

SURREY COUNTY COUNCIL**CABINET**

DATE: 28 MARCH 2017

REPORT OF: MRS HELYN CLACK, CABINET MEMBER FOR WELLBEING AND HEALTH
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LEAD OFFICER: DAVID MCNULTY, CHIEF EXECUTIVE

SUBJECT: SURREY HEARTLANDS SUSTAINABILITY AND TRANSFORMATION PLAN

SUMMARY OF ISSUE:

Surrey County Council is playing an important role in the development of the three Sustainability and Transformation Plans (STPs) across Surrey. These Plans will play a pivotal role in shaping the future health and care priorities and landscape across Surrey.

This report follows the Sustainability and Transformation Plans report presented to the Cabinet on 18 October 2016 – it provides an update on the Surrey Heartlands STP and the development of a health devolution agreement for Surrey Heartlands.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. notes the progress that has been made in the development of the Surrey Heartlands Sustainability and Transformation Plan;
2. considers the specific update in relation to the development of a health devolution agreement for Surrey Heartlands and the opportunities that it could bring to residents; and
3. endorses the proposed governance principles for health devolution and asks the Chief Executive, in consultation with the Cabinet Members for Wellbeing and Health; Adults Social Care, Wellbeing and Independence; and Children and Families Wellbeing to take the necessary steps to finalise and implement the new arrangements.

REASON FOR RECOMMENDATIONS:

In the six months since the last STP update to Cabinet, significant progress has been made in the development of the Surrey Heartlands STP.

Recent dialogue with residents (through a deliberative research exercise) has shown that the types of changes under consideration as part of the STP (such as more self and community based care, greater reliance on non-medical services and intervention) were all regarded positively in the context of a more joined up and efficient health and care system that could provide greater access at times that suited residents.

To further the intentions set out in the STP, a dialogue with national partners has taken place to develop a health devolution agreement. The devolution agreement is stated as a key mechanism for enabling the STP aims and ambitions as well as the integration of health and social care.

The Cabinet will be kept informed of progress on the STP, devolution discussions and the associated opportunities being explored.

DETAILS:

Background

1. NHS Sustainability and Transformation Plans (STPs) are place-based, five-year plans built around the needs of local populations. They are intended to identify benefits to be realised in the short and longer term – helping organisations within the STPs to meet their immediate (16/17) financial challenges and ensure that the investment secured by the NHS in the Spending Review does not merely prop up individual institutions but is used to drive sustainable transformation in patient experience and health outcomes over the longer-term.
2. STPs are the overarching strategic plans for local health and care systems covering the period October 2016 to March 2021 and represent a significant shift in NHS planning towards a place-based approach (as opposed to solely asking individual NHS organisations to produce their own plans).
3. The STP guidance letter issued by the NHS in September 2016 summarises the reason for introducing STPs as follows:

The Five Year Forward View set out our shared ambition to improve health, quality of care and efficiency within the resources given to us by Parliament. This ‘triple aim’ will only be achieved through local health and social care organisations working together in partnership with the active involvement of patients, stakeholders, clinicians and staff. Sustainability and Transformation Plans are the means of delivering these objectives in each local health and care system.
4. Whilst the STPs are principally part of an NHS planning process, the County Council’s involvement in the development and implementation of Plans will be crucial to ensure the achievement of the shared aims of the County Council and health partners around improving health outcomes and greater integration of health and care services. It forms an important part of the County Council’s response to the challenges it faces in meeting residents’ social care needs with rising demands on services and reduced funding levels - these same challenges apply to health partners and the only way to tackle them is to work together.
5. The County Council’s involvement in developing the Plans enable them to be truly place-based – ensuring that the resources within an area are used in the most effective way to meet people’s health and social care needs. The County Council also brings expertise and a track record of delivery in a number of areas (e.g. public health expertise, making better use of the public sector estate).
6. The geographic ‘footprint’ for STPs is determined locally and based upon natural communities, existing working relationships and patient flows – there are three STPs covering Surrey: Surrey Heartlands; Frimley Health & Care; and Sussex and East Surrey.
7. This report focusses on the Surrey Heartlands STP which covers the geographic areas of Guildford & Waverley Clinical Commissioning Group (CCG), North West Surrey CCG and Surrey Downs CCG (see map- annex one).

Progress on developing the Surrey Heartlands STP

8. Following the sign off and subsequent submission of the Surrey Heartlands STP in October 2016, good progress has been made in shifting from planning to implementation, and entering into dialogue with local and national partners around a potential devolution agreement. (A copy of the submission can be found at www.surreyheartlands.uk/).
9. As a reminder, Surrey Heartlands STP has established a shared vision:
“Our plan is to work together as one area to improve public services and make sure we have sustainable, high quality health and care services for the long term.”
10. Supporting the vision, the STP has identified four key objectives - they are:
 - To make sure all local residents have access to the same high quality standards of care – via a Surrey Heartlands clinical academy;
 - To promote self-care and encourage and support local people to take more responsibility for their healthcare;
 - To improve the way services are provided– with more care in the community, and single centres for some of the most specialist hospital services (creating expertise and improving patient outcomes); and
 - Working as one – moving towards one budget and one overall plan for the Surrey Heartlands area.
11. The Surrey Heartlands STP represents a significant and complex portfolio of work spanning 11 core partner organisations with a range of clinical, enabling and new operating model workstreams. To support the leadership of the STP, a small central STP programme team has been established and has led a number of initiatives – these include:
 - Working closely with the STP Senior Responsible Officer (Julia Ross, North West Surrey CCG), Transformation Board Chair (David McNulty, Surrey County Council) and other Transformation Board members to support, coordinate and manage STP-wide elements of the programme including holding a monthly meeting of the Transformation Board to oversee progress;
 - Facilitating regular meetings between key workstream leads to support coordination and alignment between different work areas, identify key risks, issues and interdependencies, and support communication, organisational engagement and the sharing of learning; and
 - Coordinating resource requirements across the programme and recruiting to additional capacity and expertise to support delivery (e.g. dedicated clinical leads for the clinical workstreams and programme managers working across workstreams).
12. Good progress has been made across the individual workstreams. For example, early success in joint working has been seen in the Women and Children’s workstream where a funding bid and plan relating to ‘better births’ across Surrey Heartlands secured more than £800k as one of seven local areas selected to improve maternity services as set out in the NHS Maternity Transformation Programme. The Out of Hospital workstream also continues to place significant focus on the integration of health and social care services for the frail elderly population in each of the local areas.
13. A key element of the STP is the development of the Surrey Heartlands Academy. Work has begun in a number of areas including:
 - Agreeing priorities for the Academy including supporting STP clinical programmes, creating a common, structured and consistent co-production process to facilitate service re-design and to align resources for the Academy to act as an enabling inter-speciality network, ensuring assessment of impact to the whole system;

- Establishing the Academy Clinical Forum which met for the first time on 15th March;
 - Developing further the proposed operating model for the Academy, securing the time of Public Intelligence Denmark to work with leads to undertake user co-design;
 - Scoping and initiating the Safer Discharge Project to support the Urgent and Emergency Care workstream; and
 - Mobilising a review of Out of Hospital services to identify the most effective approaches and inform clinical change.
14. A communications and engagement plan for the STP has been developed and regular updates are being circulated to all partners to help raise awareness and involvement with the STP. A plain english description of what the STP is aiming to achieve has also been produced and published on the STP website
<http://www.nwsurreyccg.nhs.uk/surreyheartlands/Pages/default.aspx> .
15. A number of stakeholder events have now been held to engage with partners and patient representatives and on 7 March 2017 a system wide event was held with over 170 people in attendance from across the system.
16. The STP also commissioned seven deliberative research workshops in October 2016. These involved a total of 129 randomly selected members of the public in deliberative discussions relating to their priorities on health and social care as well as some of their top of mind thoughts around some of the changes that are being proposed as part of the STP. The research found:
- Health and social care services were defined by their perceived quality. While the provision of good facilities, technology and expertise play a key role in defining expectations around this, a number of other factors including interpersonal relationships, providing reassurance to patients; good communications and a general sense that the system was operating efficiently, were important.
 - For residents to feel that they had received a good service they needed to feel that they had been listened to and that their concerns have been noted. Frequently however, participants felt that the health and care system did not have the time or resources to provide these kinds of interactions.
 - Changes which were under consideration as part of the STP initially such as more self and community based care, greater reliance on non-medical services and intervention were all regarded positively in the context of a more joined up and efficient health and care system that could provide greater access at times that suited residents.
17. The data gathered at these workshops will inform question development for the next stage of the research where we will undertake quantitative research with a statistically representative sample of 1,500 Heartlands' residents. This stage is currently being piloted and a full set of findings incorporating both stages are expected in the Spring of 2017.

Developing a health devolution agreement for Surrey Heartlands

18. Alongside the development of the STP, local partners (the County Council and three CCGs) have been in dialogue with national partners (primarily NHS England and the Department of Health) to discuss a health devolution agreement for Surrey Heartlands.
19. Securing a devolution agreement will not be an end in itself – it will be a crucial vehicle and enabler to deliver the scale and pace of change set out in the STP. There are a number of key areas where a devolution agreement will add value:
- Introducing local democratic accountability and ownership, and triggering and facilitating an essential local dialogue and debate with residents as well as system leaders about their priorities in transforming a resource constrained health and social care system so that it will meet their ambitions for wellbeing and health in a sustainable way.

- Through the devolution of commissioning powers, enabling the (re)introduction of a population based approach to commissioning across the board to meet local needs.
 - Developing a system with aligned incentives to achieving public value and the best possible outcomes for the people of Surrey Heartlands - working with national health partners and regulators to create the conditions across the system with fully aligned incentives for performance management and regulation, contracting and payment systems.
 - Providing freedoms and flexibilities to unlock and maximise the potential of the Surrey Heartlands system - ensuring the range of resource and investment available in Surrey Heartlands is focused towards improving the health and wellbeing of the population and achieving maximum public value. For example, through innovations in income strategies and procurement or the One Public Estate pathfinder which has the potential to unlock significant value through a collaborative place based approach to getting best use out of existing land and buildings.
 - Harnessing the collective strengths and expertise of partners across Surrey Heartlands, placing the health and care system as an important building block for economic growth and prosperity - enhancing the ability to respond to local conditions and opportunities through the flexibility, local ownership and increased level of local control devolution provides, and as a driver of the innovation and investment needed to transform the health and care system.
 - Acting as a catalyst for accelerating the integration of health and social care services, with greater alignment of commissioning of health, social care and public health.
20. Discussions between local and national partners have progressed well since November 2016 including the development of an initial set of devolution 'asks' that will form the basis of a Memorandum of Understanding between local and national partners and the devolution agreement. These include:
- integrating health and social care commissioning across Surrey Heartlands and establishing a single commissioning voice and function;
 - shifting responsibility for commissioning appropriate services to local commissioners;
 - taking a strategic, Surrey Heartlands system-wide approach to managing estates and business support functions; and
 - creating the conditions and mechanisms that enable and incentivise Surrey Heartlands to work as a single health and care system, recognising the statutory responsibility for the regulation of health and social care providers at the national level.
21. Further work is underway to refine the 'asks' and leads from the County Council and CCGs are working closely with national partners including the Department of Health, NHS England, NHS Improvement, Public Health England, Health Education England and the Care Quality Commission.
22. In addition, learning from existing partnership governance arrangements such as Committees in Common, draft governance arrangements will be developed setting out how partners will work locally, create the decision-making forum(s) and local 'vehicle' for powers/responsibility to be devolved. The draft arrangements will be based upon the following key principles:
- creating a single point of leadership across health, social care and public health through the creation of a joint committee with representatives from the County Council and three CCGs;
 - establishing a new executive leadership group responsible for the commissioning of health, social care and public health, chaired by the County Council's Chief Executive;

- placing clinical and professional leadership at the heart of the new governance arrangements;
 - establishing a principle of subsidiarity to ensure that responsibility for decision-making sits at the lowest appropriate level; and
 - setting the ambition for Surrey Heartlands to be assured, regulated and performance managed as a place (rather than a set of individual organisations).
23. The timetable for the development of the devolution work is to have the new arrangements in place for April 2017 and to use 2017/18 as a 'shadow year' – this will enable partners to work together to shape the approach and work through how the devolution of new responsibilities and greater integration of health and social care will operate in practice.

CONSULTATION:

24. A wide range of partners have been involved in the development of the STPs including the organisations that commission and provide NHS services across Surrey and each STP either has, or is developing, its own communications and engagement plan.
25. In addition:
- The Surrey Health and Wellbeing Board received updates from the three Surrey STPs at its meetings on 26 May 2016 and 8 December 2016 where they discussed the emerging themes, issues and next steps.
 - A Wellbeing and Health Scrutiny Board workshop took place on 31 May 2016 to review the emerging STPs and a further STP update was presented to the Scrutiny Board on 10 November 2016. A specific presentation on the Surrey Heartlands devolution opportunity was given to the Scrutiny Board on 17 February 2017.
26. The ongoing engagement and the involvement of residents, elected Members, CCG Members and partner organisations in the design and development of plans and services will be crucial to the successful delivery of STPs.
27. Paragraphs 14-17 above describe a range of work in place relating to communications and engagement with residents and key stakeholders.

RISK MANAGEMENT AND IMPLICATIONS:

28. The overall risk management arrangements for the STPs are led by health partners.
29. The STP process provides a vehicle for strengthening partnership governance arrangements, closer alignment of strategies and plans with partners and supporting the delivery of existing plans (such as the integration of health and social care) – these are identified as key mitigating actions (processes / controls) within the Council's Leadership Risk Register against the risks associated with the achievement of the Medium Term Financial Plan 2017-2022 and the implementation of new models of delivery.
30. In addition to the opportunities that taking on additional devolved/delegated commissioning responsibilities brings to the health and social care system, there will also be associated risks. These could include risks relating to the local system's ability to effectively commission any given service, capacity and resources within the local system to take on new responsibilities and potential financial and reputational risks. The County Council and its partners will need to assess and ensure effective controls are in place to manage and mitigate any identified risks.
31. An early focus in terms of risk management will be the risks associated with transition during the shift of responsibilities from national partners to local partners (such as how to

ensure continuity of any given service during the transition). These risks will be mitigated through the creation of detailed delivery plans, dialogue between local and national partners and robust governance arrangements to ensure a smooth transition.

Financial and Value for Money Implications

32. Whilst there are no direct financial implications for SCC as a result of this report, the design and implementation of the STPs across Surrey will play a crucial role in developing a sustainable health and care system.
33. The Council's plans with partners relating to health and social care integration and an increasing focus on prevention and self-care are included within the STPs and are important elements of the Council's Medium Term Financial Plan. A key aspect of this is managing demand pressures across Surrey's health and social care system which is vital to achieve financial sustainability in the long term.
34. It is important to recognise that in addition to the opportunities that the health devolution agreement provides to the local health and care system, taking on additional devolved / delegated responsibilities may also present financial risks in the case of commissioning responsibilities – the County Council and its partners will need to assess and ensure effective controls are in place to manage and mitigate any identified financial risks.
35. In addition, agreeing a health devolution agreement for Surrey Heartlands alongside a credible and ambitious STP will be the only way for the Surrey health and care system to access the transformation funding being held by NHS England.

Section 151 Officer Commentary

36. The Section 151 Officer supports the overall health and social care integration agenda as it will enable better use of resources across the whole system to create improved and more efficient services for residents.
37. The County Council is facing a very serious financial situation, whereby it is having to identify unprecedented levels of savings to manage mounting pressures, particularly in relation to social care, and reduced government funding in order to achieve a sustainable budget. A significant proportion of the savings for future years are currently still to be identified. The efficacy of specific integration proposals will be judged based on whether there are robust business cases that demonstrate that the proposals represent best value for the whole system and also ensure that the Council's financial position is safeguarded in the process of integration.

Legal Implications – Monitoring Officer

38. The legislative framework that enables the devolution of health (and other) services from Central Government or a national body to local areas (either to local authorities, combined authorities or to CCGs) is set out in the NHS Act 2006 and the Cities and Local Government Devolution Act 2016. The Council also has duties to promote and encourage the integration of health and social care services.
39. In developing specific plans for health and social care integration, it will be important to ensure that any specific duties placed on the Authority are properly managed recognising existing regulatory requirements and the requirements of any devolution agreement.
40. The governance arrangements proposed for Surrey Heartlands can be put in place through a partnership agreement under Section 75 of the National Health Service Act 2006, and delegations and appropriate scrutiny will also need to be considered. Whilst these more detailed discussions take place, it is proposed that shadow arrangements are

established from 1 April 2017 under a Memorandum of Understanding. Legal Services will advise on the agreements and processes necessary to support the devolution plans.

Equalities and Diversity

41. Equality analysis and Equality Impact Assessments (EIAs) will form an important part of any planning for changes to services across health and social care to assess the impact upon residents, people who use services, carers and staff with protected characteristics. Where they represent a service, or policy change, individual schemes and programmes that are part of the STPs will have equality analysis / EIAs completed and included as part of the plans.

Other Implications:

42. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	Set out below.
Public Health	Set out below.
Climate change	No significant implications arising from this report
Carbon emissions	No significant implications arising from this report

Safeguarding responsibilities for vulnerable children and adults implications

43. The further integration of health and social care services will support the safeguarding of vulnerable Surrey residents. More joined up service delivery by organisations will aid the identification and support of people vulnerable to abuse and enhance consistency of approach and training to safeguarding issues.

Public Health implications

44. Integration across health and social care will support and promote the health of the Surrey population, more closely aligning outcomes and resources.

WHAT HAPPENS NEXT:

The next steps include:

- Continue the development of the STP and implementation of individual workstreams.
- Establish the governance arrangements including new joint committee, executive leadership group and supporting functions.
- Develop and sign off a Memorandum of Understanding between local and national partners ahead of a full devolution agreement.

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Consulted:

Representatives from:
Adult Social Care and Public Health
Children, Schools and Families
Legal services
Finance
Surrey Heartlands STP

Annexes:

Annex one – Surrey Heartlands map

Sources/background papers:

Cabinet report – 18 October 2016: Sustainability and Transformation Plans
Cabinet report – 21 June 2016: Sustainability and Transformation Plans
Cabinet report – 22 March 2016: Health and social care integration
Cabinet report – 24 November 2015: Progressing the integration of health and social care in surrey
Cabinet report – 16 December 2014: Health and social care integration

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