

Sustainability and Transformation Plans

[from the NHS Support Federation]

In December 2015, NHS England published the document *Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21*, which calls for a major reorganisation of the NHS at a local level through the use of sustainability and transformation plans or STPs.

What are STPs

According to the government guidance local health systems, consisting of 'clinicians, patients, carers, citizens, and local community partners including the independent and voluntary sectors, and local government through health and wellbeing boards' will work together to develop plans to transform the way that health and care is planned and delivered for their local populations. These plans are known as sustainability and transformation plans or STPs.

In January 2016, 44 STP areas or "footprints" were designated, which vary in population size from 300,000 up to 2.8 million. The STP for each area is being devised by a discussion body or board comprised of representatives from local health (NHS trusts and CCGs) and care organisations and local councils.

In line with the government guidance, the STP must be a multi-year plan that shows how local services will become sustainable over the next five years. It must set out initiatives to manage demand, increase provider efficiency, reconfigure services and, the most important of all, balance the budget in the local area.

The timetable for STPs

The timetable for the development of the STPs is very tight. The 44 STP footprints were only announced in January 2016. The STPs were to be submitted by the end of June 2016 for formal assessment in July 2016 by the Department of Health. Funding for the STPs will begin to be made available in

April 2017 for the 2017/18 financial year. Needless to say this timetable has fallen by the wayside.

According to letters to the leaders of the STPs sent in August 2016, full STP submissions are expected 21 October 2016.

The leaders of the STPs

Each STP footprint has a leader who is required to oversee the STP. It took until the [end of March 2016](#) to appoint leaders for 41 of the 44 bodies charged with devising the STPs, with most of them coming from CCGs, hospital trusts, although there are some council executives.

Funding

There is funding available for the STPs, known as the **Sustainability and Transformation Fund (STF)**. This fund is held by NHS England, but it is ring-fenced and can only be released with agreement from both the Department of Health and HM Treasury. The fund is released quarterly, in arrears, to the organisations in the STP footprint.

Other funding available for transformation is held by NHS England and this has been added to the pot (amounting to £339 million in 2016/17), creating a total Sustainability and Transformation Fund of £2.1 billion for 2016/17. The fund grows to reach £3.4 billion by 2020/21.

The catch is that none of this funding is available unless the STP footprint can show that it is able to balance its books. For 2016/17 the providers (NHS trusts) must show they are cutting their deficits and demonstrate that the plan leads to staying within their budget for 2016/17. The STP must then work to keep the footprint within its budget for the next four years in order to qualify for further funding from the STF.

The first tranche of money from the £2.1 billion STF for 2016/17 has already been allocated to NHS trusts, however due to the dire finances of the trusts,

[all £1.8 billion will be spent on bailing out the providers' deficits.](#) The fund will be paid out to the trusts quarterly, in arrears, based on the trusts agreeing and then achieving financial targets. This has left just £339 million to fund the transformation part of the STPs in 2016/17.

In [late June 2016](#) NHS Improvement published major plans to cut the deficit to £250 million in the 2016/17 financial year and issued instructions to the STP leaders. The major targets for producing cost-savings are back office and pathology services and the payroll, i.e., the cost of staff. The STP leaders have a month (end of July 2016) to produce plans for the following:

- consolidation of back office and pathology services across entire STP patches

- identification of planned hospital services that are heavily dependent on locums and which could be consolidated or transferred to other providers

NHS Improvement is also going to target pay costs in trusts that are planning unusually high wage bill growth this year.

In August 2016 [The HSJ](#) reported that updates had been sent to all 44 STP leaders that warned of an “extremely constrained capital environment” plus the advice to look for “other possible sources” of funding. Other possible sources are council funding and the use of the PF2 (private finance 2) schemes.

Criticisms:

Cuts to balance the books

It is clear from the guidance that saving money is the primary goal of the STPs. Unless the STP can demonstrate that it will balance the books over the next few years, then no money will be available from the STF.

What this is likely to translate into is cuts to services and a reduction in quality of care. [The King's Fund](#) has noted that the post-Francis era of concern for quality and safety is over and that ‘it is inconceivable that the NHS will be able

to achieve both financial sustainability and large-scale transformation within these financial constraints'

The STPs bring together NHS trusts that are in a very difficult position financially, with almost all of them in deficit, with other organisations, including CCGs, most of which are not in deficit, although not flush with money either. The result is that the overall financial situation of the STP footprints is very poor; all but one of the 44 STPs is in deficit overall, according to research carried out by [the HSJ](#), and about a third have deficits of more than 4% of their turnover.

Anita Charlesworth, chief economist at the Health Foundation, has noted that, "turning that sort of financial performance around when there are so many other underlying issues is an enormous if not impossible task."

In August 2016, an investigation funded by [The Guardian](#) and the campaign group 38 Degrees analysed the plans and proposals that have become publically available. Many of the plans were found to focus on cuts to acute services, including hospital closures.

The Guardian saw the draft STP for North West London: two local authorities in this area, Hammersmith and Fulham and Ealing councils, have refused to sign up to the draft plans because of concerns about hospital closures. The Guardian reports that the officials claim they were put under pressure to sign off an executive summary of the draft plans quickly without seeing the full document.

An unrealistic timetable

The timescale for compiling the STPs has been very short. The footprints were designated in January 2016 and the plans have to be finished and submitted by the end of June 2016. The members of the STP boards also have other full-time roles. This begs the question - can a fully assessed, carefully thought through plan to transform local services that has received

input from all relevant organisations really be arrived at under these circumstances?

Furthermore, the timescale means that any involvement from the public has inevitably been limited. The government's guidance explicitly states that producing the plans should involve "developing a shared vision with the local community" and the strategies depend on "having an open, engaging and iterative process that harnesses the energies of clinicians, patients, carers, citizens and local community partners". There appears to be little sign of this happening.

By early [June 2016](#) it became clear that many STP boards would not be submitting full plans by the end of the month, but only basic plans. As a result the judging of the STPs by NHS England will take place after July. Some STP boards will be allowed to submit their projections in September.

In late June 2016 the STPs were asked by NHS Improvement to produce plans to consolidate back-office and pathology services and identify elective services that could be closed or transferred to other providers. The STP boards have to come up with the plans by the end of July, on top of all the other work involved with the STP.

A return to central control

The boards that devise the STPs are not statutory bodies, they have no legal right to demand that providers or CCGs carry out any of the plans.

Commentators have noted that the guidance issued in December 2015 and the use of STPs is a move back to [more central control](#) over the NHS. It is likely then that pressure from the top (NHS England, NHS Improvement [Monitor and the NHS Trust Development Authority], Health Education England, NICE, Public Health England, and the CQC) will push through STPs in the face of local opposition.

However, as councils are also involved in the STPs, [the Department for Communities and Local Government](#) may well have to become involved to persuade councils to toe the line.

There was more evidence of a return to central control, when in October 2016 NHS England and NHS Improvement officials told STP boards not to publish STPs before they had given feedback on the plans. By the end of [October 2016](#) four councils had defied NHS England and published their STPs. The first to publish was Camden Council, followed by Birmingham City Council, Sutton Council and [Hartlepool](#) council. All the councils expressed concern over a lack of public engagement and transparency in the STP process.

A lack of accountability

The lack of a clear legal position for the boards drawing up the STPs also leads to a lack of accountability.

According to [Colin Leys](#), an honorary research professor at Goldsmiths, University of London, “it is also not clear who will be accountable for the results in terms of service provision, or the accompanying redeployments of public funds, or the conflicts of interest and opportunities for fraud which the process is liable to generate.”

Similar concerns were expressed by Kieran Walshe, Professor of health policy and management at Manchester Business School, in [an article in the HSJ](#). He noted that we have entered “a shadowy era of extra-legislative reform, in which changes which might once have been thought to need white papers, primary legislation, statutory instruments, formal public consultation, policy guidance and the like are being enacted rapidly by administrative decree.”

Furthermore, “it is getting difficult to work out where accountability lies, who’s in charge, and whether organisations are doing their job properly....For NHS boards, there is a potential conflict between their statutory duties as a board

and an organisation, and some of these changes which require them to cede autonomy and authority to new organisational forms (like STPs) which have no formal existence.”

A lack of public involvement

The secrecy surrounding the drawing up of STPs has been a major concern. Despite requests from various organisations, the STPs have largely remained secret, barring leaks in some areas, [including London](#). Requests have met with the reply that the plans cannot be made public until NHS England signs them off. In [September 2016](#), Pulse reported that every single one of the 44 STP footprints had refused to share the plans.

Little or no public consultation has taken place on the plans and even [GP leaders](#) who will be directly affected by the plans have reported that they are being excluded from discussions. Of the 44 STP areas only four have leads that are GPs. In September 2016 Julia Simon ex-head of NHS England's commissioning policy unit and its co-commissioning of primary care programme director, told GPonline that she had not seen “any genuine patient and public engagement yet.”

Private sector involvement

The STPs combine the free NHS with social care which contains a high-level of private sector involvement. There is the possibility that this will lead to an increase in private sector involvement in the NHS.

The private sector is reported to be very interested in gaining access to the leaders of the STP footprints. In an interview with the HSJ, [Jim Easton](#), managing director of Care UK's health care division and chair of the NHS Partners Network, which represents independent sector providers of NHS care, noted that it was an “immediate priority for the organisation to speak to

the leaders of each STP footprint about closer working with private sector providers.”

Easton added that the sector could offer “capacity, capability and capital investment to help develop new services and maintain performance.” In other words the private sector sees the chance to make a profit from STP footprints desperate to show they are transforming and saving money.