

TRUST BOARD

Title:	2019/20 Preparatory Planning Guidance
Action:	FOR INFORMATION
Meeting:	9 January 2019

Purpose:

This paper provides the Board with a summary of the key financial headlines included in the NHS England (NHSE) and NHS Improvement's (NHSI) first part of the 2019/20 Operational Planning guidance, published on 21 December 2018.

Recommendation:

The Trust Board is asked to note the information contained within this report, including the planning timetable included in section 2.

	Name	Title
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1. Executive Summary including key points

This paper provides the Board with a summary of the key financial elements included in the NHS England (NHSE) and NHS Improvement's (NHSI) first part of the 2019/20 Operational Planning guidance, which was published on 21 December 2018 (Annex A to Chief Executives Report).

The 'preparatory guidance' provided an overview of system planning, the financial settlement and operational planning requirements. The guidance did not include the full financial regime for next year, performance recovery trajectories, control totals, indicative CCG allocations or any other deliverables for 2019/20.

The full planning guidance is expected in January 2019, along with the NHS medium and long term plan.

Key points to note from this guidance are:

- Greater focus on system planning, with system control totals to be set for each Integrated Care System (ICS) and Sustainability and Transformation Partnership (STP). Providers within an ICS will be expected to link a proportion of their Provider Sustainability Fund (PSF) to the system control total.

The Trust formerly operates in the BLMK ICS and the Cambridge and Peterborough STP, and will therefore agree with both these systems and its Regional governing body the approach for CCS.

- The uplift in the national tariff will be set at 3.8% and includes the costs of the Agenda for Change pay award for 2019/20.

The Trust is assuming this uplift will also be applied to non-tariff funded services including those from the Public Health, and the full planning guidance will confirm the process as to the approach to ensure this is passed from Public Health commissioners to provider organisations.

- The National Tariff Proposals remain largely unchanged from those published in October, which included a proposed blended payments system for urgent and emergency care, with £1bn from the Provider Sustainability Fund (PSF) being transferred into emergency care prices, and also included are the adjustments to the Market Forces Factor (MFF) which has not been updated for almost 10 years and is current based on Primary Care Trust (PCT) boundaries.

The Trust is liaising with Luton CCG and the Luton & Dunstable NHS Foundation Trust, to understand the impact of this pricing change to the cost assumptions included in the Enhanced Models of Care pilot which began delivery in October 2018, as this will impact the original cost benefit analysis and risk share assumptions in the current baseline. With regards to MFF, as a significant majority of the Trust's income is received via Block contracts, the proposed reduction in the MFF for CCS only impacts a very small amount of Out of Are income for some of its iCaSH services.

- NHS England will place an increased emphasis on achievement against mental health investment standards, with the opportunity for STP / ICS leaders to review CCG investment plans.

CCS is not directly affected by this proposal but the increase in scrutiny and accountability will be welcomed on both sides to ensure the appropriate additional funding announced does go into service provision.

- Providers will be asked to deliver 1.1% efficiency over the next five years, with guidance identifying a number of priorities from the Carter reviews that should be prioritised.

This compares to a 2% efficiency requirement for last 2 years, and the areas identified for 2019/20 include digitally-enabled outpatient operational models, improved availability of

mobile and digital services for staff, improved deployment and availability of clinical workforce supported by the use of e-rostering, accelerate the pace of procurement savings, efficiency of estate use including space utilisation and energy efficiency, improved use of shared corporate services, and the continued rollout of pathology and imaging networks.

Within current CCS plans, we continue to the use digital technology to enhance the contact with service users, and we are in the process of procuring and then implementing e-rostering and scheduling, and we continue to improving the efficiency in the use of our clinical space within our estate through a combination of rationalisation and modernisation.

- Commissioning for quality and innovation (CQUIN) schemes will be reduced by 50% to 1.25% of CCG commissioned contract income. The CQUIN scheme will also be simplified with greater emphasis on the funding being 'earned'. The full details will be published in separate CQUIN guidance in January 2019.

2. Planning Timetable

Milestone	Date
2019/20 deliverables, indicative CCG allocations, trust financial regime and control totals and associated guidance for 2019/20	Early January 2019
NHS Long Term Plan	January 2019
2019/20 CQUIN guidance published	January 2019
2019/20 Initial plan submission – activity focused	14 January 2019
STP/ICS net neutral control total changes agreed by regional teams	By 1 February 2019
Draft 2019/20 organisation operational plans	12 February 2019
Aggregate system 2019/20 operating plan submissions, system operating plan overview and STP led contract / plan alignment submission	19 February 2019
Final 2019/20 NHS Standard Contract published	22 February 2019
2019/20 national tariff published	11 March 2019
STP/ICS net neutral control total changes agreed by regional teams	By 25 March 2019
Organisation Board / Governing body approval of 2019/20 budgets	By 29 March 2019
Final 2019/20 organisation operational plan submission	4 April 2019
Aggregated 2019/20 system operating plan submissions, system operating plan overview and STP/ICS led contract / plan alignment submission	11 April 2019
Strategic planning	
Capital funding announcements	Spending Review 2019
Systems to submit 5-year plans signed off by all organisations	Autumn 2019

3. Next steps

During January and February 2019, the Trust will review the impact of the full financial framework against the Trust's original financial assumptions, which will then inform the final budget due for Board approval in March.

The Trust will work with its system colleagues and regional governing body to agree the approach to inclusion within a system control total regime, and this will also include the triangulation of workforce, activity and contract assumptions.