

To: The Board

For meeting on: 30 March 2017

Agenda item: 5

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 the progress being made on Sustainability and Transformation Plans (STPs).
2. The Board previously received an update on STPs in November 2016. That update included an initial summary of the key priorities contained in STPs as well as the areas where further work was required and the links with operational planning.
3. The partnerships of commissioners, providers and local authorities that have developed STPs are playing an increasingly strong role in the implementation of NHS priorities. We know that many of the issues faced by providers require more collaborative working and so, as the work on STPs moves from planning to implementation, we are supporting STP leaders in their role helping bring health and social care leaders together to develop and deliver joint solutions to the issues they collectively face.

Progress since November 2016

4. There have been a number of developments since the last update to the Board.
5. At the end of January a Development Day was held with STP leaders to discuss some of the major issues facing STP partners including how sustainability and transformation partnerships need to be developed and how NHS Improvement and NHS England can help. It also gave STP leaders the opportunity to network and share thinking and learning with one another.
6. Feedback from STP leaders included a request for more support with developing the leadership and infrastructure of STPs, the need to develop closer joint working arrangements for NHS England and NHS Improvement, and access to support and advice on developing effective governance arrangements and involving local government more fully in STPs.

7. The operational planning round that took place between September and December 2016 was designed to support the further development of STPs. By completing operational plans and contracts in December (rather than the following March), time could be released to focus on implementation. The feedback from local health economies has been positive about the new approach to operational planning, which has also enabled better alignment of plans and greater collaborative working than previous years. Work to develop STPs has generally been credited with helping to improve the process by creating a collaborative approach to clinical and financial sustainability across local systems.
8. On 8 March 2017, the Chancellor announced an extra £325m of capital funding to support the strongest STPs. The Chancellor further committed to work closely with the Department of Health over the course of the summer and then announce a multi-year capital programme to support implementation of “approved high quality STPs”.
9. At the end of March it is intended to publish a document setting out key features of what the NHS will deliver in 2017/18 and 2018/19, within the resources available. This will include the improvements planned for mental health and cancer services, the priorities for strengthening general practice and improving hospital services and the changes to urgent and emergency care that people can expect over this period.

Developing a joint work plan

10. Together with NHS England, we have been developing a joint programme of work to support STP partners to deliver the Five Year Forward View. Much of this work is led and undertaken day to day by regional teams of NHS Improvement and NHS England staff. This is also supported by a national programme of work to identify how we can work more effectively with STP partners. This work is jointly overseen by the National Director of Operations & Information from NHS England, and the Executive Director of Strategy and the Executive Director of Resources from NHS Improvement.
11. There are five main workstreams. The first will develop a clear understanding of what we need to achieve over the next two years and the actions that need to be taken to secure delivery. This workstream will also ensure that there is clarity around the role of STP leaders and their status and that there is a common understanding of future governance options for STP footprints.
12. A second workstream will provide support for delivery. This will focus on ensuring that STPs have the capabilities and resources needed to deliver, including access to advice and practical support. Intensive support will be made available to fast track exemplars and to support challenged systems. Much of this support will be provided by regional teams (from across the ALBs). This workstream will also ensure that there is an effective mechanism to spread good practice and learnings between STPs.
13. A third workstream will support communication and engagement. Public and stakeholder engagement in shaping the health and care in their area will be an

important determinant of the successful delivery of STPs. This workstream will support STP leaders and teams to ensure key stakeholders are engaged and have a voice in the future of health and care.

14. A fourth workstream on finance will look at system control totals ensuring that the right mechanisms are in place to achieve financial goals across NHS commissioners and NHS providers. National teams will be able to track STP progress on financial goals and provide support for delivery and ensure that organisations and systems manage their finances within the relevant control totals.

15. The final workstream is looking at how national bodies can adapt how they operate to ensure that they support local STP partners. This will include work to ensure the operating models of NHS Improvement and NHS England enable a joined up approach for supporting STPs; that there is a cross-ALB approach to oversight that supports system working; the workforce implications of STPs are understood and plans are in place to support new ways of delivering care; and that STPs are supported to innovate.

16. In conclusion, during the coming months 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. NHS Improvement teams continue to work closely with trusts to build a realistic understanding of the actions to be taken within the capital and revenue resources available and to support them in taking forward the necessary changes.

Recommendation

17. The Board is invited to comment on the progress being made with STPs and the challenges of implementation.