

**Quality, Innovation, Productivity and Prevention Plan (QIPP) including
Creating a Healthy Oxfordshire
Report to the Health Overview and Scrutiny Committee November 2010**

1. Introduction

This short paper gives an overview of the scale of the financial challenge facing the NHS in Oxfordshire over the next three years. It outlines the main elements of the Quality, Innovation, Productivity and Prevention (QIPP) Plan which indicates the main areas of work being taken forward and the associated productivity gains.

2. Productivity Challenge for the NHS in Oxfordshire

The Comprehensive Spending review settlement increases overall NHS funding in real terms every year with a 0.4% increase in real terms by 2014/15. However the review acknowledges that the NHS will need to make efficiencies to deal with rising demand from an ageing population and the increased costs of new technology. At a national level the NHS has committed to make up to £20 billion of annual efficiency savings by the end of the Spending Review period

Within this national context the productivity challenge for the Oxfordshire system over the next few years is the combination of savings necessary to enable investment to fund demand increases and the delivery of the national efficiency target of 4.5% in main providers.

The challenge under a 3% demand growth assumption and a 4.5% national efficiency target is shown in the table below.

Oxfordshire System wide Productivity Challenge	2010/11	2011/12	2012/13	2013/14	Total
	£m	£m	£m	£m	£m
Base allocation to PCT 2010/11 including growth	873.68				
Pay and price pressure on 2010/11 base – pressure on tariff efficiency in providers		37.28	31.36	30.49	99.13
3% demand growth/pressure on 2010/11 base – commissioner pressure		26.47	26.74	27.01	80.22
Total Productivity Challenge		63.75	58.10	57.50	179.35

It is important to emphasise that over the three years of this plan the amount of money spent on services for Oxfordshire residents will increase slightly from the 2010/11 base of £874 million (the amount of additional funding will be known in December). The funding released through achieving the efficiency gains will be reinvested in services.

3. Quality, Innovation, Productivity and Prevention Plan

3.1 Introduction

Each PCT has produced a QIPP Plan. This builds on the work that the PCT has already completed, and consulted upon, in the development of the *NHS Oxfordshire Strategic Plan 2008-2013*¹.

The QIPP Plan replaces the annual strategy refresh process and will form the basis of further detailed work required for developing our 2011/12 Operational Plan. The QIPP Plan has enabled us to integrate work streams currently incorporated within the Creating A Healthy Oxfordshire (CAHO) Programme, as well as to reflect Provider Cost Improvement Plans (CIPs).

The resulting system wide plan therefore includes both the commissioning changes and provider plans, thereby ensuring that across the local health system the role of every organisation in delivering the level of change we need is understood and supported by all others.

3.2 Summary of Provider CIPs

£ millions	2011/12	2012/13	2013/14	Total
<i>Providers*</i>	£m	£m	£m	£m
Back office Efficiency	2.96	2.33	2.07	7.36
Procurement	3.08	2.66	2.54	8.29
Clinical Support Rationalisation	0.18	0.11	0.06	0.35
Staff Productivity	25.28	21.43	20.79	67.50
Medicines Use & Procurement	1.23	1.03	1.00	3.26
Other Provider efficiencies	4.54	3.81	4.03	12.37
Total	37.28	31.36	30.49	99.13

¹ Available on our website: www.oxfordshirepct.nh.uk

3.3 Commissioner Programmes of Work (including CAHO)

The table below summarises the contribution of the current commissioning work programmes to the required productivity improvement of £80million over three years. Further detail on the scope of the projects within each programme is included in the Appendix.

COMMISSIONING INITIATIVES	2011/12			2012/13			2013/14		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Efficiency /			Efficiency /			Efficiency /		
Impact of Initiatives on Commissioning Spend	Gross	Savings	Net	Gross	Savings	Net	Gross	Savings	Net
Planned Care	620	(7,266)	(6,646)	0	(4,875)	(4,875)	0	(4,320)	(4,320)
Quick & Responsive	1,288	(5,974)	(4,686)	110	(76)	34	110	(76)	34
Children & Young People - Maternity	360	(400)	(40)	400	(650)	(250)	150	0	150
Self Care & Patient Responsibility	2,721	(2,143)	578	2,253	(2,148)	105	976	(2,170)	(1,194)
Complex Needs	1,785	(2,400)	(615)	450	(624)	(174)	450	0	450
Integrated Community Service Provision	1,942	(2,647)	(705)	2,252	(1,979)	273	247	(1,764)	(1,517)
Mental Health	551	(706)	(155)	351	(281)	70	281	(281)	0
Acute	618	(2,520)	(1,902)	1,236	(5,721)	(4,485)	1,236	0	1,236
Enabling	1,228	(1,538)	(310)	2,856	(1,222)	1,634	1,190	0	1,190
Primary Care	200	(2,993)	(2,793)	0	(3,274)	(3,274)	0	(1,957)	(1,957)
Sub-Total	11,313	(28,587)	(17,274)	9,908	(20,850)	(10,942)	4,640	(10,568)	(5,928)
3% Demand based investment	27,050	0	27,050	27,219	0	27,219	27,466	0	27,466
Sub-Total	27,050	0	27,050	27,219	0	27,219	27,466	0	27,466
Unidentified Savings		(9,776)	(9,776)		(16,277)	(16,277)		(21,538)	(21,538)
Total	38,363	(38,363)	0	37,127	(37,127)	0	32,106	(32,106)	0
<i>Note:</i>			0.77%			1.52%			2.26%
<i>Build up of 2% Headroom</i>			6,945			6,896			7,000
<i>Build up of 2% Headroom Cumulative</i>						13,841			20,841

3.3 *Underpinning Our Strategic Delivery: CAHO*

Four of our ten work streams originate from the CAHO Programme; these are Self Care and Patient Responsibility, Primary Care, Integrated Community Services Provision and Acute.

The CAHO Programme is a medium/long term system wide programme, making stepped changes to create a better health and social care system for Oxfordshire, whilst responding to the strategic and fiscal challenge in the area.

The aims of the Programme are

- ✓ helping people to help themselves and prevent ill-health and hospital admissions
- ✓ integrating health and social care teams in the community to ensure patients can access the right treatment when they need it
- ✓ reviewing delivery of hospital care and bringing care closer to home, when it is clinically appropriate
- ✓ developing GP and associated services in the community
- ✓ reviewing the provision of services and treatments that are shown to be clinically ineffective and inefficient
- ✓ holding the system to account for delivery of identified service & financial plans

4. Conclusion

Though the NHS is receiving a real terms increase in funding over the next three years. However the NHS in Oxfordshire still needs to improve quality and make gains in productivity to release funding from current service provision to meet growing demand for services.

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