







Trust Board Report

Meeting Date:	Monday 30 th January 2017
Title:	Contracting & Commissioning Update
Executive Summary:	This report provides details of current contracting issues and all Commissioning Intentions shared with the Trust.
Action Requested:	Trust Board is asked to note the report
Report of:	Mike Sharon Director of Strategic Planning and Performance
Author: Contact Details:	Laura Morris, Head of Contracting & Business Intelligence Ext 8013 laura.morris3@nhs.net
Links to Trust Strategic Objectives	
Resource Implications:	Revenue: Capital: Workforce: Funding Source:
Equality and Diversity Assessment	(Include here details as to the equality and diversity impact of the recommendation (if any), specifically in relation to the Protected Characteristics under the Public Sector Equality Duty, namely age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion and belief, sex, and sexual orientation)
Risks: BAF/ TRR (describe risk and current risk score)	
Public or Private: (with reasons if private)	Public
References: (eg from/to other committees)	
Appendices/ References/ Background Reading	
NHS Constitution: (How it impacts on any decision-making)	In determining this matter, the Board should have regard to the Core principles contained in the Constitution of: <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.	<p>Introduction</p> <p>This report provides an update on progress related to contract management with our core Commissioners both for the current contract and progress against 2017-18/19 contracts.</p>																								
2.	<p>2016/17 Contract Update</p> <p><u>Wolverhampton CCG and Associates contract</u> An agreement was reached with Staffordshire Commissioners for MRET. A year-end reconciliation has been agreed with Wolverhampton CCG.</p> <p>Wolverhampton CCG have indicated that all Sanctions taken from the Trust against contract fines will be available for the Trust to bid against during Quarter 4 and we anticipate business cases being submitted for these funds. The value is currently not confirmed and dependent on discussions with the A&E Delivery Board.</p> <p><u>NHS England (Specialised Services and Public Health)</u> RWT requested that Specialised Services review NIC in light of significant over performance during 2016/17. Having reviewed the activity, NHSE have confirmed that they will remove the current cap and collar arrangement – this provides the Trust will a reimbursement of c. £400,000 additional income against the current arrangement.</p> <p><u>Wolverhampton City Council</u> All contracts for WCC are now agreed and in place. The Trust is currently negotiating a Deed of Variation to the existing School Nursing contract and it is expected this to be signed off by the end of February.</p>																								
3.	<p>2017/19 Contracts</p> <p>All statutory contracts with NHS Commissioners were signed by both parties by 6 January 2017 for 2017-18/19 with the following values:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">16/17</th> <th style="text-align: right;">17/18</th> <th style="text-align: right;">18/19</th> </tr> </thead> <tbody> <tr> <td>CCGs</td> <td style="text-align: right;">£315,176,448</td> <td></td> <td></td> </tr> <tr> <td>NHSE</td> <td style="text-align: right;">£90,489,069</td> <td style="text-align: right;">£328,733,342</td> <td style="text-align: right;">£336,459,460</td> </tr> <tr> <td>NHSE CQUINs (included above)</td> <td></td> <td style="text-align: right;">£99,288,209</td> <td style="text-align: right;">£100,346,269</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">£1,572,184</td> <td style="text-align: right;">£1,573,131</td> </tr> <tr> <td></td> <td style="text-align: right;">£405,665,517</td> <td style="text-align: right;">£429,593,735</td> <td style="text-align: right;">£438,378,860</td> </tr> </tbody> </table> <p>The values represent a reduction of £8.9m against our initial offers, but some £34.8m higher than the initial commissioner offers.</p> <p>There remain a number of financial issues to be including:</p> <ul style="list-style-type: none"> • Risk/ gain share to be agreed (Wolverhampton CCG); • Cardiology ECG (NHS England Specialised Services) • Cervical Screening (NHS England Public Health) • Research and Development Excess Treatment Costs (CCGs) <p>Non financial issues which remain outstanding include:</p> <ul style="list-style-type: none"> • Finalisation of SDIP (Wolverhampton CCG) – contract negotiations included significant service redesign affecting all specialities. 52 schemes were identified through negotiations which need to be implemented across the contract term and work is underway with operational teams to identify and agree milestones; 		16/17	17/18	18/19	CCGs	£315,176,448			NHSE	£90,489,069	£328,733,342	£336,459,460	NHSE CQUINs (included above)		£99,288,209	£100,346,269			£1,572,184	£1,573,131		£405,665,517	£429,593,735	£438,378,860
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	<ul style="list-style-type: none">• School nursing (Wolverhampton City Council) – number of schools covered by the current arrangements;• Breast cancer screening services (NHS England Public Health) – service to be novated across the Dudley Group of Hospitals as Head Provider and sub contract arrangements to be agreed;• Self-assessment against Service Specifications (NHS England Specialised Services) – RWT currently provide a number of services, with activity/ finance included in our contract baseline for which we have not completed the self-assessment against the service specification. This means RWT are not registered providers of these services and we have agreed to identify these services and complete the self-assessments• Timeframes to be agreed against milestones for NHS England Specialised Services CQUINs;• Shadow monitoring of activity for current block arrangements for both adult and children’s community services, as agreed with Wolverhampton CCG. <p>All actions must be agreed and Contract Variations in place by 31 March 2017.</p> <p>RWT and NHSE have confirmed that if we are unable to resolve the Cardiology ECG issue by this date, both parties will submit their evidence to the Centre for Effective Dispute Resolution (CEDR) for mediation as per the contract arrangements.</p>
4.	Service Level Agreements (SLAs) The Contracting Team have updated the Trust Contract Register and provide support for 172 Provider to Provider SLAs for clinical services. There is significant variation in current arrangements so during Q4 the team will work with operational and finance colleagues to undertake a review of all SLAs with a view to standardising reporting arrangements and providing risk stratification for contract monitoring during 2017/18-19. This will be reported through the Trust Contracting and Commissioning Forum.