

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

**Date of meeting:** 27 June 2019

**By:** Assistant Chief Executive

**Title:** Clinical Commissioning Groups' (CCGs) Financial and Governance plans

**Purpose:** To provide HOSC with an update on the Clinical Commissioning Groups' financial plans for 19/20 and the proposed merger of the three East Sussex CCGs

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## **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) learned at its meeting on 28 March 2019 meeting that the Clinical Commissioning Groups (CCGs) in East Sussex achieved their financial targets for the 2018/19.
- 1.2. The Committee requested a further update for its June meeting on the proposed Quality, Improvement, Productivity and Performance (QIPP) savings plans that will be required for the CCGs in East Sussex to hit their financial target for 2019/20.
- 1.3. The Committee has also learned that the CCGs in East Sussex are planning to merge and requested further details.

### **2. Supporting Information**

#### **Quality, Improvement, Productivity and Performance (QIPP) plans for 2019/20**

- 2.1. The three CCGs in East Sussex – High Weald Lewes Havens CCG (HWLH CCG); Eastbourne, Hailsham and Seaford Clinical Commissioning Group (EHS CCG) and Hastings and Rother Clinical Commissioning Group (HR CCG) – achieved their financial 'control total' for 2018/19 of a combined deficit of £42.7m – comprising £10.7m for HWLH CCG and £32m for EHS & HR CCGs. In return, they received Commissioner Sustainability Funding (CSF) from NHS England of the same amount, taking the overall deficit to £0.
- 2.2. Achieving the control total required the delivery of Quality, Innovation, Productivity and Prevention (QIPP) savings of £9.2m by HWLH CCG and £18m by EHS/HR CCGs. This amounted to around 3% of their total expenditure. The QIPP savings included 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).
- 2.3. The CCGs informed HOSC at the 28 March that control totals for 2019/20 had been set at £31.5m deficit - £7.6m for HWLH CCG and £23.9m for EHS and HR CCGs combined – which would be partly achieved through the delivery of QIPP savings.
- 2.4. The details of these QIPP savings were not yet finalised by the time of the March committee meeting and the HOSC requested that they be provided at the subsequent meeting. Details are now attached as **Appendix 1**.

## **Merger of CCGs**

2.5. The NHS Long Term Plan, published in January 2019, calls for the establishment of Integrated Care Systems (ICS) by 2021. NHS England also requires CCGs to find 20% back office savings by 2020. Many CCGs around the country have now begun the process of merging in order to meet these requirements.

2.6. **Appendix 2** is a copy of a letter sent by Adam Doyle, Chief Executive of the eight CCGs in Sussex and East Surrey, to stakeholders outlining the plans for mergers across the area.

2.7. The three East Sussex CCGs are proposing – subject to agreement by their Governing Bodies and member GP practices – to merge to form an East Sussex CCG coterminous with East Sussex County Council. The CCG will be one of three CCGs – alongside Brighton & Hove CCG and a new, merged West Sussex CCG – within a Sussex-wide ICS, with East Surrey CCG expected to leave and join the Surrey Heartlands ICS.

2.8. The Governing Bodies of the three CCGs will consider proposed merger plans on 26 June and 3 July. The reports [will be available on the CCGs' websites](#). If agreed, the CCG will assume shadow form from this autumn with the full merger expected to be completed by April 2020.

2.9. A presentation providing more detail on these proposals will be provided by Adam Doyle at the HOSC meeting on 27 June.

### **3. Conclusion and reasons for recommendations**

3.1 HOSC is recommended to consider and comment on the report and agree any further areas of scrutiny.

## **PHILIP BAKER**

### **Assistant Chief Executive**

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