

meeting HEALTH AND WELLBEING BOARD

date 6<sup>th</sup> July 2011

agenda item number 12(a)

## **REPORT OF THE DIRECTOR OF PUBLIC HEALTH**

### **NHS NOTTINGHAMSHIRE COUNTY – QUALITY, INNOVATION, PRODUCTIVITY AND PREVENTION (QIPP)**

#### **PURPOSE OF THE REPORT**

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

#### **INFORMATION AND ADVICE**

##### **Financial plan to deliver financial duties and annual surplus**

2. The PCT has updated the financial plan 2011-15 to reflect national and local guidance. The financial plan forecasts achievement of all financial duties and delivery of annual revenue surpluses as required. The extent of these surpluses is shown below:

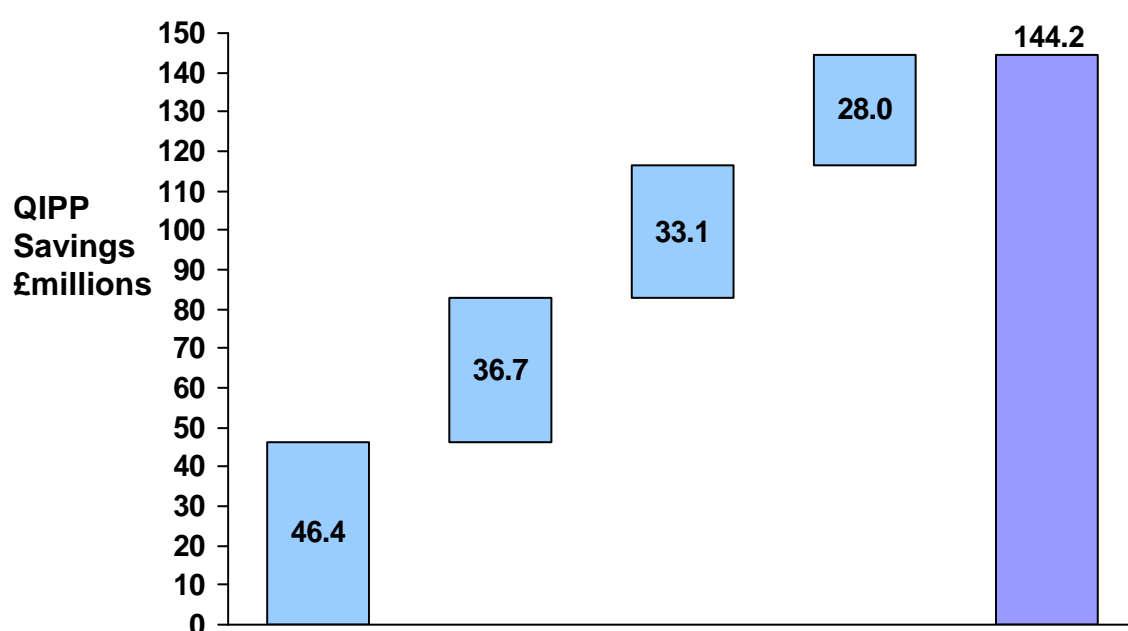
	2011-12	2012-13	2013-14	2014-15
Statutory Duties				
Remain within Revenue Resource Limit	£3.3m surplus	£1.7m surplus	£0m Breakeven	£0m Breakeven

3. The financial plan is balanced over the four-year planning period, with recurrent balance in each year.

##### **Productivity and efficiency will be essential to ensure that the PCT can continue to develop services and achieve value for money**

4. The NHS is anticipating a significant reduction in available growth over the next four years, with zero real growth from year 2 (2012/13) onwards. It is vital that QIPP (Quality, Innovation, Productivity and Prevention) is the underlying principle of delivery of efficiencies to ensure patient quality and safety standards are maintained.

5. The PCT has undertaken benchmarking across the total budget, to identify opportunities to develop schemes in line with principles of QIPP.
6. These schemes are developed with input from Clinicians and GP Consortia.
7. The PCT has structured its approach to QIPP over the following programme areas:
  - Management and Administration
  - Estates and Assets
  - Prescribing
  - Primary Care
  - Staying Healthy
  - Long Term Conditions
  - Mental Health and Learning Disabilities
  - Planned Care
  - Urgent Care.
8. Over the life of the financial plan the PCT has planned to deliver £144.2 million of efficiencies through QIPP schemes, as illustrated in the graph below. This equates to 2.7% - 4.3% in each financial year. This will ensure sufficient resource is available to deliver a sustainable financial position and to meet the requirements of increasing healthcare demands.



9. The PCT recognises that this is a hugely challenging agenda and is committed to working with stakeholders across the wider health and social care economy to ensure alignment of long-term plans.

## **Improving quality is a critical enabler in ensuring we achieve maximum value from our expenditure on health care**

10. NHS Nottinghamshire County has delivered good progress to date, within the current quality regulatory framework, achieving top half performance for the quality of commissioned services.
11. Relationships between NHS Nottinghamshire County and Nottinghamshire County Council are being developed and will be essential to enable a joint response to challenges across Health and Social Care.
12. Through our commissioning processes, we have articulated to providers what we expect of them in terms of high quality; gathering good data and benchmarking performance across the health system. The delivery of improved quality has the strong support of our clinicians, patients and the public. Through regional benchmarking, we will demonstrate improving quality in each of the domains of safety, clinical effectiveness and patient experience.
13. Quality and patient safety have become our organising principles and will continue to drive our commissioning processes. We need to maintain a sustainable health care system, where quality is not compromised and where services remain affordable and the health community is in a sustainable financial position. **A key principle is doing the right thing, first time and every time in both commissioning and provider endeavours.**
14. Each QIPP scheme to be implemented will identify the Quality and Equality impact and we will use innovation to support our delivery. Delivering our plan will ensure that resources are targeted and that services are delivered as efficiently as possible, whilst maintaining and improving the quality of services provided to our patient population.
15. The PCT has a robust performance management approach, with a dedicated team having been in place since the start of 2010/11. The PCT's Financial Recovery Group meet fortnightly to receive updates on the position and to gain assurance that Programmes are delivering to plan and instigating corrective action where they are not. The PCT's Professional Executive Committee (PEC) receives and discusses update reports at their monthly meetings. Systems and processes have been developed and continue to be refined and embedded throughout the organisation as the scale of the challenge demands that everyone is engaged with what we are aiming to deliver.
16. We are determined to demonstrate strong leadership in ensuring that the local health community can cope with the significant financial pressures we face. We are a key part of "Productive Nottinghamshire", a progressive programme that requires all local NHS organisations to work collaboratively to deliver the QIPP agenda. This requires improvements in performance, efficiency, quality and innovation – as well as continuing high levels of patient and staff satisfaction.

17. The above sets out the approach to QIPP to support the overarching strategy for NHS Nottinghamshire County. The strategy will be reviewed regularly and will underpin detailed policies and procedures, financial reporting, medium term financial plans, budgets and forecasts.

## **CONCLUSION**

18. Whilst the PCT is forecasting to deliver its statutory financial duties in 2011/12 and deliver a £3.3 million surplus (0.3%), in line with national *Operating Framework* requirements, this is a hugely challenging target and will require the PCT to work closely with stakeholders across the wider health and social care economy to ensure that strategies and plans are aligned. This comes at a time of significant change within the NHS, so the difficulty will be to ensure that pace and focus on delivery does not deteriorate and that organisations work collaboratively to respond to the challenges.
19. Indicative plans have been developed for 2012-15, which will be refined in future planning cycles. The PCT is anticipating nil growth in future years. The PCT will need to remain focussed on Value for Money, productivity and efficiency, service redesign and disinvestment in services, as a response to the new financial challenges ahead. Additional QIPP programmes will be essential to ensure that the PCT can continue to meet increasing demands, achieve Value for Money across all expenditure areas and delivery a balanced financial position.

## **STATUTORY AND POLICY IMPLICATIONS**

20. 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**

21. It is recommended that:
  - (a) the Board note the report
  - (b) that further updates be received to inform Board decisions regarding the Health and Wellbeing Strategy.

**CHRIS KENNY**

Director of Public Health

## **FINANCIAL COMMENTS OF THE SERVICE DIRECTOR (FINANCE)**

22. None.

## **LEGAL SERVICES COMMENTS (LMC 16/06/2011)**

23. The report is for noting only.

## **BACKGROUND PAPERS AVAILABLE FOR INSPECTION**

24. None.

## **ELECTORAL DIVISIONS AFFECTED**

25. Nottinghamshire.

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