

Haringey TPCT 2007/8 Commissioning Plan Summary OSC Briefing

1. Overview.

This paper briefly summarises progress to date in the 2007/8 planning and commissioning cycle, key deliverables and next steps.

Since the November Board update and the publication of the TPCT's draft 2007/08 commissioning intentions, the DH has published its Priorities and Planning framework for next year. This substantively builds on existing priorities and strategic frameworks. The key messages are summarised at section 2 below.

The TPCT has made two important submissions to the London SHA this month:

- Local Delivery Plan Phase III trajectories. (see section 3 below)
- 2007/08 Operating Plan (see section 4 below) – this includes a first formal iteration of the TPCT's finance, activity and commissioning plan for 2007/08.

A finalised balanced plan for 2007/08 has to be submitted in mid March. 2007/08 service level agreement negotiations with key providers are scheduled over the next 6 weeks with an NHS London deadline of end February for all SLAs to be agreed – the outcome of these will need to feed in to the final submission in March, as will the outcome of ongoing discussions with the London SHA and further detailed work on investment and disinvestments / savings proposals.

2. DH Planning and Priorities Guidance.

The DH published the 2007/08 Operating Framework in December. The main highlights are below:

The top service priorities will be:

- Delivering the 18 week wait milestones
- Reducing rates of healthcare associated infections (i.e. LDP targets for MRSA and new local targets for C. diff.)
- Reducing health inequalities and promoting health
- Achieve financial health - achieve a surplus by 2007/08
- Existing targets must be sustained, such as maintaining the 98% A&E 4 hour maximum wait and maintaining the cancer wait targets.

The high priorities will be:

- Recovery action to improve mental health services (targets relate to community development workers and early intervention in psychosis)

- Preparatory work on the commitment that by 2009 all women will have access, choice and continuity of maternity care
- A baseline review by PCTs of end of life services
- Needs assessment to identify and address the needs of different groups in the population, including ensuring compliance with equality legislation
- Ensure implementation of the commitment to reduce mixed sex accommodation.

Other priorities:

- Delivery of the other LDP targets for 2007/08 as well as local targets. Local targets should include specific priorities for London: action on tuberculosis and HIV .
- Continue the implementation of system reform, including patient choice and Choose and Book, patient and public engagement, service reviews, care closer to home and improved commissioning including practice-based commissioning.

3. LDP Phase III trajectories

Our first draft Phase 3 of the local delivery plan was submitted to NHS London on 2 January. Nine trajectories were revised in line with the new/revised guidance, covering the following areas: life expectancy rates, practice based registers, blood pressure, cholesterol, GUM access, diagnostics and activity. We have planned to meet all the targets with a slight increase for the spearhead areas.

Additional trajectories will be submitted by March on smoking and obesity, while the trajectories on the 18 weeks referral to treatment pathway, which were submitted in November, will be revised in late spring.

4. Operating Plan

The TPCT's Operating Plan submission is attached as follows:

Appendix 1 – Self Certification

Appendix 2 – Commentary Template

Appendix 3 – finance and activity templates.

4.1 Self Certification.

The TPCT Board is required to sign off a statement of compliance against a range of statements associated with the governance and delivery of the TPCT's responsibilities. These broadly reflect the self assessment process that was undertaken as part of the TPCT's Fit For Purpose (FFP) review in the summer. To an extent the declaration cuts across the Healthcare Commission Core Standards statement of compliance declaration that the TPCT is required to make at year end and the timing is slightly incongruous in this respect.

The TPCT Executive Director team has reviewed the statement and believes that the TPCT is compliant with all aspects with the exception of the following:

"The PCT effectively monitors and manages the clinical and public health outcomes of its own provider arm, with clearly tracked, owned and understood metrics and a system of intervention".

We are working to develop clear systems and processes both for Board oversight of the TPCTs provider function as a 'directly managed unit' as well as clear commissioning and performance management arrangements between the TPCTs Strategic Commissioning and Providerside Divisions. We are currently developing a baseline service level agreement and performance metrics, however this is a complex process, particularly in the context of under developed information systems and it will take some time until we fully meet the requirement set out above.

This issue was highlighted as part of the TPCT's FFP review. The FFP development planning process will clearly address this issue and this will be a priority work stream into 07/08.

The FFP process also highlighted a gap in relation to Emergency Preparedness – regular reports to the TPCT Board. This issue has been addressed and we are confident that we meet the emergency planning requirements.

Whilst we believe we are compliant with all the other statements set out in Appendix One we recognise the need for continuous improvement and development in a number of areas. As highlighted above, the FFP development planning process will support the development of a plan to address these issues and support the TPCT to further develop its commissioning capabilities.

4.2 Commentary Template

Section One, pages 2-9 of the commentary focus on delivery within 2006/07 financial year and summarise performance to date and other key issues.

Section Two, pages 10-29 of the commentary focus on 2007/08 forward planning and includes details of the TPCT's first iteration finance and commissioning plan for 2007/08. This section is primarily focused on the TPCT's commissioning responsibilities although there is a short section on the TPCT's provider arm development priorities for next year and financial issues. Although the majority of this section is focused on 2007/08 it also includes a review of delivery against 2006/07 cost improvement and commissioning efficiency plans, including demand management.

Section Three refers back to the self certification requirements outlined above at section 4.1.

4.3 Finance and Activity Plans.

Key Financial Messages and Assumptions

The 2007/08 Operating Plan includes a Financial and Activity Template to which the narrative commentary refers. This text provides an overview of the key assumptions and outcomes included within the numerical analysis.

The Financial Plan is based on a set of assumptions which are consistent with national, London-wide and local planning guidelines. These include the Haringey LDP and Commissioning Intentions. The following assumptions materially affect the financial position:

- a) there is a growth uplift of 8.5% on the recurrent baseline, equivalent to £28.9m
- b) income continues to be centrally-topsliced in 2007/08 at the rate of 3.6%, reducing growth by £12.5m
- c) NHS inflation will be funded at a net 2.5%, which is a gross 5% uplift, offset by required efficiency savings of 2.5%. This holds true for our own management and providerside service budgets, including jointly-managed budgets with the London Borough of Haringey
- d) GMS inflation (ie payments to GPs for primary care services) will be funded at a net 1%
- e) secondary care (ie acute hospital-based) patient activity will be purchased at forecast outturn levels from this year, at a cost of £4m over the prior year baseline, before demand management is taken into account
- f) demand management schemes will continue to redefine the patient pathway, and to either bring treatment forward or to make treatment more local. The effect of investing in primary and community care by disinvesting in secondary care, will save a gross £4m in 2007/08, from which upfront investments totaling £2.4m must be paid
- g) reserves of £5.5m, equivalent to 1.5% of the recurrent baseline will be set aside to cover in year risks and cost pressures, in line with best practice as determined by the Department of Health in the Fitness for Purpose review
- h) prioritised Commissioning Intentions, targeted at a range of key deliverables, will be invested in to the value of £3m.

- i) the Lordship Lane LIFT scheme will be completed and occupied on time as planned.

The TPCT expects to achieve financial balance in each of 2006/07 and 2007/08, and is therefore not making any assumption about the carry forward of debt or surplus across years.

A consequence of the assumptions set out above is that in order to achieve a balanced position, the TPCT will need to identify a further £4.1m recurrent cost saving in 2007/08. This is over and above the 2007/08 cost improvements of 2.5%, and the full year effect of 2006/07 savings, that are already accounted for. This is consistent with other PCTs across London: from an initial scoping exercise across 22 of the 31 PCTs in London, there is a required new cost saving in 20 of them, with most in a range up to £6m.

Achievement of financial balance during 2006/07, and 2007/08, is and will remain a key financial duty of the TPCT, which does not have the flexibility across years or across services that a local authority is allowed. Over and above this duty, the drive behind the creation of underlying recurrent financial balance and a reserve to cover in year risks and cost pressures, is in line with the principle agreed by the TPCT Board during the 2006/07 budget setting process, namely the creation of headroom to facilitate change.

The programme of new investments already incorporated within the 2007/08 Plan is consistent with the vision of developing a world class primary care service in Haringey and of investing in health promotion and healthy living, whilst at the same time securing the future of local hospital-based services.

Explanation of the Operating Plan Financial Templates

The Financial and Activity Templates (Appendix 3) have been developed by the Department of Health. What each of the template financial and activity sheets show, is:

- a) Summary Financial Forecast - this provides an overview of the current and future financial position of the TPCT. It shows that Haringey has planned for, and is forecasting to achieve, financial balance in both 2006/07 and 2007/08
- b) Cash Position - this shows that Haringey is planning to fully use its cash allocation in 2007/08 as in 2006/07, and to neither borrow nor lend cash
- c) Secondary Care Commissioning - this shows activity and activity-cost plans for acute services, both before and after demand management schemes. For Haringey, activity would be set to continue a trend increase were it not for demand management targeting a reduction in outpatient attendances and non-elective admissions at present, with a knock on consequence in elective care in future years. The

stabilisation of A&E attendances also reflects an expected outcome of the tender of the North Middlesex Walk in Centre this year. Activity and cost is broken down by provider for the 4 largest contracts - NMUH, Whittington, RFH and UCLH - in the Exhibits sheets.

- d) Commissioning Efficiency, and CIP and Turnaround Plans - these 2 sheets divide up commissioningside and providerside savings. The first breaks down demand management and external savings such as the modernisation programme for mental health services, and the second breaks down internal management cost savings and redesign schemes such as of the Greentrees Unit.
- e) Exhibits - these sheets provide more detail behind the summary position, and also tabulate information to fit into the tables set out in the narrative text commentary. The exhibits tables include an analysis of capital investments. The TPCT has planned for, and is forecasting to achieve, financial balance in respect of capital expenditure in both 2006/07 and 2007/08.
- f) Risk Rating Metrics - this shows a high level risk assessment derived from the plan submission. Because the cost of outturn and the level of activity shows some variation between 2006/07 plan and forecast outturn, it generates a risk.

5. Next Steps and Board Approvals

We expect that NHS London will carry out a detailed assessment of the template submission and require a number of changes and follow up explanations of each PCT over the coming months. A meeting is scheduled for Friday 19th January at which a preliminary review of the submission will be undertaken. This will be followed by a longer review meeting with NHS London in mid February.

At the same time there is a tight timetable for the conclusion of 2007/08 service level agreement negotiations with acute and mental health providers, the outcome of which will need to inform the final plan.

It is also the case that the forecast outturn position for 2006/07 will continue to move and even though the TPCT is committed to maintaining financial balance by year end, as the manner of doing so varies so will the carry forward impact into next year.

Further work is required to firm up both investment priorities for 2007/08 and beyond as well as proposals to deliver the savings required within the plan to deliver a balanced position for next year. This will include discussion with stakeholders (via PPIF, OSC and the proposed early March pre board stakeholder consultation event).

A final version of the plan that takes into account all the issues highlighted above will therefore be presented to the Board at its March meeting for sign off.

2007/08 Operating Plan 15/01/07 Submission - Investments and Cost Savings Summary

Note: this is net available income for 2007/08 after the topslice and inflation, and excluding part year effects in 2006/07

	£million
Available Income and Cost Savings	
Net available growth	3.2
Full Year Effect of Demand Management	3.1
Generic NHS Efficiency Saving of 2.5% CIPs, CPLNHS Management Cost Savings and Full Year Effect of 2006/07 Cost Savings Plans	2.9
Additional Cost Savings yet to be identified	4.1
Total	13.3
Investments	
PCT Priority Investments	1.5
Increase in Commissioned Activity	4.0
Demand Management Initiatives	1.4
Investment in Primary Care	1.7
Share of Demand Management Savings to Primary Care	1.7
BEHMHT Performance Bond/Delayed Discharges	0.5
DAAT	0.5
Headroom on Investment and Activity Growth	2.0
Total	13.3

23/01/07

Appendix 2

PCT Operating Plan 2007/08 Commentary Template

PCT details	2
1. Past year performance	
1.1. Chief Executive's summary of the year	4
1.2. Summary of financial performance	7
1.3. Other major issues	9
2. Future commissioning plans	10
2.1. Strategic overview	10
2.2. 2007/08 commissioning plans	13
2.3. PCT provider plan	22
2.4. Capital plan	24
2.5. Summary of key assumptions	25
2.6. Risk analysis	26
3. Declarations and self-certifications	30
3.1. Board statements	30

Note: This document lays out all commentary and finance and activity data that should be submitted in the 2007/08 Operating Plan. However, for efficiency, we would recommend that only commentary is included in this document, with additional finance and activity data included as an annex (drawn directly from the Excel templates in Appendix 3).

PCT details

PCT name
Haringey Teaching PCT
Key contact at PCT (name, contact details)
Helen Brown Director of Strategic Commissioning helen.brown@haringey.nhs.uk 0208 442 6076 or 6300
Operating Plan date
January 2007

1 Past Year Performance

1.1 Chief Executive's summary of the year

2006/7 Key highlights

2006/7 has been a challenging but positive year for Haringey TPCT. Key highlights to note are:

- A significant improvement in the TPCT's underlying financial position. This as a result of a rigorous financial control, a successful cost improvement programme including robust performance management of primary care providers, decommissioning of some services and PBC/demand management beginning to bear fruit.
- Our Fit for purpose review in the summer resulted in the TPCT being rated amber for finance, green on strategy and relationship management and amber on governance and emergency planning. In the diagnostic review the TPCT scored above 'the middle line' on all four areas. The following is a quote from the SHA letter following our B2B meeting,

"We were impressed by your strategic view for the PCT for the short to medium term with a clear emphasis on local health needs at the heart of your service planning, at the same time as a firm commitment to deliver financial balance. Your strategy was articulated clearly and coherently."
- Realignment of the TPCTs clinical and management leadership structures to ensure the TPCT is well placed to respond to the challenges of Commissioning a patient led NHS and to implement the lessons from our Fit for Purpose review.
- Practice Based Commissioning bedding in well, although we want to see the pace accelerate during 2007/8.
- Strengthened commissioning of primary care with a much stronger emphasis on performance management.
- Progress on key performance areas including ongoing improvement against the key indicators of health status of the population e.g. improving death rates from Cardiovascular disease and Cancer. We have also seen improvement with declining Gonorrhoea rates for the population. In 2005/6 the TPCT met its three year smoking cessation target for 4 week smoking quitters. This was a substantial achievement given that in both years one and two the TPCT underperformed against this target. The TPCT's 2005/6 rating was FAIR for both quality of service and resource management. Improving this rating for 2006/7 and 2007/8 is a key priority.
- In addition we have taken forward a number of service improvement initiatives in line with TPCT and partnership priorities, as set out below.

Financial forecast

- We are currently forecasting a breakeven position for 2006/07, including achievement of the (revised) cost improvement programme for the year. We aim to have reduced to zero the underlying deficit by year end, which was £13.7m and rising at the end of 2004/05. This sets up a healthy position for entering 2007/08.
- During 2006/07, a 3% topslice and other deductions from the growth allocation left us with a net addition equivalent to 4.6% of the recurrent baseline. Inflation was set at 4% for NHS services, and with additional secondary care activity equivalent to a further 0.8%, and buyout of a recurrent deficit of 1.3%, we needed a divestment policy to ensure breakeven for the year. This policy was approved by the Board in May, and has been successfully implemented. It involved some internal restructuring, slippage on some proposed investments, tough performance management of primary care and the acceleration of demand management schemes targeted at diverting secondary care activity back to primary and community care. We also planned a £1m contingency reserve over and above our commissioning reserve to protect the overall budget from unexpected costs and invoices.

Performance

- We intend to achieve the top seven national priorities from the 2006/07 Operating Framework, although the Choose and Book target remains a challenge, in particular booking into IBS providers and sustainability of practice booking.
- As we move into Quarter 4 performance has been on track during the year to achieve the Cancer 31 and 62 day waits, 18 week RTT indicators, smoking cessation, GUM 48 hour access and A&E targets. MRSA performance at our main providers has been reasonable through the year, although NMUH will have to reduce the number of cases in Q4 to achieve the target. The GUM target which we were on line to meet, but now will be more of a challenge in Q4 following changes in booking practices. During this period the service will also be undergoing some building work to support additional clinical capacity. In order to achieve the smoking cessation target we have devised a new scheme whereby providers can bid for blocks of quitters which will guarantee number of quitters in advance.
- We commission a breast screening service from Barnet and Chase Farm Trust (B&CF), together with a number of other PCTs. There is a significant decline in breast screening rates due to continued problems with delivery by the North London Breast Screening Service (NLBSS). This has been experiencing significant difficulties due to quality control, management/ staffing issues and recurrent SUIs. Despite development of action plans to respond to SUIs and the quality assessment visit, sufficient progress has not been made.

A further recent SUI in December 2006 has resulted in the PCT's formally requesting the national breast screening QA team to evaluate the service. Their visit resulted in an immediate cessation of delivery of breast screening from that service. We are currently awaiting the QA teams report. However in the meanwhile alternative providers are currently being urgently sought. As a result of this service suspension, we expect to fail the breast screening targets but moreover remain very concerned about the lack of screening available to our Haringey women.

- There has been difficulty in achieving the target for retinal screening within Haringey due to a slower than expected transition to the new model of provision in line with national standards from the historical mix of screening in the past. In response to this the TPCT is tendering out the service to potential bidders for April 2007, specifying the quality and quantity of service required including managing call and recall systems as well as the provision of screening and reading of images. In the meantime a separate agreement has been reached with NMUHT to tackle the backlog and achieve the target for 2006/7.
- The TPCT is in the top quartile of performance for 3 out of the 4 top key clinical indicators that the NHS institute monitor the 303 PCT's nationally, namely emergency admissions, elective surgery rates and prescribing. By the end of Q4 we expect to out perform all other London PCT's for prescribing rates. We are in the bottom quartile for the 4th clinical indicator – out patient referrals - but have improved our position from Q1 to Q2 by 10% and continue to focus on this area through PBC and demand management work streams.

Provider reconfiguration.

We have been working on 2 major provider reorganisations in 2006/7, namely the Barnet, Enfield and Haringey (BEH) clinical strategy and commissioning our community based children's services from Great Ormond Street (GOS) rather than from our own provider side.

- The BEH strategy is currently in the pre-consultation phase with formal consultation scheduled to begin in March 07. In essence the strategy is about moving health services closer to people's homes and so means more services will be developed locally; as a result the current configuration of acute hospitals in the North of the 3 boroughs will change.
- In relation to children's services GOS already provide community paediatric services to Haringey residents (i.e. those provided by paediatric medical staff) as part of the North London Children's Partnership for Health. We are now exploring the option of transferring all community based child health services to GOS. The Board will make a final decision in the summer. If a move is agreed services would be provided by GOS from April 2008.
- HTPCT and EPCT have been working with the North Middlesex Hospital to improve the effectiveness of the walk in centre, which is both situated on and managed by, the

hospital. As a result we agreed to jointly tender for a new provider in 2006/7. Following a formal tender process a preferred provider has been selected (ChilversMcCrea Healthcare). Negotiations regarding the transfer of service are currently ongoing with a target handover date of 1st Feb 2007.

Service level improvements

- In 2006 we have developed a local enhanced service for mental health in primary care to promote improved standards in the management of mental health across all primary care providers and support improved interfaces with secondary mental health services. This was a key priority for the PCT and despite pressures to reduce service developments to an absolute minimum for 2006/7, this service development remained firmly in place.
- A range of developments under the PBC / demand management umbrella have been taken forward to improve local access to services and streamline care pathways including: musculo-skeletal clinical assessment and triage, primary care anti-coagulation service and community matrons / case managers for older people and people with sickle cell disease.
- 'Health in Mind' project, developed in partnership with Haringey Council and funded through neighbourhood renewal funding, to increase initiation and maintenance of physical activity for people living in the three most deprived Super Output Areas (SOA) in Haringey. Participants will also receive advice on related health matters through a rolling education programme and have a direct referral pathway to community based healthy eating programmes. The scheme includes specific support for people with mental health needs recognising their increased risk of chronic physical illness.

1.2. Summary of financial performance

Summary of financial performance: commentary

Improved financial management has been a significant achievement of the TPCT over the past 2 financial years. At the beginning of 2005/6 we had an underlying deficit of £13.7m. By 2005/06 year end, through a series of service rationalisation changes and decommissioning, we had reduced the underlying deficit to £4m. After the 2006/07 top slice and other accounting changes we set a financial plan with £1m surplus built in. As the year has progressed this buffer has eroded. Whilst we are still on target to break even at year-end we need to mobilise all our contingency plans. We plan to commence 2007/08 with a greater financial buffer than 2006/07 to specifically risk manage the volatility of activity cost arrangements under payment by results and the success of our demand management programme under PBC.

As declared in the month 9 return, the TPCT continues to forecast a breakeven position in 2006/07. In broad terms, therefore, the TPCT is on track with the plan set out at the beginning of the year.

There have been several changes since the plan was created, resulting in some offsetting positive and adverse variances against individual budgets. The major changes include:

- overperformance in secondary care acute activity at a number of local trusts. This is generally in areas outside of the demand management schemes, which are targeted at outpatient and non-elective inpatient activity, whereas the increase is notably in critical care and A&E. An amount of this activity is currently under dispute.
- underperformance in primary care. This is as a result of tightening up on performance management in year in areas such as the validation of list sizes, achievement of the Quality Outcomes Framework targets, and baseline contract management. The TPCT is exposed to a financial risk due to legal action it has taken in pursuit of the performance management agenda.
- underperformance in the providerside and management costs. The TPCT has continued to keep a tight downward pressure on bank and agency spend, and has re-negotiated costs for the provision of support services such as estates and facilities.

The financial target for the TPCT was made more difficult due to shortfalls in centrally-funded initiatives, which were made known in August. As a result, the TPCT has also implemented further savings measures, including the slippage of some retained investments. Additionally the TPCT is currently disposing of part of the Hornsey Central Hospital site and the Board will be reviewing the option to dispose of Fortis Green Clinic in Muswell Hill at its January Board meeting. These two land sales will help support the affordability of a proposed community hospital development at Hornsey Central Hospital (financial close targeted early 07/08 with completion mid 08/09).

Summary of financial performance: comparison between planned and actual performance			
£'000	2006/07 plan	2006/07 forecast*	Variance
Income			
Recurrent revenue allocation	338144	337266	-878
Non-recurrent revenue allocation	3	3473	3470
Other income (excluding income from provider activities)	136988	136988	0
Total income	475135	477727	2592
Expenses			
Commissioning activities:			
Primary care - GPs, prison healthcare, dentistry, and optometry:			
GP	-37781	-27700	10081
Prescribing	-28271	-28854	-583
Other	-14820	-21822	-7002
Community and intermediate services	-23540	-25953	-2413
Mental health commissioning, pooled arrangements or jointly funded commissioning	-80488	-80383	105
Secondary care			
Provided under PbR			
Inpatient elective	-11263	-11220	43
Day care elective	-8697	-9478	-781
Inpatient non-elective	-31320	-31641	-321
Outpatient	-20669	-21468	-799
Provided at local prices	-4811	-5007	-196
Provided by third sector/not-for-profits	0	0	0
Provided by independent sector	0	0	0
A&E	-4469	-4600	-131
Other	-36742	-36866	-124
Ambulance services	-5543	-5543	0
Tertiary and specialist commissioning	-157371	-158231	-860
Total cost of commissioned services	-465785	-468766	-2981
Provider Activities:			
Pay expenditure	-27509	-26573	936
Non-pay expenditure	-13237	-12277	960
Less - provider income	40746	38850	-1896
Net provider costs	0	0	0

Other costs			
Other pay expenditure	-6507	-6183	324
Other non-pay expenditure	-2241	-2184	57
Depreciation and amortisation	-602	-594	8
Exceptional items	0	0	0
Total cost	-475135	-477727	-2592
PCT surplus/deficit in year	0	0	0

1.3. Other major issues

Other major issues

In July 2006 we remodelled our management team to create a divisional structure. We now have 3 Divisions: CEO, Commissioning and Provision. Within each division is a team of Directors able to respond dynamically to the health challenges within Haringey. The new structure is proving to be very agile and successfully creating the divide between commissioning and our own provider services. We are planning to make changes to the Board and committee structure following the substantive appointment of the Chair and NEDs.

Contract disputes

We have signed SLAs with all our main providers. However, we have some significant disputes over in-year activity-cost performance, notably with the Whittington and UCLH hospitals. We are working with other PCTs to resolve these under lead commissioning arrangements and are not currently projecting to pay the full invoiced amount.

2. Future commissioning plans

2.1. Strategic overview

Strategic overview

Haringey TPCT 2007/8 Strategic Priorities

- **Tackling health inequalities** – through targeting services and strong local partnerships.
- **Delivering clinically effective, patient focused care closer to home (“Right person, Right time, Right place”)**. Deliver the BEH Clinical Strategy and drive forward implementation of Practice Based Commissioning and demand management.
- **Transforming primary care.** (See assessment of current services). Create a 10 year blue print for the provision of world class primary care services to meet the specific needs of our population.
- **Improving the mental health and well being of our population.** (See assessment of current services). Review current commissioning arrangements (with external support via DH commissioning call off contract), review opportunities to introduce new providers into the local MH provider market, continued focus on improving core competence and confidence of primary care providers in relation to complex mental health conditions, partnership working.
- **Performance:** Improving the TPCTs performance rating through clear focus on priority areas.
- **Strengthening commissioning and maintaining financial stability:** Continuing the vice like grip around our money, ensuring robust commissioning and procurement is in place to deliver ongoing cost improvement and commissioning efficiency gains including full implementation of the TPCTs Fit For Purpose development plan. Our financial planning for 07/08 aims to provide the TPCT with head room to invest in strategic priorities. Financial stability will remain a key foundation stone to the TPCT, as will building in the headroom to drive forward change.

Population health status – equity and diversity are two key issues for the TPCT

- For men across Haringey life expectancy is 1.7 years below national average, for women it is 0.9 years below, however this masks a 7.9 year difference between wards for men and a 6 year difference for women. Early deaths are due to the main killers such as CHD, cancer and respiratory (like the national picture) and are disproportionately affecting people living in the east of the borough. **An action plan to address this and the mandatory LAA target will be implemented over the next three years to address this gap.**
- The local population is a relatively young population with lower than average proportion of people who are over 65 although this will increase in coming years. The population is highly diverse with large ethnic minority communities especially from Caribbean, Africa and Turkey, mainly living in the very deprived parts of the east of the borough. In addition there is significant morbidity from

diseases such as TB, HIV and haemoglobinopathies associated with migration and ethnicity profile of the borough.

Assessment of current services commissioned and provided.

- **Acute services:** We have 2 main acute providers, North Middlesex and the Whittington. Both hospitals require new facilities to make them competitive in the future. Neither of these hospitals are within the boundaries of Haringey Borough. NMUHT is currently in turnaround and faces significant financial, management and clinical sustainability challenges. The BEH clinical strategy highlighted above is seeking to secure a viable long term future for the NMUHT which is a key provider in an area of very significant health need. We have real service challenges in terms of outpatient referrals and day cases, being some 15% above the national average. HTPCT is the lead commissioner for NMH and also for GOSH as part of the specialist services portfolio.
- **Mental Health Services:** Our main provider for specialist mental health services is Barnet, Enfield and Haringey MHT. We are currently the 5th highest spender on mental health services in the country. We have concerns that the current model of mental health provision does not meet our population's needs. During 2007/8 we will be looking closely at our current commissioning of mental health services and may choose to re-commission certain elements of the service away from BEH mental health Trust to a more responsive provider. We are hopeful that the new 'call off' contract for commissioning support led by the DH, will provide the TPCT with additional commissioning rigour and expertise to assist us making the changes.
- **Primary Care services:** We have a real challenge to transform our primary care services to provide a world class service for all our residents. We have 60 practices, 50% of these are single handed and 50% need new facilities to bring them up to modern standards. There is major variation in services provided and varying quality standards.
- **Community Health Services:** Within our own provider side services we have some real pockets of innovation. We are also aware that increased competition will mean that we must ensure we are as efficient and effective as possible and that our costs and service quality is competitive. As a result we are engaged in service redesign, building business and marketing skills into our clinical teams and increasing the professional standing of our staff. We are building alliances with GOS and the local authority for children's services and across PCTs and social services for our adults and older people's services.

Strengthening commissioning:

- CPLNHS and the requirements of the Fit for Purpose review clearly emphasise the need for PCT's to strengthen their commissioning capabilities. HTPCT believes that it has strong

foundations in place to enable it to continue to develop towards becoming a world class commissioner of health services for its population.

- As highlighted in section 1 above we have implemented a new divisional structure within the TPCT that establishes a clear divide between our commissioning and provider responsibilities. Our Commissioning side will performance manage Haringey's Providerside through regular meetings, monitoring of agreed KPIs and service level agreement. Performance of the provider arm will be reported to the Performance sub-Committee of the Board.
- Within the commissioning division we have been working on strengthening our structures and processes to ensure that our commissioning activities are clearly evidence based and that our commissioned providers are delivering high quality, effective care to our population. Equity and diversity are key issues within Haringey and our commissioning development programme needs to clearly address these issues. Additionally we recognise the need to further develop our approach to public and patient involvement as a commissioner of services and will continue to work actively with partners to develop our approach.
- In relation to market management the TPCT is committed to stimulating contestability and plurality across our commissioned service portfolio. Priorities for 2007/08 in relation to market management include the bedding in of new providers for diagnostics (as part of London IS diagnostics procurement) and the Walk in Centre at NMUHT. Tender processes for new providers of retinal screening and language support services will commence before year end. In 2007/08 we will be reviewing options for new providers in primary care services as appropriate opportunities arise (including developing the capacity of existing local primary care providers) and well as a review of options in relation to the provision of mental health services.
- In summary strengthening our commissioning capacity will continue to be a focus for 2007/08 and the FFP development programme (we will be participating in wave 3) will underpin this work

Relationships with stakeholders

Statutory organisations and the voluntary sector within Haringey are all focused on creating the Borough as a place of 'choice' within in which to live, work and play. We are working closely across our organisations to join up our agendas. We now have a common performance agenda and have just agreed our Local Area Agreement, together with stretch targets. We are planning to share our Director of Public Health across the TPCT and the Local Authority. We have assisted Haringey Police with their financial processes and reporting and in return they are helping us develop a more robust performance/target driven culture.

2.2. 2007/08 commissioning plans

Commentary on breakdown of income and cost

Income and expenditure assumptions are based on the 2007/08 Planning Framework for London.

The plans are consistent with those submitted for the Fitness for Purpose exercise, except where there has been a shift in guidance from the centre. In particular, this means the following changes are in place:

- The TPCT has suffered a reduction in income due to the phased reduction of the Purchaser Parity Adjustment by 25% and the market forces factor totalling £453k.
- New NSCAS central budgets from 2007/08 will further reduce income by £369k

It is also worth noting that the F4P review is shown net of hosted specialist services income whereas the 2007/08 operating plan is shown gross.

2007/08 in-year breakdown of income and cost													
£'000	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total
Income	42024	42024	42024	42024	42024	42024	42024	42024	42024	42024	42024	42023	504287
Total cost of commissioned services	-41365	-41365	-41365	-41365	-41365	-41365	-41365	-41365	-41365	-41365	-41365	-41365	-495180
Net provider costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Other costs	-759	-759	-759	-759	-759	-759	-759	-759	-759	-759	-759	-758	-9107
Surplus/deficit	0	0	0	0	0	0	0	0	0	0	0	0	0

2.2.1 2007/08 PCT targets

2007/08 PCT targets

Provide detail of health outcome, inequality and service delivery targets for 2007/08. Highlight where these tgts exceed PSA requirements or where they are part of a LAA.

- In 2007/08 we will focus on improving our annual healthcheck rating and meeting the 2007/08 National Operating Framework priorities (both top and high priorities), improving our productivity (as reported in the quarterly productivity metrics) and achieving our Local Delivery Plan targets, including the spearhead targets. We also intend to deliver the Local Area Agreement (LAA) targets and continue to deliver the existing priorities from the 2003/06 planning round, such as cancer waiting times and A&E 4 hour waits.
- The LAA targets will be signed off by GOL at the end of this month and focus on closing the health inequalities gaps in the borough. As well as the mandatory LAA targets, we are planning a stretch target for smoking cessation in one of the more deprived areas of the borough, and a target for teenage pregnancy. The new targets we have signed up to also cover increased physical activity, healthy schools and housing standards.
- The 2005/08 Local Delivery Plan (LDP) and LDP phase III includes spearhead targets for the indicators affecting life expectancy – CVD registers, hypertension, cholesterol and all age all cause mortality. These will support the LAA targets in reducing health inequalities in Haringey.
- Our 2007/08 SLAs with providers will retain targets for MRSA and other healthcare associated infections, against which we will monitor and manage performance.
- To deliver the 18 week Referral To Treatment target we have been, and will continue, to work closely with our main acute providers to establish and influence how they manage their outpatient and inpatient waiting lists, and at which level they manage them, ie. by individual consultant where appropriate. Independent sector diagnostic provision will support this work and we are working closely with Amicus in Health, the DH preferred bidder for the diagnostic procurement project, to make sure that this new capacity is available as soon as possible and we can hit the ground running. Local GPs have been involved in determining what new services will be available and from where they will operate, in order to maximize synergy with primary care services.
- The TPCT's demand management strategy will also support achievement of the 18-week target by reducing number of patients needing to be managed through the system. We are currently 15% above national average for secondary care referrals, and whilst population profile might

suggest Haringey would be above average need for secondary care this would suggest significant 'headroom' for reducing referrals.

As well as maintaining focus on the new and existing Healthcare Commission targets, we will further build assurance and maintain performance across the Core Standards. In 2007/08 we will concentrate on building developmental standards for public health and putting in place mechanisms to support further developmental work across the standards in other areas.

2.2.1. Income

Significant changes in planned income

Planned income is in line with latest central guidance.

Income - comparison between historical achievement and current plan

£'000	Plan	Forecast	Current plan		
	2006/07	2006/07	2007/08	2008/09	2009/10
Recurrent revenue allocation	338144	337266	363786		
Non-recurrent revenue allocation	3	3473	88		
Other income (excluding income from provider activities)	136988	136988	140413		
Total	475135	477727	504287		

Spending plans

Commentary on significant spending plans

The spending plan for the TPCT is detailed below.

Significant non-recurrent expenditure effects are as follows:

- the removal of non recurrent 2006/07 income and expenditure in dentistry and primary care premises and old SHA income disaggregation.
- New matched expenditure on Connecting for Health IT schemes.
- New unmatched expenditure on the implementation of the Electronic Staff Record payroll up[grade project and repayment of specialist services phased support.
- New non recurrent expenditure savings in slippage on growth on drug and alcohol services.

The TPCT is required to demonstrate achievement of cost savings in line with Commissioning a Patient Led NHS. The TPCT target saving was £224k in 2006/07 and £767k in 2007/08. The 2006/07 saving has been achieved as planned, through a reduction in the number of directors, downsizing of the PEC and some sharing of services. Other savings are planned in 2007/08 from the full-year effect of the above, plus the initial roll out of the Londonwide commissioning support service and of local initiatives in public health and HR.

Commissioning expenses – comparison between historical achievement and current plan					
	Plan	Forecast	Current plan		
£'000	2006/07	2006/07	2007/08	2008/09	2009/10
Primary care - GPs, prison healthcare, dentistry, and optometry:					
GP	-37781	-27700	-32324		
Prescribing	-28271	-28854	-31117		
Other	-14820	-21822	-23446		
Community and intermediate services	-23540	-25953	-30220		
Mental health commissioning, pooled arrangements or jointly funded commissioning	-80488	-80383	-87133		
Secondary care Provided under PbR					
Inpatient elective	-11263	-11220	-12765		
Day care elective	-8697	-9478	-9182		
Inpatient non-elective	-31320	-31641	-32911		
Outpatient	-20669	-21468	-20361		
Provided at local prices	-4811	-5007	-5750		
Provided by third sector/not-for-profits	0	0	0		
Provided by independent sector	0	0	0		
A&E	-4469	-4600	-4698		
Other	-36742	-36866	-38402		
Ambulance services	-5543	-5543	-5665		
Tertiary and specialist commissioning	-157371	-158231	-161206		
Total cost of commissioned services	-465785	-468766	-495180		

2.2.2. Activity plan

Commentary on significant changes in activity

The activity plan for the TPCT is detailed below. The TPCT has published its Commissioning Intentions for 2007/08. Much of the intended service change is targeted towards areas in which activity is not generally measured eg screening and public health. Insofar as there are initiatives that are targeted towards measurable secondary care activity, these will include:

- demand management schemes. The full year effect of the 2006/07 schemes, and new schemes as Practice Based Commissioning develops.
- achievement of the 18 week Referral To Treatment target. This will clear a significant number of long waiters for diagnostic as well as outpatient treatment.
- intention to commission increased capacity for retinal screening (via a tender process), liquid based cytology, chlamydia screening, GUM services, early intervention in psychosis. We are currently in discussion with providers about detailed numbers and costs. Some of the above will be part-year effect.

Commissioning activity plan – total						
'000 spells, net of demand forecast	Plan		Forecast		Current plan	
(attendances – outpatients, A&E)	2006/07	2006/07	2007/08	2008/09	2009/10	
Inpatient elective	5338	5507	5948			
Day case	14412	14886	14875			
Inpatient non-elective	16996	17864	17760			
Outpatient (new and follow up)	196670	219934	217176			
A&E attendances	61818	63818	63818			

Commissioning activity plan 2007/08 – by trust						
'000 spells	Top 4 trusts				Remaining activity	
(attendances – outpatients, A&E)	Trust 1	Trust 2	Trust 3	Trust 4	Other	Total
Inpatient elective	1716	1018	968	868	1378	5948
Day case	5083	3762	1146	1690	3194	14875
Inpatient non-elective	8340	4692	856	798	3074	17760
Outpatient (new and follow up)	78698	66420	15230	17950	38878	217176
A&E attendances	63818					63818

2007/08 in-year breakdown of activity plan					
'000 spells	Q1	Q2	Q3	Q4	Total
(attendances – outpatients, A&E)					
Inpatient elective	1487	1487	1487	1487	5948
Day case	3718	3718	3718	3721	14875
Inpatient non-elective	4440	4440	4440	4440	17760
Outpatient (new and follow up)	54294	54294	54294	54294	217176
A&E attendances	15954	15954	15955	15955	63818

Cost improvement, turnaround, and commissioning efficiency plans

Commentary on cost improvement/turnaround plans

A 2.5% CIP is required of the providerside and management team of the TPCT. In addition, demand management efficiencies are in place.

Cost improvement/turnaround plans

£'000	Net saving				
	Plan	Forecast	Current plan		
	2006/07	2006/07	2007/08	2008/09	2009/10
Initiative 1 [please specify]	751	751	1212		
Initiative 2 [please specify]	224	245	767		
Initiative 3 [please specify]	1632	1712	544		
Initiative 4 [please specify]	1121	1401	374		
Initiative 5 [please specify]	360	360	0		
Initiative 6 [please specify]	1098	1098	0		
Initiative 7 [please specify]	500	500	0		
Initiative 8 [please specify]	0	423	0		
Initiative 9 [please specify]	0	950	0		
Initiative 10 [please specify]	0	770	0		
Other initiatives	808	908	0		
Total	6494	9118	2897		

Commentary on commissioning efficiency plans (e.g., demand management, prescribing efficiencies)**

In 2006/7 the TPCT took forward an ambitious demand management savings programme. Our current forecast projections for the impact of this programme in 2006/7 is £822k full year savings against an original target of £2.309 m. (30% of original target). The majority of these savings have accrued from our scheduled care / outpatient demand management work stream (£572k) and this is reflected in our improved performance in the NHS productivity metrics between Q1 and 2 06/07. (At Q1 we were 28% above benchmark, at Q2 this had reduced to 18% above benchmark – clearly there is still work to do and efficiency gains to be achieved and these are reflected in our 07/08 demand management plan).

We have seen reduced activity in relation to emergency admissions of older people – although pinning down cause and effect in relation to fluctuations in acute IP activity is difficult this also reflects a long term strategic approach to the development of community based intermediate care services for older people and a partnership approach to the management of delayed discharges.

In 2006/7 we invested £373k in DM schemes to support delivery of the above programme. The roll forward investment required for 2007/8 of schemes that launched in 06/07 is £641k. A number of additional investments to support 07/08 plan are also planned.

We have taken forward a range of procurement activities to ensure that acute spend is tightly contained including data validation and close scrutiny of all provider invoices. No specific in year target was set in 06/07 but we estimate full year benefit in the region of £300k this year. A target of £300k is built into the 07/08 plan.

We have also driven in year savings through very strong management of prescribing. The budgets were set this year with a 4.2% uplift. In the early part of the year growth was approaching 5%. A rigorous prescribing efficiencies programme was instituted and we are now expecting to hold in year prescribing cost growth to 2.7% - a 1.4% saving on plan, equivalent to c. £390k savings against the original budget allocation. Further details of how this saving was achieved can be provided on request.

Commissioning efficiency plans (e.g., demand management, prescribing efficiencies)

£'000	Net saving				
	Plan	Forecast	Current plan		
	2006/07	2006/07	2007/08	2008/09	2009/10
Initiative 1 Demand Management	2682	1195	3446		
Initiative 2 MH modernisation	300	300	0		
Initiative 3 Bowman House disinvest	631	631	0		
Initiative 4 Referral guidelines	500	500	0		
Initiative 5 SP reduction	300	300	0		
Initiative 6 CC eligibility	200	200	0		
Initiative 7 Additional cost savings	0	0	4200		
Total	4613	3126	7646		

2.2.3. Practice based commissioning (PBC) initiatives

Explanation of PBC approach

The 60 Haringey practices have aligned themselves into 4 PBC Collaboratives on broadly geographical and main provider lines. Clinical leadership, management and public health support and governance structures are all in now in place and bedding in. A PCT wide demand management plan and PBC development plan have informed collaborative and practice based plans in this year – in 2007/8 we anticipate more of a bottom up approach in addition to roll forward of the current work plan.

All 4 collaboratives have established structures to involve all practices and the majority of Haringey practices will qualify for PBC DES (1) payments in 2006/7. The minimum requirement for to qualify is a letter confirming full participation in PBC processes and submission of practice based demand management plan (quality assured by collaborative clinical lead).

A monthly PBC and Demand Management team meeting is chaired by the PEC chair and reports to the TPCTs Inner PEC which is a sub committee of the Board. In addition to overall oversight of the programme the Inner PEC signs off all PBC business case / investment proposals and will also play a role in approving how savings achieved and passed back to collaboratives under the 70:30 are spent.

As noted above (s 1.3) we are planning to make changes to the Board and committee structure following the substantive appointment of the Chair and NEDs. We expect to nominate a lead NED for PBC as part of this process.

2006/7 highlights in terms of activity at practice level include data validation, un-anonymised sharing of benchmarking data (notably OPD new referrals) by practice, peer review processes of referrals, and review of patients who frequently attend A&E. All practices have also signed up to Haringey wide initiatives including clinical assessment services for musculo-skeletal and dermatology referrals, repatriation of non complex diabetic patients from secondary care and the establishment of a primary care based anti-coagulation service.

Arrangements for 2007/8 , which will reflect national guidance, are still being worked up and have not yet formally been consulted on with stakeholders.

Budget setting principles will be as follows:

- To include all hospital based care, PBR, prescribing, community and MH spend set on Q3/4 05/06 and Q1/2 06/07 outturn as per guidance
- + / - Fair shares calculation as per guidance (currently modelling)
- - Reduction pro rata share of DM scheme pump priming costs 06/07 and 07/08.

70:30 savings return will be made on practice by practice basis where practices achieve a saving against their total allocated budget. We are currently developing guidelines re. how this funding can be spent and appropriate sign off processes (which will be via IPEC as described above).

2.3.PCT provider plan

Provider plan

The TPCT provider side comprises the following services:

- ❑ Adults and Older People's services, including nursing and therapy services, many of which are jointly planned and provided with London Borough of Haringey.
- ❑ Children's services, including medical, nursing and therapy services provided in partnership with Great Ormond Street Hospital and the London Borough of Haringey.
- ❑ Specialist services, including Sexual Health and Family Planning, Audiology, Primary Care Dental Services (PCTDMS).
- ❑ Services such as Learning Disability services, and Integrated Community Therapy Team, provided jointly with LBH.

The priority objectives for provider services in the Community Health Services Development Plan are:

1. to ensure compliance with national targets and core standards.
2. clinically effective services that demonstrably respond to patients needs, and which are cost effective. (This will include the development of local pricing, benchmark comparisons and an analysis of activity.)
3. to support the PCT's demand management strategy by enabling the transfer of acute services to primary care, including to support acute hospital admission avoidance.
4. development of the support functions underpinning provider services i.e. IT, information, professional development and marketing, to enable the growth of the provider side as a business .
5. Be the provider of choice for Haringey commissioners of services in accordance with the wishes of local GPs and residents.

2.3.1. Provider income

Commentary on sources of provider income (i.e., income from other PCTs or commissioners)

Income for the providerside of the TPCT is derived as follows:

£33,558k	from Haringey
£ 4,684k	from Enfield
£ 1,440k	from recharges
£ 3,622k	from other PCTs
£ 6,912k	from other sources
£50,216k	TOTAL

Provider income – comparison between historical achievement and current plan

£'000	Plan	Forecast	Current plan		
	2006/07	2006/07	2007/08	2008/09	2009/10
Provider income	40746	38850	40849		

2.3.2. Operating resources required to deliver provider plan

Resources required to deliver provider plan

There are no significant changes in planned provider operating expenses from prior year actuals, except as follows:

- Enfield PCT is intending to commission a reduced level of community services
- there is a full year effect of 2006/07 service changes, in particular the closure of one older people's ward in-year during 2006/07
- overhead costs associated with the Fortis Green Health Clinic will cease after it is sold
- the Lordship Lane LIFT scheme will be completed, and the building resourced and staffed appropriately.

The Providerside team is in discussion with the Commissioning Division regarding investment priorities for 2007/08 including investments required to support the delivery of core standards and service development priorities. These discussions will be concluded to the same timetable as SLA discussions with other NHS providers.

Provider operating expenses – comparison between historical achievement and current plan

£'000	Plan	Forecast	Current plan		
	2006/07	2006/07	2007/08	2008/09	2009/10
Pay	-27509	-26573	-26767		
Non-pay	-13237	-12277	-14082		
Total provider operating cost	-40746	-38850	-40849		

2.4. Capital plan

Plans for investment and disposal

HTPCT is planning to dispose of Horsney Central Hospital phase 1, through sale to LIFTco, in April 2007. The capital is expected to be reinvested in the Hornsey Central site through the community hospitals programme.

As the Lordship Lane LIFT scheme is completed the temporary accommodation at Waltheof Gardens will be disposed of and some minor equipment purchased to furnish the new building.

Recurrent block capital allocations in line with previous years, uplifted for inflation, are also assumed and are expected to be spent on minor capital and maintenance works.

Haringey TPCT will during 2007/8 aim to complete the programme, begun in 2006/7, of grant allocations to Haringey GP practices requiring structural improvement in order to comply with the Disability Discrimination act. £600,000 has been identified for this purpose

Investment and disposal strategy – comparison between historical achievement and current plan

£m	Plan	Forecast*	Current plan		
	2006/07	2006/07	2007/08	2008/09	2009/10
Investment in fixed assets (non-maintenance)	2230	1908	2798		
Investment in fixed assets (maintenance)	250	250	250		
Investment in other assets	109	0	109		
Asset disposals	2500	2025	2800		

* Based on 9 months of actuals plus 3 months of forecast

2.5. Summary of key assumptions

Key assumptions

Income and expenditure assumptions are based on the 2007/08 Planning Framework for London. In addition the TPCT is making the following key assumptions:

- an additional reserve will be set up in line with best practice recommendations in the Fitness for Purpose review, equivalent to 1.5% of the recurrent baseline
- money will be invested in primary and community care in order to pump prime further demand management initiatives, and this will be offset against savings made and shared net, under the 70-30 rule
- the dampening of the growth in secondary care activity due to the roll out of demand management initiatives (see activity analysis), will lead to a consequent reduction in expenditure with acute trusts under Payment by Results
- IM&T money will be invested to roll out the Connecting for Health programme
- the hosted Drug and Alcohol budget will continue to grow, and the income growth will be matched by expenditure over a longer timeframe.

2.6. Risk analysis

2.6.1. Financial risk

Commentary on financial risks

Consistent with the Fitness for Purpose and Due Diligence review, the TPCT considers its main financial risks to be:

- increased growth in secondary care acute activity, including gaming and data validation issues
- high cost, low volume individual placements exceeding the projected trend change, particularly in continuing care learning disability and mental health services.
- achievement of the full demand management savings target of 3.9m

Actions the TPCT has taken to mitigate these risks include:

- a rigorous and robust approach to data validation which has been highlighted as best practice and is being rolled out across other PCTs
- detailed trend projections for high cost, low volume services, with joint work with the London Borough of Haringey to ensure that a longer term plan is in place for the most volatile and increasing costs
- strengthened capacity within commissioning team to ensure focus on PBC and demand management remains tight, with increased capacity to manage programme and to enter into robust dialogue with providers where appropriate.

2.6.2. Service provision risk

Commentary on services provided and associated risks

In 2006/07, in addition to financial risks, we identified 2 overarching risk areas for the organisation which will roll forwards into 2007/08, as follows:

- Organisational performance: main areas of risk will be mental health, breast screening, teenage pregnancy, smoking in pregnancy, early intervention in psychosis (we have plans to commission services and agree trajectory but will be part year effect only), choice and booking, primary care registers and 18 week RTT milestones. Our current health care commissioning rating is 'Fair' and 'Fair' and we need to do better. Additionally reducing inequalities within Haringey to address the equity and diversity challenges highlighted above is a risk area given the inherent challenges this presents. Ensuring patient and public engagement in change processes is also a challenge and there are risks that delivery of the

TPCTs strategic service development programme could be compromised if this is not managed effectively.

- Clinical performance (commissioned services): ensuring that the services the TPCT commissions for its population (including services provided by independent contractors) are safe, effective and meet best practice guidelines.

In relation to the management of key risks relating to organisational performance the TPCTs approach is as follows:

- Appointment of Director of Performance and Primary Care to ensure clear focus on organisational performance.
- Commissioning Intentions – new investment targeted to ensure performance optimised.
- Clear monitoring and robust action planning / remedial measures where appropriate – Performance sub committee of the Board.
- Clear and robust performance management arrangements with provider trusts.
- Continued focus on PPI and community engagement by Director of Corporate and Partnership Development, with particular emphasis on supporting the transition to new Local Involvement Network arrangements and partnership working with Haringey Council.

The TPCTs assessment of risk and management approach in relation to the quality of commissioned services is set out in s. 2.6.3 below.

2.6.3. Governance risk (including emergency planning and quality)

Commentary on governance and associated risks

Clinical Quality

The TPCTs approach to ensuring that the services it commissions are safe and effective is set out in s.2.1 above (Strategic Priorities – Strengthening Commissioning Section). Going in to 2007/8 we have identified the following clinical quality risks:

- **Breast Screening:** as previously highlighted significant concerns re quality of NLBSS led to this service being suspended in December 2006. Commissioning a high quality breast screening service is now of urgent importance. However it may be difficult to find adequate/suitable alternative service with sufficient capacity to take over the service and address the backlog of women needing to be screened

- **Antenatal Screening.** NMH have only recently delivered triple test Down's screening to an acceptable quality. It will be a huge challenge for them to meet the April 2007 target to deliver first trimester Down's Screening.
- **Infection control.** There continue to be some concerns about NMUHT's ability to achieve MRSA targets and delivering on the infection control action plan agreed with the turnaround team.
- **Mental Health Services:** A number of SUIs within both specialist and primary care mental health service delivery over the past 3 years have highlighted a number of key risk issues in relation to how services currently operate both individually and across organisational boundaries. Additionally BEHMHT will be delivering significant changes in service delivery in respect of its community mental health services during 07/08 with planned improvements to quality however during the process of change there is a risk that clinical care and patient satisfaction could be compromised. A range of project management and assurance mechanisms are in place to minimise risk. A joint clinical service improvement group for mental health services has been established with an independent chair (Andrew McCulloch, CEO Mental Health Foundation) to provide external assurance re the partnership response to the risks identified.
- **Primary Care:** At the time of writing, the TPCT is finalising its Primary Care strategy, with a view to formal consultation during the first quarter of 2007/08. This will be complementary to the BEH Clinical Strategy and will define an implementation programme to transform primary care in Haringey, with 2007/08 as year 1.

In support of this, the TPCT is currently beginning an in-depth review of all Haringey GP practices. In 2007/08, the TPCT will move on to validate the performance of practices against reported achievement of QoF standards and also to introduce a quarterly "balanced scorecard" approach akin to other commissioned services.

The TPCT identifies the following as significant opportunities:

- The service review process; &
- The PBC collaborative approach already established.

The TPCT identifies the following as significant risks:

- The financial implications of an assertive approach to tackling poor clinical performance;
- The step-changes that will be required of all practices; &
- The timely sharing of information between practices & PCT.

Emergency Planning

We have well developed local partnership arrangements for emergency planning and effective links with both acute Trusts and the Haringey Emergency Planning Liaison Committee. A joint 'live' exercise is planned for March 2007 – learning from which will roll forward into 2007/08. It is proposed to pool resources and develop joint training programme to support EP in 2007/08.

2.6.4. Other risks

Commentary on any other risks

Business Continuity:

- **Succession planning:** Given the requirements of commissioning a patient led NHS, we have shed many management posts. This has meant it difficult to create a succession plan and allow staff developmental time to grow additional and new skills in preparation for more senior roles. We actively encourage secondments and seek appropriate training programmes. Our plan is to create more 'headroom' for personal staff development and succession planning during 2007/8, as the current pressure on financial controls and performance begins to reap rewards.
- **IM&T:** Child Health Interim Application (CHIA) functional upgrade due May/June 2007. Potentially high/medium risk of non delivery which would impact on PCT's delivery and monitoring of Child Immunisation and Surveillance programmes. Electronic Staff Record implementation, scheduled June/July 2007. Potentially low/medium risk of failure which would impact PCT's ability to pay staff. Merger of local IM&T shared services due April- July 2007. Potentially low/medium risk of interruptions in provision of IM&T systems and infrastructure.
- **Estate:** the TPCT's corporate HQ, along with a substantial element of its direct service provision are based on the SAH site – the physical infrastructure of the site is very poor and this presents significant risks to business continuity. The TPCT is working with the MHT (who own the site), Haringey Council and other local providers to develop appropriate contingency plans.

3. Declarations and self-certifications

3.1. Board statements

Commentary

To follow following January Board meeting.

Appendix 3

Financial and Activity Template

Introduction

This document provides the financial and activity templates which PCTs should complete as part of their Operating Plan for 2007/08.

Instructions

Further detailed instructions for the completion of these templates will be provided following consultation with a number of PCT Finance Directors. Comments are provided on the various worksheets to aid in

Sheet descriptions

Summary financial forecast - this sheet is used to provide an overview of the current and future financial position of the PCT and is critical to the evaluation of financial risk rating of the PCT.

Cash position overview - this sheet is used to provide a brief overview of the cash position of the PCT; this information is not used in the risk rating of the PCT.

Secondary care - this sheet is used to provide an overview of the levels of activity that are being commissioned by the PCT from acute care; it also allows evaluation of the impact of demand management

Commissioning efficiency plans - this sheet is used to provide details of demand management initiatives (across all settings of care), together with their estimated financial impact.

CIPs and turnaround - this sheet is used to provide an overview of the impact of cost improvement programmes and turnaround plans.

07 08 Operating Plan exhibit - this sheet is used to provide input to the exhibits within the 2007/08 operating plan and is mostly a direct summary of the blue tabbed sheets, but requires some information to be directly

Cell colour coding

PCTs **must** complete all pale yellow shaded cells in the template - they are the only unprotected cells.

White cells contain information calculated by the template

Results of check cells are shown in red where there is misalignment between inputs and should be corrected prior to submission

Generic instructions

All financial figures should be entered in £'000

Please ensure all costs are entered as negative numbers to March 2007

Summary financial forecast

The figures you enter in this sheet will automatically populate the 2007/08 Operating Plan exhibit worksheet
Please ensure all costs are input as negative numbers

£'000	Plan 2006/07	Forecast* 2006/07	Forecast 2007/08
Income			
Recurrent revenue allocation	338144	337266	363786
Non-recurrent revenue allocation	3	3473	88
Other income (excluding income from provider activities)	136988	136988	140413
Total income	475135	477727	504287
Expenses			
Commissioning activities:			
Primary care - GPs, prison healthcare, dentistry, and optometry:			
GP	-37781	-27700	-32324
Prescribing	-28271	-28854	-31117
Other	-14820	-21822	-23446
Community and intermediate services	-23540	-25953	-30220
	-80488	-80383	-87133
Mental health commissioning, pooled arrangements or jointly funded commissioning			
Secondary care			
Provided under PbR			
Inpatient elective	-11263	-11220	-12765
Day care elective	-8697	-9478	-9182
Inpatient non-elective	-31320	-31641	-32911
Outpatient	-20669	-21468	-20361
Provided at local prices	-4811	-5007	-5750
Provided by third sector/not-for-profits		0	0
Provided by independent sector		0	0
A&E	-4469	-4600	-4698
Other	-36742	-36866	-38402
Ambulance services	-5543	-5543	-5665
Tertiary and specialist commissioning	-157371	-158231	-161206
Total cost of commissioned services	-465785	-468766	-495180
Provider Activities:			
Pay expenditure	-27509	-26573	-26767
Non-pay expenditure	-13237	-12277	-14082
Less - provider income	40746	38850	40849
Net provider costs	0	0	0
Other costs			
Other pay expenditure	-6507	-6183	-6331
Other non-pay expenditure	-2241	-2184	-2180
Depreciation and amortisation	-602	-594	-596
Exceptional items	0	0	0
Total cost	-475135	-477727	-504287
PCT surplus/deficit in year	0	0	0
PCT normalised position (excluding exceptional items)	0	0	0

Cash position overview

This worksheet requests a brief overview of the PCT's cash position

£'000

Forecast cash limit 2007/08

Return of 2006/07 loan (-ve) / deposit (+ve)

Forecast 2007/08 loan (+ve) / deposit (-ve) requirements

Total (Forecast cash utilisation)

363274
0
0
363274

Secondary care commissioning activity

This worksheet requests the PCT's secondary activity and cost forecasts. Note that this should reflect the PCT's best information about levels of activity. Please ensure all activity reductions are input as negative numbers. Please ensure all costs are input as negative numbers (cost savings will then appear as positive numbers)

£'000

Spells, or attendances as appropriate

These baseline figures represent what would occur should you not have any demand management initiatives from 07/08

This is the 'n-year' reduction in activity due to demand management that needs to be entered by PCT

Baseline Demand Forecast (excluding all demand management in 06/07, 07/08 and 08/09)

	Forecast				
	2006/07	2006/07	2007/08	2008/09	2009/10
Plan	5368	5518	5982		
2006/07	14449	14899	14917		
Inpatient elective	17350	17990	18161		
Day case	214161	226161	237001		
Inpatient non-elective	61818	63818	63818		
Outpatient (new and follow-up)					
A&E attendances					

Plan	-11335	-11794	-12975		
2006/07	-8740	-9094	-9312		
Inpatient elective	-31941	-33520	-34492		
Day case	-22242	-23084	-23904		
Inpatient non-elective	-4469	-4600	-4712		
Outpatient (new and follow-up)	-41553	-41873	-44288		
A&E attendances					
Other secondary costs					
Total costs	(120,280)	(123,965)	(129,683)		

Total cost savings (before implementation cost)

2,309

Net cost

(117,971) (123,143) (125,683)

Impact of demand management (savings)

	Forecast				
	2006/07	2006/07	2007/08	2008/09	2009/10
Plan	-30	-11	-34		
2006/07	-37	-13	-42		
Inpatient elective	-354	-126	-401		
Day case	-17491	-6227	-19825		
Inpatient non-elective					
Outpatient (new and follow-up)					
A&E attendances					

Plan	72	26	128		
2006/07	43	15	78		
Inpatient elective	621	221	1132		
Day case	1573	560	2662		
Inpatient non-elective	0	0	0		
Outpatient (new and follow-up)	0	0	0		
A&E attendances					
Other secondary costs					
Total costs	2,309	822	4,000		

Net Demand Forecast (including all demand management)

	Forecast				
	2006/07	2006/07	2007/08	2008/09	2009/10
Plan	5338	5507	5948		
2006/07	14412	14886	14875		
Inpatient elective	16996	17864	17760		
Day case	196670	219934	217176		
Inpatient non-elective	61818	63818	63818		
Outpatient (new and follow-up)					
A&E attendances					

Plan	-11263	-11768	-12847		
2006/07	-8697	-9079	-9234		
Inpatient elective	-31320	-33299	-33360		
Day case	-20669	-22524	-21242		
Inpatient non-elective	-4469	-4600	-4712		
Outpatient (new and follow-up)	-41553	-41873	-44288		
A&E attendances					
Other secondary costs					
Total costs	(117,971)	(123,143)	(125,683)		

This is the gross cost impact of demand management (i.e. excluding implementation costs)

Commissioning efficiency plans

(e.g., demand management and prescribing efficiencies)

The figures you enter in this sheet will automatically populate the 2007/08 Operating Plan exhibit worksheet
 Please ensure all costs are input as negative numbers
 Please ensure savings are input as positive numbers

Item	Description of initiative	Gross forecast savings			Implementation Costs			Net forecast savings			
		Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10	Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10
Initiative 1 [please specify]	Demand Management	2309	822	3178			2682	1195	3446		
Initiative 2 [please specify]	Mental Health Modernisation	300	300	0			300	300	0		
Initiative 3 [please specify]	Bowman House dis-investment	631	631	0			631	631	0		
Initiative 4 [please specify]	Referral Guidelines for Second	500	500	0			500	500	0		
Initiative 5 [please specify]	Supporting People Reduction	300	300	0			300	300	0		
Initiative 6 [please specify]	Eligibility threshold for continui	200	200	0			200	200	0		
Initiative 7 [please specify]	Additional Cost Savings	0	0	4200			0	0	4200		
Initiative 8 [please specify]							0	0	0		
Initiative 9 [please specify]							0	0	0		
Initiative 10 [please specify]							0	0	0		
Other initiatives							0	0	0		
Total		4240	2753	7378	373	373	4613	3126	7646		

CIPs and turnaround plans

The figures you enter in this sheet will automatically populate the 2007/08 Operating Plan exhibit worksheet
 Please ensure all costs are input as negative numbers
 Please ensure savings are input as positive numbers

Item	Description of initiative	Gross forecast savings				Implementation Costs				Net forecast savings						
		Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10	Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10	Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10
Initiative 1 [please specify]	Directly Managed Services 2.5%	751	751	1212								751	751	1212		
Initiative 2 [please specify]	Commissioning a Patient Led N	224	224	767								224	245	767		
Initiative 3 [please specify]	Reduction in Community Serv	1632	1632	544								1632	1712	544		
Initiative 4 [please specify]	Reduction in Corporate Budget	1121	1351	374								1121	1401	374		
Initiative 5 [please specify]	Reduction in Pharmacy Contr	360	360	0								360	360	0		
Initiative 6 [please specify]	Primary Care Performance Mgt	1098	1098	0								1098	1098	0		
Initiative 7 [please specify]	Reduction in Enhanced Serv	500	500	0								500	500	0		
Initiative 8 [please specify]	Tighten and Investigate Specif	423	423	0								0	423	0		
Initiative 9 [please specify]	Estates Disposal		950	0								0	950	0		
Initiative 10 [please specify]	Slippage on Primary Care Premises into 0		770	0								0	770	0		
Other initiatives		808	908	0								808	908	0		
Total		6494	8967	2897	0	151	0	0	0	0	6494	9118	2897	0	0	0