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<b>Date</b>	Thursday, 01 November 2018
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<b>Title of paper</b>	<b>Business Planning 2019/20 Update</b>
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<b>Presenter</b>	Huw Wilson Jones, Director of Acute Commissioning, NW London				
<b>Author/s</b>	Huw Wilson Jones, Director of Acute Commissioning, NW London				
<b>Responsible Director</b>	Huw Wilson Jones, Director of Acute Commissioning, NW London				
<b>Clinical Lead</b>	N/A				
<b>Confidential</b>	<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>	Items are only confidential if it is in the public interest for them to be so

<b>The Committee is asked to:</b>	Endorse the approach outlined in the report.
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<b>Summary of purpose and scope of report</b>	<p>Each year the CCGs set out their priorities for the coming year and how they will improve the health of the communities they serve. Commissioning intentions are where those priorities are set out by showing what kind of services CCGs would like to purchase in the coming year.</p> <p>Business Planning outlines the actions, at high level and in summarised form, that the organisation will take to deliver its objectives.</p> <p>At the September Joint Committee we presented the process we would be following to develop our commissioning intentions. Those intentions were shared with our providers on 28 September 2018.</p> <p>This paper shows how learning from the completion of the 2018/19 planning round feeds into the 2019/20 business planning period.</p> <p>A brief summary of some of the team development work being undertaken to improve joint work between sector and CCG teams during the planning and contracting round is included.</p> <p>The Committee is asked to discuss and endorse the plan which includes roles and responsibilities for individual CCGs and central teams. It is suggested that this is shared with individual CCG Governing Bodies as a joint work plan.</p>
<b>What are the benefits of this project?</b>	

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<p>The early preparation of the business planning cycle allows for a more efficient contract negotiation and CCG budget management for the 2019/20 period. The paper also addresses how teams can work together.</p>
<p><b>Patient, staff and stakeholder engagement</b></p>
<p>This paper is related to the Commissioning Intentions. It is the responsibility of each CCG to engage with their local residents in developing these plans which has been carried out in each area.</p>
<p><b>Jargon buster</b></p>
<p>QIPP – Quality, Innovation, Productivity &amp; Performance projects, a savings programme undertaken by CCGs.</p> <p>S&amp;T – Strategy &amp; Transformation department.</p> <p>PbR - Payment by Results (tariff-based payment system for acute hospital patient activities like appointments and operations).</p>

<p><b>Quality &amp; Safety</b></p>
<p>Quality and safety work streams will be an integral part of the business planning process as key indicators to be included in provider contracts.</p>
<p><b>Equality analysis</b></p>
<p>None required for this paper as it is a technical process for the delivery of Commissioning Intentions.</p>

<p><b>Finance and resources</b></p>
<p>There are no resource impacts directly attributable to this paper. The financial impacts of the implementation of the Business Plan will, naturally, be subjected to the usual governance processes and gateways.</p>

<b>Risk</b>	<b>Mitigating actions</b>
<p><i>The process could be impacted by staffing capacity to develop the analysis in a timely fashion.</i></p> <p><i>Commissioning intentions not informed by patient/public involvement would risk commissioning the wrong type of services.</i></p>	<p><i>Consolidating teams by recruiting permanent staff and articulating a planning timetable.</i></p> <p><i>CCGs engagement programme to inform intentions throughout the year.</i></p>

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<b>Supporting documents</b>		
Business Planning Process – powerpoint slides.		

<b>Governance, reporting and engagement</b>		
Name	Date	Outcome and where in the report can you find out more
Business Planning and Recovery Group	01/11/18	Outcome pending as at 22 October.

<b>Conflict of interest</b>		
NA		

# 2019/20 NWL CCGs Business Planning Update

This paper continues from a previous presentation about the completion of the 2018/19 planning round and how the learning feeds into the 2019/20 business planning period. This follows the presentation of the NWL CCGs commissioning intentions to providers on the 28<sup>th</sup> September 2018.

# Business Planning Next Steps - overlap from 2018/19

Next Steps	Who	When
Finalise detailed activity plans phased over the year	Director of Acute Commissioning & Contract teams	End of May
Ensure that in-year acute activity is monitored and evaluated for early agreements on growth values in December	Director of Acute Commissioning /BI	End of December
Ensure that detailed QIPP schemes are shared with MH /Community Trusts before the negotiation period.	MDs and contract leads	End of December
Ensure QIPP/S&T programme have a negotiation plan with each provider	Director of Commissioning and Director of S&T	November
As part of QIPP sign off Quality Impact statements are completed for projects and shared and signed off with providers in contractual Quality meetings (CQG) during the year.	Contract leads	December
Finalise agreement on STP CQIN which defines 'engagement' with STP more broadly than simply attendance at meetings.	Director Commissioning	June

# Business planning 2019/20 – key work themes

- The table on slide 2 shows the original high level plan for the business planning round for 2019/20 although it must be stressed that it will likely involve the negotiation of 2 year contracts with providers on the NHS contract. The actions in green are concluded but the long standing actions are on going and constitute part of a more defined set of actions shown in the table in slide 5 which constitute the main building blocks of the planning process now that the Commissioning Intentions have been sent to Providers.
- To mitigate the national imposition of high level **growth** values as happened last year, work is already under way to finalise the local analysis of growth so that we can agree locally by December. Three year average growth values for acute activity is used and adjusted for tariff changes, local service changes or changes in specialised commissioning movements (this will also be shared with NHSE to ratify methodology in preparation). Once discussed and agreed locally with commissioners the values will be shared with providers in November to gain agreement on local growth values and their drivers. STATUS: on track.
- Ensuring that **financial and activity** based changes for this year's contracts are completed by the end of month 6 is crucial in establishing a baseline for next year's contract **modelling**. This is especially important for the acute providers based on tariff payments via Payment by Results (PbR) and teams have already raised queries with Trusts about incorrect coding or changes not agreed in services and actions are in place to drive through discussions and analysis to agreement. This will ensure that commissioners are only paying what is contracted for and that an accurate baseline is available for 2019/20 onwards. STATUS: on track.
- A first iteration of what payment mechanisms could be used for the changes emanating from the **Out Patient (OP) programme** has been taken to the sector Chief Finance Officer. Discussions are under way about payment mechanisms other than PbR and have started as a basis of evaluating cost savings to commissioners (less OP appointments) and Providers (less cost for clinics or agency staff). These principles could help guide future payment mechanisms that would help reduce costs in the health economy. STATUS: on track.
- Review of **local and sector QIPP** (Quality Innovation Productivity Performance) projects is underway via the QIPP leads steering group (QLSG) with first iterations of detailed projects to be completed by beginning of December ready for negotiation with providers. Two workshops have already been held to try and generate new work with a joint provider /commissioner workshop being arranged for November to discuss alignment of QIPPs and provider CIPs (Cost Improvement Plans). STATUS: on track.

# Business planning 2019/20 – key work themes continued

- **CCG budget planning** will be subject to many variables, however potential changes from the **National Operating Guidance** can have significant impacts on budgets available to CCGs for commissioning. At present the publication is due at the beginning of December although this is often delayed. Some preparatory work is therefore essential to try and mitigate or pre-empt some changes and this includes engagement with NHSE colleagues on early warning of key changes and participation in webinars/conferences on proposed changes. Some of the key potential changes are highlighted below:
  - A change nationally in the Market Forces Factor (MFF) rates (or the NHS cost of living premium), with London providers due to receive a reduced premium which will impact negatively on their income. This will be factored in over a period of four years but we are investigating whether this payment made to Trusts will also reduce the CCG allocations and impact the calculations for the annual growth given to CCGs.
  - The new proposed ‘blended’ **PbR tariff** for non elective activity in acute providers will have implications for how we cater for non elective QIPP changes in planning and moves the Trusts towards a baseline and marginal rate mechanism.
  - This is accompanied by the abolition of lower rates for non elective through contractual adjustments for tariff through the Emergency Marginal Rate Threshold and the Readmission adjustments which will increase provider income. These changes are stated to be cost neutral but these are often calculated at national level and represent a risk at local level as it may not be replicated. Teams are trying to access any national calculations to apply locally.
- The Operating Guidance will also be affected by the details within the 10 Year Plan due to be published before the end of the year. The strategic direction in terms of Integrated Care will probably feature and influence our Business planning timetable.
- In developing the business planning cycle key update reports will be made available to Governing Bodies/ Boards and the NW London Health and Care Programme Board highlighting how key STP priorities are embedded in the contract process.
- The impacts of the key pieces of work described above will affect the form of contracts we could expect to apply and the details of our negotiation strategy.

# Business planning 2019/20 – high level project plan

Business Planning Round 2019-21 Milestones/ High Level Timeline V 17/10/18																											
M Ref	Milestones	Owner	Sign off	Sep-18				Oct-18				Nov-18				Dec-18				Jan-19				Feb-19			
				Fri 07/09	Fri 14/09	Fri 21/09	Fri 28/09	Fri 05/10	Fri 12/10	Fri 19/10	Fri 26/10	Fri 02/11	Fri 09/11	Fri 16/11	Fri 23/11	Fri 30/11	Fri 07/12	Fri 14/12	Fri 21/12	Fri 28/12	Fri 04/01	Fri 11/01	Fri 18/01	Fri 25/01			
<b>Commissioning intentions</b>																											
M1	Issue CCGs Cls Letters to providers	Dir Comm	Business Planning/ SMT																								
<b>Operating Plan</b>																											
M2	Published Operating Guidance (with preceding research)	Dir Comm	Business Planning																								
M3	2019/20 financial plans issued to CCGs	CFO	Business Planning																								
M4	Agree local growth rates with providers	DoC, MDs/COOs	Business Planning																								
<b>Finance &amp; Activity Modelling</b>																											
M5	Finalise all contract month 6 position for baselines	Dir Comm	Business Planning																								
M6	Sign off Stage 2 F&A baseline modelling with CCGs (Contract envelopes including growth rates, PbR changes etc)	DoC, MDs/COOs	Business Planning																								
M7	Sign off stage 2 F&A baseline modelling with Providers	DoC, MDs/COOs	Business Planning																								
<b>QIPP Planning</b>																											
M8	Agree with sector CFOs payment mechansm for impact of OP programme	DoC/CFO	Business Planning																								
M9	Roll over/FYE QIPPs for 18/19 confirmed to Busines Planning Group	QSLG	Business Planning																								
M10	PID & Workbook, OBC & Costed Plan to Busines Planning Group & contracting teams	SROs/ NWL PMO/ contract teams	Business Planning																								
M11	Confirm 19/20 QIPP plans including 19/20 impact of 18/19 QIPP schemes at CCG & NWL levels for NWL Financial Recovery Plan	SROs & NWL PMO	Business Planning																								
<b>Negotiation Strategy</b>																											
M12	Work up strategy options with task & finish group	DoC	Business Planning/SMT																								
M13	Finalise strategy and implement	DoC	Business Planning																								
<b>Contract Negotiations and Agreements</b>																											
M14	Contracts agreed and signed off	DoC, CFOs, MDs & CLs	Business Planning																								28/02/19



# Business planning 2019/20 – Improving how we work together across the sector by learning

As part of the learning from last year a series of workshops were held with teams across the sector to review what went well and what we learnt from last year's planning and negotiation round. These were action based sessions but also supported an Organisational Development approach by getting broader input into the plans and an understanding of who would be the key facilitators in CCG and sector teams to work together. Some of the key learning points include:

- QIPP leads to prepare with Contract teams a narrative that helps support the negotiations with each provider
- Strict cut off timelines for project finalisation to complete negotiations
- Understand local growth rates and drivers early
- Work with NHSE and ensure the CCG Operating plans are triangulated with contract activity (regulators utilise different data sources)
- Utilise weekly checkpoint as a source of feedback on sector and CCG level issues and solutions (clear sector view appreciated)
- Task & finish group to develop Negotiation strategy