

**Board Meeting
PART I
MEETING ON 23rd December 2015**

Title of Report:	Thurrock CCG QIPP and Commissioning report	
Board Sponsor:	Ade Olarinde, Chief Finance Officer	
Prepared by :	Abdul Ahad, Head of Strategic Finance	
Committees previous consulted:	10th December 2015 - QIPP CORE Committee (QIPP Update) 18th November 2015 – Finance and Performance Committee (QIPP Update)	
Executive Summary:	<p>The aim of this report is to appraise the Board on:</p> <ul style="list-style-type: none"> • 2015/15 QIPP planning • Update on the 2015/16 QIPP plan and update on year to date performance. • Update on 2016/17 QIPP plans 	
Financial / Resource Implications:	<p>The QIPP plan forms part of the CCG's financial plan.</p> <p>Failure to deliver the full effect of the QIPP plans will result in pressure on the CCG's financial plan.</p>	
Fit with CCG strategy/objectives:	Delivery of the QIPP plan forms part of the CCG operatign Plan.	
Risks identified / Outcome / Link to BAF:	N/A	BAF Ref:
Actions Required:	N/A	When By:
Recommendation to the Committee:	Board members are asked to note the report and progress being made within the commissioning portfolio.	

2015/16 QIPP Financial Performance

The current month 8 QIPP position is showing underperformance of £823k before adjusting for data lag. Data lag occurs due to flex and freeze data available which is subject to national timetables. However this creates a natural delay in obtaining up to date data. The financial position shows underperformance of £667k after allowing for estimates for schemes affected by this. The estimates are based on previous run rate delivery and forecasted for missing months on straight line bases.

The Forecast position is expected to deliver £6.4m against original target of £7.3m resulting in under performance of £852k. This would still equate to QIPP delivery of 88%, however the commissioners will need to ensure that their schemes are on track to deliver the full amount and new schemes are developed to cover the under-performance gap.

The table below shows financial performance by QIPP portfolio and areas that have under or over-performance. There will also be an attempt to link QIPP delivery to the actual financial performance of the CCG as impact of QIPP has direct impact on the CCG's financial performance. This will also help understand areas that are working well within QIPP and those which need to be reviewed to bring overall CCG expenditure under control. Additionally there may be areas that are delivering on specific projects but there are other pressures within the system which are causing an overall overspend.

QIPP By Portfolio	Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
Acute (Planned Care)	474,468	322,943	151,525	622,989	480,797	142,192
Admin / Running Costs	203,333	203,333	0	305,000	305,000	0
CHC	272,379	109,333	163,046	573,604	472,197	101,407
Community	38,276	51,113	(12,838)	68,896	82,073	(13,177)
Decommissioning	50,000	0	50,000	150,000	0	150,000
Medicines Management	505,711	487,901	17,810	873,179	1,136,559	(263,380)
Mental Health	374,126	106,457	267,669	738,689	471,020	267,669
Other	2,152,380	2,145,947	6,433	3,170,358	3,230,378	(60,020)
Paediatrics & Community	352,842	173,480	179,362	760,155	232,450	527,705
Total Excluding Estimates	4,423,515	3,600,508	823,007	7,262,869	6,410,474	852,395
Estimate		155,605	155,605			
Total Including Estimates	4,423,515	3,756,113	667,402	7,262,869	6,410,474	852,395

Acute Planned Care

There are two main schemes within this which are failing:

- **MSK:- Independent Sector:** There is currently an overspend in this and GP referrals to other providers was discussed at QIPP core meeting. Referrals by GP practice was shared amongst the group to facilitate discussion around this issue. More work is to work with individual practices to help get this activity down.
- **Referral Management:-** This is getting activity down where patient has been discharged after one Outpatient visit. The activity by GP practice was also reviewed at QIPP core meeting, the analysis had shown that had not decreased on previous year. More work will need to be done with individual practices to get this scheme back on track.

Continuing Health Care

This has currently under-performed by £163k YTD, this is down to an individual scheme “Acquired Brain Injury”. The project was initially delayed by two month’s owing to the reported lack of data availability of two of the IMCA’s. NELFT have subsequently undertaken consultant led MDT reviews of the two patients within Northamptonshire, with an expectation that these clients will no longer now require 100% health funded CHC packages owing to change of need.

Decommissioning

Two projects were removed as they were not viable, these include Adult Audiology and Specialist Fertility Services. Other schemes were developed to cover this shortfall.

Medicines Management

This is a significant area within QIPP with a number of schemes attached. The current position is showing financial over delivery for both YTD and the forecast position. Additional QIPP schemes were also added to cover shortfall in other areas of QIPP.

Although QIPP is showing small over delivery the CCG has significant overspend within Medicines Management financial position. The CCG are currently doing a deep dive to understand the underlying reasons behind this. A review is currently being done by the Medicines Management team to understand areas of overspend, and discussions are also taking place at QIPP core to highlight this issue. GP prescribing will also be reviewed by GP Practice to ensure full engagement and tackle this overspend.

Mental Health

This is currently showing an under-performance of £188k YTD with forecast of same amount. The following schemes are showing under-delivery:

- Dementia Ward Closure: The risk sharing agreement was not signed at end of July as planned. Meeting is expected to take place in October. Rebasement of contract expected over coming months. The forecast loss for this scheme is £142k FYE.
- Estuary Housing and Lifstan Way: The under achievement is on Estuary Housing element of scheme. There are 9 patients of which none belong to Thurrock CCG. The Memorandum of Understanding (MOU) states that once responsible commissioner can be identified the riskshare between CCG’s is no longer applicable. However this is currently disputed by other CCG’s.

Other Schemes

These were mostly realised during the contract negotiation process with individual providers. Negotiations for the 2014/15 contract resulted significant savings to contracts which are reflected in contract agreements with provider organisations. The savings which are largest area of QIPP are reflected in above YTD position and forecast.

The Patient Transport scheme is showing delivery in line with plan after discussions with partner Basildon and Brentwood CCG suggesting the scheme is on track to achieve full delivery.

This is currently showing an under delivery of £93k YTD with significant under achievement of £500k FYE. A significant proportion of under achievement is down to one scheme “SAARC Paediatric Input”. This scheme was originally expected to save £352k but actual savings will be £14k. It has now been agreed that NHSE will pick up the cost of £14k.

The other scheme currently under performing is “Thurrock Voluntary Sector Organisations”. Project delays have meant there will be no savings in 2015/16.

Summary

Although QIPP is showing 88% forecast delivery, the CCG has financial pressures which need to be understood. There are individual financial overspends within Acute and Medicines Management which need to be brought under control. QIPP has resulted in substantial savings for the CCG, however further work has been planned to tackle these overspent areas to ensure the CCG stays in financial balance.

QIPP 2016/17 Update

The CCG have identified provisional QIPP target for 2016/17 in the region of £7.7m being financial gap between funding and forecast expenditure. This number is only indicative at this stage based on financial plan refresh. However new financial planning guidance is expected which will provide key planning assumptions to be used for financial modelling. These will then be used to understand the expected financial gap for the CCG.

The CCG have commenced work in identifying projects in line with above QIPP target. Meetings were held between commissioners and finance to short list individual projects. These meetings were successful in that projects could be discussed in detail as well as their financial viability.

To progress these projects the CCG is working closely with the CSU to ensure the required information is received showing detailed analysis. A decision can then be made as to proceed with the project, modify or look for alternative. Regular work is now on going on a weekly basis in which projects are being fully scoped and progressed. It is hoped that all the projects will be scoped by early December, ready to be developed into full business cases. This has also been discussed in detail at the QIPP core meeting which is attended by GP's.

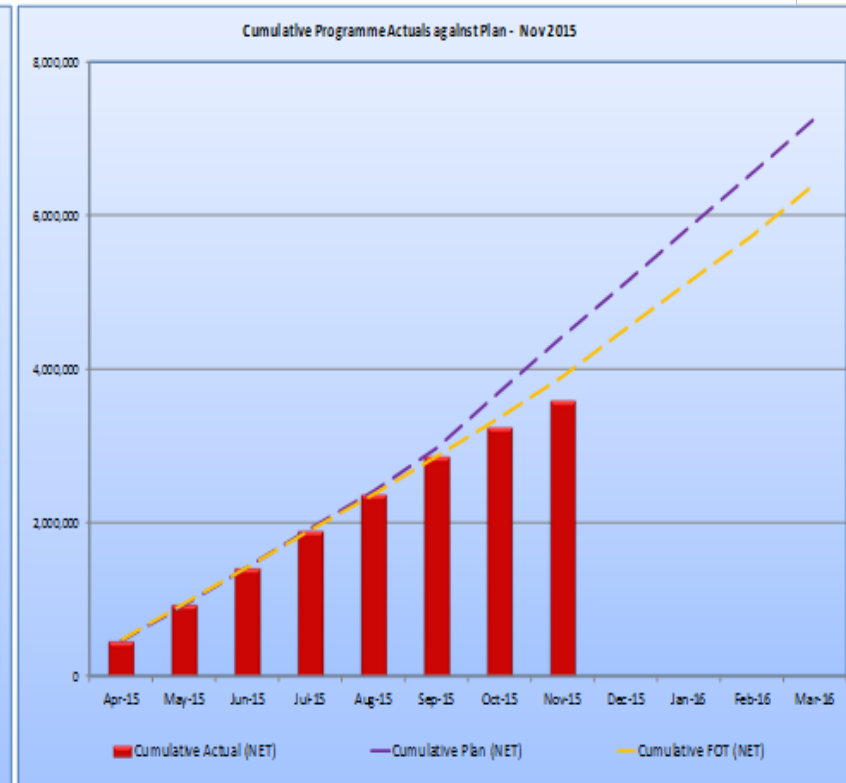
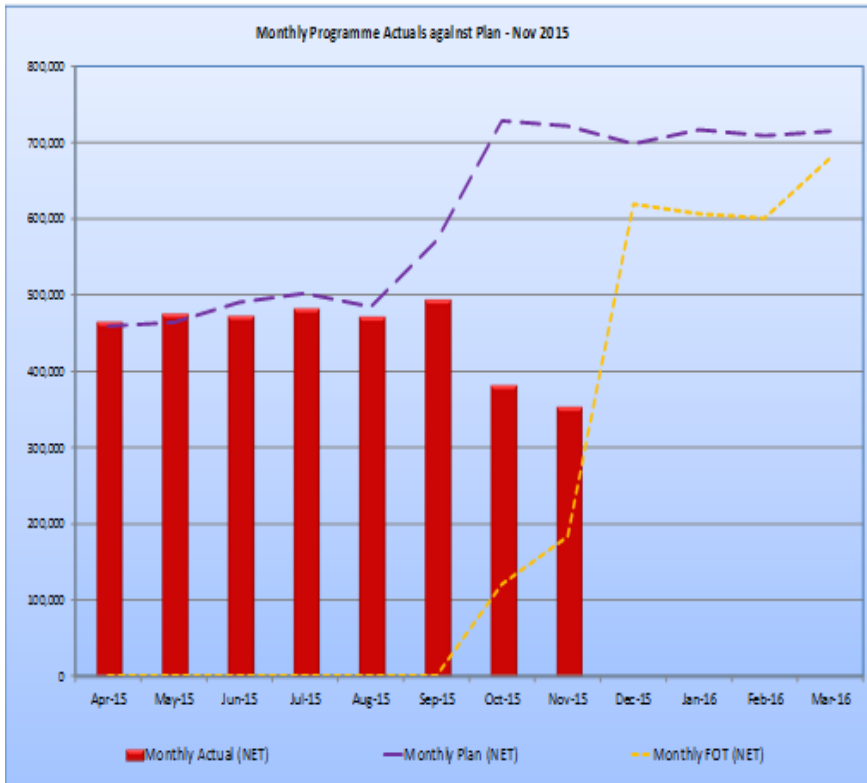
It is expected that commissioners will identify additional projects to fully close the QIPP gap. They will need to review current expenditure trends and highlight areas where the CCG are an outlier. This work then can be progressed in developing new schemes and when financially negotiating with providers.

Appendix to QIPP paper

2015/16 QIPP Dashboard Summary Nov-15

No. of projects by RAG * (Net FOT)	8	Value of Projects (Net Full Year Target)	1,597,523	Value of Projects (Net FOT)	631,681
	7		714,000		604,738
* Based on the key below	28		4,643,108		5,174,055
	6		368,239		0
TOTAL	49	TOTAL	7,262,869	TOTAL	6,410,474
				Remaining Gap	852,395

- Achieving 95% of plan or above
- Achieving greater than 75% of plan
- Achieving less than 75% of plan
- Removed or unlikely to achieve 0% of plan



Note: All updates are based on Month 8 information with the exception of Medicines Management and Green GP- both 2months lag with data.

The YTD Variance for M8 (£852,395) has increased significantly from M7 variance (£599,588). The following has contributed towards this increase.

6 Schemes removed/unlikely to realise Full Year Savings of £368,239 includes:

- **MSK Independent Section**- will be carried over in 2016/17
- **Referral Management**- will be carried over in 2016/17
- **Adult Audiology**
- **Specialist Fertility Services**
- **Cow's Milk Protein Allergy**- will be carried over in 2016/17
- **Thurrock Voluntary Sector Organisation**- will be carried over in 2016/17

Green GP- 2 Month data LAG and 10% under-achievement affecting YTD actual savings £49,033.

CHC Controls- Delayed assurance to Arden-Gem financial position has delayed YTD actual savings £95,666 ??may change

CHC Review of Acquired Brain Injury- Full implementation delays has delayed YTD actual savings £67,380 ??may change

Medicines Management schemes- 2 months data LAG and currently several schemes are under-achieving affecting YTD actual savings by £215,941.

2 additional Meds mitigation schemes are currently achieving £192,223 helping to reduce the shortfall.

Dementia Ward Closure- further delays in signing Risk Share Agreement has delayed YTD savings £215,000.

Estuary Housing-further delays in signing of Risk Share Agreement has delayed YTD savings £52,669.

BTUH- Fines & Challenges- minor under-achievement of YTD savings £6,433

Section 75- delays with Thurrock Council not meeting agreed timescales- impacting realisation of YTD savings 27,777. FOT £165,000

The YTD QIPP variance is £823k. The variance reduces to £667k after including estimates for M7 and M8 where data Lag exists.

Net performance against plan by Portfolio

BY PORTFOLIO	NET PERFORMANCE AGAINST THE PLAN - Nov-15									
	Planned Nov-15	Actual Nov-15	Variance	Planned YTD	Actual YTD	Variance	Full Year Target	FOT	Variance	RAG
Acute (Planned Care)	32,041	11,000	(21,041)	474,468	322,943	(151,525)	622,989	480,797	(142,192)	A
Admin / Running Costs	25,417	25,417	-	203,333	203,333	-	305,000	305,000	-	G
CHC	75,306	13,667	(61,639)	272,379	109,333	(163,046)	573,604	472,197	(101,407)	A
Community	7,655	6,863	(792)	38,276	51,113	12,838	68,896	82,073	13,177	G
Decommissioning	25,000	-	(25,000)	50,000	-	(50,000)	150,000	-	(150,000)	R
Medicines Management	91,867	-	(91,867)	505,711	487,901	(17,810)	873,179	1,136,559	263,380	G
Mental Health	92,891	13,307	(79,584)	374,126	106,457	(267,669)	738,689	471,020	(267,669)	R
Other	269,839	267,838	(2,001)	2,152,380	2,145,947	(6,433)	3,170,358	3,230,378	60,020	G
Paediatrics & Community	101,826	15,706	(86,120)	352,842	173,480	(179,362)	760,155	232,450	(527,705)	R
QIPP PROGRAMME TOTAL	721,841	353,797	(368,044)	4,423,515	3,600,508	(823,007)	7,262,869	6,410,474	(852,395)	A

Monthly performance by Portfolio

All Figures (Net)	FULL YEAR TARGET	Apr-15		May-15		Jun-15		Jul-15		Aug-15		Sep-15		Oct-15		Nov-15		Dec-15		Jan-16		Feb-16		Mar-16		YTD NET	
		Net	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan
Acute (Planned Care)	622,989	96,910	76,767	96,910	75,338	97,910	78,590	43,806	21,612	42,806	23,044	32,041	25,592	32,041	11,000	32,041	11,000	32,629	-	38,629	-	38,629	-	38,633	-	474,468	322,943
Admin / Running Costs	305,000	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	25,417	-	25,417	-	25,417	-	25,417	-	203,333	203,333
CHC	573,604	13,667	13,667	13,667	13,667	13,667	13,667	25,823	13,667	27,473	13,667	27,473	13,667	75,306	13,667	75,306	13,667	75,306	-	75,306	-	75,306	-	75,308	-	272,379	109,333
Community	68,896	-	-	-	-	-	-	7,655	13,463	7,655	10,263	7,655	10,263	7,655	10,263	7,655	6,863	7,655	-	7,655	-	7,655	-	7,655	-	38,276	51,113
Decommissioning	150,000	-	-	-	-	-	-	-	-	-	-	-	-	25,000	-	25,000	-	25,000	-	25,000	-	25,000	-	25,000	-	50,000	-
Medicines Management	873,179	32,416	64,988	34,688	74,649	56,974	65,246	56,974	81,410	65,724	99,775	75,200	101,833	91,867	-	91,867	-	91,867	-	91,867	-	91,867	-	91,867	-	505,711	487,901
Mental Health	738,689	19,891	13,307	19,891	13,307	19,891	13,307	19,891	13,307	19,891	13,307	90,891	13,307	90,891	13,307	92,891	13,307	90,891	-	90,891	-	89,891	-	92,891	-	374,126	106,457
Other	3,170,358	264,263	264,263	267,235	267,235	270,313	270,313	279,657	279,657	252,444	252,444	269,925	269,925	278,708	274,276	269,839	267,838	247,944	-	260,302	-	253,629	-	256,105	-	2,152,380	2,145,947
Paediatrics & Community	760,155	6,666	6,666	6,666	6,666	6,666	6,666	43,064	34,444	43,064	34,444	43,064	34,444	101,826	34,444	101,826	15,706	101,826	-	101,826	-	101,826	-	101,834	-	352,842	173,480
GAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	7,262,869	459,229	465,074	464,473	476,278	490,837	473,205	502,286	482,976	484,473	472,360	571,665	494,447	728,710	382,373	721,841	353,797	698,534	-	716,892	-	709,219	-	714,709	-	4,423,515	3,600,508