Financial Recovery Plan North Kent CCGs

HOSC

November 2018

Dartford Gravesham and Swanley (DGS) CCG and Swale CCG……

- …relate to two discrete acute systems – Darent Valley Hospital and Medway Maritime Hospital
- Both systems face considerable financial challenges
- To achieve clinical and financial sustainability requires:
    - Better allocation of resources
    - Better cost control
    - Reduced wastage

Context

- Similar health needs and socio-economic landscape across DGS and Swale:
  - DGS CCG recently taken out of Special Measures and NHS England Directions
  - Significant growth in population, especially over 65s
  - 10 year gap in mortality across wards in each CCG
  - Cancer and heart disease remain greatest challenges
  - Major workforce constraints in primary, community and social care, especially Swale
  - Large portions of primary care estate in poor condition
  - Good examples of excellent progress in some services - diabetes in Swale; medicines management in both CCGs
  - DGS Healthy New Towns programme seen as a national demonstrator in community building and infrastructure
  - Notwithstanding finances, significant forward investment is being made into local care across both CCGs focusing on multidisciplinary teams (MDTs), Rapid Response and Home Visiting services

Context

- DGS population growth:
  - Over 60,000 population increase forecast – huge increase in housing already happening
  - Concern that CCG revenue funding not keeping up with growth (increasing distance from target)

- DGS and Swale CCG Leadership Team have seen biggest turnover in last six months – new AO, MD, Chief Finance Officer, Chief Operating Officer and Chief Nurse

CCG priorities

- Further improvements in patient care and outcomes
- Supporting the development and strengthening of GP services
- Enhancing integrated working with our partners, both locally and across the country, with a particular focus on local Care
- Engaging with local people in important issues
- Ongoing delivery of system financial recovery

Previously reported to HOSC

- DGS
  - 2017/18 plan was a deficit position of £7.3m (2.1%)
  - CCG faced additional risks/challenges that had the potential to lead to a deficit of £20.8m
  - Final outturn position was a deficit of £9.1m (2.6%), with an accumulative deficit for the CCG of £22.6m
  - The underlying position carried forward into 2018/19 was therefore a recurrent deficit of £10.6m
  - Special Measures
- Darent Valley Hospital
  - Deficit position of £15.8m

Previously reported to HOSC

- Swale
  - 2017/18 plan was a break-even position
  - CCG faced additional risks/challenges that had the potential to lead to a deficit of £7.7m
  - Final outturn position was a deficit of £3m (1.9%), with an accumulative deficit for the CCG of £5m
  - The underlying position carried forward into 2018/19 was therefore a recurrent deficit of £4.5m
  - Special measures
- Medway Hospital
  - Deficit position of £61.8m

2018/19 position

- CCG financial positions continue to be tight
- Achievement of NHS England agreed control totals is a considerable challenge

CCG	Plan	Risk based position at month 6
	£m	£m
DGS	-	(9.9)
Swale	-	(1.9)

- Achievement of balance for Swale is possible, but Dartford likely to overspend

- Acute Trust positions are similarly challenged
  - Darent Valley planned deficit £10.6m (£5.1m after access to Provider Sustainability Fund)
  - Medway Hospital planned deficit £48.2m (£34.2m after access to Provider Sustainability Fund)
  - Risk to both organisations in achievement of these plans

QIPP programmes – both CCGs

- Both CCGs developed **robust Financial Recovery Framework, Governance and Plans** in 2017/18. Many of the schemes have continued into the current year as part of a two year operational plan.
- Based on **top to bottom review of all expenditure** as part of a value for money programme
- **Ten key programmes initially identified**, focused on delivering
  - Improved contractual efficiency
  - Better use of clinical resource
  - Reduced internal management costs

QIPP programmes

- **Improved Medicines Management**: Reducing wastage, facilitating over the counter medicines, and prescribing generic drugs: £3.7m savings in 2017/18 / £5.5m in 2018/19
- **Improved Orthopaedic Triage**: Enhanced community triage and therapy services, resulting in circa 20% reduction in secondary care referrals (over 65% of referrals to triage service have resulted in community care rather than secondary care). Improved waiting times and recurrent financial savings of over £2.6m in 2017/18
- **Continuing Health Care Assessments**: Increased staffing to support more timely reviews of patient care, enabling step down where appropriate. Expected savings in 2018/19 over £1m

QIPP programmes

- **Unwarranted Clinical Variation**: Benchmarking GP referral information and auditing secondary referrals to understand current service provision and what could be better provided in the community.

  Key services identified: Gynaecology, Ear, Nose and Throat (ENT), Paediatrics and Cardiology (DGS only). Respiratory medicine also an area of opportunity.

  Excellent progress, but savings this year have been minimal due to Medway Foundation Trust block contract (Swale) and need to expand community and primary care services (both CCGs). Expected financial savings in 2019/20

QIPP programmes

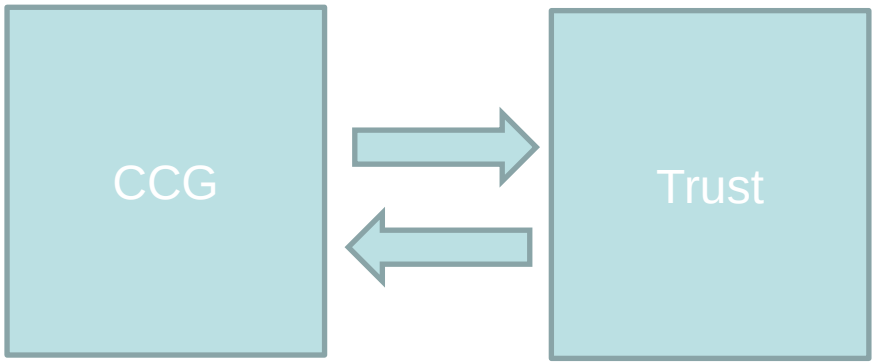
- **Improved contract management**: Holding providers to account for the quality of patient care through Commissioning for Quality and Innovation (CQUIN) payments; sharing efficiencies through joint working and improved patient care pathways, such as ambulatory care; ensuring counting and coding of patient activity is accurately invoiced; encouraging routine, non-specialist care to be provided locally rather than at tertiary centres whilst recognising patient choice. Savings of circa £4m
- **Reducing running costs**: Review of all CCG and NHS estate locally – sweating good assets and disposing of very poor estate; sharing management resource where this is beneficial; collaboration across Kent and Medway in areas such as Information Management and Technology (IM&T); human resources (HR); corporate functions; etc. Savings of circa £250k

Performance to date and forecast achievement

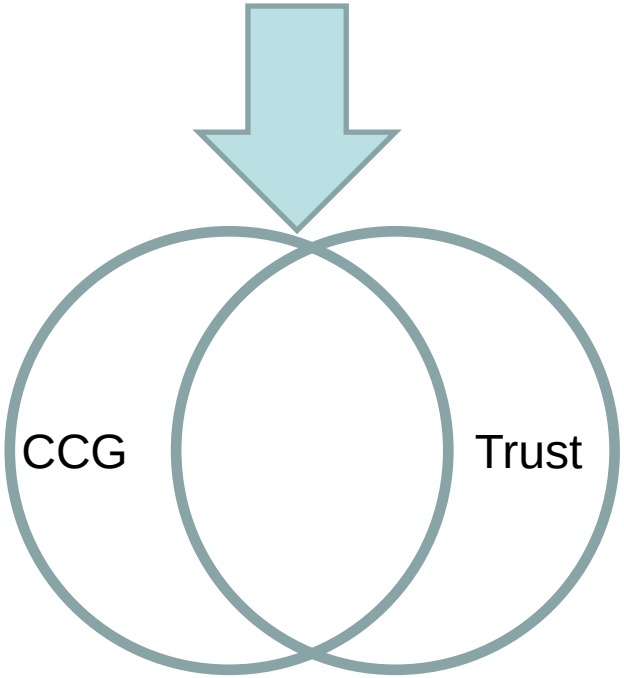
DGS QIPP	Full Year Plan	YTD Plan	YTD Actual	Variance	Full Year Forecast	Variance
	£000	£000	£000	£000	£000	£000
Clinical Variation	2,640	1,186	39	(1,147)	260	(2,380)
Medicines Management	3,556	2,255	2,401	146	3,832	276
New Models of Care	1,939	1,050	964	(86)	1,074	(865)
Improved Contract Management	3,978	2,321	2,211	(110)	3,894	(84)
Specialist Assessments and Placements Team	695	355	233	(122)	695	0
Orthopaedics and Pain Services Review	286	260	84	(176)	89	(197)
Corporate Services	170	76	8	(68)	50	(120)
	13,265	7,501	5,940	(1,561)	9,895	(3,370)

Swale	Full Year Plan	YTD Plan	YTD Actual	Variance	Full year Forecast	Variance
	£000	£000	£000	£000	£000	£000
Clinical Variation	1,753	786	0	(786)	0	(1,753)
Medicines Management	1,550	1,029	1,077	48	1,700	150
New Models of Care	812	467	413	(54)	498	(314)
Improved Contract Management	730	426	233	(193)	400	(330)
Specialist Assessments and Placements Team	550	299	119	(180)	550	(0)
Orthopaedics and Pain Services Review	139	80	0	(80)	0	(139)
Corporate Services	73	32	33	1	200	127
	5,606	3,120	1,876	(1,244)	3,348	(2,259)

New approaches required



- Characterised by competition
- Win/Lose
- Organisation before system
- Transactional
- Silo thinking and working – not aligned
- Internal market has arguably driven services and costs beyond the level that is affordable



- Characterised by collaboration
- Win/Win
- Patient and System before organisation
- Transformational
- Joined up thinking and working
- Transparency

Development path

- National context is that NHS England and NHS Improvement is viewing systems as a whole rather than judging individual organisations
- Requires change in culture and relationships between CCGs and providers
- Development of an Integrated Care Partnership proposition with Darent valley Hospital
  - System wide approach
  - Early stages of joint PMO arrangements
- Medway - Host CCG and provider currently working on a combined recovery plan for the system. Swale needs to play a role in this
- These new approaches and change in behaviours will take time

Towards sustainability – Dartford PACS (1)

- PACS (Primary and Acute Care System)
  - Driving
    - Productivity improvements from better ways of working/best use of workforce
    - Reduce duplication and waste through better co-ordination of services
    - Cost base reduction

Towards sustainability – PACS (2)

- Local Care
  - Delivering care through six Local Care Hubs
  - System default should be to deliver care in the community rather than hospital
  - Primary Care Risk Stratification of practice populations
  - Personal Care Planning with support from MDTs, earlier diagnosis, rapid access to crisis intervention/rapid response to avoid admission to hospital or long term care

Towards sustainability – PACS (3)

- PACS accountable for delivering all health care for local population, linking in with more specialist services in the county where appropriate
- New approach to system wide contracting, leadership and governance
- To include development of professional networks and relationships between primary care and secondary care, community hubs
- Need to consider
  - Ways of managing risk
  - Allocation of resources for the population
  - Incentivising of best practice
  - Supporting governance