Barnet Clinical Commissioning Group

Paper 11.0

NHS Barnet CCG Recovery Plan - Update

Date : 05.01.2015

Local clinicians working with local people for a healthier future

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Introduction

- Two external reviews of Barnet CCG (BCCG), one of governance and one of finance conducted during September to December 2014 along with feedback from NHS England (NHSE) on the NCL Strategic Plan have highlighted the following priorities in revising the Barnet CCG Delivery Plan for 2015/16:
  - A detailed financial bridge from BCCG's planned 14/15 outturn position to breakeven in 2015/16 and repayment of BCCG's accumulated deficit during the strategic planning period
  - Alignment with the North Central London Strategic Planning Group's (NCL SPG) financial case for change, due for completion by March 2015 and specifically with the activity assumptions for BCCG
  - Greater ambition in BCCG's Quality, Innovation, Productivity and Prevention (QIPP) programme based on 3.5% resource including clear alignment with the NCL wide analysis of provider impact and triangulation with provider cost improvement programmes and exploitation of NCL wide opportunities
  - Improved delivery of the QIPP programme both at a BCCG level and in collaboration with NCL SPG members

Introduction ii

- Some key factors have changed since BCCG's previous Recovery Plan submission
- At its Governing Body meeting of December 2014 BCCG approved the NCL Collaboration Plan and associated governance arrangements and BCCG's Chair has assumed the chairmanship of the NCL Collaboration Board
- BCCG's Governing Body committed at its December 2014 meeting to a QIPP Programme of 3.5% resource in 2015/16
- In December 2014 the chairs of the NCL CCGs met with NHSE's Regional Director for London and agreed to hold a meeting of CCG Boards to consider the priorities for and the scale and pace required to implement collaborative service transformation and financial recovery across NCL
- In December 2014 the NCL SPG appointed a Finance Transformation Lead to deliver the SPG's case for change: Transformation Fund and Risk Share plans for the strategic planning period (in detail for 2015/16): co ordination and monitoring of the NCL QIPP Programme: and production of consolidated monthly financial reports for NCL CCGs

The Story so Far

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2013/14 Recovery Plan developed following PwC financial benchmarking exercise. Further PWC review and recommendations delivered December 2013

Jonathan Wise, Chief Finance Officer, Brent, Harrow and Hillingdon (BHH) CCGs, delivered an independent Financial Diagnostic Report and suggests how the CCG can achieve breakeven in 2015/16

Rob Larkman, Accountable Officer (Interim), commissioned to undertake governance review – delivered December 2014

QIPP programmes do not cover whole service portfolio, business case quality variable, scheme yield uneven and below overall target

BCCG accepts independent Financial Diagnostic Report in full and Governing Body has determined a 3.5% QIPP requirement for 2015/16

Local and National Issues Driving the Barnet CCG Strategy

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Strategic Driver	Local/National
Addressing BCCG's historic deficit and returning to run rate balance	Local
Managing local population growth of 5.5% over the planning period including children of 18%, elderly of 23%; 17% in the 90 years + cohort and 2% in the black and minority ethnic population	Local
Adopting a collaborative NCL response to the delivery of positive system change in order to drive efficiencies and maximise impact on health outcomes	Local
Adopting a collaborative response, with London Borough of Barnet Council, to the delivery of positive local system change through jointly commissioned services, delivery of the Better Care Fund (BCF) and working effectively as part of the Health and Wellbeing Board (HWB)	Local
Responding to *Call to Action* - *For example, 'Parity of esteem between mental and physical health'*	National
Mobilising an effective local response to potential £30 billion gap between NHS resources and patient demand by achieving a 1.5% annual efficiency improvement	National
Responding to the *NHS Five Year Forward View* (October 2014) – '*The NHS needs to adapt to take advantage of the opportunities that science and technology offer patients, carers and those who serve them. But it also needs to evolve to meet new challenges: we live longer, with complex health issues, sometimes of our own making'*	National

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Strategic Goals

VISION

Working with local people to develop seamless, accessible care for a healthier Barnet

GOALS

- **Promote physical and mental health and wellbeing**
- **Transform primary care**
- **Ensure right care, first time**
- **Develop joined up care**

ENABLERS

- **Maintaining financial regularity, propriety and efficiency**
- **Effective commissioning and contracting**
- **Co-design and collaborative working with public and partners**
- **Innovate with technology**

Management and Governance of Delivery

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Governance (i)

- An external governance review conducted by the Interim Accountable Officer and complementary to the external financial review focussed on two key areas: the machinery of corporate governance and the standing of BCCG in the wider health and social care system. This included consideration of alternative models of collaboration with the Local Authority and with other CCGs
- Following consideration by the Governing Body and in consultation with NHSE, in December 2014 BCCG initiated a professional search for a substantive Accountable Officer
- The Review recommended formal adoption by BCCG of the collaborative governance and transformational delivery functions of the NCL Collaboration and endorsement of the work required to develop and deliver the NCL programme. This was agreed at the December Governing Body and the BCCG Chair has become Chair of the Collaboration Board

Management and Governance of Delivery

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Governance (ii)

- The need for an NCL wide transformation and savings plan, supported by a shared activity and finance model, was also advised by NHS England and formed part of the Financial Diagnostic Report. Recruitment to the necessary infrastructure is well advanced. BCCG is committed to identifying NCL system wide initiatives to support its financial delivery and has suggested a concerted commissioner and provider wide effort on compliance with Procedures of Limited Clinical Effectiveness policies
- The Review recommended streamlined BCCG decision making by introducing a Clinical Cabinet to support Governing Body decision making and this has been implemented
- It recommended strengthened clinical ownership of the QIPP Programme and that all QIPP business cases be jointly owned by a Senior Responsible Owner and a Clinical Responsible Owner and this has been agreed. There will be clinical sign-off of business cases
- A senior level QIPP Delivery Leadership Group will be rapidly put in place. This will be composed of the Audit Committee Chair, a Clinical Governing Body Member and Interim Chief Operating Officer and they will, as recommended in the Financial Diagnostic Report, sign off all expenditure plans
- It recommended additional clinical input at a senior level and BCCG has created a post of Clinical Deputy Chair

Management and Governance of Delivery

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Governance (iii)

- It highlighted the need to secure delivery of the improvement plan agreed with North & East London Commissioning Support Unit (NELCSU) and nomination of a Lead Director; monthly SLA meetings have resulted in improved delivery of the finance service line; an NCL wide group chaired at Chief Officer level is in the process of agreeing KPIs for each of the service lines

Two further recommendations from the Review are under consideration:

- Extending the remit of the PMO in support of further business processes, the PMO currently being focussed on the QIPP Programme: in the light of the extension of the QIPP Programme to 3.5% this recommendation will be considered further in Quarter Four 2014/15
- Creating shared posts with NCL CCGs including in commissioning, performance, quality, governance and finance and this recommendation will be considered further in Quarter Four 2014/15 and in the meantime a key focus is strengthening commissioning delivery of QIPP

Management and Governance of Delivery

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Governance (iv)

- BCCG has identified significant potential benefits in bringing together and resourcing effectively, the Collaboration's Pathway Transformation intervention focussed on the Royal Free London NHS Foundation Trust (RFL), BCCG's own requirement for QIPP delivery and the exercise to triangulate NCL provider and commissioner CIP/QIPP in Quarter Four 2014/15
- It has therefore strengthened its commissioning, contracting and procurement capability on an interim basis. The interim resource will be focussed on the revision of the QIPP business case for BCCG implementation of the commissioning and procurement consequences of pathway transformation, principally involving RFL and primary care in Barnet

Management and Governance of Delivery

Finance (i)

- An independent Financial Diagnostic Report was completed by the Chief Financial Officer of BHH CCGs. It focussed on BCCG's financial health, existing information and processes and progress with previous recommendations; and presented a view of the underlying deficit's scale and what needed to be addressed in a credible and sustainable recovery plan. The report has been accepted in full by BCCG and all its recommendations have either already been implemented, or are in course of being implemented

Responses to its key findings are reflected in this delivery plan in the following ways:

- The overall target level of QIPP, the uneven coverage of the commissioning portfolio as a whole and yield from schemes were unfavourably contrasted with other CCGs. The Governing Body therefore decided to adopt a 3.5% QIPP target and for this requirement to drive the likely scenario in its delivery plan. Substantially more work remains to be done on the 2015/16 QIPP programme particularly on focussed pathway transformation based on the RFL footprint
- The critical evaluation of all planned investments was recommended and this remit will become part of the work of the QIPP Delivery Leadership Group

Management and Governance of Delivery

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Finance (ii)

- The report highlighted many potential improvements in QIPP disciplines including early and rigorous planning, business case quality, integration with contracting and improved measurability, monitoring and reporting; those which have not already been implemented will be addressed through a QIPP Delivery Improvement Plan, whose execution will be led by a new QIPP Delivery Leadership Group
- The report identified some specific risks to BCCG's position, notably the handling of the planned 14/15 acute contract contingency for Referral to Treatment (RTT) activity and its link to BCCG's overall reserve position, which could enable improvement of the final outturn for 2014/15 with consequent improvement of the prospects for as early as possible breakeven. BCCG is working with the RFL, NELCSU and NHSE to agree the in year activity position and 2015/16 contracting assumptions
- Recommendations for ongoing financial collaboration across NCL were also made and accepted, as reflected above

Commissioning Strategy

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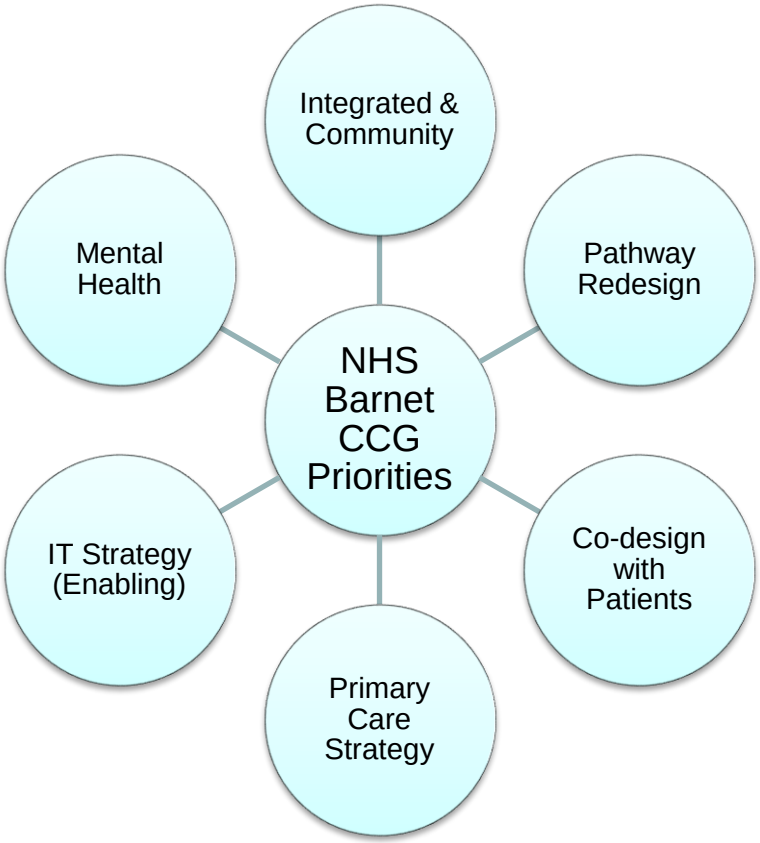
- BCCG is focussed on work-streams to deliver in line with its 14/15 priorities
- Underpinning this local work is a critical requirement to operate effectively within and interface with, the agreed NCL collaborative arrangements, effectively increasing pace in order to meet the system's £490 million challenge as highlighted below



Two-way interface

NCL Strategy and Supporting Governance Structure

NCL Five Year Strategy

Financial

- In order to meet the identified £490 million challenge and deliver a robust Five Year NCL Strategy underpinned by a solid finance and activity model, the NCL CCGs Chief Finance Officers (CFO) have paired up in order to deliver specified tasks
- Funding of dedicated financial resource has been agreed by NCL CCGs and a dedicated Finance Lead will be in place in early January 2015. The Finance Lead will deliver the following outputs against an agreed plan and milestones:

    - A detailed financial bridge from 13/14 CCG outturn surplus/deficit positions to 13/14 normalised financial positions to all year on year surplus/deficit positions and normalised CCG surplus/deficit position up to 2018/19
    - Replication of the above activity at SPG level
    - A detailed list of assumptions driving the model inputs to the base case
    - Detail of the level of financial challenge for Providers, including the implementation of LQS, and the impact on their financial viability, of the SPG QIPP programme
    - Detail of potential mitigations at Provider level – e.g. CIPs, with an initial SPG view by the end of December, and deeper detail thereafter
    - Initial analysis of QIPP opportunities – for acute services by PoD and for non-acute a clear rationale for QIPP assumptions in other settings of care including Primary Care
    - Initial view of investments required to generate QIPP savings at least up to 2016/17
    - All NCL CCGs achieving normalised financial positions
    - Common planning assumptions

14/15 QIPP – Month 8 FOT

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BCCG QIPP delivery in 2014/15 has not met with expectation, the Governing Body is cognisant of this and has ensured appropriate action is being taken to address in-year issues and lay a solid foundation on which a 3.5% QIPP will be delivered in 2015/16

Revised QIPP plan for 2014/15

- £11.2m QIPP Programme included in financial plan for the year
- Late finalisation of 2014/15 QIPP Programme has led to delay of start-ups and difficulties in achieving contractualisation
- The month 8 QIPP Forecast Outturn (FOT) is £8.6m against a plan of £11.2m. £1.4m will be delivered by non-recurrent measures via metrics in RFL contract
- Current forecast shortfall on QIPP is £1.2m, from plan arising from integrated care pathways, community dermatology, diagnostics procurement, and continuing care reviews
- The table below summarises the year to date and forecast out-turn at month 8, with the detail by scheme shown on subsequent slide

Table 1. QIPP Month 8 FOT by Directorate

	2014/2015 Forecast £000					
Directorate	**Planned Net Saving**	**Non Recurrent**	**Recurrent**	**Actual Net Saving**	**Variance**	**Variance %**
Clinical Commissioning	**6,310**	1,387	4,491	**5,879**	-432	-6.8%
Integrated Care	**2,381**	0	1,648	**1,648**	-733	-30.8%
Finance and Estates	**1,100**	0	1,100	**1,100**	0	0.0%
Reprovision	**-24**	0	-24	**-24**	-0	0.0%
	9,767	1,387	7,215	**8,603**	-1,165	-11.9%
Non-Recurrent Measures	1,474					
2014/15 Original Plan	11,241					

14/15 QIPP – Month 8 FOT

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Table 2. QIPP Month 8 by Scheme

		2014/15 Forecast					
Scheme ID	Scheme Name	Plan	Non-Recurren	Recurrent	Forecast	Variance £	RAG
14-15 001	Acute FYE 13/14 Schemes	£52,000		£52,000	£52,000	0	100%
14-15 002	Ambulatory Care	£0		£0	£0	£0	n/a
14-15 003	Anti-Coagulation Re-Pricing Scheme	£0		£0	£0	£0	n/a
14-15 004	Child and Adolescent Mental Health Services (CAMHS)	£0		£0	£0	£0	n/a
14-15 005	Cardiology Coding	£263,704		£263,703	£263,703	-£1	100%
14-15 006	Community Dermatology Service	£288,719		£127,694	£127,694	-£161,025	300%
14-15 007	Continuing Care	£700,000		£238,000	£238,000	-£462,000	300%
14-15 008	Contract Adjustment for Over performance	£62,000		£62,000	£62,000	£0	100%
14-15 009	Demand Management	£2,919,585		£1,532,268	£1,532,268	-£1,387,317	300%
14-15 010	Demographic .Growth changes	£0		£0	£0	£0	n/a
14-15 011	Diabetic Medicine	£109,022		£9,095	£9,095	-£99,927	300%
14-15 012	Direct Access Diagnostics (MRI)	£355,000		£166,770	£166,770	-£188,230	300%
14-15 013	Direct Access Diagnostics (Procurement)	£205,000		£158,746	£158,746	-£46,254	200%
14-15 014	Estates	£1,100,000		£1,100,000	£1,100,000	£0	100%
14-15 015	High Cost Drugs Reduction	£375,000		£375,000	£375,000	-£0	100%
14-15 016	Integrated Care - Managing Crisis Better	£1,431,786		£951,922	£951,922	-£479,864	200%
14-15 017	Learning Disability/ Mental Health Community Health Care (LD/ MH CHC) High Cost Placements	£150,000		£280,000	£280,000	£130,000	100%
14-15 018	Maternity Complex Care Packages Reduction	£338,398		£416,983	£416,983	£78,585	100%
14-15 019	Planned Care- Musculoskeletal (MSK) Podiatric Surgery	-£0		£0	£0	£0	n/a
14-15 020	Prescribing Medicines Management (Acute)	£220,000		£220,000	£220,000	£0	100%
14-15 021	Prescribing Primary Care	£1,400,000		£1,400,000	£1,400,000	-£0	100%
14-15 022	Re-Commission Improving Access to Psychological Therapies(IAPT)	-£250,000		-£250,002	-£250,002	-£2	100%
14-15 023	Reprovision	-£23,900		-£23,900	-£23,900	-£0	100%
14-15 024	Respiratory Pathways Design	£60,163		£107,156	£107,156	£46,993	100%
14-15 025	Speech and Language Therapies (SALT) Procurement	£160,000		£160,000	£160,000	£0	100%
14-15 026	Specialist Nursing Service for Looked After Children	-£149,000		-£149,000	-£149,000	£0	100%
14-15 027	Urgent Care- Barnet and Chase Farm (BCF)	-£0		£0	£0	£0	n/a
14-15 028	Urgent Care- RFL	£0		£0	£0	£0	n/a
14-15 029	Community Gynaecology Service	£0		£16,896	£16,896	£16,896	100%
14-15 030	Acute Contract Efficiencies + Metrics	£0	£1,387,317	£0	£1,387,317	£1,387,317	100%
		£9,767,477	£1,387,317	£7,215,330	£8,602,647	-£1,164,830	200%
NR	**Non-recurrent Measures**	£1,473,988	£0	£0	£0	£0	100%
		£11,241,465	**£1,387,317**	**£7,215,330**	**£8,602,647**	**-£1,164,830**	**200%**

15/16 QIPP – Latest Position

BCCG 2015/16 QIPP Programme is targeted at 3.5% of Revenue Resource Limit (RRL) (£14.5m) Likely Case, with Best Case scenario of 4% (£16.8m) and Worst Case of 2.9% (£12.1m). Work to date has resulted in approved QIPP Business cases of £5.3m after risk adjustment, and further schemes not yet with approved business cases of an additional £5.1m. This leaves £4.1m still to be found from unidentified QIPP schemes, which are mainly pathway related, in order to achieve the 3.5% (£14.5) Likely Case outcome

- RAG (Red, Amber, Green) risk adjustment in the following tables is based on discussion with Heads of Programmes/ Senior Responsible Officers (SROs) of delivery risk
- The original 15/16 QIPP plan shows a pre risk net saving of £15.4m (3.7%) and post risk net saving of £10.4m (2.5%), against a target of £14.5m (3.5%)
- BCCG has commissioned a detailed re appraisal of the organisations implementation of the Pathway Transformation Programme underway with the RFL and co-commissioners in order to maximise the impact on patients and improvement in value for money (VFM)
- BCCG has also commissioned a detailed due diligence exercise on a portfolio of small contracts which have not previously been actively performance managed
- BCCG has also initiated discussions NCL wide on the contractual adherence to CCGs' Procedures of Limited Clinical Effectiveness
- Re-examination of mental health and children's portfolios
- In future years BCCG anticipates further NCL wide QIPP delivery as the NCL collaboration and the transformation and delivery infrastructure mature
- BCCG also anticipates more favourable yield from schemes as the construction, measurability and delivery of QIPP schemes improves under the leadership of the QIPP Delivery Leadership Group

15/16 QIPP – Latest Position

Table 3. QIPP Latest Position –Schemes with Approved Business Cases

BARNET DRAFT 2015/16 QIPP Programme				Pre- RISK		Post RISK	
Programme/Scheme	**SRO**	**Clinical Responsible Officer (CRO)**	**Approval Status**	**Sum of Net Delivery (£000)**	**15/16 Risk Adjusted (£000)**	**Risk Adjusted (£000)**	**Net Delivery risk**
Full Year Effects of 14-15 Schemes							
Demand Management	RS	AF	FYE	500	(91)	409	82%
Respiratory Pathways Design	RS		FYE	20		20	100%
Community Gynaecology	RS		FYE	25		25	100%
Direct Access Diagnostics (Procurement)	RS		FYE	46		46	100%
Elective Clinical Commissioning Schemes							
Demand Management	RS	AF	FBC	3,118		3,118	100%
Primary Care Prescribing	RS	LW	FBC	1,400	(650)	750	54%
LD/MH/CHC High Cost Placements	MOD	CB	FBC	200		200	100%
Continuing Healthcare	MOD	CB	FBC	800	(55)	745	93%
Total Approved				6,109	(796)	5,313	

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15/16 QIPP – Latest Position

Table 4. QIPP Latest Position – Schemes Awaiting Approval

Programme/Scheme	SRO	CRO	Approval Status	Sum of Net Delivery (£000)	15/16 Risk Adjusted (£000)	Risk Adjusted (£000)	Net Delivery risk
Integrated Care - Managing Crisis Better	MOD	JL	FBC	1,570		1,570	100%
Pathway Redesign *	RS	BS/AF	FBC	2,625	(2,625)	0	0%
Estates Reconfiguration	HMG	n/a	FBC	1,500		1,500	100%
Paediatrics *	MOD			100	(100)		0%
Ambulatory care	RS	BS	OBC	1,464	(732)	732	50%
Community Services and Efficiencies	MOD	SD	CCB	773		773	100%
CAMHS *	MOD		CCB	0			
Extended Primary Care Services *	MOD	CS	FBC	176	(176)		0%
Acute Excluded Drugs	RS	LW	FBC	100		100	100%
Urgent Care Schemes	RS	BS	CCB	501	(201)	300	60%
Pathology Review *	RS	AF	FBC	250	(250)		0%
Regular Attenders	RS		CCB	200	(50)	150	75%
Business cases not yet approved (JAN FPQ)				9,259	(4,134)	5,125	

Total QIPP Approved/ Developed	15,368	(4,930)	10,438
Additional schemes required (expected to be mailnly pathway related)			4,154
NET QIPP 15-16	15,368	(4,930)	14,592
Total Recurrent Resource Limit (before extra allocations)			421,801
Net QIPP as % Total Recurrent limit			3.5%

* Risk adjustment at 0% subject to approval of Full Business Case (FBC)

15/16 QIPP – Next Steps

- Formation of QIPP Delivery Leadership Group
- Prepare business cases in respect of further 2015/16 projects
- Review all 2015/16 investments
- Develop continuous pipelines of schemes as business as usual throughout the year
- Project Management Office (PMO) focussed on horizon scanning for successful projects delivered elsewhere
- Investigate the application of a QIPP target across the CCG's portfolio of smaller contracts

Table 5. 15/16 QIPP – Comparison with BHH CCG's

QIPP Categories	Barnet	Brent	Harrow	Hillingdon
Planned Care	3,768	2,696	3,361	1,932
Unscheduled Care	1,032	1,602	3,623	2,148
Medicines Management	850	1,035	1,210	2,120
Integrated care	1,570	512	1,207	536
Mental Health -	-	1,669	1,414	845
Community & Primary Care	773	507	273	866
Continuing Care	945	502	449	-
Children's Services		75	1,120	346
Estates	1,500	-	-	-
Commissioning Support		789	-	-
Long Term Conditions (LTCs)		155	-	792
Other		161	-	157
Grand Total	10,438	9,703	12,659	9,741
Target QIPP	14,592	13,076	16,872	16,872
Expected (RRL) 15/16	421,801	421,801	421,801	421,801
QIPP as % RRL	3.5%	3.1%	4.0%	4.0%
Risk Adjusted QIPP Identified as % of Target	72%	74%	75%	58%

Key Points - Comparison

- RRL and QIPP values for BHH CCGs have been scaled up to the resource level of BCCG
- BCCG has a comparatively higher level of QIPP developed for Planned Care, Integrated Care and Continuing Care
- At present BCCG has a comparatively lower level of QIPP developed to the level of BHH in Unscheduled Care and Medicine Management
- No BCCG Children Services and Mental Health Services QIPP

2014/15 Forecast Financial Review

There are 3 potential outcome scenarios considered possible for 14/15:

- Best case where almost all existing reserves and provisions are not required
- Likely case where £6.5m of existing reserves and provisions can be released
- Worst case where only £2.5m of existing reserves are released

It should be noted that all 3 scenarios assume the same QIPP delivery of £9.8m and are better than the month 8 full year forecast for 14/15 of £11.6m deficit, which assumes no reserves and provisions can be released

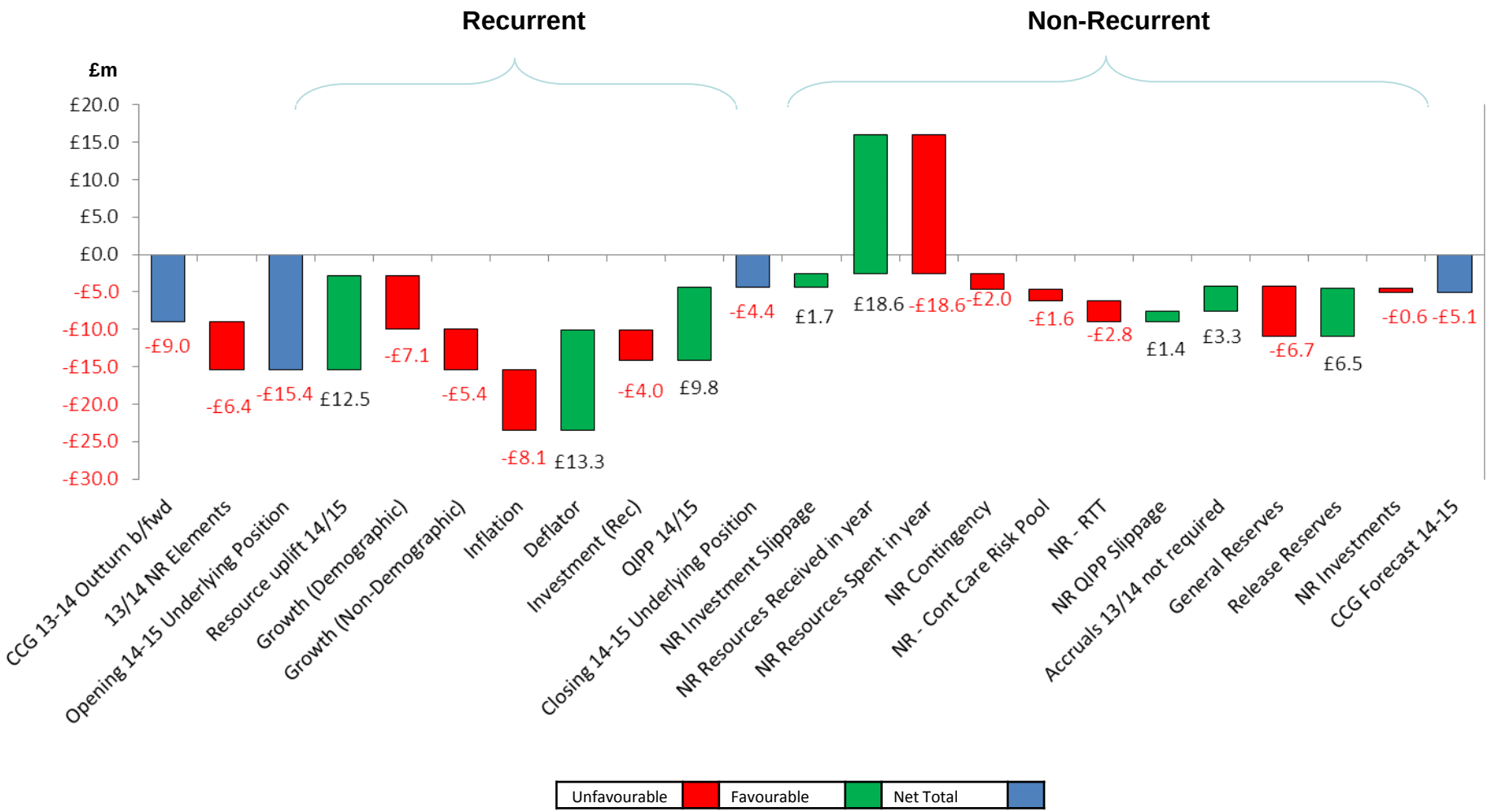
- Original June 2014 BCCG plan assumes an in year deficit of £15.0m for 14/15, based on a 13/14 exit rate underlying deficit of £15.4m
- Under the likely case scenario, BCCG would have an in year 14/15 deficit of £5.1m
- Likely case scenario is based on £5.5m unrequired reserves and £1.0m from deferred expenditure on GPIT, Investments and Quality Premium
- Best case scenario is based upon Likely Case scenario and also release of RTT provision of £2.75m not required due to NHSE RTT funding
- Worst case scenario is based upon fully utilising RTT provision and 50% of reserves

Table 6. 2014/15 Scenarios

Description	Previous Plan*	Best Case	Mid (Base) Case	Worst Case
	£m	£m	£m	£m
2013/14 Outturn	**(9.0)**	**(9.0)**	**(9.0)**	**(9.0)**
Non Recurrent Allocation	(10.1)	(10.1)	(10.1)	(10.1)
Non Recurrent Spend	7.6	7.6	7.6	7.6
Non Recurrent Cap & Collar	(3.9)	(3.9)	(3.9)	(3.9)
2013/14 Exit Rate Underlying Recurrent Deficit	**(15.4)**	**(15.4)**	**(15.4)**	**(15.4)**
Recurrent Movements:				
Resource Uplift 2014/15	12.5	12.5	12.5	12.5
Growth (Demographic)	(7.2)	(7.1)	(7.1)	(7.1)
Growth (Non-Demographic)	(5.4)	(5.4)	(5.4)	(5.4)
Inflation	(8.1)	(8.1)	(8.1)	(8.1)
Deflator	13.2	13.2	13.2	13.2
Investment (Rec)	(1.8)	(4.0)	(4.0)	(4.0)
QIPP 14/15	11.2	9.8	9.8	9.8
Closing 14-15 Underlying Position	**(0.9)**	**(4.4)**	**(4.4)**	**(4.4)**
Non-Recurrent Movements:				
Investment Slippage	-	1.7	1.7	1.7
Resources Received in year	-	18.6	18.6	18.6
Resources Spent in year	-	(18.6)	(18.6)	(18.6)
Contingency	(2.1)	(2.0)	(2.0)	(2.0)
Cont Care Risk Pool	(1.6)	(1.6)	(1.6)	(1.6)
RTT	(2.8)	-	(2.8)	(2.8)
QIPP Slippage	-	1.4	1.4	1.4
Accruals 13/14 not required	-	1.3	1.3	1.3
Release of RTT 13/14 Accruals	-	2.0	2.0	2.0
General Reserves	(7.7)	(6.7)	(6.7)	(6.7)
Release Reserves	-	6.5	6.5	2.5
Investments	-	(0.6)	(0.6)	(0.6)
Total Non-Recurrent Movements	**(14.1)**	**2.0**	**(0.7)**	**(4.7)**
2014/15 In Year Movement Surplus / (Deficit)	**(15.0)**	**(2.4)**	**(5.1)**	**(9.1)**

* Plan = previously submitted plan for 2014/15 (5 year plan submitted to NHSE in June 2014).

Graph 1. 2014/15 Planned Outturn Bridge
Based on Likely Case Scenario



2015/16 Plan Financial Review

The 2015/16 financial plan also considers 3 scenarios:

- 14/15 Best case plus 4% QIPP in 15/16
- 14/15 Likely case plus 3.5% QIPP in 15/16
- 14/15 Worst case plus 2.9% QIPP in 15/16

All 3 scenarios include the recently announced allocation increase of £23.5m, which is £10.9m higher than previously. £4.3m of this increase has been put aside for Winter Resilience Funding, which is the same as the 14/15 amount, leaving £6.6m net increase

The right hand column on the following table shows that better than break-even would still be achieved in the likely scenario, even without the extra allocations

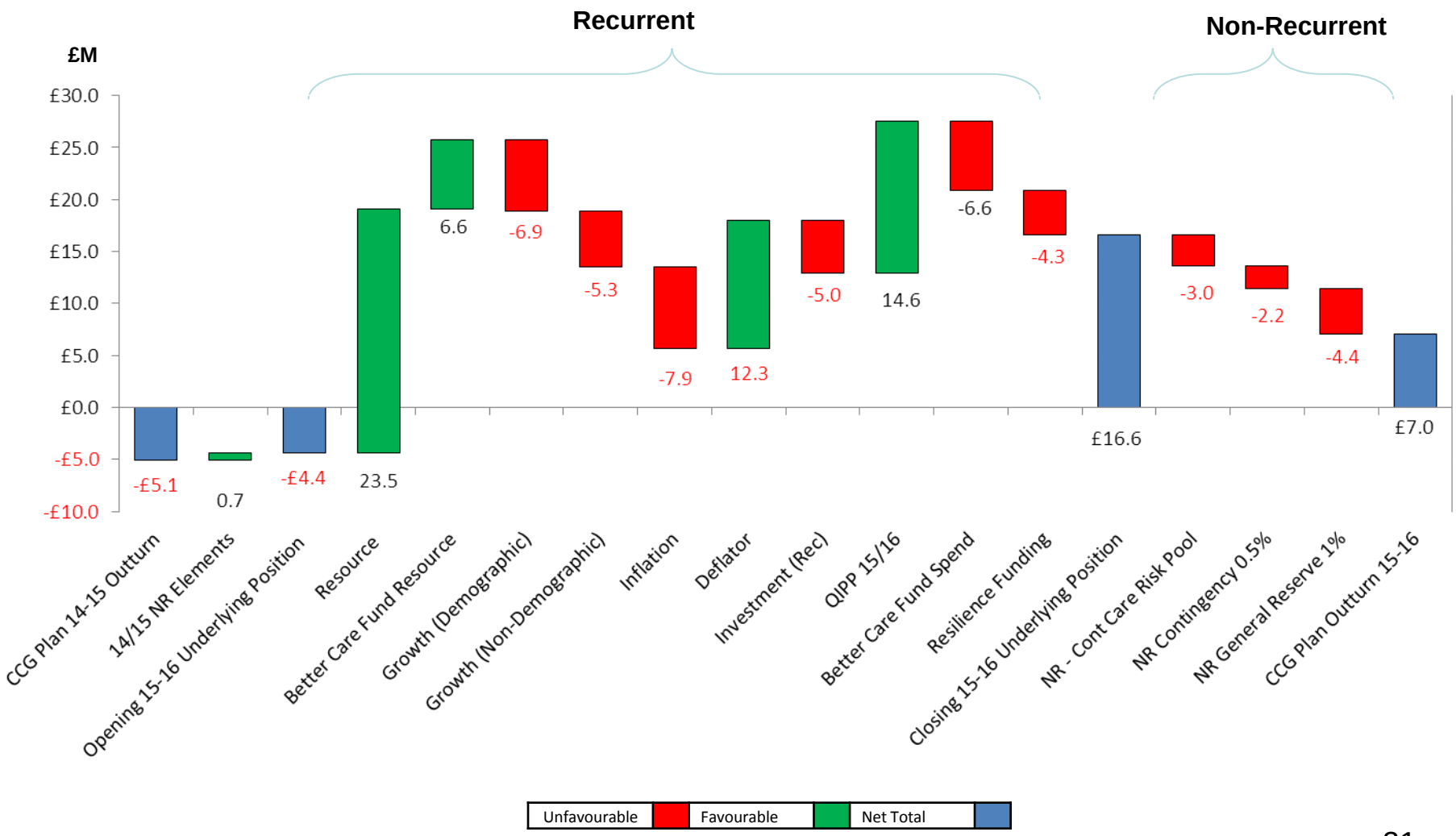
- BCCG previous plan for 15/16 assumes underlying deficit of £9.5m, based on a 14/15 exit rate underlying deficit of £8.1m
- The 14/15 exit rate underlying position has improved due to reductions in planned expenditure and release of unrequired reserves
- Under the likely case scenario without extra allocations, BCCG would still achieve an in year break even position
- Likely case scenario is based on updated 15/16 Tariff Deflator assumptions, 3.5% QIPP numbers and removal of RTT (£2.7M) and Reserves (£4.8m) being replaced by a General Reserve of 1% (£4.4m)
- Best case scenario based on a better exit rate from 14/15 where BCCG does not utilise the RTT Provision of £2.7m as well as 4% QIPP
- Worst case scenario is based on QIPP of 2.9%

Table 7. 2015/16 Scenarios

Description	Previous Plan*	Incl extra allocation			Excl extra Allocation
		Best Case	Likely Case	Worst Case	Likely Case
	£m	£m	£m	£m	£m
CCG Plan 14-15 Outturn	**(15.0)**	**(2.4)**	**(5.1)**	**(9.1)**	**(5.1)**
NR Spend less NR Allocations	6.9	0.7	0.7	0.7	0.7
2014/15 Exit Rate Underlying Recurrent Deficit	**(8.1)**	**(1.7)**	**(4.4)**	**(8.4)**	**(4.4)**
Recurrent Movements:					
Resource	11.7	23.5	23.5	23.5	12.5
Better Care Fund Resource	6.6	6.6	6.6	6.6	6.6
Growth (Demographic)	(7.0)	(6.9)	(6.9)	(6.9)	(6.9)
Growth (Non-Demographic)	(5.4)	(5.3)	(5.3)	(5.3)	(5.3)
Inflation	(11.2)	(7.9)	(7.9)	(7.9)	(7.9)
Deflator	14.5	12.3	12.3	12.3	12.3
Investment (Rec)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Acute Demand Reserve	(4.1)	-	-	-	-
QIPP 15/16 (P=2.94%, B=4%, M=3.5%, W=2.9%)	11.7	16.8	14.6	12.1	14.6
Better Care Fund Spend	(6.6)	(6.6)	(6.6)	(6.6)	(6.6)
Resilience Funding	-	(4.3)	(4.3)	(4.3)	-
Closing 15-16 Underlying Position	**(2.9)**	**21.6**	**16.6**	**10.1**	**9.9**
Non-Recurrent Movements:					
Cont Care Risk Pool	(1.6)	(3.0)	(3.0)	(3.0)	(3.0)
RTT	(2.8)	-	-	-	-
Contingency 0.5%	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
General Reserves 1%		(4.4)	(4.4)	(4.4)	(4.4)
Total Non-Recurrent Movements	**(6.6)**	**(9.6)**	**(9.6)**	**(9.6)**	**(9.6)**
CCG Plan Outturn 2015/16 Surplus / (Deficit)	**(9.5)**	**12.0**	**7.0**	**0.5**	**0.3**

* Plan = previously submitted plan for 2014/15 (5 year plan submitted to NHSE in June 2014).

Graph 2. 2015/16 Planned Outturn Bridge
Based on Likely Scenario



5 Year Strategic Plan Financial Review

- The Five Year Plan Table is based on the 2015/16 Likely case scenario with QIPP at 3.5% in all years
- The orange rows highlight the plan based on the 2015/16 Best Case scenario with QIPP at 4% in all years
- The purple rows highlight the plan based on the 2015/16 Worst case scenario with QIPP at 2.9% in all years
- From 2017/18 BCCG will have repaid its cumulative deficit and thereafter comply with NHSE business rules, have 1% non recurrent surplus along with a 1% non recurrent contingency
- The underlying assumptions used in the scenarios are shown (page 34) and are based on
    - Previously stipulated national planning requirements (Cost Growth %) updated for revised 15/16 expectations
    - Locally determined factors (Demand Growth %) based on local information and trends (e.g. population estimated growth).
    - Planning assumptions have previously been reviewed externally and considered reasonable

Table 8. 5 Year Plan Overview

Description	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Previous Year Forecast Outturn (based on Mid Case 2015/16)	**(5.1)**	**7.0**	**18.2**	**19.8**	**14.3**
Previous Year Non-Recurrent movements	0.7	9.6	9.9	11.7	12.1
Previous Year Exit Rate Underlying Recurring Deficit	**(4.4)**	**16.6**	**28.0**	**31.6**	**26.4**
Recurrent Movements:					
Resource	23.5	13.6	13.7	13.8	14.2
Better Care Fund Resource	6.6				
Growth (Demographic)	(6.9)	(6.7)	(6.5)	(6.2)	(6.1)
Growth (Non-Demographic)	(5.3)	(5.4)	(5.5)	(5.5)	(5.5)
Inflation	(7.9)	(16.1)	(12.7)	(12.4)	(12.2)
Deflator	12.3	13.2	13.1	12.7	12.7
Investment (Rec)	(5.0)	(2.4)	(2.4)	(2.4)	(2.4)
Additional Investments/Programme Expenditure	-		(12.2)	(22.5)	(16.4)
QIPP	14.6	15.2	16.0	17.3	19.0
Better Care Fund Spend	(6.6)	-	-	-	
Resilience Funding	(4.3)				
Closing Underlying Position	**16.6**	**28.0**	**31.6**	**26.4**	**29.7**
Non-Recurrent Movements:					
Cont Care Risk Pool	(3.0)	(3.0)	-	-	-
Contingency 0.5% (NCL Transition Fund)	(2.2)	(2.3)	(2.3)	(2.4)	(2.5)
General Reserves 1%	(4.4)	(4.6)	(4.7)	(4.8)	(5.0)
1% Contingency Per Business Rules			(4.7)	(4.8)	(5.0)
Total Non-Recurrent Movements	**(9.6)**	**(9.9)**	**(11.7)**	**(12.1)**	**(12.4)**
Likely Case Surplus / (Deficit) In - Year Movement	**7.0**	**18.2**	**19.8**	**14.3**	**17.3**
Likely case Surplus / (Deficit) Cumulative	**(7.2)**	**11.0**	**30.8**	**45.1**	**62.4**
Best Case Surplus / (Deficit) In - Year Movement	**12.0**	**25.3**	**29.2**	**26.2**	**31.9**
Best Case Surplus / (Deficit) Cumulative	**0.6**	**25.9**	**55.2**	**81.4**	**113.3**
Worst Case Surplus / (Deficit) In - Year Movement	**0.5**	**9.2**	**8.3**	**0.1**	**(0.0)**
Worst Case Surplus/(Deficit) Cumulative	**(17.6)**	**(8.3)**	**(0.0)**	**0.0**	**0.0**

Table 9. 5 Year Plan Financial Review Assumptions

	2015/16	2016/17	2017/18	2018/19	2019/20
A) Allocation Growth					
Allocation Growth	5.7%	3.0%	2.9%	2.9%	2.9%
B) Demand Growth					
Demographic Growth	1.7%	1.6%	1.6%	1.5%	1.5%
Non-Demographic Growth					
Acute	1.2%	1.2%	1.2%	1.2%	1.2%
CHC	1.1%	1.1%	1.1%	1.1%	1.1%
Prescribing (including inflation)	2.2%	2.2%	2.2%	2.2%	2.2%
Other Non-Acute	1.1%	1.1%	1.1%	1.1%	1.1%
C) Cost Growth					
Provider Inflation (Acute)	1.9%	4.4%	3.4%	3.3%	3.3%
Provider Inflation (Non-Acute)	1.9%	4.4%	3.4%	3.4%	3.4%
Tariff Deflator - Acute	-3.8%	-4.0%	-4.0%	-4.0%	-4.0%
Tariff Deflator - Non Acute	-3.8%	-4.0%	-4.0%	-4.0%	-4.0%
D) Other Assumptions					
QIPP (net of QIPP Investments)	3.5%	3.5%	3.5%	3.5%	3.5%
Other Investments/Cost Pressures	3.6%	2.0%	2.0%	2.0%	2.0%
Contingency (NCL Transition Fund)	0.5%	0.5%	0.5%	0.5%	0.5%
General Reserves	1.0%	1.0%	1.0%	1.0%	1.0%
Better Care Fund			**Assumed neutral**		