

Sustainability Transformation Plan – Workshop on Single Control Total

Northern, Eastern & Western Devon and South Devon

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Devon STP – Northern, Eastern & Western Devon (NEW) & South Devon & Torbay Health Community

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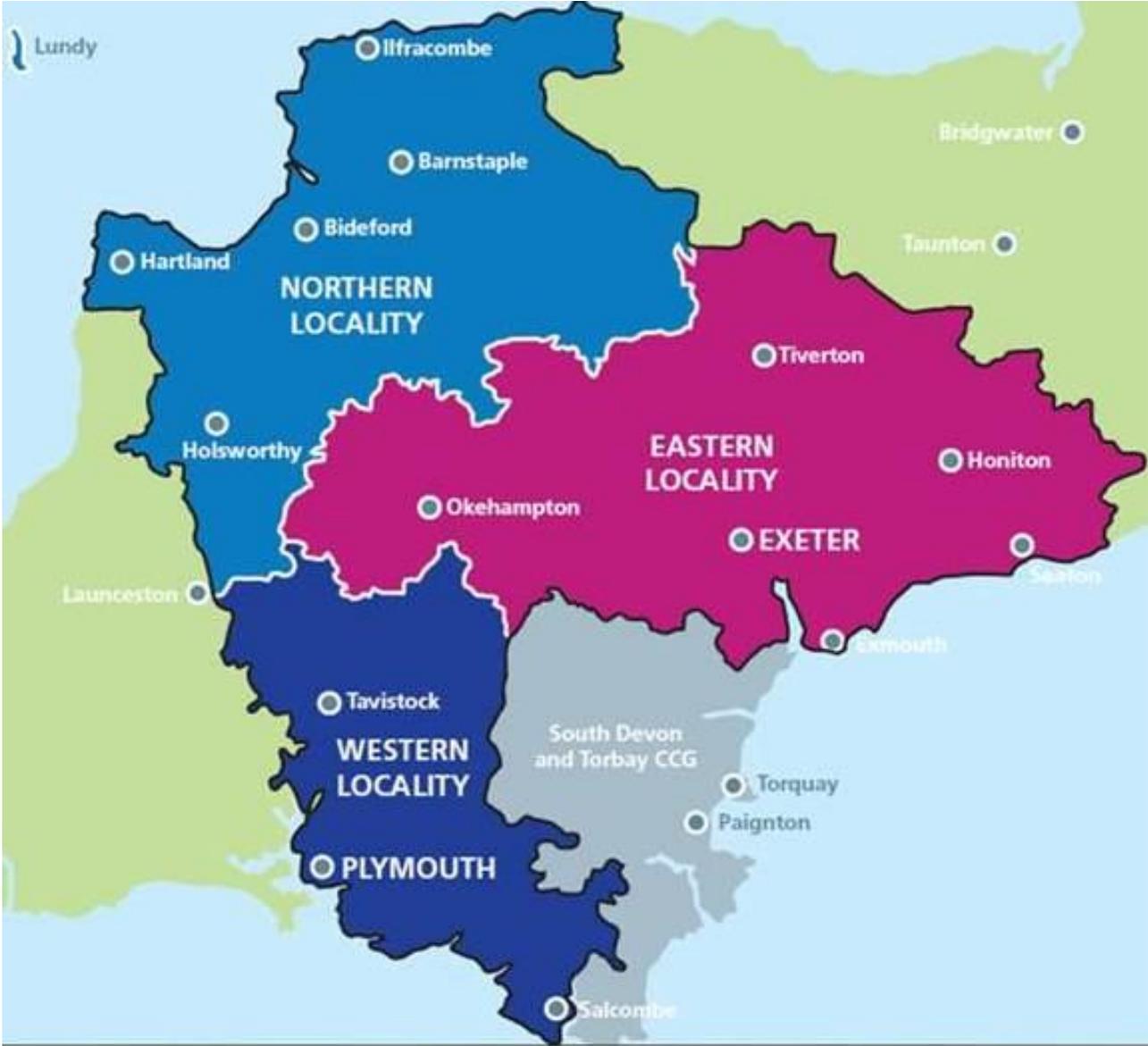
Establishing the control total

Detailed build up

How it is operating

STP and wider footprint

Devon STP - NEW Devon & South Devon & Torbay Health Community



Background 2015

- Characteristics of business relationships
- Contract disputes
- Full blown PbR
- Counting and Pricing challenges
- Penalties and cash withholding
- Poor levels of trust and communication
- Organisational priorities trumping value for money and clinical priorities
- Regulators challenge that we are not being transactional enough!

Background

- Focus on 5 main NHS organisations within the Success Regime – Northern, Eastern & Western (NEW) Devon CCG, RDE, PHT, NDHCT, DPT, plus South Devon and Torbay CCG and Healthcare Trust
- 2015/16 combined deficit of £95m (Devon sub-system, not whole STP footprint)
- Achieved through early agreement on yearend positions and working together
- Normalised underlying position significantly worse than 2015/16 exit position due to scale of non-recurrent issues – underlying deficit £115m
- Scale of challenge in Devon if nothing changed between 2015/16 and 2020/21 is £442m
- NEW Devon entered into the Success Regime supported by Carnall Farrar to plan medium to longer term financial sustainability
- Local Chief Officers and Directors of Finance harnessed the Success Regime Framework to agree system plan for 2016/17
- For 2016/17 the Success Regime received a single control total for the NEW Devon system. For 2017/18 we are seeking one control total for NEW Devon and one for the South Devon system. The direction of travel is towards one control total for the whole Devon STP.

What is system trying to achieve

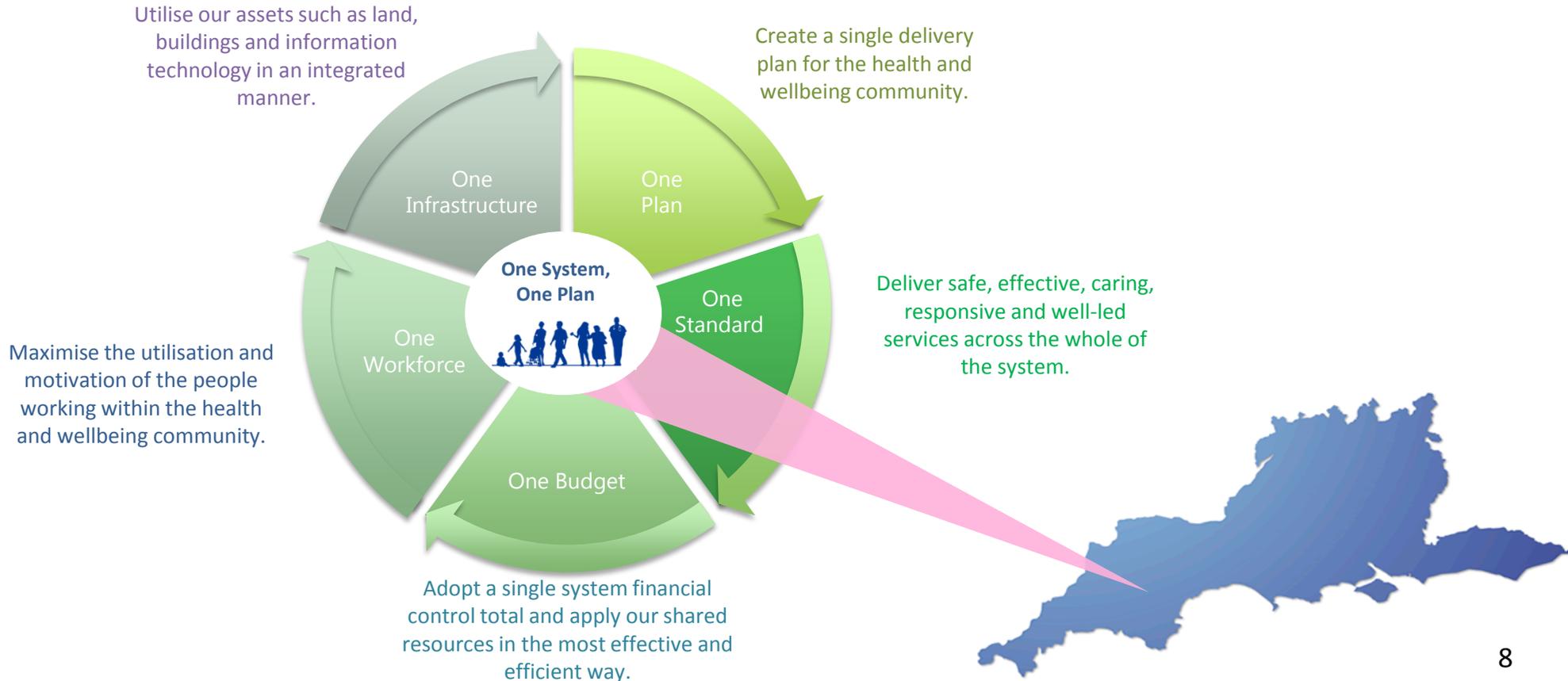
- Seeking agreement for system wide control total (regulators looking for £36m deficit for the NEW Devon sub-system not whole STP footprint)
- Delivered through - One System, One Plan
- Benefit of combined synergy – collective resource
- Suspend PBR and transactional nature of contracting – block for 3years plus
- Level of savings (FYE) equates to taking a provider equivalent to Northern Devon NHS Trust out of the system
- Sustainable platform for STP and future plans
- South Devon and Torbay system already operating in a block contract environment, with integrated acute, community and social care provider. Well placed to adopt same aims and principles supported by single control total

What are we trying to achieve?



One System, One Plan

We are creating a set of structures, process and behaviours to underpin the connected delivery of a single system plan covering the Devon Health Economy



Values of system working

We will improve the system deficit by:

- Our effective relationships which support sustainable delivery
- Building on Success Regime work to date by real joint working to generate creative solutions to elective/speciality 'wicked' issues to deliver equitable waiting times across the patch
- Generating a standardised system wide service model for population of Northern, Eastern and Western Devon
- A platform for delivery of the transformational change needed at scale and pace over the next five years, embodying the aims and objectives of the Success Regime
- Moving away from 'passing the parcel' and allowing the cost reduction to be taken out of the system
- Using existing resource (otherwise involved in contractual debate) to enable this change to be delivered through cross system working on five key work streams
- 'One System, One Plan'
- Exchanging risk for certainty

If not working as a system then the overall position would be c£50m worse in 2016/17

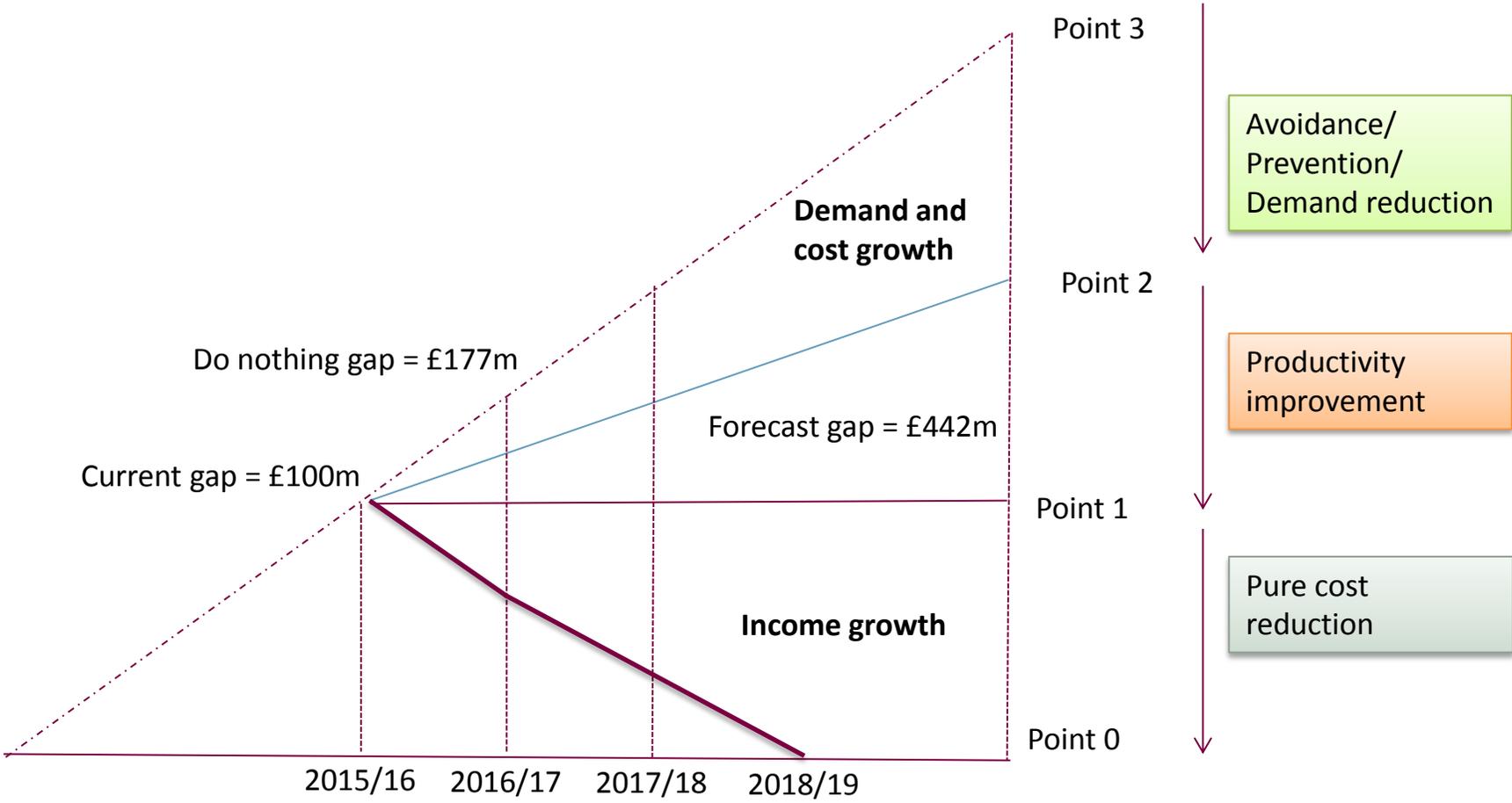
Silo working would mean

- Underlying assumptions will differ and be inconsistent
- Reversion to PbR would mean more incentive for growth in providers
- Continuing operational pressures distracting from cutting system wide costs
- Effort would be put into disproving QIPP assumptions rather than making it happen
- A need to hold contingencies to address in year risks within every organisation
- No project/ programme resource
- No STF?

Scale of change

Scheme	Scale of change
Length of stay	17% - 25% over three years
Elective	12% - 25% over three years
CHC	35% over 3 years
Agency	36% in one year
Procurement	5% of influenceable spend in one year
CIP	4% at system level in year one, taking account of stranded costs

Potential Impact



Key to Success

- Agreeing principles of ways of working and disseminating through out organisations
- Open and frank discussions necessary
- Transparent sharing of planning assumptions – key to understanding overall position
- Getting the pre-savings plans contract baselines agreed early utilising the principles of ways of working
- Ability to model whole system – financial flow from commissioner through to provider to assess whole system impact
- Waterfall needs to be built up from organisation positions – understand where the true deficit sits and then how to manage as a system
- Strong Deputies group underpinning DoFs group to peer test and challenge assumptions
- Executive/ Board support for approach
- Communication
- Regulatory system support

Successful Outputs and Achievements

- Translating agreed principles of ways of working into practical planning financial and activity documentation
- Open book approach and transparent sharing and challenge of planning assumptions
- Close working with Finance, BI and Contract team
- Delivery of individual and system wide control totals for 15/16
- Clearance of all contract disputes early ahead 16/17 opening position
- Getting the pre-savings plans contract baselines agreed early utilising the principles of ways of working
- Ability to model whole system – financial flow from commissioner through to provider to assess whole system impact
- Model demonstrated where savings and cost would appear in each organisation as well as across the system and how this translated to each contract value
- Established strong professional and personal relationships which enhance whole system working

Challenges

- Difficulty in organisations embracing cultural change – particularly in contract teams in both commissioner and provider organisations
- Turnaround vs Success Regime
- Emotive Language – moving away from describing commissioner QIPP
- Do not under estimate the amount of resource in pulling together from both lead DoF and whoever is holding the ring on the modelling – how to manage with the day job
- Expectations of having a plan B – causes confusion and conflicting messaging – needs to 100% support the system plan
- Conflict with contract and business rules
- Local resource not being freed up for project planning and implementation at organisational level
- How to utilise agreed Success Regime resource into supporting and delivering 2016/17
- Delay in regulatory approval to the construct of a single control total between commissioner and provider organisations resulting in negative impact on confidence of organisational Boards and delay in final Board sign off

Challenges

- Impact of wider footprint – technical, practical, managerial and political
- Not all in Success Regime – Torbay & South Devon, but also Livewell, 3 local authorities, Virgin Care and SWASFT
- Co-commissioner issues
- NHS England as a commissioner of primary care specialised
- Balanced plan or not balanced
- Good review of STP – moved up to category 1