A meeting of the East Sussex Better Together (ESBT) Alliance Governing Board to be held in public on Wednesday 9 August 2017, from 11:00am to 12:30pm at St Wilfred's Hospice, 1 Broadwater Way, Eastbourne, BN22 9PZ

Members:

David Clayton-Smith	(Chair)(DCS)
Simone Button	Chief Operating Officer, Sussex Partnership NHS Foundation Trust (SPFT) on behalf of Sam Allen (SB)
Adrian Bull	Chief Executive, East Sussex Healthcare NHS Trust (ESHT) (AB)
Louise Carter	Assistant Director, Communications, Planning & Performance, Children's Services, East Sussex County Council (ESCC) on behalf of Stuart Gallimore (LC)
Jackie Churchward-Cardiff	Non-Executive Director, ESHT (JCC)
Rose Durban	Lay member, Eastbourne, Hailsham and Seaford (EHS) and Hastings and Rother (HR) CCGs (RDu)
Amanda Philpott	Chief Officer, EHS and HR CCGs (ALP)
David Warden	GP member and Chair, HR CCG (DW)

In Attendance:

Jessica Britton	Chief Operating Officer, EHS and HR CCGs (JeB)
Allison Cannon	Chief Nurse, EHS and HR CCGs (AC)
Steve Dickson	Director, South Downs Health & Care Ltd Federation (on behalf of Laura Bayford) (SD)
Cynthia Lyons	Acting Director of Public Health, ESCC (CL)
Alison Gale	Deputy Chief Finance Officer, EHS and HR CCGs on behalf of John O'Sullivan (AG)
Karthiga Gengatharan	Medical Director, Surrey and Sussex Local Medical Committees (SSLMCS) on behalf of Julius Parker (KG)
Paula Gorvett	ESBT Programme Director, EHS and HR CCGs (PG)
John Routledge	Director, East Sussex Community Voice (KS)
Vicky Smith	Accountable Care Strategic Development Manager, ESBT, ESCC (VS)
Martin Writer	GP member and Chair, EHS CCG (MW)
Andy Lane	CCG Governance and Corporate Services Officer (minutes)(AL)
Kerry Okines	CCG Governance and Corporate Services Officer (observer) (KO)

AGENDA

There will be the opportunity for members of the public to ask questions after the meeting has finished, in response to the items discussed. A record of these discussions will be appended to the minute of the meeting.

Item No	Item	Action	Lead	Paper Attached	Time
13/17	Welcome and apologies for absence	Note	DCS	Verbal	11:00
14/17	Declaration of interests	Note	DCS	Verbal	
15/17	Minutes of the previous meeting on 27th June 2017	Approve	DCS	Yes	
16/17	Matters arising and review outstanding ongoing activities recorded on the action point log	Review	DCS	Yes	11:05
17/17	Chair's opening remarks	Note	DCS	Verbal	
18/17	A story of someone using our services	Note	AC	Verbal	11:10
19/17	Feedback and key issues from associated groups: • Alliance executive (AB); • Clinical Leadership Forum (DW); and • Accountable Care Development Group (ALP)	Note	AB/DW/ALP	Verbal	11:15
20/17	Integrated ESBT Alliance Plans: Combined ESBT Strategic Investment Plan (SIP) and Cost Improvement Plan (CIP) Update at Month 2	Note	AG/PG	Yes	11:30
21/17	ESBT new model of care: outcome of decisions from Alliance partners following options appraisal recommendation: roadmap, timetable and next steps	Discuss	JeB	Yes	11:55
22/17	Key messages from this meeting	Agree	DCS	No	12:15
23/17	Any Other Business To be notified to Chair at least 2 working days in advance.	-	DCS	-	
	Public reflection or feedback on the discussions of the ESBT Alliance Governing Board during the meeting will be taken prior to the formal closing of the meeting. A record of these discussions will be appended to the minutes of the meeting.				12:25
Future meeting date: 11 October 2017, from 10:00am – 12:30pm in the Forest Room, The Sussex Exchange, Queensway, Hastings, St Leonard's-on-sea, TN38 9AG					

Freedom of Information Act: Those present at the meeting should be aware that their names and designation will be listed in the minutes of this Meeting which may be released to members of the public on request.

Draft minutes of a formal meeting of the East Sussex Better Together (ESBT) Alliance Governing Board held in public on Tuesday 27 June 2017, from 13.00pm to 15.45pm in the Oak Room, Boship Lions Farm Hotel Lower Dicker, Hailsham BN27 4AT

Present	David Clayton-Smith (Chairing meeting)(DCS); Joe Chadwick-Bell, Chief Operating officer, East Sussex Healthcare NHS Trust (ESHT)(JCB); Jackie Churchward-Cardiff, Non-Executive Director, ESHT (JCC); Rose Durban, Lay member, Eastbourne, Hailsham and Seaford (EHS) and Hastings and Rother (HR) Clinical Commissioning Groups (CCGs)(RD); Keith Hinkley, Director of Adult Social Care and Health, East Sussex County Council (ESCC)(KH); Amanda Philpott, Chief Officer, EHS and HR CCGs (ALP); and David Warden, Chair, HR CCG (DW)
In attendance	Laura Bayford, Interim Chief Operating Officer of the EHS South Downs Health and Care Ltd GP Federation (LB); Jessica Britton, Chief Operating Officer, EHS and HR CCGs (JeB); Allison Cannon, Chief Nurse, EHS and HR CCGs (AC); Andy Jones, Strategic Investment Manager, EHS and HR CCGs (AJ), on behalf of Paula Gorvett, ESBT Programme Director; Jeremy Luke, Medical Director, Surrey and Sussex Local Medical Committees (SSLMCS)(JL); Cynthia Lyons, Acting Director of Public Health, ESCC (CL); John O'Sullivan, Chief Finance Officer, EHS and HR CCGs (JOS); Vicky Smith (ESBT) Accountable Care Strategic Development Manager, ESCC (VS); Keith Stevens, Chair, East Sussex Community Voice (Healthwatch) (KS) Martin Writer, Chair, EHS CCG (MW); and Andy Lane (Minutes), Governance & Corporate Services Officer, EHS and HR CCGs (AL)

Draft Minutes

Item No	Item	Action
01/17	Welcome and apologies for absence	
	Apologies received from: Sam Allen, Chief Executive, Sussex Partnership Foundation Trust; Adrian Bull, Chief Executive, ESHT; Stuart Gallimore (Director of Children's Services, ESCC); and Paula Gorvett, Programme Director, ESBT	
02/17	**Declaration of interests**	

Item No	Item	Action
	No new declarations of interest were notified to the chair	
03/17	**Chair's opening remarks**	
	David Clayton-Smith (DCS) welcomed everybody, including three members of the public, to the inaugural meeting of the ESBT Alliance Governing Board in public. He explained that the East Sussex Better Together (ESBT) programme is our contribution to the wider Sussex and East Surrey Strategic Transformation Plan. ESBT is well established, having launched in August 2014, and as such, we are much further advanced than other areas delivering a similar transformation. DCS outlined the agenda for today's meeting, which would enable us to: confirm our governance arrangements and Alliance agreement; look at how we plan to improve services through transformation and delivering to budget; and consider how we will communicate with the public and stakeholders going forward.	
04/17	**A story of someone using our services**	
	AC extended thanks to the patients and families who give consent for their stories to be shared with the Board. The impact on patients and the public is a key consideration of everything we do. Allison talked about Bridie, an 84 year old lady who had raised three sons and enjoyed cooking for her family. In February 2016, Bridie's husband of many years sadly passed away and Bridie's health began to deteriorate: she forgot how to cook, experienced a fall at home and was also admitted to hospital after being diagnosed with a urinary tract infection. Bridie became confused about her situation and started refusing care. Bridie's family experienced real difficulties in getting a decision made to discharge Bridie from hospital with the care she needed in place. Bridie's story raised a number of issues for us as we transform services: • How can we use the new integrated approach to improve care for people like Bridie?; • We need to empower staff to make sensible, timely decisions on patient care and not leave patients and families waiting for decisions to be made; • Our services can be really good at crisis response, but we need to improve quality and consistency; and • We should not underestimate the impact that bereavement can have on people's health and well-being.	
05/17	**i) Our integrated ESBT governance arrangements: an overview** **ii) ESBT Integrated Governance arrangements including, Terms of Reference for:**	

Item No	Item	Action
	• **This Governing Board;** • **ESBT Alliance Executive;** • **ESBT Accountable Care Development Group; and** • **ESBT Clinical Leadership Forum**	
	JeB presented an overview of the ESBT governance arrangements. During this test bed year, our approach is about coming together to plan and provide healthcare services in an integrated way. The paper illustrated how the ESBT Alliance Governing Board reports to the ESBT Strategic Commissioning Board and is supported by a number of other groups: • The Alliance Executive focuses on the delivery platform, advising the Alliance Governing Board and escalating issues around performance, delivery and finance as appropriate; • The Accountable Care Development Group is a "task and finish group", focused on the design and development of a new model of accountable care to be introduced from April 2018; and • The Clinical Leadership Forum is a group of clinicians providing oversight and advice on the transformation and design of services and pathways going forward. Within this structure, there is a strong focus on outward looking engagement, bringing in views from a wide range of stakeholders, including the public, to help us steer ESBT in the best direction. This is a partnership arrangement that does not replace existing sovereign bodies. Duplication between new and existing arrangements is avoided focusing the ESBT structure on those specific areas that we can change and improve collectively, as well as leading on the wider programme of change and transformation looking forwards. The particular value added of the Alliance Governing Board is the ability to agree action together across the whole-system. The pathways redesign work is a key element of our transformation plans and is being taken forward across specialities, with clinicians central to that joint approach. ESBT is looking at the whole of pathways redesign through the lens of the "6 plus 2" model, which is integral to the ESBT approach. We need to achieve a cultural shift towards multi-faceted leadership across professions, working across the whole, and this needs to feature strongly in underlying organisational design. The Board reviewed the draft terms of reference for ESBT groups, with the following outcomes: • Alliance Governing Board – **approved**;	

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	• Alliance Executive - **ratified**; • Accountable Care Development Group – **ratified** • Clinical leadership forum – **ratified**. **ACTION – AL to build in reviews of the terms of reference to group diary planning.**	**Action Point 05/17(ii)**
6/17	**Feedback and key issues from associated groups:** • **Alliance Executive (ALP);** • **Accountable Care Development Group (JeB); and** • **Clinical Leadership Forum (PG/DCS)**	
	Alliance Executive ALP gave feedback from the Alliance Executive which included executives from across ESHT, the CCGs and Social Care. The Executive had discussed the strong National Health Service England (NHSE) messages about the need for performance improvement and financial sustainability. The meeting discussed system flows and the challenges these presented for delivery of the 4-hour A&E standard. ESHT has been leading a "4-week focus on the 4-hour standard" and, following excellent work, 9th place nationally (out of 136 areas) had been achieved last week. In order to deliver the 83% occupancy target, three key enablers were identified: i) Reduce the number of non-elective days by half a day; ii) Reduce numbers waiting for care places; and iii) Reduce non-elective admissions by a further 7%. With tight management of the financial position within ESBT governance and delivery of the SIP, we are now working to a common balance sheet to enable us to deliver the best possible standards of care within our allocated budget. This is supported by our locality working and planning through the Cost Improvement Plan. Accountable Care Development Group JeB gave feedback from the last meeting which had focussed on preparation for the Options Appraisal process. There were four potential options under consideration (these are the currently available options for a legal delivery vehicle): **Option 1** - A prime provider (who may or not deliver services themselves), though which all delivery would be commissioned;	

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	Option 2 - A "special purpose vehicle" or company created specifically to provide a single entity through which services can be commissioned; **Option 3** - An Alliance arrangement, a further enhanced version of the approach we are taking in this test bed year; and **Option 4** - A fully merged and integrated health and social care organisation. On 22 June 2017, an Options Appraisal panel was convened to consider which of the options might provide the best vehicle to deliver for local people. This involved an independently chaired discussion involving all alliance partners and a range of experts and, as part of the session, an objective, weighted scoring system was applied to each of the options. The clear preference was to move towards a much stronger alliance arrangement and potentially in time to greater formal integration. (Option 3 short-term with consideration of movement to Option 4 in the medium to longer-term). The recommendations arising from this process will be taken to boards of the sovereign bodies during July, along with a roadmap of how we reach the desired destination and set out the milestones and priorities together with key enablers. Engagement with primary care will feature prominently. <u>Clinical Leadership Forum</u> DW gave feedback from the Forum, outlining its purpose and provision of clinical expertise. The last meeting of the Clinical Leadership Forum, earlier in June, had been restructured into a summit meeting dedicated to the issue of urgent care. This approach had been really effective and had set the tone for the recent push to make real improvements in A&E delivery. The Board **noted** the updates.	
07/17	**ESBT Alliance Agreement**	
	DCS confirmed an Alliance Agreement had been drawn up. The agreement sets out clearly our intentions and scope and how we will work towards a "risk share" alignment of resources across the Alliance. We have already seen good progress with the SIP and with collaborative working across the Alliance. The Alliance Agreement was **<u>agreed</u>**.	
08/17	**ESBT Budget 2017/18: Update on the financial position**	
	JOS introduced this item with the headline figure of £1.091bn total budget for the Alliance in 2017/18, which shows the scale of the opportunity we have before us. Working together with this combined	

Item No	Item	Action
	total provides real opportunities for change but we need also to manage our finances more effectively going forward. The paper described the control total aim of a £25m deficit this year. It set out how things have changed over the first two months of the year, with deterioration of £4m in the position. There is a £4.2m difference in view on the baseline position which we have split 50/50 between ESHT and the CCGs. Discussions are ongoing with NHSE and NHSI to resolve this. There is a difference in view between the Alliance and regulators around the "risk share". As an Alliance, we want equal share of risks in order to work best as a system; national expectation remains that individual sovereign organisations retain their separate financial risks. The Board **noted** the finance update.	
09/17	**ESBT Strategic Investment Plan (SIP): monitoring our performance report**	
	JOS introduced the session on the SIP. This set out our detailed delivery plans going forward and how we will improve services while maintaining a healthy financial position. We should be proud of the work that has gone into the plan which will keep us on the right course. Key figures to note are the £27m intervention requirement and, by 2020, an overall £235m deficit if delivery of the transformation programme is not met. The SIP provides a month by month trajectory of projects and investment which is overseen by the Alliance Executive. DCS noted the clear responsibility of all partners to deliver their absolute best in support of the SIP. There are fortnightly Finance Group meetings and weekly Strategic Investment Group meetings supporting delivery of the SIP to ensure we track the ongoing resource requirement. . The Board **noted** the SIP and associated monitoring arrangements.	
10/17	**System performance: an update on A&E performance with a particular focus on delivery against the 4-hour standard**	
	JCB introduced the item and challenges to deliver against the 4-hour A&E standard. In May and June we remained at around 81% against the 95% standard. Recent strong efforts to improve have been noticeable. In the first week of the current 4-week focus on the challenge, a level of 92% was reached and then, despite some difficulties at the weekend, last week we attained 95%. Activity has increased and targets have been maintained.	

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	This improvement had been achieved by: • Building on existing work; • Strong leadership, communication and clear direction; and • Ensuring good quality and appropriate interventions. Efforts in the two remaining weeks of the challenge will be built on the six pillars we have identified: i) Preventing admissions / reducing attendances (e.g. getting people home quickly where appropriate); ii) Extending the assessment team to more quickly direct people to the right care; iii) The work of the Frailty Teams; iv) Looking at improving use of 111 advice and out of hours services; v) Reviewing primary care access; and vi) A more innovative approach to the medical assessment model. We will ensure that everybody has a proper medical assessment, bringing down the length of stay. Moving people quickly into care where required is an important enabler, and Care Home Plus is also helping us here though there are some capacity issues. We are trying to streamline the process using “trusted assessors” to fast track people to the care they need. Staff resource pressures remain an issue and we remain heavily reliant on agency staff which increases costs. This is a particular challenge with consultants where numbers are much lower than we need. The Board noted the good performance and efforts to deliver improvements. There was a question whether this success could increase the risk of A&E being the first, preferred contact point for patients. This will be mitigated by work to co-locate primary care services and there is also the need to be firm about redirection where A&E is not the appropriate contact point. JCB said that performance levels were fragile and susceptible to impacts. We need to get stable resource in place, particularly sufficient consultants, to be able to maintain strong performance. There was discussion about the role of the 111 advice line service in providing people with out of hours’ advice, avoiding the need to attend A&E. Improvements in the 111 service had been piloted. **ACTION: JCB to follow up the latest position on the 111 service**	**Action**

Item No	Item	Action
	and what support it will offer to the efforts to sustain strong A&E delivery.	**Point 10/17**
11/17	**ESBT Communications and Engagement, including an update on alliance citizen engagement plans**	
	JeB introduced the paper and explained that building services through the perspective of local people was a key principle of ESBT. Our Communications and engagement plan had five overarching aims: • Facilitate transformation and new care models. • Enable co-design. • Develop relationships. • Empower people in their health and wellbeing. • Improve accessible information. We are also focusing on how best to capture real time information from service users and better target our engagement to ensure a wide range of views are captured. A collaborative health and wellbeing stakeholder representative Council has been established to support citizen and stakeholder engagement in the strategic planning process, complementing activity driven by our wider ESBT Communications and Engagement Strategy. Wide engagement continues to take place across the Alliance, including through the network of Patient Participation Groups which are attached to each practice. DCS welcomed the clear aims and joined up nature of the plan across the Alliance and the plan was **approved** by the Board.	
12/17	**Key messages from this meeting**	
	DCS summarised the key messages as follows: • This had been the inaugural public meeting of the ESBT Alliance Governing Board; • We need to bear in mind that in this "test bed" year there is some shadow working; • The precise arrangements and possible legal vehicles for ESBT going forward are being evaluated but the culture and spirit of the Alliance is already well established; • The Alliance has a £1bn budget which is being managed collectively to deliver our shared aims; and • We have had the "Optimity" readiness assessment which highlighted some areas to focus on but that noted we were in a really good place compared to others embarking on a similar journey. We should note the significant progress made so far (and report our ongoing progress on the ESBT website).	

Item No	Item	Action
	Any Other Business **To be notified to Chair at least 2 working days in advance.**	
	There was no other business put forward for discussion	
	The next meeting date was confirmed as **Wednesday 9 August 2017, from 11:00am to 12:30pm at St Wilfred's Hospice, 1 Broadwater Way, Eastbourne, BN22 9PZ** The meeting closed at 15:45.	

Freedom of Information Act: Those present at the meeting should be aware that their names and designation will be listed in the minutes of this Meeting which may be released to members of the public on request.

APPENDIX

Questions from members of the public

Colin Campbell asked a number of questions at the end of the meeting.

1) **Following a discussion at the recent formal CCG Governing Bodies meeting, Colin asked what paid positions specifically sat within the ESBT Alliance.**
DCS confirmed that he received a fee as chair of the Alliance Governing Board but ALP emphasised that apart from the fee for the independent chair, there were no other paid ESBT positions. The Alliance was a collaborative effort by existing sovereign organisations.

2) **Colin asked about the hierarchy within the Alliance and who was accountable to whom and over what timeframe.**

   DCS said that the Alliance Agreement set out the approach but that this was the test bed year and an opportunity to focus on getting the governance and accountabilities right. KH added that currently the constituent partners to the Alliance remained accountable individually to the regulators. There is a strategic outcomes framework setting out what we're trying to achieve and our delivery of the SIP and against that framework will be subject to close scrutiny. DCS added that we need to continue working closely with the regulators and that the Chair of the Care Quality Commission would be meeting with members of the Trust's Board in August.

3) **Colin asked whether a contact point could be established for ongoing questions about the Alliance.**

   DCS stated that decision making would be in meetings held in public, with members of the public able to attend and ask questions, with minutes and papers published on the ESBT website.

4) **Colin said that removing gaps from care pathways was essential to the success of the service and asked where ownership of the pathways would sit under ESBT.**

   DW pointed to the work of the ESBT Clinical Leadership Forum to bring together clinicians from both primary and secondary care to guide the work of pathways redesign. DCS agreed but said that the timescales for delivery of this work have yet to be finalised.

Action Log for Eastbourne, Hailsham and Seaford and Hastings and Rother Clinical Commissioning Groups formal meetings held together

Date	Item no.	Item title	Initial Action Required	Staff to Action	Action Due	Action Complete	Further Actions/Comments

Date	Item no.	Item title	Initial Action Required	Staff to Action	Action Due	Action Complete	Further Actions/Comments

East Sussex Better Together (ESBT) Alliance Governing Board

Item Number: 20/17

Date of meeting: 9 August 2017

Title of report: Integrated ESBT Alliance Plans - Combined ESBT Strategic Investment Plan (SIP) and Cost Improvement Plan (CIP) Update at Month 2

Recommendation:

The Alliance Governing Board is asked to note:

- Current delivery plans contained within the SIP at M2 demonstrate a deteriorating position;
- Plans to deliver the CIP underpinning ESHT Financial Recovery Plan are currently on track;
- The combined risks on the integrated ESBT SIP / CIP plans are currently assessed at £32m; and
- The actions put in place for the rapid development of a single shared, integrated plan which contains both the Strategic Investment Plan and Cost Improvement Plan

And request the Alliance Executive to:

- Ensure that the conditions for delivery of the plans are in place, and
- Confirm commitment to collective actions necessary to ensure delivery of all constituent organisational control totals and overall ESBT system financial balance through an integrated ESBT Alliance Financial Plan

Summary:

1. Introduction

The ESBT Commissioners' Strategic Investment Plan (SIP) and ESHT Cost Improvement Plan (CIP) together model the shift in health and social care spending required to bring the overall ESBT system into financial balance.

The SIP does this by tracking the impacts on demand for services on the system of all of the transformational projects being implemented as part of East Sussex Better Together (ESBT)

to address the £39.9m gross delivery challenge in 2017/18.

The CIP sets out the Trust's internal Financial Recovery Plan required to deliver the 17/18 control total target and budget of £36.5m deficit (prior to Sustainability and Transformation Fund allocations), with a savings/income requirement of £28.7m.

Although collectively the SIP and CIP describe the system-wide financial impacts of our agreed plans, it should be noted that quality metrics are integral to each scheme and are regularly monitored at that level.

2. Monitoring at M2

2.1 Strategic Investment Plan

The performance of each of the 33 projects shown in the SIP is summarised in the monthly Project Monitoring Report, produced by the ESBT PMO (Appendix 1). Governing Board members will be aware that this report RAG rates all current ESBT projects and highlights areas of focus or where management intervention is required.

Currently there are 7 projects RAG rated as being either red or amber on financial delivery, equating to 21% of the schemes. The factors contributing to the current overall position in performance are:

- Project slippage – falling behind predicted implementation milestones either through supplier issues or difficulties recruiting sufficient staff;
- Uptake – some projects require further engagement with clinicians to ensure the appropriate changes in the patter of service use. This has led to adjustments being made to the service model;
- Step-up/Step-down – schemes within the SIP are based on activity to support admission avoidance by providing care at or as close to home, where clinically appropriate to do so, thereby preventing payment by results (PbR) spell tariff . Increasingly, a number of services have been diverted to support Discharge to Assess plans to prevent patients staying in hospital longer than necessary. Whilst this undoubtedly has a positive impact on patient experience, it has led to a reduction of staffing capacity to prevent admissions which has a direct impact on the level of predicted savings that can be achieved;
- Further work to be undertaken to clearly identify the locality based plans which are intended to address c. £9m in 2017/18.

In addition, our investment profile is currently behind plan with only c. £800k spent against a planned year to date investment of £1.7m as at month 2.

A number of actions have been agreed via the Alliance Executive to improve performance and reduce the current level of risk identified. An update on the impact of these will be reported to the Alliance Executive, and verbally to the Alliance Governing Board on the 9th

September 2017.

2.2 Cost Improvement Plan

As identified in Appendix 2, the Trust CIP is made up of 8 delivery workstreams and a central risk adjustment to mitigate any slippage. Together these aim to address the financial recovery gap and required overall control total through a combination of income generation, contractual mechanisms, pay and non-pay savings schemes. Whilst heavily phased towards the end of the latter part of the year, the Trust is currently on track for delivery of the £28.7m of CIPs at month 2.

2.3 Activity and Income

Monitoring SIP schemes at an individual project level, activity and finance monitoring also takes place at a programme level to give an indication of the collective system impact of our plans on demand for services.

The performance of the ESHT contract in activity and associated income is set out in Appendix 3. Against a year to date expenditure plan of £37.4m which is net of ESBT intervention reduction of £2.3m, actual expenditure is £41.3m which is a £3.2m overspend year to date, and which, if allowed to continue, could result in an adverse full year effect forecast outturn position of some £20m.

Further analysis shows that there is a cost of care increase of £3.7m offset by a volume reduction of £500k i.e. the average unit cost of activity is also increasing significantly over and above actual activity levels and national inflation levels.

In addition to the NHS activity, Adult Social Care is currently forecasting an overspend of c£880K.

As a consequence of the relative performance of each of our SIP and CIP plans and the apparent trends in activity, a further review of the current level of financial risk in the system has been undertaken.

3. Risk Assessment

As evident from the table below, the assessed size of the challenge increased from £75m in May to £88m as at July 2017. This was due to a number of factors including:

- The original SIP interventions target increased from £27m to £36.4m due to the CCG's deteriorating underlying position, and the impact of the outcome of incorporating the outcome of 16/17 contract disputes between the CCGs and ESHT.

- Recognition of a number of key risks / issues still apparent during 17/18
- The requirement for our ESBT economy to contribute a further £3m savings to improve the overall STP position.

Representatives from the Alliance partner organisations met with NHS England and NHS Improvement in early July 2017 and reported that the ESBT Alliance shared risk assessment was £40m. This subsequently increased to £46m but has now been re-assed at £32m as outlined below:

ESBT Financial Risk	**May**	**July**	**Risk Assessment**		
	Plan	**Plan**	**Best**	**Worst**	**Current**
	£000	**£000**	**£000**	**£000**	**£000**
SIP Interventions	-27,000	-36,400	0	-36,400	-26,000
Cost Improvement Programme	-28,000	-28,700	0	-28,700	-4,000
Stranded Costs	-10,000	-10,000	0		0
16/17 outturn issues	-10,000		0	0	0
17/18 Issues		-10,000		-10,000	0
Additional STP savings		-3,000		-3,000	-2,000
Financial Risk	-75,000	-88,100	0	-78,100	-32,000

The reasons for these changes and the current assessment of risk at £32m are several-fold:

a) Due to reasons outlined in section 2.1, the SIP risk to the system has increased to £26m;
b) The CIP risk to the system has reduced to £4m;
c) The additional risks associated with 17/18 issues, previously identified at £10m, is to be managed back to zero by agreeing an overall expenditure reduction plan and managing down forecast activity and cost;
d) It is proposed that the Trust manages the stranded costs associated with the plans. Whilst not finalised; it's anticipated that an agreement can be reached and therefore this risk has been reduced to zero.

4. Integrated Plans and Reporting

It should be noted that the SIP and CIP plans have been established separately. Both plans impact on each other and are not necessarily congruent with each other. The current plans have inherent tensions, for example:

- SIP actions to divert activity from hospital settings are likely to result in stranded costs for

ESHT
- CIP actions to increase income are likely to result in increased costs for commissioners

It is necessary to bring these plans together in order to get a common understanding across the system. This will enable us to better identify the scale of the challenge and concentrate our efforts on reducing the overall costs of provision to within the available financial envelope. The Finance Directors from the Alliance partner organisations, supported by the ESBT Business Infrastructure project lead, were therefore tasked by the Alliance Executive to urgently identify a mechanism that supports a common understanding of the available financial envelope and ensures plans developed by separate organisations are more aligned with each other.

5. Next Steps

As part of the resolution of 16/17 year-end disputes and the mitigation of 17/18 issues between the Trust and the CCG have jointly agreed a detailed programme of work to ensure a shared focus on the overall financial position and next steps.

This involves two components – managing and mitigating the overall financial position and developing a contractual/shared approach to cost reduction aimed at ensuring delivery of both the system financial position and the control total for the Trust. Both require an intensive work programme over August to ensure that the Alliance starts September with a focus on collectively delivering our plans and operating within our whole system financial envelope.

The CCG Chief Finance Officer and ESHT Director of Finance, supported by the ESBT Business Infrastructure project lead, have therefore started a programme of work to develop an aligned incentive approach to support delivery of the 2017/18 control totals aimed at developing a full forecast for delivery of the SIP & the CIP. This will also provide an initial indication of likely outturn for 2017/18 across the East Sussex Better Together financial plan. The aspiration remains to achieve full delivery of the financial plan for the year. However it should be noted that this is likely to require extensive corrective action across the system.

A number of key actions have been agreed and will be brought together into a system financial overview for the Alliance Executive in late August, including:

- SIP and CIP plans will be aligned articulating any difference between the schemes and providing an indicative forecast of outturn.
- CCG, Trust and local authority budgets within ESBT will be brought together onto a single schedule with forecasts on key budget-lines, and opportunities for expenditure reduction highlighted.
- An initial shared proposal from the Trust, CCG and local authority for the delivery of back office savings in 2017/18.

Recommendations:

The Alliance Governing Board is asked to note:

- Current delivery plans contained within the SIP at M2 demonstrate a deteriorating position;
- Plans to deliver the CIP underpinning ESHT Financial Recovery Plan are currently on track;
- The combined risks on the integrated ESBT SIP / CIP plans are currently assessed at £32m; and
- The actions put in place for the rapid development of a single shared, integrated plan which contains both the Strategic Investment Plan and Cost Improvement Plan

And request the Alliance Executive to:

- Ensure that the conditions for delivery of the plans are in place, and
- Confirm commitment to collective actions necessary to ensure delivery of all constituent organisational control totals and overall ESBT system financial balance through an integrated ESBT Alliance Financial Plan

Board sponsor:
Paula Gorvett, ESBT Programme Director

Authors:	**Date of report:** 02/08/17
Paula Gorvett, ESBT Programme Director Alison Gale, Deputy Chief Finance Officer	

Review by other committees: None.

Health impact: None

Financial implications: This is set out in the paper.

Legal or compliance implications: Individual projects which address these issues.

Link to key objective and/or principal risks: Affordable and Sustainable Services.

How has the patient and public engagement informed this work: There is a detailed engagement programme to support ESBT.

Equality Analysis (EA) Process - outcome:

Negative Impact	Neutral Impact	Positive Impact	No Impact	Not required for report
☐	☐	☐	☐	☒

EA Summary: Project Overview update. EA assessments within individual projects.

Privacy Impact Assessment (PIA) – outcome:

No personal data used	Data processes sufficient	Actions required
☒	☐	☐

Actions: None required.

ESBT Project Monitoring 2017/18

The information contained within this report shows status updates on the ESBT schemes in the process of being implemented during 2016/17.
The summary table below shows the most recent information available at the point of the report date.

ESBT Project Status and Summary Report. Information as at: 31 May 2017

	Milestone Progress	Activity Progress	Financial RAG	Trend
Last Report				
Current				

	Project Stage	Expenditure (Cumulative) Planned	Expenditure (Cumulative) Actual	No of staff in post (at report date) Planned	No of staff in post (at report date) Actual	Patients seen Latest month Planned	Patients seen Latest month Actual	Patients seen Cumulative Planned	Patients seen Cumulative Actual	Milestones RAG	Activity RAG	Financial RAG	Trend	Operational issues impacting on complete delivery
Ophthalmology : Fluorescein	**Business as Usual**	£8,000	£6,000	n/a	n/a	33	10	66	27					Now in BAU. Issue with securing activity data from CSU currently being examined.
Ophthalmology : WAMD	**Business as Usual**	£4,548	£2,000	n/a	n/a	18	15	38	25					Now in BAU. Review underway to identify reasons for uptake not being at planned levels
Ophthalmology : MECS	**Business as Usual**	£33,674	£19,370	10	10	149	154	298	315					Now in BAU
Gastro IBS pathway	**Business as Usual**	£11,000	£10,000	n/a	n/a	4	5	8	11					Now in BAU
Enhanced TECs	**Implementation**	£5,666	£0	4	0	509	0	1018	0					Operational issues impacting project milestones with provider escalated to ESCC DMT Impact on SIP currently being identified
Proactive Care	**Implementation**	£134,760	£109,852	18	14.5	270	127	540	206					New service model being developed to link proactive care supporting people recently diagnosed with LTCs. This will significantly increase the numbers referred to the service. Help promote self management agenda.
Frailty Practitioners	**Business as Usual**	£58,272	£72,200	8	7.7	80	75	160	182					Service provision costs higher than anticipated from the SIP. Reasons behind this currently being explored and recovery plan formulated Impact on SIP being calculated
Falls Prevention	**Implementation**	£43,748	£39,962	3.96	2.7	Falls assessment (FA) 50 Group exercise (starting) (GE) 24 Home exercise (starting) (HE) 0 Care homes supported	FA - 32 GE - 15 HE - 1 CH - 0	FA - 95 GE - 48 HE - 0 CH - 2	FA - 49 GE - 20 HE - 2 CH - 0					Increased fall assessments completed by locum physio. Vacant posts recruited to. Due to start in July
Crisis Response	**Business as Usual**	£280,832	£234,990	34.5	34.21	180	95	360	174					167 referrals made to the service. 95 assessments completed. Currently reviewing reasons for significant difference with the service team.
VPS	**Business as Usual**	£226,673	£73,039	40	40	949	780	1898	1563					Uptake of scheme improving each month. Predicted spend on the scheme not fully materialised and currently being investigated. Current expenditure per patient approx. 30% of that predicted in the plan.
Paediatric Nurses	**Business as Usual**	£49,500	£49,500	6	6	Not available								Staff fully recruited and in post. Difficultly in extrapolating impact of additional investment over substantive service being investigated.
Care Home Plus	**Implementation**	£361,221	£60,204	90 beds	15 beds	90	15	90	15					Project milestones for expansion of the scheme currently being missed. Understanding of current roll-out issues being raised with Director of the service at ESCC Impact on the SIP being calculated

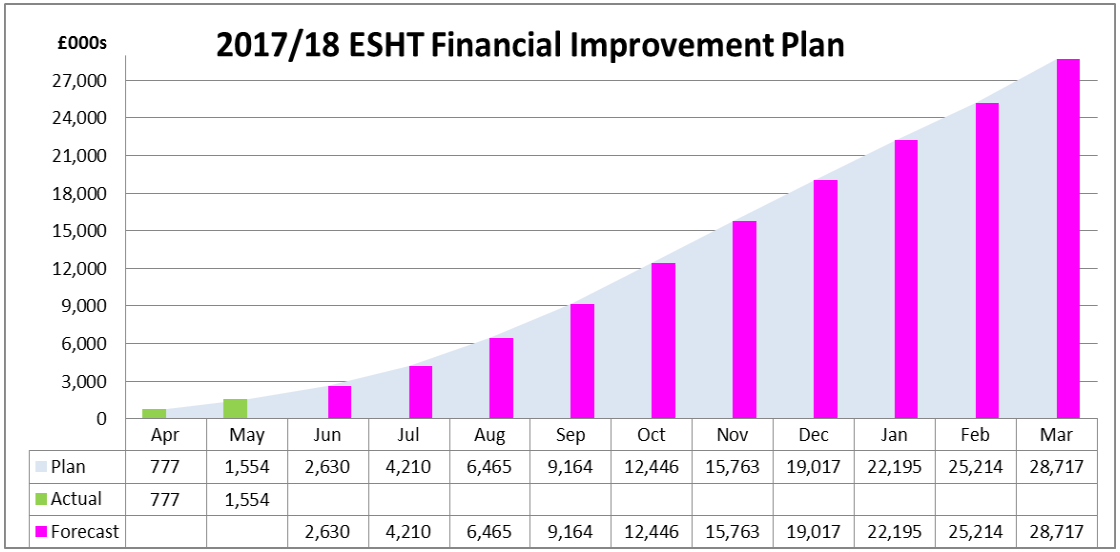
Enhanced HIT	**Business as Usual**	£122,666	£19,686	13.4	3	No target set	111	No target set	174					Delays in recruiting staff experienced although an additional 4 WTE due to commence in July. Trajectory for no of patients to be seen being finalised.
Shared Decision Making (GP Referrals)	**Design**	£0		0										Project implementation milestones achieved. Not comprehensive uptake of shared decision making tools within primary care. Existing scheme currently being discussed with secondary care as part of surgical informed consent
Prescribing: Medicines Optimisation in Care Homes	**Business as Usual**													Programmes running to plan
Prescribing: Repeat Prescribing Process Improvements	**Business as Usual**													Programmes running to plan
Prescribing: Therapeutic Areas	**Business as Usual**													Programmes running to plan
Back Office Services	**Planning**	£0	£0	n/a	n/a	n/a	n/a	n/a	n/a					Plans in development

Schemes currently in development

		Expenditure (Cumulative)		No of staff in post (at report date)		Patients seen				Milestones RAG	Activity RAG	Financial RAG	Trend	Operational issues impacting on complete delivery
						Latest month		Cumulative						
	Project Stage	**Planned**	**Actual**	**Planned**	**Actual**	**Planned**	**Actual**	**Planned**	**Actual**					
ISWs - Phase 1	**Implementation**	£326,515	£104,991	74	41	0		0						Recruitment milestones currently not being achieved. In May 60 staff recruited of which 41 were actually in post. Difficulties in identifying ways to measure scheme outputs
Whole System Review: Mental Health, Acute	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Mental Health, Dementia	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Cardiology	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Diabetes	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Respiratory	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Paediatrics, Acute	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Paediatrics, Community	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2018
Whole System Review: Maternity & Obstetrics	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
Whole System Review: Trauma & Orthopaedics	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2019
Whole System Review: Ophthalmology	**Planning**	£0		0		0		0						Whole system planning workshops complete. The design of schemes to support pathway change currently being developed. Milestone date for agreeing plans to be taken forward end July 2017
New to Follow-up Ratios	**Planning**													Potential cross-over with ESHT internal departmental reviews

Reduced Referral Variation	**Planning**												Data still being reviewed
Top 2% spend review - complex needs	**Design**	£0		0		0		0					Whole system planning workshops complete. The design of schemes to support pathway change currently being developed.
Locality Planning	**Planning**	£0		0		0		0					Plans to be developed

Cost Improvement Plan – May 2017



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Plan	777	1,554	2,630	4,210	6,465	9,164	12,446	15,763	19,017	22,195	25,214	28,717
Actual	777	1,554										
Forecast			2,630	4,210	6,465	9,164	12,446	15,763	19,017	22,195	25,214	28,717

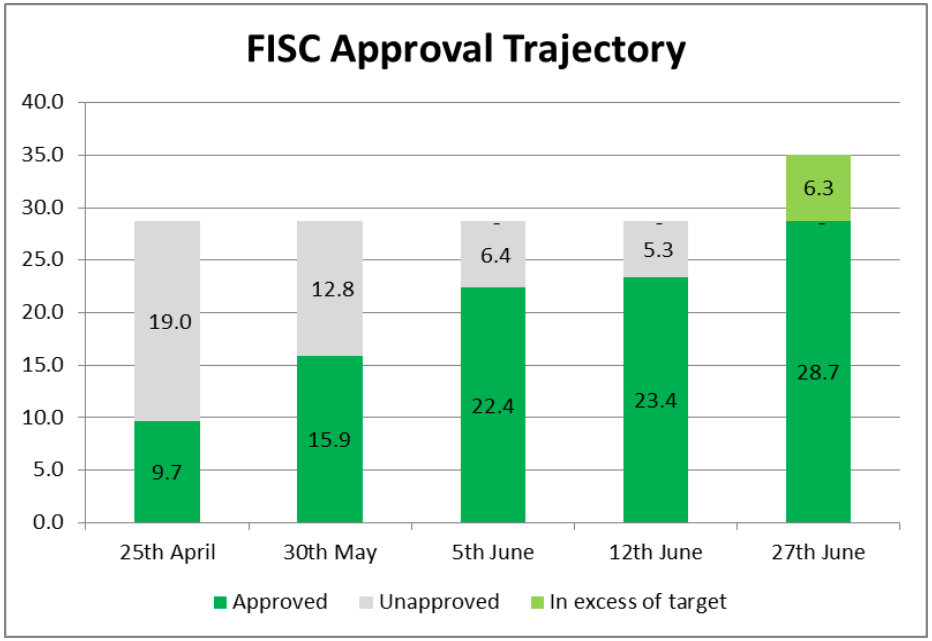
Headlines

- Month 1 & 2 have been delivered, and early indicators are that Month 3 is on plan. Approvals through FISC have continued, and the Trust now has £32m of approved schemes, risk-adjusted to £28.7m.
- Progress has been made on theatre 4 hour sessions at EDGH, with 3 specialties moving to this from 12th June and the remainder are to be scheduled before the end of June.
- Some additional resource is now supporting the ramp up of T&O escalations.
- Key risk areas are the workforce and CSR programmes, and additional resource has been provided through PMO to ensure delivery . Weekly PMO monitoring will continue to ensure variance escalated to Executive as appropriate.

	YTD		
Workstream	Plan £000	Actual £000	Variance £000
Clinical Services Review	0	0	0
Data Quality and Clinical Networks	358	270	(88)
Elective Pathways	599	396	(203)
Grip & Control	283	560	277
Income	148	128	(20)
Non Pay	123	158	35
Patient Flow	42	42	0
Workforce	0	0	0
Total	**1,554**	**1,554**	**(0)**

	YTD		
Division	Plan £000	Actual £000	Variance £000
Corporate	13	2	(11)
Estates & Facilities	35	34	(1)
DAS	855	339	(516)
Medicine	216	95	(120)
Urgent Care	188	268	80
WAC	80	38	(43)
Out of Hospital	150	218	68
Trustwide	17	560	543
Total	**1,554**	**1,554**	**0**

N.B. Trustwide to be allocated across Division



CIP Workstream Update

Workstream	Income £m	Contract £m	Pay £m	Non-Pay £m	Total £m
Clinical Services Review	0.00	0.00	4.32	2.00	6.32
Data Quality and Clinical Networks	0.00	3.94	(0.10)	0.00	3.84
Elective Pathways	0.08	2.62	(0.42)	3.78	6.07
Grip & Control	0.00	1.90	0.00	4.24	6.14
Commercial Income	1.03	0.00	0.00	0.36	1.38
Procurement	0.00	0.00	0.00	4.60	4.60
Patient Flow	0.00	0.19	0.46	0.04	0.69
Agency & Premium Costs	0.00	0.23	5.59	0.00	5.82
Central Risk Adjustment	0.00	(1.86)	(2.67)	(1.60)	(6.14)
Total	**1.11**	**7.02**	**7.18**	**13.41**	**28.72**

The boxes below give a brief explanation of how savings will be realised.

Clinical Services Review –
Reduction in LOS, resulting closure of 12 beds, review of efficiency and effectiveness resulting in either withdrawal of services or increased productivity, these will result in substantive staff changes, but ultimately it will reduce the reliance on bank and agency, through redeployment of staff into vacancies. Target is £6.3m, but only £3.5m has been approved by FISC to date, the target remains the same and to be represented at FISC at end of August

Data Quality & Clinical Networks –
Improvement in capture of activity and outcomes, and improved external income management

Procurement –
Reduced spend by consolidation of suppliers and products, substitution of products, tighter control of purchasing. Better Prices, efficient working and waste avoidance

Elective Pathways –
Contract Income – Multiple projects driving improvement in productivity in outpatients, endoscopy & cardiology.
Non-Pay – Increased efficiency resulting in reduced Trust outsourcing

Patient Flow –
Contract Income - Improvement in capture of activity resulting in increased income
Pay & Non-Pay - Reduction in LOS, resulting in bed closures, to date 33 beds have closed and a further 10 beds to close. All specialties have been allocated LOS targets.

Grip & Control –
Contract Income – This relates to the management of 16/17 income dispute
Non-Pay – Avoidance of costs in the original plan

Agency & Premium Costs –
Reduction in £9m premium pay costs, this is offset by an increase in substantive costs through better management and retention of staff, this delivers a net wte reduction of 12.6 WTE.

Commercial Income–
Maximising existing commercial opportunities and better contract management

Central Risk Adjustment – this is a balancing figure, but the Trust recognises that there is a higher risk on Workforce and CSR

M2 Financial Summary

ESBT Summary	Finance			Activity			Variance		
	M2 YTD Plan	M2 Actual	Overspebnd (+ve)	M2 YTD Plan	M2 Actual	Overspebnd (+ve)	Cost	Volume	Total
	£	£	£	Spells	Spells	Spells			
EAST SUSSEX HEALTHCARE NHS TRUST									
A&E	2,011,015	2,339,082	328,067	16,448	17,271	823	216,583	111,484	328,067
Community_Block	4,730,978	4,730,978	-0	0	0	0	0	0	0
Elective	6,062,470	6,024,275	-38,195	6,113	5,527	-586	601,023	-639,218	-38,195
Elective Excess Beddays	68,673	39,074	-29,599	383	150	-233	31,076	-60,675	-29,599
Local Items	4,664,773	5,631,226	966,453	559,153	520,571	-38,582	1,383,808	-417,355	966,453
Non Elective	9,055,206	12,296,710	3,241,504	4,701	5,186	485	2,092,609	1,148,895	3,241,504
Non Elective Excess Beddays	1,067,603	718,172	-349,431	4,898	2,993	-1,905	107,728	-457,160	-349,431
Non Elective Non Emergency	1,113,118	1,465,362	352,245	548	606	58	211,607	140,637	352,245
Non Elective Non Emergency Excess Beddays	60,278	44,174	-16,104	217	178	-39	-6,530	-9,573	-16,104
Outpatient Diagnostics	690,093	644,701	-45,392	6,730	6,488	-242	-21,365	-24,027	-45,392
Outpatient Follow Up	2,319,301	2,114,206	-205,095	24,670	24,445	-225	-185,593	-19,502	-205,095
Outpatient New	1,935,640	1,924,703	-10,938	12,379	11,045	-1,334	221,587	-232,525	-10,938
Outpatient Procedures	1,300,125	1,152,784	-147,341	7,929	8,788	859	-260,025	112,684	-147,341
PBREXDEV	94,512	106,763	12,251	0	0	0	0	0	12,251
PBREXDR	2,201,146	2,030,744	-170,401	0	0	0	0	0	-170,401
Winter Pressures	0	0	0	0	0	0	0	0	0
CSU M2 AFR Report	**37,374,930**	**41,262,955**	**3,888,025**				**4,392,509**	**-346,334**	**3,888,025**
Adjustment for Readmissions / Contract QIPP / ZNP			-700,000				-700,000	0	-700,000
CCG Position	37,374,930	41,262,955	3,188,025	0			3,692,509	-346,334	3,188,025

East Sussex Better Together (ESBT) Alliance Governing Board

Item Number: 21/17

Date of meeting: 9 August 2017

Title of report:
ESBT new model of care: outcome of decisions from Alliance partners following options appraisal recommendation: roadmap, timetable and next steps

Recommendation:
The Alliance Governing Board is recommended to:

- **note** the decision taken by the ESBT Alliance partners' governing bodies to proceed with further health and social care integration in the form of a single new health and care organisation by 2020/21
- **note** the agreement of the ESBT partners' governing bodies to accelerate this through strengthening the commissioner provider ESBT Alliance arrangement for 2018/19, to make the required year on year improvements to our system financial position and quality (as set out in the high level milestone map in the Appendix)
- **note** the agreed next steps, as per the detail set out in paragraph 3.1 of this report, and proposed timeline to accelerate implementation during the test bed year, to deliver the high level milestones and strengthen our Alliance arrangements for April 2018

Executive Summary:
As recommended at the informal meeting of the Alliance Governing Board on the 12th July, plans to further formalise health and social care integration were approved in **July 2017** by the governing bodies of the full ESBT Alliance Members; East Sussex County Council (ESCC); East Sussex Healthcare NHS Trust (ESHT), and; Eastbourne Hailsham and Seaford Clinical Commissioning Group (EHS CCG) and Hastings and Rother Clinical Commissioning Group (HR CCG). Sussex Partnership NHS Foundation Trust (SPFT) will also consider proposals as an Associate Member of the ESBT Alliance at their Trust Board meeting in September.

The preferred delivery vehicle of a new single health and care organisation by **2020/21** was agreed by sovereign organisations, representing a key milestone on our path to an integrated health and care organisation and building on the work already delivered by the ESBT programme since it was established in August 2014.

Given the complexity of setting up a single health and care organisation as well as a single strategic commissioning process to deliver it, plans were agreed to strengthen the current ESBT commissioner provider Alliance arrangement by **April 2018**. Acknowledging that a start has already been made with our ESBT Alliance, it was agreed that strengthening our current Alliance arrangement by **April 2018** would be a necessary stepping stone. As a result the following practical steps have now been agreed to accelerate implementation in the context of year on year delivery of improvements. This includes;

- Moving towards single leadership, governance and management of our commissioning resource by **April 2018**, including exploring a single pooled budget for our health and social care economy;
- Moving towards single leadership and management of delivery and how services are organised by **April 2018**;
- An integrated approach to regulation;
- Strengthened performance and monitoring against our integrated Outcomes Framework.

Each of these elements are significant and will require further approval of all the ESBT partner sovereign organisations via their appropriate decision making bodies, and also the approval of NHS England (NHSE) and NHS Improvement (NHSI). In addition we also expect to take forward further work with GPs and our partners in the wider health and care system, including:

- Developing further the flexible menu of options for primary care to relate to the chosen model as a provider, and;
- Exploring and developing further how mental health and other parts of the wider health and care system can best relate to the model.

The ESBT Alliance sovereign organisations' agreement to the recommendations in July demonstrates that consensus has been reached across our system on the overall direction of travel for ESBT, and the best way to continue to improve services, health and wellbeing and ensure long-term sustainability within our resource envelope.

This report provides a flavour of the individual discussions at the ESBT partner organisations' governing body meetings in July 2017. It also sets out the next steps and timetable to accelerate implementation during the test bed year to deliver the high level milestones and strengthen our Alliance arrangements for **April 2018**.

Governing Board sponsor: Amanda Philpott, Adrian Bull and Keith Hinkley, Joint ESBT Senior Responsible Officers	
Author(s): Vicky Smith, Accountable Care Strategic Development Manager, ESBT	**Date of report:** 28/07/17
Review by other committees: Reports recommending the preferred direction of travel for the future ESBT model, and a high level milestones map have been discussed and agreed by the governing bodies of the ESBT partner organisations during July.	

Health impact: Whole system transformation to the ESBT future model of accountable care, underpinned by longer term outcomes based capitated contracts, will offer a solution to delivering and managing improved patient and population health outcomes, through positively incentivising the highest possible quality of care.
Financial implications: Through using a population based capitation payment method, developing our risk and reward share arrangements, and aligning outcomes as an Alliance system of accountable care we will positively incentivise the lowest effective level of care. In addition through the use of patient centred approaches, self-care and self-management and efficient and effective clinical and care decisions, resources will be invested more wisely and health and social care services will become more sustainable overall.
Legal or compliance implications: New approaches are not yet fully embedded in national policy guidance and risks will need to be identified and mitigated. There will be a need to ensure that all regulatory and inspection bodies are fully on board with the move to the future ESBT model of accountable care.
Link to key objective and/or principal risks: Faced with increasing and changing demand pressure on services, and a potential collective funding gap of c£169 million for health and social care services by 2020 (across the ESBT Programme area) if the status quo is maintained, local system leaders will need to design a multi-agency, collaborative and innovative response in order to achieve the overall goal of securing health and care services for future generations in East Sussex.
Link to East Sussex Better Together (ESBT) programme: Moving to a new model of accountable care aimed at improving health, improving quality and reducing the cost per capita of care, is the next phase of our work under ESBT to secure service provision that is clinically and financially sustainable in the long term.
How has the patient and public engagement informed this work: A full programme of engagement has informed the development of ESBT and the Accountable Care Model (ACM); most notably the development of integrated care, integrated locality teams, a focus on prevention and well-being and more recently, the pilot integrated outcomes framework for the ESBT Alliance and the criteria for appraising the future ESBT delivery vehicle.
Equality Analysis (EA) Process - outcome: Negative Impact ☐ Neutral Impact ☒ Positive Impact ☐ No Impact ☐ Not required for report ☒ **Summary:** An initial Equalities screening of the ESBT legal delivery vehicles has been undertaken to support the options appraisal exercise. his stage there are no significant impacts to report and it is recommended a full analysis is undertaken once the preferred option is known and developed in more detail; the screening makes some recommendations on key issues to take into account in doing this.
Privacy Impact Assessment (PIA) – outcome: No personal data used ☒ Data processes sufficient ☐ Actions required ☐ **Actions:** Not applicable.

ESBT new model of care: outcome of decisions from Alliance partners following options appraisal recommendation: roadmap, timetable and next steps

1. Background

1.1 ESBT's initial 150-week phase has concluded and we have transitioned to our ESBT Alliance. Arrangements are now in place to ensure oversight of the whole health and care system from both a commissioning and delivery perspective. This Alliance phase is focusing on delivering in-year improvements across the system and developing the governance to deliver ESBT into the future.

1.2 The next phase focusses on building a new model of 'accountable care' that integrates our whole system; primary prevention, primary and community, social, mental health, acute and specialist care, so that we can demonstrably make the best use of the circa £1 billion collective resource we spend every year to meet the health and care needs of local people.

1.3 As discussed at the previous informal meeting of the Alliance Governing Board on 12th July, an options appraisal exercise was undertaken in June 2017 to consider the legal delivery vehicle options for the future ESBT model. The outcome of the options appraisal exercise was that an integrated health and care organisation is the preferred delivery vehicle. There was a strong appetite to implement this as the longer-term direction of travel by 2020/21.

1.4 It was additionally agreed that further strengthening our current ESBT commissioner provider alliance for 2018/19 would be a necessary next step in allowing us to make further year-on-year improvements to service quality and finances, in line with the expectations of our regulators and partners in the Sustainability and Transformation Plan (STP). A high level milestone map, intended as a guide to support further phasing and detailed implementation, was also discussed at the last meeting and this is attached in the Appendix to this report. It was agreed to put these recommendations forward to the ESBT Alliance partners' sovereign governing bodies, for their decision.

1.5 Information about the options appraisal exercise, including a summary report detailing the exercise and the outcomes and the high level roadmap can be found on the ESBT website at http://news.eastsussex.gov.uk/east-sussex-better-together/stakeholders/esbt-future-model/

1.6 During July 2017 the governing bodies of the full ESBT Alliance members (EHS CCG, HR CCG, ESCC and ESHT) approved the preferred option to strengthen the Alliance arrangements for 2018 whilst moving toward full integration in the longer term. Sussex Partnership NHS Foundation Trust (SPFT) will also consider the recommendations as an Associate member of the Alliance at their Board meeting in September.

1.7 This decision has now been communicated to staff and stakeholders. There will now be an implementation period where much greater detail will emerge along with a comprehensive engagement plan. In line with this, we will undertake further detailed phasing and implementation planning to deliver the high level milestones and strengthen our Alliance arrangements for April 2018.

1.8 This report provides a flavour of the feedback from the ESBT partner organisations' discussions of the recommendations in July, and sets out the immediate next steps

and timetable to accelerate implementation during the test bed year to deliver the high level milestones and strengthen our Alliance arrangements for April 2018.

2 ESBT Alliance partner organisations' governing body discussions

2.1 Overall, strong consensus was evident across the ESBT partner organisations on further formal integration being the overall preferred direction of travel for ESBT. This was seen to be the best way to continue to improve services, population health and wellbeing and ensure long term sustainability within our resource envelope. The full minutes of the July meetings of East Sussex County Council (ESCC) Cabinet, East Sussex Healthcare NHS Trust (ESHT) Board and the CCG Governing Bodies will be available on each organisation's websites. A flavour of the key points from the discussions is provided below:

- Agreement that strengthening the ESBT Alliance arrangement for 2018/19 was a necessary next step on the journey towards integration. In terms of deliverability, further formalising the Alliance was seen to be the best way to mobilise the current system to manage the service quality, financial and demand risks that we face;

- However, it was also acknowledged that maintaining separate organisational structures will place a burden on managerial capacity in the interim, as well as the difficulty of managing differing and sometimes competing agendas that are currently a part of our system without full integration. This extended to a desire to see the proposed timetable for fuller integration, accelerated wherever this is possible, including exploring the opportunities for streamlining governance and decision-making;

- There was a desire to see the detail that comes out of further implementation and phasing for formal integration, for example, workforce and financial elements;

- The high levels of citizen ownership that are achievable through setting up a new single health and care organisation were noted as being a strong positive. This was seen to be important in both the formal Alliance arrangement as well as the long-term ESBT future model;

- It was felt that there should be a single, strategic plan for the ESBT Alliance that brings together resources across commissioning and delivery;

- It was recognised that a strengthened approach to locality planning and delivery will be needed to support in-year delivery of improvements and the Strategic Investment Plan;

- The concept of a single point of governance, leadership and management of our commissioning resource was supported as the best way to deliver improved health and wellbeing of our local population and improved service quality and finances, by enabling us to focus ESBT Alliance resources, staff, time, and energy clearly on our 'place'.

3 Next steps

3.1 The following steps were agreed by the ESBT partners to accelerate implementation of a strengthened ESBT Alliance arrangement by April 2018:

- moving towards single leadership, governance and management of our commissioning resource by April 2018 (including exploring a single pooled budget for our health and care economy)
- moving towards single leadership of the delivery function and how services are organised by April 2018
- seeking an integrated approach to regulation
- strengthening performance and monitoring against our integrated Outcomes Framework

3.2 Each of these elements are significant and will require further approval of all the ESBT partner sovereign organisations via their appropriate decision making bodies, and also the approval of NHS England (NHSE) and NHS Improvement (NHSI).

3.3 We are now in the process of developing a set of proposals to prepare for a strengthened ESBT Alliance arrangement from April 2018. Discussions will initially be taken forward over the summer by the ESBT Accountable Care Development Group, which has representation from key stakeholders such as the Local Medical Committee (LMC) and Healthwatch alongside subject matter experts from across the Alliance. To allow for implementation in time for April 2018 we anticipate developing proposals for discussion in October 2017, with the aim of bringing finalised proposals to the Alliance Governing Board in November 2017 and culminating in recommendations to the ESBT Alliance partners' sovereign governing bodies in December 2017.

3.4 In summary the timetable for our next steps is as follows:

Ongoing engagement	Activity	Timeline
	Development of proposals	August and September 2017
	Further discussion and finalisation of proposals	October 2017
	Final proposals brought to the Alliance Governing Board	November 2017
	Recommendation of proposals to ESBT Alliance sovereign bodies	December 2017
	New formalised ESBT Alliance arrangements in place	April 2018

3.5 In addition, we also expect to take forward further work with GPs and our partners in the wider health and care system, including:

- Developing further the flexible menu of options for primary care to relate to the chosen model as a provider, and;
- Exploring and developing further how mental health and other parts of the wider health and care system can best relate to the model.

4 Conclusion and reasons for recommendations

4.1 The ESBT Alliance sovereign organisations' agreement to the recommendations in July demonstrates that consensus has been reached across our system on the overall direction of travel for ESBT, and the best way to continue to improve services, health and wellbeing and ensure long-term sustainability within our resource envelope.

4.2 In order to prepare for April 2018 we now need to develop clear proposals to enable our ESBT Alliance system to move towards single leadership, governance and management of our commissioning resource, and single leadership of the delivery function and how services are organised. Strengthened performance against our integrated Outcomes Framework and an integrated approach to regulation will be a necessary part of that.

4.3 Alongside further discussions at the ESBT Accountable Care Development Group and Alliance Governing Board, engagement and the contribution of our key stakeholders has been a key strength of our approach to date. We will continue to build on this through discussions at other new and existing meetings and events during the autumn as we continue to seek the valuable insights and input of our stakeholders as appropriate along the way.

5 Recommendation

The Alliance Governing Board is recommended to:

- **note** the decision taken by the ESBT Alliance partners' governing bodies to proceed with further health and social care integration in the form of a single new health and care organisation by 2020/21
- **note** the agreement of the ESBT partners' governing bodies to accelerate this through strengthening the commissioner provider ESBT Alliance arrangement for 2018/19, to make the required year on year improvements to our system financial position and quality (as set out in the high level milestone map in the Appendix)
- **note** the agreed next steps, as per the detail set out in paragraph 3.1 of this report, and proposed timeline to accelerate implementation during the test bed year, to deliver the high level milestones and strengthen our Alliance arrangements for April 2018

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ESBT MILESTONE MAP

APR '17

MILESTONE

Stakeholder engagement to inform options appraisal on future organisational form

JULY '17

MILESTONE

Organisational form and development timeline agreed by sovereign organisations

DEC '17

MILESTONE

Clarify menu of options for how primary care, mental health and other parts of system relate to chosen model

APR '18

MILESTONE

Integrated single leadership structure for strategic commissioning function implemented; pooled budget and risk share agreed for strengthened Alliance
Single leadership of delivery function implemented.

JULY '18

MILESTONE

Business case for accountable care organisation Agreed; NHSE ISAP process initiated

SEPT '18

MILESTONE

Plans for consulting with staff in place, as required

APR '19

MILESTONE

Integrated business infrastructure in place, including potential delegation to STP level

SEPT '19

MILESTONE

New integrated regulatory framework and payment mechanisms agreed

APR '20

MILESTONE

Launch of new accountable care organisation

NB this map of high level milestones is intended as a guide, and milestones may be subject to change with detailed implementation planning

Ongoing staff and stakeholder engagement

Year on year delivery of financial balance and quality improvement