From: Paul Carter, Leader and Cabinet Member for Traded Services and Health Reform

David Whittle, Director of Strategy, Policy, Relationships and Corporate Assurance

To: Health Reform and Public Health Cabinet Committee, 22 September 2017

Subject: STP update and national policy developments

Classification: Unrestricted

Summary: The report provides the Committee with background on the requirement for Sustainability and Transformation Plans (STPs), the level of engagement from across KCC with the Kent and Medway STP and reports the baseline assessment of the Kent and Medway STP as published by NHS England in late July. An oral update on latest STP developments will also be provided to the Committee.

Recommendation:

The Committee is asked to:

a) Note and comment on the report;
b) Identify STP work streams about which this Committee would like further information.

1. Introduction

1.1 NHS England published the Five Year Forward View in October 2014. The Five Year Forward View welcomed the fact that more people were living longer but recognised that the current type and pattern of care offered by the NHS and social care is no longer able to meet the needs of many older people suffering from long-term conditions, for which there is no cure but which can be supported within the community. It also sets out how the NHS and social care need to change in order to meet these challenges and improve the health of the population and the care they receive whilst resolving the financial pressures the current system places on NHS and local authority budgets.

1.2 In December 2015, the NHS planning guidance set out how every health and care system in England was to produce a multi-year Sustainability and Transformation Plan (STP) to show how local services will evolve and become financially and clinically sustainable, ultimately delivering the Five Year Forward View vision of better health, better care and improved NHS efficiency. Critically this requires a radical movement away from treatment being concentrated in large acute hospitals to be replaced by 'New Models of Care' that greatly extend the capacity to treat people in the community through Primary Care. Hospitals will then be able to concentrate on the smaller number of patients that have very complex conditions and/or require more intensive treatments whilst providing the quality of patient experience and outcomes that people need.

1.3 The first stage of the STP was for areas to come together in planning 'footprints'. Across England, there are 44 such footprints. These vary in size and operate in different contexts. Kent and Medway comprise one footprint, one of the largest in the country. The

STP involves all NHS and upper tier local authority organisations and was produced under the leadership of Glenn Douglas, CEO of Maidstone and Tunbridge Wells NHS Trust, who was nominated by NHS England as the Senior Responsible Officer (SRO) for the Kent and Medway STP.

1.4 STPs have been through an iterative development process with various stages of formal submission to NHS England and NHS Improvement. 15 April and 30 June 2016 were the main 'checkpoints' prior to final STP submissions on 21 October. At each stage NHS England scrutinised the plans in detail, evaluated their quality and made recommendations for improvement.

1.5 The STP is the framework through which areas are eligible for funding through the Sustainability and Transformation Fund (STF). This originally had two elements with the bulk of the money initially earmarked to promote financial sustainability (in other words supporting major providers that incurred budget deficits) with the intention that as financial stability was achieved more money would be available to invest in the transformation of services over time.

1.6 STPs contain reference to System Control Totals. Up until now each individual organisation within the local NHS system has been responsible for its own budgetary controls. System Control Totals allow for the commissioner and provider budgets to be discussed in the aggregate with the intention that these develop into mechanisms to flex how resources are spent across the health economy whilst ensuring the system as a whole remains in balance.

1.7 To try and inject more predictability into financial planning, starting with 2017/18, the NHS planning cycle has moved to covering two-years (from the previous one year). The NHS operational plans for each organisation for 2017/19 have to align with the local STP.

2. STP Governance

2.1 STPs have since become Sustainability and Transformation Partnerships as activity has shifted from producing the plan to implementation. This has been accompanied with developing governance arrangements.

2.2 Appendix 1 shows the governance structure as it was originally set out in the Sustainability and Transformation Plan submitted in October 2016. This contains a reference to the subsequent decision to replace the Management Group with the leadership team, which is currently being developed. The Programme Board remains the body that brings the relevant and accountable executives together for STP decision making.

2.3 Recent activity has focused on the consolidation of STP structures:

- Appointment of Glenn Douglas as STP Chief Executive;
- Recruitment of Director of System Transformation continues;
- Recruitment of a substantive Programme Management Office continues, with the aim of most roles being filed by September. Six roles in the core PMO and three in the finance PMO;
- Interim office space has been made available at Magnitude House, New Hythe Lane, Aylesford.

2.4 As can be seen from Appendix 1, the scope of the STP is both broad across a wide range of health and social care services and systems. Whilst some workstreams are more developed than others, the time and effort required to engage on each work stream for KCC is significant. However, there is senior level KCC engagement across many of the key work streams as set out in the table 1 below:

Table 1: KCC engagement across STP

Board / Workstream	KCC Engagement
Programme Board	- Paul Carter, Leader of the Council - Peter Oakford, Deputy Leader and Cabinet Member for Strategic Commissioning & Public Health - Andrew Ireland, Corporate Director, Adult Social Care and Health - Andrew Scott-Clark, Director of Public Health
Clinical Board	- Andrew Ireland, Corporate Director of Adult Social Care & Health - Anne Tidmarsh, Director of Older People & Physical Disability - Andrew Scott-Clark, Director of Public Health
Finance Group	- Jane Blenkinsop, Project Manager - Rebecca Spore, Director of Finance
Prevention	- Andrew Scott-Clark, Director of Public Health - Faiza Khan, Public Health Consultant - Abraham George, Public Health Consultant
Local Care	- Michael Thomas-Sam, Head of Strategy and Business Support
Mental Health	- Penny Southern, Director Leaning Disability & Mental Health
Workforce	- Anne Tidmarsh, Director of Older People & Physical Disability - Jess Mookherjee, Public Health Consultant - Karen Ray, EODD Business Partner, Adult Social Care & Health
Digital	- Alan Day, Technology and Strategy Commissioning - Linda Harris, Infrastructure Business Partner
Estates	- Rebecca Spore, Director of Infrastructure - Victoria Seal, Head of Property Strategy & Commissioning
System Transformation (previously titled Commissioning)	- Vincent Godfrey, Strategic Commissioner

3. STP Progress Dashboard and National Policy Developments

3.1 In *Next Steps on the Five Year Forward View* NHS England undertook to publish an assessment of the performance of Sustainability and Transformation Partnerships. On 21 July 2017, the baseline assessment was published. Performance has been captured across nine domains under three broad headings. These then resulted in one of the following overall ratings:

- Outstanding. (5/44 STPs were rated as Outstanding)
- Advanced. (20/44)
- Making Progress. (14/44)
- Needs Most Improvement. (5/44)

3.2 Kent and Medway was rated Category 3, Making Progress. The table in Appendix 2 sets out the detailed assessment for the Kent and Medway STP, along with selected neighbouring/South-East STPs for comparison.

3.3 There are several reasons why these performance measures warrant attention. Many of them relate directly to standards of patient care so are good indicators as to the quality and levels of access to local services, aggregated up to the STP level.

3.4 A £1.8 billion Sustainability and Transformation Fund has been made available to Trusts for both 2017/18 and 2018/19. While indicative allocations have been made, final allocation is based on four principles:

- to primarily support provision of emergency services, and address the financial and operational challenges of trusts in connection with providing those services;
- to support the objectives set out in the planning guidance, including the requirement that in both 2017/18 and 2018/19 the trust sector, in aggregate, must at least break even;
- to support the overall sustainability of the trust sector by incentivising greater efficiency savings in future without rewarding past poor- or underperformance; and
- to be explained to stakeholders as clearly and transparently as practicable.[1]

3.5 A minimum of 70% of the allocation is tied to achievement of the financial control totals. Up to 30% depend on maintaining delivery of core access standards (referral to treatment incomplete pathways and A&E four-hour waits accounting for 12.5% each, and 62-day cancer waits 5% of the total)[2].

3.6 In addition, *Next Steps on the Five Year Forward View* set out that additional support would be available for areas meeting the criteria to become Accountable Care Systems (ACS). One of the requirements is to:

- "Agree an accountable performance contract with NHS England and NHS Improvement that can credibly commit to make faster improvements in the key deliverables set out in this Plan for 2017/18 and 2018/19."[3] Production of the baseline allows improvements to be measured.

---

[1] P.6, https://improvement.nhs.uk/uploads/documents/STF_and_Financial_CT_1718_1819_Guidance_Indicative.pdf

[2] P.12-13, Ibid.

[3] P.36, https://www.england.nhs.uk/wp-content/uploads/2017/03/NEXT-STEPS-ON-THE-NHS-FIVE-YEAR-FORWARD-VIEW.pdf

3.7 The first eight areas which have been designated as ACSs were announced on 15 June 2017[4]. The footprints are based on all or part of an existing STP footprint. They are:

- Frimley Health including Slough, Surrey Heath and Aldershot
- South Yorkshire & Bassetlaw, covering Barnsley, Bassetlew, Doncaster, Rotherham, and Sheffield
- Nottinghamshire, with an early focus on Greater Nottingham and Rushcliffe
- Blackpool & Fylde Coast with the potential to spread to other parts of the Lancashire and South Cumbria at a later stage
- Dorset
- Luton, with Milton Keynes and Bedfordshire
- Berkshire West, covering Reading, Newbury and Wokingham
- Buckinghamshire

3.8 While not formally designated an ACS, the announcement that the Surrey Heartlands STP area was working on a devolution deal was made at the same time.

3.9 Referring again to the STP performance dashboard in Appendix 2, the reasons for the performance of Kent and Medway STP area against any given metric is complex. Nor is the connection between a single measure and the overall rating simple or direct – the Kent and Medway STP area has a better performance on the 4-hour A&E target than the South East London STP area, but a lower overall STP progress rating; the opposite is the case when compared to Sussex and East Surrey STP. The full methodology is available online[5].

3.10 On the same day as the STP performance dashboard, NHS England published the results of its annual assessment of CCGs (for 2016/17). This is carried out under the CCG Improvement and Assessment Framework that was published in March 2016.The Framework is built around 60 indicators which are tracked across 29 policy areas. CCGs are given an Ofsted-style rating:

- Outstanding. (21/209 CCG were rated as Outstanding)
- Good. (99/209).
- Requires Improvement. (66/209).
- Inadequate. (23/209)

3.11 The results for the CCGs in the Kent and Medway STP are as follows:

CCG	**Rating**
Ashford	Requires Improvement
Canterbury and Coastal	Good
Dartford, Gravesham and Swanley	Inadequate
Medway	Good
South Kent Coast	Good
Swale	Requires Improvement
Thanet	Good
West Kent	Good

3.12 All CCGs assessed as inadequate at the year-end have been placed in NHS England's special measures regime. This allows the closer involvement of NHS England's regional team to support CCGs and encompasses the application of national NHS England support programmes.

[4] https://www.england.nhs.uk/2017/06/nhs-moves-to-end-fractured-care-system/
[5] https://www.england.nhs.uk/wp-content/uploads/2017/07/stp-progress-dashboard-methods-2017.pdf

3.13 At the same time as these assessments on STPs and CCGs were published, NHS England produced its annual report and account. The Secretary of State for Health's annual assessment of NHS England was likewise published. The Government sets out an annual mandate to NHS England and this assessment looks at progress against key deliverables under 7 objectives. The assessment found that the majority had been met. However:

- "Continued growth in demand has put pressure on patient access and the NHS is not meeting core standards set out in the NHS Constitution. This remains a key priority for the Government, which is why it is essential that the actions set out in the mandate for 2017-18 on referral to treatment and A&E waiting times are implemented in full, as well as achieving the 62-day cancer waiting times standard. Safety, access, and quality of care must be at the heart of all that the NHS does and I expect this to be addressed in the year ahead, including further action to moderate demand growth."[6]

3.14 Specifically on urgent and emergency care, "Trusts and CCGs will be required to meet the Government's 2017/18 mandate to the NHS that: 1) in or before September 2017 over 90% of emergency patients are treated, admitted or transferred within 4 hours – up from 85% currently; 2) the majority of trusts meet the 95% standard in March 2018; and 3) the NHS overall returns to the 95% standard within the course of 2018."[7]

3.15 In line with current Better Care Fund guidance, another key focus for NHS England, as set out by the Department of health, is "to ensure patients are transferred to more appropriate care when they are fit to leave hospital."[8] Delayed transfer of care is one of the indicators on the STP progress dashboard.

3.16 The STP is an NHS policy, with the extent of local authority involvement being dependent on the local context. For this reason, the majority of performance standards are related to NHS activity. Because of KCC's involvement in the governance of the STP, it is useful to have the full indicator description for the system-wide leadership rating. Kent and Medway was rated as 'Established.'

- "System leadership assessments indicate the extent to which areas are working effectively to deliver system-level integration. They provide a holistic view of STP leadership performance and capacity, system-level planning, and engagement with communities, service users and staff.
    - **Advanced** systems have the strongest system leadership, with organisations working well together at the system level and aligned behind a clear vision and plan.
    - **Established** systems are working together at the system level, with organisations aware of the importance of effective system level working and taking action to drive integration.
    - **Developing** systems still work largely at the organisational level, but co-operate to achieve shared system level goals.

---

[6] P.6, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629881/Annual_Assessment_of_NHS_England_2016-17.pdf

[7] https://www.england.nhs.uk/five-year-forward-view/next-steps-on-the-nhs-five-year-forward-view/urgent-and-emergency-care/

[8] P.6, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629881/Annual_Assessment_of_NHS_England_2016-17.pdf

- **Early** systems may have a history of challenged relationships between organisations, and it may be too early to determine the impact of recent leadership changes.[9]

4. Recommendation

4.1 The Committee is asked to:

a) Note and comment on the report;
b) Identify STP work streams about which this Committee would like further information.

Background Papers

None

Report Authors

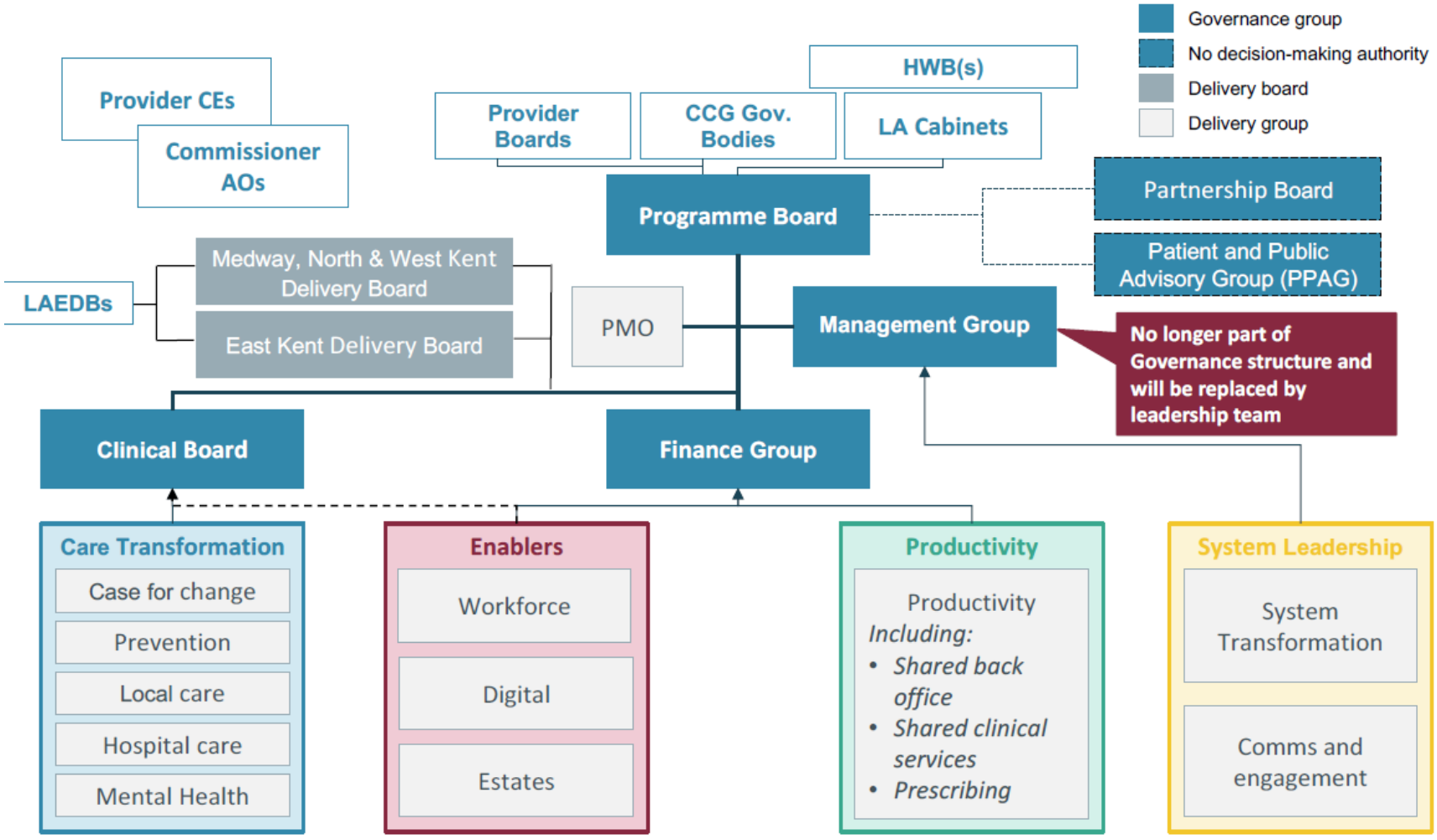
Karen Cook
Policy and Relationships Adviser (Health)
03000 415281
Karen.cook@kent.gov.uk

Tristan Godfrey
Policy and Relationships Adviser (Health)
03000 416157
tristan.godfrey@kent.gov.uk

[9] P.42, Ibid.

Appendix 1 – STP Governance Structure

The STP established a governance structure in October 2016 (1/2)



SOURCE: Kent & Medway STP PMO

				STP Area	Kent & Medway	Sussex and East Surrey	Surrey Heartlands	South East London
				Overall Progress	Category 3 - making progress	Category 4 - needs most improvement	Category 2 - advanced	Category 2 - advanced
Hospital Performance	Emergency	A&E waiting time performance[1]	Mar-17		86.7%	90.0%	91.6%	86.1%
	Elective	Referral to Treatment waiting time performance[2]	Mar-17		85.2%	89.6%	92.3%	83.7%
	Safety	Providers in special measures[3]	May-17		No	Yes	No	No
		Healthcare associated infections - MRSA[4]	2016/17		1.7	0.9	0.9	1.1
		Healthcare associated infections - c. difficile[5]	2016/17		12.8	15.4	11.8	11.6
Patient Focused Change	General practice	Extended access[6]	Mar-17		5.0%	13.0%	14.7%	46.0%
		Patient satisfaction with opening times[7]	Jul-17		73.4%	76.4%	72.2%	74.9%
	Mental health	Improving Access to Psychological Therapies recovery rate[8]	Q4 2016/17		51.2%	50.7%	51.2%	50.8%
		Early Intervention in Psychosis 2-week waits[9]	2016/17		75.6%	80.3%	76.3%	63.9%
	Cancer	% of cancers diagnosed at stage 1 or 2[10]	2015		52.5%	50.6%	48.5%	51.0%
		62-day waits[11]	Q4 2016/17		72.3%	79.6%	85.9%	78.2%
		Cancer patient experience score[12]	2015		8.6	8.7	8.7	8.6
Transformation	Prevention	Emergency admissions rate[13]	2016/17		95	87	83	91
		Emergency bed days rate[14]	2016/17		449	461	412	577
		Delayed Transfers of Care rate[15]	2016/17		5,038	6,431	3,451	2,565
	Leadership	System-wide leadership[16]	Jun-17		2 - Established	4 - Early	2 - Established	1 - Advanced
	Finance	CCG/Trust performance vs. financial control total[17]	2016/17		-1.5%	-4.5%	0.8%	0.3%

Notes

1. Percentage of patients admitted, transferred or discharged from A&E within 4 hours
2. Patients waiting 18 weeks or less from referral to hospital treatment
3. NHS providers in special measures within the STP boundaries
4. Cases of MRSA per 100,000 acute trust bed days
5. Cases of c-difficile per 100,000 acute trust bed days
6. Percentage of general practices meeting minimum access requirements
7. Number of respondents satisfied with their GP practice opening times
8. Percentage of IAPT patients recovering following at least two treatment contacts
9. People with first episode of psychosis starting treatment with a NICE-recommended package of care treated within 2 weeks of referral
10. Percentage of cancers diagnosed at early stage
11. People with urgent GP referral having first definitive treatment for cancer within 62 days of referral
12. Average cancer patient experience, case-mix adjusted
13. Total emergency spells per 1,000 population, age-sex standardised
14. Emergency bed days per 1,000 population, age-sex standardised
15. Delayed transfers of care (delayed days) for all reasons per 100,000 population
16. System leadership status
17. CCG/Trust combined surplus or deficit vs. total resource available (control total)