

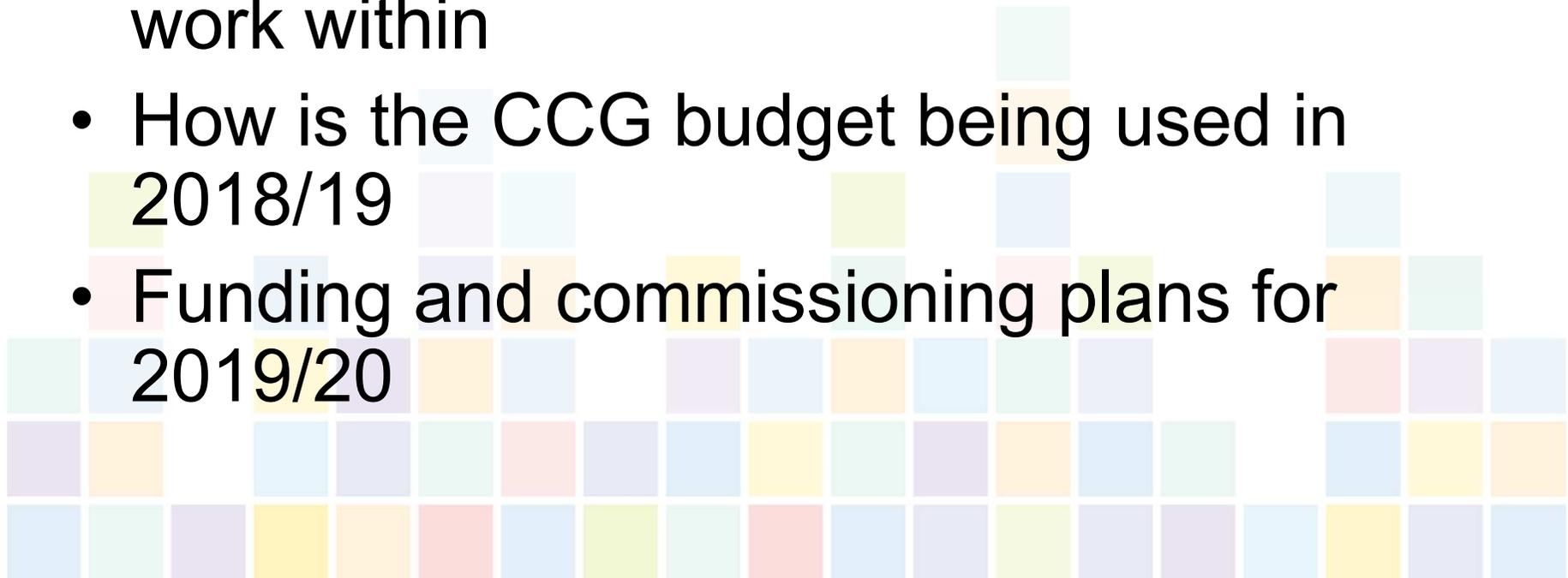
Overview and Scrutiny Committee

How Money Flows in the NHS and financial planning for 2019/20

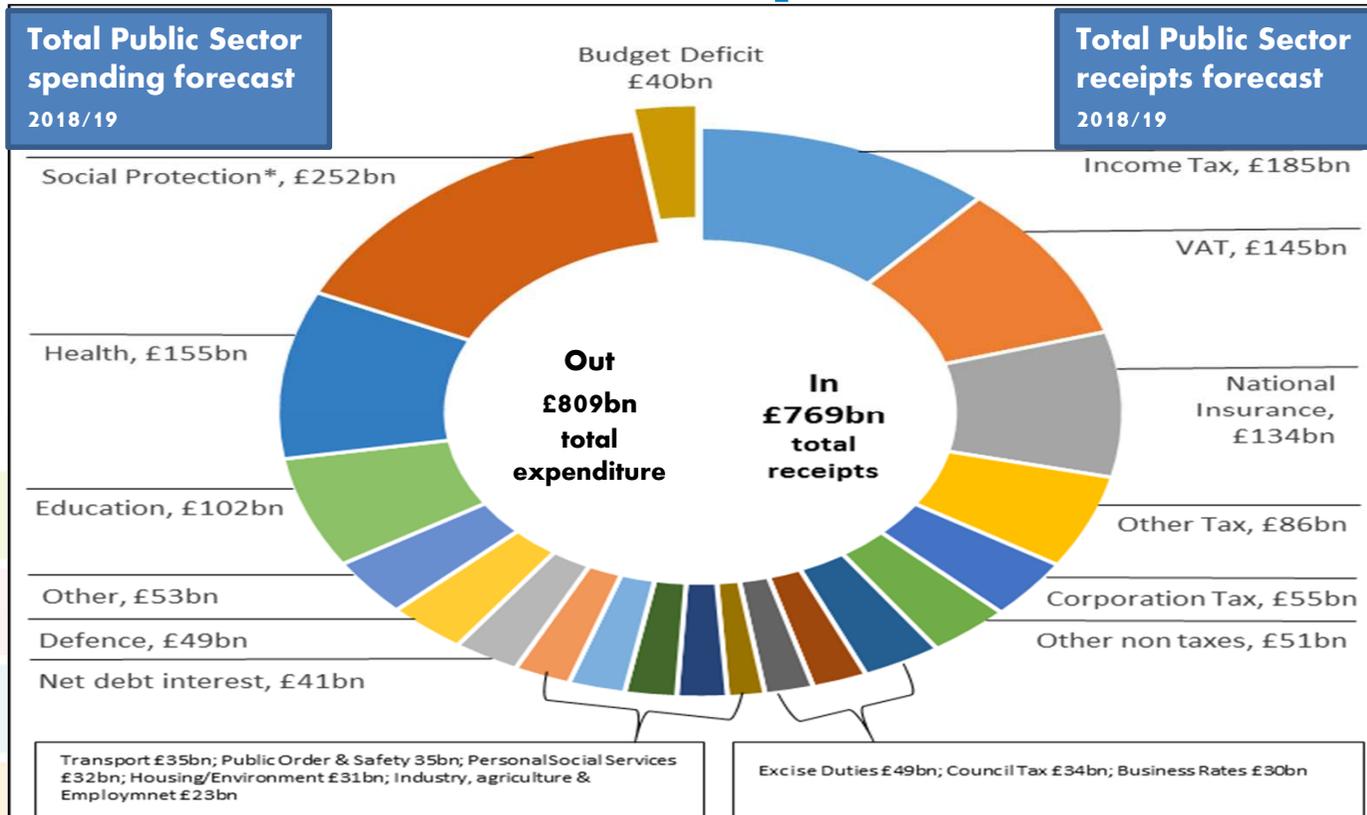
Julia Newton
Director of Finance

Presentation Overview

- NHS funding and how it flows to CCGs
- CCG Financial regime – rules we have to work within
- How is the CCG budget being used in 2018/19
- Funding and commissioning plans for 2019/20



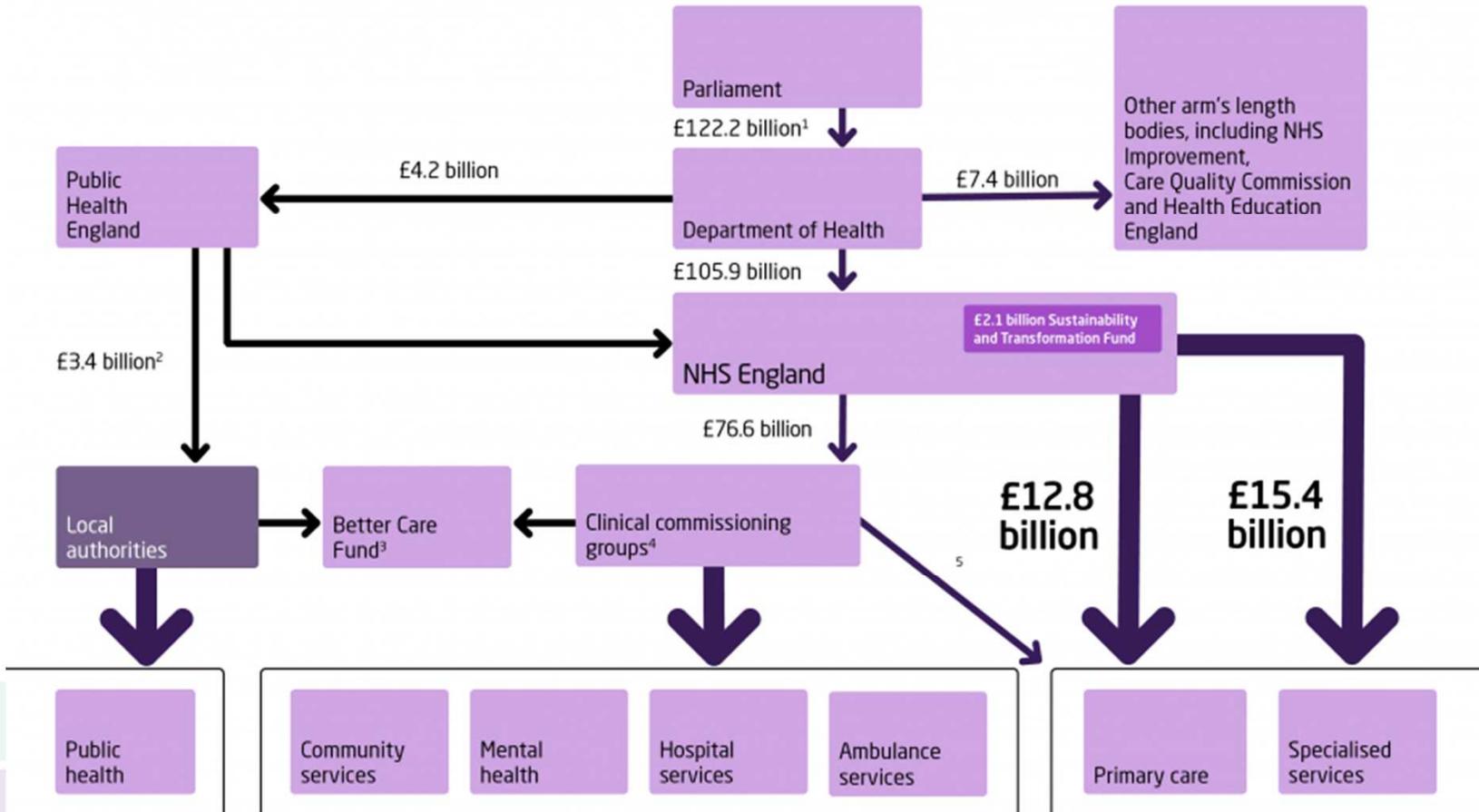
Public Sector Budget Spending and Tax Receipts 2018



TheKingsFund > Ideas that change health care

The NHS: How the money flows

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1 All figures are for 2016/17
 2 Public health grant

3 With the aim of integrating health and social care services, NHS commissioners and local authorities pool some of their annual budgets (around £5.8 billion in 2016/17) to create the Better Care Fund.

4 From April 2017, all CCGs have assumed some responsibility for commissioning primary medical care services. Sixty-three have taken on full delegated responsibility; the rest have joint responsibility with NHS England.

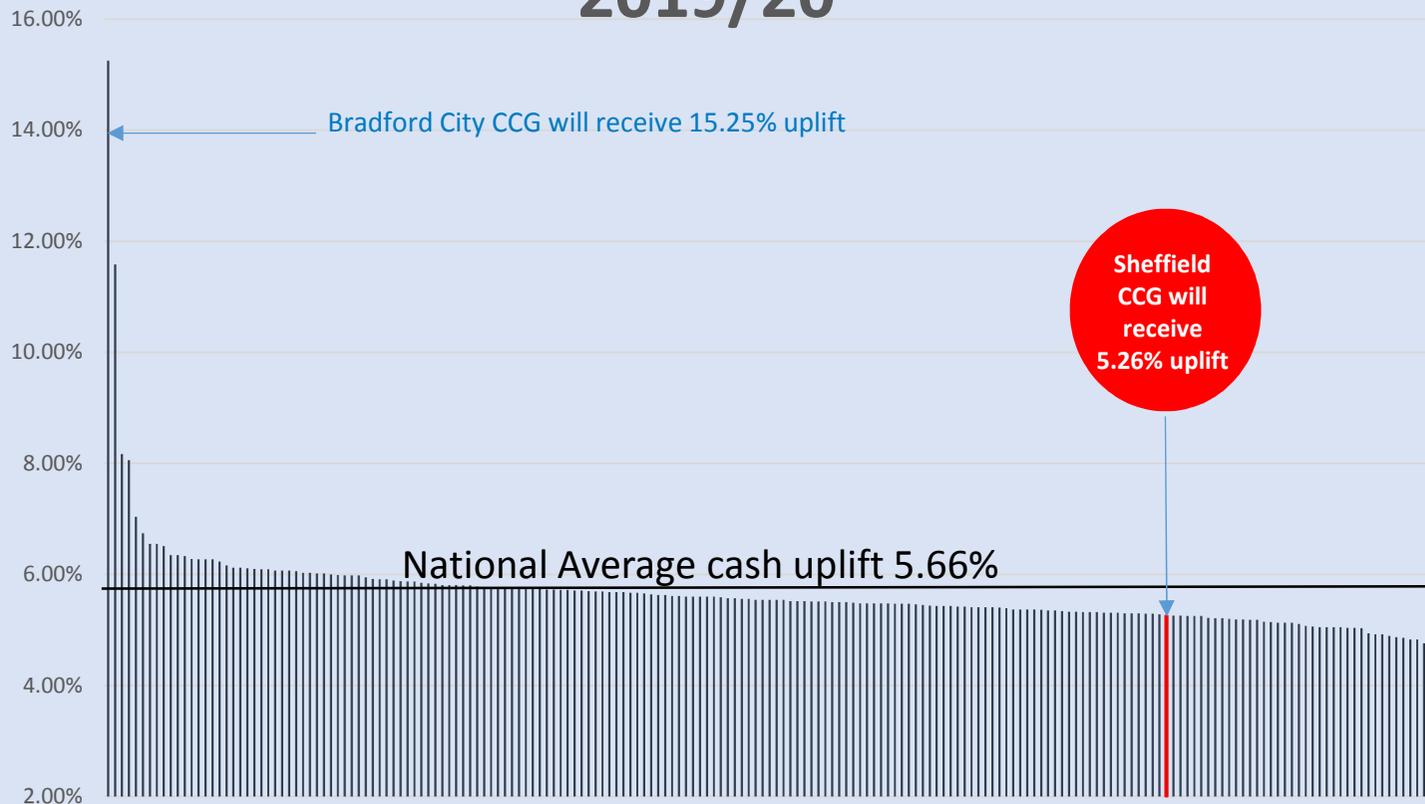
5 NHS England transfers money to those CCGs that have taken on full delegated commissioning of primary medical care services.

CCG Funding (Allocations)

- CCGs receive 3 separate allocations – Programme (to commission services); Primary Care (for GP core contracts and related spend) and a Running Cost Allowance (for own administration)
- Sheffield 2018/19 allocations:
 - Programme - £783m (including £12m as host for South Yorkshire and Bassetlaw Integrated Care System)
 - Primary Care Delegated Allocation - £77m
 - Running Cost Allowance - £13m
- Set by NHS England. Cash increases are allocated differentially dependent on position against “fair share” target allocations. Sheffield CCG is nearly 5% above its target allocation



How we compare to other CCGs 2019/20



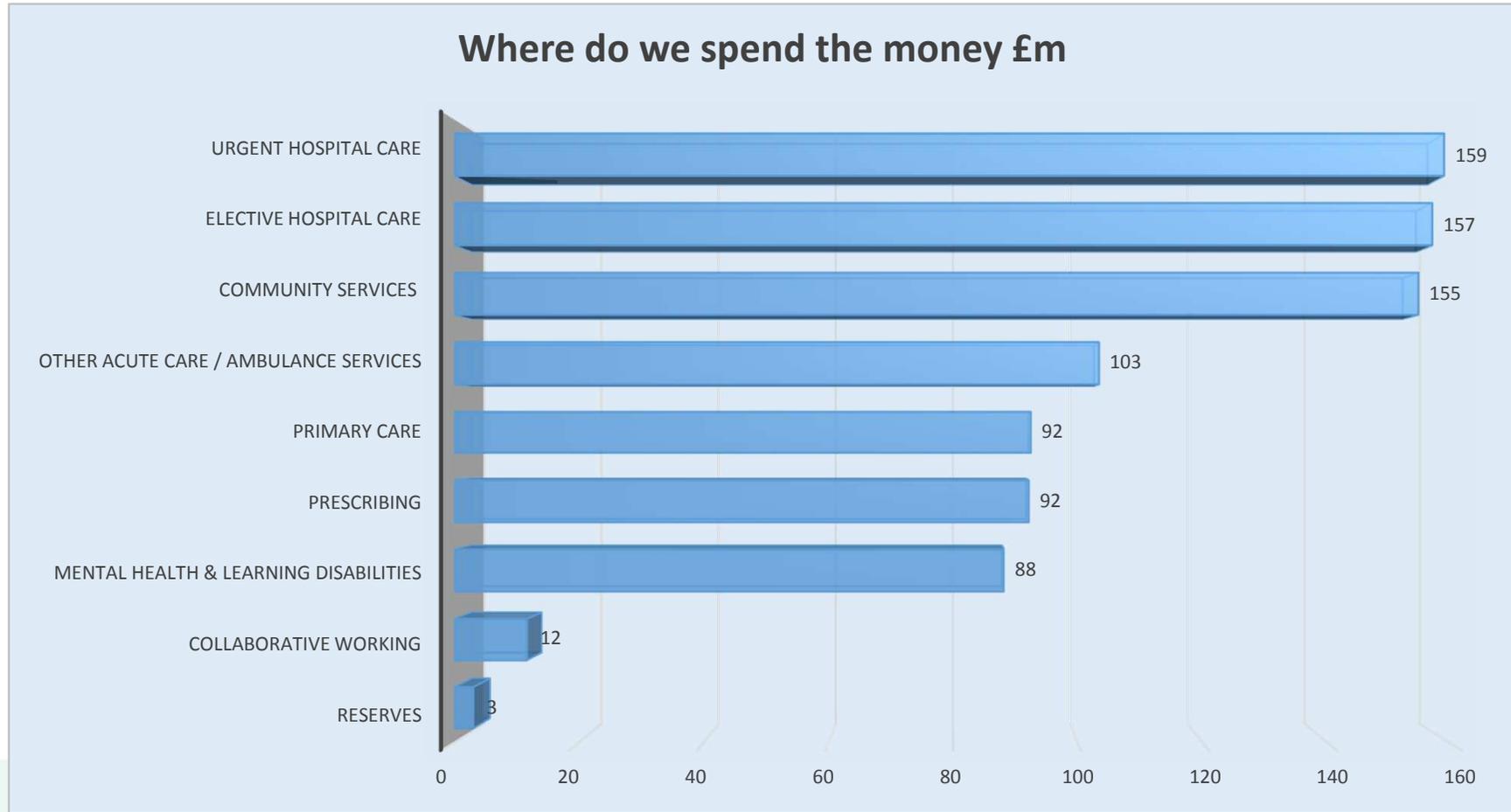
CCG Financial Regime – Key Business Rules

- Very different from that of the Council and NHS Trusts
- **CCGs have to:**
 - Deliver against a “control total” set by NHS England – default position is “in year break even” against our allocation
 - Keep minimum 1% cumulative surplus – Sheffield CCG has £18m or c2% which unable to access currently
 - invest in specific areas notified by NHS England e.g. Mental Health Investment guarantee, inflation uplifts to NHS providers via national tariffs, BCF minimum contribution, delivery of waiting time standards etc
 - start each financial year with 0.5% general contingency reserve
- **CCG cannot:**
 - own buildings or access capital (except small amounts for IT)
 - hold cash reserves
 - carry forward funding above control total into a future financial year

2018/19 Headlines

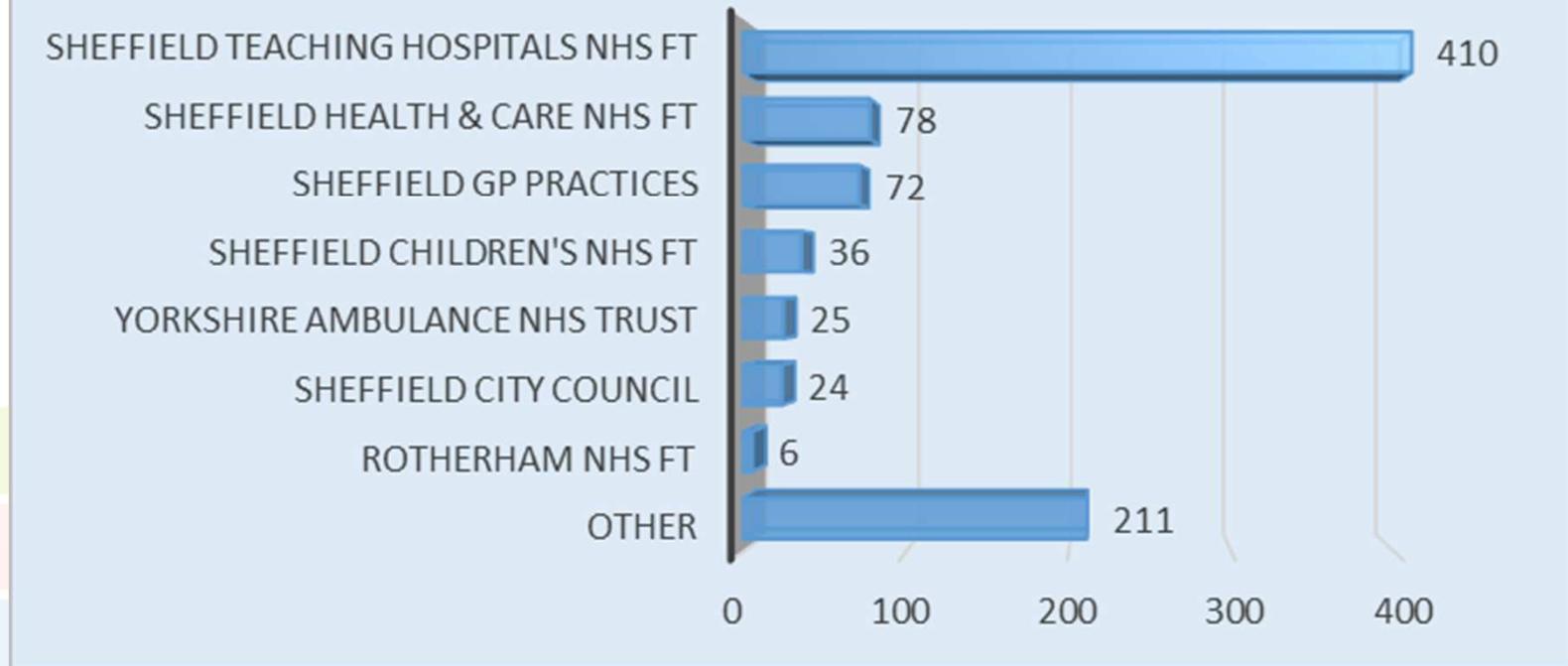
- At month 9 – on track to deliver breakeven requirement but with risks
- Estimate make c£16m of £18.5m QIPP (efficiency) target but with some large variances by scheme
- Investment principally been in mental health and primary care services
- Cost pressures mainly in urgent hospital care

Where do we spend the money £m



2018/19 Forecast Spend

Who do we spend our money with £'m



2018/19 Forecast Spend

Planning for 2019/20 in context of NHS Long Term (10 Year) Plan

- NHS Long Term plan published 8 January and CCG allocations /other planning guidance 10 January – so we are still working through implications!
- CCG's Governing Body approved initial commissioning intentions 10 January and expected to approve initial financial plan 7 February and final plan 7 March: Still significant ongoing work to determine priorities for funding and level of achievable QIPP

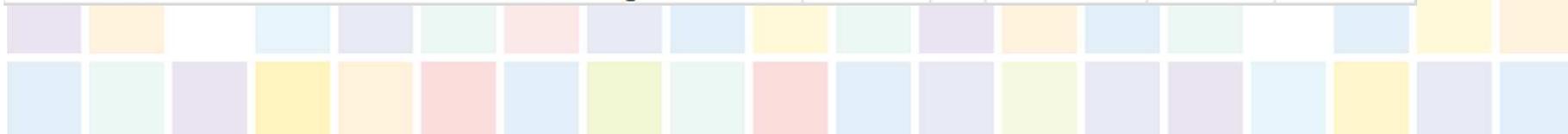
2019/20 CCG Allocations

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		Sheffield CCG					England		
	Note	Baseline	Growth	Allocation	Uplift	Closing DFT	Adjusted Baseline	Growth	Uplift
		£'000	£'000	£'000			£'000	£'000	
Programme	A	765,498	40,235	805,733	5.26%	4.89%	74,175,895	4,197,086	5.66%
Primary Care (Delegated)		77,727	4,746	82,473	6.11%	0.48%	7,758,003	511,625	6.59%
Running Costs	B								
2019/20		12,778	-135	12,643	-1.1%		1,216,000		
2020/21		12,643	- 1,490	11,153	-11.8%		1,073,000	- 143,000	-11.8%

Note A: Includes funding which previously went direct to NHS providers. The average uplift of "new" cash is 3.6%

Note B: Headline 20% cut is a real terms reduction against 2017/18



Similar to across the UK, Sheffield:



has an **ageing population**



is seeing a **rise in long-term conditions**



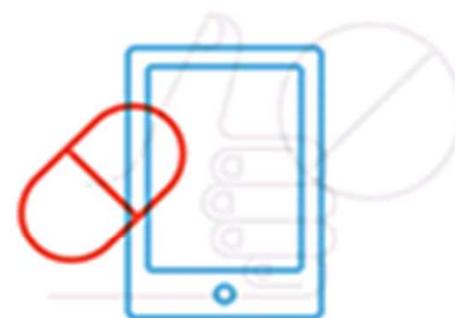
has less money, due to **reduction in funding for councils**, and **increasing cost of providing care**



has a **year on year increase** in hospital activity, and **demand for long-term care**



has **waiting time pressures**



is benefiting from **new technology & treatments**



Our Vision

By working together with patients, public and partners, we will improve and transform the health and wellbeing of our citizens and communities across Sheffield. We intend to fundamentally change the balance of healthcare provided in hospital and in the community, so that many more patients receive care closer to home when that is the best place for them.

Priorities focussed around delivering our new models of care:



Quality and Consistency



Integration Infrastructure



South Yorkshire & Bassetlaw: Commissioning services at scale.

City: Individual GPs employed by a city wide primary care services provider.

Locality (100-150,000): Joint working between primary and secondary care.

Neighbourhood (30-50,000): GP role is of Clinical Leader.

Practice: GP as expert medical generalist; maintain continuity of care.

Our Strategic Objectives

To work with Sheffield City Council and other partner organisations to reduce health inequalities in Sheffield

To improve the quality and equality of healthcare in Sheffield

To improve patient experience and access to care

To ensure there is a sustainable, affordable healthcare system in Sheffield

Organisational development to ensure we meet organisational health and capability requirements

Our 8 Goals

Deliver timely and high quality care in hospital for all patients and their families

Become a person-centred city: promoting independence for our citizens and supporting them to have more control of their health and wellbeing through reducing health inequalities across the Sheffield population

Tailor services to support a reduction in health inequalities across the Sheffield Population

Integration of physical and mental health, ensuring parity of esteem for people with mental health needs	Support people living with and beyond life threatening or long term conditions	Prevent the early onset of avoidable disease and premature deaths	Give every child and young person the best start in life	We will work in collaboration with partners across the Sheffield Accountable Care Partnership and South Yorkshire and Bassetlaw Integrated Care System to develop sustainable integrated care models and be recognised as a system leader for public sector reform
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Our 2019/20 Priorities	Integrated Working Workforce Planning High Quality Data	Cancer Care Care Closer to Home Commissioning for Quality & Safety Mental Health, Learning Disability & Autism Improving Patient Pathways Person Centred Care Primary Care Transformation Sustainable and Affordable Health Care Urgent Care in Primary Care	
		Our Priority Work Areas	

- Active Support & Recovery
- CASES (Clinical Assessment, Support & Education Service)
- Continuing Healthcare
- Commissioning for Outcomes
- Community Child Health
- Community Clinics
- GP Variation
- Integrated IAPT (Improving Access to Psychological Therapies)
- Liaison Mental Health
- Long Term Conditions Pathway reviews
- Mental Health Transformation
- Person Centred Care
- Prescribing Quality Efficiencies
- Primary Care Transformation (incl. Neighbourhoods)
- Promoting Independence
- Urgent Care in Primary Care
- Why not Home, Why not Today (DTC)

Minimum Investment Requirements for CCGs

- **Primary Care:** £1.50 per head for Primary Care Networks (Neighbourhoods);
- Funding for **community health services** to grow faster than the overall NHS revenue funding settlement (more than 5.6%?). What is in this definition? Where do pressures in social care and long term care get be considered?
- **Mental Health Investment Standard** CCGs to increase spend by at least their overall programme allocation growth plus 0.7% = 6% increase for Sheffield.
- Spend on **Children's and Young People's (CYP) mental health** must increase as a percentage of each CCG's overall mental health spend and CCGs to make good any historic shortfall against indicative allocations
- CCGs must **agree appropriate activity levels with local hospitals for urgent and elective treatment; urgent care to contracted for using new blended payment arrangements**