

HEALTH AND WELL-BEING BOARD – Public Meeting 13 September 2016

Sustainability and Transformation Planning

Board Sponsor

Dr Carl Ellson, Chief Clinical Officer, South Worcestershire CCG

Simon Trickett, Interim Chief Officer, Redditch & Bromsgrove and Wyre Forest CCGs

Author

Sarah Dugan – STP Lead Chief Executive / David Mehaffey – STP Programme Director

Priorities

| | |
|-------------------------------------|-----|
| Older people & long term conditions | Yes |
| Mental health & well-being | Yes |
| Obesity | Yes |
| Alcohol | Yes |
| Other (specify below) | |

Groups of particular interest

| | |
|--|-----|
| Children & young people | Yes |
| Communities & groups with poor health outcomes | Yes |
| People with learning disabilities | Yes |

Safeguarding

Impact on Safeguarding Children
If yes please give details

No

Impact on Safeguarding Adults
If yes please give details

No

Item for Decision, Consideration or Information

Information and assurance

Recommendations

1. **The Health and Well Being Board is asked to:**
 - a) **Note the progress on development of the Herefordshire and Worcestershire Sustainability and Transformation Plan (STP);**
 - b) **Note the Programme Budgeting approach being taken to allocate spend in healthcare and the implication of this on service transformation through to 2020/21; and**

- c) **Agree the process for commenting on the draft plan prior to its submission to NHS England on the 21 October 2016.**

Background

2. This is the sixth update to the Health and Well Being Board on the development of the STP, with previous reports having been presented to the public meetings in February, May and June, and the development meetings in March and April.

Introduction

3. On 22 December 2015, NHS England issued the annual and long term planning guidance for Clinical Commissioning Groups (CCG). As well as the regular requirements for one year operational plans, this guidance called for the development of whole system Sustainability and Transformation Plans (STP) covering a defined “planning footprint”. The planning footprint agreed for this area is Herefordshire and Worcestershire – a footprint covering a population of approximately 780,000 people. There are 44 footprints nationally, with the average sized footprint covering 1.3m people and the largest footprints covering 2.5m people.

Purpose of the STP

4. As previously reported, the STP builds upon local transformation work already in progress through Well Connected, the Future of Acute Hospital Services in Worcestershire and other local transformation schemes. The purpose of the STP is to develop the opportunities for local bodies to work on a more sustainable planning footprint in order to address the Triple Aim Gaps:

- i. **Health and Well Being** - The main focus of this particular workstream is on achieving a radical upgrade in illness prevention to reduce the long term burden of ill health – both from a quality of life perspective for individuals and a financial perspective for the health and care system.
- ii. **Care and Quality** - The main focus of this work is on securing changes to enable local provider trusts to exit from the CQC special measures regime and to reduce avoidable mortality through more effective health interventions in areas such as cancer, stroke, dementia, mental health and improved maternity services.
- iii. **Finance and Efficiency** - The main focus of this work is on reducing unwarranted variation in the demand and use of services and securing provider efficiencies through implementing new approaches to care provision.

5. An initial submission was made to NHS England in April, outlining the Triple Aim Gaps within the STP Footprint.

Progress to date

6. A further interim submission which outlined our approach, key workstreams and some of the key lines of enquiry for the STP was made to NHS England (NHSE) on the 30 of June. A feedback meeting was then held between members of the STP Footprint and NHS England and NHS Improvement.

7. The key focus of the feedback was for the STP to focus on the following over the coming months:

- Develop greater depth and specificity, with clear and realistic actions, timelines, benefits (financial and non-financial outcomes), resources and owners,
- Provide year on year financial trajectories that, when aggregated nationally, will enable overall affordability to be assessed,
- Articulate more clearly the impact on quality of care of any proposed changes that are being put forward,
- Include stronger plans for primary care and wider community services that reflect the General Practice Forward View, drawing on the advice of the Royal College General Practitioners ambassadors and engaging with Local Medical Committees,
- Set out our plans for engagement with local communities, clinicians and staff and the implication for the timing of implementation.

Approach to closing the financial gap

8. Indicative financial allocations to NHS commissioning bodies have been announced through to 2020/21 and these are the basis upon which plans for local services need to be made.

9. The STP is now in the process of conducting an exercise to identify the high level priorities for distributing the available resource using a structured budget prioritisation approach. This is based on analysis of demographic and other growth pressures, comparisons to spend and performance profiles in other STPs, assessment of local agreed strategies and other available evidence such as national guidance from NICE or other relevant bodies.

10. These factors will be used to come up with a recommended budget for each of the 14 programme areas within the STP development plan;

- Prevention
- CCG Running Costs
- Urgent Care Services & Non-Elective pathways
- Maternity Care
- Elective Treatment - Other
- Elective Treatment - Cancer
- Mental health services & Learning Disabilities
- Diagnostics and clinical support services
- General Practice within Primary Care

- Prescribing and medicines
- Out of hospital community services
- Complex care

11. Programme teams are currently reviewing the type of changes that would be needed to ensure that services live within the budget envelopes that will be available. This is intended to approach the question of how best to 'live within our means' from a different perspective than the traditional application of efficiency gains to the current patterns of spend; which may not necessarily be aligned to future strategy.

12. The methodology for developing this process has included:

- Conducting a rapid evidence review to inform the creation of a local prioritisation process which was coproduced by members of the STP and The Strategy Unit.
- Allocating CCG spend to Transformation Programme Areas based on spend by programme budget category and setting (an NHS standard financial planning approach).
- A group discussion of STP commissioners to test the methodology and create a budget scenario to recommend to the wider STP leaders group for discussion.
- A workshop with provider and commissioner leads to review the initial commissioner proposals and set the basis for future service planning. This included agreeing to take responsibility for establishing programme review groups "testing" the proposed budgets by identifying what could be provided for the budget allocated and what service changes would be needed in order to live within the budget envelope agreed.

13. The process was based on a methodology that made explicit the prioritisation that would be required in order to live within the budgets available, while at the same time addressing the gaps identified in current services in terms of performance, care and quality or health and well-being.

14. The system agreed that prevention should be a specific priority element in every service area going forward and a new commissioning strategy would build this into every contract and provider requirement. Discretely commissioned services would be moved into mainstream budgets so this spend would be re-allocated to other budget headings.

15. The work to date on back office and infrastructure includes CCG running costs as provider running costs are incorporated into each budget line. Work is being conducted to identify these separately.

16. Commissioners and providers recognised that some service changes and potential reductions in spend will be required in a few programme areas in order to secure investment increases in other priority areas to achieve the best outcomes for

our patients. Specific proposals have not yet been identified to achieve this reduction, however options are currently being considered for debate.

17. Whilst the total available resource to commissioners will be £1.327bn, the forecast spending requirement for 2020/21 based on current forecast projections for cost and demand pressures is £1.412bn, leaving a shortfall of £84m. This difference will need to be addressed through commissioner efficiency improvements – normally achieved through re-designing the way in which services are commissioned or re-commissioning existing services at lower cost.

18. In addition to these savings required of commissioners, provider organisations also have to address efficiencies that are not currently reflected in the figures. These will be outlined in future iterations so that the overall picture /challenge is clear.

19. Specific proposals to address these gaps are currently being explored, but plans are not yet sufficiently advanced to be put forward for scrutiny. It is anticipated that these plans will be developed through the next round of planning and contracting discussions in advance of commissioners and providers signing two year service contracts by December 2016. Due to the nature of the efficiency challenges facing both providers and commissioners, Health and Well Being Board members, as well as wider stakeholders, should expect to see quite radical proposals being put forward in some areas. The proposals will be brought to HOSC for consideration at the appropriate time.

Engagement update

20. Effective stakeholder engagement is a key component to the development of the STP and we have established an approach whereby voluntary and community sector (VCS) representatives can support development of the plan. The Board will be aware already that Healthwatch and VCS representatives from both Counties are represented on the STP Programme Board and are of course also part of the Health and Well Being Board itself.

21. In addition to this, over the past few months, the engagement process has been extended to include VCS representatives on all the clinical theme groups. In most of these groups there are multiple attendees and more than 20 VCS representatives in total are involved in the themed groups across the STP development process.

22. As the budget prioritisation process is taken to the next level, engagement will extend again to ensure that a wider discussion with stakeholders is undertaken to inform the changes that will be required to ensure that the local system lives within the budget envelope allocated to it. The Health and Well-being Board will be aware of the coproduction work undertaken to date and will recall that the Board agreed a Coproduction Strategy which was co-produced by Healthwatch. The engagement process will build on this work and as our plans develop further we will engage with VCS and Healthwatch colleagues to explore the best ways to ensure our final plans are co-produced with local communities.

Next steps

23. The next submission of the STP is expected to be made on the 21 October. This strategic plan will then form the basis of the operational planning cycle for commissioners and providers for the next two financial years (2017/18 and 2018/19). It is proposed that a copy of the draft submission be emailed to Health and Well-being Board members for individual comment by Friday 14 October and a wider discussion of the submission can be held at the next Public Meeting of the Health and Well Being Board in November.

24. It is important to note that any specific decisions or service changes required as a result of the STP will be subject to a separate engagement and consultation process as necessary.

Legal, Financial and HR Implications

25. There are no specific legal, financial or HR implications associated with this paper, but there will be significant implications associated with the development of plans for each programme transformation area within the STP and their subsequent implementation. As these plans are developed these will be identified and reported in due course and dealt with through self-standing reports.

Privacy Impact Assessment

26. There are no specific issues to highlight at this stage.

Equality and Diversity Implications

27. There are no specific issues to highlight at this stage.

Contact Points

County Council Contact Points

County Council: 01905 763763

Worcestershire Hub: 01905 765765

Email: worcestershirehub@worcestershire.gov.uk

Specific Contact Points for this report

David Mehaffey, STP Programme Director

Tel: 01905 681965

Email: david.mehaffey@worcestershire.nhs.uk

Supporting Information

28. Link to the NHS Planning Guidance for 2016/17 -

<https://www.england.nhs.uk/wp-content/uploads/2015/12/planning-guid-16-17-20-21.pdf>