

Item: 7.3

Report to:	NHS Hull Clinical Commissioning Group Board
Date of Meeting:	23 March 2018
Title of Report:	Refreshing NHS Plans - Planning Guidance 2018/19
Presented by:	Erica Daley, Director of Integrated Commissioning
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STATUS OF THE REPORT:

To approve	<input type="checkbox"/>	To endorse	<input type="checkbox"/>
To ratify	<input type="checkbox"/>	To discuss	<input type="checkbox"/>
To consider	<input type="checkbox"/>	For information	<input checked="" type="checkbox"/>
To note	<input type="checkbox"/>		

PURPOSE OF REPORT:

To provide the CCG Board with a summary of the recently published planning guidance for 2018/19 and to highlight the impact of the guidance on NHS Hull CCG.

RECOMMENDATIONS:

a That the Board note the updated planning guidance for 2018/19

REPORT EXEMPT FROM PUBLIC DISCLOSURE No Yes

If yes, detail grounds for exemption

CCG STRATEGIC OBJECTIVE *(See guidance notes on page 4)*

Reduce public sector demand and variation whilst promoting access based on need and meeting NHS Constitution and statutory requirements.

IMPLICATIONS: <i>(summary of key implications, including risks, associated with the paper),</i>	
Finance	The guidance sets out CCG allocations and expectations against spend
HR	Nothing to note

Quality	The guidance makes reference to the need to address and maintain a focus on commissioning for quality and improving access
Safety	None to note

ENGAGEMENT: There is an expectation throughout any planning and/or developments, NHS Hull CCG will have effective ways of involving clinicians and staff, the third sector, service users and the public.

LEGAL ISSUES: None to note

EQUALITY AND DIVERSITY ISSUES: *(summary of impact, if any, of CCG's duty to promote equality and diversity based on Equality Impact Analysis (EIA). All reports relating to new services, changes to existing services or CCG strategies / policies must have a valid EIA and will not be received by the Committee if this is not appended to the report)*

	Tick relevant box
An Equality Impact Analysis/Assessment is not required for this report.	√
An Equality Impact Analysis/Assessment has been completed and approved by the lead Director for Equality and Diversity. As a result of performing the analysis/assessment there are no actions arising from the analysis/assessment.	
An Equality Impact Analysis/Assessment has been completed and there are actions arising from the analysis/assessment and these are included in section xx in the enclosed report.	

THE NHS CONSTITUTION: *(How the report supports the NHS Constitution)*

- The NHS is committed to providing best value for taxpayers money and the most effective, fair and sustainable use of finite resources.
- The NHS is accountable to the public, communities and patients that it serves.

REFRESHING NHS PLANS 2018/19

1. INTRODUCTION

The purpose of this report is to provide an update to the CCG Board on the additional planning guidance for 2018/19 published in February 2018 by NHS Improvement and NHS England.

2. BACKGROUND

The NHS already has two-year contracts and improvement priorities set for the period 2017/19. These are based on the Operational Planning and Contracting guidance 2017/18. The recent planning guidance will be a refresh of those plans already prepared.

The requirement to review and refresh plans follows announcements of additional NHS revenue funding and additional flexibilities designed to support the development of integrated care systems.

Below are some of the main points of the new planning guidance:

- The November 2017 budget announced additional NHS revenue funding of £1.6 billion for 2018/19 for emergency & urgent care and elective surgery
- £540 million to be made available for other core frontline services such as mental health and primary care
- CCGs must continue to protect investment in mental health, cancer services and primary care in line with the available resources and agreed plans
- The updated guidance sets out how these funds will be distributed and the expectations for commissioners
- Introduction of the term 'Integrated Care System' as a collective term for both devolved health and care systems and for those areas previously designated as 'shadow accountable care systems'.

3. INFORMATION

The guidance states that CCGs must remain focused on improving the quality of care for patients and maintaining financial balance, whilst working in partnership to strengthen the sustainability of services for the future.

It sets out clear expectations of CCGs which includes:

- Continued commitment to manage levels of emergency activity, elective activity and cancer waiting time standards
- Achievement by each and every CCG of the Mental Health Investment Standard
- Continued progress toward the General Practice Forward View commitments
- Remaining focused on improving the quality of care for patients and maintaining financial balance
- Continuing to work with the NHS England QIPP programmes
- Achievement of reductions in delayed transfers of care (DTOCs), both through reducing NHS-driven DTOCs and through continuing to work with local

authorities to reduce social care DTOCs, with the aim of reducing the proportion of beds occupied by DTOC patients to 3.5%

Hull CCG is in a strong position with delivery plans already on track working to the key points within the guidance.

3.1 Finance

The increase in CCG resources is principally to work with providers to manage levels of emergency activity, any additional elective activity and protect mental health investment and support primary care. There will be a commissioner sustainability fund for CCGs unable to operate within recurrent budget but this does not apply to Hull CCG. Extra resource is also being added to the Provider Sustainability and Transformation Fund.

The key points are set out below:

- Requirement for CCGs to underspend 0.5% of their allocations has been lifted for 2018/19, releasing £370 million of CCGs' resources to fund local pressures and transformation priorities. The requirement to use a further 0.5% of CCGs' allocations solely for non-recurrent purposes has also been lifted
- £600 million will be added to CCG allocations for 2018/19 (which otherwise remain unchanged), distributed in proportion to CCGs' target allocations (which have been updated to reflect the latest population estimates and other data)
- A new £400 million Commissioner Sustainability Fund (CSF) will be created, partly mirroring the financial framework for providers, to enable CCGs to return to in-year financial balance, whilst supporting and incentivising CCGs to deliver against their financial control totals

3.2 What this means for Hull

Hull CCG is already achieving financial balance so it will not have access to the CSF. However, the guidance does realise extra resources for Hull as described below:

- The removal of the 0.5% national risk reserve and 0.5% of non-recurrent expenditure requirement has resulted in the CCG being able to use £4m on a recurrent basis
- Hull's share of the £600m is an additional £3,170k

3.3 Aligned Incentive Contract

The guidance includes a section on national tariff and encourages local systems to consider payment reform, in particular to complement the introduction of 'advice and guidance' services.

Hull CCG is currently planning the second year of the Aligned Incentive Contract (AIC) with Hull and East Yorkshire NHS Hospitals Trust.

Introduced in 2017/18 this is already a move away from Payment by Results and a commitment to system wide improvement. It ensures a joint responsibility for ensuring patients receive the right care in the right setting as efficiently as possible.

It is supported by a single monitoring system with shared governance to oversee the contract.

The benefits in year one of operating the AIC includes:

- Single version of the truth through shared information
- System position reporting and not just organisational
- Working together to address issues and share risks
- Stopped unnecessary meetings/duplication
- Engagement with services within the Trust to review structure of services (at specialty level) approx. 25 specialities now on advice and guidance with plans for more
- Strong productive working relationships between Trust and CCG
- Significant reductions in elective and lower than expected levels in non-elective activity

The plans in 2018/19 and beyond are to continue to take the AIC approach, and continue to redesign pathways promoting specialty level dialogue between clinicians. There will be an emphasis on getting resource allocation correct across providers and protecting CCG growth for out of hospitals services over the next 2-3 years

3.4 Integrated Care Systems

A significant recommendation in the planning guidance is that STPs and local place systems move away from the terminology of accountable care and adopt the term Integrated Care System (ICS). An Integrated Care System is defined as health and care organisations voluntarily coming together to provide integrated services for a defined population. A key feature of an ICS is the ability to take collective responsibility for financial and operational performance and health outcomes.

The points below highlight the areas a prospective ICS should be working toward:

- Reducing demand & variation, sharing clinical support and back office functions, system wide working and collaboration
- System wide estate review, maximise sharing assets disposal of underutilised estate
- Moves towards system working in 2018/19 through STPs and the voluntary roll-out of Integrated Care Systems
- Integrated Care Systems are those in which commissioners and NHS providers, working closely with GP networks, local authorities and other partners,

3.5 Hull CCG

The table below demonstrates Hull CCGs position in respect to the development of an ICS:

Expectation	NHS Hull
Strong leadership, with mature relationships including with local government	Established partnership and integrated governance for commissioning between Hull CCG and Hull City Council. Strategic Partnership Board (Place Board) in place Chaired by Local Authority CEO

Expectation	NHS Hull
Strong financial management, with a collective commitment from CCGs and providers to system planning and shared financial risk management	CCG in financial balance, AIC provides basis for system planning and risk management. Integrated financial plan with Hull City Council
Coherent and defined population that reflects patient flows and, where possible, is contiguous with local government boundaries	Co terminus with Hull City Council, one community provider, one mental health provider, one acute hospital Trust. Good relationships with neighbouring CCG
Compelling plans to integrate primary care, mental health, social care and hospital services using population health approaches	Blueprint for primary care well established. Robust plans for integrated delivery working with GP groupings, community contract and social care new operating model
Strong engagement with patients and the public, their democratic representatives and other community partners	Track record of positive and productive public and patient engagement that has influenced service delivery and design. Good relationships with local political leaders and commitment to align plans at area committee level.
Track record of delivery, with evidence of tangible progress towards delivering the priorities in Next Steps on the Five Year Forward View (Constitutional Standards)	Improvement to be made against constitutional standards across emergency and elective care but CCG in an improving position and managing growth across all areas.

4. **TIMELINE**

The table below presents the timeframe by which the CCG has to respond to the new guidance and submit updated plans

Submission	Date
Draft 2018/19 organisational operating plans submitted	8 th March 2018
Draft 2018/19 STP Contract and Plan Alignment template submitted	8 th March 2018
National deadline for signing 2018/19 contract variations and contracts	23 th March 2018
2018/19 Expert Determination paperwork completed and shared by all parties	27 th March 2018
Final Board or Governing Body approved Organisation Operating Plan submitted. Refresh of Place plans submitted	30 th March 2018

5. **RECOMMENDATIONS**

It is recommended that the CCG Board note the information on the updated planning guidance 2018/19.