

Local Delivery Plan – East Sussex Local Health Economy Summary Information**1. Introduction**

The East Sussex Local Health and Social Community includes :

- East Sussex Hospitals NHS Trust
- East Sussex County Healthcare NHS Trust
- East Sussex Social Services
- Bexhill & Rother PCT
- Eastbourne Downs PCT
- Hastings & St Leonards PCT
- Sussex Downs and Weald PCT

The LHE also links closely with the Sussex Ambulance NHS Trust, the Local Specialist Commissioning Group, and with both the Brighton & Hove and the Maidstone & Tunbridge Wells LHEs. The majority of Sussex Downs & Weald patients use Brighton & Sussex University Hospitals and Maidstone & Tunbridge Wells as their local acute provider.

This LDP return has been completed by the LHE Transformation Group who have been tasked with setting the LDP framework to both improve and modernise the service to patients, and to ensure that the health economy lives within its resource envelope.

The key features of the plan are:

- Delivery of key performance targets
- Restoration of recurring financial balance to the health community
- Targeting of areas of poor performance relative to the targets we have set ourselves for hospitalisation rates, DTCs, lengths of stay, day cases, follow up rates etc
- Exploitation of opportunities afforded by national initiatives such as nGMS, consultant contract, choice, pooled budgets etc

2. Financial Implications / LHE Recovery Plan

The dominant issue within the LHE overshadowing the LDP is the current financial deficit, the recovery plans and initiatives already in place and the further plans targeted to complete the recovery process.

The following table, extracted from the Financial Recovery Plan – April 2004 illustrates the underlying deficits of each organisation, less the organisational recovery plans currently in place. It may be noted that, following concerns about the robustness of the calculation of underlying deficits, the figures are being reviewed by external consultants who are due to report by May.

	ESHT £'000	ESCH £'000	B&RPCT £'000	H&StLPCT £'000	EDPCT £'000	SDWPCT £'000	TOTAL £'000
2004/5 Underlying deficit	- 7,493	- 2,331	- 946	- 960	- 2,352	- 2,092	- 16,174
Add other pressures/savings	- 1,500	- 1,444	243	120	431	117	2,267
Less Organisation's recovery plans	1,000	3,534	343	485	1,950	1,089	8,401
Recurring Savings required	- 7,993	- 241	- 360	- 355	29	- 1,120	- 10,040
2003/4 Forecast repayment	- 1,800	- 1,000	-	- 932	- 1,068	-	- 4,800
Total Savings required	- 9,793	- 1,241	- 360	- 1,287	- 1,039	- 1,120	- 14,840

As the 2004/5 LDP process began the LHE identified an £18 million in-year deficit position. In addition the Trusts and PCTs have a 2003/4 projected deficit of £4.8 million (net of additional SHA support £2.4 million), which must be repaid in 2004/5.

The financial target for the LHE can be split into three broad areas :

2.1 Financial Savings Already Achieved

The LHE has made significant progress across a range of initiatives leading to currently identified savings of £8million. The main components of this are :

- a) All Saints Hospital : major progress has been made towards the final closure of ASH, with two thirds of the beds already cleared. The plan remains to complete closure for April with a recurrent revenue saving of £2 million.
- b) Mental Health services : East Sussex County Healthcare has worked with the LHE to lead work on the new Mental Health model of care. The model accelerated the progress to achievement of NSF targets, provides a more community-based and local focus for patients and moves Mental Health services back to financial balance. Strong evidence of immediate delivery is provided by the Out of Area Mental Health spend which has reduced from a projected £3.3 million overspend at month 6 to a projected break even at month 12. The Mental Health recovery plan targets a recurrent saving of £3.5million.
- c) Other initiatives : a range of initiatives across organisations has delivered a further £2.5 million. These include PCT prescribing savings, reductions in Trust agency spend and savings on Continuing Care Out of Area Referrals.

2.2 2003/4 Deficits

At month 10, the East Sussex LHE was predicting a 2003/4 overspend of £11 million. Subsequent short-term actions have reduced this to £7 million. The remaining overspend will clearly need to be addressed by the relevant organisation in 2004/5 – alongside the challenging CRES targets already agreed. The attached FRP considers that some of the actions required will impact on other organisations within the LHE and therefore there is a requirement to develop joint plans.

2.3 Identifying Further Savings

The FRP attached indicates the transformation schemes that are targeted both at improving the service provided to patients and at generating the

further savings required to bring the LHE back to recurrent financial balance. There are three main strands as outlined in the recovery plan.

- **Productivity improvements** – ensuring that all organisations move towards 98% of the national averages within years 2 and 3 of the LDP and then onto upper quartile performance.
- **Decommissioning / Demand management** – identifying that the health care needs of the population are provided in the most appropriate setting. In addition the PCTs plan to further work with the Trusts on clinical pathways, with a commissioning specification to support the focus of using acute services only for the acute phase of patients illness / treatment.
- **Transformation** – ensuring the shift of health service resources away from “institutional” care to preventative and “closer to home” care wherever possible provided that patient safety can be secured, and also reducing the overall cost base of services.

The plan requires significant bed reductions by the main acute provider together with wide-ranging service rationalisation and reconfiguration. Discussions are under way to agree the specific areas of decommissioning.

Financial Summary :

In summary therefore the LHE entered the LDP round with a forecast £18 million in-year deficit and the pay back of £5 million net 2003/4 overspends.

- Approx. £8 million of the underlying deficit has been identified as per 2.1above
- Approx. £10.5 million is proposed through organisational productivity schemes
- Approx. £0.5 million is proposed through decommissioning
- The remaining £4 million is targeted as savings through further transformation

3. LDP / National Plan Targets

The Target achievement appendix lays out the current East Sussex LHE position. In general the position is positive, with all the key targets being met. Indeed the significant majority of all targets remain on course to be achieved.

In terms of Access and Choice, the LHE continues to believe that by building on the progress made this year, progressing the demand management initiatives and by working alongside the Horder Centre for Orthopaedics, the Choice and Access targets will continue to be achieved.

4. Implementation

Delivery of the plan will require strong, apolitical leadership with a clear apportionment of responsibility to organisations and individuals accompanied by a strong accountability process.