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To

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Dear Partner,

Re: ICB COST REDUCTION PROPOSAL

Further to our discussions recently, we are writing to share the latest position following the recent announcements that NHS Integrated Care Boards (ICBs) would need to reduce their running costs significantly in line with changes to NHS England and the Department of Health and Social Care.

Since then we have received information that we would need to operate within an annual cost of £18.76 per head of population, and a national Model ICB Blueprint has been shared setting out functions and responsibilities for ICBs for the future. This guidance reinforces our role as strategic commissioners, with a strong focus on improving population health, reducing inequalities, and ensuring access to high-quality care. It also signals a shift in how we operate, with some delivery responsibilities increasingly transitioning to providers or other partners.

In response, much work has been underway to consider the future form and how we could meet the reductions by Quarter 3 of this financial year as required.

For Sussex with a weighted population of 1.876 million people, this would mean that the annual NHS Sussex running costs would have to be reduced by 53% from £76 million to £35 million by 31 December 2025, whilst still retaining all of our existing statutory functions and legal duties.

We have worked rapidly and diligently to design a minimum viable ICB organisation for Sussex, but the lowest cost to build this would be £46 million. It is clear from the work completed to date that we cannot deliver our current ICB statutory responsibilities safely or reliably with a cost base of less than £46 million. Furthermore, this new structure would have significantly reduced capacity in all of its functions, no 'place based' resource to deliver neighbourhood health and limited capacity to engage with system partners.

We would also expect that this Sussex option would not be agreed by NHS England as the cost is 30% higher than the £18.76 per head of population requirement and it does not meet the latest NHS England guidance that all Integrated Care Boards must have a population of at least 2 million people.

As an alternative option, the combined Sussex and Surrey weighted population (including Farnham and Surrey Heath) is 3.06 million and provides a running cost budget of £57 million. Our NHS Sussex executive team met with the NHS Surrey Heartlands executive team last week and have developed a Sussex and Surrey ICB minimum viable ICB organisation within the required cost base of £57 million. This option will retain the capacity, capability and resilience to deliver the core ICB functions, as well as some 'place based' resource to work with and commission services with the new unitary authorities in the Sussex and Surrey footprint.

The proposal includes the retention of two separate Integrated Care Partnerships, one for Sussex (which is currently called the Sussex Health & Care Assembly) and one for Surrey (which is currently combined with the Surrey Health & Wellbeing Board) so that an independent focus can be maintained on the population health needs in each of the two proposed Mayoral authorities.

Alongside this core approach, we are also strengthening collaboration across the South East region to explore how services can be delivered more efficiently and consistently at scale. By identifying functions that can be delivered once across the region, we aim to reduce duplication, enhance quality, and make the best use of our collective resources. This approach builds on a strong tradition of regional cooperation and shared learning, ensuring that every pound spent delivers maximum benefit for our patients.

The NHS Sussex Board reviewed the two main options at its meeting on 21 May 2025 and agreed by a majority vote to submit the Sussex and Surrey ICB proposal to NHS England for approval at the end of next week. The NHS Surrey Heartlands ICB Board also met on 21 May and unanimously agreed to submit the same proposal to NHS England.

We have been working closely with our system partners, and we do appreciate that the three upper tier local authorities in Sussex would prefer to retain an NHS Sussex Integrated Care Board that is coterminous with the proposed Sussex Combined Mayoral Authority footprint, but in our view, this is simply not possible with the national constraints on maximum running costs and minimum population size for each ICB.

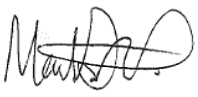
This is a pivotal moment for our system. We are responding to national imperatives but remain focused on how we can do this in the best possible way, and how these new arrangements can help us to continue to strengthen the focus on improving the health outcomes and reducing the health inequalities for the Sussex population.

We are committed to keeping you informed and involved throughout this journey. Your partnership and insights are vital as we work together to deliver better outcomes for our communities.

We will share more over the coming weeks but in the meantime, if you have any questions or would like to discuss this further, please do not hesitate to get in touch.

Thank you for your continued support.

Yours sincerely,



Stephen Lightfoot
Chair

Mark Smith
Interim Chief Executive Officer

On behalf of NHS Sussex