Overview and Scrutiny Board.

P2020 Partnership budget challenge session - January 2012.

NHS Plymouth - overview of budget and priorities for 2012/13.

Introduction.

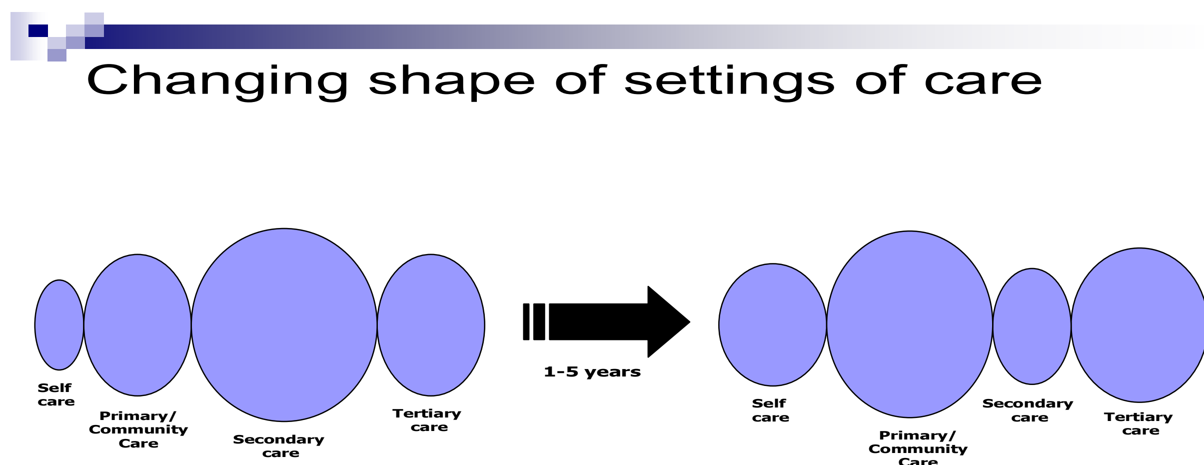
NHS Plymouth is the local branch of the NHS. It is the Primary Care Trust (PCT) responsible for commissioning healthcare from providers for the people of Plymouth.

Our vision is of 'Healthy people leading healthy lives in healthy communities'.

Locally in Plymouth we are working towards a 'Healthy System' which will result in improved outcomes, productivity and allocation of resources. This includes:

- A shift away from unplanned treatments, and towards planned care, planned interventions and personalised care
- An increase in prevention and maintenance, funded by reinvesting costs and capacity released through a reduction in treating preventable illnesses and admissions
- Further reduced waiting times
- An increase in efficiency and a more sustainable cost base through:
  - A significantly increased level of collaborative clinical working to bridge the gap across clinical teams and organisations
  - A focus on reducing the net cost of care, rather than the cost to individual teams and organisations
  - A focus on reducing transaction costs across organisations
  - A focus on equity of care and equity of access, ensuring that funding is targeted at patients with greater health needs and interventions and treatments that are proven to be of greater clinical value
  - Getting the pathway right for patients

The diagram below reflects the resulting expected change in the shape of the Plymouth Health community over the next 5 years. More care is expected to be provided in the community and advances in technology and healthcare mean that patients are often able to leave hospital more quickly after surgery or treatment resulting in the need for a smaller acute hospital.



Financial context

There has been a substantial increase in investment over recent years in the NHS which has significantly improved the overall quality of services, increased access, reduced waiting times, and improved the buildings, wards and clinics in which care is delivered, maintaining the NHS as a universal service, free at the point of delivery.

However, although there are no plans to reduce the level of investment in the NHS over the next few years, the previous year on year increases will almost cease and the cost of delivering care is growing at a rate that is not sustainable. This is mainly due to our increasing ability to treat illness and extend life through the availability of new drugs, treatments and technology and changes to the age profile and lifestyles of the population.

NHS Plymouth's Medium Term Financial Plan (MTFP) for 2012/13 onwards will set out how resources are to be deployed to invest in meeting demand, improving quality and tackling national and local priorities whilst maintaining or continuing to improve day to day standards of performance.

The MTFP is based on assumptions included within the national NHS Operating Framework for 2011/12 and published 2011/12 PCT allocations. A local analysis of the recently published NHS Operating Framework for 2012/13 will be completed during December in order to inform the next revision of the MTFP and the panel will receive a verbal update if this significantly alters any of the messages within this briefing paper.

Allocations received on the 14th December 2011, confirm that NHS Plymouth will receive growth of 2.8% (£11.9m), increasing the allocation from £423.4m in 2011/12 to £435.3m in 2012/13. The NHS and South West Operating Frameworks require NHS Plymouth to set aside:

- Headroom of 2.0% of recurrent baseline or £8.7m
- A minimum level of surplus at 1.0% of recurrent baseline or £4.4m
- PCT Contingency anticipated to be 0.5% of baseline or £2.2m

The NHS Operating Framework also sets out a number of areas (totalling £3.3m locally) in which the PCT is required to plan to invest including Re-ablement, Health Visitors, Carers and the Dementia Strategy.

There are existing commitments to local priorities for 2012/13 totalling £1.9m. This includes investment in the Major Trauma Centre at Plymouth Hospitals NHS Trust, and Primary Care Premises.

Therefore, based on these assumptions NHS Plymouth is planning around £20m of efficiency savings in 2012/13 to invest in meeting demand, improving quality and tackling national and local priorities, some of which will come from the full year effect of initiatives which started in 2011/12 and some from initiatives due to start in 2012/13.

In addition major providers from whom the PCT commissions services will also be required to make efficiencies of 4% in line with the national Operating Framework.

Process and timescales for setting budgets.

The first draft MTFP was submitted to the Strategic Health Authority in mid-December. This will continue to be developed and amended as necessary to reflect the requirements of the NHS Operating Framework for 2012/13 and to reflect contract discussions with providers

until the final MTFP and budgets are agreed and signed off by the Board for the Devon, Plymouth and Torbay PCT Cluster at the end of March 2012.

Addressing local priorities and the challenge of QIPP (Quality, Innovation, Productivity and Prevention.)

Maintaining strong day-to-day performance remains the over-riding priority of the NHS. Alongside that we will continue the delivery of a significant programme of change (called ‘Quality Care Best Value’) to make sustainable improvements in quality and productivity, further increase the focus on prevention of ill health and encourage innovation across the whole care system and are planning very carefully with partners to tackle this challenge transparently together to ensure we secure the best value for the community.

We can already see encouraging early signs that this year’s change programme is delivering the sustainable changes needed to deliver the QIPP challenge. If we compare the mid-point of 2011/12 with the same point in time last year we see that referral rates have reduced quite significantly, emergency attendances have stabilised and non-elective admission rates have reduced.[1] NHS Plymouth Board performance report November 2011is available on the website and provides more detail.

This section of the report is not an exhaustive list but sets out key examples of major service changes planned, any significant changes in levels of investment and NHS Plymouth’s contribution to local partnership priorities:

Public health:

Primary prevention and early detection and intervention are key strands of the vision for a healthy system described earlier in this report and, whilst to some extent subject to the same need to demonstrate efficiency as in other service areas, the current level of service offer in relation to health promotion and health inequalities is expected to be maintained during 2012/13 especially where it is targeting P2020 partnership priorities.

Structural changes to public health and national determination of the allocation of funding for public health in future presents the potential risk that the allocation of funding for Plymouth may be subject to change.

Changing settings of care:

In September 2011 the Plymouth health community embarked upon a process of studying whether patients in the health system were being treated in the most appropriate setting of care. Reflecting one of the key principles of the healthy system, the first piece of work was a study of patients in PHNT which found that for a significant number of patients there could have been a more appropriate, less acute setting of care to meet their needs. This information further supports the direction of travel for the changing shape of Plymouth’s health community set out above.

There is now a programme of work underway to analyse what changes need to be made across the care system to support the move away from unnecessary admission or an unnecessarily long stay in an acute setting. This is likely to result in a fundamental evidence based re-shaping of service models over a number of years rather than a simple transfer of services and resources from one setting to another.

[1] Based on performance reported to in NHS Plymouth Board Performance Report, November 2011, page 60.

Health and social care commissioners and providers are working in partnership to develop a way forward.

Primary care:

Healthy Living Pharmacies will be launched in Plymouth early in 2012 to increase the role that community pharmacy can play in delivering high quality health and wellbeing services. The pilot in Portsmouth shows that people there are now enjoying better access to health and wellbeing services including stop smoking, alcohol interventions, emergency hormonal contraception, Chlamydia screening, NHS health checks and targeted respiratory Medicine Use Reviews.

Primary Medical Services review - the PCT has reviewed the spread of investment in GP contracts across the city in order to reduce variation in core funding for individual practices. The shift in investment (in the region of £0.5million) will be paced to take place during the period January 2012 to April 2014. An indicative figure of 50% of these released funds will be redistributed to the lowest funded practices to achieve the aim of reduced variation and the remaining 50% will be invested into enhanced services developed to support identified local need.

GP-led health centre – a decision to re-commission or otherwise will now be made in January 2012 based on an analysis of outcomes and value for money. The outreach service for homeless people is part of this commissioning exercise but, although the outcome cannot be pre-empted, early indications are that it is highly likely that this service will be re-commissioned.

Out of hospital / non-acute services:

There has been a significant focus by both health and social care commissioners and providers in 2011/12 on the development of effective models of care across the health and social care community that are aligned with the strategic direction outlined in this report and the plans for changing settings of care. This will continue in 2012/13 and beyond.

The PCT will need to work together with the local authority to agree jointly on commissioning priorities, plans and outcomes for a number of services and specifically around investment of funding allocated in the national Operating Framework for 'investment in social care to benefit health and to improve overall health gain' and the monies allocated by the NHS for re-ablement in 2012/13 (which could include things like telecare, falls prevention, support for the National Dementia Strategy, tackling delayed transfers of care).

The NHS funding allocated in the national Operating Framework for 'investment in social care to benefit health and to improve overall health gain' will be transferred to the local authority via an agreement made under Section 256 of the NHS Act 2006 for spending on those jointly agreed priorities and plans which are expected to be agreed by the end of the current financial year.

It is essential that this allocation is used to make significant improvements in the care system that are sustainable in the long term, which will involve partners being very clear about the arrangements and recurrent cost implications for these services beyond the term of this specific allocation. (The Operating Framework for 2012/13 does indicate that 'financial support from the health system for social care will continue in 2013/14 and 2014/15' but does not specify the form or value of that support and makes no commitment beyond 2014/15)

In the light of the updated Department of Health mental health policy (No Health Without Mental Health, DH 2011) NHS Plymouth is embarking on an ambitious programme to

modernise mental health services in three key areas (acute care services, mental health recovery services and talking therapy services) that will improve efficiency, create greater integration of services and an increased focus on treatment and recovery.

Example of planned service change:

Locality based service model – this service will provide low level community intervention and prevention. We are currently working with Plymouth Community Healthcare to embed this model of working into the contract for 2012/13. This will result in closer integration of mental and physical health and primary, community and secondary care through a multidisciplinary team focused on addressing the holistic needs of the patient. Community Matrons (previously known as Long Term Condition Managers) will be part of these teams and the capacity of this team has already been increased in recognition of the crucial role they play in enabling people to feel supported in their own home.

Rapid response and re-ablement services – these services complement the locality based model (for low level community intervention and prevention) by providing enhanced provision in times of crisis and supporting timely discharge. Plans are at various stages of development for delivery in 2012/13.

Health visiting - increased investment is planned by NHS Plymouth which will directly contribute to the Children and Young People Plan priority i.e. best start to life.

Recovery pathway - for particularly mental health users is being redesigned to move towards a community support model in which Supporting People is an essential aspect in being able to continue to enable vulnerable people to live independently and find work, have choice, reduce the number of residential placements etc.

Improving access to psychological therapies – there are plans for expansion of the IAPT service to meet unmet demand for psychological support & to reflect anticipated growth in demand. There is a particular focus in expanding towards those with severe mental health problems, those with Long Term Conditions and the treatment of medically unexplained symptoms. The PCT is working closely with the Job Centre to ensure the contribution of this service to the growth agenda in supporting people to gain or sustain employment.

Dementia services – there is increasing demographic pressure on all dementia services but joint working is well underway. The Overview and Scrutiny panel have previously received reports on the development of a joint dementia strategy and will continue to receive updates at appropriate points in the process.

Learning disability –both NHS Plymouth and Plymouth City Council plan to make changes to improve outcomes, efficiency and value for money of services used by people with a learning disability. It is critical that partners work together to ensure that plans for change are joined up and coherent.

Acute services:

Urgent Care – plans to improve the model of urgent care are in the early stages of development. The vision is for simpler, more streamlined access to urgent care of all kinds and potentially reduced confusion for patients by bringing demand to a single point which is expected in turn to improve efficiency.

Major Trauma – the expected designation of Plymouth Hospitals NHS Trust (PHNT) as the Major Trauma Centre for the Peninsula will improve the quality of services and outcomes for

patients across the area as well as safeguarding some of the highly specialised skills locally in PHNT.

Non-clinical or 'back office'

The programme of change relating to improved efficiency in non-clinical or back office functions has particular implications for the P2020 partnership focus on the growth of the city and its economy for example:

Care provider market development – the transfer of community based health services to a newly created social enterprise in 2011 will be followed by the implementation of 'Any Qualified Provider' in 2012/13, a mandatory requirement for Primary Care Trusts, which creates the potential for new organisations to enter the market in the specified areas of business.

Outsourcing of Family Health Services (FHS) to SBS: FHS provides a number of administrative functions related to primary care, including patient registration, records management and contractor payments. The service for Plymouth patients is currently provided by NHS Devon and there will continue to be a local presence in Exeter maximising opportunities for staff retention.

Co-location of teams from Plymouth City Council and NHS Plymouth – progress is being made towards the co-location of a number of teams at Windsor House. There will be obvious benefits of closer working, between health and social care teams for example, and although indications are that the costs will be broadly similar to current costs this will potentially release land for alternative use. In order not to lose momentum this is continuing throughout the current period of change in the NHS although this does present some challenges in relation to longer term planning.

Digital City: PCT can confirm its commitment and contribution to this joint initiative to improving the connectivity of Plymouth.

P2020 Partnership priorities for 2012/13

Overview - NHS Plymouth proposes that the current economic environment poses a potential risk to our ability as a partnership to make progress on agreed priorities for children and young people and that active consideration of how to minimise that risk is essential. For example there may be a direct impact on the number of children and young people not in education, employment or training (NEET) and the number of apprenticeships the public sector may be able to offer in the future; but also potential for less direct impact where loss of employment and/ or financial pressure for families may begin to impact upon on levels of child poverty and the overall psychological welfare of families and children.

Key service areas - With respect to the key service risk areas below that were highlighted in the Budget Challenge paper last year as a general principle the PCT has provisionally set aside continued funding for each but, along with partners, has also identified the need to examine the outcomes achieved from each service and to ensure that the funds invested are focussed appropriately:

Domestic Abuse services - the PCT has identified potential funding, along with other partners, to address the shortfall in Domestic Abuse Funding however clarity is required about the outcomes that this service will provide.

Sexual Assault Referral Centre (SARC) – Partners have confirmed their intention to extend the current contract for a further year for 2012/13 (The PCT has provisionally set

aside £60k to reflect its on-going commitment to SARC) however there is a remaining funding gap for 2012/13 and further examination is needed to ensure that current activity in SARC is in line with its original purpose. Paul O'Sullivan (NHS Plymouth) is leading discussions with partners to address this.

Support for enhancing the capacity of the voluntary &community sector – It is expected that there to be an increased range of opportunities in the coming year for third sector organisations to provide services, for example around re-ablement. In addition the PCT will provide continued support for infrastructure in 2012/13 at same level as 2011/12 subject to a clearly specified outcome based contract. However the PCT is unable to fulfil the P2020 partnership commitment to a three year contract for infrastructure as it is unable to commit beyond March 2013, the point at which the emergent Clinical Commissioning Group will take responsibility for commissioning healthcare.

Youth Offending Team – the PCT has provisionally set aside continued funding. As with other services the YOT will be expected to provide a proposal for running costs which will inform the allocation of an appropriate level of funding by all partners.

Locality working – the PCT remains committed to the principle of locality working and is currently in the process of embedding this within the contract with Plymouth Community Health Services to service the 6 locality areas.

Early intervention and family support services – these will be even more essential in the light of the identified challenge posed by the economic environment to ensure that families are supported effectively and therefore to prevent any unnecessary escalation of issues into acute or more specialist services than would otherwise be required. The PCT for its part can confirm its commitment to maintain the Family Nurse Partnership at current levels and would be keen to see a similar commitment in relation to other services of this nature e.g. Family Intervention Services.

Karen Kay.
Assistant Director of Corporate Planning and Performance.
NHS Plymouth.
14th December 2011.