

To: The Board

For meeting on: 28 July 2016

Agenda item: 6

Report by: Bob Alexander, Executive Director of Resources, Deputy CEO

Report on: Update on Sustainability and Transformation Plans

Introduction

1. The purpose of this paper is to update the Board on strategic planning for 2016/17 to 2020/21 and the preparation of Sustainability and Transformation Plans (STPs) by each local health and care system.

Context

2. The preparation of strategic plans has been taking place in parallel to the finalisation of the operational planning process for 2016/17. The operational planning process for 2016/17 has focused on the challenges of delivering safe, high quality services; improvement against NHS Constitution standards; and an improved financial position compared to 2015/16.
3. The shared national planning guidance, ('Delivering the Forward View: NHS Shared Planning Guidance 2016/17 – 2020/21'), was published in December 2015. Since that time, NHS Improvement has been working closely with the other arm's length bodies (ALBs) to formulate a joint approach to strategic planning for the NHS in the light of the Five Year Forward View and the spending review for the period 2016/17 to 2020/21. NHS Improvement has worked with NHS England (NHSE) and the Five Year Forward View office in particular to produce specific guidance and support for local systems in developing their STPs.
4. Strategic change is a key priority for NHS Improvement. The NHS Improvement business plan for 2016/17 includes the priority to work closely with NHSE in supporting providers and local health systems, particularly the most challenged, to develop credible long-term solutions for sustainable NHS services.

Approach to strategic planning

5. The overarching objective for strategic planning for 2016/17 to 2020/21, as stated in the shared national planning guidance, is to enable every health and care system to come together to create its own ambitious local blueprint for accelerating its implementation of the Five Year Forward View.
6. STPs are based on local geographies bringing together commissioners, providers and local authorities. This 'place-based' approach to strategic plans enables local leaders to focus on the needs of patients in their local community and plan across organisational boundaries in 44 agreed planning 'footprints' (see Annex 1 for a list of STP footprints).
7. STPs are an important opportunity to get local leaders together to have conversations about their ambitions for local services, the most significant challenges they face locally and to agree actions to close the three gaps identified in the Five Year Forward View (health and wellbeing; care and quality; finance and efficiency). STPs will also need to balance achieving short-term momentum to deliver 2016/17 plans with delivering longer-term lasting change.
8. The key milestones for the STP process include:
 - a. By 15 April 2016: Agree footprints, local leadership arrangements and key local challenges and priorities
 - b. By 30 June 2016: Submit draft STP focussing on the 3 - 5 key priorities for the footprint.
9. The expectations for local footprints in preparing their June submission were to:
 - Reach a shared understanding of where they are now in relation to the three gaps (health, quality, finance) and where the footprint will need to be by 2020/21, taking into account the indicative allocations and the requirement to achieve financial balance;
 - Identify the critical decisions required to realise the vision and close the three gaps;
 - Set out the anticipated benefits and where possible how these will deliver the priorities set out in the March guidance;
 - Identify which actions lie with individual organisations and which require system-wide change, including dependencies on other partners or neighbouring footprints;
 - Assess the degree of consensus and support for proposed changes and plans for engagement with clinicians, the public and key partners.

Financial planning for 2016/17 to 2020/21

10. The shared planning guidance stated that STPs will become the single application and approval process for being accepted onto programmes with transformational funding for 2017/18 onwards.
11. The Spending Review provided an additional dedicated funding stream for sustainability and transformational change, building up over the next five years.

In addition to sustainability funding, this is for initiatives such as the development of new care models through and beyond the vanguards, primary care access and infrastructure, and to drive clinical priorities such as diabetes prevention, learning disabilities, cancer and mental health. Many of these streams of transformation funding form part of the national Sustainability and Transformation Fund (STF). As part of the guidance for the June submission, indicative allocations of the STF for 2020/21 by footprint were shared with footprints.

Support for local systems

12. Different footprints started in different places in terms of existing relationships and plans in their footprint. Hence some footprints will need more support than others to develop and build alignment behind a credible plan for their footprint.
13. Working closely with NHSE to support the most challenged providers and local health systems to develop credible long-term solutions is a key part of NHS Improvement's role. Hence we need to continue to review the support NHS Improvement can offer to footprints. There will need to be close alignment and co-ordination between arms-length bodies at both a regional and national level to provide consistent messages and support to each footprint.
14. Support provided to footprints to develop their STPs to date includes:
 - Regional development days bringing footprints together to share progress, discuss key issues and receive questions/feedback from ALB CEOs;
 - Workshops for STP Programme Directors, clinical leads and project teams, to access expertise from national clinical leads and policy experts, and to share learning and challenges with other footprints;
 - Indicative 2020/21 allocations;
 - Support by regional and central teams with specific requests;
 - Short STP 'aide-memoires' covering key areas where footprints might be focused on solutions (eg primary care, mental health, new care models, etc).
15. The draft STP submissions received from the 44 footprints on 30 June 2016 are currently being reviewed by ALBs. Conversations between each of the 44 footprints and ALB national teams are being held throughout July. The teams supporting discussions with footprints include the ALBs, the Local Government Association and Regional Directors from NHS Improvement and NHSE.

Next steps

16. The key next steps in relation to strategic planning for 2016/17 to 2020/21 are therefore to:
 - Continue to carry out the joint process for reviewing plans;
 - Work with NHSE on the approach to the STF in future years;
 - Continue to provide regional and national support to STP footprints in developing and implementing their plans.

17. It will be important to maintain a strong focus on the aims of the STP process, to resolve the most significant challenges faced in each local system, taking the necessary decisions to close the three gaps – in health and wellbeing; care and quality; and finance and efficiency.
18. The results of the strategic plans from each footprint will be a key input to the operational planning process for 2017/18.

Bob Alexander
Executive Director of Resources, Deputy CEO

Public Sector Equality Duty:

NHS Improvement has a duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people from different groups. The Act protects against discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation. We have thought about how the issues dealt with in this paper might affect protected groups.

We believe the paper will not have any adverse impact upon these groups and that NHS Improvement has fulfilled its duty under the Act.

Exemption Information:

All of this report is exempt from publication under the Freedom of Information Act 2000.

Annex 1: Index to STP footprints and key statistics

STP no	Footprint name	Footprint population (million)	Number of CCGs
1	Northumberland, Tyne and Wear	1.4	5
2	West, North and East Cumbria	0.3	1
3	Durham, Darlington, Tees, Hambleton, Richmondshire and Whitby	1.3	6
4	Lancashire and South Cumbria	1.6	9
5	West Yorkshire	2.5	11
6	Coast, Humber and Vale	1.4	6
7	Greater Manchester	2.8	12
8	Cheshire and Merseyside	2.4	12
9	South Yorkshire and Bassetlaw	1.5	5
10	Staffordshire	1.1	6
11	Shropshire and Telford and Wrekin	0.5	2
12	Derbyshire	1.0	4
13	Lincolnshire	0.7	4
14	Nottinghamshire	1.0	6
15	Leicester, Leicestershire and Rutland	1.0	3
16	The Black Country	1.3	4
17	Birmingham and Solihull	1.1	3
18	Coventry and Warwickshire	0.9	3
19	Herefordshire and Worcestershire	0.8	4
20	Northamptonshire	0.7	2
21	Cambridgeshire and Peterborough	0.9	1
22	Norfolk and Waveney	1.0	5
23	Suffolk and North East Essex	0.9	3
24	Milton Keynes, Bedfordshire and Luton	0.9	3
25	Hertfordshire and West Essex	1.4	3
26	Mid and South Essex	1.2	5
27	North West London	2.0	8
28	North Central London	1.4	5
29	North East London	1.9	7
30	South East London	1.7	6
31	South West London	1.5	6
32	Kent & Medway	1.8	8
33	Sussex and East Surrey	1.8	8
34	Frimley Health	0.7	5
35	Surrey Heartlands	0.8	3
36	Cornwall and the Isles of Scilly	0.5	1
37	Devon	1.2	2
38	Somerset	0.5	1
39	Bristol, North Somerset, South Gloucestershire	0.9	3
40	Bath, Swindon and Wiltshire	0.9	3
41	Dorset	0.8	1
42	Hampshire and the Isle of Wight	1.8	7
43	Gloucestershire	0.6	1
44	Buckinghamshire, Oxfordshire and Berkshire West	1.7	7
Total		54.3	210