

15 August 2024

Dear Amanda,

Achieving Financial Sustainability in the NHS

I write to you ahead of our planned meeting on Wednesday 28 August. As you will be aware, NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) colleagues attended the Nottingham City Health and Adult Social Care Scrutiny Committee meeting on 11 July to present a report on the current financial position of the local NHS and the ICB's plans to achieve financial stability over the next two years. There has been some further correspondence between ICB colleagues and the Committee since, so I think that it would be helpful to seek to set out the Committee's current position ahead of our meeting on 28 August and the Committee's next public meeting on 19 September.

The Committee was grateful for being sighted on the full list of the ICB's proposals for bringing financial sustainability to the local system as a whole at its meeting on 11 July, for overall context. To seek to help support discussions going forward, ICB colleagues then collated the proposals into three groups – with Group 1 representing proposals that should not affect Nottingham residents. As such, the Committee is satisfied to defer the consideration of the proposals as set out within Group 1 to its Health Scrutiny colleagues at Nottinghamshire County Council.

Fundamentally, the Committee accepts that the ICB must make savings now to ensure a sustainable local healthcare system in the future. The Committee's ultimate concern, however, is to understand what the impacts of the ICB's proposed savings will be on Nottingham people – and to seek assurance that the ICB's final decisions on the savings to be implemented have been made with due understanding of and regard for the nature and severity of those impacts. As such, for its meeting on 19 September, the Committee would request the detail on:

- 1) what the ICB has assessed the likely impacts of the currently proposed savings on Nottingham people to be;
- 2) the ICB's view as to the relative severity of those impacts;
- 3) the evidence base that has been used to form these conclusions (clinical opinions, previous research, results of engagement, etc.) and the methodology used to ensure effective engagement; and
- 4) whether the ICB considers that it should do any further evidence gathering or engagement (up to and including formal public consultation) to achieve a full and complete understanding of the impact of its proposals.

Ultimately, the Committee would seek to be in a position where it can be assured by the ICB that, when taken on balance in the context of the financial situation, the ICB is confident that the proposals put forward deliver sustainability within the local healthcare system whilst having the lowest impact possible on service users – and that those impacts are



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justifiable in the context of the local Integrated Care Strategy for addressing health inequalities.

From the Committee's perspective, having sight of the outcomes of the Equality Impact Assessment (EQIA) screening exercise will form an important first step in establishing a clear understanding of the likely impact. The Committee's current assumption is that, going forward, the 'Group 3' proposals should be all those where the ICB considers that the carrying out of a full EQIA and/or a formal public consultation will be necessary. As a result, the Committee would seek the following details:

- 1) a brief, executive summary of what a given 'Group 3' proposal constitutes;
- 2) the estimated number of people who would be impacted by the proposal;
- 3) what the methodology to be used for developing the EQIA will be; and
- 4) what the timeline and methodology for conducting any anticipated formal public consultations will be.

Nevertheless, the Committee must also seek to derive assurance that the ICB's process for identifying 'Group 2' proposals not requiring an EQIA has also been robust. As such, the Committee would similarly request:

- 1) a brief, executive summary of what a given 'Group 2' proposal constitutes;
- 2) the estimated number of people who would be impacted by the proposal; and
- 3) the rationale for why the impact of the proposal is assessed to be low and so does not require an EQIA.

Currently, the Committee understands that the ICB is working to ensure that all NHS organisations across Nottingham and Nottinghamshire operate within their budgets by the end of March 2026. However, it would be helpful if the ICB could give a general indication of which of the proposals are intended to achieve in-year savings in both 2024/25 and 2025/26, which are intended to come into effect as full-year savings for the start of 2025/26, and which are intended to be delivered only at the conclusion of 2025/26.

On specific proposals, the Committee set out at its meeting on 11 July that it had significant concerns about the impacts of changes to the funding of the healthcare element in joint care packages. ICB colleagues indicated that they would continue to discuss the implications with Adult Social Care colleagues at the Council across the summer. The Committee understands that a locally-agreed policy for supporting joint care packages was in place, but that the ICB has already taken a decision independently to change its approach to funding these – and is now carrying out a full review of the packages that it funds. As such, the Committee would welcome clarity from the ICB on the general principles that are being used for the assessment of care packages to identify savings opportunities, and what this means for the people receiving those packages.

The Committee is particularly concerned as to what degree changes to care packages could result in individuals having to be moved from one care setting to another (particularly if they have been within a given setting for some time), whether there will be any knock-on effects for effective hospital discharge into care, and

whether people will now be at risk of being charged more for their care. The Committee would also seek to understand what impact proposed savings within the Better Care Fund (BCF) Discharge Fund, and the BCF funding for discharge support (including housing adaptations and assistive technology), will have in this area.

The Committee is also concerned as to how funding for the prevention of the major drivers of ill health will be sustained going forward, in the context of the proposals for savings relating to Mental Health Investment Standard and Service Development Fund investment – given the importance of these for the delivery of the local Integrated Care Strategy for addressing health inequalities.

Finally, the Committee would seek clarification as to the savings attributed to slippage, and on how and when projects affected by slippage (such as the Community Diagnostic Centre) will be delivered in the future.

I must note that the Committee has previously been assured by the ICB on a number of occasions that the information being shared with it represented proposals only and that firm decisions had not yet been made. However, the ICB does appear to be engaging with both the City and County Councils regarding areas of current joint funding in a way that suggests that it has already decided that it will implement the savings proposals as set out in these areas. The Committee's role in this process remains as working to scrutinise the impact of change on the people affected. As such, if joint funding is a very live issue that the ICB is seeking to resolve rapidly, I would be glad to meet with you at a point before 28 August to discuss the ICB's current activity and intentions, and what this might mean for local people.

Yours sincerely,



Councillor Georgia Power
Chair of the Nottingham City Council Health and Adult Social Care Scrutiny Committee