



Northern, Eastern and Western Devon  
Clinical Commissioning Group

James Brent  
Royal Devon & Exeter NHS Foundation Trust  
Barrack Road  
Exeter  
EX2 5DW

Date: 22 October 2015

Dear James,

Thank you for your letter dated 5<sup>th</sup> October regarding penalties for failures to achieve cancer targets.

For clarity I understand the confirmed value of penalties levied for Q1 2015/16 is **£160,100**. The Royal Devon and Exeter Foundation Trust (RD&EFT) has supplied further provisional values for July and August totalling **£75,300**.

As we are both aware the levying of these penalties is in line with the terms of the contract signed between the RD&EFT and NEW Devon CCG. The Contract Technical Guidance underpinning this states that:

*'Essentially, it is for each commissioner to determine the use of funding retained, within the ambit of the purposes for which it uses its overall financial allocation. Where there has been a breach of a national standard, however, we strongly recommend that the commissioner considers whether it is possible to invest the withheld funding in a way which will help to rectify the performance problem, reinvestment of this nature need by no means necessarily be with the provider where the original breaches occurred'.*

The contract technical guidance therefore recommends not instructs the commissioner where the resulting investment takes place. I can confirm that NEW Devon CCG will re-invest these penalty sums into healthcare services across NEW Devon CCG and, where feasible and appropriate, will prioritise areas where performance is currently below the desired and mandated national targets.

Chair: Dr Tim Burke  
Chief Officer: Rebecca Harriott

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With this in mind I feel it is important that our organisations work to jointly determine how the services provided to local people can meet national targets as quickly as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Burke', with a stylized flourish at the end.

Dr Tim Burke  
Chair

Copied to: Angela Pedder, Chief Executive, RDE  
Warwick Heale, Associate Director of Planning and Performance, RDE  
Rebecca Harriott, Chief Officer, NEW Devon CCG

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