



An overview of ESBT Alliance Financial Recovery Plans 2018/19 and beyond, including a summary of delivery projects for Eastbourne, Hailsham and Seaford CCG and Hastings and Rother CCG

1. Background

- 1.1 The East Sussex Better Together¹ (ESBT) system reported a combined deficit of £92m at the end of March 2018, with both the Clinical Commissioning Groups (CCGs) and East Sussex Healthcare NHS Trust (ESHT) reporting significant variances against their plans. In addition East Sussex County Council (ESCC) ended its year at break-even, but was required to support the Adult Social Care position through central reserves and has a further £8.4m cost reduction plan agreed for this year².
- 1.2 In June 2018, the ESBT Strategic Commissioning Board received a report outlining the ESBT financial position. This provided an overview of the ESBT system including a range of areas where ESCC savings proposals (that were under consultation at the time) and a range of CCGs' Quality Innovation Productivity and Prevention (QIPP) plans.
- 1.3 ESBT Alliance is widely recognised for the significant improvements it has made including:
 - Putting even more local people in touch with the right services at the right time, Health and Social Care Connect now receives over 11,000 contacts/referrals per month
 - Reductions in delayed transfers of care – down from 8% to 1.4%
 - Reductions in the length of time patients stay in hospital³ – down by 1 day on average which means 1,000 fewer bed days each month, every month
 - Significant improvements against the 4 hour A&E waiting time target, with ESHT now being one of the top quartile performing A&Es nationally
 - Reductions in unnecessary hospital admissions - to date 72% of people seen by our Crisis Response team had not been readmitted to hospital within a month
 - Reductions in those patients staying more than six nights in an acute hospital setting by almost 20% over the last year

¹ The ESBT Alliance is a health and care partnership of Eastbourne, Hailsham and Seaford CCG; Hastings and Rother CCG, East Sussex County Council, East Sussex Healthcare NHS Trust and an associate partner of Sussex Partnership NHS Foundation Trust

² It is important to note that the local authority is not required to be part of the system-wide financial recovery that the CCGs and ESHT have been required to develop. This information is included here for completeness as ESCC are a key partner in the ESBT Alliance.

³ The length of time patients stay in hospital is often referred to as Length of Stay (LOS)
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- Over 17,000 people have been helped by our benefits and debt advice service which we set up to reduce money-related health problems

1.4 However, despite these improvements, we have not yet reduced the level of activity and the costs of that activity as much as is needed, and both the CCGs and ESHT are in deficit, with the Trust being in financial special measures since October 2016; and the CCGs were issued Legal Directions in July 2018. As part of these Legal Directions the CCGs have been required to develop an in-year financial recovery plan (FRP) and a 3-5 year plan that is integrated across our system, together with East Sussex Healthcare Trust (ESHT).

2. Purpose of this report

2.1 This report outlines the key elements of our system-wide FRP including:

- An outline of the work the CCGs and ESHT are prioritising to ensure financial balance is achieved this financial year, 2018/19
- An outline of the work the CCGs and ESHT are further developing to ensure a financially sustainable health and care system in the longer term (over the next 5 years, 2019/20-2022/23)
- A summary of the CCGs QIPP programme as requested by HOSC.

2.2 It is important to note that the ESBT Alliance is our place-based system that aims to improve health and wellbeing; enhance care, quality and experience for local people; and make the best use of our combined resources to ensure sustainable services as part of the wider Sussex and East Surrey Sustainability Transformation Partnership (STP). Our local system financial challenges are reflected across the STP and indeed much of the NHS nationally.

3. Our current financial position – the challenge in 2018/19

3.1 The CCGs and ESHT have agreed with the NHS nationally that they will deliver an agreed deficit (control total) across the system of £77m in 2018/19; a £45m deficit for ESHT and a £32m deficit for the CCGs. If the CCGs reach their £32m target deficit, then NHS England will make a Commissioner Sustainability Fund available of £32m, which means the CCGs would break-even in 2018/19, however a system deficit of £45m would remain.

3.2 Sections 4 and 5 of this report below outline the steps that ESHT and the CCGs are taking to deliver their target deficits in 2018/19. This is delivered through a Cost Improvement Programme (CIP) at ESHT and a Quality Innovation, Productivity and Prevention (QIPP)⁴ Programme at the CCGs.

4. East Sussex Healthcare NHS Trust in 2018/19 CIP

4.1 East Sussex Healthcare NHS Trust has initially planned for receipt of £397m in income in 2018/19 (£270.4m of which is paid from the CCGs allocation for local services). This income is largely distributed in line with activity levels at the Trust, on the basis of a pricing system called 'payment by results.' Actual activity levels,

⁴ QIPP is a NHS programme that has been in place since 2009 providing a framework for enabling the NHS to use evidence-based techniques to improve quality whilst making efficiency savings.

particularly for urgent and non-elective care, have been significantly above planned levels in the first half of the financial year, creating operational and financial pressures for the Trust, and a further financial challenge for the system and commissioners.

- 4.2 The Trust is seeking to deliver cost improvement plans of £19.2m in 2018/19, in order to secure a planned deficit of £44.9m. The Trust has set a target above this level - for £23.5m - for savings across the organisation, recognising that cost improvements can sometimes take time to do properly, and to avoid impacting on the quality of services for patients, and allowing for in-year delays in delivery.
- 4.3 The Trust has robust systems in place to ensure that cost improvement savings are developed and delivered in a way which has not adverse impact on quality and safety – with an established Quality Impact Assessment process, personally led by the Chief Nurse and the Medical Director. The Trust’s Quality and Safety Committee is focused on continuing to press for improvements in quality and safety across the organisation, and maintains a rigorous review process for potential adverse consequences of cost improvements.
- 4.4 The Trust’s Cost Improvement Programme is driven by evidence and analytical information (from national tools such as the Model Hospital, as well as detailed benchmarking of services) and is aimed at reducing the underlying financial deficit in a sustainable way over time. Delivery is supported by a Recovery Director, and through a Programme Support Office, and the programme is aligned with the CCG QIPP programme through the System Financial Recovery Board.
- 4.5 Working with clinicians and key stakeholders across the organisation, and the wider health economy, the Trust has started development of a detailed clinical and financial sustainability strategy, to help deliver the objectives of East Sussex Better Together and ESHT 2020. We are committed to extending engagement with a broader range of stakeholders across the system. However, the initial work on the clinical and financial sustainability plan provides a robust platform to support the development of the whole system sustainability plan, under development with the CCGs and with East Sussex County Council, described below.

5. The CCGs QIPP programme

- 5.1 If we didn’t implement any plans to transform the way services are delivered to local people to make better use of our resources, we would have a gap of £50m. Therefore, the QIPP programme that we have put in place aims to reduce our predicted spending in 2018/19 by £18m to achieve the agreed deficit of £32m.
- 5.2 Our QIPP programme includes 18 schemes which are actively delivering a planned total of £18m, with further schemes in the pipeline to be further developed to support sustainable recovery over the next 5 years. Our schemes aim to improve the way services are delivered to local people and improve the efficiency of these services as a result. All schemes are subject to quality and equality impact assessments. Some examples of the service transformation that we are working with partners to deliver include:
 - Within the CCGs **Medicines Management** domain, we are continuing our **Medicines Optimisation in Care Homes Service** to provide an annual medication review for all care home patients (residential and nursing care homes). In addition, we are also supporting pharmacists working in GP practices and community health

services to reduce inappropriate polypharmacy (ensuring people get the right choice of medicines, at the right time, and are engaged in the process by their clinical team).

- Within the **Planned Care** domain, we are implementing a **Re-designed Diabetes Pathway**. The re-designed pathway will deliver two key services to support diabetics: an Integrated Diabetes Service including diabetes self-management education (DSME), and an Urgent Access Diabetic Foot Clinic. It is anticipated that this project (when fully delivered) will reduce impact of diabetic complications by 29% and amputation rates by 38% within 3 years, whilst reducing system-wide costs which are considerable both for initial treatment and on-going social care costs (for example housing adaptations estimated to be in the region of £15k per patient per year). Currently, there is wide variation in the prevalence of diabetes and the care offered locally, which is provided using a traditional medical model with less strong integration between primary and secondary care. We have conducted a whole system pathway review and are putting in place an integrated service to better manage people's needs.
- Within the **Urgent Care** domain, we are implementing a **High Intensity User (HIU) Service**. This project is one of our projects to address the emerging upward trends in Urgent and Emergency Care. The ESBT system has seen an overall 6.1% increase in A&E attendances (6.2% for at ESHT) in 2017/18 compared to the national increase of 2%. In addition ESBT has seen an increase in unplanned emergency admissions of 13.4% (14.7% at ESHT) compared to the national increase of 4%. Following a system wide urgent and emergency (UEC) demand diagnostic to better understand what is driving the increases in demand across the system, we are adopting best practice from Blackpool and implementing a High Intensity User (HIU) service. This will offer a robust way of reducing frequent user activity to 999, NHS 111, A&E, GP contacts and hospital admissions, freeing up front line resources to focus on more clients whilst reducing costs. The HIU service uses a health coaching approach, working with high users of services and supporting the most vulnerable clients within the community to flourish, whilst making the best use of available resources.

5.3 Further details for all the live QIPP schemes are provided at Appendix 2.

6. CCGs' progress in meeting its financial challenge in 2018/19

6.1 At the end of July 2018, the CCGs are forecasting that we will meet our £32m deficit control total. We are currently forecasting to deliver QIPP schemes savings of £14.7 (at 2018/19 year end) against our target of £18m, and have further plans in place to increase delivery to achieve the full target.

6.2 We are also working very closely with ESHT to make sure we can better manage increasing activity within our current resources.

7. Developing a system that is financially sustainable over the next 3-5 years

7.1 Our system continues to face a number of challenges and changes:

- We have a growing and ageing population, one of the most elderly in the country with an increasing number of people living with long term and multiple conditions.
- Demand is growing, last year our growth in demand was significantly higher than the national average for unplanned admissions and A&E attendances.

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- We have some significant health inequalities, particularly in coastal towns, where pockets of deprivation lead to poorer health outcomes
 - We have significant workforce challenges both in our ageing workforce profile (this is especially notable in some areas of general practice), recruitment and retention and the need to transform our workforce
 - There are challenges regarding timely access to services, and the appropriateness of premises and infrastructure needed for service delivery.
- 7.2 Whilst our work together as ESBT Alliance partners has brought significant improvements in service quality and performance (outlined in 1.3 above), our challenges clearly remain. We are committed to building on our ESBT progress so far, and are ensuring a shared focus on becoming a financially sustainable health and care system.
- 7.3 Our ESBT ambition for achieving this still holds true; and is now further strengthened with system-wide plans for financial sustainability supported by national experts in key areas.
- 7.4 The CCGs and ESHT continue to work together to develop an integrated longer term plan and will report to HOSC on this at their next meeting.

