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NHS ENGLAND – BOARD PAPER**Title:**

The NHS Operational Planning and Contracting Guidance for 2017-2019

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with Paul Bauman, Chief Financial Officer and Matthew Swindells, National Director:
Performance and Information**Purpose of Paper:**

To note publication on 22 September

The Board invited to:

note the guidance and the action now being taken

NHS Operational Planning and Contracting Guidance for 2017-2019

1. The NHS Operational Planning and Contracting Guidance for 2017-2019 was published on 22 September. The document sets out how planning and contracting processes are being changed to support Sustainability and Transformation Plans (STPs) and the financial reset.
2. The document reaffirms the core tasks for the NHS: implement the Five Year Forward View to drive improvements in health and care; restore and maintain financial balance; and deliver care access and quality standards. It underlines the importance of STPs in delivering these tasks, making clear that organisations must work in partnership to deliver the required productivity savings and care re-design.
3. The partnership behaviours that have been fostered through the STP process now need to carry over into operational planning and contracting. NHS organisations want to spend less time locked in adversarial relationships about transactions and contracts, settle the numbers more quickly, and get on with the task of care redesign.
4. To support this we are:
 - providing greater certainty and stability: In 2016/17 we described nine ‘must do’ priorities. These remain the priorities for 2017/18 and 2018/19;
 - using STPs as the building block for operational planning: Two year contracts will reflect two year activities, workforce and performance assumptions that are agreed and affordable with each local STP;
 - issuing a two year tariff and National Standard Contract for consultation:, as well as two-year CQUIN and CCG quality premium scheme.
 - implementing, for the first time, a single NHS England and NHS Improvement oversight process
 - bringing forward the timetable for agreement of contracts from Spring to December.
5. To help ensure organisational boundaries do not get in the way of transformation we are also introducing a system of STP level financial control totals to complement organisational control totals, and revised arrangements for managing financial risk.
6. The direction of travel reflects numerous Board discussions over the past year, discussions with partner organisations, and feedback from the service. The guidance was jointly developed with NHS Improvement.
7. Board is invited to note the guidance and the action now being taken.