

**31 JULY 2003**

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**Subject: Local Delivery Plan – an update**

**Meeting: Joint Health and Social Care Board**

**Date of Meeting: 31 July 2003**

**Report of: Jeannie Ablett, Dir Strategy and Commissioning**

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### **PURPOSE OF REPORT**

To update the Board on the current status of the Local Delivery Plan (LDP) this, at the time of writing, remains a draft document and subject to agreement by the Strategic Health Authority.

### **RECOMMENDATION**

The Board is asked to note the status of the LDP. A verbal update on progress will be offered at the meeting.

### **BACKGROUND**

The Local Delivery Plan is a three year plan for improving the health of the Milton Keynes population. Its purpose is to identify areas for development to meet Department of Health targets and also to develop best practice as described in National Service Frameworks and the NHS Plan. A significant, though not exclusive, emphasis is given to the allocation of financial resources within the document. The period covered by the LDP is from April 2003 until March 2006.

Unprecedented financial growth has been allocated to NHS trusts for the period of the LDP, however, challenging targets and generic cost pressures mean that the funding available for new investment is actually very limited.

During 2002 an aspirational LDP was compiled and fully costed to address over 400 targets for health services. The more comprehensive capacity plan for Milton Keynes was incorporated within the LDP framework to include the workforce dimension. This exercise identified a significant affordability gap and a prioritisation process was then undertaken using key Government targets to justify financial allocations. Following several iterations the final submission to Thames Valley Health Authority (TVHA) showed a planned deficit of £3.5m in Year 1, rising to £4m in Yr 2 and reducing to a deficit in Yr 3 of £779K. The final

submission was altered from break even in Yr 3 due to the requirement to pay back brokerage which had previously been waived by the TVHA.

It should be noted that in addition to the cost pressures within the LDP there are additional deficits requiring recovery plans within both the Primary Care Trust (PCT) and Milton Keynes General Hospital Trust (MKG). This equates to an overall deficit within Milton Keynes in Yr 1 of £4.9m that will have to be managed locally.

## **FUNDING ALLOCATIONS**

The investment schedule in the **Appendix 1** outlines the proposed areas of funding for each year of the LDP. It should be noted that there are relatively few investments due to the underlying deficit - the key areas being the Clinical Decisions Unit in Yr 1, the Diagnostic and Treatment Centre in Yr 2 and primary care demand management initiatives also in Yr 1.

A key risk to be noted is that there are identified cost pressures within Yrs 2 and 3 that have not been funded and which providers are expected to manage within existing budgets.

## **RECOVERY PLANNING**

In order to achieve financial balance the PCT and MKG are developing recovery plans. The recent closure of beds at Bletchley Community Hospital is part of that planned process. To compensate for the loss of beds the PCT is committed to developing an Enhanced Intermediate Model of Care (EIMC) which will see a shorter length of stay and faster throughput of patients (see **Appendix 2**). An opportunity to discuss the model will be available during the Board meeting.

## **CONCLUSION**

The financial position for Milton Keynes is challenging. There is a strong possibility that further cost reducing measures may have to be taken during the life of the LDP if additional growth funding is not forthcoming from the centre. Any proposals for further cost reductions will be subject to consultation with partner agencies and stakeholders before implementation.