

By Email
To: South Region Directors of Commissioning

NHS England (South)
Premier House
60 Caversham Road
Reading
RG1 7EB

17th April 2015

Dear DCO,

Re: CCG plan 2015/16

Following our discussion about 2015/16 CCG plans I agreed to write to you setting out the current position and my expectations for next steps.

Current position

Aggregate levels of growth in the CCG plans submitted on 7 April in the south of England is as follows:

- Total elective growth: + 0.74%
- Non elective growth: - 2.67%

The CCG plans show non-achievement of RTT and A&E standards at an aggregate level in 15/16:

- RTT Admitted: 89.42% (90% standard)
- A&E: 94.53% (95% standard)

The elective care waiting list appears to be increasing at a faster rate than the clock stops and the backlog is also increasing. Growth since April 2013 is as follows:

- Waiting list size: 9.0%
- Admitted clock stops: 1.8%
- Non-admitted clock stops: 4.0%
- Backlog clearance: 47.7%
- Total clearance: 12.4%
- Median wait (admitted): 14.4%
- Median wait (non-admitted): 2.6%

A&E performance across the south in 2014/15 was 93.3%.

2015/16 plans and next steps

The activity trend growth in 2014/15 for elective was 2.7% and for non-elective was 3.6%. These aggregate growth levels in 2014/15 failed to deliver the A&E and RTT admitted standards and the waiting list is growing faster than patients are being treated.

As a consequence I now require all CCGs to comply with the following or to explain through a waterfall analysis:

- elective: plan at outturn plus at least aggregate regional 14/15 growth of 2.7%. We would expect greater levels of growth where there are currently RTT issues.
- non-elective:
 - where a CCG has negative growth in 2014/15: plan at outturn plus demographic growth
 - where a CCG has positive growth in 2014/15: plan at outturn plus average regional growth of 3.6%.

For both scenarios the BCF ambition is treated separately and should be netted off if and when achieved.

For areas wishing to not comply and therefore explain, I require:

- elective: RTT standards compliance actual and planned; an assessment of planned waiting list size, clearance times and median treatment times. If a CCG can constitutionally comply and overall waiting lists, clearance times and median waiting times are not increasing then lower numbers would be approved. A waterfall analysis must be provided; with and without any expected QIPP impact.
- non-elective: A&E achievement in 2014/15, and planned achievement for the whole of 2015/16. For those CCGs meeting this then they could set a lower number and a waterfall analysis must be provided; with and without any expected QIPP impact.

In addition, we need to fully understand what the additional growth money has been allocated to supported by a detailed waterfall analysis. This has previously been requested from your Directors of Finance. The waterfall analysis is intended to articulate how the CCG intends to use the additional growth in recurrent allocation it has received less the BCF contribution together with non-recurrent changes to allocation as a result of either draw-up or draw-down in 14/15 or proposed for 15/16, RTT, system resilience or other national funding initiatives and local risk share arrangements. The detail of any local risk share arrangement must be articulated.

Having clearly set out the change in resource planned by the CCG it should reconcile from the forecast out-turn expenditure to the 15/16 planned expenditure. The reconciliation should clearly set out costs of planned activity growth as well as other expenditure changes including QIPP and discretionary investments and non-discretionary pressures that are not activity related e.g. capital grants, tariff pressures etc. The detail of the QIPP, discretionary investments and non-discretionary pressures must be articulated. Any non-recurrent adjustments must be clearly analysed and explained.

We agreed that DCOs will have urgent discussions with CCG AOs on Monday and Tuesday next week to address the points outlined above. The outcome of these discussions will inform the planning and assurance meetings next week and any further interim plan submissions required nationally from the CCGs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Ridley', written in a cursive style.

Andrew Ridley
Regional Director (South)