

HOSC

Financial Special Measures

NHS Constitutional Targets

2nd September 2016

taking



PATIENT FIRST - RESPECT - INNOVATION - DELIVERY - EXCELLENCE

Agenda

- Financial Special Measures
- Sustainability and Transformation Funding
- NHS Constitutional targets

Financial Special Measures (1)

- Financial Special Measures was introduced in July by NHS England and NHS Improvement to help strengthen financial and operational performance. They are part of the “reset” of NHS finances designed to ensure the financial sustainability of the NHS.
- 5 NHS provider Trusts were identified to be part of the first cohort, with 8 CCGs also identified. We are one of the provider Trusts.
- NHS Improvement will work with Trusts in Financial Special Measures to construct a high level plan across the next four weeks to rapidly demonstrate that we can improve our financial performance while maintaining or improving the quality of the services we provide.
- A Financial Improvement Director from within the NHS has been appointed by NHS Improvement to work with us. They will be supported by staff from NHS Improvement.

Financial Special Measures (2)

- In simple terms, the reasons we are in Financial Special Measures are:
 - We are spending more money than we have coming in (i.e. a deficit)
 - Our deficit is higher than expected by NHS Improvement – we have not agreed our control total
 - Our pay bill has grown higher than others and higher than our activity has grown
- Trusts in Financial Special Measures must agree a financial recovery plan that demonstrates swift improvement in their finances this year, but also enables them to plan for a significantly improved financial position next year.
- Failure to deliver a robust plan or failure to deliver swift improvements in the financial position could lead to NHS Improvement taking further actions

Financial Special Measures (3)

- We remain absolutely committed to delivering high quality care for our patients, but we must do this within our financial means.
- In order to exit Financial Special Measures, we need to construct a robust plan that improves our finances immediately, and supports their sustainability going forward. We then need to implement that plan, delivering planned improvements in our financial position.
- Once NHS Improvement have assurance on the robustness of our plan, can see in our numbers the demonstrable improvement in our financial position and finally are confident in the lasting nature of our improvement, we will exit Financial Special Measures.
- A progress check meeting is being arranged towards the end of September when a first view of the emerging plan will be taken.

Sustainability and Transformation Funding (STF)

- As MTW has not agreed its control total, it will not be a formal part of the STF process.
- This means that the funding identified for MTW - £12.5m - will be held centrally and not released into the health economy in 2016/17.
- The purpose of the release of funding in 2016/17 would have been to improve the financial performance and sustainability of MTW. The funding remains available in future years, subject to future review by NHS Improvement, NHS England and the outputs of the STP process
- A further consequence of not being part of the STF process is that failure to deliver NHS Constitutional performance targets will result in MTW being fined under its contract with its CCG commissioners.

Performance Targets

- As part of the NHS planning process for 2016/17, all NHS health economies were asked to construct a performance improvement trajectory against NHS performance targets.
- These were designed to provide challenging, but achievable, trajectories of improving performance to achievement of NHS Constitutional targets e.g. 4 hour emergency access, RTT, cancer, etc. The goal remains delivery of the NHS Constitutional targets.
- Acceptance of a providers control total and delivery of these trajectories would ensure that the full amount of STF funding was available to health economies, but would ensure that Trust's would not be fined as per commissioned contract terms.
- Although not part of the STF process due to not accepting our control total, MTW has submitted an improvement trajectory. However, the Trust is not able to access STF funding and is subject to contractual fines.