

## Briefing on Greater Nottingham and Mid Nottinghamshire Financial Recovery

### Briefing for the County Health Scrutiny Committee – February 2019

#### Background

- The financial position of the six Clinical Commissioning Groups across Greater Nottingham and Mid Nottinghamshire remains extremely challenging
- Our financial position has been influenced by pressures including an increase in acute activity and expenditure and additional community support to improve discharges from hospital
- The CCGs are forecasting a breakeven position for 2018/19, in line with the agreed control total
  - Greater Nottingham has identified a forecast outturn of £1.8m deficit
  - Mid Nottinghamshire has identified a forecast outturn of £2.5m deficit.
- To tackle this challenge, it is more important than ever that we work together to develop innovative schemes that will maintain and improve patient care and deliver efficiency savings
- Although we're going through a period of transformation with CCG alignment, financial recovery remains the top priority.

#### Greater Nottingham Financial Recovery Plan

The four Greater Nottingham CCGs have worked together to develop Quality, Innovation, productivity and Prevention (QIPP) schemes since April 2016.

The Financial Recovery Plan for 18/19 was signed off by the Joint Commissioning Committee in April. NHS England meet regularly with the CCGs to receive assurance around financial plans.

The programme structure is well developed to manage financial recovery with:

- A Programme Management Office (PMO) to manage and oversee the work
- Senior Responsible Officers (SROs) identified to lead different areas of work
- A Director of Financial Recovery to provide leadership for the programme.

For 18/19 the savings target is £52.5m which represents 5.2% of the CCGs allocation. The Financial Recovery Plan submitted to NHS England in April 2018 identified a savings plan of £50.95m.

2018-19	Nottingham North and East	Nottingham West	Rushcliffe	Nottingham City	Greater Nottingham
Allocation	£213.80m	£136.71m	£163.93m	£498.64m	<b>£1013.08m</b>
QIPP Target	£13.31m	£5.07m	£9.46m	£24.69m	<b>£52.52m</b>
%age	6.2%	3.7%	5.8%	5.0%	<b>5.2%</b>

The CCGs are on track at month 8 to deliver £43.6m (4.3%) of efficiency savings.

## Mid Nottinghamshire Financial Recovery Plan

The two Mid Nottinghamshire CCGs have worked as one since April 2016 to deliver a comprehensive range of QIPP projects aiming to improve care and deliver efficiencies.

Many of these projects have been delivered collaboratively through the Mid Nottinghamshire Better Together Alliance of health and care partners.

For 18/19 the savings target is £31m which represents 6% of the CCGs allocation as illustrated in the table below.

2018-19	Mansfield and Ashfield	Newark and Sherwood	Mid Nottingham
Allocation	£298.0m	£194.08m	£492.10m
QIPP Target	£19.37m	£11.68m	£31.05m
%age	6.1%	5.7%	6.0%*

\*Please note small variances in the calculation methodology used by Greater Nottingham and Mid Nottinghamshire CCGs.

The 18/19 Financial Recovery Plan for the full £31m was signed off by the Governing Body and submitted to NHS England in April 2018. This includes QIPP projects which build on those successfully delivered in 2017/18 and focusses on the following themes:

- o **Reducing unwarranted clinical variation**
- o **Transformation** - Changing the way we work for future wider system benefit
- o **Innovation** - Investment to enable opportunity
- o **Efficiency** - More for the same, more for less or the same for less

The programme structure is well developed to manage financial recovery with:

- A Director of Turnaround to provide leadership for the programme
- Executive Senior Responsible Officers (SROs) who lead different programmes of work
- Programme / project managers to operationally deliver QIPP projects
- A Programme Management Office (PMO) to monitor, assure and support QIPP delivery

The CCGs are on track at month 8 to deliver £31m (6%) of efficiency savings although within this position there is some risk. NHS England meets regularly with the CCGs to receive assurance around financial plans.

## Planning for 19/20 – the scale of the challenge

The opening position of the CCGs into 2019/20 is extremely challenging. The working assumptions for 2019/20 indicate that the savings required will be around £75m (around 7% of allocations) across Greater Nottingham and Mid Nottinghamshire. The challenge will be to continue to improve quality whilst reducing costs. The work to align the CCGs will support the sharing of experience and learning of approaches to identify savings opportunities.