

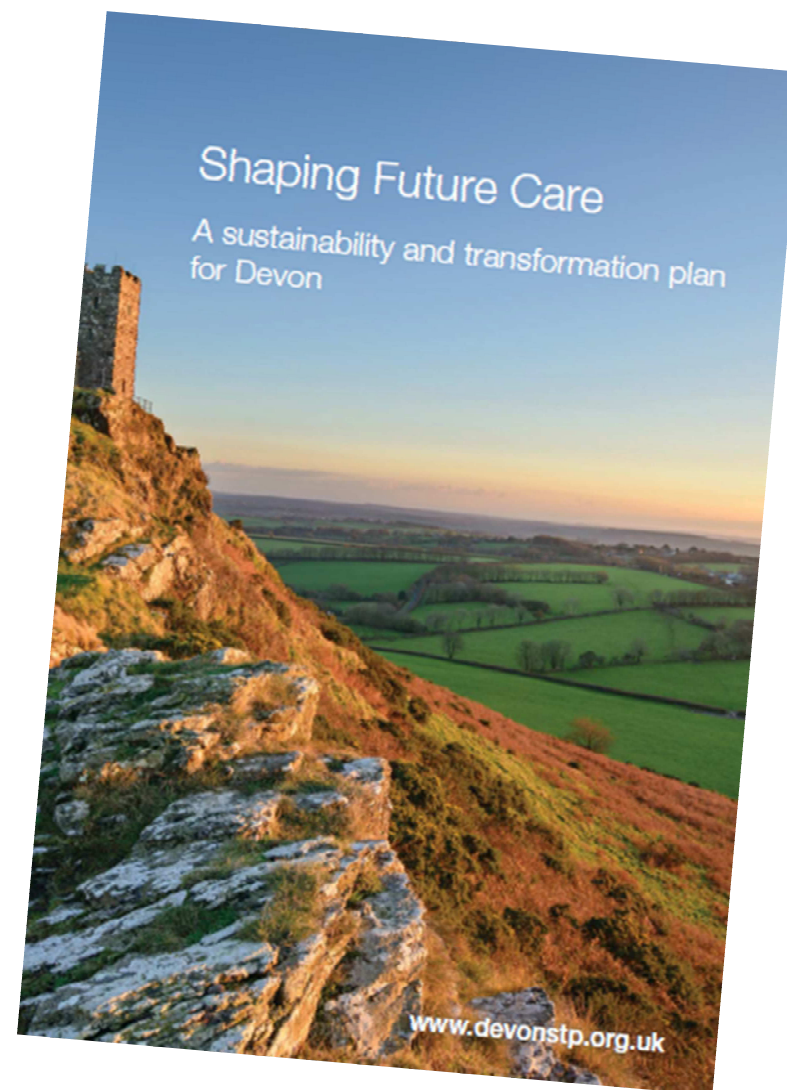
Health Overview and Scrutiny Committee Devon STP Financial Overview

John Dowell
Devon STP Lead Director of Finance
7th June 2018



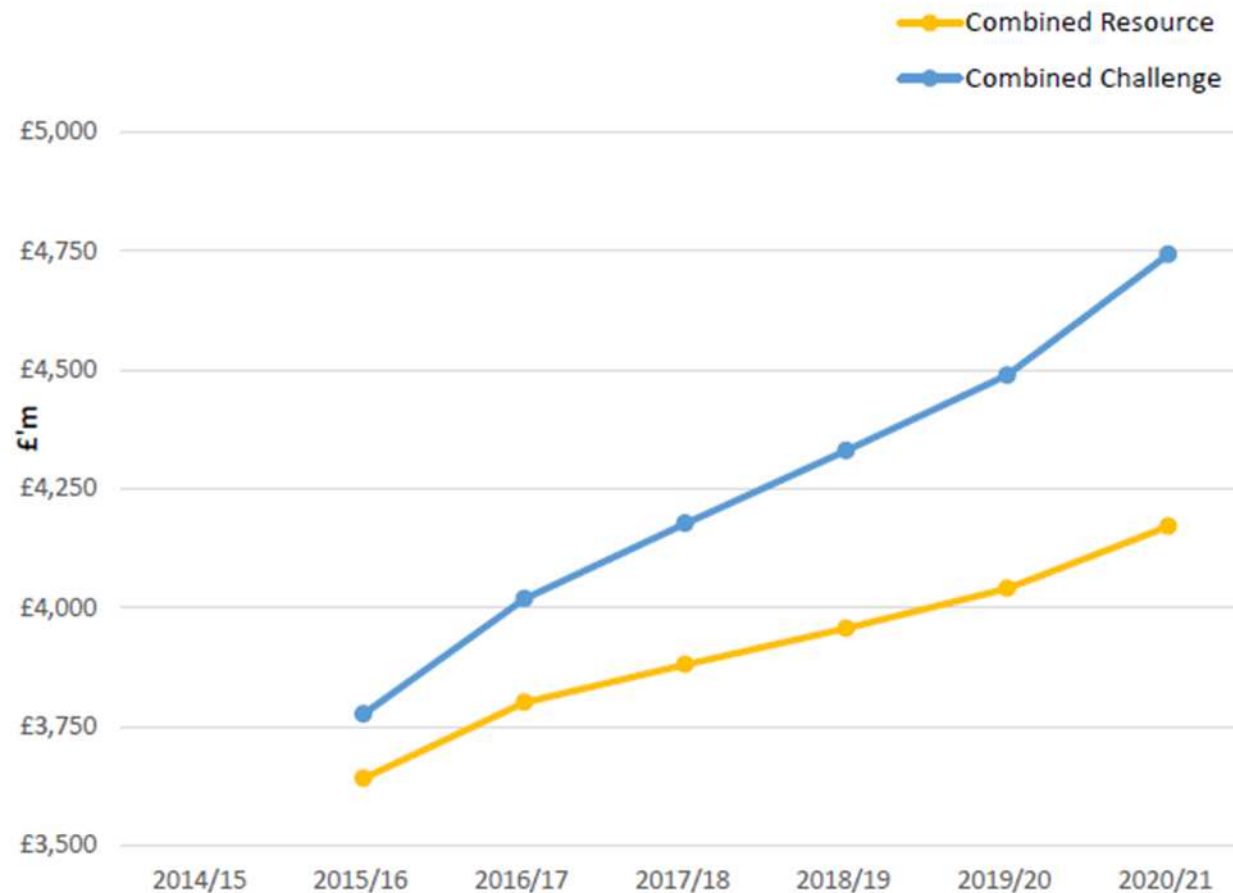
How STP has helped us transform together

- q Taking a pan-Devon approach to our challenges has reaped rewards:
 - o On track to **financial balance** in 2019/20
 - o Saved £103 million in 2016/17; and £157 million in 2017/18
 - o Shared commitment to **improving performance**: Devon in top 30% nationally for cancer treatment, emergency care and mental health
 - o **New model of care approach** has reduced reliance on hospital beds
 - o New **networks and workforce solutions** across four acute hospitals

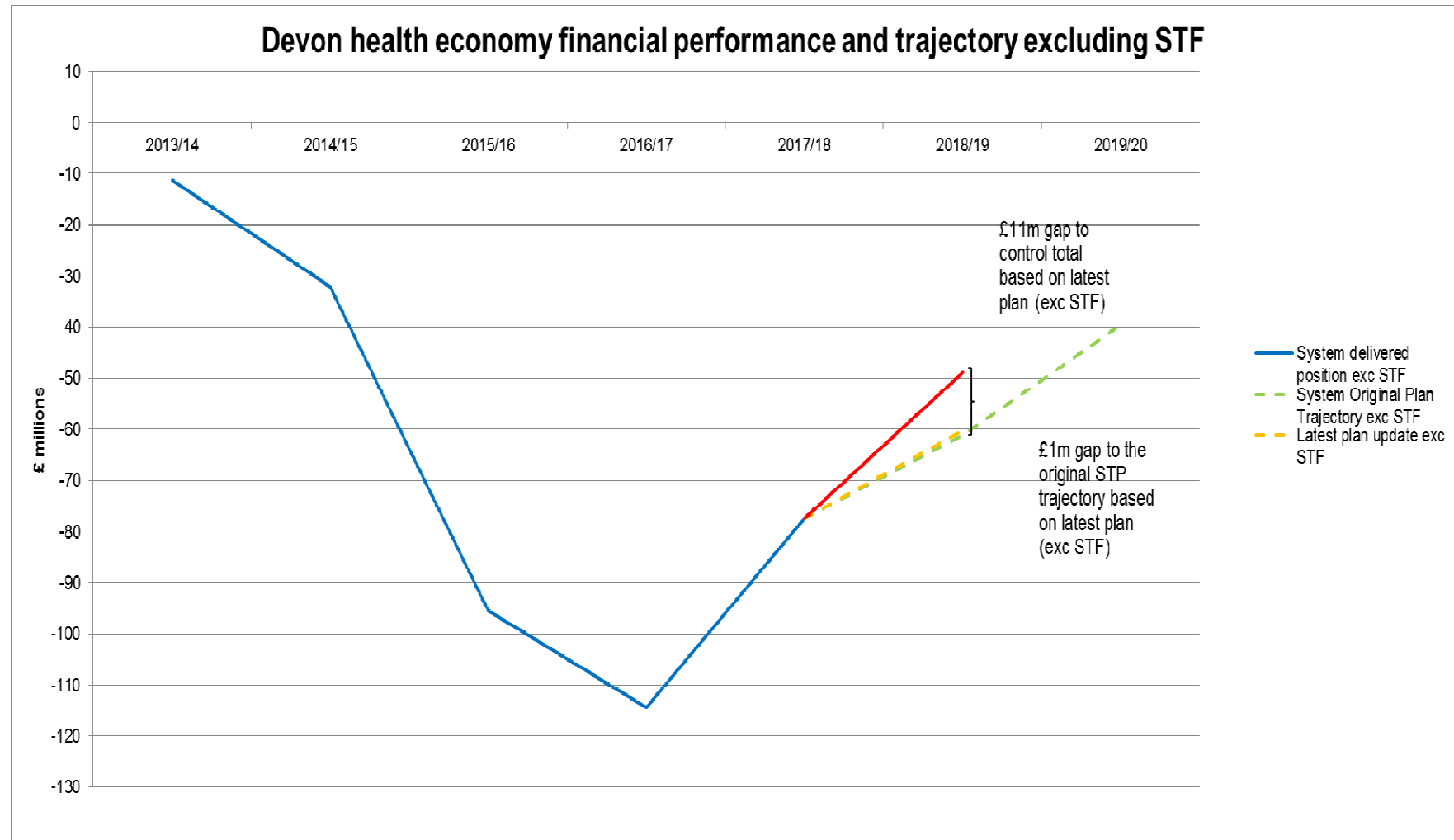


A reminder of the original STP forecast challenge - £572m by 2020/21

A system-wide challenge of £572m is forecast by the year 2020/21



Devon Health Economy – Where are we now?



2017/18 Outturn – Better than plan

In 2017/18, the Devon STP delivered a deficit of £22.7m against a planned deficit of £61.9m (£39.3m better than plan).

This improvement in financial position was achieved by a combination of local improvement and additional national funding earned.

Organisation	2017/18 Plan	2017/18 Outturn	Variance	Variance Consists of:					
	Surplus/ (Deficit)	Surplus/ (Deficit)		Local Performance Improvement	Tranche 1 Winter Funding	STF Bonus	National CCG Headroom Release	National CCG Cat M Drugs Release	Total Improvement
	£m	£m	£m	£m	£m	£m	£m	£m	£m
DPT	2.6	3.8	1.2	0.0	0.0	1.2			1.2
Livewell	1.1	1.1	0.0	0.0	0.0	0.0			0.0
NDHT	3.9	6.5	2.6	(0.3)	0.4	2.5			2.6
PHNT	(3.4)	3.1	6.5	(1.8)	1.2	7.1			6.5
RD&E	(0.5)	12.5	13.1	4.1	0.9	8.1			13.1
NEW Devon CCG	(57.1)	(49.9)	7.2				5.8	1.4	7.2
Subtotal NEW Devon Footprint	(53.4)	(22.8)	30.6	2.0	2.5	18.9	5.8	1.4	30.6
TSDFT	4.5	10.7	6.2	0.0	0.6	5.6			6.2
SD&T CCG	(13.0)	(10.5)	2.5				2.0	0.5	2.5
Subtotal South Devon Footprint	(8.5)	0.2	8.7	0.0	0.6	5.6	2.0	0.5	8.7
TOTAL DEVON SYSTEM	(61.9)	(22.7)	39.3	2.0	3.1	24.5	7.8	1.9	39.3



To deliver financial improvement significant savings have been delivered

£m	Savings Delivered/Planned In Year £m			FYE
Year	Recurrent	Non-Recurrent	Total	Full year effect of recurrent savings
2016/17	83	20	103	90
2017/18	114	43	157	131
2018/19	141	10	151	148

- The Devon health economy have evidence of significant savings delivery over the last two financial years since operating in a collaborative environment.



How has this been facilitated

- We have reduced the rate of growth in inappropriate referrals for acute services
- Working with GP Practices, We have controlled growth in Primary Care Prescribing Costs effectively
- We have improved processes for access to continuing care, ensuring those entitled to care have their needs met in the most effective way.
- We have significantly reduced our reliance on Agency staff, reducing the pay bill and improving the consistency of workforce in the process
- We have also made great gains in efficiencies in corporate services, procurement and moving to national best practice (Model Hospital)
- We have worked collaboratively with Local Authorities to ensure maximum benefit is derived from the Better Care Fund
- We have reduced administrative costs by aligning the two CCGs in Devon
- We have implemented new Care Models in Torbay and Southern Devon, Eastern Devon, North Devon and Plymouth. This has allowed the total number of beds in our system to be safely reduced by more than 200



Priorities going forward for continued financial improvement

- Continuation of our major STP programmes, building on success so far
- Working with partners, deliver a Financial framework that allows for comparatively greater investment in Mental Health services and Prevention than has been achieved in the recent past
- Ensure Devon is receiving appropriate resources for its population, particularly in respect of Remoteness of some communities

