
Draft 5 Year Financial Plan

Health & Wellbeing Board

June 2016

Hillingdon CCG

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Allocation Assumptions

- The figures used within the model are the published allocations produced by NHS England (3 year fixed and 2 years indicative).
- The allocation assumes the CCG population will increase from 304,533 in 2015/16 to 327,121 by 2020/21
- In total the CCG will receive recurrently an additional £67m over the next five years
- In 2016/17 the CCG allocation is 3.2% below the NHS E target allocation, by 2020/21 this will reduce to 2.9% below the target allocation
- These plans do not include Primary Care: Medical contracts, which are co-commissioned with NHS England

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Population projection	304,533	309,364	313,971	318,521	322,875	327,121
Population growth		1.60%	1.50%	1.40%	1.40%	1.40%
Programme Resource Allocation (£m)	324,462	343,399	352,389	362,744	373,919	391,863
Distance from Target (%)	-4.3%	-3.2%	-3.5%	-3.4%	-3.2%	-2.9%

Five Year Financial Plan-Planning Assumptions

- Tariff assumption for next 4 years assumed to be 0%
- Inflation uplifts have been assumed for Continuing Care and Prescribing
- The CCG has applied Demographic / Non-Demographic growth assumptions
- 5 Year Financial Plans have been developed to meet NHS Business Rules as follows:-
 - 1% in-year surplus
 - 0.5% Contingency

Planning Assumptions					
	16/17	17/18	18/19	19/20	20/21
Acute provider efficiency	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Acute provider inflation	3.50%	2.00%	2.00%	2.00%	2.00%
Demographic Growth	1.60%	1.50%	1.40%	1.40%	1.40%
Acute Non-Demographic Growth (POD level)					
A&E attendances	2.50%	4.00%	4.00%	4.00%	4.00%
Non-Elective spells	3.00%	4.00%	4.00%	4.00%	4.00%
Ordinary Elective Spells	1.00%	2.00%	2.00%	2.00%	2.00%
Day Case elective spells	1.50%	2.00%	2.00%	2.00%	2.00%
First outpatient attendances	2.50%	3.00%	3.00%	3.00%	3.00%
All subsequent outpatient attendances	2.00%	2.00%	2.50%	2.50%	2.50%
Weighted Acute ND Growth	2.20%	2.61%	2.80%	2.78%	2.76%
Non-demographic Growth	16/17	17/18	18/19	19/20	20/21
Mental Health	3.00%	3.00%	3.00%	3.00%	3.00%
Community	1.50%	1.50%	1.50%	1.50%	1.50%
Continuing Care Services (All Care Groups)	4.40%	2.75%	2.75%	2.75%	2.75%
Local Authority / Joint Services	1.00%	2.75%	2.75%	2.75%	2.75%
Funded Nursing Care	1.00%	2.75%	2.75%	2.75%	2.75%
Prescribing	3.40%	2.50%	2.50%	2.50%	2.50%

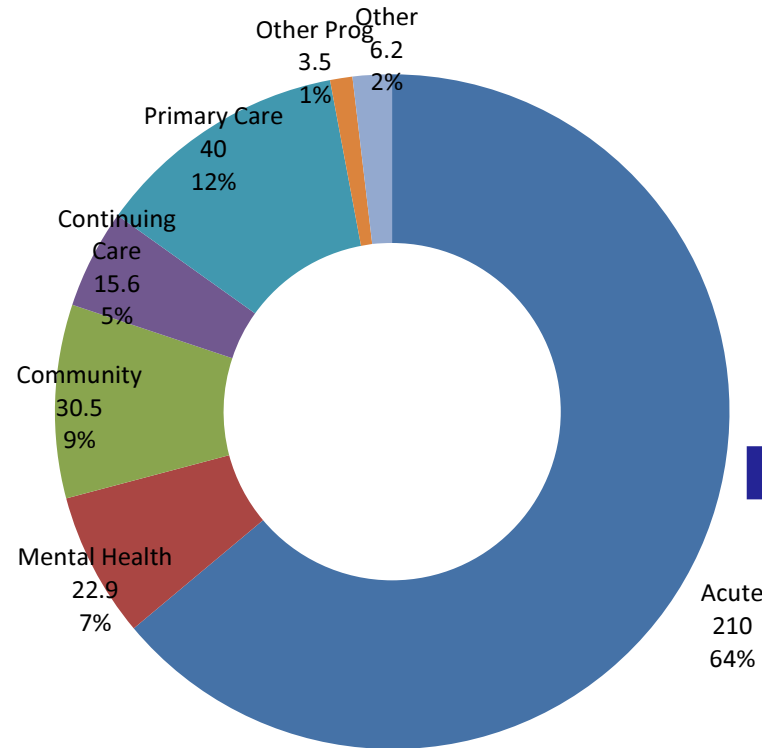
Overall Financial gap- 5 Years

- Over the 5 year period Resource Growth for the CCG of £67.5m is offset by additional costs of £100.2m before QIPP (a recurrent gap of £32.7m by year 5)
- The model has then projected QIPP savings of £42.5m (net) over the 5 year period based on combination of assessment of current opportunity and to provide sufficient headroom to meet NHS Business Rules and other NR requirements each year;

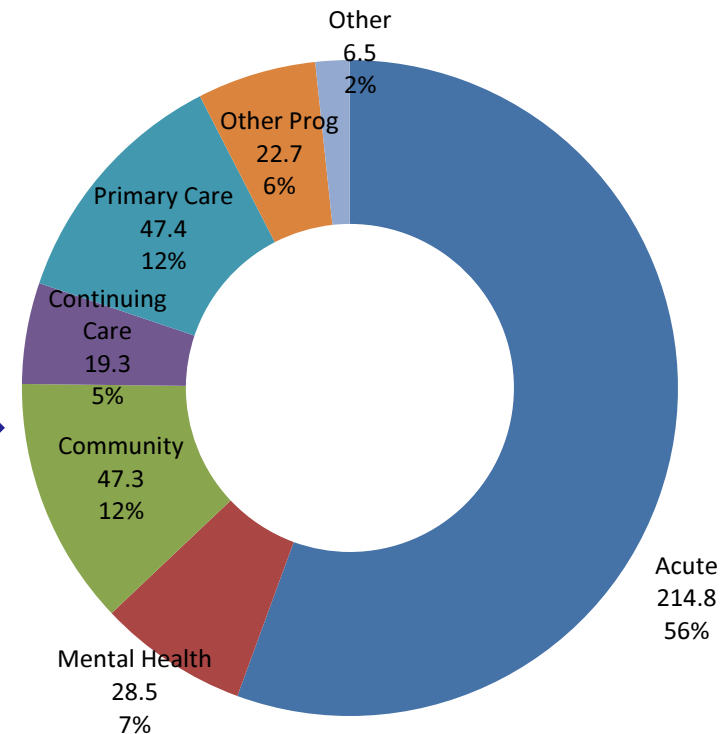
Financial summary (£K)	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
Resource Increase	19,022	8,922	10,399	11,217	17,984	67,544
Inflation (Net)	(4,939)	(1,037)	(1,060)	(1,089)	(1,118)	(9,243)
Demographic growth	(5,266)	(4,696)	(4,762)	(4,859)	(4,618)	(24,201)
Non-demographic growth	(7,459)	(8,112)	(8,602)	(8,694)	(8,807)	(41,675)
Other cost pressures	(4,962)	(47)	(2,644)	(4,942)	(12,540)	(25,135)
Recurrent Gap	(3,604)	(4,971)	(6,669)	(8,367)	(9,099)	(32,711)
Net QIPP	8,646	9,137	7,510	8,435	8,811	42,539

5 Year Financial Plan-Expenditure Changes

2015/16 (Total Spend £328.7m)



2020/21 (Total Spend £386.5m)



- The CCG plans assume a higher level of investment in local community services with a lower level of growth in Acute costs
- These plans do not include Primary Care: Medical contracts, which are co-commissioned with NHS England

Next Steps

- The financial plan has made realistic planning assumptions around level of Demographic and Non-demographic growth
- Over the 5 year period Resource Growth for the CCG of £67.5m is offset by additional costs of £100.2m before QIPP (a recurrent gap of £32.7m by year 5)
- Hillingdon's 5 year plan is predicated on delivery of £42m of net savings
- The planning assumptions are aligned to developing investment plans in alternative pathways and other local services