

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	12 December 2016
Title:	Sustainability & Transformation Plans
Reference:	8002
Report From:	Chief Executive

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1. Purpose of paper

1.1. The purpose of this paper is to:

- Update the Cabinet on work to progress NHS Sustainability and Transformation Plans (STP) for Hampshire following Cabinet's decision on 19th September 2016 to delegate authority to the Chief Executive, to progress and submit the draft Hampshire and Isle of Wight (HIIOW) STP by 21st October – and to jointly develop suitable governance for the HIIOW STP.
- Update Cabinet on work to address areas of concern raised by NHS England and NHS Improvement on the HIIOW STP relating to governance, leadership and finance.

2. Background

National context

- 2.1. In December 2015, NHS England published planning guidance requiring local health and care systems to develop multi-year STPs. The purpose of each STP is to show how local health and care services will develop to become more sustainable over the next five years. The overall aim of STPs is to deliver the NHS Five Year Forward Plan and support the estimated £22 billion efficiency requirement on the NHS by 2020/21.
- 2.2. STPs cover all aspects of the NHS 'landscape' and span a five-year period from 2016 to 2021. From April 2017, STPs will become the means for accessing NHS transformation funding. In addition, it is intended that STPs will inform NHS operational planning, annual financial allocations and contracting. NHS England has set a target deadline for NHS commissioners and providers to sign off contracts and allocations for the next financial year by 23rd December, informed by the content of their local STP.

- 2.3. There are 44 locally determined STP areas across England. The majority of STP footprints cover populations of circa 500,000 – 750,000, whilst a smaller number cover larger populations of 1,500,000+.

Local context

- 2.4. Hampshire County Council is a partner to two STPs:
- **Frimley STP** <https://www.fhft.nhs.uk/media/2388/frimley-stp-oct-submission-for-publication.pdf> – covering a population of 750,000 and spanning parts of Rushmoor Borough Council, Hart District Council and North East Hampshire and Farnham Clinical Commissioning Group (CCG). This STP is focused on five priority areas to support the achievement of c. £236 million efficiencies.
 - **HIOW STP** <http://www.westhampshireccg.nhs.uk/images/stories/HIOW-STP-Delivery-Plan-21Oct16-FinalDraft.pdf> – covering a population of 1.9 million and spanning 22 partners, including the eight Clinical Commissioning Groups (CCGs) and 15 local authorities that comprise Hampshire, Southampton, Portsmouth and the Isle of Wight. The HIOW STP is required to support c. £577 million NHS budget pressures by 2020/21 (excluding local authority savings requirements) and has six principal, and four enabling, work programmes.
- 2.5. Both plans have been developed over very tight timescales with the involvement from staff across Adults' Health and Care Services and Children's Services, as well as significant engagement from the Chief Executive and chief officers. This work has sought to ensure that appropriate connections and reference to the importance of local government services, expertise and challenges are included.
- 2.6. **STPs submission** - Draft plans were submitted to NHS England on 21st October and subsequently published on 23rd November. It is important to note that the draft submission did not represent final approval from the County Council or negate the Authority's duty with regard to its own services or its future scrutiny of local NHS decision-making. Both plans will now be subject to a period of public engagement and scrutiny by both Hampshire's Health and Wellbeing Board and the Health and Adult Social Care Select Committee.
- 2.7. Building on this initial engagement, further work will be needed at pace to move from a high level set of outcomes and proposals into a coherent delivery programme. This will be key to enabling an integrated, whole system approach to the health and wellbeing of Hampshire's population.

3. HIOW STP

- 3.1. **NHS feedback on HIOW STP** - Initial feedback from NHS England and NHS Improvement on the draft HIOW STP, received in late October, indicated that there are three areas that need to be urgently addressed to provide assurance that the STP can be delivered at sufficient pace and scale. These relate to **governance, leadership and finance**.

Proposed governance and leadership arrangements

- 3.2. **Political engagement** - NHS England and NHS Improvement have indicated that the current governance for the HIOW STP is insufficient for operational delivery. Moreover, there is growing concern, both locally and nationally, that STP programme governance arrangements have lacked sufficient political engagement. This has largely been due to the speed at which STPs have been required to be developed. However, as STPs are finalised, the plans will be subject to rigorous scrutiny by elected Members, Health & Wellbeing Boards and relevant Select Committees.
- 3.3. **Independent research** - Furthermore, draft governance proposals are being developed building on research commissioned by the County Council and undertaken by independent research organisations. The final report contained a number of detailed recommendations which support the creation of a shared local authority and NHS governance arrangement.
- 3.4. **Proposed joint sub-committee** - Accordingly, draft Terms of Reference have been developed for a proposed joint sub-committee of the four existing, statutory Health and Wellbeing Boards within the HIOW area. In the interest of efficient and effective working, and in light of existing, robust local arrangements, it is proposed that the joint sub-committee's membership would initially be formed from the Chairs and Vice Chairs of the four Health and Wellbeing Boards. This would provide a degree of political and clinical oversight and challenge to the STP. The focus of the joint sub-committee would be, though not confined to;
- Give a central role to provide strategic oversight of the transformation of health and care across Hampshire and the Isle of Wight
 - Support the political and clinical leadership to influence and support the transformative changes required by the system
 - Provide oversight of key enabling areas for delivery of the STP including engagement and consultation as well as cross-cutting strategic issues such as work force development and system capacity, safety, efficacy and availability of services.
- 3.5. **Executive Leadership Group** - The proposed joint sub-committee would provide challenge to an Executive Leadership Group comprising the four upper tier local authority Chief Executives and Accountable Officers from the four CCGs. For Hampshire, it is proposed that a single representative of the five Hampshire CCGs would be nominated. This Executive Leadership Group would drive the delivery of the STP through the 22 member organisations of the HIOW STP.
- 3.6. Under these proposed arrangements accountabilities held by statutory NHS boards, local authorities and existing Health and Wellbeing Boards, would not change.
- 3.7. **Senior Responsible Officer** - It is recognised that in order to move the HIOW STP from early formation into effective operational delivery,

alternative programme management and leadership will be required. This will include the appointment of a Senior Responsible Officer (SRO) by April 2017.

- 3.8. The appointment of this role would need to be negotiated with, and agreed by, the 22 partners in the HIOW STP.
- 3.9. All of the above proposals for governance and leadership are complex and need to be worked through carefully with partners, taking into account existing statutory responsibilities and accountability arrangements.

Finance

- 3.10. **Transformation funding** - Establishing a robust framework for governance and leadership will be critical to driving forward the delivery of the HIOW STP and maximising funding from NHS England's Sustainability and Transformation Fund. This funding will be critical to securing system change, as all partners manage ongoing financial pressures against their base budgets, and realising the £577 million savings required by 2020/21.
- 3.11. The HIOW STP indicates that the majority of the £577 million target will be achieved through ambitious demand management activity, such as:
 - A reduction in Accident & Emergency attendances in 2020/21 by 1% based upon 2016/17 attendance rates
 - No growth in the overall workforce
 - Reducing delayed transfers of care so that not more than 3.5% of hospital beds are occupied by people who do not require hospital-based care, against a 2016/17 average of circa 9%
 - Hospital bed capacity will be utilised more effectively and the equivalent of circa 300 beds will be released
 - Reduce the current estates expenditure by 19% (£24 million).
 - Reduce the current costs of commissioning services across HIOW to create a commissioning surplus through efficiencies amounting to £104 million by 2020/21
- 3.12. **Capital investment** - In addition to transformation funding, the HIOW STP seeks capital investment totalling some £195 million over the same five year period. Early feedback indicates that access to capital funding will be restricted and highly competitive.

4. Next steps

- 4.1. Following the recent publication of the Frimley and HIOW STPs, both plans will be subject to public engagement and scrutiny by Hampshire's Health and Wellbeing Board and Health and Adult Social Care Select Committee.
- 4.2. As explained in the previous report, it remains important to recognise and state that there are unavoidable and significant limitations to the extent of any Local Authority approval of the STP at this stage in its development. The Local Authority has significant related duties of its own and is required and committed to consult carefully about the delivery of those. Also, the Local Authority has significant duties in the scrutiny of health services. While appreciating the challenging reporting schedule for the STP required by, the NHS, it must also be clearly understood that the County Council's

delegated approval of that submission, in the interests of supporting the process, does in no way constitute any form of final approval for the detailed content of the STP or indeed forgo the Council's duties with regard to its own services or its future scrutiny of local NHS decision making.

- 4.3. Therefore, in light of the above it is proposed that the Chief Executive, in consultation with the Leader, will continue to jointly develop plans with NHS and local authority partners to establish a robust governance structure for the HIOW STP. This work will develop further proposals to establish a joint sub-committee of the four Health and Wellbeing Boards; an Executive Leadership Group; and a Senior Responsible Officer.

5. Recommendation(s)

- 5.1. That Cabinet: notes the progress to date to develop STPs for Hampshire and the Isle of Wight;
- 5.2. Approves the next steps for establishing robust, effective arrangements for governance and leadership, as detailed in paragraphs 3.2–3.9;
- Recognises the vital role of the County Council's Health and Wellbeing Board and Health and Adult Social Care Select Committee in establishing an effective and robust governance framework.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes/no
Maximising well-being:	yes/no
Enhancing our quality of place:	yes/no

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Sustainability and Transformation Plan	<u>Reference</u> 7800	<u>Date</u> 19 September 2016
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The impact on equalities will be assessed as part of any delegated decision that is taken and reported accordingly.

2. Impact on Crime and Disorder:

2.1. There is no impact on crime and disorder.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption? Not applicable.

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable.