



## Appendix 1

# Update on north east London Sustainability and Transformation Plan January 2017

***Transformation underpinned by system thinking and local action***

## 1. Background

During 2016, health and care organisations (clinical commissioning groups, providers, local authorities and voluntary and community organisations) across north east London (NEL)<sup>1</sup> have worked together to develop a sustainability and transformation plan (STP). It sets out how the [NHS Five Year Forward View](#) will be delivered and how local health and care services will transform and become sustainable, built around the needs of local people. The STP builds on our positive experiences of collaboration in NEL but also protects and promotes autonomy for all of the organisations involved. Each organisation faces common challenges including a growing population, a rapid increase in demand for services and scarce resources. We all recognise that we must work together to address these challenges; this will give us the best opportunity to make our health economy sustainable by 2021 and beyond.

The plan describes how north east London (NEL) will:

- meet the health and wellbeing needs of its population
- improve and maintain the consistency and quality of care for our population
- close the financial gap.

A number of different specific local plans are aligned to the STP, enabling its ambitions to be delivered. The STP builds on these existing local transformation programmes and supports their implementation: including Barking and Dagenham, Havering & Redbridge (accountable care system) and City & Hackney devolution pilots; Newham, Tower Hamlets and Waltham Forest: Transforming Services Together programme; and the improvement programmes of our local hospitals, which aim to support Barts Health NHS Trust and Barking, Havering and Redbridge University Hospitals NHS Trust out of special measures.

Crucially, the NEL STP is the single application and approval process for transformation funding for 2017/18 onwards.

## 2. Overview of the north east London Sustainability and Transformation Plan

We shared our initial thinking with NHS England in April and submitted a draft NEL STP showing our progress in June. During summer 2016 to facilitate public engagement on the STP, we produced a summary of progress to date and shared the draft STP on our website.

On 21 October we submitted an updated narrative, updated summary and eight delivery plans describing the main priorities of the STP to NHS England (NHS E) and NHS Improvement (NHS I). These are all available on the STP website. <http://www.nelstp.org.uk/>

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<sup>1</sup> North east London includes: Barking and Dagenham, City of London, Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest.



## The NEL STP narrative

The STP vision and priorities are shown below. A copy of our plan on a page is included in Annex A.

NEL STP Vision
1. To measurably improve health and wellbeing outcomes for the people of NEL and ensure sustainable health and social care services, built around the needs of local people. 2. To develop new models of care to achieve better outcomes for all, focused on prevention and out-of-hospital care. 3. To work in partnership to commission, contract and deliver services efficiently and safely.
NEL STP Priorities
<ul style="list-style-type: none"><li>• The right services in the right place: Matching demand with appropriate capacity in NEL</li><li>• Encourage self-care, offer care close to home and make sure secondary care is high quality</li><li>• Secure the future of our health and social care providers. Many face challenging financial circumstances</li><li>• Improve specialised care by working together</li><li>• Create a system-wide decision making model that enables placed based care and clearly involves key partner agencies</li><li>• Using our infrastructure better</li></ul>

To deliver the STP we are building on existing local programmes such as borough based health and wellbeing strategies and end of life care plans, as well as setting up eight work streams to deliver the priorities. The workstreams are cross-cutting NEL wide programmes, where there are benefits and economies of scale in consolidating a number of system level changes into a single programme. These are:

1. Promote prevention and personal and psychological wellbeing in all we do
2. Promote independence and enable access to care close to home
3. Ensure accessible quality acute services
4. Productivity
5. Infrastructure
6. Specialised commissioning
7. Workforce
8. Digital enablement

[Delivery plans](#) have been developed for each of our workstreams; they are live documents which will continue to be updated as the programme develops.

Each work stream has a Senior Responsible Officer (SRO) and Delivery Lead, and task and finish work streams are being established to take forward implementation of the delivery plans. There is local authority involvement and leadership within a number of work streams, for example the Prevention workstream. As we now start to mobilise the work streams we are seeking to strengthen local authority involvement and leadership across them.



### **3. Links with Transforming Services Together and other plans**

Plans to implement integrated place-based care were underway before we began working on the STP, with each local health economy pursuing an innovative and ambitious programme to make this a reality. In INEL this includes the City & Hackney devolution pilot, and in Newham, Tower Hamlets and Waltham Forest the Transforming Services Together programme, which are supporting the development of accountable care systems locally.. We will support and enhance these programmes by working together, but they will continue to operate independently with separate programme and governance structures which allow each area the flexibility to best meet local needs. We are actively seeking to collaborate across NEL where it makes sense to do so and have formed a NEL wide group to share learning from the devolution pilots and transformation programmes which underpin the emerging accountable care systems.

### **4. Timetable for implementation**

Each of the eight delivery plans sets out the milestones and timeframes for implementation. A critical path for the implementation of the main milestones across the whole STP programme is attached at Annex B.

### **5. Engagement on the Sustainability and Transformation Plan**

We recognise that the involvement of local people is crucial to the development of the STP and are committed to involving them and clinicians in any proposed changes. The requirement for the NHS to involve and consult patients on specific service changes is a statutory duty and we will meet that duty and ensure patient and public involvement. At present there are no specific service changes in the INEL area that are worked up and at the stage where public consultation is required.

We started our engagement process when we submitted the draft STP in June, and we have been involving partners, including Healthwatch, local councils, the voluntary, community and social enterprise sector, and patient representatives. The feedback we have received so far was incorporated into the revised STP for the October 2016 submission.

A summary of our engagement activities to date is shown below:

- Published the draft and summary versions of the plan on our [website](#) and published regular updates
- Offered to meet all MPs which has resulted in a number of 1:1 meetings. A further briefing for all NEL area MPs is scheduled for 20 February 2017.
- Arranged for elected members from each borough to meet the STP Independent Chair and Executive
- Actively sought involvement of the eight Local Authorities facilitated through the Local Authority representative on the STP Board.
- Local Authorities are represented on the Governance Working Group and have taken part in the workshops developing the plans for transformation (with a Director of Public Health leading the work on prevention).
- Engaged the Local Government Association (LGA) to provide support to individual HWBs to explore self-assessment for readiness for the journey of integration and to a NEL-wide strategic leadership workshop to consolidate outputs from individual HWB workshops.



- Engaged with council and partner stakeholders such as the Inner North East London and Outer North East London Health Scrutiny Committees (HSC); Barking, Havering and Dagenham Democratic and Clinical Oversight Group; the eight Health and Wellbeing Boards; Hackney and Tower Hamlets councillors; and Newham Mayor's advisor for Adults and Health
- Met with local Save our NHS and Keep our NHS Public campaign groups
- Presented at meetings to discuss specific clinical aspects of the STP, for instance the NEL Clinical Senate; the NEL maternity network and maternity commissioners' alliance; mental health strategy meetings; and clinical workshops on the specialist commissioning of cardiac services and children's services. The proposals have also been discussed at a number of Local Medical Committee forums.
- Started to discuss the plans with NHS staff – further engagement is planned.
- Discussed the plans in open board meetings of all our NHS partners and offered opportunities to talk to patients and the public at various annual general meetings and patient group meetings.
- Held wider events on specific topics and developments, e.g. urgent care events involving patients and a wide range of stakeholders such as the London Ambulance Services and community pharmacists.

Our [communications and engagement plan](#) (phase 2) sets out how communications with staff, patients, the public, partners and other stakeholders will be managed and delivered. It focuses on the six month period from October 2016 to April 2017. This will be regularly reviewed, refined where necessary and shared with all interested parties, with updates on the outcomes achieved.

The STP programme communications and engagement team is responsible for coordinating work that needs to be done across all CCGs, developing a core narrative and coordinating activity.

Ian Tompkins joined the STP team as Communications Director in November 2016. He has previously worked as a Director of Communications in local authorities (Hackney, Newham, Waltham Forest and Hounslow), the East London NHS Foundation Trust and Newham Clinical Commissioning Group. Ian is currently meeting with local authority and NHS colleagues to develop a collaborative approach to communications and engagement, making use of the many existing and productive networks, including those in public health and the voluntary sector.

A workshop for all NHS and local authority communications and engagement leads, as well as those for policy and strategy and public health, is being held on 26 January 2017.

Local NHS communications teams are responsible for local delivery – understanding local issues and working at a much greater detail to develop local solutions; and engagement on plans that sit under the STP. All are responsible for (and have) links with local authority communications teams and Ian Tompkins will help encourage and support this

In order to ensure we develop the STP using all relevant patient and public views, to ensure efficiency and to reach a wide community of public and patients, we have asked local Healthwatch organisations to review the research and comments they have gathered in recent months and to use existing forums to discuss the STP (see section 6 of the [communications and engagement plan](#)).

From 21 October to February 2017, local Healthwatch organisations are working together to help us gather and understand the views of local people. They will make use of any other relevant consultation and engagement groups/networks, such as those of local authorities, where possible.



Our joint aim is to ensure engagement is relevant to local needs and that it builds on previous decisions made and the engagement and consultation work that has already take place across NEL on significant change programmes and developments. Healthwatch organisations will focus on gauging public views on a) promoting prevention and self-care b) improving primary care and c) reforming hospital services; with a local emphasis on:

- the Barking, Havering and Redbridge devolution pilot
- the Hackney devolution pilot
- Transforming Services Together in Newham, Tower Hamlets and Waltham Forest
- The vanguard project in Tower Hamlets

We will continue to exploit the full range of channels and formats for our communications and engagement activities to ensure we are reaching groups that are sometimes missed. We will carry on working with clinicians, local authorities and staff to ensure they too are actively involved in the development of the STP. We will encourage patients and local people to be involved at the design stage and work jointly with local authority engagement colleagues to help ensure a joined up approach; undertaking formal consultation when required.

We are committed to National Voices' six principles for engaging people and communities that set the basis for good, person-centred, community-focused health and care and will embed these across our work. We also believe that staff have a crucial role to play in the success of the STP. We want them to contribute to its development, to understand and support its aims; to feel part of it and be motivated by it.

There will be many opportunities for everyone (including patients, service users, carers and the public) to have their say on the emerging plans, and to continue shaping their development and implementation during the next five years. Any proposals for significant changes that emerge from the plan will be subject to specific engagement and consultation where required.

In addition, we are committed to engaging with all trade unions on the workforce impacts of the STP. There is a member of the London Health Unions Lead Representative on the NEL workforce advisory board, and each NHS provider has its own joint staff side arrangements where STPs are discussed.

## **6. Governance for the NEL Sustainability and Transformation Plan**

The launch of the STP process signalled the move towards working in larger geographical areas and the need to develop governance arrangements to support strategy development and change at a system level.

To achieve this, 20 organisations have been working together to develop the NEL STP. However, as we move into the next phase of the programme, focusing on the mobilisation and implementation of our delivery programmes, the governance and leadership arrangements are being updated to ensure they continue to remain effective with appropriate membership. As key players in the development and delivery of the STP, especially in ensuring it meets the needs of the many different communities, local authorities will be suitably represented.

A governance task and finish group (including health organisations, local authorities and Healthwatch) was set up to review and update the governance arrangements to reflect this change in focus. Through this group we have developed a shadow governance structure,



and initial terms of reference for the key governance forums. We will be operating the governance in shadow form until April 2017 to enable us to test and review it.

This governance structure recognises and respects the statutory organisations, while providing the necessary assurance and oversight for system level delivery. In addition to reinforcing some of the existing governance forums (i.e. re-focusing the membership of the NEL STP Board), several new bodies have been added to strengthen the level of assurance and engagement, most notably:

- Community Council – A council of local people, voluntary sector, and other key stakeholders to promote system wide engagement and assurance
- NEL Political Leaders Advisory group - To provide a forum for political engagement and advice to the NEL STP
- Assurance Group – An independent group of audit chairs to provide assurance and scrutiny
- Finance Strategy Group -To provide oversight and assurance of the consolidated NEL financial strategy and plans to ensure financial sustainability of the NEL system.

We have developed a draft Memorandum of Understanding (MoU) for the governance arrangements of the North East London STP between the health and social care partners. The MoU will not be legally binding, but is intended to ensure a common understanding and commitment between the partner organisations on the NEL STP governance arrangements, specifically:

- The scope and objectives of the NEL STP governance arrangements
- The principles and processes that will underpin the NEL STP governance arrangements
- The governance framework / structure that will support the development and implementation of the NEL STP

The draft MoU is being circulated to local authorities, Trust boards and CCG governing bodies in December 2016 -January 2017.

The shadow governance structure is included at Annex C.

## **7. Finance considerations of the NEL STP**

The basis for the financial modelling has been the refreshed draft five year CCG Operating Plan and provider Long Term Financial Model templates. These have been prepared by individual NEL commissioners and providers, all of whom followed an agreed set of key assumptions on inflation, demographic and non-demographic growth, augmented with local judgement on other cost pressures and necessary investments in services.

The individual plans have then been fed into an integrated health economy model in order to identify potential inconsistencies and to triangulate individual plans with each other. Activity has been modelled across NEL utilising the TST model. Specialised commissioning and any differences in contract assumptions are included in these projections. The local authority position is modelled separately and a summary is detailed below.



The forecast NEL FY20/21 ‘do nothing’ affordability challenge is c£578m to break even (an additional c£30m to reach 1% surplus target for commissioners). This assumes growth and inflation in line with organisations’ plans but that no CIP (Cost Improvement Plans, or Provider efficiencies) or QIPP (Quality, Innovation, Productivity and Prevention schemes, or commissioner savings) would be delivered in any year.

In the ‘do minimum’ scenario, in which ‘business as usual’ efficiencies of 2% across all years have been included, the affordability challenge would be c£336m by FY20/21. The Providers in NEL have committed to delivering a further stretch CIP of £84m meaning the estimated gap after achieving internal efficiencies is £251m. Of this, £160m of savings will be delivered through a variety of collaborative transformation schemes, mitigate down from £184m after applying a prudent risk rating. This includes £38m of savings from providers improving their collaboration on back office functions, as well as a total of £111m in a variety of service transformation across the seven boroughs over five years.

A number of factors are driving our rising expenditure. One significant factor is our growing and ageing population in line with GLA projections. We also face a non-demographic demand growth, due to factors such as new technology and increases in disease prevalence; we have assumed that this growth is approximately 1% per year. Pay and price inflation have been assumed in line with NHS I guidance. This results in a steady increase in expenditure over the planning period.

We see significant increases in CCG allocations throughout the planning period. However, Sustainability and Transformation Funding (STF) and some other non-recurrent provider income (such as gains by absorption) primarily affect the initial years and have no impact in the projections of in-year movements from FY18 onwards.

### **NEL local authority challenge**

All NEL local authorities and the Corporation of London have provided financial data for the STP modelling, though it is recognised that further detailed work is required to confirm assumptions and what effect local authority funding challenges and proposed services changes will have on health services and vice versa.

For the ‘do nothing’ scenario, the combined FY17 Local Authority challenge is estimated as £87m reaching £238m by FY21. This figure is based on adult social care, Better Care Fund, children’s services and public health at all local authorities.

If Children Services were excluded from the gap analysis, the gap in FY17 would be estimated as £60m reaching £174m by FY21.

A ‘do minimum’ scenario, where ‘business as usual’ savings are assumed, will still need to be completed.

### **Contracts between providers and commissioners**

Two-year contracts between all NEL providers and commissioners (including NHSE specialised commissioning) for the period 2017-19 were agreed in line with the national timeframe of 23rd December 2016, as well as two year operating plans which reflected these agreements.

STP partners have agreed to use the period January – March to refine the joint delivery plans that support the transformation schemes agreed in the contracts, designed to deliver the efficiencies required to achieve financial balance across the NEL STP footprint.

## **8. Equality considerations**

An equality screening has been completed (December 2016) to consider the potential



equality impacts of the proposals set out in the NEL STP. It includes:

- An overview of all the initiatives included in the NEL STP narrative to determine at which level equality analyses should be undertaken i.e. NEL STP level, Local Area Level, CCG/borough level or London-wide level.
- An initial assessment of the NEL STP overarching '**Framework for better care and wellbeing**'.
- Actions to be undertaken during further detailed equality analyses.

The screening recognises that the initiatives included in the STP will be implemented at different times, hence further equality analyses will need to be undertaken over the life of the STP programme.

## **9. Your views on the NEL STP**

The STP is a work in progress and this latest draft submission is currently being circulated to health and social care partners. We anticipate feedback from NHSE/I early in 2017, and will continue to evolve the STP following feedback from our local partners, local people and the national bodies. We welcome your comments and input as we further develop the plans.

### **Tell us what you think**

*We'd like to know what you think about our STP. It's still a draft, so the content can and will change. We'd like to hear from as many people as possible about what you think so we can refine our ideas and further develop our STP, based on your comments, before it is finalised later in the year.*

- **What do you think about what we've chosen to focus on?**
- **Do you think we have the right priorities?**
- **Is there anything missing that you think we should include?**

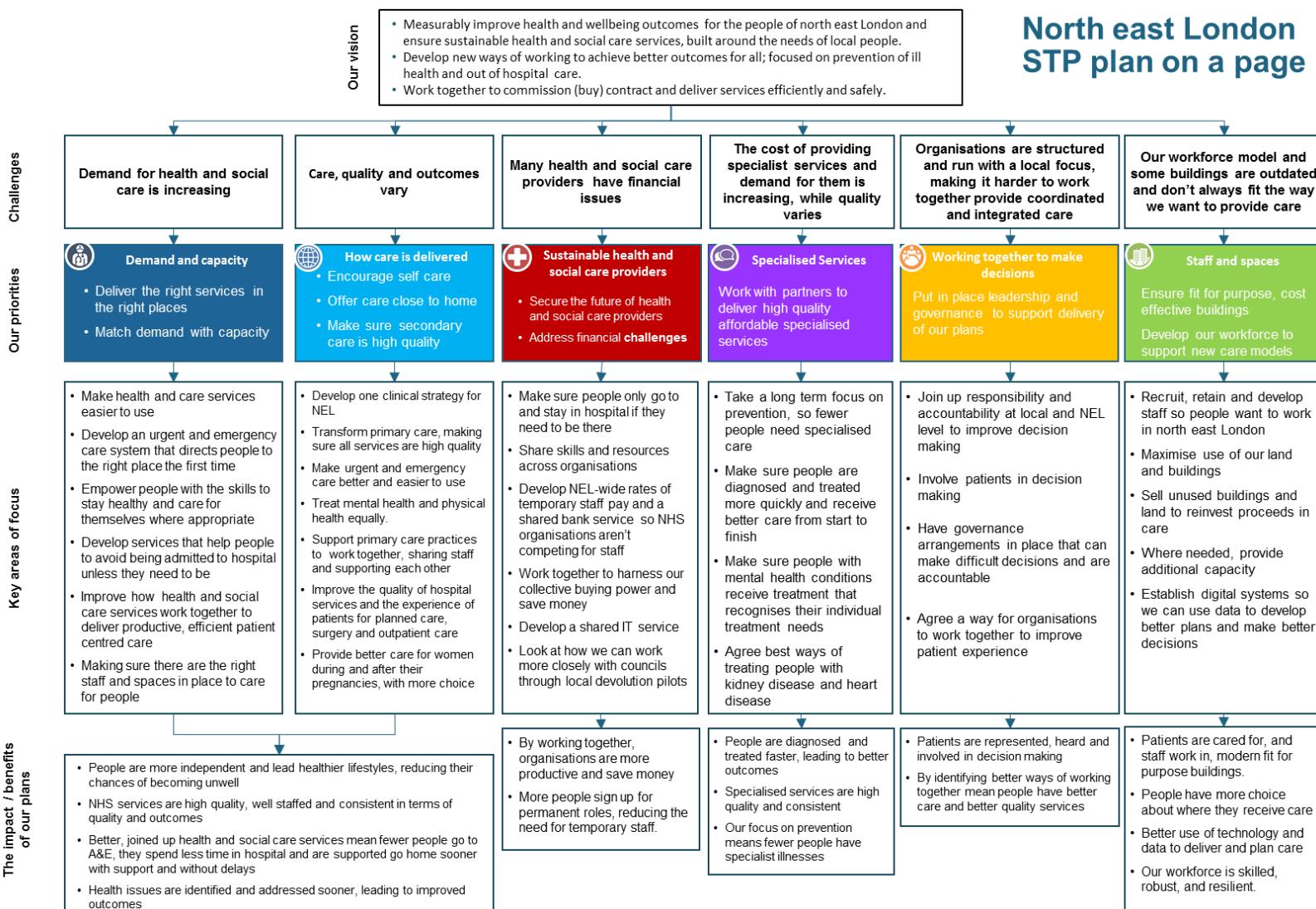
Please send us an email and tell us what you think: [nel.stp@towerhamletsccg.nhs.uk](mailto:nel.stp@towerhamletsccg.nhs.uk)

For more information about the NEL STP visit <http://www.nelstp.org.uk/>



## Annex A: NEL STP Plan on a page

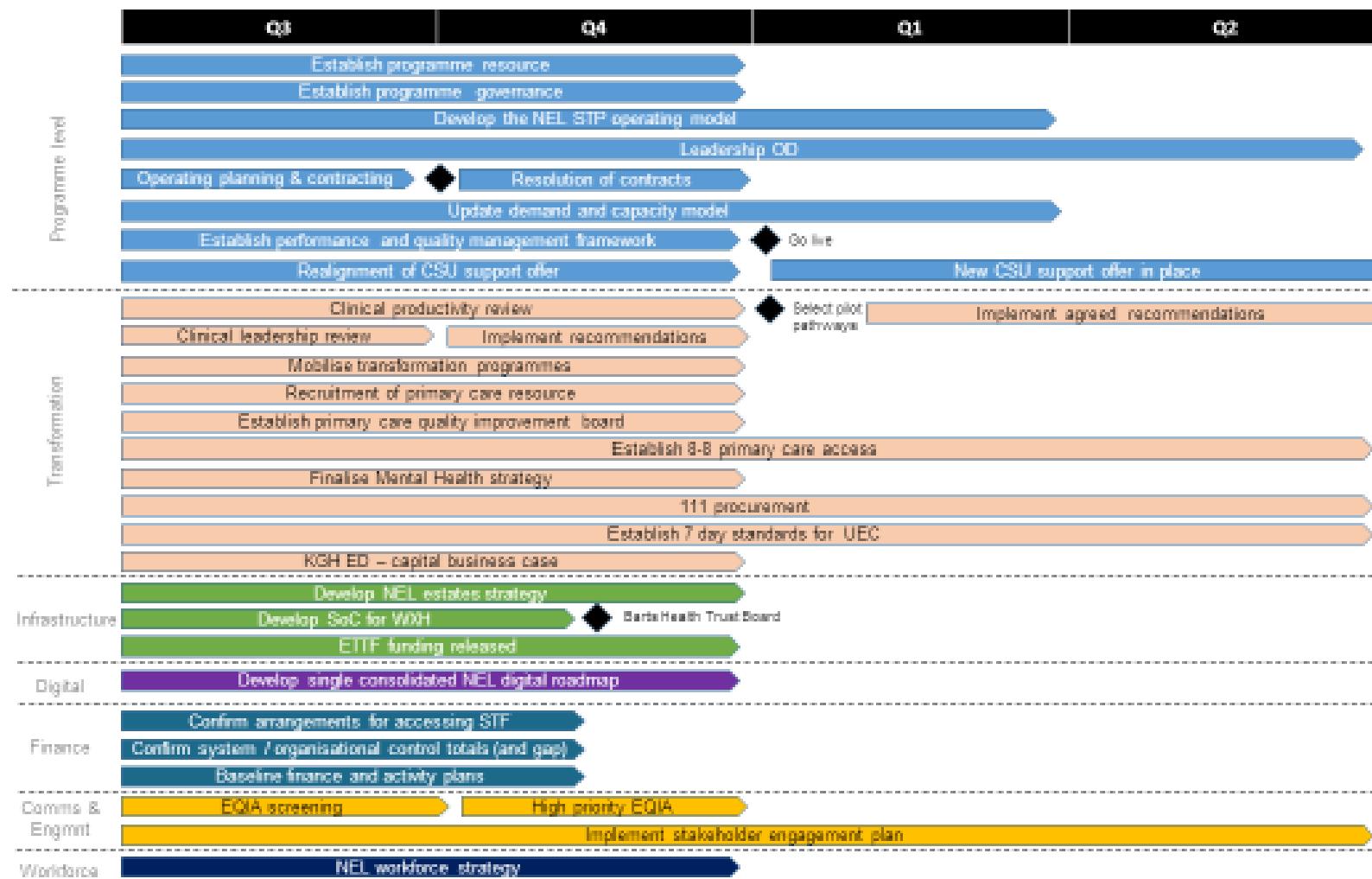
### North east London STP plan on a page





## Annex B

## NEL STP Year 1 Critical Path





## Annex C NEL STP Shadow governance structure

