

Meeting PCT Board	Date 28 March 2007	Agenda Item
------------------------------------	------------------------------	--------------------

Title of paper: Financial Plan for 2007/08

Summary: The attached reports presents a 2007/08 Financial Plan showing the PCT forecasting a surplus of £1,876k at the end of 2007/08, after significant investments in Primary Care, Directly Managed Services and Secondary Care, improvements in efficiency across all services, a 2.5% top-slice by the DoH and the establishment of a substantial risk reserve.

Fit with:

Operating Plan Strategic Priorities: Maintaining financial stability

Assurance and governance: Finance Committee

Implications for:

Performance and quality: Establishes a financial plan to support the PCT in meeting its statutory financial duties in 2007/08.

Resources/efficiency: Ensures the PCT has a financial plan in place for the appropriate and managed use of financial resources and the achievement of efficiencies through cost savings programmes.

Corporate Risk: Agreeing a financial plan and approval basis for Non-NHS SLAs is required to significantly reduce the risk of failing to meet the PCTs financial duties. Significant risks to the achievement of these duties are also reported.

Legislation: Establishes a financial plan to support the PCT in meeting its statutory financial duties in 2007/08.

Board action:

1. Consider the approval of the 2007/08 Financial Plan.
2. Consider the approval of the proposed basis for agreeing Voluntary Sector and Local Authority SLAs for 2007/08.

Lead Officer information:

Name: Harry Turner

Position: Director of Finance and Clinical Procurement

Contact details: 020 8442 6794 or Harry.Turner@Haringey.NHS.UK

Report

To: TPCT Board
From: Director of Finance and Clinical Procurement
Date: 28 March 2007
Topic: Financial Plan for 2007/08

1 Summary

Improved financial management has been a significant achievement of the PCT 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 of 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.

The 2007/08 Financial Plan shows the PCT forecasting a surplus of £1,876k at the end of 2007/08, 0.5% of the PCTs recurrent baseline. This is after significant investments in Primary Care, Directly Managed Services and Secondary Care, improvements in efficiency across all services, a 2.5% top-slice by the DoH and the establishment of a 1.0% of recurrent baseline Risk Reserve.

The PCT has been required to make three submissions to NHS London during the 2007/08 planning process, including presentations by PCT Directors to a performance panel. At each stage NHS London has reviewed the plans, requested further supporting information and offered advice. On the basis of this process and the final submission NHS London has given Haringey PCT the lowest level of risk rating for its 2007/08 operating plan, which forms part of the PCTs overall risk assessment. The final Operating Plan submission is attached at Appendix A.

The 2007/08 Financial Plan is presented to the PCT Board for consideration for approval.

2 Changes in PCT Income and Expenditure

The table below shows the planned changes in the PCTs Revenue Resource Limit (Income) and Expenditure budgets between 2006/07 and 2007/08:

	£'000s
Income (Revenue Resource Limit) Changes	
Initial Growth Funding	28,866
Reduction in Non-Recurrent Top-Slice	1,450
Return of 2006/07 Non-Recurrent Top-Slice	600
Reduction in Purchaser Parity Adjustment	(720)
Increase in Market Forces Factor Adjustment	(166)
High Cost Area Supplement	(1,355)
Dental Funding Growth	877
National Specialist Commissioning Advisory Group Portfolio Changes	(369)
Removal of 2006/07 Non-Recurrent RRL Adjustments	(1,605)
Other Changes	(21)
Net Increase in RRL from 2006/07 to 2007/08	27,557
Expenditure Budget Changes	
Generic Uplift to Provider and Primary Care Budgets	9,242
Investment in Primary Care (including Dentistry)	3,365
Commissioning Intentions Investments	3,290
FYE of 2006/07 Service Investments plus Other Small Investments	662
2007/08 Service Level Agreements	9,237
18 Week Referral to Treatment Activity from Secondary Care	2,270
Lordship Lane Health Centre	998
Connecting for Health	485
Increase Risk Reserve to 1.0% of Recurrent Baseline	3,596
Primary Care Performance Management	(2,000)
Reduce Growth in Prescribing from DoH Forecast	(1,110)
FYE Demand Management Targets	(1,691)
FYE 2006/07 Cost Savings	(695)
Commissioning a Patient Led NHS Management Cost Savings	(767)
Removal of 2006/07 Non-Recurrent RRL Adjustment Budgets	(1,605)
Other Changes	404
Net Increase in Expenditure Budgets from 2006/07 to 2007/08	25,681
Net Planned 2007/08 Surplus (0.5% of Recurrent Baseline)	1,876

3 Efficiency Savings and Demand Management

To allow the PCT to make full use of the growth funding allocated for investment in healthcare services the PCT and the DoH have identified a number of efficiency and Demand Management savings in 2007/08.

The DoH has advised the NHS that it expects provider organisations' costs to increase by 5% in 2007/08 due to generic cost increases, such as pay and non-pay goods and services. The DoH has also advised that PCTs should fund NHS and Non-NHS provider organisations 2.5% for these cost increases, with organisations finding the remaining 2.5% through efficiency savings. This is the equivalent to approximately £5m in efficiency savings for commissioned services.

The PCT's Directly Managed Services will receive the same uplift as other provider organisations, with a similar cost efficiency percentage required. Directly Managed Services will be required to find savings of approximately £1,200k to offset the un-funded cost increases. In addition the PCT is required to make £767k of cost savings in 2007/08 relating to the movement of funding from management functions to front line services in accordance with the DoH paper 'Commissioning a Patient Led NHS'.

The PCT has also set cost savings targets for Primary Care. These are a £1,110k saving on Prescribing Expenditure to offset 4% of the DoH forecast of 8% growth in expenditure for 2007/08, and £2,000k of Primary Care performance management savings.

The PCT has reduced from £5,500k to £4,000k its overall Demand Management target. In 2006/07 the PCT achieved £822k against a planned £2,300k. The target achievement for 2007/08 is £3,178. More information on the Demand Management programme can be found on page 24 of the Operating Plan at Appendix A.

The PCTs Cost Savings Programmes are summarised below:

Cost Saving Scheme	£000s
2.5% Efficiency Savings on Directly Managed Services	1,200
Commissioning a Patient Led NHS Saving	767
4% Reduction in Prescribing Growth	1,110
Primary Care Performance Management	2,000
Demand Management Schemes	3,178
Total Haringey TPCT Cost Savings Programmes	8,255

4 NHS and Non-NHS SLAs

For 2007/08, SLA agreements with NHS providers have largely been agreed substantially ahead of the dates experienced in previous years. The PCT now only has one SLA not agreed where the proposal received by the PCT is materially different from that which the PCT would expect to agree, this is with UCLH. The PCT is holding a reserve that covers the risk on this SLA. Most of the other SLAs have either been signed or are very close to being signed and it is expected that all except a very small number will be signed by the start of 2007/08. The SLA agreement process has been resolved more speedily for 2007/08 due to early and consistent national guidance from the DoH and a tightly monitored framework put in place by NHS London.

NHS SLAs have been agreed at levels that the PCT considers sufficient to meet the 18 Week Referral to Treatment target, SLAs also incorporate Demand Management reductions and a generic uplift of 2.5% as advised by the DoH. As detailed above the DoH has advised that provider organisations can expect generic costs to increase by 5%, meaning that providers will need to cover the shortfall in funding of 2.5% by efficiency savings.

In addition to the national framework for agreeing NHS SLAs the DoH has advised PCTs that they should uplift Non-NHS SLAs by 2.5% for generic cost pressures. The PCT proposes to set Non-NHS SLAs (including Local Authority and Voluntary Sector organisations) at 2006/07 outturn levels plus 2.5% for generic cost pressures. The PCT Boards is asked to approve this approach.

5 Primary Care Services

The DoH has advised PCTs that GMS should be uplifted by 1%, Dentistry by 1.5% and Prescribing budgets by 8% for 2007/08. In addition to this the PCT has identified funding of £3,365k to be invested in Primary Care in addition to investment plans outlined in the PCTs Commissioning Intentions. More information on the Primary Care 2007/08 operating plan can be found on pages 17 and 35 of the Operating Plan at Appendix A.

6 Directly Managed Services

In line with other provider organisations the PCT has allocated generic uplift funding to the Directly Managed Services of the PCT of 2.5%. In addition the PCT has set aside £998k for the set-up and running costs of the new Lordship Lane Health Centre and £485k for investment in connecting for health IT systems. Provider services will also be invited to bid for additional funding to provide services outlined in the PCTs Commissioning Intentions. More information on the Provider Services operating plan can be found on page 29 of the Operating Plan at Appendix A.

7 Public Consultation

The PCT held a public consultation meeting on 7th March 2007 to present and discuss the draft 2007/08 Operating Framework, which incorporated the draft Financial Plan. The meeting, which was held at the Haringey Civic Centre, was attended by local councillors and members of the public who were particularly interested in the quality and accessibility of Primary Care and the effect on services of Demand Management. The key messages from the consultation were incorporated in the final version of the Operating Framework and Financial Plan.

8 Fitness for Purpose Review

Between July and September of 2006 the PCT undertook a Fitness for Purpose Review with NHS London and McKinseys. The exercise which largely focussed on the PCTs finances reviewed the following areas: Financial Control, Financial Management and the robustness of the PCT underlying financial position. The review was based on an analysis of retrospective and prospective finances and compared the PCTs position with other similar organisations, best practice and benchmarking data.

The main recommendations of the review related to the robustness of Demand Management plans, monitoring the risk around high cost low volume activity and increasing the PCT's risk reserve. These issues have been addressed in the PCTs Financial Plan as follows:

Demand Management: For 2007/08 the PCT has developed robust Demand Management finance and activity plans detailed by specialty and organisation and incorporated them into SLA agreements before the start of the financial year, as recommended. The PCT has also identified the Demand Management schemes necessary to achieve the targets and started to implement these.

High Cost Low Volume Activity (including Special Needs and Continuing Care): To improve the accuracy of budgeting and reporting of these services the PCT is undertaking a comprehensive review on a patient-by-patient basis of the expected activity for 2007/08. This will be completed shortly and the PCT is holding a significant reserve against this exercise which it expects to more than cover the expected growth in this activity. This will ensure that fully funded and accurate budgets are set for this area of expenditure and that a robust process for monitoring is put in place.

Risk Reserve: At the time of the PCT Fitness for Purpose Review the PCT had a risk reserve of £1.1m (0.3% of the 2006/07 Recurrent Revenue Resource Limit). The recommendations of the review were that this should be increase to 1.5% of the PCTs Recurrent Resource Limit. For 2007/08 the PCT has implemented this by planning to make a 0.5% surplus of £1,876k, ie setting expenditure budgets £1,876k less than income budgets, and within the expenditure budgets increasing the risk reserve to £3,752k (1%). This gives the PCT direct flexibility of 1.5% (£5,628k) against variance from plan on income or expenditure in-year without risk to the PCTs ability to meet its statutory break-even financial duty.

9 Sensitivity Analysis

The 2007/08 Financial Plan is based on a number of variables and planning assumptions. The PCT has received confirmation of a number of these assumptions from the DoH including; generic uplifts for provider organisations and primary care, key funding allocations and the 2007/08 funding top slice (2.5%). The following table shows the material risks to the plan and the financial impact they could have, it also shows mitigating reserves and actions that can be taken.

		Range of Uncertainty	Maximum Expected Financial Impact
	Risk	L/M/H	£000s
1.	Additional activity required to meet 18 Week Referral to Treatment Target	Medium	700
2.	1.5% Activity Growth over 2006/07 Outturn	Medium	3,250
3.	50% Slippage on Cost Savings Achievement	Low	2,500
4.	Slippage on Demand Management achievement	Medium	1,800
5.	Final SLA values agreed higher than budgeted	Medium	2,900
6.	Growth in Renal, Critical Care, High Cost Drugs and Devices Expenditure	High	1,930
7.	Move from Residency based charging to GP Registered based charging for Mental Health Services	High	600
	Total Risks		13,680
	Mitigating Actions		
1.	25% Slippage on Investments and Commissioning Intentions	Low	1,400
2.	SLA Reserve to offset higher than planned secondary care activity	Low	3,878
3.	Release of Risk Reserve	Low	3,596
4.	Previous experience of successfully achieving Cost Savings Programmes, 100% achievement attained	Medium	2,500
5.	Achieve break-even duty rather than planned surplus	High	1,876
	Total Mitigating Actions		13,250

10 Capital Expenditure

Due to a combination of asset sales and slippage on expenditure the PCT is projected to have surplus Capital Resource Limit in 2006/07. Following a request from NHS London £1.5m has been brokered with them, to be repaid in 2007/08. The PCT expects to carry forward a 2006/07 surplus of £763k, in addition to the brokerage, into 2007/08.

	£'000s
Income	
Carry Forward of Expected 2006/07 Underspend (including Sale of Fortis Green Health Centre)	763
Return of 2006/07 Brokerage	1,500
Operational Capital Allocation	443
'Safeguarding Children and Young People' Funding	150
Total Income	2,856
Expenditure	
Slippage on Minor Capital Expenditure	230
Re-instate LIFT Enabling Fund	1,376
Financial Ledger Upgrade	37
GP IT Investment Balance Outstanding	17
Digital Hearing Aids Balance Outstanding	139
IT Network Infrastructure Improvements at St Ann's	482
'Safeguarding Children and Young People' Expenditure	150
Total Expenditure	2,431
Surplus Capital Funding	425

11 Conclusion

This Financial Plan for 2007/08 demonstrates how the PCT is forecasting a surplus of £1,876k at the end of 2007/08, after significant investments in Primary Care, Directly Managed Services and Secondary Care, improvements in efficiency across all services, a 2.5% top-slice by the DoH and the establishing of a substantial risk reserve. The PCT Board is asked to:

1. Consider the approval of the 2007/08 Financial Plan.
2. Approve the setting of Non-NHS SLAs (including Local Authority and Voluntary Sector organisations) at 2006/07 outturn levels plus 2.5% for generic cost pressures.

Harry Turner
Director of Finance and Clinical Procurement

Appendix 1

PCT Operating Plan 2007/08 Self-Certification

1. Declarations and self-certification

The Board is required to confirm that:	
Board processes	Tick
The Board maintains a register of its members' interests, and can specifically confirm that no members of the Board have material conflicts of interest	<input type="checkbox"/>
The Board is satisfied that all Directors are qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance, and ensuring management capacity and capability	<input checked="" type="checkbox"/>
A selection process and training programmes are in place to ensure that non-executive directors have appropriate experience and skills	<input checked="" type="checkbox"/>
The decisions taken by the Board comply with its legal duties	<input checked="" type="checkbox"/>
The Board is satisfied that the PCT operates its systems of financial and clinical governance in accordance with recognised good practice for NHS organisations	<input checked="" type="checkbox"/>
Strategy and planning	Tick
The Board is satisfied that the PCT has produced a current strategic plan as required by the PCT Commissioning Regime for London (not applicable in 2007/08)	<input type="checkbox"/>
The strategic plan defines specific strategic goals around the health status of the population, clinical outcomes, and patient experience (including diverse and hard-to-reach groups), which include health improvement and the reduction of health inequalities (not applicable in 2007/08)	<input type="checkbox"/>
Clinicians, patients, the public, and other stakeholders were involved in developing the strategic plan (not applicable in 2007/08)	<input type="checkbox"/>
Appropriately detailed contracts and SLAs have been agreed with providers	<input checked="" type="checkbox"/>
The Board is satisfied that the assumptions used in operational planning are clear, transparent, reasonable, and consistent with the PCT's contracts and SLAs	<input checked="" type="checkbox"/>
Delivery	Tick
The Board is satisfied that the necessary planning, performance management, and risk management processes are in place to deliver the operating plan	<input checked="" type="checkbox"/>
The management team has the capability and experience necessary to deliver the operating plan	<input checked="" type="checkbox"/>
The PCT has processes in place to ensure appropriate management and staff are recruited to discharge the PCT's functions	<input checked="" type="checkbox"/>
The PCT has processes in place to ensure management and staff are adequately trained, developed, held to account, and incentivised to deliver against the PCT's objectives	<input checked="" type="checkbox"/>
The PCT's information systems are suitable for fulfilling its financial and clinical needs and the information is used for performance management	<input checked="" type="checkbox"/>
Financial governance	Tick
The Board is satisfied that the PCT has effective financial accounting and reporting arrangements, providing accurate, timely, 'true and fair' accounts and reports	<input checked="" type="checkbox"/>
The PCT manages its significant financial risks effectively, with a Board-approved risk management strategy (using the format recommended by the Department of Health) and internal audit function	<input checked="" type="checkbox"/>
The PCT has arrangements to ensure probity and propriety in the conduct of its business, including a register of interests, a counter-fraud and corruption policy, and a complaints procedure	<input checked="" type="checkbox"/>
The PCT's information systems are suitable for fulfilling its financial and clinical needs and the information is	<input checked="" type="checkbox"/>

used for performance management	
Clinical governance	Tick
The Board is satisfied that, to the best of its knowledge and using its own processes (supported by Healthcare Commission metrics and including any further metrics it chooses to adopt), the PCT has and will keep in place effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.	<input checked="" type="checkbox"/>
The Board is satisfied that plans are in place to ensure that all relevant national core standards and targets can be met going forwards [see table in Section 2]	<input checked="" type="checkbox"/>
The PCT has effective processes for monitoring (in qualitative and quantitative terms) the experience of the full range of patients and other users of services provided by the PCT	<input checked="" type="checkbox"/>
The PCT has effective processes for monitoring (in qualitative and quantitative terms) the experience of the full spectrum of patients and other users of services commissioned by the PCT (including primary care)	<input type="checkbox"/>
The PCT effectively monitors and manages (a) the clinical and public health outcomes of its own provider arm, with clearly tracked, owned and understood metrics and a system of intervention; and (b) that its provider clinicians are appropriately qualified and trained	<input type="checkbox"/>
A broad cross-section of practices are involved in the work of the PCT, including being represented on PECs, participating in designing care pathways, and reviewing provider data	<input checked="" type="checkbox"/>
The PCT is achieving its targets as set out in the Local Area Agreement	<input checked="" type="checkbox"/>
Relationship management	Tick
The PCT engages effectively with local authorities and a wide range of other partners to provide coordinated health and social care	<input checked="" type="checkbox"/>
The PCT has complied with major NHS London and Department of Health initiatives and requirements in the past year, including Serious Untoward Incident notification	<input checked="" type="checkbox"/>
The PCT has responded appropriately, in a timely manner, to all major regulators and audit reports	<input checked="" type="checkbox"/>
The PCT has robust and constructive relationships with all its providers	<input checked="" type="checkbox"/>
The PCT obtains and understands input from a representative, broad group of patients through a public patient involvement strategy	<input checked="" type="checkbox"/>
Emergency planning	Tick
The Board is satisfied that the emergency preparedness function is appropriately governed and managed in accordance with NHS guidance	<input checked="" type="checkbox"/>
The Board is satisfied that sufficient resources have been identified for the emergency preparedness function planning, and that these are in place	<input checked="" type="checkbox"/>
An up-to-date Major Incident Plan is in place containing all elements required by the NHS Emergency Planning Guidance (e.g., consultation with major partners)	<input checked="" type="checkbox"/>
Emergency preparedness is supported by appropriate exercises, training and testing	<input checked="" type="checkbox"/>
Overall compliance	Tick
The Board will ensure that the PCT remains at all times compliant with its statutory duties and operates within the parameters set by NHS London and the Department of Health	<input checked="" type="checkbox"/>
The Board has considered all likely future risks to the PCT's compliance with its statutory duties and these parameters, their probability of occurring and potential severity, and the plans for mitigating them	<input checked="" type="checkbox"/>
The Board has considered appropriate evidence to review these risks and has put in place action plans to address them where required to ensure continued compliance	<input checked="" type="checkbox"/>

Signed on behalf of the Board	
Chief Executive and Accountable Officer	Chair
Tracey Baldwin	Richard Sumray
PCT name	
Haringey Teaching Primary Care Trust	

2. National core standards and targets

2.1. Existing national targets in 2006/07

The Board must confirm that the levels of service set through the 2003-06 planning round are being maintained by the PCT. These are considered the basics of what organisations should be doing.

The table below shows the existing national targets for PCTs.

Target
Access to a primary care professional within 24 hours and to a primary care doctor within 48 hours
Maximum waiting time of one month from diagnosis to treatment for all cancers
Maximum waiting time of two months from urgent referral to treatment for all cancers
Maximum waiting time of two weeks to first outpatient appointment for all urgent suspected cancer referrals
All ambulance trusts to respond to 95% of category A calls within 19 minutes
All ambulance trusts to respond to 75% of category A calls within 8 minutes
All ambulance trusts to respond to 95% of category B calls within 19 minutes
Access to crisis services and comprehensive child and adolescent mental health service for all who need them
All hospital appointments booked for patient convenience, with patients able to choose from at least four different health care providers for planned hospital care paid for by the NHS
Minimal level of delayed transfers of care
Minimum of 80% of people with diabetes offered screening for early detection (and treatment if needed) of diabetic retinopathy (with 100% by 2007)
Maximum wait of 26 weeks for inpatients
Maximum wait of 13 weeks for an outpatient appointment
Maximum wait of three months for revascularisation
Practice-based registers updated so patients with coronary heart disease and diabetes receive appropriate advice and treatment in line with national service frameworks; practice-based registers and systematic treatment regimes – including appropriate advice on diet, physical activity, and smoking – cover the majority of patients at high risk of coronary heart disease, particularly those with hypertension, diabetes, and a BMI greater than 30
Ten percentage point increase per year in the proportion of people suffering from a heart attack who receive thrombolysis within 60 minutes of calling for professional help
Maximum four hours wait in A&E from arrival to admission, transfer, or discharge

2.2. New national targets in 2006/07

The Board must confirm that the PCT has plans in place to ensure that the new national targets can be met going forwards. These targets cover what PCTs are required to do to demonstrate they are developing and sustaining improvement.

The table below shows the new national targets for PCTs.

Target
Reduce the under-18 conception rate by 50% by 2010, including by guaranteeing access to a genito-urinary medicine (GUM) clinic within 48 hours of referral
Reduce mortality rates from heart disease and stroke by at least 40% in people under 75, with a 40% reduction in inequality between the bottom fifth of areas and the population as a whole, by 2010
Reduce mortality rates from cancer by at least 20% in people under 75 by 2010, and reduce inequalities by 6%
Halt year-on-year rise in obesity among children under 11 by 2010
Reduce mortality rates by 2010 from suicide and undetermined injury by at least 20%
Increase the proportion of those supported intensively to live at home to 34% of the total of those being supported at home or in residential care by 2008
Offer a personal care plan for vulnerable people most at risk and reduce emergency bed days by 5% by 2008
Ensure nobody waits more than 18 weeks from GP referral to hospital treatment
Reduce health inequalities by 10% by 2010 as measured by infant mortality and life expectancy at birth
Increase the participation of problem drug users in treatment programmes by 100% by 2008 and increase year-on-year the proportion of users successfully sustaining or completing treatment programmes
Ensure individuals are fully involved in decisions about their health care, including choice of provider, as measured by independently validated surveys
Reduce adult smoking rates to 21% or less by 2010, with a reduction in prevalence among routine and manual groups to 26% or less
Achieve year-on-year reductions in MRSA levels, expanding to cover other healthcare associated infections

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	10
2. Future commissioning plans	11
2.1. Strategic overview	11
2.2. 2007/08 commissioning plans	14
2.3. PCT provider plan	29
2.4. Capital plan	31
2.5. Summary of key assumptions	32
2.6. Risk analysis	33
3. Declarations and self-certifications	37
3.1. Board statements	37

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)
Harry Turner Director of Finance and Clinical Procurement harry.turner@haringey.nhs.uk 0208 442 6794
Operating Plan date
March 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 TPCT's 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 NNUH 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 May 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). Handover took place in 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.

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	363789	362911	390539
Non-recurrent revenue allocation	-25642	-22172	-23091
Other income (excluding income from provider activities)	136988	136988	140413
Total income	475135	477727	507861
Expenses			
Commissioning activities:			
Primary care - GPs, prison healthcare, dentistry, and optometry:			
GP	-37292	-27700	-29312
Prescribing	-27905	-28854	-30029
Other	-14628	-21822	-23424
Community and intermediate services	-27491	-25953	-30292
	-79447	-80383	-88611
Mental health commissioning, pooled arrangements or jointly funded commissioning			
Secondary care			
Provided under PbR			
Inpatient elective	-11117	-11220	-13150
Day care elective	-8584	-9478	-9460
Inpatient non-elective	-30915	-31641	-33906
Outpatient	-9663	-10169	-9935
Provided at local prices	-4749	-5007	-5924
Provided by third sector/not-for-profits		0	0
Provided by independent sector		0	0
A&E	-4411	-4428	-4916
Other	-47005	-48337	-50806
Ambulance services	-5471	-5543	-5772
Tertiary and specialist commissioning	-157107	-158231	-161318
Total cost of commissioned services	-465785	-468766	-496855
Provider Activities:			
Pay expenditure	-27509	-26819	-26897
Non-pay expenditure	-17237	-12981	-13929
Less - provider income	44746	39800	40826
Net provider costs	0	0	0
Other costs			
Other pay expenditure	-6507	-6183	-6201
Other non-pay expenditure	-2241	-2184	-2180
Depreciation and amortisation	-602	-594	-749
Exceptional items	0	0	0
Total cost	-475135	-477727	-505985
PCT surplus/deficit in year	0	0	1876
PCT normalised position (excluding exceptional items)	0	0	1876

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)

366848
0
0
366848

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).

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

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

Spells, or attendances as appropriate

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

Impact of demand management (savings)

Net Demand Forecast (including all demand management)

Total Yearly Activity

	Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10
Inpatient elective	5368	5518	6073		
Day case	14449	14899	15378		
Inpatient non-elective	17350	17960	25899		
Outpatient (new and follow-up)	66708	70446	75697		
A&E attendances	61818	63818	57912		

	Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10
	-30	-11	-34		
	-37	-13	-42		
	-354	-126	-401		
	-5448	-1940	-6175		

	Plan 2006/07	Forecast 2006/07	2007/08	2008/09	2009/10
	5338	5507	6039		
	14412	14886	15336		
	16996	17864	25498		
	61260	68506	69522		
	61818	63818	57912		

Cost

Inpatient elective	-11335	-11784	-13170		
Day case	-8740	-9094	-9600		
Inpatient non-elective	-31841	-33520	-49187		
Outpatient (new and follow-up)	-10535	-10933	-11616		
A&E attendances	-4469	-4600	-4276		
Other secondary costs	-53260	-54024	-57775		
Total costs	(120,280)	(123,965)	(145,623)		

	72	26	-58		
	43	15	92		
	621	221	14814		
	745	265	1222		
	0	0	-574		
	828	295	635		
Total cost savings (before implementation cost)	2,309	822	16,130		

	-11263	-11768	-13228		
	-8697	-9079	-9508		
	-31320	-33299	-34373		
	-9790	-10668	-10384		
	-4469	-4600	-4850		
	-52432	-53729	-57140		
Net cost	(117,971)	(123,143)	(129,493)		

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

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).

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 'in-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	2007/08	2008/09	2009/10
Total Yearly Activity				
Inpatient elective	5368	5518	6073	
Day case	14449	14899	15378	
Inpatient non-elective	17350	17990	25899	
Outpatient (new and follow-up)	66708	70446	75697	
A&E attendances	61818	63818	57912	
Cost				
Inpatient elective	-11335	-11794	-13170	
Day case	-8740	-9094	-9600	
Inpatient non-elective	-31941	-33520	-49187	
Outpatient (new and follow-up)	-10535	-10933	-11616	
A&E attendances	-4469	-4600	-4276	
Other secondary costs	-53260	-54024	-57775	
Total costs	(120,280)	(123,965)	(145,623)	

Total cost savings (before implementation cost)

Impact of demand management (savings)

	Forecast			
	2006/07	2007/08	2008/09	2009/10
Total Yearly Activity				
Inpatient elective	-30	-11	-34	
Day case	-37	-13	-42	
Inpatient non-elective	-354	-126	-401	
Outpatient (new and follow-up)	-5448	-1940	-6175	
A&E attendances				
Cost				
Inpatient elective	72	26	-58	
Day case	43	15	92	
Inpatient non-elective	621	221	14814	
Outpatient (new and follow-up)	745	265	1222	
A&E attendances	0	0	-574	
Other secondary costs	828	285	635	
Total costs	2,309	822	16,130	

Net Demand Forecast (including all demand management)

	Forecast			
	2006/07	2007/08	2008/09	2009/10
Total Yearly Activity				
Inpatient elective	5338	5507	6039	
Day case	14412	14886	15336	
Inpatient non-elective	16996	17864	25498	
Outpatient (new and follow-up)	61260	68506	69522	
A&E attendances	61818	63818	57912	
Cost				
Inpatient elective	-11263	-11768	-13228	
Day case	-8697	-9079	-9508	
Inpatient non-elective	-31320	-33299	-49373	
Outpatient (new and follow-up)	-9790	-10668	-10394	
A&E attendances	-4469	-4600	-4850	
Other secondary costs	-52432	-53729	-57140	
Total costs	(117,971)	(123,143)	(129,493)	

Net cost

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

£'000

Item	Description of initiative	Gross forecast savings		Implementation Costs		Net forecast savings	
		Plan 2006/07	Forecast 2007/08	Plan 2006/07	Forecast 2007/08	Plan 2006/07	Forecast 2007/08
Initiative 1 [please specify]	Demand Management	2309	822	-373	-268	1936	449
Initiative 2 [please specify]	Mental Health Modernisation	300	300			300	300
Initiative 3 [please specify]	Bowman House dis-investment	631	631			631	631
Initiative 4 [please specify]	Referral Guidelines for Secondary	500	500			500	500
Initiative 5 [please specify]	Supporting People Reduction	300	300			300	300
Initiative 6 [please specify]	Eligibility threshold for continued	200	200			200	200
Initiative 7 [please specify]							
Initiative 8 [please specify]							
Initiative 9 [please specify]							
Initiative 10 [please specify]							
Other initiatives							
Total		4240	2753	-373	-268	3867	2380

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
 £'000

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												
Initiative 2 [please specify]	Commissioning a Patient Led N	224	224	767												
Initiative 3 [please specify]	Reduction in Community Service	1632	1632	0												
Initiative 4 [please specify]	Reduction in Corporate Budget	1121	1351	0												
Initiative 5 [please specify]	Reduction in Pharmacy Contract	360	360	0												
Initiative 6 [please specify]	Primary Care Performance Mgt	1098	1098	2000												
Initiative 7 [please specify]	Reduction in Enhanced Service	500	500	0												
Initiative 8 [please specify]	Reduce Growth in Prescribing B	0	0	1110												
Initiative 9 [please specify]	Estates Disposal		2050	0												
Initiative 10 [please specify]	Slippage on Primary Care Premises into 0		600	0												
Other initiatives		808	1331	0												
Total		6494	9897	5089	0	-151	-170	6494	9746	4919						

Financial template exhibits for 2007/08 Operating Plan

Summary of financial performance: comparison between planned and actual performance			
£'000	2006/07 plan	2006/07 forecast*	Variance
Income			
Recurrent revenue allocation	363789	362911	-878
Non-recurrent revenue allocation	-25642	-22172	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	-37292	-27700	9592
Prescribing	-27905	-28854	-949
Other	-14628	-21822	-7194
Community and intermediate services	-27491	-25953	1538
Mental health commissioning, pooled arrangements or jointly funded commissioning	-79447	-80363	-936
Secondary care			
Provided under PbR			
Inpatient elective	-11117	-11220	-103
Day care elective	-8584	-9478	-894
Inpatient non-elective	-30915	-31641	-726
Outpatient	-9663	-10169	-506
Provided at local prices	-4749	-5007	-258
Provided by third sector/not-for profits	0	0	0
Provided by independent sector	0	0	0
A&E	-4411	-4428	-17
Other	-47005	-48337	-1332
Ambulance services	-5471	-5543	-72
Tertiary and specialist commissioning	-157107	-158231	-1124
Total cost of commissioned services	-465785	-468766	-2981
Provider Activities:			
Pay expenditure	-27509	-26819	690
Non-pay expenditure	-17237	-12981	4256
Less - provider income	44746	39800	-4946
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

2007/08 in-year breakdown of income and cost													Total	Check to summary financial forecast
£'000	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12		
Income	42322	42322	42322	42321	42322	42322	42322	42321	42322	42322	42322	42321	507861	507861
Total cost of commissioned services	-41404	-41404	-41404	-41404	-41404	-41405	-41405	-41405	-41405	-41405	-41405	-41405	-496855	-496855
Net provider costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other costs	-761	-761	-761	-760	-761	-761	-761	-760	-761	-761	-761	-761	-9130	-9130
Surplus/deficit	157	157	157	157	157	156	156	156	156	156	156	155	1876	1876

Income - comparison between historical achievement and current plan						
£'000	Plan		Forecast		Current plan	
	2006/07	2006/07	2006/07	2007/08	2008/09	2009/10
Recurrent revenue allocation	363789	362911	362911	390539		
Non-recurrent revenue allocation	-25642	-22172	-22172	-23091		
Other income (excluding income from provider activities)	136988	136988	136988	140413		
Total	475135	477727	477727	507861		

Commissioning expenses - comparison between historical achievement and current plan						
£'000	Plan		Forecast		Current plan	
	2006/07	2006/07	2006/07	2007/08	2008/09	2009/10
Primary care - GPs, prison healthcare, dentistry, and optometry:						
GP	-37292	-27700	-27700	-29312		
Prescribing	-27905	-28854	-28854	-30029		
Other	-14628	-21822	-21822	-23424		
Community and intermediate services	-27491	-25953	-25953	-30292		
Mental health commissioning, pooled arrangements or jointly funded commissioning	-79447	-80383	-80383	-88611		
Secondary care						
Provided under PBR						
Inpatient elective	-11117	-11220	-11220	-13150		
Day care elective	-8584	-9478	-9478	-9460		
Inpatient non-elective	-30915	-31641	-31641	-33906		
Outpatient	-9663	-10169	-10169	-9935		
Provided at local prices	-4749	-5007	-5007	-5924		
Provided by third sector/not-for-profits	0	0	0	0		
Provided by independent sector	0	0	0	0		
A&E	-4411	-4428	-4428	-4916		
Other	-47005	-48337	-48337	-50806		
Ambulance services	-5471	-5543	-5543	-5772		
Tertiary and specialist commissioning	-157107	-158231	-158231	-161318		
Total cost of commissioned services	-465785	-468766	-468766	-496855		

Commissioning activity plan – total					
'000 spells, net of demand forecast (attendances – outpatients, A&E)	Plan		Forecast		
	2006/07		2006/07		
	2006/07		2006/07		
Inpatient elective	5338	5507	6039		
Day case	14412	14886	15336		
Inpatient non-elective	16996	17864	25498		
Outpatient (new and follow up)	61260	68506	69522		
A&E attendances	61818	63818	57912		

Commissioning activity plan 2007/08 – by trust										
'000 spells (attendances – outpatients, A&E)	Top 4 trusts				Remaining activity		Total	Check to Secondary care		
	Trust 1		Trust 2		Trust 3				Trust 4	
	2007/08		2007/08		2007/08				2007/08	
Inpatient elective	1796	930	972	867	1474	6039	6039			
Day case	5083	4062	1113	1650	3428	15336	15336			
Inpatient non-elective	12941	7031	1110	1152	3264	25498	25498			
Outpatient (new and follow up)	25441	21252	4036	8630	12163	69522	69522			
A&E attendances	57912					57912	57912			

2007/08 in-year breakdown of activity plan										
'000 spells (attendances – outpatients, A&E)	Q1		Q2		Q3		Q4		Total	Check to secondary care
	2007/08		2007/08		2007/08		2007/08			
Inpatient elective	1510	1510	1510	1509	6039	6039				
Day case	3834	3834	3834	3834	15336	15336				
Inpatient non-elective	6375	6374	6375	6374	25498	25498				
Outpatient (new and follow up)	17380	17381	17380	17381	69522	69522				
A&E attendances	14478	14478	14478	14478	57912	57912				

Cost improvement/turnaround plans					
£'000	Net saving				
	Plan		Forecast		
	2006/07		2006/07		
Initiative 1 [please specify]	751	751	1212		
Initiative 2 [please specify]	224	203	597		
Initiative 3 [please specify]	1632	1552	0		
Initiative 4 [please specify]	1121	1301	0		
Initiative 5 [please specify]	360	360	0		
Initiative 6 [please specify]	1098	1098	2000		
Initiative 7 [please specify]	500	500	0		
Initiative 8 [please specify]	0	0	1110		
Initiative 9 [please specify]	0	2050	0		
Initiative 10 [please specify]	0	600	0		
Other initiatives	808	1331	0		
Total	6494	9746	4919		

Commissioning efficiency plans (e.g. demand management, prescribing efficiencies)					
£'000	Plan		Forecast	Net saving	
	2006/07		2006/07	Current plan	
				2007/08	2008/09
Initiative 1 [please specify]	1936	449	449	2910	
Initiative 2 [please specify]	300	300	0		
Initiative 3 [please specify]	631	631	0		
Initiative 4 [please specify]	500	500	0		
Initiative 5 [please specify]	300	300	0		
Initiative 6 [please specify]	200	200	0		
Initiative 7 [please specify]	0	0	0		
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	3867	2380	2910		

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	44746	39800	40826		

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	-26819	-26897		
Non-pay	-17237	-12981	-13929		
Total provider operating cost	-44746	-39800	-40826		

Investment and disposal strategy – comparison between historical achievement and current plan					
£'000	Plan		Forecast	Current plan	
	2006/07		2006/07	2007/08	
				2008/09	2009/10
Investment in fixed assets (non-maintenance)	2230	210	2072		
Investment in fixed assets (maintenance)	250	250	250		
Investment in other assets	109	0	109		
Asset disposals	2500	2102	0		

Risk rating metrics*		
	Weight	Metric value
Projected Outturn	50%	0%
Previous years cost deviations from plan (including CIP)	25%	-1%
Previous years activity level (acute spells**), deviations from plan	25%	-4%

*to be finalised during consultation

**for this indicative calculation only acute spells (inpatient and daycase) are included