



*West Kent  
Clinical Commissioning Group*

# Financial Recovery Plan – West Kent CCG

HOSC

September 2017

# Financial overview

- National context is that NHS England is viewing systems as a whole rather than judging individual organisations
- The local health system has operated in a challenging financial context for some while, in common with other areas within the NHS and other parts of the public sector
- The needs of the population are changing (e.g. age profile) and so is the demand
- The ‘internal market’ system within the NHS over the past decade or so has in part stimulated service provision and cost
- All members of the local health system have struggled to live within their means, and have often relied on non-recurrent measures – not sustainable

# Approach to contracting and system based working

- Previous approaches to contracting within the NHS internal market were not always conducive to collaborative approaches being taken between members of the local health system
- We have moved towards new style agreements – ‘Aligned Incentive Contracts’, designed to encourage new behaviours and facilitate system transformation
- Already in place with Maidstone and Tunbridge Wells NHS Trust (MTW)
- Potential to extend approach into Kent Community health NHS Foundations Trust (KCHFT) and the wider system from next year.

# 2016/17 outturn

Across the West Kent system:

- The 2016/17 plan was to achieve a combined surplus of £4.3m, representing - 0.7 per cent of the total CCG allocation. This is part of a national requirement to deliver an underspend that we can contribute to a national risk pool to secure the overall position of the NHS
- The 2016/17 outturn position was a deficit of £5m
- This meant a total shortfall of £9.3m

# 2017/18 control totals and plans

- The 2017/18 plan across the whole health system is a surplus of £6.6m, representing just over 1 per cent of the CCG allocation
- This is far more challenging than in 2016/17
- To achieve this will require £11.7m of non-recurrent sustainability & transformation funding (STF) being made available
- We will also need to make significant cost savings
- **The CCG is under an obligation to balance the various competing demands on the NHS locally, while living within the budget parliament has allocated**

# How do we aim to achieve cost reductions?

Identify and reduce unwarranted clinical variation

Manage demand – thresholds, pathways

Disinvest – cessation or reduction in services

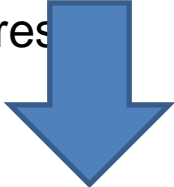
Eliminate or defer discretionary investment

Secure unit price efficiencies

Other – including management costs

...and provider efficiencies

# Challenge is to secure best possible value from our investments. So for example this could mean...

- More of:
    - Community staff supporting the proposed model of 'Local Care' in West Kent
    - Identifications to identify and treat people with atrial fibrillation
    - Promotion of activity among people with long term conditions
    - Prevention of second fractures in people with fragility fractures
  - Less of:
    - Polypharmacy
    - Knee ligament arthroscopy
    - Unnecessary hospital follow ups
    - Non generic prescribing
- 

**In line with our strategic vision of healthcare services in West Kent**

# In the past year, the CCG has...

- Implemented new pathways hip and knee replacements
- Introduced criteria for spinal injections
- Suspension of non-urgent surgery
- Restricting access to hearing services to people with moderate or severe hearing loss
- Introduced new criteria for access to orthotics
- A new service for helping manage repeat medications (Prescription Ordering Direct)
- Cessation of male and female sterilisations
- Restrictions for GP direct access to certain MRI referrals
- Restrictions in gluten-free prescribing
- Initiated a review of over the counter medicines
- Implementation of a frequent attenders services
- Invested in elements of the Home First pathway



# Looking forward...

- The CCG can expect to be confronted by an increasing number of such decisions
- Where appropriate, we are keen to introduce changes on a Kent and Medway basis
- Some of these decisions may well be difficult, and include changes in thresholds for accessing services
- Such changes should be seen in the context of the CCG wanting to pursue its overall vision of healthcare – including Local Care, and exchanging lower value for higher value interventions