

Financial recovery programme

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Outer north east London Joint Health Overview and
Scrutiny Committee
13 February 2018

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BHR CCGs' situation

- Have to make savings of **£55 million**
- This is just over 5% of our total annual joint budget of just over **£1 billion** for the three boroughs
- In 'legal directions' and NHSE requires CCGs to achieve 'in-year breakeven' in 2017/18
- Must protect essential health services and faced with challenging decisions.



It's not just BHR CCGs

- East London Health and Care Partnership (ELHCP)'s 'do nothing' position across the seven boroughs is £580 million
- Other CCGs in London and across the country face financial challenges and are looking at how to save money and reduce spending
- Need to look at how to make savings across north east London, by working together



How did we get into this situation?

- CCG funding allocations are based on population size and local health needs and according to Department of Health formula this area is under-funded.
- Demand for services continues to increase. A growing and ageing population and more people living with long term health conditions are placing further pressure on already stretched services and finances.
- Worked closely with BHRUT to address referral to treatment time (RTT) issues at a cost of c£20 million
- Contract over-performance at other acute providers



What we are doing about it

- Reviewing contracts
- Corporate savings and improved processes
- Continuing healthcare efficiencies
- Provider efficiencies
- Spending NHS money wisely
- Looking at POLCE compliance
- Looking at alternative pathways and shift to out of hospital care
- Estates efficiencies



What we are doing about it

Reviewing contracts

- Looking at the different contracts we have with a number of providers to make sure:
 - that these are still providing what's needed in terms of care and value for money. Where these are not, we are renegotiating to change or stop these contracts.
 - there is no duplication or overlapping services.
 - contracts are cost effective.




What we are doing about it

Corporate savings and improved processes


- Creation and recruitment to director of performance and delivery post
- Continuous improvement of internal governance arrangements for assurance and approval of projects, improved senior level project oversight and exception reporting process in place
- Focus on monitoring the financial performance of projects
- Making savings from CCG operating budgets, e.g. introducing charges for the carpark

Continuing healthcare

- reviewing continuing healthcare packages to ensure the most consistent and effective commissioning of services and appropriate funding
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What we are doing about it

Provider efficiencies

- working with providers to make the patient pathway (who a patient sees and where they go - from their first contact with an NHS member of staff, through referral, to the end of their treatment) more efficient, for example by introducing a musculoskeletal referral triage service
 - making better use of technology, for example by introducing a virtual triage for gastroenterology patients
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What we are doing about it

Provider efficiencies (continued)

- working with BHRUT and NELFT to jointly develop schemes to improve quality and cost effectiveness:
 - Referral management system – developing a system where GP referrals are reviewed by other GPs and consultants to improve the quality of referrals, improving patient treatment and delivering improved value for money
 - Pressure ulcer management – to address high number of level 4 pressure ulcers in the system
 - Discharge to assess – discharging patients home when safe to do so and assessing their longer term needs
 - End of life - processes to help people to die where they want
 - Contractual requirement for provider efficiencies that respect patient time e.g. unnecessary follow ups
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What we are doing about it

Spending NHS money wisely

- Making sure only those who benefit clinically from the treatment receive it
 - 2x eight week consultations on no longer funding or restricting some medications and procedures
 - SMW1 changes took effect from 10 July 2017 and should amount to **£3 million of savings**
 - SMW2 changes took effect from 8 January 2018 and should amount to **£3.75 million of savings**
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What we are doing about it

Estates efficiencies

- Not paying property changes on spaces identified for disposal e.g.
St George's Hospital in Hornchurch
 - Using buildings efficiently and not paying for space we don't need. For example, reorganising our head office so we can give up the lease on a floor
 - Working with property owners to make sure we are only paying the estates costs we are liable for
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Feedback from the public

Broad support for SMW1 proposals and suggestions for future savings:

- Reuse or recycle occupational therapy and other medical equipment
 - Make non-UK patients pay for treatment or ensure they have medical insurance
 - Reduce administration costs, the number of managers and use of agency staff
 - The NHS should not treat heavy smokers, alcoholics, obese people or those abusing drugs, or should charge these people.
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Progress to date

£40.5m of savings identified against target of **£55m**


Likely outturn of **£20m** deficit against **£10m** forecast, taking into account QIPP and pressures in the system

£55m is over 5% of revenue resource and a large figure to 'take out' in one financial year

Performance to date indicates a 90% forecast outturn on schemes currently in delivery.



Progress to date (continued)

- Established Delivery and Performance Board which include GPs, providers, council and NHS England and NHS Improvement
 - Concerted six week system-wide effort required by all to plan system return to financial balance (includes identifying £37m savings) by 28 February 2018
 - Alternative is intervention by NHS England
 - Experienced support secured by CCGs to:
 - set up and manage delivery and performance board avoiding duplication of established contract and performance management
 - develop outline transformational change support plan.
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Looking ahead to 2018/19

- There will be a significant savings challenge in 2018/19.
- We are working across the East London Health and Care Partnership (ELHCP) to maximise opportunities by working closely together
- Current savings requirement of **£48m**, compared to target of **£55m** for 2017/18, **£32m** already identified.



Any questions?

Thank you

