

## **SCHEDULE 5**

### **FINANCIAL PRINCIPLES**

#### **1. CONTEXT**

- 1.1 The following set of financial principles have been developed for the merged single NCL CCG. The principles set out how budget setting, investment decisions, and financial planning will initially be undertaken for the new CCG.

#### **2. FINANCIAL PRINCIPLES**

- 2.1 The starting point for a single CCG will be the borough based allocations of funding and services they have now. The budgets will be set for 20/21 on this borough basis ahead of the merger through the current CCG governance structures.
- 2.2 Specialised / acute planning and commissioning will be undertaken once across NCL – with associated responsibility, authority, budget and capacity.
- 2.3 In the merged CCG the responsibility, authority, budget and capacity for primary care commissioning (strategy development, planning and commissioning intention, local GP support services), community care and out-of-hospital commissioning will be delegated to borough-level arrangements.
- 2.4 The 20/21 borough level budget for these non-acute services will form a “floor” in cash terms for future annual borough level budget setting. The future NCL CCG will not disinvest in non-acute services in any boroughs and will over time look to increase investment in these areas where it can reduce or support lower levels of growth in acute budgets and reduce health inequalities within and across boroughs. This will support the delivery of the medium term financial strategy.
- 2.5 Borough teams will continue to commission enhanced primary care services under an agreed framework.
- 2.6 Strategic planning, for the implementation of the NHS Long Term Plan, will be completed by the current NCL CCGs before April 2020 and will support and inform operational planning in 2020/21; strategic plans provide the basis for agreeing indicative contract values for 2020/21 and activity levels as well as setting out clear direction of travel for the next four years.
- 2.7 The NCL CCG will continue to meet the mental health investment standard in line with national guidance. This will be on an NCL wide basis in line with national guidance, to allowing for differential approaches by provider in line with the Medium Term Financial Strategy (MTFS) to ensure new investment supports lower levels of growth in acute hospitals and delivers value for money across the system. It should be noted that this principle is complementary to the principle of not disinvesting in mental health services across boroughs.
- 2.8 It is envisaged that in time delegated borough-based decision-making will be through Integrated Care Partnerships as these become formal entities, supported by the CCG borough based leadership teams. This formal delegation process through ICPs is yet to be fully developed and may in-time supersede the need for specific borough based groups or sub-committees as proposed.