

System Sustainability - background

Addressing the need to develop long term savings on top of existing provider CIP programmes

- The South East London NHS system is under significant financial pressure. There are programmes of work in place to address this challenge in both the short and longer term.
- The current provider Cost Improvement Programmes aim to deliver c £250m per annum. Even if these programmes deliver in full, there is still a recurrent financial gap that needs to be filled. This recurrent gap is expected to be c £300m and will need to be mitigated in a 3-5 year time horizon.
- A System Sustainability Programme of work has been established by the ICB and system partners. The overarching objective of this programme is to develop plans that will enable the ICB and its providers to move from a position of financial deficit to one of financial balance.

The below summary details some of the main opportunities and approaches to deliver long-term financial savings in the South East London system.

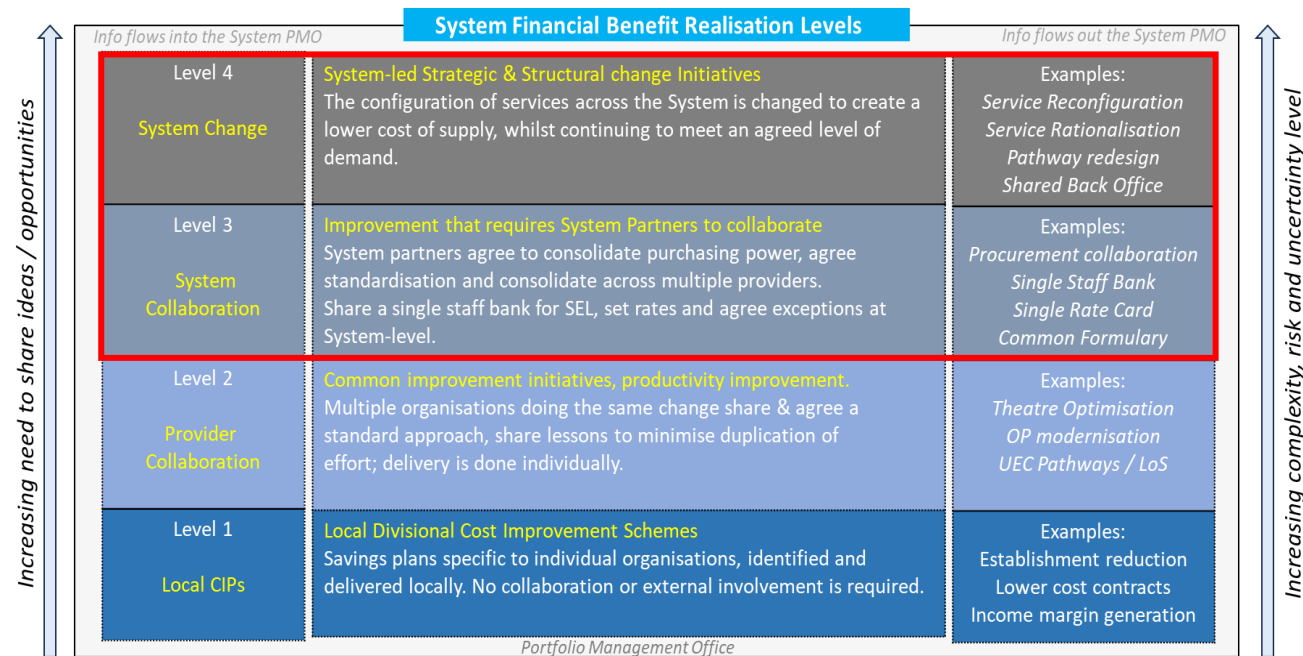
- | | | |
|--|---|---|
| • Preventative Healthcare | → | <i>Reduce demand on services, absorb unmitigated growth in demand</i> |
| • Release underutilised resources | → | <i>Reduce old estate and collaborate for economies of scale.</i> |
| • Innovation and technology | → | <i>Drive productivity, absorb demand for greater staffing resource.</i> |
| • Simplify | → | <i>Consolidate services and modernise pathways.</i> |

- There is clear understanding and agreement that maintaining safety of services is of paramount importance. There will be clinical input into all opportunities that are identified to ensure that patient safety is preserved.

Focus on more complex system opportunities

Developing ideas which span multiple organisations or require whole-system change

The system sustainability will combine both local short term, and more complex longer term financial savings programmes, and are designed to complement one another, without duplication



System financial benefit realisation levels - presented to ICB Board in Medium Term Financial Strategy paper, July 2024

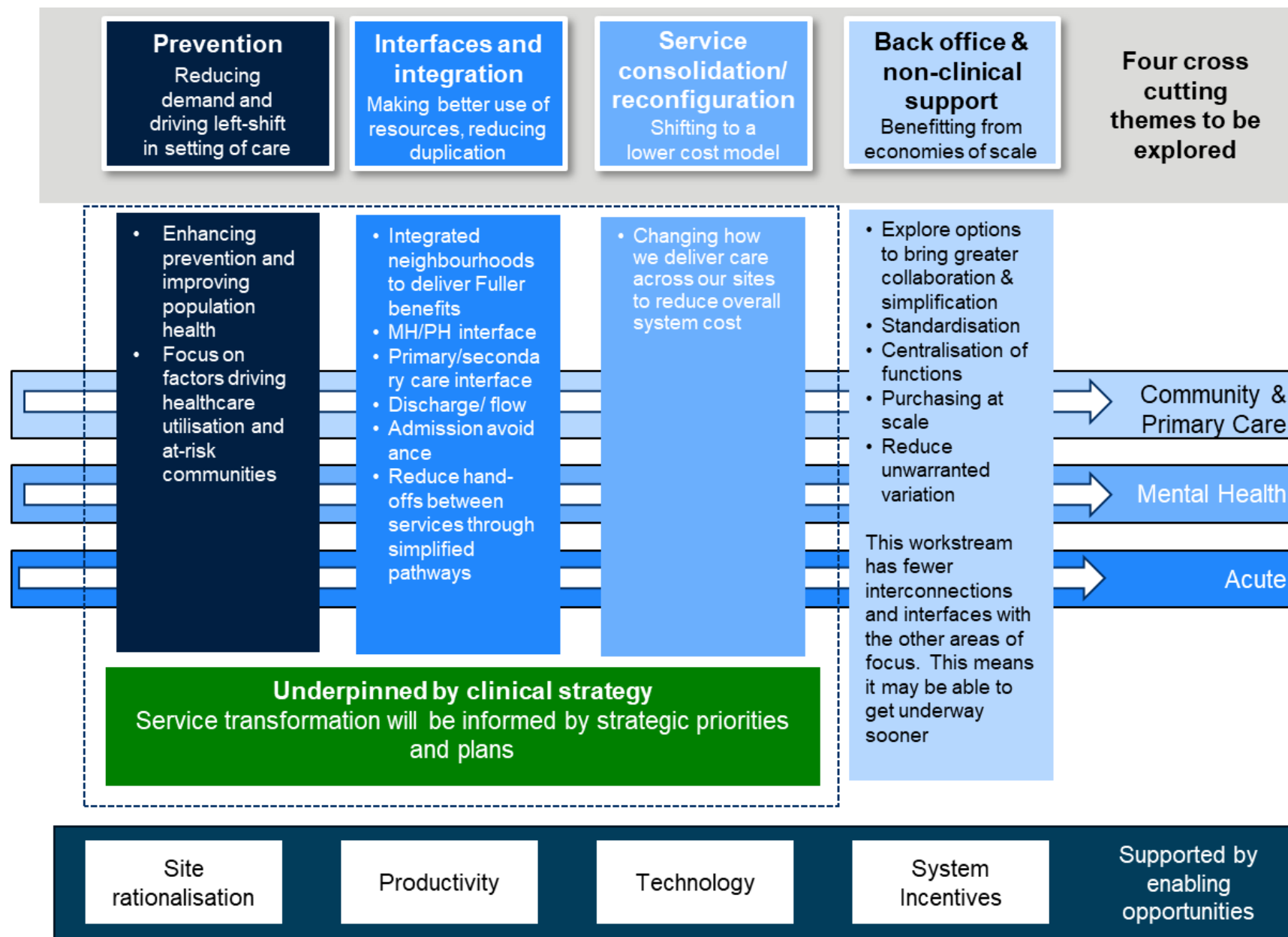
In-year savings approach

- There is an annual programme of cost improvement programmes which are aiming to deliver c£250m this year
- These are level 1 in the diagram and are typically delivered by providers by making savings from their cost base in-year.
- Level 2 CIPs also tend to focus on in-year savings, but across a broader footprint
- Local CIPs are expected to deliver as part of the overall in-year and ongoing system financial plans

Longer term arrangements

- System Sustainability programme is aiming to deliver transformation across whole system
- Programme will focus on level 3 & 4 opportunities
- Opportunities will focus on longer term-savings (3-5 years)
- This system wide work will complement the current reliance on level 1 & 2 opportunities
- It is aiming to identify a smaller number of higher-value pan-system savings opportunities

High level approach



Example opportunities across the whole system

