# Accountable Officer's Report

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**Governing Body meeting**

**9 January 2014**

## 1. Clinical Director

Dr Richard Oliver will be resigning as Clinical Director with effect from 1 April 2014. This has been Richard's intention for some while and is consistent with his wider plans following many years working at the highest level as Professional Executive Committee (PEC) Chair in NHS Sheffield and joint Clinical Director in the CCG. Richard has contributed on many levels locally and across the wider NHS, including supporting the Cluster of PCTs in South Yorkshire and Bassetlaw and the NHS England Area Team. Dr Zak McMurray will remain the CCG Clinical Director and will take up all associated responsibilities from 1 April 2014 supported by some additional sessions and a Clinical Director office that can utilise other clinical staff to support him. I want to take this opportunity to thank Richard for his significant contribution to the improved health of the city and his clinical leadership within the organisations charged with the planning of all Sheffield health services.

## 2. Planning Guidance for the NHS

NHS England's planning guidance for commissioners *"Everyone Counts: Planning for Patients 2014/15 to 2018/19*" was published on 20 December 2013. It confirms the NHS's ambition of high quality care for all, now and for future generations and its commitment to the NHS Outcomes Framework. In part 1, it describes the seven specific ambitions to help deliver the necessary transformational change, together with the continued required focus on essentials such as quality and access to services. It also sets out a vision for a significant shift in activity and resource from the hospital sector to the community. In part 2, it sets out how the NHS should achieve the ambitions, providing certain assumptions for CCGs to use in their planning, together with details on the planning information required from CCG commissioners and the timetable for submission of this information. Broadly, this is a detailed operational and financial plan for the next two years (2014/15 and 2015/16) in draft in mid February with a final version on 4 April 2014 and higher-level plans for a further three years to be submitted by 20 June 2014.

Although we need to analyse the guidance in detail, it appears that our local ambitions, set out in our commissioning intentions as discussed at previous meetings of the Governing Body, are entirely consistent with the guidance.

## 3. CCG Financial Allocations for 2014/15 and 2015/16

Background

NHS England (NHS E) is responsible for allocating resources for commissioning NHS services, both for the services that it commissions directly as well as the resources to be allocated to CCGs. In August 2013 NHS E issued information on a possible allocations formula for CCGs and invited comments. Sheffield CCG formally responded with its concerns and issues. The primary issue we raised was the absence of any weighting in the formula for health inequalities because the Health and Social Care Act 2012 requires CCGs to have regard to the need to reduce inequalities between patients. We also suggested that the pace of change from existing funding levels to new target allocations should not destabilise local health and social care economies and should take into account the move to greater integrated commissioning.

Publication of CCG Allocations on 18 December 2013

NHS England's Board met on 17 December 2013 to consider options for the CCG allocations formula and the level of cash uplift which each CCG should receive for the next two years in the light of the new formula. The detailed paper as presented by NHS England's Chief Financial Officer is available on NHS England's website. The Board agreed on option 4 in the paper. This means:

The allocation formula to be used does build in a deprivation measure. It will be used to apply to 10% of CCG income which is consistent with the 10% calculation used for PCTs. The measure (the Standardised Mortality Ratio (SMR) < 75) is a more targeted one than that used in the old PCT formula. It allows deprived communities within otherwise affluent areas to be recognised. Thus it will have a different impact to the measure used in PCT allocations. Until the details of the workings behind new formula are published (expected as part of an NHS E technical briefing in January) we are unable to assess how this affects Sheffield CCG.

Each CCG will receive an increase in its baseline funding which, as a minimum, is in line with the national assumption on NHS inflation. From Sheffield CCG's perspective this helps address the issue of financial stability to the health economy over the next two years which was the other key point we raised in the autumn. CCGs which are seeing significant population growth and which have actual baseline funding below their new "target" will receive additional growth funding. Sheffield's population is growing but at a slower rate than a number of other places in the country. The information on target allocations was published on 20 December 2013 and shows Sheffield CCG to be 6.3% "above target" at the start of 2014/15 and 5.6% at the start of 2015/16. (Sheffield PCT was also previously over target but around 2% on the last available information). As a result, Sheffield CCG will be receiving the minimum uplift for each of the next two years which is 2.14% in 2014/15 and 1.7% in 2015/16. This puts us in the same position as around two thirds of CCGs. In financial terms, this will see our baseline allocation move from £680m in 2013/14 to £694m in 2014/15 and to £706m in 2015/16 before adjustments for the Better Care Fund arrangements.

Next Steps

We need to review and understand the impact of the planning guidance, together with the detailed tariff guidance also issued in mid December. We need to combine this information with the outcome of the considerable work which is already taking place in the CCG and with our main health and social care partners in the city to understand key local priorities, challenges and issues.

Governing Body members will receive an initial assessment in the private session of this meeting of how these actual allocations and the other new or updated information in the planning and tariff guidance changes the draft financial plan considered at the December meeting and possible options for managing the impact.

## 4. National Work

I have attended the National Information Governance Board as a national CCG representative to help address some of the operational issues around the use of information for commissioning. There has been significant work undertaken and agreement of measures to ensure accurate invoice validation and further work to ensure risk stratification processes are supported.

I have also attended my first meeting as an independent member of Dame Fiona Caldicott's Independent Information Governance Oversight Panel and, supported by Idris Griffiths, represented the CCG voice on national work with NHS England on CSU development.

## 5. Recommendations

The Governing Body is asked to receive and note this report.

Ian Atkinson
Accountable Officer

24 December 2013