

By Email  
Directors of Commissioning Operations

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13<sup>th</sup> May 2015

Dear Director of Commissioning Operations

**Re: 2015/16 CCG plans and alignment with provider contracts**

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

**Current position**

We have now agreed levels of growth in the CCG plans to be submitted on 14 May that will show an aggregate position for the south of England as follows:

- Elective growth: +3.0%
- Non elective growth: +2.7%

The most recent data collection indicates that the volume of activity in the CCG contracts with providers varies significantly from the volume of activity in the CCG plans, i.e. current contract values are not yet reflective of plans.

**Next steps**

Achievement of NHS Constitutional Standards and delivery of high quality patient care in local systems requires the efficient use of NHS resources, which is dependent on effective planning by commissioners and providers.

The current variances between CCG plans and contracts means that providers may not be able to make appropriate provision for the year ahead to meet the expected commissioner demand and secure the resources required to deliver the capacity in a timely and cost effective way.

Therefore, NHS England now requires all CCGs to sign contracts with providers for the volume of non-elective and elective activity agreed in their plans. There are two options:

1. CCGs that have agreed but not yet signed a contract with a provider should amend the contract to include the volume of activity agreed in their plans.
2. CCGs that have already signed a contract with a provider should now agree a contract variation with the provider.

These amendments to contracts should not diminish the provider and commissioner continued commitment to QIPP delivery and transformation of care pathways to improve the quality of patient care and the efficient use of NHS resources.

CCG Accountable Officers are required to write to the relevant DCO confirming that the total volume of elective and non-elective activity in the 14 May plan submission is included in contracts with their providers.

I recognise that there are some providers with capacity issues and these providers may not agree to a contract that reflects the volume of activity in the CCG plan. In these circumstances, CCG Accountable Officers should explain in their letter the volume of activity in the contract, the gap and most importantly the actions they are taking to resolve the issue and secure additional capacity either with NHS or IS providers.

We agreed that DCOs will have urgent discussions with CCG Accountable Officers to address the points outlined above. Please confirm that you have received letters from all of the CCG Accountable Officers in your geographical area by 29 May 2015.

Yours sincerely

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

Andrew Ridley  
Regional Director (South)

c.c. Julia Davison  
Jennifer Howells