHSE/I our approach to control total sign off.

Recommendation

9. The Committee is asked to **note** this report.

Gary Raphael
STP finance Lead
27th February 2018