








The Royal Wolverhampton NHS Trust

The Royal Wolverhampton NHS Trust	
Trust Board Report	
Meeting Date:	Monday 25 th April 2016
Title:	Contracting Negotiation 2016/17 Update
Executive Summary:	This report provides an update on progress with regards to contract negotiations for 2016/17 with our principal Commissioners, and follows the report provided to Trust Board in March 2015.
Action Requested:	Trust Board is asked to note the report
Report of:	Director of Strategic Planning and Performance
Author: Contact Details:	Head of Contracting & Business Development Tel: 01902 695945 Email: mikehyatt@nhs.net
Resource Implications:	Agreement of contract values with principal Commissioners
Public or Private: (with reasons if private)	Public session
References: (e.g. from/to other committees)	None
Appendices/ References/ Background Reading	None
NHS Constitution: (How it impacts on any decision-making)	<p>In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:</p> <ul style="list-style-type: none">  Equality of treatment and access to services  High standards of excellence and professionalism  Service user preferences  Cross community working  Best Value  Accountability through local influence and scrutiny

Background Details

1.	Introduction <p>This report provides an update on progress with regards to contract negotiations for 2016/17 with our principal Commissioners.</p>
2.	2016/17 Contract Process <p>The 16/17 contract process is in the process of being finalised.</p> <p>National timescales have experienced some slippage, and there is still an expectation that all contracts will be signed by 24th April.</p> <ul style="list-style-type: none">• The Trust has resolved the main issues with the CCG and agreed values• The Trust has agreed an offer from the Specialised Commissioner subject to ratification of CQUIN.• The Trust has agreed an offer from NHSE subject to ratification of CQUIN.• The Trust is due to receive an offer from the local authority 19th April. <p>Updates on progress with the primary contracts are summarised below.</p> 2.1 Wolverhampton, Staffordshire and other CCGs <p>The Trust reached agreement with the CCGs on 30 March. It is expected that most other Trusts will have reached agreement by the required deadline, although a small number are expected to go to arbitration.</p> <p>The key issues requiring final resolution were:</p> <ul style="list-style-type: none">• On the overall level of activity, the CCGs have agreed to buy almost as much activity as the Trust asked them to buy.• On A&E we have agreed a gradual increase during the year in A&E attendances going to the UCC.• On emergency admissions we have agreed a smaller reduction in emergency admissions than originally requested.• We have agreed significant (but stepped to allow time to recruit) investment in the Rapid Response and Home Intervention community teams. <p>Overall patient income is expected to be some £10m higher than in 2014/15.</p> 2.2 Specialised Services <p>The Trust has agreed a price activity matrix with specialised services.</p> 2.3 NHS England <p>Contracts with NHS England for screening etc services have been agreed in principle.</p> 2.4 CQUIN <p>Local CQUINS have been agreed with the CCGs.</p>

The nationally mandated CQUINs are still the subject of discussions with Specialised Commissioners and NHS England. The Trust has a number of concerns about their deliverability and the cost of meeting them. A proportion of CQUIN income therefore remains at risk for the Trust.

Public Health/Local Authority

There are limited changes to the contractual arrangements proposed for 2016/17 further details are set out below:

2.4.1 Wolverhampton City Council

Public Health is having to undertake a revised budget process since the announcement of the public health allocation for Wolverhampton a few weeks ago. This is subject to their internal approval and a meeting has been arranged to discuss the implications of this on the services they contract from RWT on 19th April.

2.5 Summary

Overall good progress has been made in reaching agreement with Commissioners. Agreement on nationally mandated CQUINs remains the principal known contracting risk.

The lack of offer from the Local Authority is a result of the delay in them receiving their allocation figures.

2.6 Recommendations

The Board is asked to accept the progress made on contract negotiations and to note the remaining risks to the income position.