

HEALTH SCRUTINY COMMITTEE	AGENDA ITEM No. 7
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Report of:	Cambridgeshire and Peterborough Clinical Commissioning Group	
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CAMBRIDGESHIRE AND PETERBOROUGH CCG COMMISSIONING PLANS AND RESPONSE TO PWC REVIEW

R E C O M M E N D A T I O N S
<p>It is recommended that Peterborough Health Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Note the CCG's plans to address financial and operational challenges, for 2018/19 and beyond.

1. ORIGIN OF REPORT

1.1 This report to Scrutiny follows a request from Councillors for a planning update from the CCG.

2. PURPOSE AND REASON FOR REPORT

2.1 This report has been compiled to inform PHSC of the CCG's commissioning plans following the capacity and capability review by PriceWaterhouse Coopers (PWC).

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 The CCG's 2017/18 outturn was a £42.1m deficit, in comparison to the £15.5m deficit control total agreed at the beginning of the year with NHS England. The reasons for this were:

- Greater demand for acute care than was planned for, costing an additional £19m
- A £6m increase in prescribing costs, due to national pricing changes
- A rise in the number of NHS Continuing Healthcare patients and the cost of the care that they need; as well as a need to address a large backlog of assessments. This has required investment in staffing, systems and processes costing an additional £14m
- Under-delivery of savings plans totalling £7.6m

Using underspends from other areas as well as contingencies, the CCG was able to arrive at the final deficit total of £42.1m.

3.2 The CCG asked PriceWaterhouse Coopers (PWC) to conduct an external review. Their 'Capability, capacity and independent review of financial position' was received by the Governing Body on 24 May 2018 (see Appendix 1). They found:

- A history which demonstrates a lack of grip, action, financial forecasting, financial control and delivery;
- Failure to deliver reduction in demand required to offset planned growth in the system;

- Instability at leadership level impacting on delivery and causing uncertainty for staff;
- Lack of experienced leadership and capacity, resulting in insufficient grip, control and energy to drive improvement;
- Ineffectiveness of the Governing Body to ensure the CCG met its statutory duties;
- A reactive approach, rather than a focus on sustained improvement;
- Lack of direction at the STP Delivery Unit (SDU), leading to lack of focus on supporting CCG recovery;
- Breakdown in governance and control in relation to finance, of which NHS Continuing Healthcare is a clear example;
- Concerns regarding the breadth of capacity and capability to deliver plans in 2018/19.

PWC made a number of recommendations, to be incorporated into an Improvement and Delivery Plan. The CCG was instructed to agree the Plan with the Auditors and NHS England, and to monitor progress at Governing Body meetings.

3.3 A detailed Improvement and Delivery Plan was first agreed by the CCG Governing Body in May. Following due monitoring at subsequent meetings, a final version of the Plan was ratified by NHS England on 01 August 2018 (see Appendix 3). The Plan:

- Identifies clear actions to address each of PWC's 18 recommendations (see Appendix 2);
- Plans for both rapid and long term changes;
- Aims to stabilise demand, contain costs, and create an environment for sustainable, transformational change;
- Continues to be closely monitored by the Governing Body, NHS England and Auditors;
- Divides responsibility for delivery between members of the Governing Body.

3.4 The Plan is based on good data and the CCG believes a 2018/19 deficit of £35.1m is achievable. There is still a large amount of risk, and the delivery of planned savings is key to the success of the Plan. NHS England has agreed our deficit figure and signed off our Improvement and Delivery Plan. The CCG continues to work closely with NHS England to ensure that there is a shared and detailed understanding of the Plan, to deliver an agreed deficit at the end of 2018/19 and the 'must dos' set out in the National Planning Guidance; and progress to 'best in class' on benchmarking data.

3.5 **MOVING FORWARDS**

As part of the Plan delivery, the CCG has agreed Guaranteed Income Contracts (GICs) with providers. This is a different way of working that the whole health system has bought in to. It aims to give people the opportunity to change ways of working, to do things differently and reconsider patient pathways.

3.6 This is crucial as the demand for acute services is increasing, and we need to change the way that urgent care works. Primary care and community services will also be crucial to the success of the health and care system in coming years. The new approach should enable clinicians from primary and secondary care to better work together, across organisational boundaries.

3.7 Our corporate objectives for 2018/19 are:

- Delivering the Improvement Plan
- Delivering the Financial Plan
- Delivering national must dos
- Ensuring clear oversight of patient safety and quality
- Ensuring robust governance arrangements
- Ensuring delivery of robust engagement and communications plans

3.8 **ADDRESSING SERVICE PRIORITIES**

In line with national priorities (must do's) the CCG is also addressing service priorities as follows:

- Mental Health – meeting the investment standard
- Cancer – implementing regional Cancer Alliance strategy with associated funding
- Primary Care – supporting new models of care and extended access to appointments

- Urgent and Emergency Care – focus on reducing Delayed Transfers of Care (DTocS)
- Learning Disabilities – planning for growth.

4. CONCLUSION

- 4.1 The CCG continues to monitor progress of the Improvement and Delivery Plan 2018/19, working closely with NHS England towards financial balance and operational control. The CCG welcomes comments and support from PHSC in this and values its input as a local stakeholder.

5. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 5.1 CCG Improvement and Delivery Plan 2018-2019: Governing Body Paper 24 May 2018
https://www.cambridgeshireandpeterboroughccg.nhs.uk/_resources/assets/inline/full/0/15686.pdf
- 5.2 Improvement and Delivery Plan 2018-2019: Governing Body Paper 07 August 2018
https://www.cambridgeshireandpeterboroughccg.nhs.uk/_resources/assets/inline/full/0/15478.pdf

6. APPENDICES

- 6.1 Appendix 1 - NHS Cambridgeshire and Peterborough CCG Capability, capacity and independent review of financial position FINAL At A Glance
https://www.cambridgeshireandpeterboroughccg.nhs.uk/_resources/assets/inline/full/0/13776.pdf
- 6.2 Appendix 2 - PWC Recommendations
https://www.cambridgeshireandpeterboroughccg.nhs.uk/_resources/assets/inline/full/0/13777.pdf
- 6.3 Appendix 3 - Improvement and Delivery Plan 2018-2019: 30 July 2018
https://www.cambridgeshireandpeterboroughccg.nhs.uk/_resources/assets/inline/full/0/15479.pdf

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