



North West London Health and Care Partnership

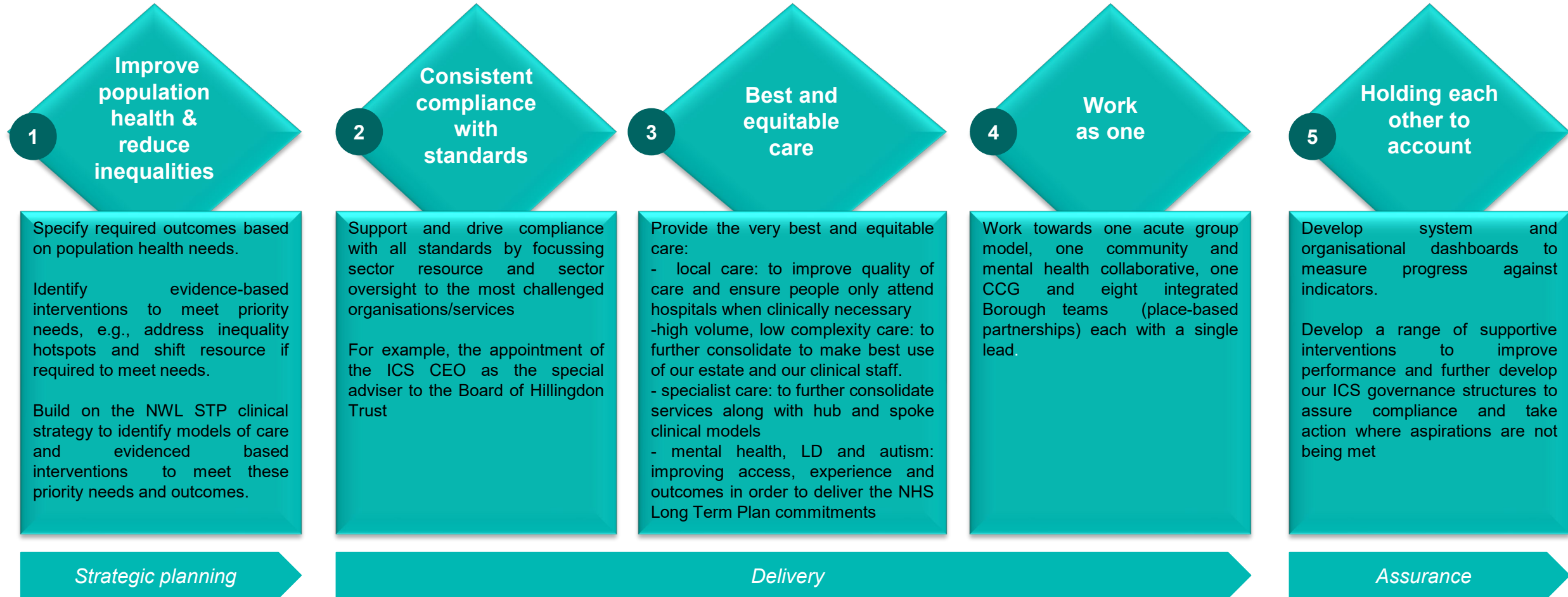
Financial Strategy Presentation to London CFOs
December 1st 2020

Current Position

- During the financial year 2020/21 the NHS has been funded in two halves with the first 6 months being based on the cost of provision and the second six months being based on a system envelope.
- Our envelope for the second half of the financial year was £3.5bn
- The cost of healthcare in NWL will be within the 20/21 envelope despite the pressures of the second wave of the pandemic
- During 20/21 we have invested in our services and we will spend £353m on our capital programme of which £93m is for new buildings, £70m maintaining existing assets, £58m on IMT, £10m on fire safety, £78m on equipment and £44m on other schemes
- Looking forward in to 21/22 the year is likely to split again with the first part of the year being a system envelop based on system expenditure and the second half of the year being based on previously signalled system allocations
- When the NHS moves to previous funding regimes it is highly likely that NWL will have a material financial gap and therefore whilst allocations are unknown we are working on a strategy to understand and control our post pandemic cost base so that we can close the gap

NWLHCP ICS Vision and Priorities

We will improve life expectancy and quality of life, reduce health inequalities and achieve health outcomes on a par with the best of global cities.



Aims, Assumptions and Outcomes

We aim to create an ICS that improves life expectancy, reduces health inequality, builds on our CV19 successes, is digitally mature, has a sustainable estate and is financially sustainable.

We will not avoid difficult conversations and will be respectful to all in all that we do.

- The NWL vision is to improve life expectancy and quality of life, reduce health inequalities and achieve health outcomes on a par with the best of global cities.
- We will increase access to our services and reduce inequalities in both health and financial investment by levelling the investment in Boroughs
- We will create an infrastructure to get management to challenge themselves, looking for place to solve problems and reduce expenditure. Place will earn greater autonomy as delivery improves
- We will target our resources towards areas of care with the worst health outcomes and reduce inequalities across NWL by driving out waste, reducing unnecessary clinical variation and creating incentives to support continuous improvement, innovation and efficiency. We will maximise the effectiveness of every NWL pound spent.
- We will capture the improvements and opportunities from the system response to the CV19 pandemic e.g. digital first for outpatients, low complexity high volume hubs
- We will improve financial management at all levels and areas of NWL to ensure that we always deliver what we promise
- We will guarantee openness, honesty and transparency in all we do ensuring all partners are treated with respect and inclusively
- We will use available benchmarking e.g. reference cost / model hospital to quantify where we are over cost by organisation, specialty level or point of delivery. From this we can address within organisation or as part of the system response and transformation work-streams
- NWL will aim to be top quartile as base point in all areas including referrals in to secondary care and productivity metrics in secondary care
- NWL will agree activity targets and productivity benchmarks for community / mental health / primary care activity
- We will report monthly on an efficiency dashboard via the NWL PMO
- We will create outcomes measures to ensure the financial transformation does not have a detrimental impact on quality

In the absence of national planning guidance a set of local assumptions

- Financial envelope 21/22 broadly as per M7-12 (20/21) with inflation increase and efficiency ask (circa 1%)
- CV19 funding to reduce to a post vaccine level likely to be less than the M7-M12 run-rate.
- Contracts for M1-6 next year likely to nationally set
- M7-12 back to CCG allocations so need to work through activity baselines for all including primary care / MH / community
- Baselines to inform blended payments but as funding is within the envelope / CCG we need to work through activity control

- The NWL vision is to improve life expectancy and quality of life, reduce health inequalities and achieve health outcomes on a par with the best of global cities.
- We will increase access to our services and reduce inequalities in both health and financial investment by levelling the investment as our CCGs merge
- We will create an infrastructure to get management to challenge themselves, looking for place to solve problems and reduce expenditure
- We will target our resources towards areas of care with the worst health outcomes and reduce inequalities across NWL by driving out waste, reducing unnecessary clinical variation and creating incentives to support continuous improvement, innovation and efficiency. We will maximise the effectiveness of every NWL pound spent.

- Work as a system to improve urgent and emergency care easing service pressures and reducing system cost.
- We will reduce duplication and cost whilst improving clinical pathways and clinical outcomes
- We will maximise the potential and effectiveness of London Ambulance Service reducing conveyances to acute settings by increasing 111 services, better pathways, the use of mental health cars, increasing stop and treat and making the offering central to the emergency pathway
- We will aim to consolidate non-clinical functions looking to provide once for NWL wherever we can e.g. Procurement, Payroll, Business Intelligence & Occupational Health
- We will work as a system to improve our estate footprint and cost creating an affordable, sustainable fit for purpose rationalised estate in all sectors and NWL boroughs
- Improve our digital capability supporting improved patient outcomes, digital patient access, data quality and business intelligence to drive continuous improvement with data
- Jointly invest in NWL assets e.g. hubs for low complexity high volume procedures, shared diagnostic & increase expert opinion
- Plan our workforce to create a more sustainable workforce that takes advantage of flexible working, new roles and links to planned NWL activity and staff wellbeing

Primary Care

- Close the funding gap in all areas and target investment to communities with highest need
- Use new technologies to reduce unwarranted clinical variation
- Ensure we get value for money for all we do, including CHC placements, prescribing and procurement
- Reduce our running costs.

Acute Care

- Protect acute services by ensuring people only go to hospital when they need to and improving discharge support
- Focus on the cost base to achieve value for money in all areas
- Improve efficiency, using measures like Model Hospital and Reference Costs, and address the areas where we are over-spending
- Create a financial infrastructure that supports the clinical strategy

Mental Health Services

- Invest in mental health, funding the Mental Health Investment Standard and enhancing mental health staffing
- Improve access to services and target investment to those communities with highest need
- Improve activity reporting, to understand the cost base and improve efficiency
- Reduce the cost of, and reliance on, treating patients outside NW London
- Reduce service duplication by working as a system.

Community Care

- Ensure a consistent offer for patients across NWL
- Invest to ensure our out of hospital provision supports faster discharge of patients and alternative patient pathways are available
- Improve activity reporting to understand the cost base
- Improve efficiency, using measures like Model Hospital and Reference Costs.

- Live within budget by delivering our plan that controlled the increase in recurrent expenditure in M7-M12 to less than 5.8% when compared to the recurrent exit run-rate of M8-M10 in 2019/20. In doing so, no organisation will deliver less than 1% recurrent CIP or fail to improve their underlying financial position.
- We will create a NWL framework to ensure improved diversity, inclusion, training and vision for all finance staff employed within NWL.

The North West London
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