

**Item Number: 8**

**Name of Presenter: Tracey Preece & Rachel Potts**

**Meeting of the Governing Body**

**7 April 2016**



**Vale of York**

**Clinical Commissioning Group**

**Delivering the Five Year Forward View for the Vale of York: Strategic Planning and Financial Plan 2016/17 Amended 6<sup>th</sup> April**

**Purpose of Report  
For Approval**

### **1. Rationale**

The NHS Vale of York CCG is required to submit the 2016/17 Financial Plan and Operating Plan to NHS England in line with national timetable. This was originally Monday 11<sup>th</sup> April but on Wednesday 6<sup>th</sup> April at 6pm, all CCGs received a letter from Paul Baumann, CFO, NHS England, extending this for a week until Monday 18<sup>th</sup> April. This is to allow further time for contracts to be agreed. The papers attached set out the proposed work for the NHS Vale of York CCG to deliver the national planning requirements and year one of the financial recovery plan for the Vale of York.

The Operating Plan sets out the CCG's proposals against the nine national 'must-do' requirements in the 2016-17 planning guidelines, details the alignment to the Humber, Coast and Vale Sustainability and Transformation Plan footprint and priorities and the delivery of year one of the financial plan through the QIPP schemes. The performance trajectories against NHS constitution are presented as an appendix to the Operating Plan, and propose achievement of, or return to NHS Constitution Standards for all measures during 2016-17, with the exception of the A&E performance, which is profiled to 90% achievement across the Trust footprint.

At a meeting with NHS England on Tuesday 6<sup>th</sup> April, the CCG received pre-submission feedback that the plan in its current form would not be able to be assured due to the level of financial risk. The CCG is working closely with NHS England to discuss and work up proposals for a plan that reduces the financial risk and can therefore be assured following submission on the 18<sup>th</sup> April.

The documents provided are subject to change. Any proposed change recommended from the published documentation will be discussed at the Governing Body. The documents will be formatted for final submission to take account of any changes from the Governing Body.

### **2. Strategic Initiative**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Integration of care                  | <input checked="" type="checkbox"/> Planned care                                 |
| <input checked="" type="checkbox"/> Person centred care                  | <input checked="" type="checkbox"/> Transforming MH and LD services              |
| <input checked="" type="checkbox"/> Primary care reform                  | <input checked="" type="checkbox"/> Children and maternity                       |
| <input checked="" type="checkbox"/> Urgent care reform                   | <input checked="" type="checkbox"/> Cancer, palliative care and end of life care |
| <input checked="" type="checkbox"/> Effective and Efficient Organisation | <input checked="" type="checkbox"/> System resilience                            |

### **3. Local Authority Area**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> CCG Footprint | <input type="checkbox"/> East Riding of Yorkshire Council |
| <input type="checkbox"/> City of York Council     | <input type="checkbox"/> North Yorkshire County Council   |

### **4. Actions / Recommendations**

The Operating Plan and Financial Plan are presented as a **draft to** the Governing Body and

will be subject to revisions before April 18<sup>th</sup>. Governing Body are asked to:

1. Review the Operating Plan and approve the planned work for 2016-17 subject to any changes and recommendations made by the Governing Body.
2. Consider the proposals within the Financial Plan 2016/17 and:
  - a) approve the plan in relation to running costs budgets to allow continued spending effective 1<sup>st</sup> April;
  - b) approve *submission* of the financial plan on 18<sup>th</sup> April which will be based on the principles, underlying financial and planning assumptions and information contained in the paper, subject to any changes and recommendations made by the Governing Body or subsequently, particularly in relation to improving the current high level of risk.
3. Provide delegated authority for amendments to the Operating Plan and Financial Plan to be approved by the Chief Clinical Officer, Chief Finance Officer and Chair prior to submission on the 18<sup>th</sup> April to enable any required changes to be made. Proposed changes will be circulated electronically to the Governing Body in advance of the submission deadline to enable comment.

## 5. Engagement with groups or committees

The Operating Plan and Financial Plan have been developed through the Assurance and Delivery Group, Programme Delivery Steering Group, SMT and Quality and Finance Committee to develop the proposals for work and associated QIPP schemes.

Draft submissions have been shared with Governing Body workshops.

## 6. Impact on Primary Care

Primary Care is a strategic priority for the CCG and as such the Operating Plan and Financial Plan set out the spend and transformation planned for primary care. A key feature of 2016-17 will be the development of the local plan for Sustainability and Quality within Primary Care, as required by the national planning guidance. This will be taken forward through the Primary Care Commissioning Committee.

## 7. Significant issues for consideration

The CCG is forecasting a 2015/16 year-end deficit of £6.3m which is £10.2m below plan. A number of non-recurrent actions have been taken to minimise the deficit as far as possible and the underlying recurrent deficit position is £12.3m. The CCG's total notified allocation for 2016/17 is £435.3m and planned expenditure is £451.7m. This results in the CCG ending 2016/17 with a cumulative deficit of £16.4m. This is year 1 of a proposed 4 year financial recovery which sees the CCG return to surplus by the end of 2019/20.

The CCG is classed as an organisation in turnaround, and is not assured for financial management on the 2015/16 NHS England CCG Assurance Framework.

There is a QIPP savings target of £13.8m (3.5% of allocation) in the plan and currently unmitigated risk of £4.3m which is equivalent to 1% of the CCG's allocation. The CCG has been informed that NHS England will not be able to assure the plan based on this level of risk and further work will be done internally and with NHS England to finalise contracts and reduce the level of risk in the plan before submission.

## 8. Implementation

The Operating Plan and Financial Plan set an ambitious and challenging work plan for the

CCG and local system partners. Robust monitoring implementation of the plans will be implemented.

Clinically led programme teams have been established to track progress and manage risks, with reporting and monitoring through Programme Delivery Steering Group, Quality and Finance Committee and the Governing Body. Forward plans will be reviewed in line with the priorities in the finance recovery plan to ensure visibility and challenge on improvement plans.

The programme management office has been refreshed and is supported with an integrated risk and programme management system 'Covalent'. This will be updated in line with the Operating and Financial Plan once approved.

## **9. Monitoring**

Monitoring of progress will be done through Project leads and the PMO on a weekly basis, with monthly reporting to the Programme Delivery Steering Group. Exception reports will be provided to Quality and Finance Committee to expedite work or re-allocate resources where required.

### **10. Responsible Chief Officer and Title**

Tracey Preece, Chief Finance Officer  
Rachel Potts, Chief Operating Officer

### **11. Report Author and Title**

Natalie Fletcher, Head of Finance  
Tracey Preece, Chief Finance Officer  
Lynette Smith, Head of Corporate Assurance and Strategy

## **12. Annexes**

- A. 2016/17 Financial Plan
- B. Operating Plan Narrative Submission