East Sussex Healthcare NHS
NHS Trust

EAST SUSSEX HEALTHCARE NHS TRUST

OVERVIEW OF THE COST IMPROVEMENT PROGRAMME

27 MARCH 2019

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Finance Director

Delivering our 2019/20 Cost Improvement Programme

- Cost improvement are just one component of the overall financial plan for the Trust and are a means of ensuring efficiency and value for money, expressing targets in financial terms. The Trust has had a history of mixed delivery on cost improvement plans. Since 2016/17, the Trust has been working on an approach which builds sustainable change and is based on improvements in quality and safety.

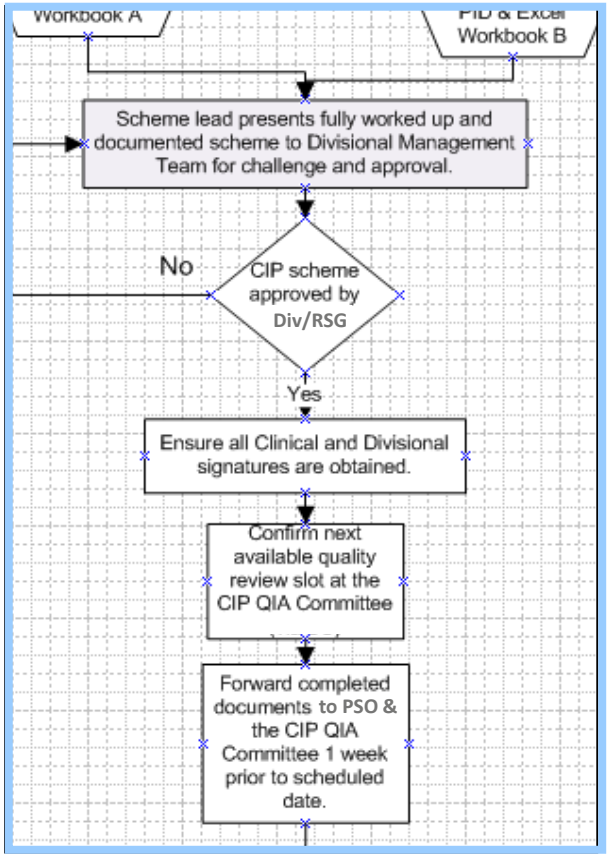
- This approach takes longer to bed in, but is sustainable and organisation-wide. We have the engagement and support of clinical leaders, who drive the change required. Our financial plan is aimed at supporting our clinical plan and our journey of quality improvement, rather than driving the decision-making in the organisation. Our CQC feedback continues to improve, although we recognise that there is more to be done.

- But, we know that we cost much more than the average hospital (our community services are efficient on national benchmarks) and we spend more than the income available. So, we have to continue to drive efficiency across the organisation. We start with Clinical Benchmarking, using the Model Hospital and Getting it Right First Time tools, through a group led by our Medical Director, to identify the priority areas for change. We use these priority areas to work with clinicians to develop our strategy and then the annual cost improvement programme.

- Despite the planned cost improvements in 2018/19 and 2019/20, the Trust's substantive pay bill has continued to increase – this is important and a key part of our plan. We are moving from a temporary, agency, workforce bill of £4m/month, to a substantive, permanently-employed local workforce paid at national rates. This strategy has been central to overall reduction in run rate over the last two years. We anticipate that, after CIPs, the pay bill will again increase in 2019/20. This is because activity continues to grow at the Trust in line with national trends – much of our efficiency work is really about doing more for less, rather than 'reducing' staffing.

Protecting Safety & Quality: Our Quality Impact Assessment Process

PSO Final approval
(Process Map extract)



It is important to consider the impact that any project will have upon the patient and staff population that the scheme affects.

All our projects require a Quality Impact Assessment to be performed, even in the case of schemes seemingly having no impact on quality.

Our Quality Impact Assessment is overseen by the Chief Nurse and medical Director and is reported to the Trust Quality and Safety Committee.

The first challenges for quality and patient safety impact starts in the Division.

If the scheme is approved by the Sponsor it should be signed by appropriate Divisional and Clinical Leads. Once approved, it is passed to the QIA Committee for review by the Medical Director and Chief Nurse.

Only completed documents should be submitted to QIA meeting. Outcomes from the QIA are reported to the Quality and Safety Committee.

Each month, each Division and Clinical Unit reviews the quality of services and safety with the Executive Team through the Integrated Performance Review. This is then reviewed by the Trust Board through the Quality and Safety Committee. The Quality and Safety Committee also commissions specific updates where it has concerns about the quality impact.

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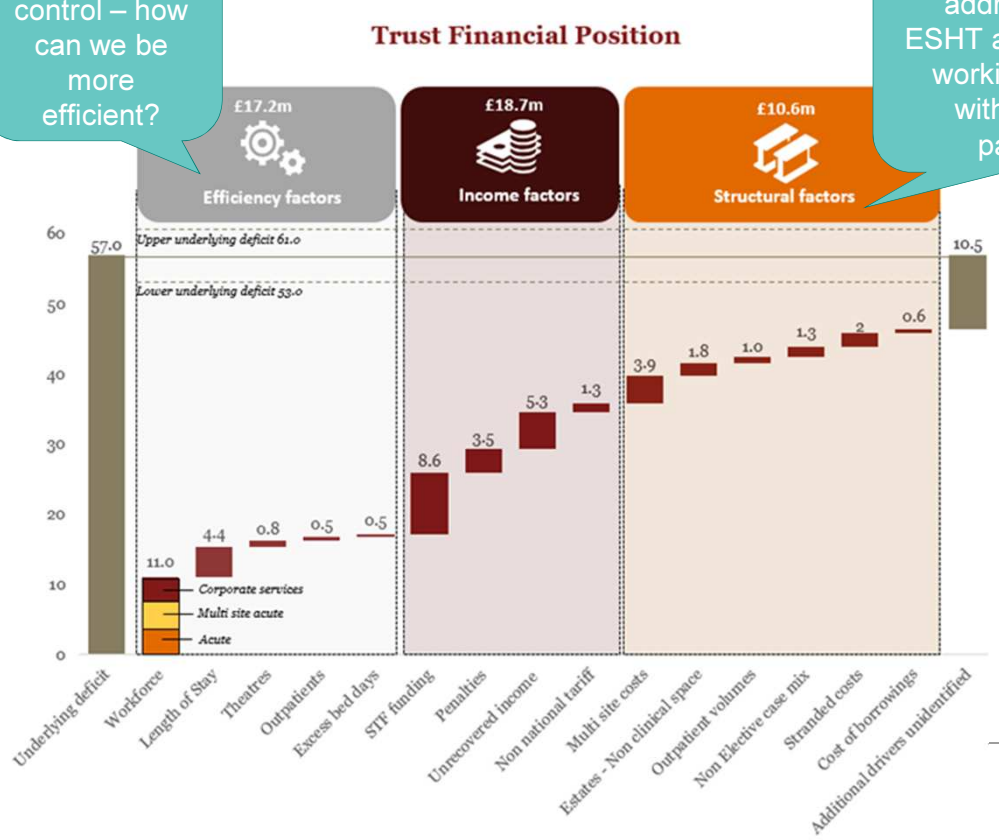
What is driving our deficit? Identifying Efficiencies

We undertook a detailed analysis of the 'drivers of the deficit' in 2018, which helped pinpoint the areas of overspend. We then use Model Hospital, GIRFT and other benchmarking tools to work with our clinicians and managers to identify specific schemes which will help us deliver more for less. This includes workforce changes such as skill mix, procurement choices, and strategic processes such as pathway redesign.

These are factors within the Trust's control – how can we be more efficient?

This cannot be addressed by ESHT alone, but by working closely with system partners

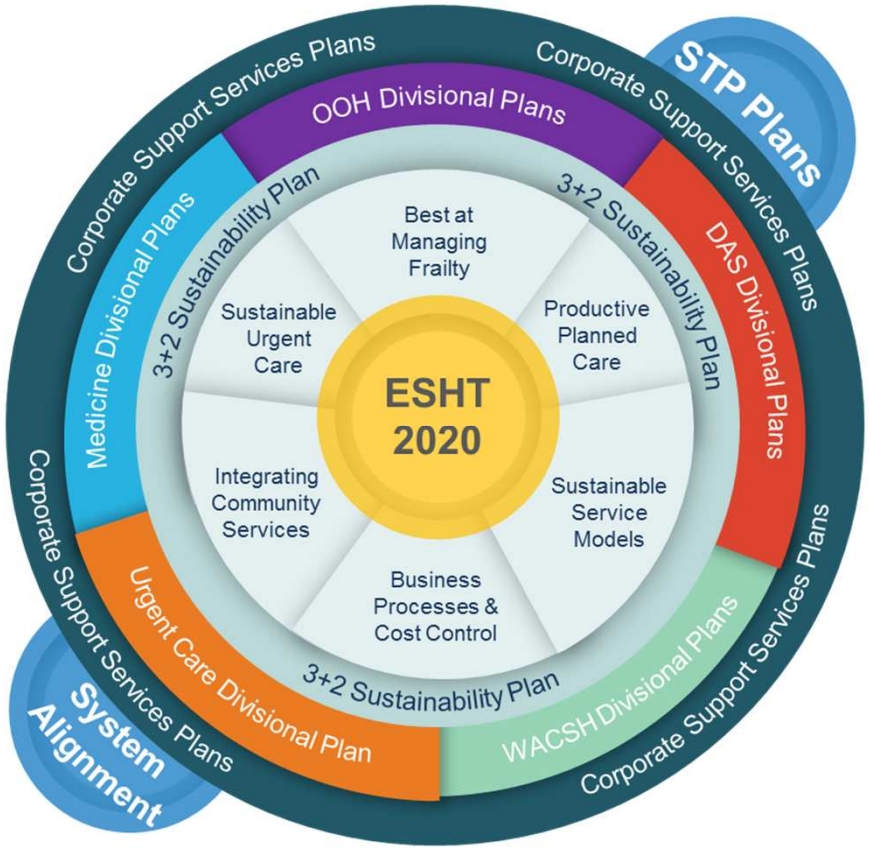


We worked with national experts to understand what the reasons for our deficit of £57m in 2017/18. This shaped our programme for 2018/19 – and we have ended the year with a deficit of £44.9m. We are planning for a deficit of £34.9m in 2019/20.

This is a steady trajectory for improvement, based on clinical change. The System Improvement Director and CCGs have supported this plan.

Delivering our Strategy and the System Strategy

Last year, the Trust and the CCGs refreshed the strategy for the East Sussex Health System and the Trust. This is a live process, and is aimed at helping shape the work that we do together. We use our strategic priorities to support the system and Trust planning process.



So, our annual Cost Improvement Plan is based on our analysis of:

- Drivers of the Deficit
- Benchmarking Costs
- Clinical Review/GIRFT

It is structured to reflect our strategic investment plan and priorities.

For 2019/20, we are seeking to deliver £20.6m of savings – we have set a target of £25.6m, as we want to invest £5m in new models of care, such as Frailty.

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Our Draft Plan for 2019/20

In 2019/20, in order to meet demand for our services, the Trust is investing £24m through its budgets in cost pressures, new service models, wage inflation and service growth. To support this investment, our efficiency target is £20.6m on £440m turnover (4.6% in total).

Core Sustainability Programme (from 3+2)	Division (£000's)									Net CIPs
	DAS	Medicine	OOH	Emergency Care	WaCH	Corporate	Estates & Facilities	Gross CIPs	Investments	
Urgent Care	251	3,567	184	167	0	0	0	4,168	-2,000	2,168
Planned Care	1,423	195	0	0	65	0	0	1,683	0	1,683
Frailty	0	1,200	233	0	0	0	0	1,433	-2,800	-1,367
Service Models	100	200	0	0	400	0	0	700	-700	0
Grip & Control	944	578	474	22	96	338	488	2,940	0	2,940
Back Office	0	0	0	0	0	250	0	250	0	250
Income Correction	2,036	2,719	0	0	45	0	0	4,800	0	4,800
Sustainability Total	**4,754**	**8,458**	**891**	**189**	**606**	**588**	**488**	**15,975**	**-5,500**	**10,475**
3% Efficiency	3,401	2,029	1,102	536	1,051	1,052	957	10,128	0	10,128
19/20 CIP Target	**8,155**	**10,488**	**1,994**	**725**	**1,657**	**1,640**	**1,444**	**26,103**	**-5,500**	**20,603**

These are the 'targets' we have set our Clinical Teams. As at 31 March, they have identified £18m of potential savings against these targets and we review progress each week.

Where the teams need help to deliver, we will provide support. Where delivery might impact on services, or the teams don't believe further savings are possible, we will (and we have) review the targets. We will formally re-evaluate our targets at the end of Quarter 1.