

GOVERNING BODY MEETING

Date of meeting	Tuesday 24 March 2015	Agenda item number	11b
Title of report	Extensive Care Business Case – update		
Paper Presented by:	Iain Stoddart, Chief Finance Officer		
Paper prepared by:	Iain Stoddart, Chief Finance Officer		

CCG strategic objective supported by this paper: (please tick ✓)	Develop and maintain an effective organisation	✓
	Commission high quality, safe and cost effective services which reduce health inequalities and improve access to healthcare	✓
	Effectively engage patients and the public in decision making	✓
	Develop excellent partnerships which lead to improved health outcomes	✓
	Make the best use of resources	✓

Purpose of report
To update the Governing Body on the development of a Full Business Case for the Extensive Care pilot.
Recommendation
The Governing Body is asked to: <ol style="list-style-type: none"> Note this report and that comments made will be incorporated into the Full Business Case. Confirm their preference of approach to the funding of the pilot.

Please indicate which Group this has been discussed with (please tick ✓)			
Executive Management Team		Quality Improvement and Governance Cttee	
Clinical Commissioning Committee		Finance and Performance Committee	✓
Audit Committee		Remuneration Committee	
Council of Members		Other/Not Applicable	
Patient and Public Engagement:	The CCG's strategic five year plan identifies the case for change and has been subject to extensive patient and public engagement.		
Equality Impact Assessment:	Considered as part of commissioning plans and as business case progress		
Resource Implication(s):	Will be contained within the Full Business Case		
For further information please contact:	Iain Stoddart – 01253 306440		

GOVERNING BODY MEETING – TUESDAY 24 MARCH 2014

EXTENSIVE CARE BUSINESS CASE - UPDATE

The Fylde Coast New Models of Care Programme Board met on Thursday 5th February 2015 and discussed the Full Business Case concerning the Extensive Care pilot. This business case covers the pilot roll out for both Blackpool CCG and Fylde and Wyre CCG. With respect to NHS Fylde and Wyre the pilot Extensive Care Service is located at the Lytham Primary Care Centre.

The background to the development of the Extensive Care (Extensivist) provision has been well documented and is recognised as being ground breaking in its approach. As such the development of both an Outline Business Case and Full Business Case has been difficult to develop, especially as the outcomes of the project are uncertain or unproven at this stage. In order to ensure that this project is measured in the best possible manner, NHS England is working with Integrated Pioneer organisations and a firm of consultants to develop the metrics for measuring success of the project.

Due to the above, the business case will require further finessing to get to what would be considered by the Governing Body as a product against which they can decide upon their level of support. At present the Outline Business Case has been discussed by the Finance & Performance Committee at its meeting on 27th January 2015 and the Full Business Case at the 24th February 2015 meeting. The committee were asked to individually and collectively consider the business case and make recommendations that could be fed back to the Governing Body and also the Fylde Coast team that had developed the business cases thus far.

Both business cases are available for Governing Body consumption. The main thrust of comment (which will be incorporated into the business case) are as follows:-

1. Detailed queries on the business case have been submitted to the project team.
2. Overriding concern is that there is insufficient sensitivity analysis around the financial outcomes; particularly in year one. This is based upon the statements contained within the business case around the length of time it would take to recruit the patient workload (4 months from a standing start) and an additional 3 months thereafter for a reduction in activity to manifest itself. In addition, and as stated in the business case, activity reductions of between 60% and 70% are unproven and “aspirational”.
3. It is assumed that the benefits in year one would therefore be slower to materialise than indicated in the “best case scenario”, and more sensitivity analysis is needed around the year one numbers to ensure that the downsize cost in that year is fully appreciated. This work is necessary to protect the CCG against future scenarios that may generate requests for additional costs or if patient benefits do not materialise to the prospected level.

The Governing Body are asked to note this report and that comments made will be incorporated into the Full Business Case. A separate session will be arranged to walk Governing Body members through the business case in detail. At present there is an assumption that the cost of piloting the extensive care initiative in 2015/16 could come from several sources:-

1. Double running costs from Vanguard status and from the national resources available to Vanguard sites (£200m in 2015/16 for 29 sites nationally)
2. From contractual savings stemming from Non Elective admissions.
3. Pump primed CCG development funds
4. Realignment of Better Care Fund priorities
5. A combination of the above

The Governing Body are asked to confirm their preference of approach to the funding of the pilot.

The view on costs and associated outcomes has not yet been fully worked through, albeit the basic cost of the new provision and obviated from current treatments is listed below. This suggests a time lag between realisation of savings and the incurring of new costs. The financial modelling will be further developed as the business case moves to its final iteration.

Costs - 15/16	£'000s	
Pay	927	
Non Pay	181	
Contingency	107	
	1,215	
Recurrently	1,185	
Savings Range		
15/16	£648k to £1,027k	
16/17	£788k to £1,556k	
17/18	£824k to £1,573k	

Iain Stoddart
Chief Finance Officer