

Accountable Officer's Report

Community Engagement Forum

22nd March 2018



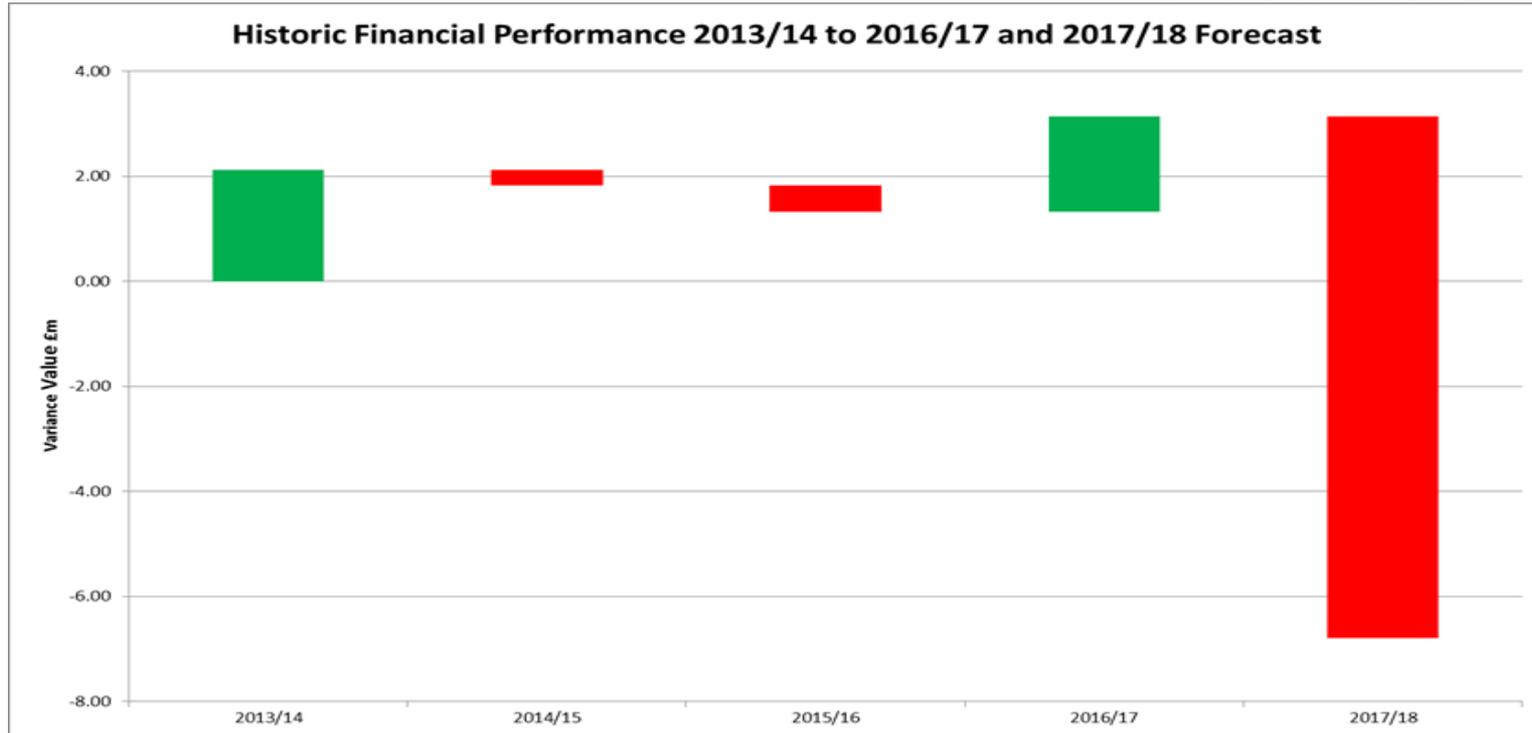
Summary

- To brief the Community Engagement Forum on:
 - The CCGs current financial position, and plans for 2018/19;
 - The commissioning arrangements being established within the STP.



Historical financial performance

West Norfolk Clinical Commissioning Group



The CCG has a history of entering financial recovery with underlying deficit, and has relied on non-recurrent funding to meet annual control totals.

QIPP (savings programme) has not been planned or delivered effectively, and this has contributed to the worsened financial position.

The Queen Elizabeth Hospital has recently advised the CCG that they are forecasting £18.8m deficit for 2017/18.

This is a significant system deficit (c£30 million) in 2017/18 requiring recovery in 2018/19 and beyond.

CCG Financial Position

- As reported at the Governing Body detailed work over the last couple of months has confirmed a significant deterioration in the CCGs financial position (net risk to plan c£10m);
- This was caused in large part by a number of non-recurrent items relating to 2016/17 that were not properly planned for in 2017/18;
- A formal escalation meeting was held with the Regional Director of NHS England on 10th January that confirmed:
 - The 2018/19 plan is under-developed and requires urgent work;
 - The CCG needs to confirm the detailed proposals that will return the CCG to a balanced financial position;
 - This will mean the CCG looking at the full range of it's spend to identify mitigations in the short term. This will include mitigation non-elective admissions which are growing at an unacceptable rate (c£5m over performance on acute contracts).
- Local press coverage
- Follow up meeting on 30/1 more positive – assured on plans

Principles

- The CCG has a statutory duty to break-even. We are spending money that we don't have and risk running up an unaffordable debt for the future;
- The plans we develop will seek to transform services for the benefit of our patients while at the same time reducing cost to the system;
- Alongside service transformation we will look critically at areas of spend that do not represent value for money;
- This will require decisions to be taken on a range of the CCGs commissioned contracts;
- The CCG will be unable to fund investments that do not clearly demonstrate a financial and/or quality return;
- Savings programme for 2018/19 of £12m
- 2018/19 is the critical year, beyond which the CCG will generate significant surpluses to re-invest locally

Reasons to change

- Data shows that West Norfolk is a high consumer of healthcare
- In particular, we spend more per head of population on urgent and emergency care than any of our peers
- We know, through audits, that many patients attending A&E and being admitted could be seen in alternative primary care and community settings
- More people are admitted to hospital from care homes than our comparator CCGs
- We need to change the way care is provided and received
- We have begun working on what that might mean locally
- Driven by greater alliance working rather than continuing to operate as single organisations – health **and** social care
- Collaboration rather than competition – removing disincentives