

Meeting:	Health and social care overview and scrutiny committee
Meeting date:	19 September 2016
Title of report:	Update on Herefordshire and Worcestershire Sustainability and Transformation Plan, and on One Herefordshire
Report by:	Director for adults and wellbeing

Classification

Open

Notice has been served in accordance with Part 2, Section 5 (Procedures Prior to Private Meetings) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (Regulations) 2012.

Key decision

This is not a key decision.

Wards affected

Countywide

Purpose

To update the committee on the latest situation with regard to the development of the Herefordshire and Worcestershire sustainability and transformation plan (STP) and the establishment of the One Herefordshire approach across health and social care.

Recommendation(s)

THAT:

- (a) the committee note the content of the report;**
- (b) the committee comment on the approach, process and direction of travel of the STP and One Herefordshire; and**
- (c) the committee set out how it wishes to be engaged in the future stages of the STP and One Herefordshire processes.**

Alternative options

- 1 There are no alternative options to the STP. This is a national process, mandated by NHS England, in which all NHS organisations are required to participate. There is a national expectation that Local Authorities will engage actively as full partners. Given the interdependencies between health and social care, there are strong reasons for them to do so.
- 2 It would be possible not to proceed with the approach described in the One Herefordshire programme, including formation of the shadow alliance and joint commissioning arrangements. Not proceeding would represent a number of missed opportunities for the council including:
 - Working in partnership with health and the voluntary and community sector (VCS) to set a single strategic direction for Herefordshire, from a common starting point of 'what is better for residents'.
 - Opportunities to improve the efficiency and impact of the commissioning function with health, to improve value for money of the Herefordshire pound.
- 3 Given the financial and operational challenges facing all of the health and social care organisations across the county, not proceeding with the One Herefordshire alliance would increase the risk that one or other organisation would cease to be viable as a separate body and so might be merged with another organisation outside the county, thereby losing a clear focus on the needs of the Herefordshire population.

Reasons for recommendations

- 4 The One Herefordshire programme, and the shadow alliance proposal within it, provides the framework for whole system leadership and collaboration. This will enable a system wide strategic direction and delivery mechanism to deliver the health and wellbeing strategy and the children and young people's plan. In turn, this will drive improved wellbeing for our residents, coordinating activities across the council and its health and VCS partners. It will enable the council to engage with wider public sector partners in a co-ordinated manner to increase efficiency and value for money from the 'Herefordshire pound'.
- 5 The STP process is intended to provide the central vehicle through which local government and the NHS can work together in order to achieve the 'triple aim' of improving the health and wellbeing of the local population, improving the quality and safety of care delivery, and securing ongoing financial sustainability.
- 6 It is expected that the STP process will be merged with the requirement, flagged by the Chancellor of the Exchequer in October 2015, for all areas in the country to produce a plan for the full integration of health and social care by 2020. Guidance on this process is expected to be published jointly by the Department of Health and the Department for Communities and Local Government during the autumn, with plans to be prepared by the end of the financial year.

Key considerations

- 7 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

Further information on the subject of this report is available from
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of whole system STPs 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.

8 The STP builds upon local transformation work already in progress, including through the One Herefordshire initiative. 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:

- Health and Wellbeing - The main focus here 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 social care system.
- Care and Quality - The main focus here is on securing changes to enable local provider trusts to exit from the care quality commission (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. One of the objectives of active involvement in the process by the council has been to ensure that this focus is widened to encompass social care services.
- Finance and Efficiency - The main focus here is on reducing unwarranted variation in the demand and use of services and securing provider efficiencies through implementing new approaches to care provision. Again, one of the objectives of active involvement in the process by the council has been to ensure that full regard is had to the need for social care services to remain viable, in the context of significant reductions in council budgets.

9 An initial submission was made to NHS England in April, outlining the Triple Aim gaps within the STP footprint. 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 30 June. A feedback meeting was then held between senior officers from across the STP footprint and very senior figures from NHS England, NHS Improvement, the CQC and the LGA.

10 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.

- 11 The next submission of the STP is expected to be made on 21 October. This strategic plan will then form the basis of the operational planning cycle for NHS commissioners and providers for the next two financial years (2017/18 and 2018/19).
- 12 The STP documents have, to date, not been made public on the grounds that they represent drafts, rather than settled documents. Once the STP submission made in October has been signed off by NHS England, it is expected that it will be released into the public domain.
- 13 The One Herefordshire programme provides the main route through which the local perspective is built into the STP process. It seeks to provide a system-wide, county-wide strategic direction and delivery mechanism to deliver the health and wellbeing strategy and the children and young people's plan.
- 14 A One Herefordshire alliance has been proposed, which will drive improved wellbeing for our residents, coordinating activities across the council, health and VCS partners. It will enable all of those organisations to engage with wider public sector partners in a coordinated manner, to increase efficiency and value for money from the 'Herefordshire pound'. It is proposed that the alliance be established in shadow form.
- 15 The alliance is expected to be established on the basis of a non-legally-binding document. The arrangements will make no changes in the powers or financial arrangements of any of the partner organisations. The key aim is to make a statement of intent and adoption of a set of common principles, which form the basis for further work to develop a further agreement in due course.
- 16 The shadow One Herefordshire alliance will have no formal decision-making authority, and existing governance arrangements will remain in place. Having a period of shadow form will enable the system, and the council within it, to identify key issues, risks and mitigating factors, with the lessons learnt embedded in any resulting future form.

Community impact

- 17 This proposal will support the delivery of the health and wellbeing strategy and the children and young people's plan.
- 18 Improving value for money of the 'Herefordshire pound' will enable us to increase impact and improve wellbeing within existing and future resources.

Equality duty

- 19 The One Herefordshire programme and the Herefordshire and Worcestershire STP are intended to provide the means by which the health and wellbeing of the people of Herefordshire can best be maintained and improved. The programmes have a particular focus on supporting the best possible level of wellbeing on the part of vulnerable members of the Herefordshire population

Financial implications

- 20 There are no immediate direct costs associated with either the STP or One Herefordshire. They represent an opportunity to improve future value for money from

council resources and spend, and hence offer a route to securing the council's desired outcomes at a time of reducing financial resources. These are both high level planning approaches, rather than detailed service plans. However, they set the context within which the NHS will allocate its budgets and will have a significant influence over the council's budgets, especially adults and wellbeing, but also affecting children's service. Specific spending implications and decisions will be built into the operational plans of the CCG and the medium term financial strategy (MTFS) for the council.

Legal implications

- 21 At their present stage, neither the STP nor One Herefordshire require legal authority. They represent a statement of commitment to explore a strategic direction with the NHS. All legal issues will be identified and explored as part of due diligence during the shadow form. Formal governance would be required to move from the shadow form to any legally binding arrangement.

Risk management

- 22 The One Herefordshire alliance can be expected to facilitate joint working across health and social care partners, strengthening the ability of the system as a whole to identify and mitigate future risks to both the system as a whole and to individual partner organisations.
- 23 Should the One Herefordshire alliance not proceed, it is likely that NHS England would increasingly focus its efforts at a joint Herefordshire and Worcestershire level, based on the STP footprint. This could lead to a loss of focus and resource for the specific issues facing the people of Herefordshire and the loss of opportunities for closer partnership working across the wider public sector at a Herefordshire level.

Consultees

- 24 Effective stakeholder engagement is a key component to the development of the STP. As part of the planning process, arrangements have been made to ensure that voluntary and community sector (VCS) representatives can support development of the plan. Healthwatch and VCS representatives from both counties are represented on the STP programme board. They also sit on the Herefordshire health and wellbeing board, giving them a further route for engagement and involvement.
- 25 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.
- 26 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 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.
- 27 It is important to note that any specific decisions or service changes required as a result of the STP or One Herefordshire will be subject to a separate engagement and

consultation process as necessary.

Appendices

Appendix 1 – One Herefordshire and STP presentation

Background papers

- None identified.