

2016/17 Quality, Innovation, Productivity and Prevention (QIPP) Programme

Governing Body meeting

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7 July 2016

Author(s)	Sandie Buchan, Head of Programme Management Office Eugene Sullivan, QIPP Director
Sponsor	Eugene Sullivan, QIPP Director
Is your report for Approval / Consideration / Noting	
Consideration and noting	
Are there any Resource Implications (including Financial, Staffing etc)?	
Delivery of the QIPP programme will require significant manager and clinician time commitment. Work is ongoing to identify sufficient resources which may prove challenging within the constraints of the CCG's Running Cost Allowance.	
Audit Requirement	
<u>CCG Objectives</u>	
<i>Which of the CCG's objectives does this paper support?</i> To ensure there is a sustainable, affordable healthcare system in Sheffield.	
<u>Equality impact assessment</u>	
<i>Have you carried out an Equality Impact Assessment and is it attached?</i> Not required as this is an update paper.	
<u>PPE Activity</u>	
<i>How does your paper support involving patients, carers and the public?</i> To be determined	
Recommendations	
Governing Body is asked to note the total QIPP programme for 2016/17 and the current month 2 position and consider the plans to mitigate the current forecast shortfall.	

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1. Introduction / Background

- 1.1. NHS Sheffield CCG's QIPP programme for 2016/17 was approved by the CCG Governing Body as part of the SCCG's overall financial plan. It was recognised that the gross savings target of £19.5m would be very challenging. In 2015/16 the CCG fell well short of its £6m QIPP target, for example experiencing difficulty in converting clinically sound but complex QIPP intentions for Urgent Care across the city, into demonstrable change in clinical practice and financial benefits. As a result, it was recognised that QIPP would need to be an area of significant focus throughout 2016/17. As part of this, Governing Body requested a separate monthly update report.
- 1.2. As members are aware, the context for the significant QIPP programme is that the CCG's allocation for 2016/17 was substantially less than previously expected, taken with halving of the efficiency target within tariffs. The timing of the allocation announcement meant the CCG had to develop additional QIPP schemes within a short period of time and curtailed the necessary engagement with other NHS partners, notably the Sheffield Teaching Hospitals Foundation Trust (STH) where our QIPP plans total £13.5 million.
- 1.3. The CCG has appointed an Interim QIPP Director to bring a single point of focus to the QIPP programme including.
 - Supporting the Executive Directors, Heads of Commissioning and others in key meetings with other stakeholders where appropriate.
 - Contributing to Sheffield CCG efforts to identify additional and future QIPPs plus non QIPP opportunities for financial savings, in conjunction with the Finance Team.
- 1.4. The QIPP Director has established an integrated team comprising staff from across Commissioning, Finance, PMO and Business Intelligence. The purpose of the team is to support and challenge the Lead Directors and the Scheme Leads in relation to implementation plans, delivery and benefits realisation. It will also monitor and report QIPP progress and forecasts and report to Governing Body (GB), Clinical Executive Team (CET) and Integrated Performance and Delivery Group (IPDG). The QIPP governance is embedded within the CCG's formal governance structure as shown in Appendix A.
- 1.5. This paper provides the Governing Body with an overview of the position at month two and the plans that have been put in place in order to mitigate any shortfall.

2. Current Position

- 2.1. QIPP is a key part of the CCG's financial strategy. The QIPP programme equals the pre QIPP deficit, leaving no margin for slippage against profiled implementation dates. It is prudent to expect a degree of slippage and look to other measures to ensure the CCG delivers its planned surplus.
- 2.2. The 2016/17 QIPP programme consists of 57 schemes to deliver a planned saving of £19.491million. Each scheme has an identified Director Lead who is accountable for the delivery of the clinical change and financial savings.
- 2.3. £13.1m (67%) of the whole programme comprises schemes with STH. Contract negotiations to secure risk sharing on delivery of the QIPP proved very difficult in the context of a range of complex issues and ultimately delivery of most of the QIPP is currently at the CCG's risk. We have secured agreement from the trust to work with us on all schemes and this will form a major part of the in year work programme. We have been able to include just under £7.6 million in the opening contract value and the Lead Directors are forecasting achievement of most of this. The remaining schemes, totalling just over £7.5 million, will involve in year work to be result in changes to contract value and hence must be seen at greater risk of delivery.
- 2.4. The lead Directors have provided a first financial forecast for each of their schemes based on their current assessment of success. Inevitably at this stage of the year, in the absence of very little in the way of contract monitoring and other hard data, the level of saving is very difficult to forecast with accuracy and so the forecasts need to be treated with caution.

No. Schemes	Plan Financial Saving	Director Forecast Financial Saving	Potential Shortfall
57	£19.491m	£16.236m	£3.255m

- 2.5 The month 2 position shows a shortfall of £543k against plan. In part this shortfall is linked to revised phasing of when savings will be realised.

Area of CCG Expenditure	Gross Savings Plan Full Year	Gross Savings Plan M2	Gross Savings Actual M2	Gross Savings Variance M2
	£'000	£'000	£'000	£'000
Child Health	-1,405	-42	-26	17
Community Healthcare	-1,475	-167	0	167
Continuing Healthcare	-1,650	-167	-83	84
Elective Care	-5,068	-119	-82	37
High Cost Drugs	-737	-18	0	18
Mental Health	-470	-75	-67	8
Other	-350	-17	-17	0
Prescribing	-2,490	-255	-157	98
Urgent Care	-5,846	-311	-197	114
Total	-19,491	-1,170	-627	543

3. Next Steps

- 3.1. The Interim QIPP Director is working with Lead Directors, and the Integrated Team to identify possible new schemes which will give greater resilience to delivering the planned position for 2016/17 and enhance the CCG's baseline position for 2017/18.
- 3.2. In particular we are looking to do 'deep dives' across some of the non-tariff areas. The deep dives will be selected on the basis that (a) spend is significant and (b) we would like to know more about quality, cost and value of the activity being funded. We have an approach to deep dives which will include resource from within the provider and be based on 'open book accounting'. Two areas with a headline value of £90 million have been selected and one has been agreed in principle with the provider. We also have ongoing work based on Right Care data packs which will soon be ready for clinical summits.
- 3.3. We also have a list of potential QIPP schemes for 2017/18 and we are currently reviewing to see which schemes may be brought forward for the benefit of 206/17 and 2017/18. One early candidate for a new QIPP scheme to add to our 2016/17 plan involves engagement with Localities and Practices to help them identify further opportunities in practice prescribing patterns.
- 3.4. We are also reviewing and refreshing our list of procedures with limited clinical effectiveness, and lists from other providers, to identify procedures which we may stop or limit.
- 3.5. QIPP and Transformation are likely to be permanent features in the CCG's financial landscape requiring a rolling programme, with quarterly refresh of new schemes to be approved and developed.
- 3.6. A workshop was held on 14th June 2016 with the senior managers of the organisation, including Clinical Directors, to look at alternative QIPP schemes for this year and for 17/18. The ideas that emerged from this workshop are currently being reviewed to identify any which may be feasible to be used within this financial year. Further details will be included in the Recovery Plan paper which is being presented by the CCG's Director of Finance for Members' consideration in the private session of this meeting. The Recovery Plan is being required by NHS England because the CCG has planned for a 0.5% surplus as opposed to a 1% surplus which is the standard business rule.

4. Recommendations

Governing Body is asked to note the total QIPP programme for 2016/17 and the current month 2 position and consider the plans to mitigate the current forecast shortfall.

Paper prepared by: Sandie Buchan, Head of Programme Management Office
On behalf of: Eugene Sullivan, QIPP Director
June 2016

