



# East Sussex Health Overview and Scrutiny Committee

## Review of the East Sussex Health Local Delivery Plan and Financial Recovery Plan

February 2005



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### **1. Overview and Scrutiny of the NHS**

1.1 The Health and Social Care Act 2001 makes statutory provision for local authorities with social services responsibilities to extend their scrutiny and overview functions to cover Health. East Sussex County Council established the East Sussex Health Overview and Scrutiny Committee (HOSC) in October 2003. The Department of Health in July 2003 issued guidance for the scrutiny of the National Health Service and this guidance has been followed when undertaking this review.

### **2. Introduction**

2.1 HOSC initiated a review of the East Sussex Local Delivery Plan and Financial Recovery Plan in September 2004. A Select Committee was set up comprising the full membership of the HOSC:

Councillor Bill Bentley, Chairman, East Sussex County Council  
Councillor Michael Bigg, Hastings Borough Council  
Councillor Ron Dyason, East Sussex County Council  
Councillor Mrs Joanne Gadd, Rother District Council  
Councillor Beryl Healy, East Sussex County Council  
Councillor Mrs Ann Leigh, East Sussex County Council  
Councillor Ann Murray, Eastbourne Borough Council  
Councillor Mrs Diane Phillips, Vice Chairman, Wealden District Council  
Councillor David Rogers, East Sussex County Council  
Councillor Phil Scott, East Sussex County Council  
Councillor Tony Slack, East Sussex County Council  
Councillor John Webber, Lewes District Council  
Ralph Chapman, Chair of Age Concern East Sussex  
Rosemary Iddenden, Branch Manager, Alzheimer's Society

2.2 In the course of this review HOSC has gathered evidence from:

- Representatives of the East Sussex local health economy chosen by the Executive Programme Board.
- East Sussex Social Services representatives.
- The leader of East Sussex County Council and lead Members for East Sussex Social Services Department.
- Representatives of the Surrey & Sussex Strategic Health Authority.
- The Audit Commission.
- An NHS financial and management consultant.
- Secta and PR Consultancy reports.
- A number of Chief Executives and Board members of the East Sussex local health economy.
- Information gathered from other current HOSC review activities.

### **3. Background**

3.1 This review was established with the aims of examining:

- the effectiveness of the Health Local Delivery Plan in addressing the health needs of the people of East Sussex.
- the robustness of the Financial Recovery Plan and the ability to meet the financial resourcing of the Local Delivery Plan.
- the ability of the Financial Recovery Plan to achieve recovery from the identified deficit.

3.2 HOSC's main interest in investigating the robustness of the health local delivery plan is around its ability to develop, modernise and sustain the future provision of appropriate health services for the people of East Sussex.

3.3 When HOSC began the review it was aware of critical comments from the East Sussex County Council Cabinet as to the achievability and robustness of the Plan. HOSC was also conscious that the local health economy, in particular East Sussex Hospitals NHS Trust, had concerns about the effect that delayed transfers of care were having on the achievability of financial recovery. The interdependency of the two is recognised by HOSC.

3.4 In this review, HOSC has been keen to identify where lead or overall responsibility and accountability lies within the health economy in order to achieve what has been stated will be achieved in the Local Delivery Plan. HOSC understands that accountability lies with individual organisations but is unclear as to how collective responsibility ensures achievement of the Plan.

3.5 Since the start of the HOSC investigation, it is understood that the original Local Delivery Plan and Financial Recovery Plan (prepared in February - April 2004) have undergone significant changes. HOSC is pleased that a timetable for creating the 2005-2008 plans, which builds on and enhances the 2004 Local Delivery Plan, is currently being agreed. HOSC hopes that the proposed timetable will be linked to all partners' business and financial planning arrangements.

3.6 HOSC is aware that the local health economy, in developing its Local Delivery Plan, has been supported by consultants and management reports and it is aspiring to address and improve the longer term provision of appropriate services.

3.7 HOSC notes the change in emphasis that has recently taken place and the efforts that individual health organisations locally have made to address the financial recovery. It is hoped that any lessons learnt from recent consultancy reports on the Local Delivery Plan and Financial Recovery Plan, along with the recommendations from HOSC, the Audit Commission and other review and inspection bodies, will be taken into account by health and, where appropriate, social care colleagues in order to enhance the quality and achievability of the 2005-2008 Local Delivery Plan.

3.8 In coming to its findings and recommendations, HOSC also recognises that, other than the organisations' own performance, capacity and priorities, a number of other factors affect and impinge on the achievement of plans for health services locally. These are frequently complex and interwoven with each other.

#### **4. Achieving savings of £20million**

4.1 HOSC is conscious of the financial context in which the local health economy operates and the need, earlier this year, for it to find, in the region of a £25.6million financial savings. (Currently, £3.5million savings are still to be identified.) Whilst HOSC recognises the number of checks and balances already being put on the local health economy for its financial performance, its interest is the likely impact on services caused by a reduction in finance and resources.

4.2 HOSC wishes to make the point that the impact of a Financial Recovery Plan on the achievement of the Local Delivery Plan is likely to be detrimental. In particular, research suggests there is potential for not investing in long term improvements but resorting to short-term solutions to save money. HOSC is critical of short-termism and is concerned about the potential lack of sustainability and capacity of PCTs, NHS Trusts and Social Services to invest more in community health services. HOSC would like to see firmer detailed implementation plans to make the changes happen.

4.3 In relation to funding sources, HOSC is aware that it is possible, in some circumstances, for PCTs and NHS Trusts to draw upon the 'NHS bank' in order to recover shortfalls in finances. The only recourse open to the Social Services Department is for the County Council to increase the Council Tax to such a level that the government would cap the increase. There would, therefore, be no benefit to the people of East Sussex or in service improvement.

4.4 HOSC recognises the positive actions taken by the local health economy to establish work streams in order to address financial recovery and future development. It would wish, however, to see some evaluation of the success of the work streams in achieving the desired outcomes and, indeed, if they were cost effective.

#### **5. Partnership working**

5.1 HOSC believes partnership working is essential to the achievement of the Local Delivery Plan this year and in future years. However, it is not just an aspirational exercise but must be grounded in coherence and agreement. There are clearly issues of trust and confidence between partners, both within the health economy, and between health and the County Council which must be resolved. The interdependence of all partners must be recognised if health and social care services for the people of East Sussex are to be effective.

5.2 HOSC believes that the structures and processes in place, within the local health economy, to agree and achieve a delivery plan and financial recovery across East Sussex are currently too complex and do not guarantee every partner's commitment to corporate targets. For example, HOSC is interested in the comments received during this review that the incentive to modernise and invest in community health services is not necessarily the same for all of the partners in the local health economy. In HOSC's view, such a lack of incentive can lead to a lack of commitment to a corporate aim and ineffective partnership working.

## **6. Shifting the reliance on hospital based care to providing health services in the community**

6.1 HOSC is fully supportive of the desire for shifting from reliance on hospital based care to providing health services in the community. HOSC believes, however, the pace of change and investment in community health services is too slow. In some cases actions in the Local Delivery Plan with respect to these changes are too easily cast aside for other priorities. All partners need to agree priorities in priority order. Unless this happens HOSC believes the Local Delivery Plan will remain a succession of individual tasks that individual organisations undertake, or not. HOSC is also conscious of the fact that re-provisioning of services in the community is not matched by reallocation of resources from the acute sector. This raises the question of collective responsibility for achieving the Local Delivery Plan and the commitment of partners to its actions.

6.2 HOSC believes that much of the service in East Sussex is provider led not commissioner led. This is a balance that could change and may be a more significant force for shifting to provision of community health services. Examples of successful joint commissioning have improved services in some other areas of the country.

## **7. Findings**

- HOSC viewed the 2004 Local Delivery Plan in September 2004 and considered it to be simply a plan with little regard for base-line projections, without SMART targets (Specific, Manageable, Achievable, Realistic and Timely), a risk strategy, clear accountability, adequate resourcing or clear timescales for achieving outcomes.
- HOSC considers the 2004 Local Delivery Plan to have been over ambitious and believes this form of plan is insufficient as a major plank for describing actions to be taken for provision of local services. HOSC is also aware that health organisations have to achieve financial balance despite uncontrollable variation in level of demand for services. HOSC suggests, however, that management information and trends data can be better used to support predictions and likely demand.
- The fundamental shift, envisaged in the Local Delivery Plan, from hospital based care to health services in the community has not occurred yet and, as far as HOSC can see, is unlikely within the life of the present plan. This is at the core of the Financial Recovery Plan. The numbers of emergency admissions to hospitals has risen and as a result there has not been the proposed move of resources to community health services. Building alternative capacity outside the acute sector is not sufficiently robust. HOSC is not yet convinced that the Local Delivery Plan proposals for reductions in hospital services are based on a rigorous analysis of what additional services would consequently be required in primary care, community health and social services provision. HOSC has concerns about the financial and managerial capacity for investment in the necessary community health provision.
- Financial recovery at this time is still not a definite or given. In HOSC's investigations and from plans it has seen, it found it difficult to understand how financial recovery will be achieved. In September 2004, HOSC was assured by representatives of the local health economy that it would happen. More recent evidence, however, from the Financial Recovery Programme indicates that 'it is

not clear at this stage whether the local health economy will achieve financial balance.' (December 2004).

- HOSC realises that attention is still being given to the £3.5million projected shortfall. It is concerned, however, that the shortfall could be funded by some short-term cutbacks in expenditure and some 'brokerage' or 'flexibility' perhaps from the 'NHS Bank' via the Surrey and Sussex Strategic Health Authority. This would bring about financial balance this year, but would not guarantee that the same situation would not arise next year. It is thought, by HOSC, that help from SHA will at best be "brokerage" - a loan using money elsewhere in the health system which will have to be repaid. HOSC expresses concern that there seems to be no real consideration of the impact of short-term saving measures on users, nor any acceptance of a need for recurrent balance, year on year, between income and expenditure.
- HOSC is not fully convinced from its work on this review that there is yet a full commitment to a shared vision for health services in East Sussex across health and social care. This investigation has shown that the agreed aims, as described in the written document (Local Delivery Plan), are not always universally promoted and adhered to across the local health economy. Evidence suggests there is agreement to a corporate approach but with licence to dissent from it without recourse to all partners.
- Initially, HOSC was sure that the right mechanisms and right relationships, at least publicly, were in place. This suggested that all partners were of like mind. After further investigation, however, HOSC concludes that, whilst partnership working is agreed, it is not translated into working practices or effective collaborative relationships. HOSC would like to see a common desire to change the system through a whole systems approach. HOSC considers this is not robust at the present time.
- HOSC is not convinced that sufficient work has been done with GPs and their out of hours service to access services other than hospital admissions. Similarly, there is much work needed to educate the public about the 'direction of travel' for health services. The desirability of a move from hospital services to community health services is not yet understood by the public.
- HOSC is encouraged by the process summary which it has received with regard to the proposals for 2005-2008 delivery plans and for a greater degree of willingness to recognise and resolve problems. HOSC commends the emerging realism and honesty shown in recent submission received from health colleagues in response to HOSC's last round of questions on the Local Delivery Plan.
- HOSC was pleased to be informed by the Surrey and Sussex Strategic Health Authority that the East Sussex health economy, in comparison with neighbouring authorities, has been successful in handling a range of financial pressures, including the implementation of the new consultant contracts. There are other health economies facing greater challenges. The East Sussex health economy, however, is still regarded as high risk.
- HOSC recognises the milestones already achieved by primary care trusts in developing some community health services. Firwood House and Thornwood Residential Unit represent the kind of initiatives which should to be further

developed throughout the county. They are, however, but a small contributor to the larger need for such facilities. HOSC would welcome the early establishment and operation of Moreton House to further enhance the community service provision.

- In the course of this review HOSC has become aware that the approach to the creation of 'Delivery' and 'Development' Plans is different within the NHS from that expected within Local Government. HOSC believes that effective planning, particularly, where there is public interest, needs to indicate how and what is going to be achieved, at what cost and within what timescale and by whom. The Local Delivery Plan for 2004 was not written in this way. HOSC notes, however, the intention to revise the format for the 2005-2008 Local Delivery Plan along a common format being developed. It is hoped that this format would include information that showed the actions to be SMART.

## **8. Recommendations**

### ***HOSC puts forward the following recommendations to the Local Health and Social Care Economy***

- i. In creating the 2005/2008 Local Delivery Plan health colleagues should ensure it is SMART, setting out what services will be delivered, by whom and at what cost and by when. There should be rigorous monitoring so that partners are aware of changes and difficulties and can work on them together. It is further recommended that commitment to its achievement is universal across the local health and social care economy.
- ii. HOSC recommends that the 2005/2008 Local Delivery Plan has a greater emphasis on achieving investment in community health services. This should be combined with clear evidence that barriers to setting up community health services are being broken down. This should demonstrate a shift of adequate resources to the creation of community health services in Primary Care.
- iii. HOSC recommends that there is a clearer indication of partnership working. This should reflect real collaboration and include consideration of a joint commissioning strategy which sets out what services will be delivered, by whom and at what cost.
- iv. HOSC recommends the creation of a Local Delivery Plan communications strategy which clearly includes proposals for educating and involving the public about the 'direction of travel' of health services locally and the implications of the shift from hospital to community based services.

### **Councillor Bill Bentley**

Chairman of the Select Committee  
East Sussex Health Overview and Scrutiny Committee

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