

Health and Wellbeing Board

17 May 2017

Report of the NHS Vale of York CCG, Tracey Preece, Chief Finance Officer

NHS Vale of York Clinical Commissioning Group (CCG): Medium Term Financial Strategy

Summary

1. The CCG's Medium Term Financial Strategy seeks to:
 - outline a plan for how the CCG can reach a balanced and sustainable financial position;
 - align with existing system plans, in particular, the Humber, Coast and Vale Sustainability and Transformation Plan (STP) (which the CCG is a partner to);
 - meet key statutory financial targets and business rules;
 - be consistent with the CCG's vision and support the delivery of the CCG objectives;
 - recognise and meet the scale of the challenge in the Five Year Forward View;
 - deliver operational and constitutional targets.

The Health and Wellbeing Board is asked to note the strategy.

Background

2. Vale of York (VoY) CCG commissions health services on behalf of a population of 350,000.
3. The CCG has had an underlying financial deficit since its creation in 2013 and reported a deficit position of £6.3m at the end of 2015/16.
4. The CCG is one of nine to have recently been put into Special Measures by NHS England and received Legal Directions on 1st September 2016.
5. VoY responded with the development of a Financial Recovery Plan ('FRP'), submitted to NHSE on 6th October 2016, and including a

plan to achieve an in-year deficit of no more than £7m (£13.3m cumulative)¹.

6. A new Accountable Officer has also been appointed (in post from 3rd October) to oversee the rapid organisational change required and inject challenge.
7. The CCG recognises the need to articulate a strategic plan which addresses the underlying causes of financial deficit and identifies a path to sustainability.
8. VoY spends less per head of population than any other CCG within the STP footprint yet receives the lowest allocated spend per head from NHSE (a function of how the allocation formulae recognises the health needs of the population).
9. This means that the CCG needs to spend 11% less per person than the STP average in order to live within its means.
10. VoY has taken a fundamentally different approach to the development of its strategy based on a detailed understanding of its local population needs which has allowed it to pinpoint a number of areas it needs to focus on.
11. The CCG believes that, in order to deliver real change, a radical new approach to system leadership, commissioning and delivery is now required.
12. Up until now, the health and social care system which VoY is part of has failed to produce the correct incentives and behaviours which lead to large scale efficiency savings.

Main/Key Issues to be Considered

13. No decision required.

Consultation

14. The strategy was approved by the CCG Governing Body on 2nd March and a programme of engagement with partners, stakeholders and the public is underway. The strategy was also circulated to local authority and healthcare partners soon after approval.

Options

15. No options to consider.

Analysis

16. Not applicable.

Strategic/Operational Plans

17. The Medium Term Financial Strategy informs and underpins the CCG's Operational Plan and Financial Plan, both of which are currently in draft form.

Implications

18. Implications across all areas are being considered as part of the development of programmes of work to implement the strategy. The CCG will conduct impact assessments where relevant.

Risk Management

19. Risks are reported monthly to the CCG Governing Body and managed as part of the assurance framework.

Recommendations

20. The Health and Wellbeing Board are asked to note the contents of the strategy.

Reason: To ensure the Health and Wellbeing Board up to date with the financial strategy of the CCG.

Contact Details

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**Report
Approved**



Date 3rd May 2017

Specialist Implications Officer(s)

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Wards Affected:

All



**For further information please contact the author of the report
Background Papers:**

None

Annexes

Annex A: NHS Vale of York CCG Medium Term Financial Strategy

Glossary

See CCG website, link:

<http://www.valeofyorkccg.nhs.uk/data/uploads/governing-body-papers/governing-body-glossary.pdf>