



**Oxfordshire Clinical Commissioning Group
Board Meeting**

Date of Meeting: 29 November 2016	Paper No: 16/81
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Title of Presentation: 2017-18 Savings Plan – approach themes
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Is this paper for (delete as appropriate)	Discussion	✓	Decision	✓	Information	✓
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<p>Purpose and Executive Summary (if paper longer than 3 pages): To update the OCCG Board on the on the development of 2017/18 Savings Plan and to obtain the endorsement for the direction of travel, including the strategy and the engagement approach.</p>

<p>Financial Implications of Paper: Delivery of the Savings Plan will improve OCCG financial position</p>
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<p>Action Required: OCCG Board is asked to agree the attached report.</p>
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NHS Outcomes Framework Domains Supported (please delete tick as appropriate)	
✓	Preventing People from Dying Prematurely
✓	Enhancing Quality of Life for People with Long Term Conditions
✓	Helping People to Recover from Episodes of Ill Health or Following Injury
✓	Ensuring that People have a Positive Experience of Care
✓	Treating and Caring for People in a Safe Environment and Protecting them from Avoidable harm

Equality Analysis completed (please delete tick and attach as appropriate)	Yes	No	Not applicable ✓
Outcome of Equality Analysis			

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2017-18 SAVINGS PLAN: KEY THEMES AND APPROACH

OCCG BOARD
29 NOVEMBER 2016

BACKGROUND AND PURPOSE

1. The purpose of this paper is to update the OCCG Board on the on the development of 2017/18 Savings Plan, led by the Savings Taskforce, and to obtain the endorsement for the direction of travel, including the strategy and the engagement approach.
2. This paper follows on from a discussion at the October OCCG Executive, where the overall approach and the key themes were discussed. It also takes account of the feedback from the November Board workshop.
3. OCCG Board should note that following further STP financial analysis, the OCCG savings requirement for 2017/18 has increased and now is expected to be £20m as a minimum. *(NB this is not a cut in funding; rather a requirement to make our money go as far as it needs to deliver services, while cutting costs/eliminating lower-value activities).*

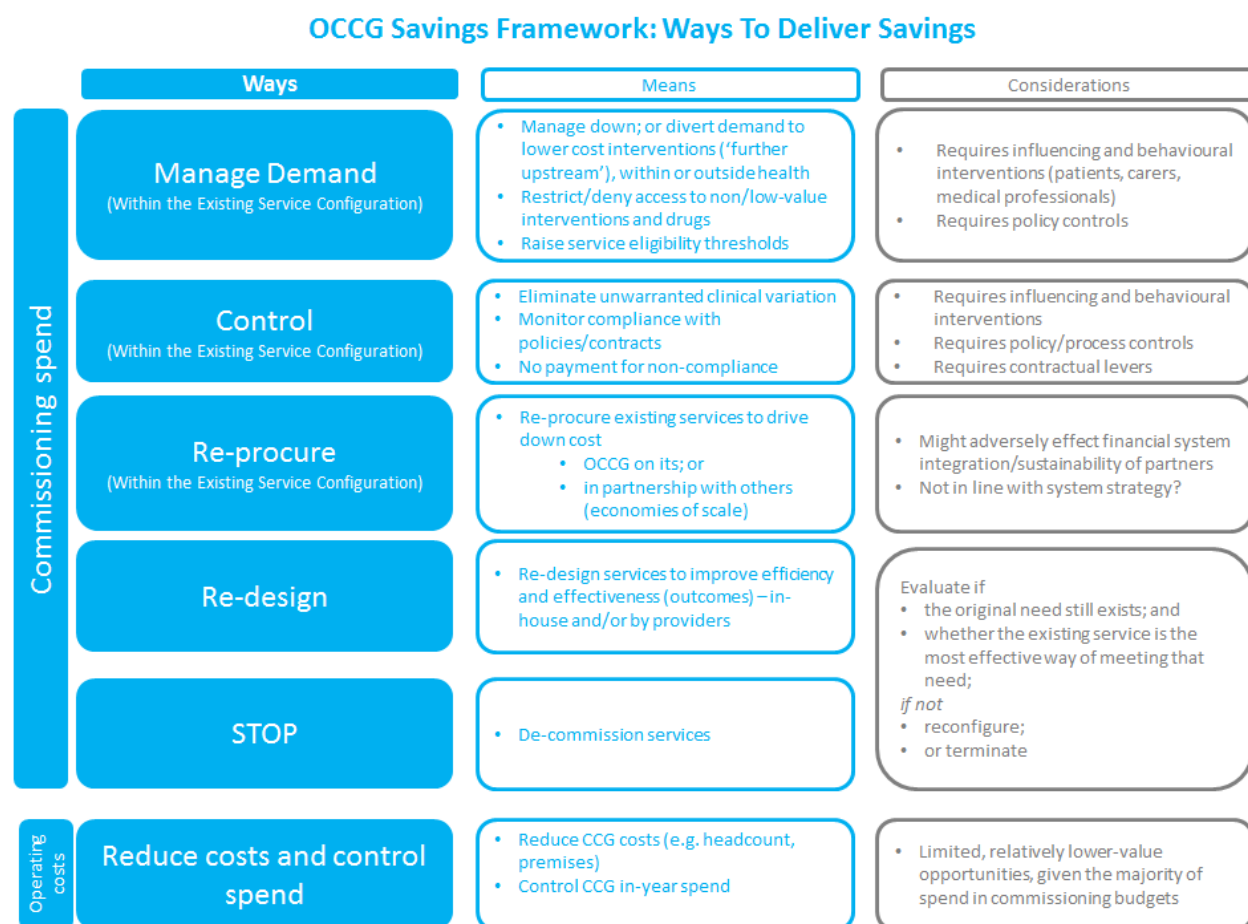
PROGRESS TO DATE

4. The Savings Taskforce was established by the Board in August 2016 to foster a rapid expansion of savings opportunities to meet the financial challenges ahead. The Taskforce has developed a strategic approach to savings and has been working with commissioning teams to co-ordinate development of individual savings proposals.
5. The Savings Taskforce has initiated clinical engagement to ensure buy-in to the 2017/18 savings ideas; a communications and engagement plan, including public engagement, is being developed. We will engage with the stakeholders on the plan as a whole, linking related proposals (e.g. prescribing).
6. We recognise that some proposals (e.g. changes to Clinical Commissioning Statements; changes to prescribing criteria), if endorsed by the OCCG, will then likely require further engagement/consultation; this will follow as soon as evidence-based proposals have been formed.

SAVINGS STRATEGY

7. Figure 1, below, sets out the ways in which OCCG can achieve savings.

Figure 1



SAVINGS PLAN: IDENTIFIED AND UNIDENTIFIED SAVINGS

- OCCG has now identified savings *opportunities* of £17.11m to be delivered in 2017/18. This leaves £2.89m of savings to be identified.
- One should note that the savings opportunities in the plan come from a variety of sources, including business cases; project briefs and benchmarking information. Delivery of the savings also depends on successful conclusion of contract negotiations with the main providers.
- More specifically, savings identified fall into the following categories:

- **Low-risk** - high degree of confidence regarding deliverability – e.g. transactional savings, once agreed with providers and built into contracts; running costs reduction.
- **Medium-risk** e.g. benefits realisation from enacted service redesign (subject to contract agreement) e.g. MSK, Bladder and Bowel.
- **High-risk** – e.g. further provider efficiencies; RightCare; procurement savings; improved engagement in primary and secondary care to reduce activity.

PRIORITISING SAVINGS OPPORTUNITIES

9. Current long list of savings ideas developed by the Savings Taskforce has 122 savings proposals. Many are at an 'idea' stage and are yet to be scoped and their feasibility assessed. Further ideas are being submitted.
10. At its November workshop the Board discussed three key criteria for prioritising savings opportunities, i.e.:
 - Scale of the opportunity ('Impact')
 - Implementation timescales (i.e. need to deliver savings, at least part effect, in 2017/18) ('Feasibility')
 - Stakeholder support (already in place or can be secured relatively quickly) ('Acceptability')
11. At the same time, there is an emerging consensus that the OCCG needs to be bold in its thinking and focus on biggest opportunities first.
12. Following further clinical and managerial discussions, it is proposed that the 2017/18 Savings Plan will have the following, revised, themes:
 - **Transactional savings** – encompassing: working with providers to identify and agree win-win savings through the Activity Planning Assumptions process; other commissioning budget reductions; savings related to ensuring compliance with Clinical Commissioning (Lavender) Statements; and a reduction in OCCG running costs;
 - **Right Care** – encompassing and/or replacing current service redesign projects;
 - **Prescribing** – reviewing prescribing criteria to limit lower-value prescribing, where the same or alternative products can be purchased prescription-free;
 - **Procurement** – re-procuring services to deliver cashable savings;
 - **Decommissioning of services** – identifying the clinical evidence for lower-impact/lower-value services and considering decommissioning them;
 - **Improved engagement in primary care and secondary care to reduce activity** – this could encompass changes to existing incentive schemes to support current delivery models and/or agreement with providers to accept

responsibility (and risk) for priority end-to-end pathways and deliver services within the agreed, reduced financial envelopes.

13. Table 1 below assesses the themes and proposals against the above criteria:

Table 1: High-level assessment of themes

	Impact	Feasibility	Acceptability	Other considerations
Transactional savings	High	High	Medium	Further high-value opportunities remain to be explored and agreed
Right Care	High	Medium	Medium	Further high-value opportunities remain to be explored
Prescribing	High	High	Medium	Some proposals may require public engagement/consultation.
Procurement	Medium	Low	High	Pipeline to be developed. Due to lead-in times part-year effect could be achieved in 2017/18.
Decommissioning of services	Medium	Medium	Low	Consultation will likely be required. Part-year effect could be achieved in 2017/18.
Improved engagement in primary care and secondary care to reduce activity	High	Medium	Medium	Potentially highest-value opportunity, however dependant on complex system-wide negotiations

DESCRIPTION OF THEMES

Theme 1: Transactional savings

14. This themes covers:

- working with providers to identify and agree win-win savings through the Activity Planning Assumptions process
- other commissioning budget reductions (as per the August 2016 Financial Recovery Plan – Paper 16.59 Update on the OCCG Financial Plan and Financial Recovery Actions, see <http://www.oxfordshireccg.nhs.uk/wp->

<content/uploads/2016/08/Paper-16.59-Update-on-the-CCG-Financial-Plan-and-Financial-Recovery-Actions.pdf>

- savings related to ensuring compliance with Clinical Commissioning (Lavender) Statements and introduction of new statements, where supported by clinical evidence;
- review of existing thresholds in the Clinical Commissioning (Lavender) Statements with a view of updating them and introducing new ones, to reflect current clinical evidence; and
- a reduction in OCCG running costs – e.g. re-procurement of commissioning support services; premises; training budgets; recruitment freeze.

Theme 2: Right Care (encompassing/replacing current redesign)

15. Oxfordshire has been part of 'Wave 1' of clinical commissioning groups using RightCare programme information to investigate and tackle unwarranted variation in outcomes, spend, and service activity.
16. Working with our clinicians and partners, we are pursuing a number of savings opportunities within the following areas:
 - Prescribing for: mental health and dementia, endocrine and metabolic conditions including Diabetes, Cardiovascular Disease, Musculoskeletal (MSK) conditions, Chronic Pain, Respiratory conditions, Cancer and Tumours, and Neurological conditions.
 - Pathway redesign and the tackling of unwarranted variation for: Endocrine and Metabolic conditions, MSK, Cardiovascular Disease (Cardiology), Neurology and Cancer and Tumours.
17. Areas of focus for future years are likely to include:
 - Chronic pain services;
 - Cerebrovascular non elective admissions; and
 - Renal Disease.
18. RightCare (clinical variation) also features in the BOB STP as a distinct workstream lead by the Academic Health Science Network (AHSN) on behalf of the Buckinghamshire, Oxfordshire and Berkshire West Health Economies.

Themes 3: Prescribing

19. OCCG will continue with its established approach to medicines optimisation. Work in this area will cover reviewing prescribing criteria to limit lower-value prescribing, where the same or alternative products can be purchased prescription-free.

20. Proposals will reflect the current evidence and the OCCG will work with the Area Prescribing Committee for Oxfordshire (APCO) to agree any proposed changes to prescribing criteria.

Theme 4: Procurement

21. OCCG will explore further opportunities for securing better value/delivering savings through procurement. Current procurement pipeline has a number of opportunities, including reprocurement of community diagnostics. Further proposals will be developed.

Theme 5: Decommissioning

22. Given its financial position, the OCCG will work to identify clinical evidence for lower-impact/lower-value services. Should the evidence identify such lower-impact/lower-value service, OCCG will carefully consider whether they could be decommissioned and what impact such action would have. Appropriate impact assessments will be completed and process of engagement/consultation will be followed.

Theme 6: Improved engagement in primary care and secondary care to reduce activity

23. The OCCG will consider changes to its incentive schemes to support current delivery models and priority areas.

24. OCCG will also pursue strategic negotiations with providers to explore interest in accept responsibility (and risk) for priority end-to-end pathways and delivery of services within the agreed, reduced financial envelopes.

CONSIDERATIONS AND KEY RISKS

25. There are a number of considerations that need to be taken into account in developing and agreeing the proposals. They include:
- evidence to identify opportunities (e.g. RightCare; other benchmarking) and to confirm that an intervention will achieve/has achieved the desired impact;
 - stakeholder support, including clinical and managerial support within and outside the OCCG, and the public support;
 - likely need for engagement and public consultation in case of some proposals (adding to development/implementation time)
 - dependencies (e.g. reliance on the Thames Valley Priorities Committee to enact changes; pursuing opportunities with STP partners);
 - availability of levers for change (contractual, influence)
 - appetite for risk.

NEXT STEPS

26. Table 2, below, identifies key steps in the development of the Savings Plan.

Table 2: 2017/18 Savings Plan Timeline

Date	Forum	Purpose
November - December	Further engagement with Localities and staff	Endorsement of 2017/18 Savings Plan approach and themes
November - December	Development of communications and engagement plan	To raise awareness of proposals and case for change. To schedule engagement activities.
December	Contract negotiations	Contracts agreed. Transactional savings plans built into plans/contracts.
January – March	OCCG Executive, Finance Committee and Board	Development of savings proposals Endorsement of 2017/18 Business Cases Engagement on the overall approach and individual proposals.

27. The OCCG Savings Taskforce will continue working with staff, managers, clinicians and the public to develop the savings schemes.

28. Individual proposals will be presented to the OCCG Executive, Finance Committee and the Board for agreement, as per the Scheme of Delegation

RECOMMENDATIONS

29. OCCG Board is asked to discuss and agree the strategy, themes and approach.