NHS
Eastern Cheshire
Clinical Commissioning Group

NHS Eastern Cheshire CCG

Financial Recovery Plan 2016-18

https://www.easterncheshireccg.nhs.uk/Meetings/25-may-2016.htm (full paper available here as item 3.3)

Neil Evans – Commissioning Director

Inspiring Better Health and Wellbeing

The CCG is planning for an "in year" £3.8m deficit but to do this still needs to make financial savings of £9.7m

Key Messages

Even delivering a significant saving (QIPP Plan) of £9.7m leaves a deficit position meaning the true CCG figure is £16.2m

The underlying Eastern Cheshire Health and Social Care Economy deficit (commissioner and provider) is materially higher and is projected to reach £132m by 2018-19

QIPP plans will enable the CCG to fulfil our financial duties by the end of 2017-18

The deterioration of the CCG's financial position compared to 2015/16 can be related to three main contributing factors:

- 2016/17 CCG allocation;
- Non-recurrent costs;
- Sustainability & Transformation Costs.

The 2016/17 CCG Allocations resulted in an unanticipated deterioration in the CCG's "distance from target" allocation which when combined with the place based allocation and associated overspend in specialised commissioning resulted in an allocation uplifted lower than planned for, based on NHSE 2015/16 allocation information.

In addition the 3.0% growth contained a number of non-recurrent commitments previously funded separately by NHSE (GPIT) or mandated in the 2015/16 Planning Guidance (Mental Health). The net available funding growth was therefore insufficient to cover the mandated tariff uplifts and the general cost pressures which are projected to occur particularly in relation to Continuing Health Care (CHC), Prescribing and Acute Hospital expenditure.

Within the CCG plans there are significant non recurrent cost pressures; including settlement of a historical dispute in relation to Continuing Health Care (CHC) with Cheshire East Council (CEC).

The CCG generally benchmarks well against peers in terms of productivity e.g. low rates of hospital admissions.

The CCG is seeking to address long term sustainability issues within the economy as articulated in its Five Year Strategic Plan and the Caring Together Programme.

A number of actions taken within/outside the CCG's control have materially impacted on 2016/17. For example: Our main care provider (East Cheshire Trust) has a significant underlying financial deficit and as part of the 2016-17 contract settlement a number of financial pressures have been transferred to the CCG. These include funding for Intermediate Care bed based services, Stroke Services, Specialist Nurse services and Appliances.

In all cases the CCG intend to either transform (recommission) services to mitigate the impact or have projected, through this recommissioning, there will be benefits realisation however this will not materialise until 2017/18

The requirement for the CCG to restructure PMS contracts in 2015/16 were successfully completed and recommissioned through a new Primary Care contract which will not fully yield a return on investment until 2017/18.

How do we compare with the rest of our peers in terms of population and funding levels?

Key Messages

- *Eastern Cheshire receives the lowest funding per head in our STP area*
- *We have high levels of residents who are "over 60" and also "over 80" years of age*
- *We have high rates of disease prevalence in those high cost disease areas most associated with old age such as dementia, cancer and stroke*
- *Expenditure on Primary Care and most significantly Specialised Services is having a negative impact on the CCG funding allocation (distance from target)*

Need Funding	Area		Indicator	England	NHS Eastern Cheshire CCG	NHS South Cheshire CCG	NHS Vale Royal CCG	NHS West Cheshire CCG	NHS Warrington CCG	NHS Wirral CCG	NHS Halton CCG	NHS Knowsley CCG	NHS South Sefton CCG	NHS Southport and Formby CCG	NHS St Helens CCG	NHS Liverpool CCG
Population Characteristics for Healthcare needed	Elderley Poplation %	1	Percentage aged 60-79	18	23	21	21	22	19	21	20	18	21	25	21	16
		2	Percentage aged 80+	4.9	7	5	5	6	4	6	4	5	6	8	5	4
		3	Annual percentage growth in population aged 60-79	1	1	1	1	1	1	1	2	1	1	1	1	1
		4	Annual percentage growth in population aged 80+	2	3	3	3	3	3	2	3	3	3	3	3	2
	Disease Prevalence (for high cost disease categories)		Cancer	2	2.7	2.7	2.6	2.7	2.3	2.5	2.3	2.5	2.6	3.2	2.6	2.1
			COPD	2	1.6	1.8	2.3	1.8	1.8	2.4	2.8	3.5	2.8	2	3	2.9
			CHD	3	3.5	3.7	3.7	3.5	3.6	3.9	4.3	4.4	4.2	4.2	4.5	3.6
			Dementia	1	1	0.8	0.7	0.8	0.7	0.9	0.7	0.7	0.8	1.1	0.8	0.7
			Diabetes (17+)	6	5.9	6.3	6.5	6.3	6.2	6.8	7.6	7	6.5	6.4	7.1	6
			Obesity (16+)	9	7	8.7	11	9.1	8.5	10.4	12.3	11	10.8	8.7	11.1	10.6
			Stroke/TIA	2	2.1	2.1	1.9	2	1.7	2.2	1.9	1.7	2	2.3	1.9	1.7
		5	Number in Upper Quartile		3/7	2/7	2/7	1/7	0/7	3/7	4/7	4/7	3/7	4/7	4/7	1/7
Funding allocations received by CCGs	Distance from target - closing FY 16/17		DFT (Financial difference £m)	-ve £36m to +£83m	-8.7	-9.5	-4.5	-9.1	-5.1	-11.4	5.5	11.5	12.5	3.6	-0.5	40.1
			DFT (%)	-ve 5% to 30%	-3.43	-4.14	-3.65	-2.7	-1.87	-2.3	2.98	4.59	5.56	2.07	-0.17	5.5
Funding allocations aligned to CCGs for Primary Medical Care	Distance from target - closing FY 16/17		DFT (Financial difference £m)	-ve £9m to +£10m	0.7	0.8	-0.0	1.5	-0.3	0.1	-0.0	6.8	-1.5	-0.0	1.1	-6.5
			DFT (%)	-ve 12% to +29%	2.9	3.8	-0.4	4.7	-1.3	0.3	-0.1	29	-6.8	-0.3	4	-11.3
Funding allocations aligned to CCGs for Specialised Services	Distance from target - closing FY 16/17		DFT (Financial difference £m)	-ve £24m to +£31m	8.8	3.2	1.7	3.9	-0.8	5.7	1.2	1.9	5	0.7	2.9	5
			DFT (%)	-ve 25% to +23%	17.62	8.59	7.56	6.98	-1.51	7.1	3.61	4.06	10.7	2.37	6.04	3.37

Developing Our Recovery Plan

Key Messages

Even delivering a significant QIPP of £9.7m leaves a deficit position meaning the true CCG figure is £16.2m

QIPP plans will enable the CCG to fulfil our financial duties by the end of 2017-18

The scale of the financial challenges in Eastern Cheshire require commitment from all partner agencies to deliver significant productivity improvement as individual statutory bodies, in partnership within the Caring Together Transformation Programme, and as part of wider potential management and system reform.

For the purpose of this Recovery Plan: all three areas are referenced, in this Executive Summary but the majority of the focus in the remaining pages is on the CCG's own delivery.

CCG Financial Recovery (QIPP) Plan

In order to achieve a £3.8m deficit the CCG needs to deliver an in-year QIPP of £9.7m which is a significant step change in delivery against previous years (in 2015-16 the level achieved was £2.4m).

In addition to the £9.7m QIPP required to achieve the £3.8m deficit in 2016-17 a higher QIPP level of £16.2m will be required to deliver the NHS England business rules (of a 1% surplus and 0.5% contingency and1% Non Recurrent "head room"). This will be delivered by the end of 2017-18.

The reality is that to deliver this scale of QIPP in the current year then plans equating to a much higher value are need to account for the part year effect that will occur as projects are implemented. The CCG will therefore develop QIPP plans which also support the position in 2017-18.

The table below summarises how the CCG will focus on three distinct areas to deliver its recovery plan. Further work is on-going to identify additional QIPP opportunities in all three areas

Cumulative Benefits By Year	2016-17 (£000s)				2017-18 (£000s)			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Improving Efficiency and Productivity	£655	£1,395	£2,202	£3,522	£1,855	£3,709	£5,566	£7,432
Recommmissioning for Better Value	£20	£136	£622	£1,660	£1,061	£2,123	£3,184	£4,246
Decommissioning, Curtailment and One Off Benefits	£102	£283	£1,182	£4,378	£354	£707	£1,590	£1,944
Total	£778	£1,813	£4,006	£9,560	£3,270	£6,539	£10,341	£13,622

Key Messages

The underlying Eastern Cheshire Health and Social Care Economy deficit (commissioner and provider) is materially higher and is projected to reach £132m by 2018-19

The most material area of "excess" expenditure is specialised services (£8.8m/17%) and needs to be a core part of our financial recovery

Caring Together Programme

The development and introduction of Integrated Health and Social Care Community Based Coordinated Care is a key element of the programme and is strongly based on international evidence. Without investment, roll-out in 2016/17 will be based on existing resources, significantly curtailing the greater QIPP benefits and the pace to releasing costs.

This also includes some of the benefits associated with investment in Primary Care as the infrastructure to work with practices will not be in place to the scale or speed we would ideally like.

Other wider economic benefits from large scale change are not reflected in this recovery plan, as they are contingent on decisions taken outside the statutory authority of the CCG.

Wider NHS System QIPP Opportunities

The CCG is committed to wider management efficiencies through the STP and CWW Alliance and is key to explore economies of scale in QIPP, and potentially the establishment of a cluster type arrangement.

The significant overspend (17%) in specialised services in Eastern Cheshire represents the single highest area of potential productivity gain. The CCG is keen to explore and enter a gain share agreement to release significant savings to the economy.

The table below provides indicative costs of the wider system opportunities which are possible and included in our QIPP programme for 2016-18.

Cumulative Benefits By Year	2016-17 (£000s)				2017-18 (£000s)			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Caring Together Programme	£0	£30	£60	£100	£326	£653	£979	£1,307
Wider NHS Reforms	£0	£0	£0	£0	£878	£1,757	£2,635	£3,519
Total	£0	£30	£60	£100	£1,205	£2,410	£3,615	£4,826

Headlines

In order to deliver our programme in an effective and timely way a proactive approach to communications and engagement will be required.

Existing relationships and forums will be utilised with more targeted approaches developed for individual schemes

Working in partnership with our public and clinicians

Some of the changes associated with our programme of work are likely to be sensitive to specific populations and therefore a proactive approach to engaging our public, and local stakeholders is required.

Eastern Cheshire CCG has a vibrant independent advisory group who have been supporting the CCG in development of our commissioning plans for sometime. This approach has been built upon to develop QIPP plans. The group provides a public and service user perspective on plans enabling plans to be challenged and refined.
www.echealthvoice.info/

The CCG holds a monthly forum with our Member Practices; Locality Meeting of which QIPP is a standing item for discussion. This includes delivering the benefits associated with the new Primary Care Caring Together contract.

Fortnightly meetings are being held with a combination of clinicians and members of the public. This allows Project Managers to present initiatives for challenge and refinement.

The CCG has already sent a number of key individuals on training to show how to run effective public consultation processes. Where more specialist consultation advice is needed the CCG will procure this externally. Midlands and Lancashire CSU provide the CCG with expertise in relation to Equality Impact Assessments.

The CCG has already held discussions with the Chair and Lead Officer responsible for the Cheshire East Health and Social Care Overview and Scrutiny Committee (OSC) to agree how best to engage with OSC and the first proposals are being taken to OSC in June 2016.

Local politicians are also to be engaged proactively through their involvement in our Caring Together Programme and regular meetings and briefings with local MPs.

A public awareness campaign is being developed and the CCG has arranged briefing sessions with local journalists to engage them in positively supporting this process.

How we engage with Scrutiny – Case Study Phototherapy in Congleton and Macclesfield

- East Cheshire Trust (ECT) ceased provision of Dermatology Services at the start of January 2016 as they believed they could not address recruitment and financial challenges in delivering the service
- In response, and following CCG engagement with the marketplace, Vernova Community Interest Company took over the local Dermatology Service; operating from sites across Eastern Cheshire. This is against a national picture of capacity limitations to provide Dermatology services
- The service continues to operate at a financial loss due to the funding of the service and the costs of continuing to lease space from East Cheshire Trust to deliver clinics
- A specific part of the service is Phototherapy (ultraviolet light treatment for conditions such as psoriasis) which is currently provided at the Macclesfield and Congleton sites
- Vernova would like to transfer the service to a single site at Waters Green (by Macclesfield bus/train stations)
  - The rental costs are over £33k higher by continuing to use the two ECT sites
  - There have been staffing issues in operating the Congleton site (as remotely supervised) which operates over 2 days (11 hours) and it is believed the single site model would make the service more sustainable and viable in the longer term as the wider Dermatology service operates daily from there and includes appointments in evenings.
  - Centralising would be consistent with other specialised services run by the local service e.g. mole mapping or patch (allergy) testing
  - The change would impact 22 patients with a CW12 (Congleton post code)
  - Treatment time would be shorter as the single site would have a new machine

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Appendices – Plan Details

Inspiring Better Health and Wellbeing

Improving Productivity and Efficiency

	Initiative	Description	2016-17 (£000s)	2017-18 (£000s)	Delivery due	Project Lead	Clinical Lead	Exec Sponsor
IMPROVING PRODUCTIVITY & EFFICIENCY								
1	Delivering the productivity benefits in the Primary Care Contract	The contract delivers a reduction in diagnostics, secondar care referrals and non elective activity	£1,565	£3,001	Q2	Dean Grice	Dr Mike Clark	Neil Evans
2	Medicines Management Efficiencies	Schemes include policies on over the counter medications, switches in medication (including high cost drugs) and efficiency schemes.	£799	£1,371	Q2	Janet Kenyon	Dr Graham Duce	Neil Evans
3	Invoice validation efficiencies	The CCG has agreed a more advanced programme of invoice challenges with GEM and Arden CSU which will ensure the CCG is only billed for approproate activity.	£200	£200	Q1	Lana Davidson	Dr James Milligan	Neil Evans
4	Urgent Care Access Changes	Through changes in the new GP contract and a review of exsiting "low complexity" urgent care activity a saving in A&E/MIU activity is being delivered.	£150	£300	Q2	Bernadette Bailey	Dr Mike Clark	Neil Evans
5	Repatriation of out of area AMD treatment	Patients currently accessing out of area services have been contacted to offer local services commissioned using a local specification/tariff	£102	£160	Q1	Lana Davidson	Dr James Milligan	Neil Evans
6	Running Costs	Opportunities to control running cost expenditure have been applied as part of the annual planning process	£200	£250	Complete	Sammy Brown	Not Applicable	Jerry Hawker
7	Direct Access Pathology Efficiencies	Working with Keele University, Cheshire Pathology Services and Clinicians a review of test usage is taking place to improve the efficiency of test ordering in Primary Care	£50	£150	Q2	Lana Davidson	Dr James Milligan	Neil Evans
8	Benchmarking of Commissioning by CCGs at same funding level and Right Care Programme Opportunities	The CCG is researching the "programme budgeting" approach of CCGs funded in the lowest 10% nationally in order to apply learning. In addition new right care initiatives will be developed with support from the national support team (when available to the CCG)	£456	£2,000	Q4	Juliet Thomson	Dr Mike Clark	Neil Evans
Subtotal			**£3,522**	**£7,432**				

Recommissioning for Better Value

	Initiative	Description	2016-17 (000)	2017-18 (000)	Delivery due	Project Lead	Clinical Lead	Exec Sponsor
RECOMMISSIONING FOR BETTER VALUE								
1	Intermediate Care/Community Beds commissioned in line with national levels of expenditure	The costs of intermediate care have risen and the current model is neither clinically nor financially sustainable. Benchmarking shows the expenditure is considerably higher than national peers. A revised model will be developed with the expenditure reduced accordingly.	£800	£1,000	Q2	Jo Williams	Dr Julia Huddart	Jacki Wilkes
2	Continuing Healthcare Approvals and Review Processes and Contracting Improvements	A combination of schemes are being delivered including: Revised access policies to CHC and Personal Health Budgets, Contracting Processes and a review of high cost individual packages	£275	£638	Q1	Sally Rogers	Karen Smith	Neil Evans
3	Clinical Treatment Thresholds and Procedures of Limited Clinical Value	Implementation of national and international best practice approaches is to be researched and applied. The CCG will assess the need to change access/treament thresholds to a wide range of services.	£200	£1,500	Q3	Julia Curtis	Dr Mike Clark	Neil Evans
4	Recommission Community Musculoskeletal Services (including Physiotherapy)	The CCG intends recommissioning Community Physiotherapy and Musculoskeletal services to deliver clinical best practice. As part of this aims for a forecast 25% saving.	£162	£324	Q2	Sarah Sewell	Dr Imran Ahmed	Fleur Blakeman
5	Recommissioning of Primary Mental Health services (IAPT)	Existing services have been decommissioned from October 2016 and a procurement process is underway.	£125	£250	Q2	Emma Leigh	Dr Ian Hulme	Jacki Wilkes
6	Acute Stroke Services and Community Rehabilitation	Currently additional non-recurrent funding is being used to maintain safety in the East Cheshire Trust Stroke Service. From Quarter 3 our two main Tertiary Providers will provide all hospital based stroke care and the CCG will shift investment into community based care with a net financial benefit; in addition to improving clinical outcomes.	£0	£400	Q3	Jacki Wilkes	Dr Julia Huddart	Jacki Wilkes
7	Mental Health Reablement Contract with local Housing Provider	Following a review of the service a revised contractual and care package arrangement are being negotiated.	£18	£54	Q1	Lana Davidson	Dr Ian Hulme	Alex Mitchell
8	Non PTS transport	Following a procurement process the CCG expenditure has reduced.	£80	£80	Complete	NA	NA	Alex Mitchell
Subtotal			**£1,660**	**£4,246**				

Decommissioning, Curtailment and One off benefits

	Initiative	Description	2016-17 (000)	2017-18 (000)	Delivery due	Project Lead	Clinical Lead	Exec Sponsor
DECOMMISSIONING, CUTAILMENT AND ONE-OFF BENEFITS								
1	Suspension of planned investment in CAHMS	In previous years the CCG has increased funding into CAMHS services and will therefore not increase in line with national guidance	£409	£409	Complete	NA	NA	Jacki Wilkes
2	Systems Resilience Prioritisation	The SRG has reviewed previous years schemes to assess the most effective plans for 2016-17. Schemes not delivering sufficient return on investment have been decommissioned	£301	£448	Q1	Karen Burton	Dr Julia Huddart	Jacki Wilkes
3	Withdraw support to Cheshire East Council for Mental Health Reablement	Following assessment of the return on investment of this funding it has been withdrawn	£231	£347	Q1	Alex Mitchell	Dr Ian Hulme	Alex Mitchell
4	Withdraw grants to "deprioritised commissioning areas"	A full review of all discretionary grant payments has taken place and services decommissioned	£147	£211	Complete	Complete	Dr Julia Huddart	Jacki Wilkes
5	Non Recurrent Headroom	It is expected that during Quarter 4 NHS England will release the 1% Non Recurrent Headroom and this has been factored into plans	£2,761	£0	Q4	Niall O'Gara	Not Applicable	Alex Mitchell
6	Quality Premium Achievement	An estimate of the projected income from the 2015-16 scheme	£529	£529	Complete	Julia Curtis	Dr James Milligan	Sally Rogers
Subtotal			**£4,378**	**£1,944**				

Caring Together & Wider NHS Schemes

	Initiative	Description	2016-17 (000)	2017-18 (000)	Delivery due	Project Lead	Clinical Lead	Exec Sponsor
Caring Together Transformation Programme								
1	Community Based Coordinated Care implemented	Caring Together Partners are working together on a revised implementation programme to reflect that "pump-priming" investment is not available	£0	£1,057	Q4	B Bailey	Dr Paul Bowen	Fleur Blakeman
2	Achieving a DTOC level < 7% of bed stock	DTOC levels in Eastern Cheshire are significantly above acceptable standards contributing to wider economy costs and excess bed days costs to the CCG. Improved efficiency and capacity utilisation will resease costs	£100	£250	Q3	Jackie Wilkes	Dr Julia Huddart	Jerry Hawker
Sub total			**£100**	**£1,307**				
	Initiative	Description	2016-17 (000)	2017-18 (000)	Delivery due	Project Lead	Clinical Lead	Exec Sponsor
Wider Partner & NHS System Reform								
1	Establishment of a single Cheshire CCG "cluster board/alliance" to reduce Governing Body and running costs	The CCG will explore with our Governing Body, other CCGs and NHS England whether the "running cost" economies that could be generated from a reduced number of CCGs outweighs the loss of local focus in commissioning	£0	£1,069	2017-18	TBC	Dr Paul Bowen	Jerry Hawker
2	Specialised Services	NHS England allocations indicate that the CCG overspends against our target allocation by 17% (£8.8m). This directly impacts on the wider allocation and the CCG intends working on a joint programme with NHS England to address this	£0	£2,200	Q4	TBC	Dr Mike Clark	Neil Evans
3	Development of Commercial Service sponsorship arrangements (research and innovation)	The CCG is working with the Academic Health Science Network and has appointed a Lead Clinician to bring external investment into the CCG area.	£0	£250	Q4	Neil Evans	Dr Pete Wilson	Neil Evans
Subtotal			**£0**	**£3,519**				
Stretch Total			**£9,660**	**£18,448**				