

**REPORT FOR: HEALTH AND  
WELLBEING BOARD**

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**Date of Meeting:** 9 January 2014

**Subject:** **INFORMATION REPORT –  
Harrow 3 Year Strategic and  
Financial Recovery Plan**

**Responsible Officer:** Javina Sehgal,  
Chief Operating Officer, Harrow CCG

**Exempt:** No

**Enclosures:** Harrow CCG – 3 Year Strategic and  
Financial Recovery Plan (2014/15 –  
2016/17)

**Section 1 – Summary**

This document is the NHS Harrow Clinical Commissioning Group's (CCG's) advanced three year Strategic and Financial Recovery Plan, which includes the CCG's commissioning strategy, individual service strategies, and the associated financial plan, including QIPP savings to help the CCG to achieve financial balance.

**FOR INFORMATION**

## **Section 2 – Report**

This '3 Year Strategic and Financial Recovery Plan (2014/15 – 2016/17)' is part of an ongoing process to establish an affordable and sustainable health economy that improves health and health services in the Borough of Harrow.

Following NHS Harrow CCG's submission of a £10.4m deficit plan in 2013/14, the CCG was asked by NHS England to develop its financial recovery plan.

In line with our vision and the financial challenge that we are facing, NHS Harrow CCG has undertaken a new round of comprehensive strategic and financial planning.

Financial planning assumptions, based on the latest Monitor guidance as set out in the discussion document on "Preparation for Call to Action", as well as anticipated demographic and non-demographic growth, have been used to forecast the financial challenges facing Harrow CCG.

To deliver break even in 14/15 would require cost-effectiveness improvements through the QIPP programme sufficient to reduce expenditure by £22.7m.

This would represent a 10% QIPP; which is unrealistic.

To achieve break even over the five year planning period would require a cumulative QIPP of £47.8m.

Two QIPP scenarios have been modelled:

- 4% per annum (which reduces the deficit from a £22.7m gap in 2014/15 to a £0.2m surplus by 2018/19);
- 3% per annum (which results in an £11.9m deficit by 2018/19).

An upside case has been modelled which assumes an additional 1% of growth funding per annum.

- With a 4% QIPP this would achieve in year balance during 2017/18 and a £12.6m surplus by 2018/19;
- With a 3% QIPP in year balance would be achieved by 2018/19.

A downside case has also been modelled building in two factors: that the Integration Transfer Fund is not cost-neutral, and that prior year deficits need to be repaid. Without mitigations this results in:

- a deficit of £80.8m by 2018/19 if a 4% QIPP was delivered each year;
- a deficit of £116.4m by 2018/19 if a 3% QIPP was delivered per annum.

## **Section 3 – Further Information**

This paper sets the commissioning strategy and direction for future years.

This looks to achieve all of our corporate objectives and support the management of the BAF.

There are some areas where there was lack of clarity of the impact the range of initiatives have on Harrow Council and the wider implications on Pioneer and BCF initiatives. Further clarity was also sought on how the proposals within the commissioning intentions for 2014/15 support the 3-year financial/recovery plan. The extent to which the decommissioning of services is assumed and how this may affect wider partnership working and existing proposals for integration. A separate meeting was held between senior officers from both organisation to clarify these and other specific areas in the commissioning intentions document.

## **Section 4 – Financial Implications**

The detailed resource implications have been signed off by NHS Harrow CCG's Finance Department.

## **Section 5 - Equalities implications**

n/a

## **Section 6 – Corporate Priorities**

If a Council or Joint report - Please identify which corporate priority the report incorporates and how:

- Keeping neighbourhoods clean, green and safe.
- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.
- Supporting our town centre, our local shopping centres and businesses.

## **Section 7 - Contact Details and Background Papers**

**Contact:** Javina Sehgal, Chief Operating Officer, Harrow CCG, 020 8966 1147

Background Papers: Harrow CCG – 3 Year Strategic and Financial Recovery Plan (2014/15 – 2016/17)