

Response to Kent County Council HOSC report and recommendations on NHS Financial Sustainability

Recommendation 3 - Transition Updates *We ask that the Kent and Medway PCT Cluster Chief Executive's Office provide a written update for the HOSC on the transition planning across the County, including the latest stage of Clinical Commissioning Groups development.*

Response to recommendation 3

HOSC Members have been provided with an update on latest developments with respect to transition planning at their meeting on 9 September. Members will of course be informed of any changes at future meetings and this topic has been scheduled into the future work programme for HOSC.

Recommendation 4 – Zero Legacy debt *In order to be assured that the Clinical Commissioning Groups, and others, are able to pursue effective commissioning plans, we ask the PCT Cluster produce a clear outline plan as to how they will ensure zero legacy debt for their successor commissioning organisations. Current financial forecasts should be included in the above report.*

Response to recommendation 4

Clinical Commissioning Groups are scheduled to be accountable organisations from 1 April 2013. In order to assure there is no legacy debt, for 2011/12 the PCT Cluster will continue to monitor financial performance on a monthly basis at both the cluster and individual PCT levels. All three PCTs are currently forecasting surpluses of between £1m and £9m. The PCT Cluster is aware of the risks attached to these forecasts, and has mitigation plans in place to deal with them.

For 2012/13, the PCT Cluster, together with Clinical Commissioning Group leads, will produce an Annual Integrated Plan (AIP), which will again be drawn up at a cluster, PCT and CCG level. The AIP will be based upon guidance and assumptions included in the NHS Operating Framework for 2012/13, as well as local plans and commissioning intentions. The objective will be to set a balanced Plan – in agreement with CCGs - in order that any risks of indebtedness are minimised. As with 2011/12, performance against this Plan will be closely monitored on a monthly basis, and corrective action will be taken as necessary.

Recommendation 5 - Communication of Service Changes *Despite the impression that the entire NHS is changing on a weekly basis, effective forward planning is essential if the appropriate services are to be delivered in the most effective and efficient way. We therefore encourage all provider NHS Trusts in Kent and Medway to ensure they work with commissioners on setting out a clear timeline of proposed major service changes over the next two years. We also ask the PCT Cluster to take responsibility for coordinating said timeline and making it available to the HOSC and other stakeholders.*

Response to recommendation 5

Ann Sutton Chief Executive of NHS Kent and Medway has recently met with the provider Chief Executives and they are committed to presenting a joint picture of service changes and developments within the whole NHS system through continuing dialogue and shared aims, which will in turn ensure greater clarity over specific work programmes and proposed

timescales. It will also be essential to involve Clinical Commissioning Group leaders in these discussions from the outset with a view to developing a more co-ordinated planning and reporting approach.

Recommendation 6 - Develop Local Pricing. *While we recognise the fine details around currencies and tariffs might not engage the imagination of the wider public that easily, this review has made it clear how important these details are. While the Payments by Results tariff is fairly well established in the Acute Sector, the development of currencies and tariffs in other areas is only slowly developing. Due to their technical nature, the Committee has no specific recommendations to make as to the form they should take. However, we ask all relevant organisations to consider how these should best be taken forward locally.*

Response to recommendation 6

It is understood that there may be guidance on introducing national tariffs for some mental health services in the forthcoming NHS Operating Framework for 2012/13. In addition the cluster has indicated to Community Trust colleagues that it would wish to continue the process of agreeing local tariffs for local services. It should be noted that services such as physiotherapy are already contracted on a cost per cost basis.