

2019/20 Financial Plan

2018/19 NHS Financial Outturn

- The NHS balanced its financial position in 2018/19
- The provider sector deficit was £571m at year end
- 3.6% in year savings achieved
- £3.9bn capital invested - £400m more than allocated
- A&E Performance improved marginally despite increases in attendances – 4.3% increase at quarter 4
- 5.4% increase in emergency admissions
- 96,348 vacancies, a reduction overall but increases in nursing vacancies

National Context

- 5 Year funding settlement for NHS announced June 2018 – additional £20.5bn pa by 2023/24
- 2019/20 will lay the groundwork for the implementation of the Long Term Plan
- Single operational planning process for commissioners and providers

What's in store for 2019/20?

- 1 year tariff and planning round for 2019/20
- Phasing out of Control Totals
- National tariff uplift 3.8%
- Efficiency factor 1.1%
- CQUIN 1.25%
- New centralised procurement arrangements
- “Blended payments” approach for non-elective activity
- Refresh of Market Forces Factor for first time in 8 years
- Broader range of outpatient tariffs, including non-face to face and non-consultant led

Financial Control Totals

(£m)	PAHT	SRFT
Rebased baseline position excluding PSF	(68.7)	(9.3)
£1bn PSF transferred into urgent and emergency care prices	12.6	7.0
Other changes including impact of CNST	(8.0)	2.2
Additional efficiency requirement up to 0.5%	3.3	
MRET central funding	3.6	1.7
Non recurrent PSF allocation	14.9	7.8
Non recurrent FRF allocation	14.8	
Control Total Adjustment	3.0	(21.6)
2019/20 control total (including PSF, FRF and MRET funding)	(24.5)	(12.2)

2019/20 Efficiency Programme

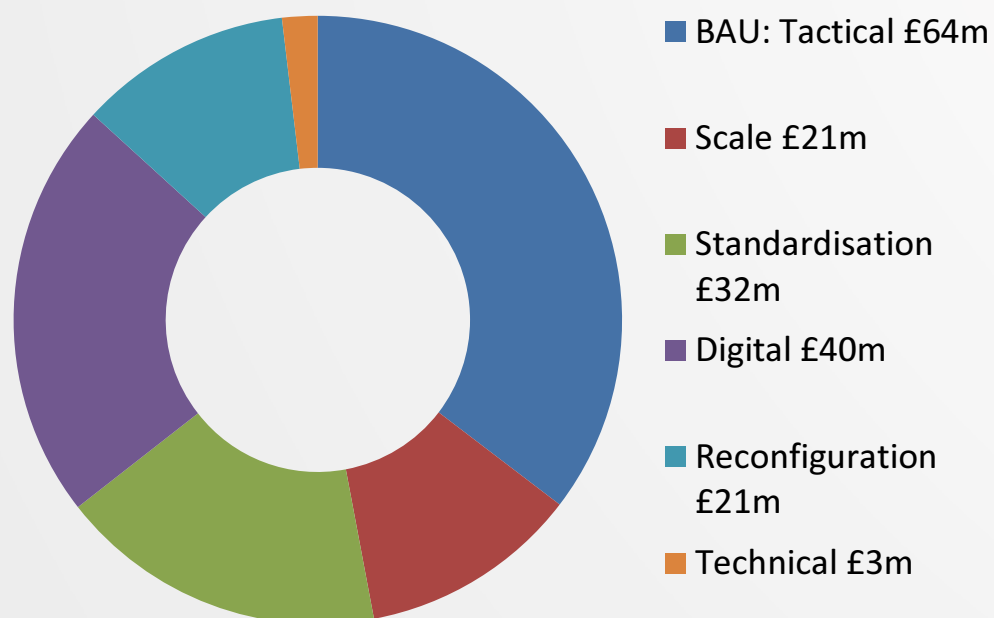
	PAHT	SRFT
Efficiency Target	£19.7m	£16.2m
% of influenceable spend	3.1%	3.2%

NCA DRIVING EFFICIENCY: OUR METHODOLOGY

IHI Methodology	Scale	Standardisation	Digital
Nursing	<ul style="list-style-type: none"> •Trendcare •UOR best practice 	Corporate	<ul style="list-style-type: none"> •ELFS & NCA scale •NHSI recommended
AHP	<ul style="list-style-type: none"> •Trendcare •UOR best practice 	Pharmacy	<ul style="list-style-type: none"> •NCA scale
Theatres	<ul style="list-style-type: none"> •Four Eyes Insight - SOM •GM role out 	Drugs and Devices	<ul style="list-style-type: none"> • Significant pass through
Outpatients	<ul style="list-style-type: none"> •Four Eyes Insight - SOM •GM assessed as best practice 	Adult Social Care	<ul style="list-style-type: none"> • Residential placements / domiciliary care (SRFT) Part of an integrated solution supported by the pooled budget
Radiology	<ul style="list-style-type: none"> •Four Eyes Insight - SOM 	Premises	<ul style="list-style-type: none"> •PFI Fixed Cost - SRFT
Endoscopy	<ul style="list-style-type: none"> •Four Eyes Insight - SOM 	Non Pay	<ul style="list-style-type: none"> •Procurement 3rd national league table (SRFT)
Pathology	<ul style="list-style-type: none"> •PAWS •Carter report case study 	Energy	<ul style="list-style-type: none"> •Salix •Carbon Energy Fund

5 Year Improvement Journey

Productivity and Efficiency



Category	Driver
BAU	Activity based budgeting, grip and control, procurement, FYE base year
Scale	Consolidation of corporate, diagnostic and pharmacy services. Procurement.
Standardisation	Theatres, elective access, Trendcare, workforce
Digital	Control centre, pathology, radiology, pharmacy, ROI investment
Reconfiguration	LCO, deflections
Technical	Alignment accounting treatment

Long Term Plan: Aims

- Transformed out-of-hospital care and fully integrated community-based care
- Reducing pressure on emergency hospital services
- Giving people more control over their own health and more personalised care
- Digitally-enabling primary care and outpatient care
- Better care for major health conditions

Financial Requirements

- Returning to financial balance;
- achieving cash-releasing productivity growth of at least 1.1%;
- reducing growth in demand for care through integration and prevention;
- reducing variation; and
- making better use of capital investment.

Planned Investments

- Primary medical and community health services
- Meet mental health investment standard
- Implementation of all six components of the NHS Comprehensive Model for Personalised Care
- Virtual outpatient appointments
- Test and validate digital first primary care innovations.
- Roll out of specialist community forensic care
- Improve the volume of elective treatments year-on-year, cut long-waits and reduce the size of the waiting list.