



Future Fit Programme Shropshire and Telford & Wrekin Health Economy

Affordability Analysis
October 2014

What it is....

- An affordability statement which could be used by the local health economy to assist in deliberations about future health service investment decisions
- An understanding of the relative spending levels of the 2 CCGs on acute and community services, and the CCGs position going forward – because this will impact on spending decisions and the likelihood of additional resources being available
- A range of possible scenarios for commissioners to assist in looking ahead at likely funding decisions

What it's not.....

- The analysis cannot be a definitive statement about the affordability of options, as these require decisions to be made about the relative benefits of options
- The analysis makes no specific reference to Welsh NHS commissioning budgets but investment potential is almost certain to be of a similar scale
- The analysis is a commissioner based affordability statement only. Whilst provider DFs have been involved in discussion, the economics of the providers have not been considered, other than to use as a variable the extent to which cost efficiencies in future years can be relied upon



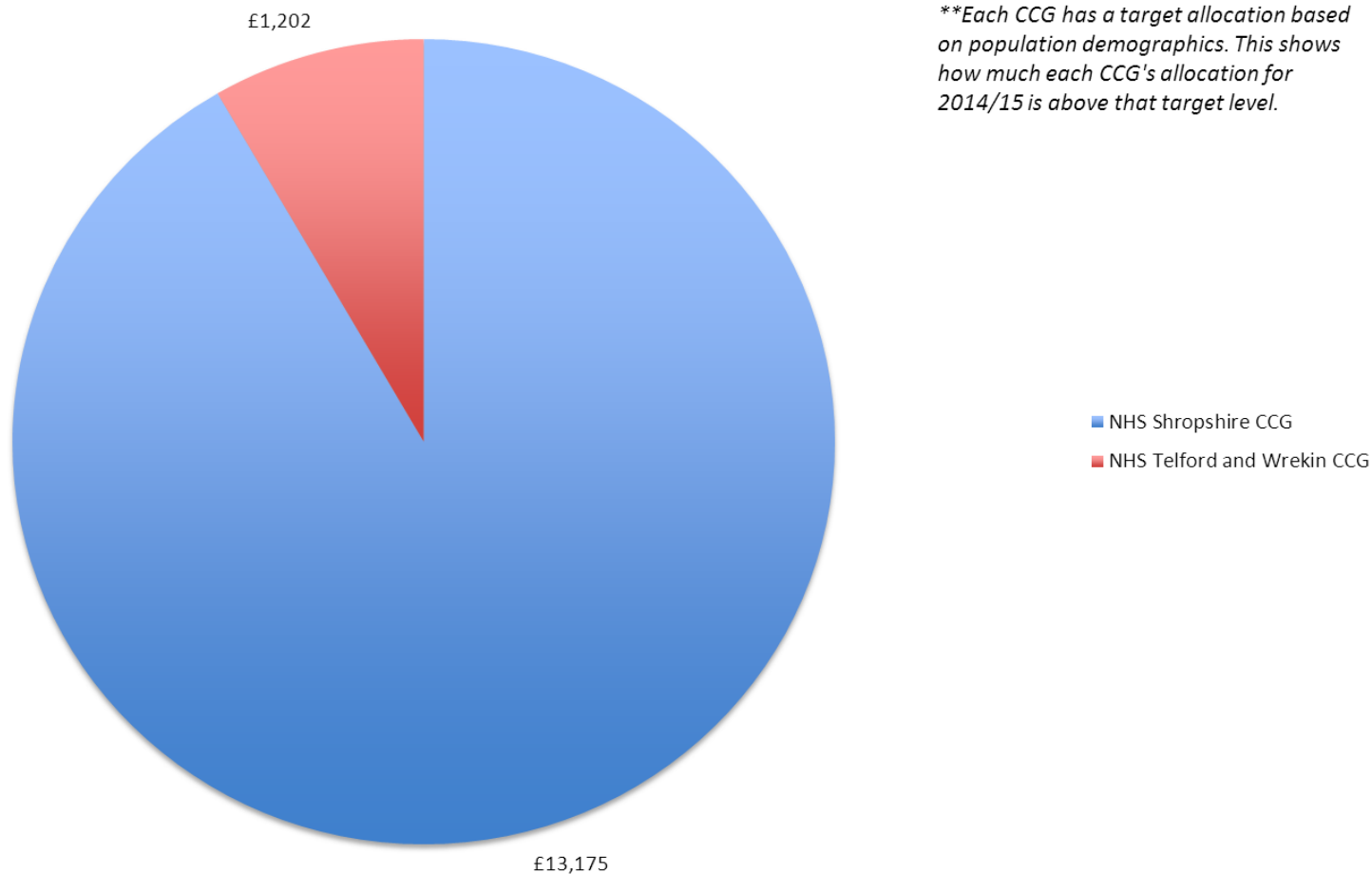


Comparative analysis

Both CCGs above target spending in total



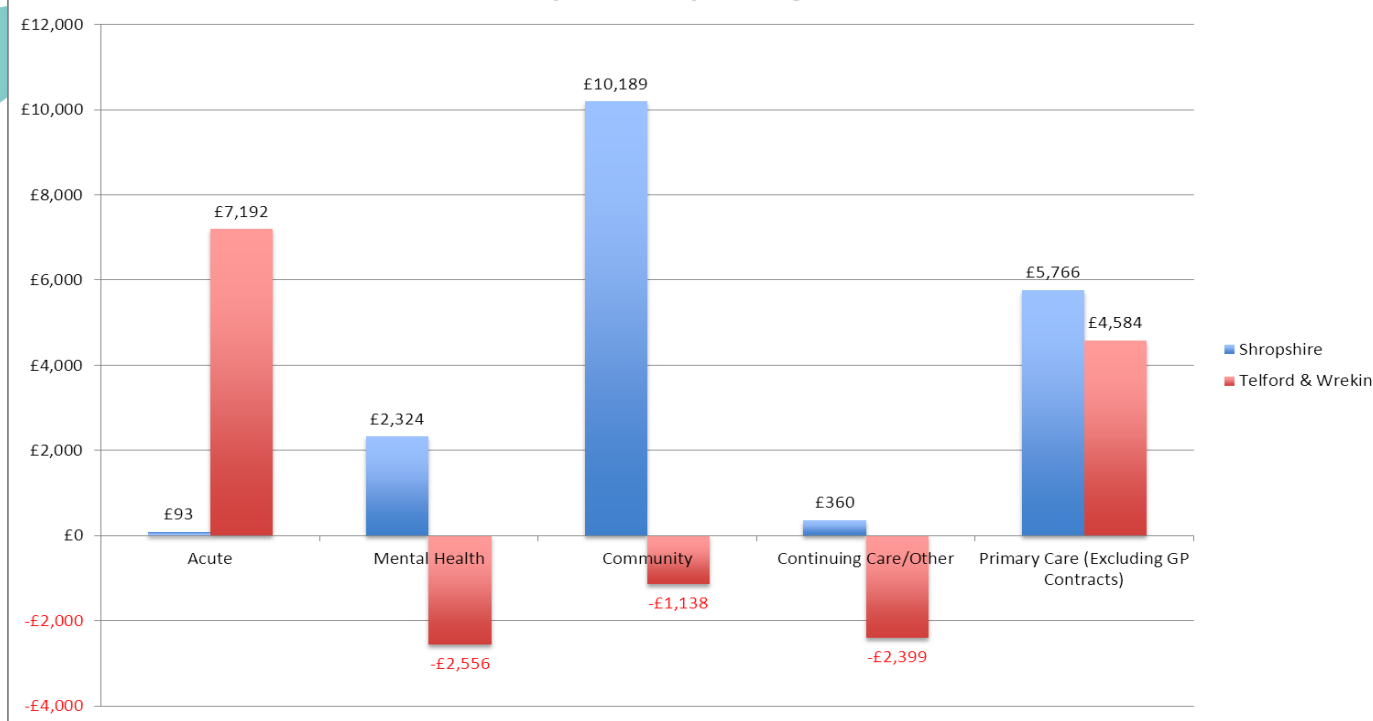
Distance above Target 2014-15 Closing Allocations** (£000)



Spending on Acute and Community above the regional average



2014-15 Comparative spending with M&E CCGs

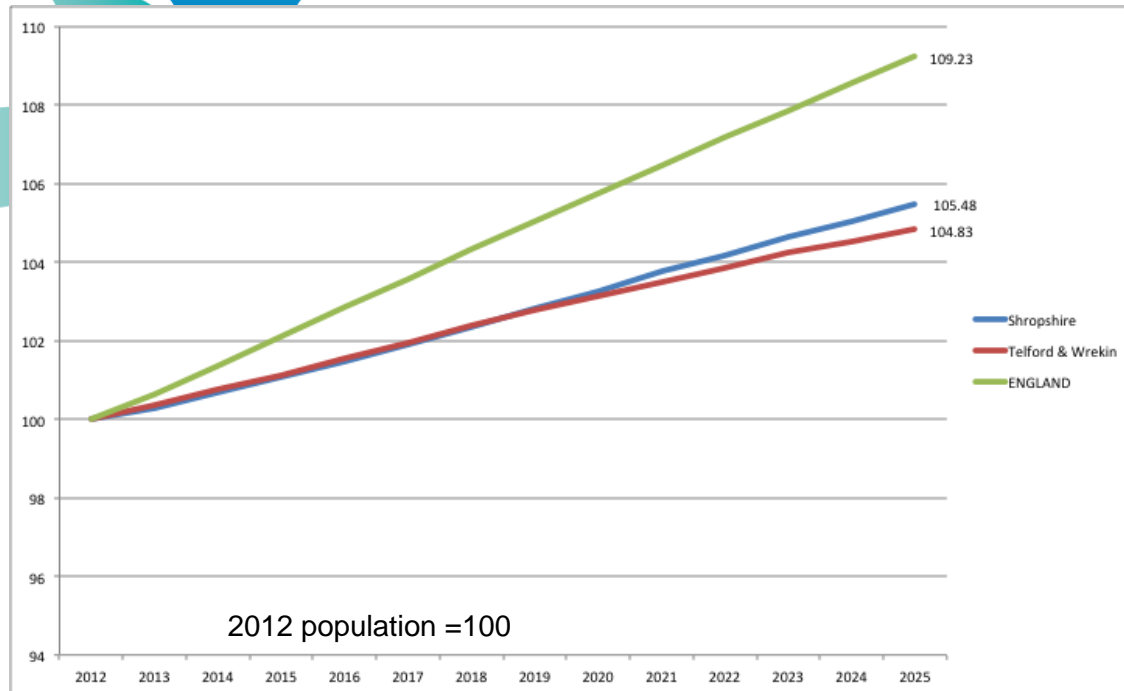


Scale shows absolute expenditure in service areas compared to the M&E average e.g. Telford & Wrekin CCG spends £7.192 million more on acute care than if they were to spend the average amount per head of population.

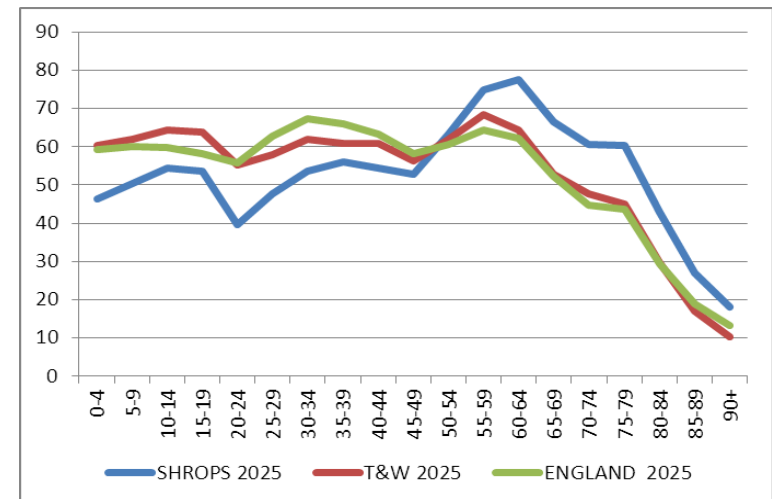
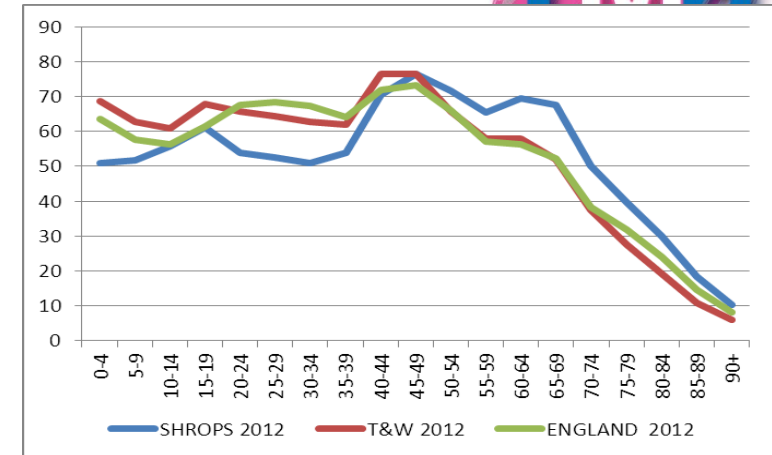
HEALTH WARNING
Spec services re-integration with CCGs may change this position

- Both CCGs receive more than average resources (above target)
- Both CCGs invest more than average in acute and community services compared to other CCGs in the Midlands and East
- The chances, and reasonability, of investing more than an average level of resources in acute and community services in future is unlikely

Populations growing less than the English average



The populations of both CCGs are growing slower than the English average. In addition the Shropshire population is relatively older than England and Telford, which is exacerbated over the period until 2025

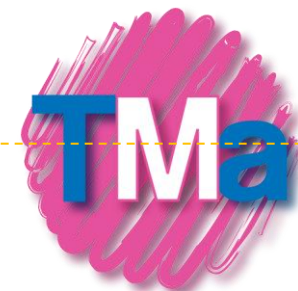


Profile of the age of 1,000 residents in 2012 and 2025 from ONS statistics i.e. age distribution of 1,000 residents

Current CCG 5 Year Financial Plans

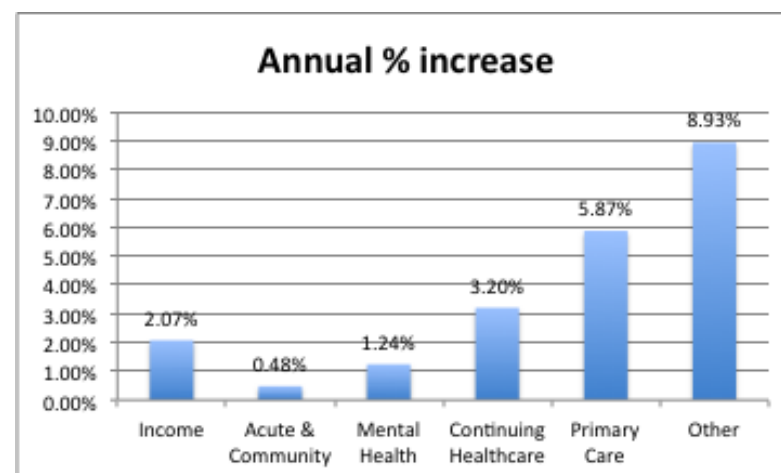
Based on submissions made 30th June
2014 – excludes latest BCF plans

Joint 5 year Profile



£ 000	2014/15	2015/16	2016/17	2017/18	2018/19
INCOME	£552,552	£570,474	£580,597	£590,119	£599,802
Carried Forward	£2,250	£3,630	£5,742	£5,920	£5,991
TOTAL	£554,802	£574,104	£586,339	£596,039	£605,793
Expenditure					
Acute	£289,612	£290,450	£292,956	£294,585	£294,059
Community	£64,601	£65,292	£65,827	£66,375	£67,003
Sub-total Acute & Community	£354,213	£355,742	£358,783	£360,960	£361,062
Mental Health	£50,567	£51,595	£52,065	£52,560	£53,124
Continuing Healthcare	£25,940	£26,764	£27,628	£28,511	£29,426
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£99,174	£105,241	£111,716
Other	£31,532	£40,716	£42,769	£42,776	£44,401
Total Costs	£551,172	£568,362	£580,419	£590,048	£599,729
Surplus/(deficit)	£3,630	£5,742	£5,920	£5,991	£6,064

Commissioners are planning to invest in other programmes over the next 5 years, leading to a relative reduction in proportion of spend on acute and community services





Affordability Scenario Analysis

2014-15 to 2024-25

6 Scenarios and “look up calculator”



Scenario	5 year plan extant?	Allocation growth	Provider efficiency	Cost of care	Demographic rise	Increase in other programmes
A1	YES	2.0%	3.0%	3.0%	0.4%	2.0%
A2	YES	2.0%	1.0%	4.0%	0.4%	2.0%
A3	YES	2.5%	2.0%	3.0%	0.4%	2.5%
B1	NO	2.0%	3.0%	3.0%	0.4%	2.0%
B2	NO	2.0%	1.0%	4.0%	0.4%	2.0%
B3	NO	2.5%	2.0%	3.0%	0.4%	2.5%

6 variables in each of the scenarios:

- Shall we keep the current 5 year plan and amend after that?
- What is the average CCG growth level per annum?
- What level of cash releasing provider efficiency are we expecting for acute & community services?
- How much will it cost the providers to provide care (inc tech changes)?
- What level of demographic demand pressure are we expecting?
- How much are other programmes (not acute and community) going to increase by in cash terms? (includes cost improvement, cost of care, demography)



Scenario A1:



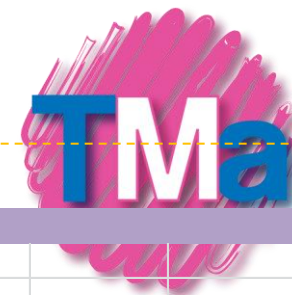
Scenario A1:		Average allocation and cost of care; high provider efficiency									
Allocations:	As per 5 year plan					Assume per annum	2.0%				
Provider Efficiency	As per 5 year plan					Assume per annum	3.0%				
Cost of Care	As per 5 year plan					Assume per annum	3.0%				
Demand	As per 5 year plan					as per population increases					
Investment in other services	As per 5 year plan					in line with allocation growth					
Invetsment in A&C	NiL					balance of resources					
£ 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
INCOME	£552,552	£570,474	£580,597	£590,119	£599,802	£611,798	£624,034	£636,515	£649,245	£662,230	£675,474
Carried Forward	£2,250	£3,630	£5,742	£5,920	£5,991	£6,064	£6,118	£6,240	£6,365	£6,492	£6,622
TOTAL	£554,802	£574,104	£586,339	£596,039	£605,793	£617,862	£630,152	£642,755	£655,610	£668,722	£682,097
Expenditure											
Acute	£289,612	£290,450	£292,956	£294,585	£294,059	£295,066	£296,071	£297,014	£298,015	£298,893	£299,830
Community	£64,601	£65,292	£65,827	£66,375	£67,003	£67,232	£67,462	£67,676	£67,904	£68,105	£68,318
Sub-total Acute & Community	£354,213	£355,742	£358,783	£360,960	£361,062	£362,299	£363,533	£364,690	£365,920	£366,998	£368,148
Investment potential						£6,005	£12,070	£18,424	£24,857	£31,594	£38,416
Mental Health	£50,567	£51,595	£52,065	£52,560	£53,124	£54,186	£55,270	£56,376	£57,503	£58,653	£59,826
Continuing Healthcare	£25,940	£26,764	£27,628	£28,511	£29,426	£30,015	£30,615	£31,227	£31,852	£32,489	£33,138
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£99,174	£105,241	£111,716	£113,950	£116,229	£118,554	£120,925	£123,343	£125,810
Other	£31,532	£40,716	£42,769	£42,776	£44,401	£45,289	£46,195	£47,119	£48,061	£49,022	£50,003
Total Costs	£551,172	£568,362	£580,419	£590,048	£599,729	£611,744	£623,912	£636,390	£649,118	£662,100	£675,342
Surplus/(deficit)	£3,630	£5,742	£5,920	£5,991	£6,064	£6,118	£6,240	£6,365	£6,492	£6,622	£6,755

Under this scenario there is £38 million recurrently available at the end of the programme to invest in acute and community services.

Average cost of care; high level of provider efficiency.



Scenario A2:



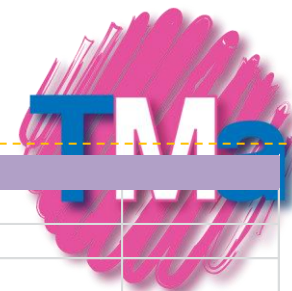
Scenario A2: Average allocation; high cost of care; low provider efficiency											
Allocations:	As per 5 year plan					Assume per annum	2%				
Provider Efficiency	As per 5 year plan					Assume per annum	1%				
Cost of Care	As per 5 year plan					Assume per annum	4%				
Demand	As per 5 year plan					as per population increases					
Investment in other services	As per 5 year plan					in line with allocation growth					
Investment in A&C	Nil					balance of resources					
£ 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
INCOME	£552,552	£570,474	£580,597	£590,119	£599,802	£611,798	£624,034	£636,515	£649,245	£662,230	£675,474
Carried Forward	£2,250	£3,630	£5,742	£5,920	£5,991	£6,064	£6,118	£6,240	£6,365	£6,492	£6,622
TOTAL	£554,802	£574,104	£586,339	£596,039	£605,793	£617,862	£630,152	£642,755	£655,610	£668,722	£682,097
Expenditure											
Acute	£289,612	£290,450	£292,956	£294,585	£294,059	£304,074	£314,424	£325,054	£336,106	£347,388	£359,115
Community	£64,601	£65,292	£65,827	£66,375	£67,003	£69,285	£71,643	£74,065	£76,584	£79,154	£81,826
Sub-total Acute & Community	£354,213	£355,742	£358,783	£360,960	£361,062	£373,359	£386,067	£399,120	£412,690	£426,542	£440,941
Investment potential						-£5,055	-£10,465	-£16,005	-£21,913	-£27,949	-£34,376
Mental Health	£50,567	£51,595	£52,065	£52,560	£53,124	£54,186	£55,270	£56,376	£57,503	£58,653	£59,826
Continuing Healthcare	£25,940	£26,764	£27,628	£28,511	£29,426	£30,015	£30,615	£31,227	£31,852	£32,489	£33,138
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£99,174	£105,241	£111,716	£113,950	£116,229	£118,554	£120,925	£123,343	£125,810
Other	£31,532	£40,716	£42,769	£42,776	£44,401	£45,289	£46,195	£47,119	£48,061	£49,022	£50,003
Total Costs	£551,172	£568,362	£580,419	£590,048	£599,729	£611,744	£623,912	£636,390	£649,118	£662,100	£675,342
Surplus/(deficit)	£3,630	£5,742	£5,920	£5,991	£6,064	£6,118	£6,240	£6,365	£6,492	£6,622	£6,755

Under this scenario there is a £34 million shortfall at the end of the period.

High cost of care; low provider efficiency available to commissioners; and average level of allocation growth.



Scenario A3:



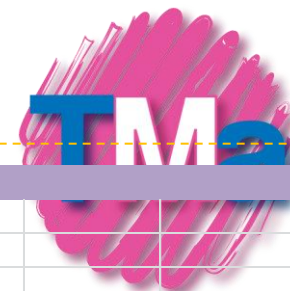
Scenario A3:		Slightly higher allocation; average high cost of care; average provider efficiency										
Allocations:	As per 5 year plan					Assume per annum	2.5%					
Provider Efficiency	As per 5 year plan					Assume per annum	2%					
Cost of Care	As per 5 year plan					Assume per annum	3%					
Demand	As per 5 year plan					as per population increases						
Investment in other services	As per 5 year plan					in line with allocation growth						
Invetsment in A&C	Nil					in line with allocation growth						
£ 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
INCOME	£552,552	£570,474	£580,597	£590,119	£599,802	£614,797	£630,167	£645,921	£662,069	£678,621	£695,586	
Carried Forward	£2,250	£3,630	£5,742	£5,920	£5,991	£6,064	£6,148	£6,302	£6,459	£6,621	£6,786	
TOTAL	£554,802	£574,104	£586,339	£596,039	£605,793	£620,861	£636,315	£652,223	£668,528	£685,242	£702,373	
Expenditure												
Acute	£289,612	£290,450	£292,956	£294,585	£294,059	£298,108	£297,746	£297,319	£296,948	£296,452	£296,012	
Community	£64,601	£65,292	£65,827	£66,375	£67,003	£67,926	£68,191	£68,442	£68,708	£68,944	£69,195	
Sub-total Acute & Community	£354,213	£355,742	£358,783	£360,960	£361,062	£366,034	£365,938	£365,762	£365,655	£365,396	£365,207	
Investment potential						£4,046	£13,326	£22,984	£32,809	£43,029	£53,429	
Mental Health	£50,567	£51,595	£52,065	£52,560	£53,124	£54,452	£55,813	£57,209	£58,639	£60,105	£61,608	
Continuing Healthcare	£25,940	£26,764	£27,628	£28,511	£29,426	£30,162	£30,916	£31,689	£32,481	£33,293	£34,125	
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£99,174	£105,241	£111,716	£114,509	£117,372	£120,306	£123,314	£126,396	£129,556	
Other	£31,532	£40,716	£42,769	£42,776	£44,401	£45,511	£46,649	£47,815	£49,010	£50,236	£51,491	
Total Costs	£551,172	£568,362	£580,419	£590,048	£599,729	£614,713	£630,013	£645,764	£661,908	£678,455	£695,417	
Surplus/(deficit)	£3,630	£5,742	£5,920	£5,991	£6,064	£6,148	£6,302	£6,459	£6,621	£6,786	£6,956	

Under this scenario there is £53 million recurrently available at the end of the programme to invest in acute and community services.

Average cost of care; average level of provider efficiency; and a slightly higher allocation.



Scenario B1: (scenario A1 from 16-17)



Scenario B1:		Average allocation and cost of care; high provider efficiency									
Allocations:	As per 5 year plan for 2 years then change					Assume per annum	2.0%				
Provider Efficiency	As per 5 year plan for 2 years then change					Assume per annum	3.0%				
Cost of Care	As per 5 year plan for 2 years then change					Assume per annum	3.0%				
Demand	As per 5 year plan for 2 years then change					as per population increases					
Investment in other services	As per 5 year plan for 2 years then change					in line with allocation growth					
Invetsment in A&C	As per 5 year plan for 2 years then change					in line with allocation growth					
£ 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
INCOME	£552,552	£570,474	£581,883	£593,521	£605,392	£617,499	£629,849	£642,446	£655,295	£668,401	£681,769
Carried Forward	£2,250	£3,630	£5,742	£5,819	£5,935	£6,054	£6,175	£6,298	£6,424	£6,553	£6,684
TOTAL	£554,802	£574,104	£587,625	£599,340	£611,327	£623,553	£636,024	£648,745	£661,720	£674,954	£688,453
Expenditure											
Acute	£289,612	£290,450	£291,278	£292,226	£293,172	£294,176	£295,178	£296,118	£297,116	£297,992	£298,926
Community	£64,601	£65,292	£65,478	£65,691	£65,904	£66,130	£66,355	£66,566	£66,790	£66,987	£67,197
Sub-total Acute & Community	£354,213	£355,742	£356,757	£357,917	£359,076	£360,305	£361,533	£362,684	£363,906	£364,979	£366,123
Investment potential			£8,178	£14,278	£20,563	£26,926	£33,443	£40,192	£47,027	£54,173	£61,412
Mental Health	£50,567	£51,595	£52,627	£53,679	£54,753	£55,848	£56,965	£58,104	£59,266	£60,452	£61,661
Continuing Healthcare	£25,940	£26,764	£27,299	£27,845	£28,402	£28,970	£29,550	£30,141	£30,743	£31,358	£31,985
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£95,416	£97,324	£99,271	£101,256	£103,281	£105,347	£107,454	£109,603	£111,795
Other	£31,532	£40,716	£41,530	£42,361	£43,208	£44,072	£44,954	£45,853	£46,770	£47,705	£48,659
Total Costs	£551,172	£568,362	£581,807	£593,405	£605,273	£617,378	£629,726	£642,320	£655,167	£668,270	£681,636
Surplus/(deficit)	£3,630	£5,742	£5,819	£5,935	£6,054	£6,175	£6,298	£6,424	£6,553	£6,684	£6,818

Under this scenario there is £61 million recurrently available at the end of the programme to invest in acute and community services.

Average allocation growth but a longer period to implement; high provider efficiency; and average cost of care.



Scenario B2: (Scenario A2 from 16-17)

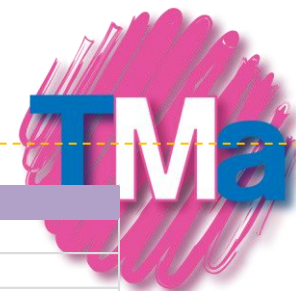


Scenario B2:		Average allocation; high cost of care; low provider efficiency										
Allocations:	As per 5 year plan for 2 years then change					Assume per annum	2%					
Provider Efficiency	As per 5 year plan for 2 years then change					Assume per annum	1%					
Cost of Care	As per 5 year plan for 2 years then change					Assume per annum	4%					
Demand	As per 5 year plan for 2 years then change					as per population increases						
Investment in other services	As per 5 year plan for 2 years then change					in line with allocation growth						
Investment in A&C	As per 5 year plan for 2 years then change					in line with allocation growth						
£ 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
INCOME	£552,552	£570,474	£581,883	£593,521	£605,392	£617,499	£629,849	£642,446	£655,295	£668,401	£681,769	
Carried Forward	£2,250	£3,630	£5,742	£5,819	£5,935	£6,054	£6,175	£6,298	£6,424	£6,553	£6,684	
TOTAL	£554,802	£574,104	£587,625	£599,340	£611,327	£623,553	£636,024	£648,745	£661,720	£674,954	£688,453	
Expenditure												
Acute	£289,612	£290,450	£300,170	£310,340	£320,849	£331,776	£343,069	£354,668	£366,727	£379,036	£391,831	
Community	£64,601	£65,292	£67,477	£69,763	£72,126	£74,582	£77,121	£79,728	£82,439	£85,206	£88,082	
Sub-total Acute & Community	£354,213	£355,742	£367,647	£380,103	£392,975	£406,358	£420,190	£434,396	£449,166	£464,242	£479,914	
Investment potential			-£2,713	-£7,909	-£13,336	-£19,127	-£25,214	-£31,520	-£38,232	-£45,090	-£52,379	
Mental Health	£50,567	£51,595	£52,627	£53,679	£54,753	£55,848	£56,965	£58,104	£59,266	£60,452	£61,661	
Continuing Healthcare	£25,940	£26,764	£27,299	£27,845	£28,402	£28,970	£29,550	£30,141	£30,743	£31,358	£31,985	
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£95,416	£97,324	£99,271	£101,256	£103,281	£105,347	£107,454	£109,603	£111,795	
Other	£31,532	£40,716	£41,530	£42,361	£43,208	£44,072	£44,954	£45,853	£46,770	£47,705	£48,659	
Total Costs	£551,172	£568,362	£581,807	£593,405	£605,273	£617,378	£629,726	£642,320	£655,167	£668,270	£681,636	
Surplus/(deficit)	£3,630	£5,742	£5,819	£5,935	£6,054	£6,175	£6,298	£6,424	£6,553	£6,684	£6,818	

Under this scenario there is £52 million shortfall at the end of the programme in acute and community services.
Low provider efficiency; high cost of care; and average allocation growth.



Scenario B3: (Scenario A3 from 16-17)



Scenario B3:		Slightly higher allocation; average high cost of care; average provider efficiency										
Allocations:	As per 5 year plan for 2 years then change					Assume per annum	2.5%					
Provider Efficiency	As per 5 year plan for 2 years then change					Assume per annum	2%					
Cost of Care	As per 5 year plan for 2 years then change					Assume per annum	3%					
Demand	As per 5 year plan for 2 years then change					as per population increases						
Investment in other services	As per 5 year plan for 2 years then change					in line with allocation growth						
Investment in A&C	As per 5 year plan for 2 years then change					in line with allocation growth						
£ 000	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
INCOME	£552,552	£570,474	£581,883	£593,521	£605,392	£617,499	£629,849	£642,446	£655,295	£668,401	£681,769	
Carried Forward	£2,250	£3,630	£5,742	£5,819	£5,935	£6,054	£6,175	£6,298	£6,424	£6,553	£6,684	
TOTAL	£554,802	£574,104	£587,625	£599,340	£611,327	£623,553	£636,024	£648,745	£661,720	£674,954	£688,453	
Expenditure												
Acute	£289,612	£290,450	£294,281	£298,282	£302,333	£306,496	£310,710	£314,913	£319,232	£323,473	£327,833	
Community	£64,601	£65,292	£66,153	£67,053	£67,963	£68,899	£69,846	£70,791	£71,762	£72,716	£73,695	
Sub-total Acute & Community	£354,213	£355,742	£360,435	£365,335	£370,296	£375,395	£380,557	£385,704	£390,994	£396,189	£401,528	
Investment potential			£4,500	£6,860	£9,343	£11,837	£14,419	£17,172	£19,939	£22,963	£26,007	
Mental Health	£50,567	£51,595	£52,627	£53,679	£54,753	£55,848	£56,965	£58,104	£59,266	£60,452	£61,661	
Continuing Healthcare	£25,940	£26,764	£27,299	£27,845	£28,402	£28,970	£29,550	£30,141	£30,743	£31,358	£31,985	
Primary Care (Excluding GP Contracts)	£88,920	£93,545	£95,416	£97,324	£99,271	£101,256	£103,281	£105,347	£107,454	£109,603	£111,795	
Other	£31,532	£40,716	£41,530	£42,361	£43,208	£44,072	£44,954	£45,853	£46,770	£47,705	£48,659	
Total Costs	£551,172	£568,362	£581,807	£593,405	£605,273	£617,378	£629,726	£642,320	£655,167	£668,270	£681,636	
Surplus/(deficit)	£3,630	£5,742	£5,819	£5,935	£6,054	£6,175	£6,298	£6,424	£6,553	£6,684	£6,818	

Under this scenario there is £26 million recurrently available at the end of the programme to invest in acute and community services.

Average cost of care; average level of provider efficiency; and a slightly higher allocation.



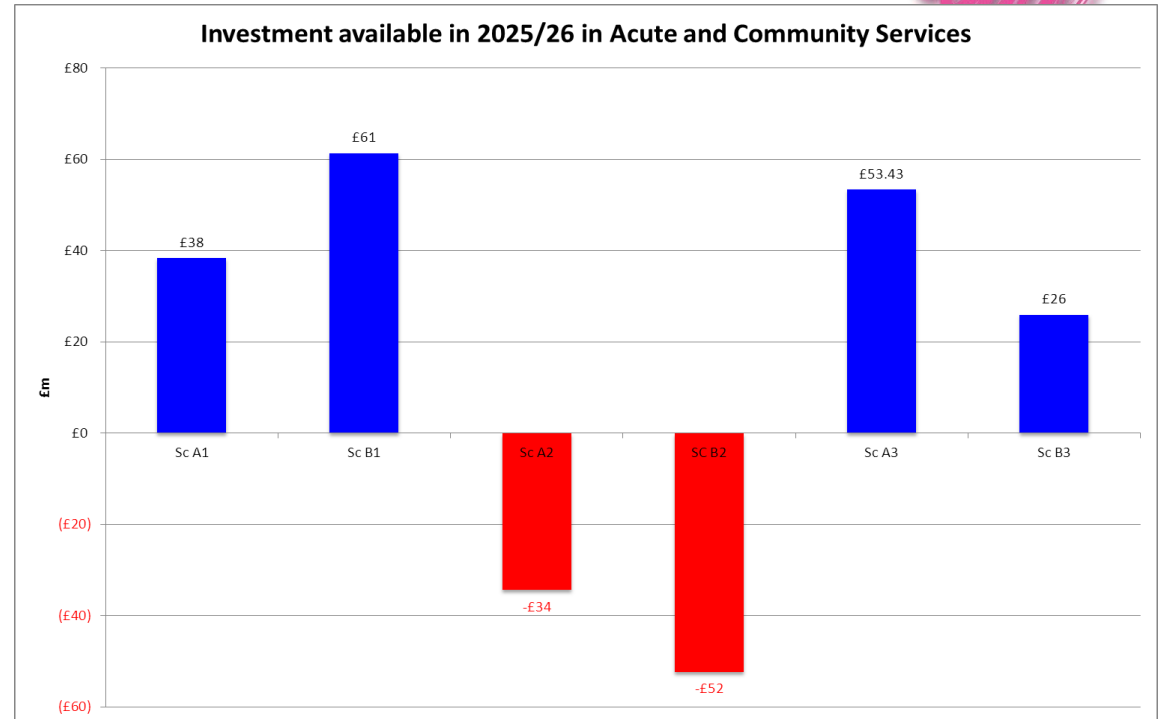
Summary of 6 scenarios



The scenarios lead to resources of between £61 million and **-£52 million**

This is because each of the variables – over a long time period – are very sensitive to change.

On a resource limit baseline of £0.5 billion per annum, resources choices and assumptions are key



Scenario	5 year plan extant?	Allocation growth	Provider efficiency	Cost of care	Demographic rise	Increase in other programmes
A1	YES	2.0%	3.0%	3.0%	0.4%	2.0%
A2	YES	2.0%	1.0%	4.0%	0.4%	2.0%
A3	YES	2.5%	2.0%	3.0%	0.4%	2.5%
B1	NO	2.0%	3.0%	3.0%	0.4%	2.0%
B2	NO	2.0%	1.0%	4.0%	0.4%	2.0%
B3	NO	2.5%	2.0%	3.0%	0.4%	2.5%

Look Up Calculator



1. Decide if you want 2% or 3% allocation growth
2. Decide if you want the changes to start
3. Choose your provider efficiency level and cost of care in 16-17 or from 19-20

2% Allocation Growth - model starts after 5 year plan

£m	Cost of Care				
	2.0%	2.5%	3.0%	3.5%	4.0%
0.50%	£2	-£10	-£22	-£35	-£47
1.00%	£14	£2	-£10	-£22	-£35
1.50%	£26	£14	£2	-£10	-£22
2.00%	£37	£26	£14	£2	-£10
2.50%	£48	£37	£26	£14	£2
3.00%	£59	£48	£37	£26	£14
3.50%	£70	£59	£48	£37	£26
4.00%	£81	£70	£59	£48	£37

2% Allocation Growth - model starts in 2016/17

£m	Cost of Care				
	2.0%	2.5%	3.0%	3.5%	4.0%
0.50%	£6	-£13	-£32	-£53	-£75
1.00%	£25	£6	-£13	-£32	-£53
1.50%	£43	£25	£6	-£13	-£32
2.00%	£60	£43	£25	£6	-£13
2.50%	£76	£60	£43	£25	£6
3.00%	£92	£76	£60	£43	£25
3.50%	£107	£92	£76	£60	£43
4.00%	£122	£107	£92	£76	£60

3% Allocation Growth - model starts after 5 year plan

£m	Cost of Care				
	2.0%	2.5%	3.0%	3.5%	4.0%
0.50%	£26	£14	£2	-£11	-£23
1.00%	£39	£26	£14	£2	-£11
1.50%	£50	£39	£26	£14	£2
2.00%	£62	£50	£39	£26	£14
2.50%	£73	£62	£50	£39	£26
3.00%	£84	£73	£62	£50	£39
3.50%	£94	£84	£73	£62	£50
4.00%	£105	£94	£84	£73	£62

3% Allocation Growth - model starts in 2016/17

£m	Cost of Care				
	2.0%	2.5%	3.0%	3.5%	4.0%
0.50%	£45	£26	£6	-£14	-£35
1.00%	£64	£45	£26	£6	-£14
1.50%	£82	£64	£45	£26	£6
2.00%	£99	£82	£64	£45	£26
2.50%	£115	£99	£82	£64	£45
3.00%	£131	£115	£99	£82	£64
3.50%	£147	£131	£115	£99	£82
4.00%	£161	£147	£131	£115	£99

2% allocation growth

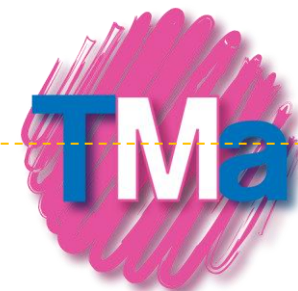
3% allocation growth



Impact of achieving QIPP

And the impact on the model

QIPP in the 5 year plans



£ 000	2014/15	2015/16	2016/17	2017/18	2018/19
Net QIPP	£11,513	£10,175	£9,447	£9,116	£9,852
Acute	£2,606	£9,988	£5,192	£5,192	£5,192
Community	£357	£500	£400	£401	£402
Sub-total Acute & Community	£2,963	£10,488	£5,592	£5,593	£5,594
Mental Health	£1,100	£450	£350	£351	£352
Continuing Healthcare	£941	£950	£900	£900	£900
Primary Care	£2,753	£1,900	£1,800	£1,800	£1,800
Other	£3,756	-£3,613	£805	£472	£1,206
Total Costs	£11,513	£10,175	£9,447	£9,116	£9,852

- £30 million of QIPP schemes assumed by commissioners in acute and community services over the 5 year period
- Schemes from 16-17 mostly illustrative
- Some of these schemes will allow the providers to make cost savings
- Those schemes that do not will add to the provider efficiency requirement
- The extent to which these savings are not made by commissioners will reduce their commissioning power



- There's no simple answer on affordability – it's a question of priority and assumptions
- Although analysis has not been presented in relation to Welsh commissioners they are likely to be working within similar financial assumptions as the English commissioners
- There are a number of feasible assumptions which would lead to an investment by 2025/26 of between £40 million and £50 million per annum
- Key decisions are:
 - Are CCGs willing to invest an average level of resources in acute & community services between now and 2025/26?
 - Are they willing to do this before or after the current 5 year planning period?
 - What level of cash releasing efficiency savings is it reasonable to expect Trusts to make over that period?
 - What are our “best guesses” on allocations, the cost of providing care, technological change, and the rising population?
 - Do we collectively subscribe to the view that the financial viability of the providers is a key component of affordability, and if so how do we meet the ongoing shortfall in SATH budgets (given that some of the solution will be to eliminate duplicate costs)

