

Greater Nottingham Financial Recovery Plan – Update

1. Purpose of the paper

The purpose of the paper is to:

- Provide an update on the implementation and delivery of the Greater Nottingham Financial Recovery Plan (GN FRP) in 2017/18
- Provide a summary of the Nottingham North and East CCG financial savings at month 5
- Provide an update on the planning for 2018/19.

2. Background

The Greater Nottingham Financial Recovery Plan was approved at Governing Bodies in June. The CCGs have a joint plan which delivers financial balance in 17/18. The key themes of the plan are:

1. Transactional/Contractual schemes (disinvestment)
2. Improvement (QIPP) schemes
3. Mitigation - bill control and balance sheet

3. Value of savings schemes across Greater Nottingham

The value of our savings schemes totals c £36m. Including additional pipeline schemes this totals c £39.8m. Including non-recurrent flexibilities the Financial Recovery Plan value totals c £53.4m vs target of 44.6m (figure 1).

| Total Schemes | Nottingham North and East | Nottingham West | Rushcliffe | Nottingham City | Total |
|--|---------------------------|-----------------|---------------|-----------------|---------------|
| Transactional | 2,446 | 1,799 | 1,878 | 4,370 | 10,493 |
| Improvement | 6,316 | 4,168 | 4,901 | 8,031 | 23,415 |
| Managing the Bill | 291 | 286 | 414 | 1,126 | 2,117 |
| Total | 9,053 | 6,253 | 7,192 | 13,527 | 36,025 |
| Pipeline Schemes | 861 | 422 | 459 | 2,036 | 3,778 |
| Total | 9,914 | 6,675 | 7,651 | 15,563 | 39,803 |
| Mitigation | 3,131 | 2,015 | 2,354 | 6,114 | 13,614 |
| Total (inc mitigation and pipeline) | 13,045 | 8,690 | 10,005 | 21,677 | 53,417 |
| Saving Requirement | 12,359 | 6,969 | 7,972 | 17,306 | 44,606 |
| Headroom | 686 | 1,721 | 2,033 | 4,371 | 8,811 |

Figure 1.

4. NNE CCG delivery of financial savings at month 5

As at month 5 Nottingham North and East CCG has achieved £2.8m savings against a plan of £3.4m and is forecasting achieving the QIPP target of £12.4m for the financial year, using £2.4m of non recurrent mitigations. The QIPP delivery by area is summarised in figure 2 below:

| | YTD Plan | YTD Actual (Initial Schemes) | YTD Actual (New Schemes) | Total YTD Actual | YTD Variance | Annual Plan | Forecast (Initial Schemes) | Forecast (New Schemes) | Total Forecast | Forecast Variance |
|---------------------------------|--------------|------------------------------|--------------------------|------------------|--------------|---------------|----------------------------|------------------------|----------------|-------------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s |
| Acute | 1,554 | 1,220 | 0 | 1,220 | (333) | 5,447 | 6,650 | 0 | 6,650 | 1,203 |
| Mental Health | 140 | 0 | 0 | 0 | (140) | 631 | 364 | 0 | 364 | (267) |
| Continuing Care | 378 | 349 | 0 | 349 | (29) | 1,511 | 1,479 | 0 | 1,479 | (32) |
| Prescribing | 336 | 336 | 0 | 336 | 0 | 806 | 696 | 106 | 802 | (4) |
| Other | 961 | 899 | 0 | 899 | (62) | 3,965 | 3,065 | 0 | 3,065 | (900) |
| Total Financial Position | 3,368 | 2,804 | 0 | 2,804 | (564) | 12,359 | 12,253 | 106 | 12,359 | 0 |

Figure 2

5. NNE CCG Current position of delivery against the plan

Figure 3 and 4 indicate the month 5 position against the plan for Nottingham North and East CCG. The variation show at month 5 is related to slippage on the transforming outpatient redesign and the mental health system affordability work.

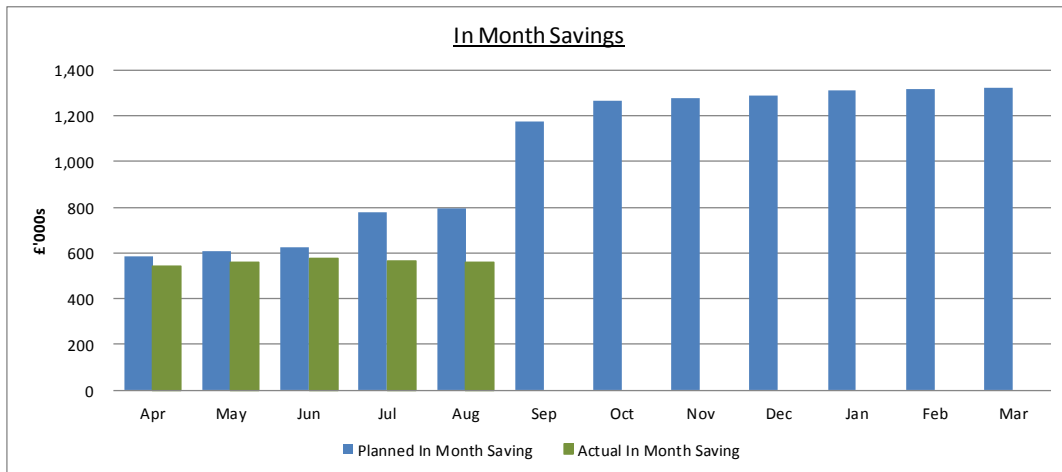


Figure 3

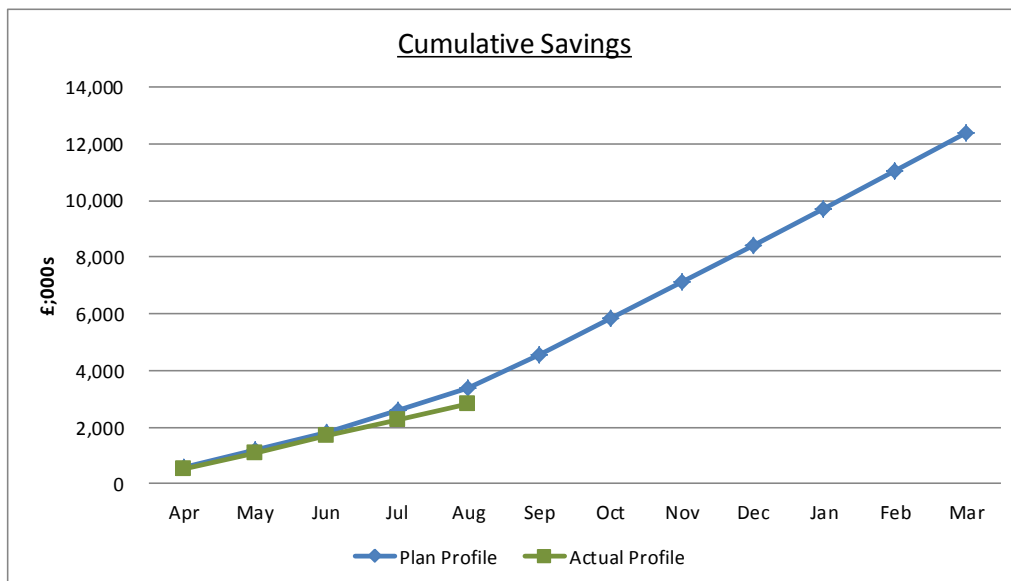


Figure 4

6. Key progress on scheme delivery since July across Greater Nottingham

- Contract Variation (phase 1) for transforming outpatient work agreed with NUH
- The Procedures of Limited Clinical Value Policy has been revised and updated, and sign off by CCGs is underway
- Prescribing stretch schemes agreed and are mobilising e.g. management of prescribing waste and prescribing reviews in care homes and the development of interface pharmacists
- Savings opportunities as a result of provider overpayment identified through Liaison work with Continuing Health Care
- Improved success with contract challenges (at month 4 £1.77m)
- Application of the current eligibility criteria for Patient Transport started in September
- The EQIA panel is now established and meeting every 2 weeks to review schemes and provide recommendations to the Financial Recovery Group on communications and engagement approaches
- Case study completed on the transformation work in Continuing Health Care and shared with NHS England
- Indicative target values for 2018/19 financial savings have been worked up and all Senior Responsible Officers have identified savings opportunities for 2018/19
- South CCGs Financial Deep Dive meeting took place on 6.9.17 where NHSE indicated that good progress had been made but there was significant work required to deliver the CCGs Control Totals
- PWC continue to work with South Notts CCGs on financial recovery focused on support to transforming out patients, patient transport and Menu of Opportunities review.

Key priorities for the next month

- Confirm and challenge sessions will be taking place with Senior Responsible Officers for Primary Care, Elective Care, Community Care and Mental Health, to assure the Financial Recovery Group that Programme Areas on track for delivery
- The mobilisation of pipeline schemes and the identification of further pipeline opportunities
- Development of the 18/19 Financial Recovery Plan.

Areas currently at risk of full delivery in 17/18 against the Greater Nottingham plan:

| Scheme | Mitigations |
|------------------------------------|---|
| Clinical Variation in Primary Care | A comprehensive workplan is in place to reduce unwarranted variation across all CCGs, including practice visits, internal peer review, increased use of advice and guidance, maximising use of existing guidance and pathways, triage and clinical assessment services to support the standardisation of referrals. The F12 pathfinder work is being rolled out across all CCGs to consolidate clinical guidance and referral templates, and integration into clinical systems. |
| Transforming outpatients | The Phase 1 contract variation is agreed with NUH and discussions underway for phase 2. Work is underway to develop the specifications and pathways for 16 elective care pathways. This work is being supported by PWC. |

Mental Health System
Affordability

Plans being worked up with Nottinghamshire Health Care
Trust.

Areas where additional stretch schemes have been identified and added to the delivery plan:

- Prescribing e.g. management of prescribing waste and prescribing reviews in care homes and the development of interface pharmacists
- Continuing Health Care e.g. analysis of provider over payments.

7. Planning is underway for scheme delivery in 18/19.

Initial financial modelling indicates the savings required across Greater Nottingham will be similar to this year at circa £48.2m (4.8%). For Nottingham North and East CCG this gives an initial QIPP value of £11,564 (5.4%) in 18/19.

As at September 2017 the current assessment of savings identified across Greater Nottingham is £26.1m or 54% of the £48.2m requirement. These schemes are either full year impacts of 2017/18 schemes, schemes developed in 2017/18 which following appropriate notice periods will deliver from April 2018 or new opportunities identified which are currently being scoped. All SROs are working to further identify savings opportunities in 18/19.

8. The Governing Body is recommended to:

Note and review the current delivery position of the Greater Nottingham Financial Recovery Plan and the current position of Nottingham North and East CCG.