

<b>Date</b>	15 May 2018
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<b>Title of paper</b>	<b>West London CCG: 2018/19 financial and operating plan, and objectives</b>
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<b>Confidential</b>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Items are only confidential if it is in the public interest for them to be so

<b>The Governing Body is asked to:</b>
<ol style="list-style-type: none"> <li>1. Approve the CCG budget for 2018/19 and to agree the planned control total and associated QIPP plan.</li> <li>2. Agree the CCG Operating Plan for 2018/19</li> <li>3. Approve the local CCG Corporate Objectives linked to the new NWL Focus Areas.</li> </ol>

<b>Summary of purpose and scope of report</b>
This paper presents the budget for 2018/19 for the CCG which includes Primary Medical Services Allocation.

<b>Quality &amp; Safety/ Patient Engagement/ Impact on patient services:</b>
No direct impact

<b>Finance, resources and QIPP</b>
The plan sets out how the CCG can deliver an in year surplus of £4.1 m.

<b>Equality / Human Rights / Privacy impact analysis</b>
No direct impact

<b>Supporting documents</b>
<ul style="list-style-type: none"> <li>• Revenue resource limit (to follow)</li> </ul>

- West London finance plan (2018/19) (to follow)
- West London CCG corporate objectives

## **Governance and reporting**

Draft plan reviewed by the CCG Finance and Activity Committee.

## 1. Financial Plan for 2018/19

### Context and 2017/18 Outturn

The CCG ended the 2017/18 financial year with an in year surplus of £6.846m against a plan of £4.863m. This is £1.983m over the planned surplus target and is in agreement with NHSE due to the 0.5% system risk share release. This increased the cumulative surplus to £38.678m, from £31.832m in 2016/17.

The CCG also achieved the Better Payment Practice Code, which requires CCGs to pay 95% of invoices by volume and value within 30 days.

The CCG has other Statutory Duties which are highlighted on the table below:-

	Plan / Target	Actual / Performance	Variance
Capital resource use does not exceed the amount specified in Directions	£0k	£0k	£0k
Capital resource use on specified matter(s) does not exceed the amount specified in Directions	£0k	£0k	£0k
	Plan / Target	Actual / Performance	Variance
Revenue resource limit	£440,460k	£440,460k	
Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	£440,460k	£401,782k	£38,678k
Revenue administration resource use does not exceed the amount specified in Directions	£4,984k	£4,734k	£250k
CCG Surplus	£36,695k	£38,678k	£1,983k

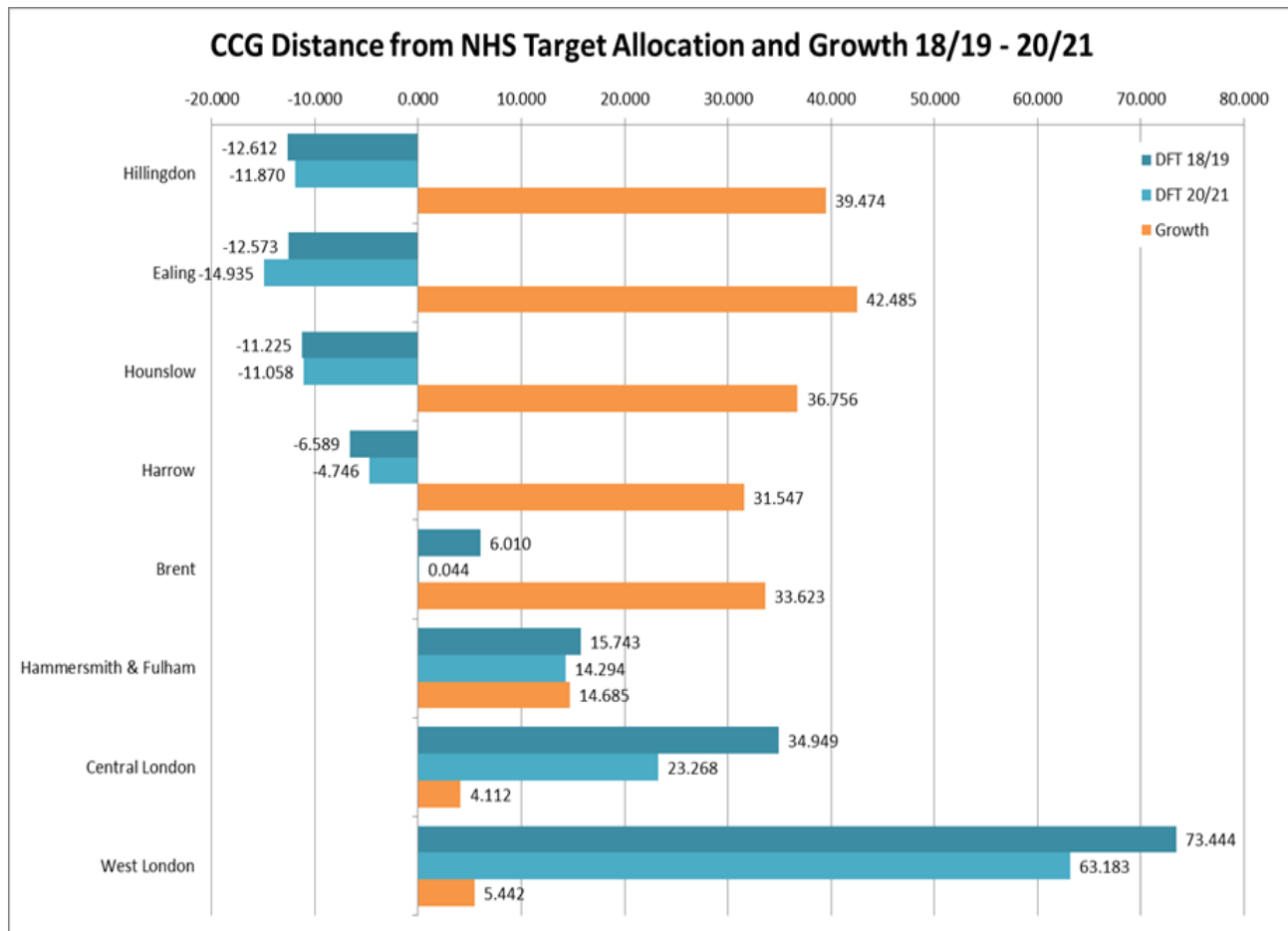
Against the backdrop of a strong financial position the Governing Body are aware that the financial position will be challenged in future years by the limited growth the CCG will receive.. To support the smooth transition to lower growth it is critical that the CCG continues the process of reducing recurrent spend and generates the QIPP benefits of prior investments in services.

The NWL Strategy highlights a £6m cross subsidy proposal, which mainly benefits WL CCG from rebasing of the community and mental health contracts, which, once implemented, will also support the CCG in 2019/20 and 2020/21 during this lower growth period.

In addition the CCG has consistently supported the wider system through the CHHWE and NWL wide risk share arrangements, including a total of £8m in 2017/18.

The Distance from Target (DFT) position of the NWL CCGs is quite varied and the growth expectations are also significantly different. The table below highlights the expected position of NWL CCGs from 2018/19 to 2020/21, and highlights the need for West London CCG to focus on

efficiencies to reduce the impact of lower future growth. Assuming cost pressures of 2.5% for growth and inflation, the CCG will have a net cost pressure of approximately £8m each year.



**2018/19 Financial Plan**

The financial plan has been developed to support the long term position of the CCG and in line with the draft NWL Finance Strategy and NHS England requirements.

The 2018/19 allocation increased by £2.289m or 0.58% of income, once non-recurrent movements have been adjusted for. The CCG allocation for 2018/19 is recurrently £404.4m with an additional £1.4m non recurrent funding. The non-recurrent element will grow by £8.9m once the North Kensington recovery funding is confirmed. The full Revenue Reserve Limit is set out on Appendix 1.

The plan aims to deliver a £4.189m in year surplus, generating a cumulative surplus of £41.694m. The plan includes a contingency reserve of £2.223m (0.5%), QIPP plan of £13.365m (3.8%) and a contribution to NWL Strategy of 0.65%, reduced from the previous contribution of 1%. The surplus of £4.189m includes a drawdown of £1.173m which supports the overall position across NWL.

A significant proportion of the 2018/19 health service contracts have been signed are included in the income and expenditure appendix. Imperial and CLCH are yet to be formally agreed, but latest estimates are included in the position.

The CCG has a reduced management cost target, which is planned to be achieved through staffing efficiencies.

## **QIPP**

WL CCG has set a target of 3.8% of total Allocations, or £15.365m. The plans include a mix of local schemes based on previous investment in out of hospital services and NWL system wide initiatives. The review of system wide opportunities continues and there may be further savings attributable to the CCG over the next few weeks. The CCG currently has a QIPP plan shortfall of £1.6m, which is expected to be bridged through additional local and system wide schemes. The delivery of the QIPP plan will be challenging in 2018/19 and will require oversight at a local and system wide level.

The CCG will monitor QIPP performance through the WL QIPP Delivery Group, which will initially meet on a fortnightly basis and report the Finance and Activity Committee.

The summary expenditure plan is set out in Appendix 2.

## **Summary**

The CCG has a very challenging financial outlook for 2020/21 and beyond. The attached plan achieves an in year surplus and supports the longer term financial position of the CCG by setting an ambitious QIPP plan.

The Governing Body are asked to approve the plan and the following components of the same:

- The plan delivers an in year surplus of £4.189m
- The plan requires £15.365m of QIPP, of this some £1.6m is still to be identified.
- Re-basing of cross subsidies will be enacted in 2018/19, but the financial benefit will be gained in 2019/20 and 2020/21 in line with the draft NWL Financial Strategy.

The budget attached at Appendix 1 is still subject to final approval by NHSE, but it is likely that only minor changes will be required to finalise the same. The allocation is attached as Appendix 2.

The Governing Body are therefore asked to approve this plan to enable the mobilisation and delivery of the same to commence with pace and urgency.

## 2. Operating Plan 2018/19

In parallel with the financial plan, the CCG is also required to submit an operating plan that sets out the CCGs plans for activity levels and achievement of key NHS targets for 2018/19.

The WL CCG Operating plan has been prepared with close collaboration across NW London to ensure consistency of assumptions and target aspiration, and has been developed through regular assurance meetings with NHS England. The latest plan was submitted to NHS on 30 April 2018.

Activity levels have been set using Mth 10 actuals and aligned to the NHS England dataset. These have then been inflated using a combination of local and system wide analysis to estimate demographic and non-demographic growth. Non recurrent adjustments have been made to account for additional activity in 18/19, such as RTT backlog clearance at Imperial. This estimate has then been reduced by QIPP activity and increased by QIPP activity that has been re-provided in a non-acute setting (community outpatients for example). This overall change demonstrates the overall increase or decrease in commissioned activity for the CCG.

The submitted plan achieves the key NHS Constitution targets, however the target for LD patients receiving an annual health check is subject to an on-going discussion with NHS England. The plan does not meet the RTT target due to the current RTT issues at Imperial and the A&E and E-Referral targets are met at the end of the year. The plan also includes new targets for Mental Health, Learning Disability and Children. The NWL CCGs are awaiting a formal response from NHS England and any changes can be re-submitted on the 14<sup>th</sup> May.

A summary of the activity plan is table below.

Code	Activity Line	CCG Supplied 17/18 FOT	18/19 Annual Plan	Forecast Growth from CCG Supplied 17/18 FOT to 18/19 Plan*
E.M.7	Total Referrals (General and Acute)	75,371	76,427	1.4%
E.M.7a	Total GP Referrals (General and Acute)	44,697	44,629	-0.2%
E.M.7b	Total Other Referrals (General and Acute)	30,674	31,798	3.7%
E.M.8	Consultant Led First Outpatient Attendances	69,969	72,147	3.1%
E.M.9	Consultant Led Follow-Up Outpatient Attendances	150,911	154,723	2.5%
E.M.10	Total Elective Admissions	22,975	23,585	2.7%
E.M.10a	Total Elective Admissions - Day Cases	19,858	20,465	3.1%
E.M.10b	Total Elective Admissions - Ordinary	3,117	3,120	0.1%
E.M.11	Total Non-Elective Admissions	16,640	16,843	1.2%
E.M.11a	Total Non-Elective Admissions - 0 LoS	4,599	4,761	3.5%
E.M.11b	Total Non-Elective Admissions - +1 LoS	12,041	12,082	0.3%
E.M.12	Total A&E Attendances excluding Planned Follow Ups	136,343	138,884	1.9%
E.M.18	Number of Completed Admitted RTT Pathways	10,281	10,650	3.6%
E.M.19	Number of Completed Non-Admitted RTT Pathways	63,756	66,052	3.6%
E.M.20	Number of New RTT Pathways (Clockstarts)	92,803	96,145	3.6%

A summary of the NHS Constitution and other commitments is tabled below:-

WL CCG Summary of NHS Constitution and other commitments - 18/19

	Target	Qtr 1			Qtr 2			Qtr 3			Qtr 4		
		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
<b>NHS Constitution</b>													
RTT Incomplete	92%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%	87.7%
Over 52 week waits	0	28	26	24	21	19	17	15	12	10	8	6	3
Diagnostic waits over 6 weeks	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Cancer - 2 week wait	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
Cancer - 2 week wait (Breast)	93%	93%	93%	93%	95%	93%	93%	93%	93%	93%	93%	94%	93%
Cancer - 31d Treatment	96%	97%	98%	96%	96%	97%	97%	97%	97%	96%	97%	98%	96%
Cancer - 31d Surgery	94%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	94%	100%
Cancer - 31d Drug Treatment	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cancer - 31d Radiotherpay	94%	100%	94%	100%	100%	100%	94%	94%	100%	100%	100%	100%	94%
Cancer - 62d GP Referral	85%	85%	85%	85%	86%	88%	86%	85%	86%	86%	85%	85%	85%
Cancer - 62d Screening	90%	100%	100%	100%	100%	92%	100%	100%	93%	94%	100%	100%	100%
Cancer - 62d Cons. Upgrade	NA	100%	100%	100%	100%	100%	100%	100%	100%	90%	100%	100%	100%
<b>Other Targets</b>													
A&E 4 hour (ChelWest)	95%	93.8%	93.8%	93.8%	94.8%	94.8%	94.8%	94.6%	94.6%	94.6%	94.6%	94.4%	95.0%
<b>Mental Health</b>													
Dementia diagnosis rate	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%	66.7%
IAPT roll out	4.75% Qtr 4	4.6%			4.7%			4.9%			4.8%		
IAPT Recovery Rate	50%	50.1%	0.0%	0.0%	50.1%	0.0%	0.0%	50.1%	0.0%	0.0%	50.1%	0.0%	0.0%
IAPT Waiting Times 6 weeks	75%	75.2%			75.4%			75.5%			75.7%		
IAPT Waiting Time 18 weeks	95%	95.2%	0.0%	0.0%	95.2%	0.0%	0.0%	95.2%	0.0%	0.0%	95.2%	0.0%	0.0%
Early Access to Pyschiatry	50%	55.6%	0.0%	0.0%	55.6%	0.0%	0.0%	55.6%	0.0%	0.0%	55.6%	0.0%	0.0%
Improve Access for CYPMH	461	115			115			115			116		
CYP Eating Disorders 4 weeks	95%	100%			100%			100%			100%		
CYP Eating Disorders 1 weeks	95%	100%			100%			100%			100%		
<b>Primary Care &amp; Community</b>													
Extended Access to GP	NA	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E-Referral Coverage	100% Oct 18	50%	62%	69%	77%	85%	92%	97%	100%	100%	100%	100%	100%
Personal Health Budgets/100k	NA	42.41			44.43			46.45			48.47		
Childrens Wheelchairs 18 weeks	92%	70%			80%			90%			100%		
AHC for people with LD	TBA												

### 3. WL CCG Corporate Objectives

The draft Corporate Objectives were discussed at the Governing Body development session and have been drafted by the relevant Heads of Depts./Directors.

The draft objectives for 2018/19 have been aligned to the new 9 focus areas across NWL and support the overall delivery of the North West London Strategy and Transformation Plan.

The major focus areas for 2018/19 are to:

- Co-ordinate and develop Primary Care Homes (PCHs)
- Mobilise the PMS review and associated commissioning intentions
- Support delivery of the Urgent Care Strategy across NWL

- Lead the Outpatient development programme across NWL.
- Implement the co-designed revised urgent care pathway and operationalize an integrated CWNHSFT-based mental health pathway
- Full roll out of the Community Living Well (CLW) service
- Continue to develop the Integrated Care initiative and align with PCHs to respond to the local population needs.
- Continue to develop our Multi-Specialty Community Provider (MCP) programme, due to mobilise in April 2020.
- Harness the benefits of technology to improve patient care, including full roll of E-Referral by October 2018 and working with Primary Care providers to scope out the IT infrastructure needed to future proof and support Primary Care Homes and Multi-specialty Community Providers