

Title of Paper: Financial & Operational Plan 2018/19			
Governing Body Meeting Date: 26/04/2018		Item Number: 7	
Report Sponsor: Bernard G Chalk, Interim Chief Finance Officer		Report Author: Alison Levin, Deputy Chief Finance Officer	
<p>1. Conflicts of Interest</p> <p>A conflict of interest occurs where an individual's ability to exercise judgement or act in one role is or could be impaired or otherwise influenced by his or her involvement in another role or relationship. The individual does not need to exploit his or her position or obtain an actual benefit, financial or otherwise. A potential for competing interests and/or a perception of impaired judgement or undue influence can also be a conflict of interest.</p> <p>Are there any potential conflicts of interest relating to this paper, which may arise within the committee and need to be addressed by the Chair of the Committee prior to this item being tabled?</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please detail here the action taken by the Interim Chief Finance Officer to prevent conflicts of interest within the decision making process</p>			
2. This paper is for:			
Approval	Decision	Assurance – For Discussion	Assurance – For Information Only
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.			
CCG Strategic Aims Objectives supported by this paper			X
1. We will involve people in their care and we will encourage self-care			<input type="checkbox"/>
2. We will buy quality services.			<input checked="" type="checkbox"/>
3. We will change services for the better and in doing so we will provide care as close to home as possible that is easily accessible.			<input checked="" type="checkbox"/>
4. We will use the money we have in the best possible way.			<input checked="" type="checkbox"/>
4.			
Transformational Programmes			X
CS000 - Community Care			<input checked="" type="checkbox"/>
FH000 - Forces Family Health			<input type="checkbox"/>
PC000 - Primary Care			<input checked="" type="checkbox"/>
PL000 - Planned Care			<input checked="" type="checkbox"/>
UC000 - Urgent and Emergency Care			<input checked="" type="checkbox"/>
5.			
Other Programmes			X
Maternity & Paediatrics			<input type="checkbox"/>
Mental Health and Learning Disabilities			<input type="checkbox"/>

6.

Enabling Programmes	X
WSC000 - Whole system commissioning and new payments models	<input checked="" type="checkbox"/>
CE000 - Communications and Engagement	<input type="checkbox"/>
TE000 - Better use of Technology and IT	<input type="checkbox"/>
ES000 – Estates	<input type="checkbox"/>
WF000 – Workforce	<input type="checkbox"/>
MM000 - Medicines Management	<input checked="" type="checkbox"/>
QU000 – Quality	<input type="checkbox"/>
Promote good governance and proper stewardship of public resources in pursuance of CCG goals and in meeting its statutory duties	<input checked="" type="checkbox"/>

7.

	CCG Values Underpinned in this paper	X
1	Integrity	<input type="checkbox"/>
2	Transparency	<input checked="" type="checkbox"/>
3	Collaboration	<input checked="" type="checkbox"/>
4	Focus	<input checked="" type="checkbox"/>
5	Action	<input checked="" type="checkbox"/>
6	Energy	<input type="checkbox"/>
7	Courage	<input type="checkbox"/>

8. Does this paper provide evidence of assurance against the Governing Body Assurance Framework? Click [here](#) for link

	X
YES	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>

If you answered yes above, please indicate which principle risk and outline

Principle Risk No	Principle Risk Outline
Principal Risk No: 2.2	We will buy quality services. The CCG cannot afford to buy the services it needs. Quality is compromised.
Principal Risk No: 2.3	We will buy quality services. Quality Monitoring – Providers do not deliver the services to the required quality, including implementing changes to how services are delivered / behaviours do not change.

9. Does this paper mitigate risk included in the CCGs Risk Registers? If Yes, please outline. Click [here](#) for link

	Ref: Risk No	Outline
Yes		
No	x	

10. Executive Summary

The 2018/19 planning round required a refresh of the two year plan (2017/18 - 2018/19) and incorporated the updated business rules and funding following the chancellors November 2017 budget statement that added a further £1.6bn into the NHS funding.

NHS commissioners received £1bn of this funding, £400m to support the new Commissioner Sustainability Fund (CSF) to enable CCGs to return to in year financial balance, and £600m added to CCG core programme funding.

The impact of the changes to the business rules and funding for Hambleton, Richmondshire & Whitby CCG are:

- A control total of breakeven;
- £1.471m (share of £600m) of additional funding;
- Removal of the requirement to maintain a 0.5% non-recurrent risk reserve.

The latest financial plan (which we are required to submit to NHS England (on 30 April 2018) will support the revised requirements of the planning guidance as follows:

- Maintains a minimum of 0.5% contingency
- Operates within running costs / administration allocation
- Supports the Mental Health Investment Standard
- Maintains the minimum BCF contributions
- Supports the £3 per head Primary Care investment
- The finance and contract plans are aligned with main service providers.

The delivery of this financial plan is underpinned by a QIPP savings/efficiency requirement of £7.23m. The CCG is developing implementation plans to support this requirement but at final submission date, £0.7m of this requirement is unidentified.

The key risks to delivery of the 2018/19 financial plan are:

- Implementation and delivery of the £7.2m savings programme;
- Capacity of internal teams (transformation, BI, contracting);
- Growth/costs in service areas exceed planned levels;
- System recovery plans derailed by wider system issues.

11. Any statutory / regulatory / legal / NHS Constitution Implications

The CCG has a duty of care to ensure delivery against the Quality and Outcomes Framework and NHS Constitution.

The CCG is required to submit a range of finance, activity and planning narrative returns to NHSE as part of the annual planning process. Our submissions are required to be approved by the Governing Body.

12. Equality Impact Assessment Click [here](#) for link

All plans are subject to an EIA compliance assessment.

13. Implications / Actions for Public and Patient Engagement

All submissions are developed in line with the principles of maintaining the quality triumvirate - patient safety, clinical effectiveness and patient experience.

14. Recommendations / Action required

The CCG is required to develop a financial and operational plan that is both stretching and realistic and will be delivered within the approved allocation (breakeven).

The current financial plan does not **meet the CCG control total (breakeven) for 2018/19.**

The Governing Body are asked to agree that the CCG submits a financial plan with a deficit of £4.05m recognising that this may well lead to further action by NHS England.

15. Monitoring

There is detailed monitoring of the finance (including QIPP), contract and performance through the Quality, Finance & Performance Group which now meets every month.

QIPP delivery will now be further monitored through the introduction of an operational group led by the Deputy Chief Operating Officer and the Deputy CFO.

For further information please contact: Alison Levin or Bernard Chalk