

BERKSHIRE WEST CCGs' STRATEGIC PLANNING PROCESS

1. Introduction

- 1.1 This paper sets out what is known about health economy planning processes for 2014-15 and beyond. It describes the key roles envisaged for Health and Wellbeing Boards, both in assuring that CCG Commissioning Plans align with the health and Well Being Strategy, and in determining the use of the Integration Transformation Fund, a pooled budget to be established between health and social care. It sets out the scale of financial challenge facing the local health economy and seeks endorsement of the arrangements being put in place to develop a five year strategic plan across the Berkshire West health and social care economy.

2. Planning guidance

- 2.1 Full CCG planning guidance will be issued by the Department of Health in December along with funding allocations for the next two years. In the meantime an NHS England letter to commissioners issued on 10th October 2013 set out ten key points for CCGs to consider in their planning processes. This was followed on 17th October 2013 by a letter about the Integration Transformation Fund (ITF). A further letter followed on 4th November 2013 giving more detail on planning mechanisms, timescales and expected output

- 2.2 Based on the above documents, the following outputs are expected:

- CCG strategic plans for the next five years, developed through a dialogue with local government partners and providers, that demonstrate alignment across the health and social care economy.
- A two year detailed CCG operating plan for 2014/5 and 2015/16
- A jointly developed plan for the use of the ITF using a national template. In practice this will also form a key element of both the two and five year plans.

- 2.3 Exact timescales are to be confirmed but it is likely that CCGs will be required to submit draft plans to the Local Area Team by the end of January 2014. ITF plans are due to be finalised by 14th February 2014 and CCG commissioning plans by the end of March 2014. Each plan will need to be reviewed by the relevant Health and Wellbeing Board(s) prior to submission.

- 2.4 Two and five years plans are to be developed in collaboration with the public as part of the Call to Action programme and will focus on the following:

- Improving outcomes across seven key areas (reducing mortality from treatable conditions, improving quality of life for people with long-term conditions, reducing avoidable admissions, increasing the proportion of older people living independently following discharge from hospital, reducing the proportion of people reporting very poor care in

hospital and primary care and making progress towards eliminating avoidable deaths in hospital).

- Delivery of other priorities expected to be specified in the revised NHS Mandate including reducing premature deaths, going fully digital and implementing the recommendations of the Mid-Staffordshire and Winterbourne View reports and the Berwick review of patient safety. Continued delivery of NHS Constitution pledges.

2.5 The ITF is intended to be a key enabler to delivering large scale change at pace. The ITF is not new funding and over half of the pooled budget will be created from within CCG allocations. Whilst some existing expenditure may be deemed an appropriate use of the ITF, in order to fully establish the pooled budget and use it to drive integration the CCGs will need to deliver further savings from elsewhere in the system. The current planning assumption is that only 20% of existing commitments will be funded by the ITF.

2.6 Final guidance on the ITF will be issued in November. At this stage it is expected that for 2014/15 the existing funding transfer from health to social care will be increased from £900m to £1.1bn. Transfers will be made under the same conditions as in 2013/14. For 2015/16 a total fund of £3.8bn will be created. It is anticipated that this will be administered as a pooled budget under Section 75 of the NHS Act (2006). The ITF sets a minimum value for this budget and it is expected that some economies will choose to pool further resources. To stagger the increase in ITF funding between the two years, CCGs may also now be required to establish a transitional budget in 2014/15 representing 1% of their allocations.

2.7 At least 50% of the ITF is expected to be released incrementally based on performance. Agreement of an ITF plan which meets a number of national conditions around joint planning, 7-day provision, data sharing and shared care planning with a defined accountable professional is likely to be an early performance indicator. The guidance also emphasises the need to liaise with providers from the outset to quantify the impact of the plan on the acute sector and to manage the transition to new service models.

3. The role of Health and Wellbeing Boards

3.1 Statutory responsibilities to consider the degree of alignment between CCGs' commissioning plans and the local Joint Health and Wellbeing Strategy remain unchanged.

3.2 The intention is however that Health and Wellbeing Boards should play a much more fundamental and proactive role in the joint development of consistent plans by each of the local statutory organisations, working to ensure that these are aligned and reflect a shared vision of the direction of travel for the local health and social care economy. As such, Health and Wellbeing Boards will be responsible for signing off the ITF plan, assuring themselves that the national conditions have been met and there is a shared understanding across the health and social care economy of the ambitions for the fund, performance goals and payment mechanisms. Boards will need to ensure that governance arrangements allow for decisions made about the fund to be transparent and evidence-based and that risks are identified and addressed.

4. The local picture

- 4.1 The attached slides model the financial forecast across the four CCGs in Berkshire West over the next 5 years. To remain in balance, CCGs will need to make a total of £56m of recurrent savings over this period, a much higher rate of saving than has been required in recent years. These figures include provision for the ITF which will amount to £13.7m across Berkshire West in 2015/16.
- 4.2 The national emphasis on integration is reflected in the Berkshire West CCGs' current strategic thinking which focuses on joining up different types of health and social care services to provide more co-ordinated care, taking a more proactive and preventative approach to keep patients at home wherever possible and improve health outcomes. Part of this strategy will be the development of primary care to improve access and provide more robust proactive management of older people. Patients will be supported to become more involved in their care and reliance on the acute sector will be reduced. The CCGs are already working to deliver this vision with the other local statutory organisations as part of the 'Berkshire West 10'. Alongside pathway redesign, new contracting and pricing approaches are being explored with a view to better incentivising efficient provision and influencing the provider market to respond to the very different service models that are emerging.
- 4.3 The four CCGs are currently working together and with partners through the Care Programme Boards to develop the detailed operational plans for the next two years. Each CCG will produce its own plan setting out how it will utilise its financial allocation to improve health outcomes and deliver financially sustainable services.
- 4.4 The CCGs ran three public Call To Action events in Newbury, Reading and Wokingham during November to which Health and Well Being Boards were invited. The feedback is being collated but there was strong support for care closer to home, the integration of health and social care services and more emphasis on the prevention of ill health. This new model of working will contribute to financially sustainable services in health and social care.
- 4.5 A system-wide workshop on the ITF has been arranged for 6th December 2013. This will consider principles around the use of the ITF and arrangements for implementation.
- 4.6 As previously stated, national guidance suggests that five year strategic plans should be produced on a larger scale to reflect patient flows and provider configuration and to support the delivery of whole system transformation. The Berkshire West Partnership Board discussed this issue on 17th October 2013 and recommended that the appropriate unit for strategic planning should be Berkshire West. This reflects the fact that much of our planning is done by the four CCGs working together in Programme Boards with the three unitary authorities, we have common patient flows to largely the same providers, the Berkshire West geography provides the right scale for significant change in the way services are delivered and our integration programme is already operating at Berkshire West level, with the four CCGs and three local authorities committed to working together as health and social care commissioners.

5. Recommendations

- 5.1 The Board is asked to note the planning requirements outlined, the timescales and the progress made to date.
- 5.2 Members' attention is also drawn to the role of Health and Wellbeing Boards in agreeing a plan for the use of the ITF. This plan should encapsulate a shared vision for health and care services which should also be articulated in each organisation's own plans, including the two and five year plans CCG plans which will be brought to subsequent Health and Wellbeing Board meetings for review.
- 5.3 The Board is asked to endorse the Berkshire West Partnership Board's recommendation that the planning unit for CCGs' five year strategic plans should be Berkshire West.

CW 18.11.13

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