

HEALTH SCRUTINY COMMITTEE	AGENDA ITEM No. 8a
9 JULY 2019	PUBLIC REPORT

Report of:	Cambridgeshire & Peterborough Clinical Commissioning Group	
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FIRST PHASE COMMUNITY SERVICES REVIEW
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R E C O M M E N D A T I O N S
<p>It is recommended that the Health Scrutiny Committee:</p> <ol style="list-style-type: none"> Note the CCG update on the first phase of its Community Services Review.

1. ORIGIN OF REPORT

- 1.1 The Cambridgeshire and Peterborough Clinical Commissioning Group (CCG)'s Governing Body met on Tuesday 2 July 2019, to consider the first phase of its savings plans for 2019/20.

When the papers were published the CCG received a large number of submissions and new information from several organisations and decided that it should pause its decision making to ensure that Governing Body members had time to consider the new information and we seek clarifications if necessary. The CCG is meeting again on 16 July to review all this information.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to explain the reasons for the review and our approach to this first phase of our grants and contract review.

Our total NHS system financial deficit this year is almost £200 million. The CCG has a budget of £1.3 billion but we still need to make significant savings. Much of this will be through work with our providers, with minimal impact on patients but around £33 million will need to be found to deliver even a planned deficit of £75 million. This deficit has been agreed with our regulators and the CCG has agreed this level of deficit in order to ensure that our providers are able to access the Sustainability and Investment Fund of £81 million. It also reduces the amount our providers interest our providers will need to incur on loads.

As part of the savings that the CCG needs to make in 2019/20 the CCG is going through a process to evaluate every service that it commissions to see if it offers good quality, good outcomes, and good value for money, as well as whether it is an effective and equitable way of allocating our resources for the benefit of the whole population. With our partners we are working on transformation projects to streamline pathways and as an

organisation we are also making efficiencies and reducing costs. The CCG is making savings of £1 million this year on its running costs, and £2 million next year.

We will be doing this by changing the way we provide some services, removing duplication, and there will be some services that we will need to stop. We are planning a Big Conversation with our public starting in the summer about how we use and our NHS and ensure that we can access good services we can afford when we need them.

- 2.2 This report is for the Health Scrutiny Committee to consider under its Terms of Reference Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by Council - Public Health and Scrutiny of the NHS and NHS providers.

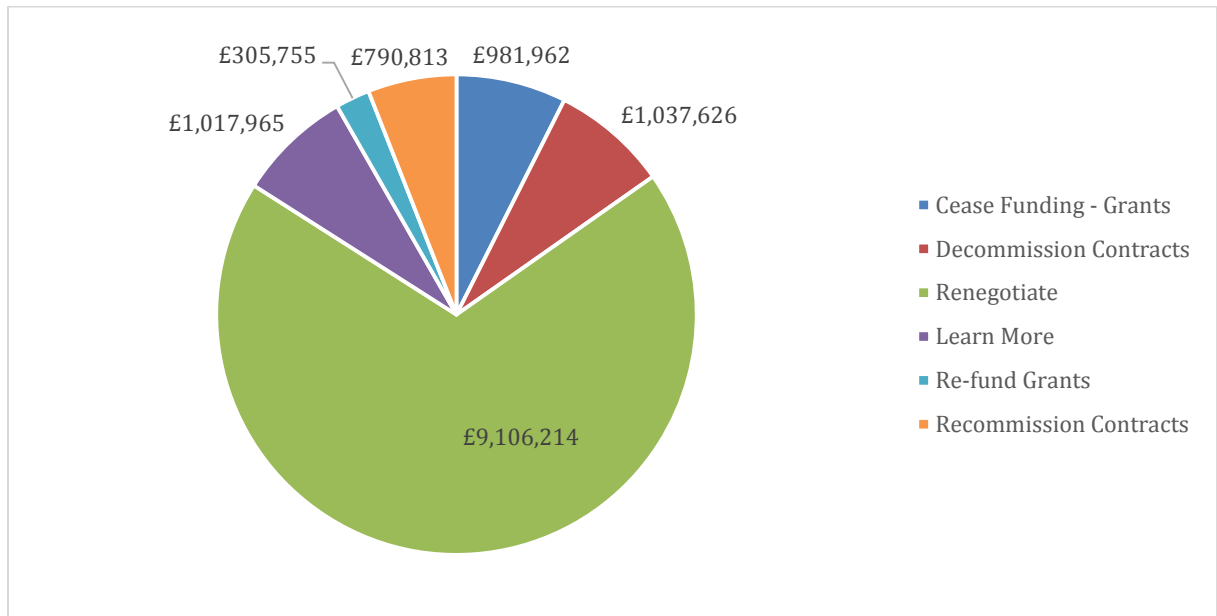
3. BACKGROUND AND KEY ISSUES

- 3.1 On 16 July the CCG Governing Body will be reconsidering ceasing funding, decommissioning or renegotiating a number of services that either provide triage services, provide a service that could be provided differently or by an alternative local provider, or are not health provision.

Since it met on 2 July, the CCG has offered additional meetings with all providers who may be affected by any decision and has received a number of additional submissions and alternative proposals and is currently going through an internal process to review those. Impact assessments are also being reviewed to ensure that they reflect the full impact of any decision so that the Governing Body can make an informed decision.

At the time of writing this report the current proposals are being reconsidered so that a recommendation can be made to the Governing Body. The CCG has a budget of £1.3 billion and has so far considered 1 % of services, making up £13 million. The table and pie chart below set out the proposed next steps for the contracts we have reviewed, understanding there are additional meetings still underway.

Group1	Cease Funding - Grants	£ 981,962	7.42%
Group 2	Decommission Contracts	£ 1,037,626	7.84%
Group3	Renegotiate	£ 9,106,214	68.78%
Group4	Learn More	£ 1,017,965	7.69%
Group5	Re-fund Grants	£ 305,755	2.31%
Group6	Recommission Contracts	£ 790,813	5.97%
		£ 13,240,335	



4. CONSULTATION

4.1 The CCG has engaged with members about the funding pressures facing the NHS and has sought advice in relation to the Big Conversation.

5. ANTICIPATED OUTCOMES OR IMPACT

5.1 Each service considered on 2 July was considered alongside a range of impact assessments published with the papers at the link below.

6. REASON FOR THE RECOMMENDATION

6.1 The CCG is keen to engage with the Committee and explain the processes it is undertaking to ensure the Governing Body is able to make good informed decisions to ensure we can continue to provide good quality, safe healthcare with the money available to us.

7. ALTERNATIVE OPTIONS CONSIDERED

7.1 The CCG needs to make £33 million of savings this year out of its £1.3 billion budget. It is working to ensure that there is minimal impact on patients, by identifying areas where there is duplication or provision or where the service is not providing healthcare or a service that is not within its statutory duty.

8. IMPLICATIONS

Financial Implications

8.1 If the CCG is unable to make these savings, then other services will need to be reviewed to find the savings. It is also possible that there will be intervention by regulators if the CCG cannot make these savings.

8.2 Legal Implications

Legal advice has been sought and providers will be given appropriate notice if there is a decision to cease the grant or contract.

Equalities Implications

- 8.3 Impact assessments can be reviewed at the link below – these are being reviewed in light of new information and will be updated by 12 July.

Rural Implications

- 8.4 Impact assessments can be reviewed at the link below – these are being reviewed in light of new information and will be updated by 12 July.

9. BACKGROUND DOCUMENTS

A full set of papers published by the Governing Body before the additional information was sent in is published here. The Governing Body agreed to pause any decision to allow the CCG and the Governing Body to review any new information.

<https://www.cambridgeshireandpeterboroughccg.nhs.uk/easysiteweb/getresource.axd?assetid=18354&type=0&servicetype=1> cover paper. Please see all additional links on 2 July for all other papers here

<https://www.cambridgeshireandpeterboroughccg.nhs.uk/about-us/governing-body-meetings/>

10. APPENDICES

- 10.1 Appendix 1 - Making the Case for Cambridgeshire and Peterborough. Fairing Funding brief

Making the Case for the NHS in Cambridgeshire & Peterborough

Three main issues putting increasing pressure on NHS Funding in Cambridgeshire and Peterborough

1. How much money we receive per head of population

- All our neighbouring CCGs are considerably better funded than Cambridgeshire and Peterborough CCG
- West Suffolk CCG receives an average of £1288 per person and we receive only £1125 per person. A difference of £163 per person. **This would give us over £150 million additional funding**
- In Bedfordshire, they receive £119 per person more than we do, in West Norfolk it is £372 per person higher.

2. How fast our population is growing

- The NHS uses Office for National Statistics (ONS) figures to calculate our funding allocations
- But our population is growing faster than projected by ONS - historic growth shows we are 0.6% above the England average in the last 4 years
- Going forward the NHS funding formula predicts we will be 0.1% below England average.
- By 2021 **ONS projections say we will have a population of 988,000** while the Cambridge Research Group which forecasts based on known housing developments says this is more likely to be **30,000 higher at 1,022,000**.

3. Looking forward, what happens to our funding?

- Our Distance from Target or DFT (the NHS recognised fair funding figure) deteriorates to 3.71% in 19/20
- This means that **this year we are underfunded by £43M and £200M over the next 5 years.**
- The previous 4 years we were underfunded by £157M, a cumulative deficit of £58M.
- This has held us back from investing in the system to transform services.

Other NHS Funding Facts about Cambridgeshire and Peterborough

- We are the 3rd lowest funded CCG in England.
- We are the 2nd lowest funded Sustainability & Transformation Partnership in England which also has the biggest DFT in the country.
- We have a savings target of £55m this year – 4.5% of our budget
- The CCG allocation uplift is 5.67% (£66.7m), but we are already committed to nationally mandated additional commitments and costs of almost £70m.
- **We have less money to fund health services in 2019/20 than in 2018/19.**

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