



Report to: East Sussex Better Together (ESBT) Strategic Commissioning Board

Date of report: 12 October 2018

By: Chief Officer, Eastbourne Hailsham & Seaford and Hastings & Rother Clinical Commissioning Groups
Director of Adult Social Care & Health, East Sussex County Council

Title: East Sussex Better Together Financial Position

Purpose: To provide the Board with an update on the East Sussex Better Together financial position

RECOMMENDATIONS

The Board is recommended to:

1. note the East Sussex Better Together system financial outturn for 2017/18;
2. note the Health and Social Care Commissioning 2018/19 financial position; and
3. note the recovery actions being developed and implemented collaboratively through the ESBT structures.

1. Background

1.1 The East Sussex Better Together (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 £10m cost reduction plan agreed for this year¹.

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

¹ 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.

- Reductions in delayed transfers of care – down from 8% to 1.4%
- Reductions in the length of time patients stay in hospital² – 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
- 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. Supporting Information

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

- An outline of the work the CCGs and Adult Social Care are prioritising to ensure financial balance is achieved this financial year, 2018/19
- An outline of the work the CCGs and Adult Social Care 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)

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 Section 4 and 5 of this report below outline the steps that CCGs and Adult Social Care are taking to deliver their financial positions in 2018/19.

4. The CCGs' QIPP programme

4.1 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.

² The length of time patients stay in hospital is often referred to as Length of Stay (LOS)

4.2 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.

4.3 Further details for all the live QIPP schemes are provided at Appendix 1.

5. **Adult Social Care's saving programme**

5.1. In June 2018, following a comprehensive consultation process, the East Sussex County Council Cabinet approved proposals for the delivery of £9.6 million of savings across the whole of East Sussex, which sought to protect the delivery of care and support services whilst supporting the delivery of a balanced budget and the delivery of the Council's Medium Term Financial Plan.

5.2. In terms of the impact of these savings on the ESBT geographical region, approximately £7.4 million in a full year. The proposals included reviews of existing contracts and the introduction of new models of service, some of which will require a phased approach to their delivery. Specific details of the proposals and their impact were submitted to the Cabinet meeting on 26th June 2018.

5.3. The progress in delivering these plans is monitored via the Council's corporate monitoring procedures, which are formally reported to Members on a quarterly basis.

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

6.1 At the end of August 2018, the CCGs are forecasting that we will meet our £32m deficit control total after using £14.4m of non-recurrent support and reserves. We are currently forecasting to deliver QIPP schemes savings of £14.0m (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.
- 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.

8. Recommendations

8.1 The ESBT Strategic Commissioning Board is recommended to:

1. **note** the East Sussex Better Together (ESBT) system financial outturn for 2017/18;
2. **note** the Health and Social Care Commissioning system 2018/19 financial position; and
3. **note** the recovery actions being developed and implemented collaboratively through the ESBT structures.

ADAM DOYLE

Chief Officer

Contact Officers:

John O'Sullivan, Chief Finance Officer Officer, Eastbourne Hailsham & Seaford and Hastings & Rother Clinical Commissioning Group Tel 01273 485300

KEITH HINKLEY

Director of Adult Social Care and Health

Keith Hinkley, Director of Adult Social Care and Health Tel: 01273 481288