

Draft Long Term Plan for Tower Hamlets CCG

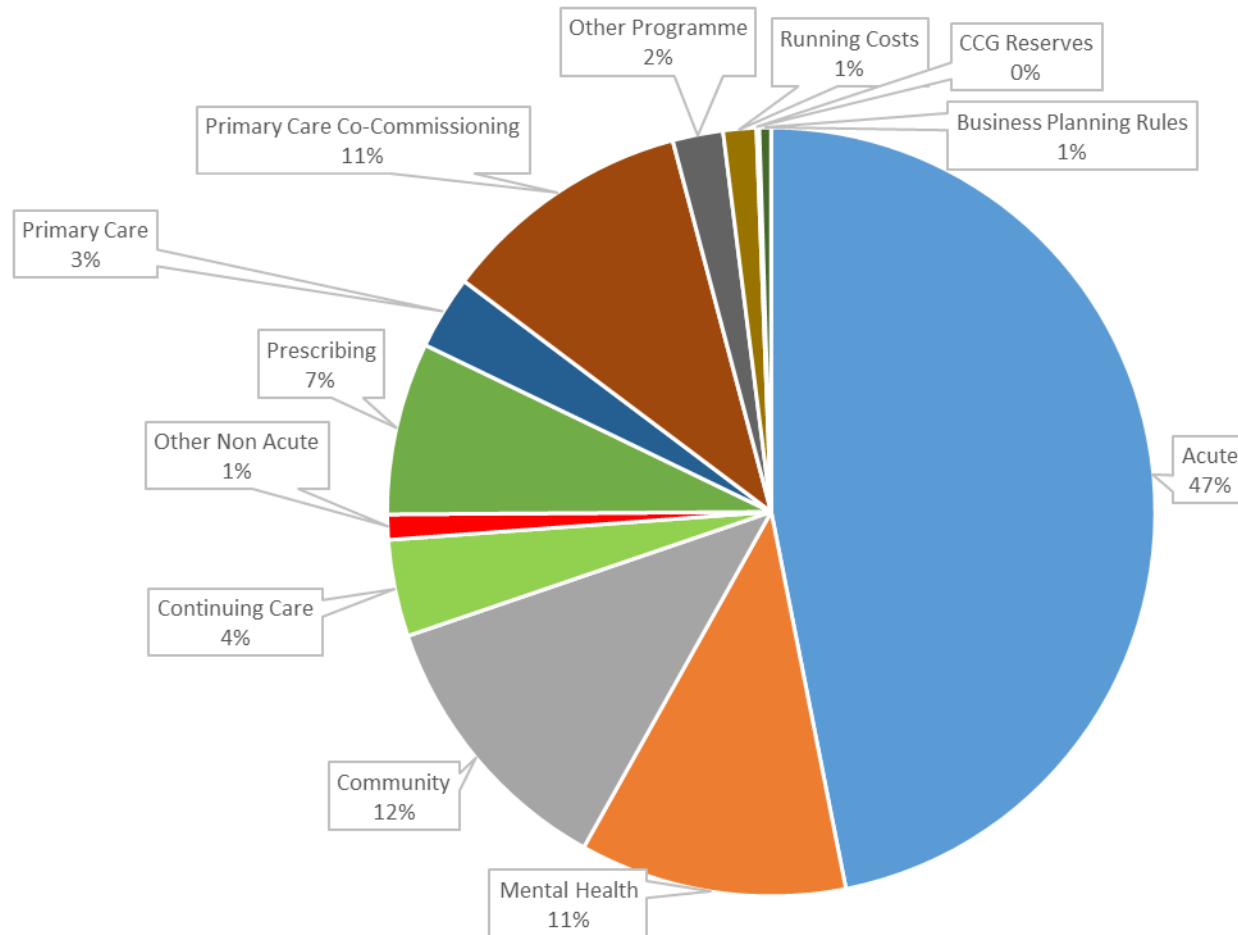
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5 Year Funding Summary

- The CCG draft allocations for 2019/20 to 2023/24 has been published, which is subject to final approval by the NHS England Board on 31 January 2019. The allocations is shown in the table below.
- Total recurrent funding increase of £27m for 2019-20.
- 8% increase to our Primary Care Co-Commissioning funding.
- 6% increase to our overall recurrent funding.

Revenue Resource Allocation Breakdown	2018/19 Actual £'000	2019/20 Plan £'000	2020/21 Plan £'000	2021/22 Plan £'000	2022/23 Plan £'000	2023/24 Plan £'000
Programme Allocation	378,026	401,079	418,744	436,387	453,613	470,117
Co-Commissioning Allocation	45,271	49,013	51,564	54,676	57,221	59,809
Running Cost Allocation	6,504	6,464	5,701	5,701	5,701	5,701
Total Recurrent Allocation	429,801	456,556	476,009	496,764	516,535	535,627
Brought Forward Surplus	12,239	13,539	13,539	13,539	13,539	13,539
Non-Recurrent Drawdown	1,000	0	0	0	0	0
Non-Recurrent Allocations	2,735	0	0	0	0	0
Grand Total Allocation	445,775	470,095	489,548	510,303	530,074	549,166
Grand Total Allocation - excl. B/F Surplus	433,536	456,556	476,009	496,764	516,535	535,627

Planned Expenditure Split for 2019/20



Do Something vs. Do Nothing – CCG's Expenditure Projection

- In 2019/20, if we Do Nothing, the projected spend for the CCG is £462m, which is £5m over and above the funding we are expecting to receive.
- The financial gap is expected to deteriorate in future years by an additional £4m to £8m.



Expenditure Priorities & Uncertainties

Expenditure Priorities

- The Mental Health expenditure increasing by 6.7% in line with the Mental Health Investment Standard (MHIS).
- CHC growth of 5%, following increases in 2018-19.
- Primary Care growth of 8%, in line with the funding the CCG is projected to receive.
- £5m QIPP target including:
 - Urgent Treatment Centre
 - Medicines Optimisation
 - Diagnostics
 - Outpatient Transformation
 - Corporate Review to meet RCA saving Target

Uncertainties

- Payment Reform:
 - Changes to the Market Forces Factor (MFF), which reflects current realities of cost in different areas – 19/20 impact of 0.82% - £2.3m impact for Tower Hamlets CCG.
 - The duration of the tariff, especially with the increase in the acute net tariff. 19/20 national tariff published on 11/03/2019.
 - Payment approach for emergency care, proposing a blended approach.
 - Outpatient attendances payments.
 - Maternity payment pathway.
 - Mental health and community payments.
- 20% real terms reduction to the CCG's Running Cost Funding in 2020/21 against the 2017/18 Funding.
- Better Care Fund
- Brexit