

Report of: Matthew Ward, Chief Operating Officer, Leeds South and East CCG

Report to: The Leeds Health and Wellbeing Board

Date: 20th January 2016

Subject: Summary of NHS Planning Guidance 2016/17-2020/21 and related requirements

Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

This paper summarises the NHS planning guidance and presents a brief summary of the cost pressures facing the three Leeds CCGs in 2016-17.

Section Two summarises the NHS planning guidance published on 23 December 2015. The guidance has two broad requirements – a 1-year operational plan per NHS organisation and a 5-year sustainability and transformation plan which takes a system view – in the context of delivering the five year forward view by March 2021. The deadline for the operational plan is 11 April 2016 and is expected to be ‘year one’ of the 5 year transformational plan. Full submission of this plan is due at the end of June 2016 and will require considerable effort on the part of system leaders to effectively develop and implement. The plan also acts as an application to access a national fund (in addition to baseline financial allocations) – provided that plan can demonstrate confidence in Leeds to achieve the essential objectives of the plan and growth monies S31 guidance.

Section Three summarises the key areas of investment which the three CCGs have identified for 16-17. These are presented alongside the assumptions being made about the three CCGs’ financial allocations for 16-17. The analysis gives an early indication of the degree of affordability in commission the areas of investment.

Recommendations

The Health and Wellbeing Board is asked to:

- Note the requirements of the individual organisations, each represented by Health and Wellbeing Board members, to submit individual operational plans for 16-17, as well as committing to developing a single five year 'place-based' plan.
- Note the requirement of CCGs to confirm the footprint of the five year plan to NHS England by 29 January 2016, which NHS Health and Wellbeing Board members are in agreement needs to cover Leeds (in terms of population) and Health and Wellbeing board member organisations.
- Note the value of CCG financial allocations for 2016-17 in the context of the cost pressures and risks facing commissioners in 2016-17.
- Discuss and agree the role of the Health and Wellbeing Board in ratifying draft and final submissions of the individual organisation plans as well as the system five year plan.
- Discuss and endorse the approach being taken by NHS Health and Wellbeing Board members and other notable system leaders to develop the five year plan – including leadership and resource requirements. Please note that information to inform this discussion will be shared with members at the meeting on 20th January.

1 Purpose of this report

- 1.1 This paper summarises the NHS planning guidance and presents a brief summary of the cost pressures facing the three Leeds CCGs in 2016-17.
- 1.2 It is important that the Health and Wellbeing Board is aware of the requirements upon NHS Health and Wellbeing Board members and of the Board itself in developing, submitting and implementing the plan. It is also important to recognise the clear link with the Joint Health and Wellbeing Strategy, and the essential role the five year plan has in creating a sustainable Health and Social System in the near future.

2 “Delivering the Forward View: NHS Planning Guidance 2016/17-2020/21

- 2.1 The planning guidance was published on 23 December 2015. The guidance reflects the Comprehensive Spending Review and need to plan for a sustainable NHS by restoring financial balance, delivering core access and quality standards for patients, and achieving the aims of the Five Year Forward View.
- 2.2 There are two key requirements set out in order to plan for sustainability in the long term – a five year Sustainability and Transformation Plan (STP) by June 2016; place-based and driving the Five Year Forward View; and a one year Operational Plan for 2016-17 by March 2016; organisation based but consistent with the emerging STP.
- 2.3 The five year Sustainability and Transformation Plan (STP), Oct 2016 – Mar 2021, is intended to be place based for local populations and drive forward the delivery of the Five Year Forward View. The plan is expected to reflect the refreshed Health and Wellbeing Board strategy for Leeds and should set out how the gaps in health, quality and finance can be closed. The guidance refers to the STP as more than just a plan – and not one that can be outsourced or delegated. Instead it requires five key elements or actions from the leadership:
 - Local leaders coming together as a team
 - Developing a shared vision with the local community

- Programming a coherent set of activities to make it happen
 - Execution against plan
 - Learning and adapting
- 2.4 The STP will double up as an application for funding for 2017/18 onwards, mainly to support the implementation of New Models of Care (NMC), cancer and mental health services. Limited funding will also be available in 2016/17 for priority areas and to build momentum. The guidance is clear that funding will only be made available if plans are of sufficient quality, if they demonstrate confidence that actions can be implemented and if they demonstrate strength and unity of local system leadership and partnerships.
- 2.5 The health and care system must deliver nine essential requirements:
- The STP
 - Aggregate financial balance
 - Sustainability and quality of General Practice
 - Access standards for A&E and ambulance waits
 - Referral to treatment
 - 62-day cancer waiting standard / one-year survival rates
 - Two new mental health access standards / dementia diagnosis
 - Learning disabilities
 - Improvements in quality
- 2.6 Two further 'new model of care' have been identified to assist in delivering a sustainable NHS in the long term: Secondary mental health providers managing care budgets for tertiary mental health services and the reinvention of the acute medical model in small DGHs. Applications of interest should be submitted by 29 January.
- 2.7 System leaders are meeting to discuss the approach to delivering the five year plan requirements at the Leeds Health and Care Partnership Executive Board on 7th January 2016. Health and Wellbeing Board members present at that meeting will be able to provide a verbal update to the Health and Wellbeing Board about the approach and the overarching objectives of the plan.
- 2.8 In addition each CCG and provider organisation is expected to produce a one year Operational Plan for 2016-17 – effectively year one of the five year sustainability and transformation plan. The plan should therefore reflect the nine essential requirements listed in section 2.5 as well as:
- how they intend to reconcile finance with activity (and where a deficit exists, set out clear plans to return to balance)
 - their planned contribution to the efficiency savings;
 - their plans to deliver the key must-dos;

- how quality and safety will be maintained and improved for patients;
- how risks across the local health economy plans have been jointly identified and mitigated through an agreed contingency plan
- how they link with and support with local emerging STPs

2.9 The first submission of full draft 16/17 Operational Plans is due 8 February 2016 with the final version due on 11 April 2016. This final version must align with commissioning intentions with provider contracts.

2.10 In addition to the funding to support delivery of the 5-year STP is the funding to support NHS providers to return to financial balance. A £1.8 billion Sustainability and Transformation Fund will replace direct Department of Health (DH) funding and be managed by NHS Improvement to identify and calculate individual trusts and foundation trusts on a quarterly basis. Release of funds will depend on achieving recovery milestones which includes the need to ensure CCGs have reviewed and refreshed their operational plans for 2016/17.

3 NHS Cost Pressures, Risks and Commissioning Intentions (Leeds CCGs)

3.1 The CCG Directors of Commissioning have led the process of collating and ratifying the commissioning priorities for 2016/17/18. Plans have been developed and submitted via the Provider Management Groups or equivalent across all portfolios of CCG responsibility. All plans have been subject to internal CCG and cross-CCG challenge.

3.2 The value of unavoidable cost pressures relating to CCG-commissioned services is £10m in 2016-17 alone (mainly relating to the acute hospital sector). The value of risks – defined as cost pressures which are not certain or where the value is not certain – is an additional £13m for 2016-17. In addition to these unavoidable pressures are investments which are highly desirable – for example those relating to operational pressures or service improvements.

3.3 The value of the known unavoidable pressures (excluding risks) is set against the local financial context for each of the three CCGs. Assumptions have been made about financial allocations for CCGs in 2016-17 based on the minimum growth of 1.39%. Financial plans indicate that all three CCGs will move into a deficit financial position of between £2.4m and £5.3m – prior to any risks being accounted for.

3.4 The new NHS financial allocation puts extra emphasis on the national requirement to develop the five year system-wide sustainability and transformation plan, which aims to achieve aggregate financial balance.

4 Health and Wellbeing Board Governance

4.1 Consultation and Engagement

4.1.1 The purpose of this report is to share information about national planning requirements and therefore Consultation and engagement is not required – although activities will take place in relation to service plans as a result of the guidance. The STP will have to go to the H&WBB for sign off before June 2016.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Service and commissioning plans developed as a result of the guidance will be assessed.

4.3 Resources and value for money

- 4.3.1 This report emphasises the need to develop explicit plans which demonstrate our commitment to make best use of our collective resources, the Leeds £.

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 N/A

4.5 Risk Management

- 4.5.1 N/A

5 Recommendations

- 5.1 The Health and Wellbeing Board is asked to:

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