

Report to: **East Sussex Health Overview and Scrutiny Committee (HOSC)**

Date of meeting: **27 November 2014**

By: **Assistant Chief Executive**

Title: **Challenged Health Economy**

Purpose: **To consider the implications of Challenged Health Economy status for East Sussex and the nature and outcomes of the work arising from this designation.**

RECOMMENDATIONS

HOSC is recommended:

- 1. To consider and comment on the presentation from NHS England and the NHS Trust Development Authority (appendix 1); and**
 - 2. To identify any specific issues requiring further scrutiny.**
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1. Background

1.1 In February 2014 it was announced that NHS England, Monitor and the NHS Trust Development Authority (TDA) had agreed to provide additional support to 11 financially challenged health economies in England. The three national bodies announced that they had agreed to fund a series of projects to help NHS commissioners and providers in these areas work together to develop integrated five year plans to address the particular local challenges they face.

1.2 East Sussex was one of the 11 areas identified as a 'Challenged Health Economy' (CHE) which would benefit from the additional support. External suppliers were sought to support the CHE areas, with the stated intention that they would act as a critical friend, testing whether local organisations are undertaking their long term strategic planning in the most effective way. It was indicated that the programme of work would last around 10 weeks and involve analysis of finances, governance and quality issues. Responsibility for delivering strategic plans remains with the individual commissioners and providers.

2. Areas for scrutiny

2.1 A joint presentation (**appendix 1**) has been supplied by NHS England and the NHS TDA. Pennie Ford, Director of Operations and Delivery (Surrey and Sussex) from NHS England and Jim Lusby, Portfolio Director (South) from NHS TDA will be presenting to HOSC.

2.2 Representatives from the local Clinical Commissioning Groups (CCGs) and East Sussex Healthcare NHS Trust (ESHT) have also been invited to attend to give their perspective on what the CHE work has meant for local organisations and how it is being taken forward:

- John O'Sullivan, Chief Finance Officer, Eastbourne, Hailsham and Seaford and Hastings and Rother CCGs
- Ashley Scarff, Head of Commissioning and Strategy, High Weald Lewes Havens CCG
- Darren Grayson, Chief Executive and Amanda Harrison, Director of Strategic Development and Assurance, ESHT.

2.3 HOSC may wish to explore themes such as:

- The key factors leading to East Sussex being a challenged area.
- How the CHE work has influenced strategic planning in the local health economy.

- How CHE work links to other local change programmes such as the ESHT Clinical Strategy, CCG commissioning plans and the East Sussex Better Together programme.
- The extent of involvement of patients, public (or their representatives) and other stakeholders in this area of work.
- How the broader shift in healthcare from acute to community services is being reflected and taken forward through the CHE work.

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East Sussex

Challenged Health Economy

27 November 2014

Wider national context:

- 2/3 UK public believe the NHS “works well”
- Cancer survival is at its highest ever
- Early deaths from heart disease are down 40%
- Ageing population
- Financial challenge remains, with the gap in 2020/21 previously projected at £30bn
- **Recent forward view** – To address this gap and ensure sustainable, high quality patient care we will need to take action on three fronts: demand, efficiency and funding.

Challenged Health Economies:

- 11 across England identified by NHS England, NHS TDA and Monitor
- Chosen based on level of underlying of challenge
- External support to provide ‘a critical friend’ as areas develop integrated 5-year plans that effectively address the particular local challenges they face

What is a “Challenged Health Economy”?

- Defined by areas that have significant challenges to their long term sustainability across the healthcare economy
- Requires cross organisational working to deal with the challenges in the long term
- Also requires a detailed long term planning approach

Challenged Health Economies:

- The 11 are:

South West London, North East London, Cumbria, Eastern Cheshire, Staffordshire, Mid Essex, Cambridge and Peterborough, Leicestershire, Northamptonshire, East Sussex and Devon

What actions were carried out when East Sussex was identified as a Challenged Health Economy?

- PriceWaterhouseCoopers appointed to provide additional support and analysis
- East Sussex Challenged Health Economy Programme Board was set up chaired by NHS TDA and NHS England with representatives from the Trust and local CCGs, including the Chief Executive and Accountable Officers and Monitor

What were the outcome of these actions?

- Two phases of analysis covering a range of issues relating to activity and finance
- Analysis will feed into the East Sussex Better Together programme

