report

meeting	HEALTH AND WELLBEING BOARD		
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REPORT OF THE DIRECTOR OF PUBLIC HEALTH

NHS BASSETLAW – QUALITY, INNOVATION, PRODUCTIVITY AND PREVENTION

PURPOSE OF THE REPORT

1. This paper provides a brief update of NHS Bassetlaw's approach to QIPP and the progress made to date.

INFORMATION AND ADVICE

Financial plan

2. The financial plans of NHS Bassetlaw for 2011/12 are directly linked to the PCT's Strategic Plan for 2011-2015, jointly developed with Bassetlaw Commissioning Organisation (BCO) (the local GP Commissioning Consortium), which plans to continue to deliver better health outcomes for the people of Bassetlaw, transform local service through the Clinical Services Review, develop the Bassetlaw Commissioning Consortium, develop local services that respond to the requirements of the 2011/12 Operating Framework and maintain financial grip.

3. The plans:-

- Plan for a surplus of £1.7m (as agreed with the SHA).
- Contain a general contingency fund of 0.50%, but
- Require the delivery of a £5.7m Efficiency (QIPP) Programme to ensure delivery of the surplus.

QIPP Programme

4. The impact of the recession on public sector finances means that the PCT is moving away from a period of “investing from growth” to one of “investing from savings”.

5. Dis-investing from current services, re-engineering pathways, moving to upper-quartile performance, driving out inefficiencies and tightening up bureaucratic processes will form the backbone of an integrated Efficiency Programme under the Quality, Innovation Productivity and Prevention (QIPP) initiative, with the main quality initiative being the Clinical Services Review.

6. The delivery of this efficiency programme is key to providing the finances required to drive forward investment, and failure to deliver the programme is one of the major risk faced by the organisation.

7. The disinvestment opportunities have mainly been identified through two sources, which form the basis for an ongoing approach to the development of annual efficiency plans:

   - Those associated with the strategic initiatives, and
   - Those identified through detailed benchmarking using a range of national and local data such as the NHS Institute (e.g. Better Care Better Value and Opportunity Locator toolkits), programme budgeting and Dr Foster.

Savings Opportunities from Previously Agreed Strategic Initiatives

8. All of the strategic initiatives have been tested to determine whether they will deliver efficiency savings. A number of them are likely to deliver economic benefits through reduced care costs outside the timeframe of this plan, and therefore no financial benefit has been assumed.

9. A number of the initiatives however will deliver benefits by reducing non-elective admissions during 2011/12, with savings totalling around £0.7m.

Savings Opportunities from Benchmarking

10. The detailed benchmarking undertaken using a range of national and local data, has identified a range of areas where significant opportunity is available to reduce cost to top quartile performance. This must of course be delivered whilst maintaining quality of care for the population and this will be achieved by taking on-board best practice from elsewhere and developing and implementing plans in conjunction with the clinical community.

11. The main areas of opportunity come from:

- High levels of outpatient appointments where the PCT is in the top quartile for highest referral rates, is well above average for the percentage of outpatients discharged at first appointment and has a higher than average follow-up rate.
- Prescribing, where the organisation is in the top quartile for prescribing rates nationally and has significant variation between practices
- Elective admissions, where the PCT is currently performing in excess of national average, is in the lowest quartile relating to the day case to inpatient ratio, has lower surgical threshold rates than Doncaster PCT who share the same main acute provider and carry out some interventions of limited clinical benefit.
- Mental Health where the PCT has a high admission rate, and is in the top quartile nationally and within peer group for first attendance outpatient appointments

12. In addition our plans incorporate the savings that will derive from the Operating Framework requirement to reduce management costs and back office functions.

13. These savings will also include projected savings from the transfer of the management responsibility of the Provider Function.

2011/12 Programme Detail

14. The table below gives a financial context to each of the particular schemes and indicates those where BCO is taking a lead on delivery:

Target Area	Target Savings £m	BCO Lead
Strategic Initiatives (comment above)	0.7	
Outpatient Appointments	0.8	Yes
Prescribing	1.0	Yes
Elective Admissions	0.7	Yes
Mental Health	0.3	
Management/Infrastructure Costs	1.0	
Specialised Services	0.3	
Primary Care	0.2	Yes
Other (a number of smaller schemes)	0.7	
Total	**5.7**	

15. Each scheme has a number of milestones and key performance indicators attached to it and is monitored by the Performance and Delivery Group through to the BCO Executive Committee (a sub-committee of the Board) and the Trust Board.

STATUTORY AND POLICY IMPLICATIONS

16. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder and those using the service. Where such implications are material, they have been described in the text of the report.

RECOMMENDATIONS

17. It is recommended that:

(a) the Board note the report

(b) that further updates be received to inform Board decisions regarding the Health

CHRIS KENNY
Director – Public Health
NHS Bassetlaw

Financial Comments of the Service Director (Finance) (RWK 20.6.11.)

18. None

Legal Services Comments (LMc16.6.11)

19. The report is for noting only.

Background Papers Available for Inspection

20.

Electoral Divisions Affected

21.

HWB12