

Sustainability and Transformation Plan West Lancashire Overview and Scrutiny Committee 2nd March 2017

Gary Raphael

Finance Director, Lancashire and South Cumbria STP



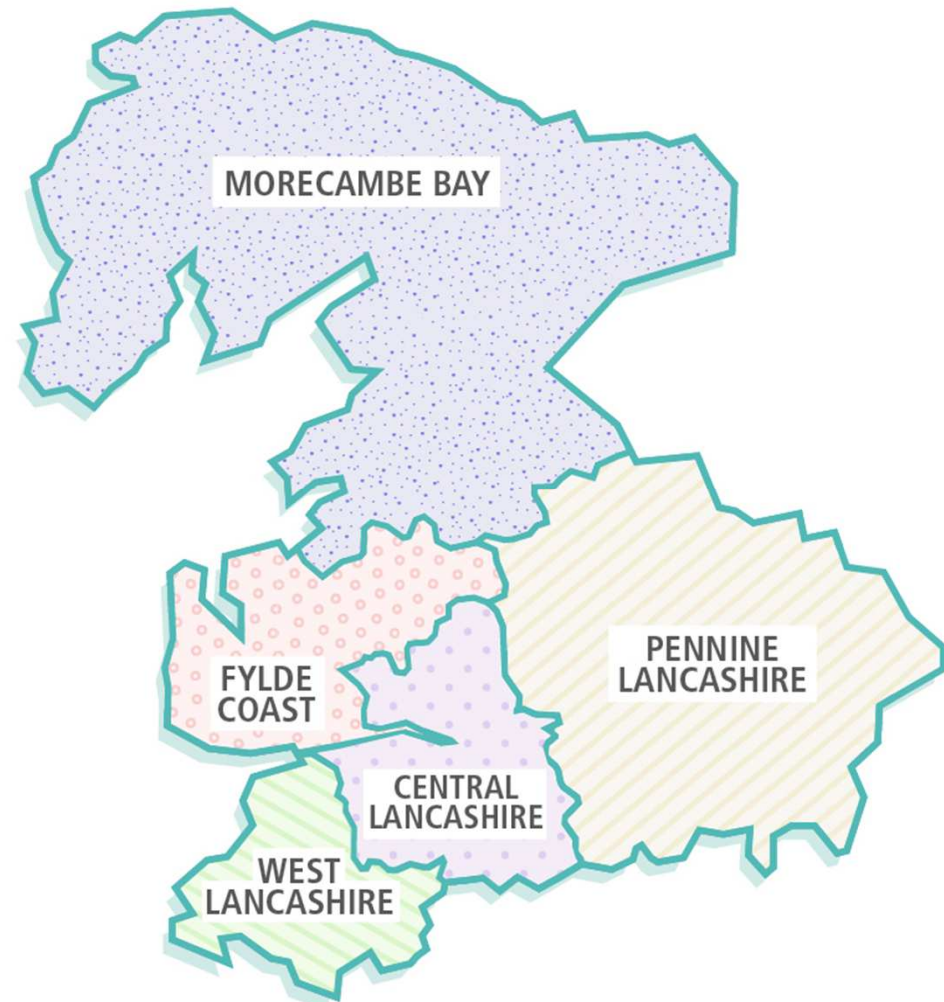
One Sustainability and Transformation Plan

Five Local Delivery Plans/health and care local footprints (LDPs)

Three major gaps:

- Health and Wellbeing
- Care and Quality
- Finance and Efficiency

Eight priority workstreams including: prevention; mental health; acute; learning disabilities; children and young people mental health; urgent care; regulated care; primary care



Lancashire & South Cumbria	Value
GP registered population	1.7m
Footprint planned deficit 2016/17	(£86m)
Aggregated CCG surplus	£8m
Aggregated provider deficit before £44m STF	(£78m)
Aggregated Local Authority adult social care deficit	(£32m)
Total CCG place based budget allocation 2016/17	£3.1bn
Aggregate upper tier LA social care budgets 2016/17	£0.6bn
Number of Vanguard in footprint	3
Number of pioneers in footprint	1
Number of GP practices in footprint	226
Number of dental care practices in footprint	327

What is the STP?

- The STP is a collaboration of existing organisations that enables joint working on things we choose to do once, for example – planning and implementing common IT to support integrated care; or things that must only be done once – for example, implementing prevention strategies across the region
- The STP supports LDPs and will enable the spread of best practice
- The STP, with NHS England in Lancashire, will ensure LDPs deliver their plans by supporting the programme management arrangements

- A Joint Committee of the CCGs (JCCCGs) has been established comprising two members from each CCG and an independent chairman (Phil Watson)
- A number of other senior officers are in attendance at the JCCCGs, including representative local authority chief executive officers and chief officers for the STP
- Each CCG has one vote
- This is a commissioning only body – there is a statutory basis for such a body, but not one that includes other partners, such as LAs and NHS providers
- The JCCCGs will link with the Lancashire Combined Authorities group
- A programme structure of non-decision making groups comprising CCG, Local Authority, NHS Trust/FTs, 3rd sector and Healthwatch managers and clinicians develops plans for approval by the JCCCGs

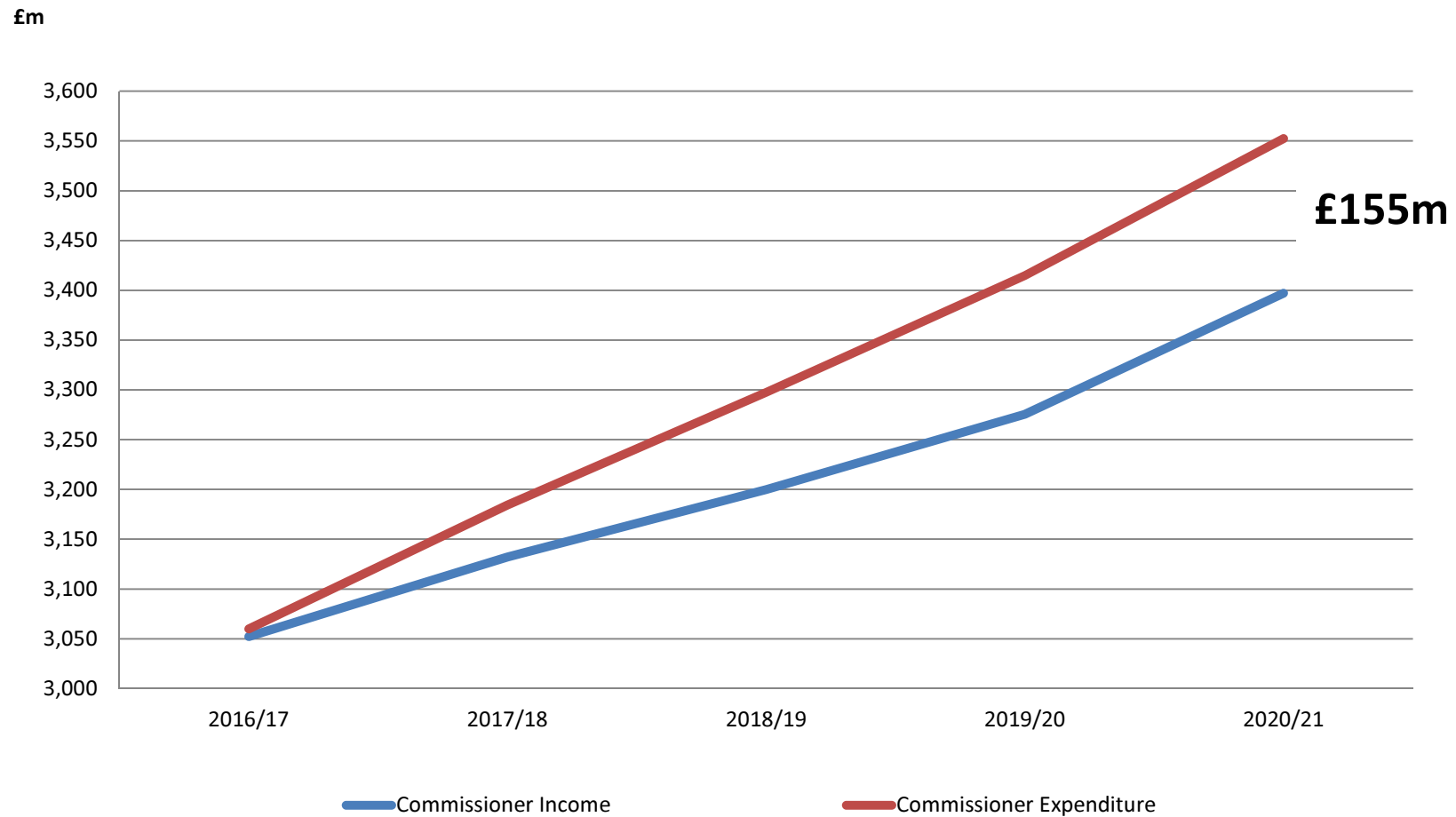
Describing the financial gap accurately. It's not a funding cut it's £345m funding growth

+11.3%

How do we use this extra funding better?

Commissioner 'do nothing' position

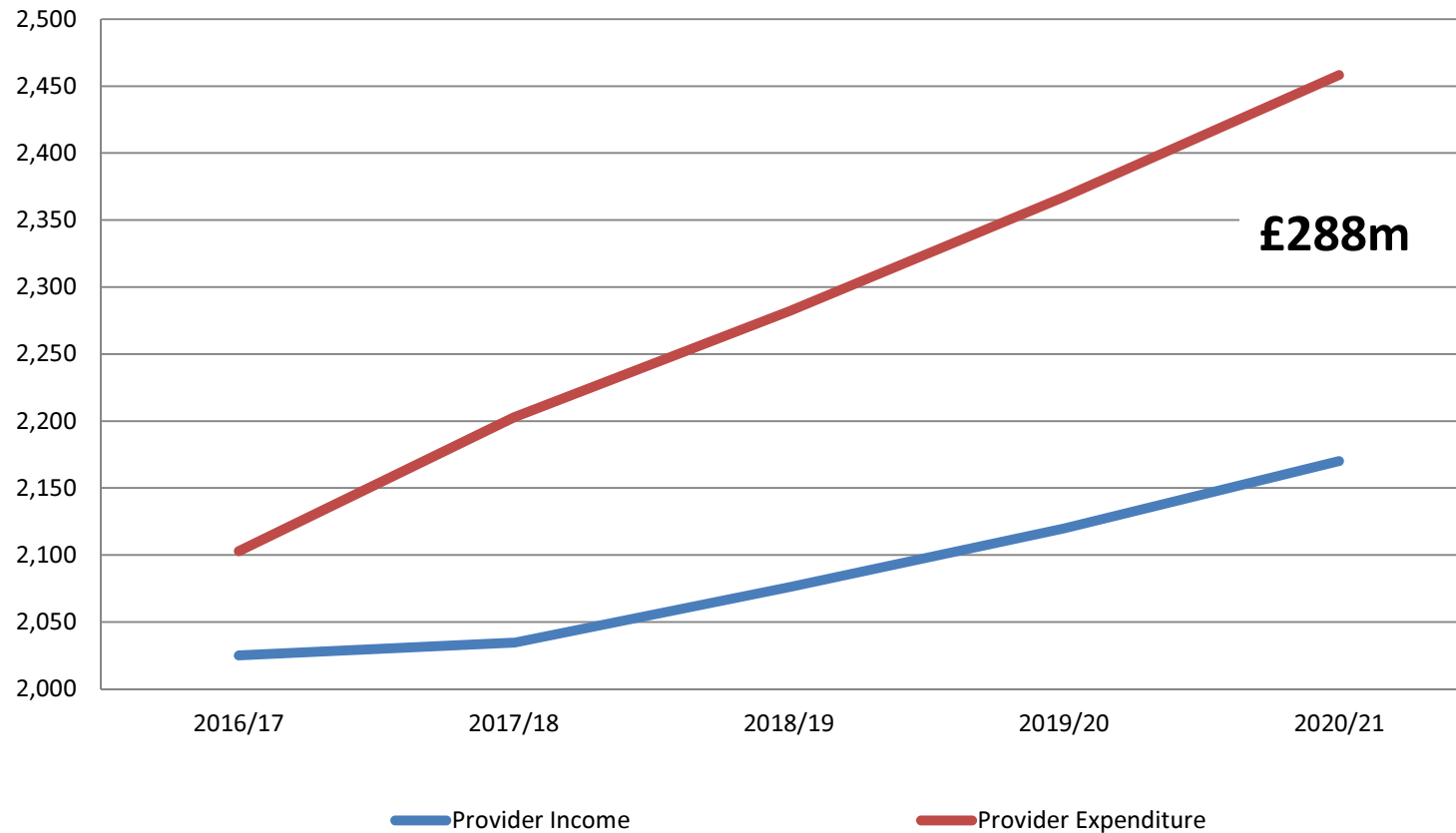
Commissioner Allocations and Expenditure



Provider 'do nothing' position

Provider Income and Expenditure

£m



By 2020/21 this is what happens if we 'do nothing', on total current turnover of nearly £3.7bn:

- Commissioner deficits - £155m (4.6%)
- Provider deficits - £288m (13.3%)
- Social care deficits - £129m (18.4%)
- Total £572m = (16%)

Source - EY modelling reconciled to organisational accounts and allocations

Keep acute
income broadly
flat over the next
two years

- Remodel primary, community, CHC and mental health services with extra resources (£187m = +21%) over the next four years to enable primary and secondary prevention measures to reduce acute demand growth over the same period
- Funded from commissioner growth and based on evidence from Vanguards
- Achievement of parity of esteem for mental health in the development of new models of care
- Mitigation of the shortfalls in social care provision?

Area of extra spending	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Primary Care	15.7	27.8	12.7	16.6
Community services	9.7	23.1	8.7	10.0
Continuing healthcare	7.8	8.0	8.3	9.2
Mental health	12.9	5.3	3.7	7.4
Total	46.2	64.2	33.5	43.3

This extra spending will not deliver reductions in acute growth soon enough to keep us sustainable in the next two years, so.....

- Implement commissioner efficiency plans e.g. for interventions of limited clinical value and other areas where we know we are inefficient - £76m
- NHS providers to deliver efficiency plans in areas that do not affect patient care, for instance back office functions like procurement and estates – £176m

?

Mitigation through
new models of care?

L&SC is planning to:

- Hit our nationally set financial control totals each year
- Get to break even by 2020/21
- Keep acute income flat for two years and reduce in last two years by £16m and £32m
- Spend 21% more on primary, community, mental health and continuing healthcare over the next four years to enable demand for acute services to be flattened
- Deliver substantial provider savings (£176m)
- How we mitigate social care shortfalls is as yet unclear