

Summary: 2017-2019 NHS operational planning and contracting

Introduction and context: implementing Sustainability and Transformation Plans

- The [guidance](#) sets out how the planning process will support STPs (Sustainability and Transformation Plans) and the 'financial reset'. It sets national priorities and the financial and business rules for 2017/18 and 2018/19.
- The default planning round will be two-year contracts in place of those currently negotiated annually. Commissioners will have the ability to let new longer-term contracts.
- There will be a single NHS England and NHS Improvement oversight process to ensure alignment of CCG and provider plans.
- The target deadline for all 2017-2019 contracts to be signed is 23 December 2016 (previously this has been the end of March).

Priorities and performance assessment

- The nine 'must-do' priorities from last year remain unchanged.
- Core baseline STP metrics to be published in November, drawing on existing data collections. Will cover finance, A&E performance, health outcomes and care redesign.
- By the October deadline STPs are expected to include more depth on implementation, measurable impacts and a description of the degree of local consensus, benefits for patients and communities and further plans for engagement.

Developing operational plans and agreeing contracts for 2017-19

- Both commissioner and provider plans will need to demonstrate the following:
 - How they will deliver the nine 'must-dos', including impact of new care models
 - How they will support delivery of the STP
 - How they will deliver their agreed contribution to the system control total
 - How local independent sector capacity is factored into planning
 - Their planned contribution to savings
 - How risks have been jointly identified and mitigated
- CCG and provider plans must be agreed by NHS England and NHS Improvement.
- Commissioners and providers that do not agree contracts within the national timetable will have the dispute escalated to NHS England and NHS Improvement Chief Executives.

NHS Standard Contract

- There will be minimal changes to the NHS Standard Contract. The revised contract for the next two years is now out for consultation. Key changes include:
 - Reducing the requirement for transmitting letters to GPs following clinic attendance from within 14 days of attendance to ten days, and later and seven days.
 - Stronger requirements on commissioners to facilitate hospital discharge and on providers to comply with recent NICE guidance
 - Mandated use of the e-Referral system
 - The four priority standards for seven-day hospital services for urgent network specialist services and data-sharing agreements for urgent care providers
- Where providers accept their financial control totals, contract sanctions for key performance standards are suspended. This will be extended until April 2019.

Finance and business rules

STPs

- STP areas must submit local financial plans showing they will achieve financial balance.
- Financial system control totals will be set for all STP or equivalent agreed areas
- There will be flexibility for STP partners to adjust organisational control totals within an STP footprint, provided the overall system control total is not breached.

Efficiency

- The NHS provider deficit in 2016/17 is to be no more than £580m with a goal of £250m for 2016/17 and a balanced starting position for 2017/18.
- Any deterioration before 2017/18 or during the plan period will require providers to exceed the 2% efficiency national requirement to meet the control totals set by NHS Improvement.

National tariff, CQUIN and Quality Premium

- NHS England are issuing a two-year tariff for consultation and two-year CQUIN and CCG quality premium schemes.

Sustainability and transformation funding

- The £1.8bn divided as follows: a £1.5bn general fund allocated on the basis of emergency care; a £0.1bn general fund allocated to non-acute providers; and a £0.2bn targeted fund.

Risk reserve, CCG Business rules and allocations

- CCGs to plan for 1% non-recurrent spend, 0.5% immediately available to support STP transformation and 0.5% uncommitted and held as risk reserve.
- Commissioner allocations may be refreshed to reflect the impacts of new tariff pricing and updated Identification Rules for specialised services.

Specialised Services and other direct commissioning

- A new specialised services framework will enable STPs to include the contribution of specialised care to population based health services and outcomes.
- The overall funding structure for the CQUIN scheme will remain but the incentive payment will be increased from “typical provider cost + 25%” to “typical provider cost + 50%”.

Commissioning in the evolving system

- Almost all CCGs are expected to have delegated responsibility for commissioning primary care by the end of 2018/19.
- CCGs and councils are expected to agree a joint plan to deliver the requirements of the Better Care Fund (BCF) from 2017/18 through Health and Wellbeing Boards.
- CCGs have a key role in defining the scope of services for MCPs and PACS, engaging with local communities and providers over proposals, and running procurement processes.
- NHS England will work with CCGs to ensure they have capacity and capability, including encouraging them to work together across larger geographical footprints (eg joint appointments, integrated management and governance arrangements)