



West Leicestershire Clinical Commissioning Group
East Leicestershire and Rutland Clinical Commissioning Group

HEALTH OVERVIEW AND SCRUTINY COMMITTEE: 30th MAY 2018

**REPORT OF WEST LEICESTERSHIRE CCG AND EAST
LEICESTERSHIRE AND RUTLAND CCG**

**QUALITY, INNOVATION, PRODUCTIVITY AND PREVENTION
PROGRAMME 2018/19**

Purpose of report

1. The purpose of this report is to provide an update on the 2018/19 Quality, Innovation, Productivity and Prevention (QIPP) programme for West Leicestershire CCG and East Leicestershire and Rutland CCG.

Background

2. The CCGs in Leicester, Leicestershire and Rutland are responsible for planning and improving healthcare services on behalf of our communities. We face an ever increasing demand for services locally and in 2018/19 are experiencing our toughest financial position yet.
3. We have significant ambitions and aims for service transformation to meet increased population and healthcare needs and to ensure we deliver on national priorities such as development of primary care and mental health services. These ambitions are reflected in the overall investment detailed in our financial plans.

Financial Plans

4. Within our financial plans, WL and ELR CCGs are planning for significant growth in commissioned healthcare activity and increased costs to deliver our ambitions. In WLCCG this is approximately £33million and for ELRCCG, approximately £30million.
5. Funding received from NHS England in the form of the CCGs' allocations has grown by £12.5million (WLCCG) and £10million (ELRCCG) and therefore to ensure the planned investments and growth areas can be adequately resourced, the CCGs are faced with QIPP challenges of £20.4million (WLCCG) and £19.6million (ELRCCG).
6. In line with NHS England requirements for 2018/19, the CCGs plan to deliver against all business rules:
 - Achieving financial balance;

- Holding an uncommitted contingency fund of 0.5% of our financial allocations to mitigate risks that may occur during the year;
- Remain within our Running Cost Allocation (money for running our organisations);
- Delivery of the Mental Health Investment Standard, ensuring planned Mental Health resources grow in line with CCG allocations;
- Delivery of significant QIPP savings to fund required investment;
- Funding of healthcare activity growth as per NHS England minimum levels.

7. The LLR CCGs' financial plans are aligned with latest planning guidance received from NHS England and others, specifically including the following:

- Base Tariff Inflation (the cost of the service activity) is applied at a net level of 0.1% increase
- Increases in tariff relating to Clinical Negligence Scheme for Trusts charges have been incorporated into the plan
- Whilst Better Care Fund plans for 2018/19 are in the final stages of agreement, all CCGs have assumed the minimum level of funding will be fully spent
- Applying budget growth for Continuing Healthcare (CHC) based on historic trends of commissioned healthcare packages (non-demographic growth)
- Growth in acute sector budgets have been calculated to account for demographic changes
- Non-demographic growth in budgets is also factored into these plans to reflect the ageing population and the impact this has on healthcare required

QIPP

8. Nationally, the NHS has a Quality, Innovation, Productivity and Prevention (QIPP) programme which is a response to the £22bn of national efficiency savings that are required as demand for healthcare services continues to grow. QIPP programmes are used to continually review and evaluate the quality, efficiency and effectiveness of healthcare services while identifying unnecessary expenditure.
9. Locally, West Leicestershire CCG, NHS East Leicestershire and Rutland CCG and Leicester City CCG have worked collaboratively to agree the 2018/19 QIPP plan to ensure no duplication, clarity regarding responsibilities, alignment with CCG strategic priorities and operational plans to deliver balanced financial plans for all three CCGs. The majority of the plan is shared across the three CCGs.
10. As detailed above, our financial modelling for 2018/19 requires significant QIPP savings to be delivered across the LLR CCGs to support financial stability across the system.
11. Many of the QIPP schemes will involve service transformation such as new models of care, service reconfiguration and re-designed clinical pathways. There are also a number of transactional QIPP schemes expected to improve efficiency and value for money.

2018/19 WL and ELR CCG QIPP Challenge

12. The CCGs' QIPP targets are around 4% of the CCG budgets – which is considered to be average by comparison to CCGs nationally – but still present significant challenges.
13. The 2018/19 QIPP plans are designed to address inefficiencies across the system to ensure that the CCGs meet constitutional requirements and deliver on activity and finance plans whilst supporting system transformation and pathway redesign across Leicester, Leicestershire and Rutland in line with our strategic priorities.
14. We believe many of our plans will make a positive difference to people's lives - by improving care, preventing debilitating illnesses and making the best use of public resources. Inevitably however, with the tough financial situation we face, we continue to have to make difficult decisions.
15. The CCGs follow a rigorous process in delivery of our QIPP plans from initial planning stages through to eventual implementation.
16. Our processes have strong clinical leadership and involve:
 - quality assurance;
 - impact and sustainability assessments;
 - evaluation;
 - consideration of service user feedback.
17. Our processes also include public and patient involvement in service redesign and in our decision making regarding significant changes to service, in line with our statutory duties.
18. The schemes listed in the supporting documents are the areas where we believe there is potential to do things differently to improve quality and make efficiency savings.
19. Successful delivery of the QIPP targets present significant challenges and further QIPP schemes will be developed and implemented during the financial year to mitigate risk and ensure delivery.
20. As requested by the Health Overview and Scrutiny Committee, both CCGs will provide a detailed update on specific programme areas identified in the existing QIPP plan on 5 September 2018. This will include reference to quality impact assessment and assurance as outlined above.

Conclusions

21. The CCGs are facing significant financial challenges and must ensure that each pound we spend brings maximum benefit and quality care to our patients while local services continue to meet required needs.
22. The CCGs have rigorous processes in place to ensure we are spending money wisely and to ensure we can continue to deliver high quality care in a cost effective way now and in the future.

23. Inevitably however, with the tough financial situation we face, we continue to have to make difficult decisions.
24. The delivery of QIPP targets will be challenging and to mitigate risk, further QIPP schemes will be developed and implemented during the financial year to ensure delivery.
25. We welcome the opportunity to return to the Health Overview and Scrutiny Committee in September 2018 to provide an update and to discuss plans in more detail.

Appendices

Appendix A - WLCCG Financial plan

Appendix B - ELRCCG QIPP Programme (Paper F)

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