

Derbyshire County Improvement & Scrutiny Committee **NHS Derby and Derbyshire CCG Financial Position**

15th of July 2019, Public Session, 2:00pm

1. Background & Context

The purpose of this report is to provide an update on progress with delivery of the Derbyshire Clinical Commissioning Group's medium term financial plan. The Committee is reminded that since the last update on this subject, the four Derbyshire CCGs merged to form NHS Derby and Derbyshire Clinical Commissioning Group (CCG) on 1 April 2019. All future references refer to a single medium term financial plan for the newly-merged CCG.

Committee has previously received information at its public session on the 11th of March 2019 outlining the approach the CCG was taking in developing this plan, in particularly the details relating to the 2019/20 financial year. The report outlined:

- the strategic approach being taken by the CCG in addressing the financial challenge being faced for 2019/20
- the current status of planning and progress in compiling the CCG's financial plan for 2019/20
- our engagement approach to support the development and delivery of our 2019/20 financial plan
- the next steps in the development of our 2019/20 financial plan.

This information was supplemented with the final details of the 2019/20 recovery plan being shared with Committee members by email following approval at the CCG's Governing Body meeting in public on the 28th of March 2019. The CCG also shared the final annual report and accounts for each of the four former Derbyshire CCGs with Committee members on 18th June 2018.

The CCG is attending the Committee meeting on the 15th of July for the purpose of providing an update on progress. This supporting paper sets out:

- the performance of the CCG in relation to its 2019/20 financial recovery plan, as report to the CCG Governing Body on the 4th of July 2019, reflecting the close of Month 2 business.
- the schemes contained within the CCG's 19/20 financial recovery plan, their status as either transactional (and therefore a technical/contractual change not creating service change for patients) versus transformational (a scheme which represents a service change for patients with associated financial savings)
- the governance status of transformational schemes (reflecting whether they represent Full Year Effect savings from 2018/19 and/or the position that CCG decision-making and implementation has reached)
- the status of transformation schemes requiring associated engagement processes and progress to date

Financial Position

At month 2, the CCG is reporting delivery of the financial plan year to date and forecast delivery of the agreed £29m deficit control total by the end of the year. If the CCG's expenditure remains within plan it will receive up to £29m of Commissioner Sustainability Funding (CSF).

The month 2 savings information shows year to date delivery of £5.8m (against a phased plan of £7.1m) and a forecast savings delivery of £69.5m. Table 1 below demonstrates CCG performance against key financial duties:

Table 1 – Summary of performance against key CCG financial duties

Statutory Duty/ Performance	Target	Result	Achieved
Hold a 0.5% risk reserve (inc. PCCC)	£8.112m	£8.112m	✓
YTD achievement of control total in-year deficit (original plan)	(£4.833m)	(£4.833m)	✓
Forecast achievement of control total in-year deficit (original plan)	(£29.000m)	(£29.000m)	✓
Forecast delivery of the Savings Target	£69.500m	£69.500m	✓
Forecast - remain within the Running Cost Allowance	£22.457m	£18.624m	✓
Underlying Position	(£46.400m)	(£45.480m)	✓
Remain within cash limit	Greatest of 1.25% of Drawdown, or £0.25m	0.72%	✓
Achieve BPPC (Better Payment Practice Code)	>95% across 8 areas	Pass 8/8	✓

Table 2 highlights the summary operating costs statement for the CCG at month 2.

Table 2 – Summary Operating Cost Statement

	YTD at Month 2				Full Year and FOT			
	YTD Budget	YTD Actual	YTD Variance	YTD Variance as a % of YTD Budget	Annual Budget	Forecast Outturn	Forecast Variance	FOT Variance as a % of Annual Budget
	£'000's	£'000's	£'000's	%	£'000's	£'000's	£'000's	%
Acute Services	133,344	133,412	(68)	(0.05)	807,204	807,204	0	0.00
Mental Health Services	29,260	29,786	(526)	(1.80)	177,857	177,857	0	0.00
Community Health Services	21,913	22,763	(850)	(3.88)	131,479	131,479	0	0.00
Continuing Health Care	15,154	15,142	12	0.08	101,358	101,358	0	0.00
Primary Care Services	29,417	29,417	(1)	(0.00)	181,280	181,280	0	0.00
Primary Care Co-Commissioning	23,494	23,479	15	0.06	141,665	141,665	0	0.00
Other Programme Services	13,636	12,225	1,411	10.35	84,570	84,570	0	0.00
Total Programme Resources	266,217	266,223	(7)	(0.00)	1,625,413	1,625,413	0	0.00
Running Costs	3,104	3,097	7	0.23	18,624	18,624	0	0.00
0.5% Contingency (excl co-comm)	0	0	0		7,409	7,409	0	0.00
In year Planned Deficit (Control Total)	(4,833)	0	(4,833)	100.00	(29,000)	0	(29,000)	100.00
Total In-Year Resources	264,487	269,320	(4,833)	(1.83)	1,622,447	1,651,446	(29,000)	(1.79)

2. Update on the 2019/20 Savings Programme

As previously communicated to the Committee, the clinical strategy for the CCG will support the ambitious clinical transformation programme. Refreshed clinical leadership arrangements are complete and being implemented to support CCG and System working arrangements.

Key transformation priorities for 2019/20 are summarised below:

- **Urgent Care** – targeting ambulatory care sensitive conditions through supporting high intensity users, diversion to most appropriate delivery point and redesign of front door delivery, development of consistent access and assessment to reduce variation.
- **Primary Care** – peer to peer approach to managing demand and implementation of active disease management within general practice, improving access to urgent primary care services.
- **Planned Care** – transformation of outpatient services through collaborative working with providers, maximising use of digital technology, reduce unwarranted variation and streamline care pathways.
- **Continuing Healthcare** – continuing to maximise the opportunity to right size care packages, improve process and engage clinicians in best practice.
- **Mental Health** – improvement of access to support management of Mental Health crisis and development of personality disorder pathways, improvement of post-diagnostic support for dementia and embed parity of esteem.
- **Medicines Management** – optimising best practice in prescribing and repeat prescribing including use of biosimilar drugs.
- **Service Benefit Review** – ensuring services represent value for money.
- **Long Term Conditions/Disease Management** – support self-care and using Right Care methodology, redesign respiratory, cardiology, diabetes and gastroenterology pathways.
- **PLACE** – full implementation of integrated care model in primary and community services.
- **CCG Organisational Efficiency** – implementation of NHS Plan requirements relating to CCG people, place and policy.

The transformation priorities above have been taken forward as commissioning programmes within the 2019/20 QIPP. The programmes will be working to ensure:

- A focus on all areas of CCG spend being open to review and scrutiny
- Opportunity based, bottom-up, savings initiatives
- An appropriate blend of transactional and transformational savings

The CCG has agreed relevant schemes with service providers and these are included in 2019/20 Contracts subject to implementation. The CCG is pleased to confirm that all contracts are now signed with providers for 2019/20. Many of the schemes have been jointly developed with system partners, and all are aligned with the NHS Long Term Plan; they present the right things for us to do to improve the outcomes for our local population, whilst improving value for money on the Derbyshire pound, and overall efficiency.

3. Schemes and status

The table below contains a breakdown of all schemes contained within the 2019/20 financial recovery plan as agreed by the CCG's Governing Body on 28 March 2019. This list is the same list as circulated to Committee at this time, with re-ordering and containing additional information included to reflect information as articulated in section 1.

The schemes are separated between transactional and transformational schemes and can be found in Appendix 1 and Appendix 2 respectively.

4. Public Engagement Approach

The tables above outline where our engagement attention is focussed. This position is the subject of ongoing discussions between projects and the CCG's Communications and Engagement Team, with multiple projects currently underway to support the development of robust engagement approaches.

Committee has previously agreed to have a separate briefing session with CCG colleagues to talk in more detail about the ways in which the CCG has strengthened its engagement governance in recent months: date for this session is awaited from Committee. Meanwhile, the CCG has held the first three meetings of its newly-established Engagement Committee. This is a sub-committee of the CCG's Governing Body and its terms of reference outline its role in seeking and providing assurance to Governing Body on adherence to the statutory duties and CCG desires surrounding public and patient engagement.

Through continued discussions with projects, engagement and possible consultation approaches will be developed as required. Any projects which represent the possibility of significant service change will continue be discussed with Committee on an individual, scheme-by-scheme basis to provide assurance to the committee that the CCG will meet its statutory duties around engagement and involvement. The CCG welcomes the discussion with the Committee and values feedback on suggested engagement approaches where potential service change may be required. The CCG holds regular planning sessions with the Scrutiny Committee Officer to aim to foresee issues that need to come before the Committee.

5. Next steps

The CCGs will continue to develop and deliver its savings plan in line with the information set out above and continue to brief Scrutiny on the overall approach to the planning, along with scheme-specific discussions and consultations as required.