

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

Date of meeting: 27 September 2018

By: Assistant Chief Executive

Title: NHS Sustainability

Purpose: To provide HOSC with an update on the Clinical Commissioning Groups' (CCGs) financial plans for 2018/19; the Clinically Effective Commissioning programme; and the Sussex and East Surrey Sustainability and Transformation Partnership (STP).

RECOMMENDATIONS

The Committee is recommended to:

- 1) consider and comment on the report; and**
 - 2) identify any proposals that require further scrutiny.**
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1. Background

1.1. The Health Overview and Scrutiny Committee (HOSC) is scrutinising a number of issues that relate to work by the NHS commissioners and providers to deliver financial and clinical sustainability to the East Sussex health economy.

1.2. The specific issues are:

- The financial savings proposals of the three Clinical Commissioning Groups (CCGs) in East Sussex for 2018/19
- The latest progress with the Sussex and East Surrey Sustainability and Transformation Partnership (STP)
- The progress of the Clinically Effective Commissioning (CEC) programme.

1.3. This report combines these different issues into a single report for consideration by the Committee.

2. Supporting Information

Financial Savings proposals

2.1. The three CCGs in East Sussex – High Weald Lewes Havens CCG (HWLH CCG); Eastbourne, Hailsham and Seaford CCG (EHS CCG), and Hastings and Rother CCG (HR CCG) – ended the 2017/18 financial year in deficit.

2.2. EHS and HR CCGs ended the year with a combined financial deficit of £37m, which was the first time they had been in deficit in four years. The underlying financial position has deteriorated in part due to increases in unit activity and costs of local services, in particular an increase in acute services of £22m.

2.3. The two CCGs agreed with NHS England a Financial Recovery Plan (FRP) that, if achieved, will see the CCGs end the 2019/19 financial year reaching a 'control total' of a £32m combined deficit. If the CCGs achieve this control total they will receive a payment of £32m from the Commissioner Sustainability Fund that will reduce their deficit for the year to zero.

2.4. In order to reach the control total the CCGs will need to deliver Quality, Innovation, Productivity and Prevention (QIPP) savings of £18m, amounting to around 3% of their total expenditure. The QIPP savings include both schemes that deliver improved quality and efficiency and drive transformation; and a 5% reduction in non-acute budgets (excluding Primary Care and

Mental Health). They fall across five key categories, Medicines Management, Planned Care, Urgent Care, Community, and Running Costs.

2.5. NHS England subsequently placed EHS and HR CCG into legal directions in July 2018. As part of these legal directions, the two CCGs are required to develop a joint 'system-wide' FRP together with East Sussex Healthcare NHS Trust (ESHT), which is also in financial special measures, and a 3-5 year plan setting out how the system will return to financial balance and sustainability by 2022/23.

2.6. A summary of these two plans is included as **appendix 1** to this report. The report in appendix 1 outlines that the system-wide control total for 2018/19 is £77m (£45m from ESHT and £32m from the CCGs) and that it will be achieved through the delivery of £19.2m Cost Improvement Programme (CIP) savings at ESHT and £18m QIPP savings at the CCGs. **Appendix 2** sets out the individual QIPP savings planned for 2018/19.

2.7. HLWH CCG ended 2017/18 with a deficit of £9m. The CCG has agreed its FRP in conjunction with other CCGs in the Central Sussex and East Surrey Area (CSESA) South area. The CCG will aim to deliver £9.2m QIPP savings to reach a control total deficit of £10.7m.

2.8. HWLH CCG has produced a report (attached at **appendix 3**) that updates the committee on the proposed savings including that the CCG is on track to deliver its agreed deficit of £10.7m as at the end of Quarter 1 and that £2.3m of unmitigated risks remain, i.e., savings that have not yet been identified or that have a significant risk to delivery.

Sussex and East Surrey Sustainability and Transformation Partnership (STP)

2.9. The NHS England Five Year Forward View vision of better health, better patient care and improved NHS efficiency required local health and care systems to come together in January 2016 to form 44 Sustainability and Transformation Plan (STP) 'footprints'. The health and care organisations within these geographic footprints are working together to develop and deliver Plans which aim to help drive sustainable transformation in patient experience and health outcomes for the longer-term. Plans are also expected to demonstrate how the health system will achieve financial balance by 2020/21.

2.10. The local footprint which includes East Sussex is 'Sussex and East Surrey'. This comprises 24 partner organisations – NHS commissioners and providers and top tier local authorities. Since they were established STPs have been renamed Sustainability and Transformation Partnerships, reflecting the move from planning to delivery and the importance of engagement across the partners and more widely. STPs are not legal entities in themselves and have no decision making powers - each partner organisation remains sovereign.

2.11. The Sussex and East Surrey STP covers an area that also contains four 'place-based plan' areas – East Sussex Better Together (ESBT), Central Sussex and East Surrey Area (CSESA) South, CSESA North, and Coastal Care. The place based plans focus on integration of health and social care services in localities, developing community services, proactive management of long term conditions and increased emphasis on prevention and self-care. The STP workstreams cover strategic issues that can be more effectively delivered at scale, such as ICT, workforce and acute care.

2.12. An update on the STP is attached as **appendix 4** and includes updates on the governance arrangements of the STP, including the appointment of a single Accountable Officer, Adam Doyle, for all the CCGs in the STP, and the development of a unified case for change for the whole STP.

2.13. Most STPs cover more than one HOSC area, necessitating liaison between HOSCs on scrutiny arrangements. Informal liaison is continuing between HOSC Chairs and Officers in Sussex and Surrey in order that local HOSCs are in a good position to undertake any more formal scrutiny should this be required.

2.14. If STPs propose any 'substantial developments or variations' to health services, relevant HOSCs would need to be consulted by relevant NHS organisations in the usual way according to health scrutiny legislation.

Clinically Effective Commissioning (CEC)

2.15. Clinically Effective Commissioning (CEC) is a workstream of the STP being carried out across the CCGs in Sussex only. Its aim is to improve the effectiveness and value for money of healthcare services. This is to be achieved through developing a single set of Sussex-wide clinical policies for procedures that are of low clinical value, which are separated into three separate 'tranches'; and ensuring National Institute of Health and Care Excellence (NICE) guidelines are applied to these policies in a uniform way.

2.16. HOSC considered an initial presentation on CEC back in September 2017. The report attached as **appendix 5** updates the Committee on the progress of implementing CEC. **Appendix 6** provides a list of the individual tranches.

2.17. CEC covers more than one HOSC area, which would necessitate the creation of a Joint HOSC if any CEC proposals are considered to be a 'substantial development or variation' to health services by more than one of the affected HOSCs. Discussions with the Chairs of HOSC are underway about the potential need to establish a JHOSC in advance of the need of the NHS to consult with any HOSCs, although there are no known potential substantial variations at this stage.

3. Conclusion and reasons for recommendations

3.1 HOSC is recommended to consider and comment on the report.

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