

Update on Shropshire and Telford & Wrekin NHS Deficit Reduction Plan for the Joint Health Overview and Scrutiny Committee for Shropshire and Telford & Wrekin

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In taking forward the NHS Future Fit Programme it became clear that further work would be needed to ensure that local plans for improving the quality and safety of local health services could be achieved within the financial framework for the NHS. NHS England and the NHS Trust Development Authority will expect any future development proposals to be seen in the context of delivering a balanced Financial Plan for the Local Health Economy (LHE).

This paper provides an update on the progress being made in taking forward this plan.

NHS Future Fit

During 2015, the NHS Future Fit Programme developed a Strategic Outline Case for the delivery of the acute elements of the NHS Future Fit clinical model. This included the establishment of two urban urgent care centres supporting a single Emergency Centre across the two hospital sites within The Shrewsbury and Telford Hospital NHS Trust. The quality and sustainability improvements from these proposals were estimated to generate a net improvement of £6 million against the underlying financial deficit. However, as this would not bring the LHE to a sustainable financial position, it was not possible to demonstrate at that time that the proposed development plans could be afforded by the local health economy.

The next steps for the NHS Future Fit programme therefore required further work to determine how the Shropshire and Telford & Wrekin Local Health Economy can live within its means.

Responding to the challenge

The LHE has commissioned Pricewaterhouse Coopers (PWC) to work with local organisations to provide an independent assessment of the scale of the financial challenge that needs to be addressed. In order to do this PWC will be consolidating each of the Medium Term financial plans of the four provider organisations operating within the LHE (Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust, The Shrewsbury and Telford Hospital NHS Trust, Shropshire Community Health NHS Trust, South Staffordshire and Shropshire Healthcare NHS Foundation Trust) and the two Clinical Commissioning groups (Shropshire Clinical Commissioning Group, Telford & Wrekin Clinical Commissioning Group) into a single LHE Income and Expenditure account. This will then allow review and challenge of the assumptions underpinning these plans to ensure there is a consistent and coherent financial plan across all parties.

This process will also include engagement with the two local councils to consider the challenges also facing Adult Social Care.

The ultimate outcome of this work is then a LHE Income and Expenditure account to 2020/21 that provides a consolidated assessment of the financial deficit that needs to be addressed.

Importantly, this approach supports the local health system to fulfil the requirements of the new NHS Shared Planning Guidance¹ published in December which expects NHS organisations to work together

¹ Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21 [NHS England, NHS Improvement (Monitor and the NHS Trust Development Authority), Care Quality Commission, Health Education England, National Institute of Health and Care Excellence, Public Health England – December 2015]

within localities to create a five year Sustainability and Transformation Plan (STP), that is place-based and drives the delivery of the commitments set out in the Five Year Forward View². It encourages all parties to focus on strategies that deliver financial sustainability at an LHE level rather than solely at organisational level.

Timescales

Work commenced on 24 January 2016. A first assessment of the scale of challenge is expected to be available by mid-February 2016, with the work completed in early March 2016. An interim update will be presented to the Joint HOSC at its meeting on 2 March 2016.

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² Five Year Forward View [NHS England, NHS Improvement (Monitor and the NHS Trust Development Authority), Care Quality Commission, Health Education England, National Institute of Health and Care Excellence, Public Health England – October 2014]