Title: Update on system wide health integration: Sustainability and Transformation Plan and the Accountable Care Organisation Devolution Pilot

Report of the Strategic Director, Service Development & Integration

Open Report

Report Author: Andrew Hagger, Health & Social Care Integration Manager, London Borough of Barking & Dagenham

Contact Details:
Tel: 020 8227 5071
E-mail: andrew.hagger@lb bd.gov.uk

Accountable Director: Mark Tyson, Commissioning Director, Adult’s Care & Support

Accountable Strategic Director: Anne Bristow, Strategic Director, Service Development & Integration

Summary:
This report provides an update to the Select Committee on the development of the north-east London Sustainability and Transformation Plan (NEL STP) and work around health devolution.

The STP is being developed in response to NHS England planning guidance which requires health and care systems across the country to work together to develop sustainability and transformation plans (STPs). An STP is a new planning framework for NHS services which is intended to be a local blueprint for delivering the ambitions NHS bodies have for a transformed health service, including working with social care. A draft STP was submitted to NHS England on 21 October.

As part of the London Health and Care Collaboration Agreement, Barking & Dagenham, Havering and Redbridge agreed to run a pilot to develop an Accountable Care Organisation, where primary and secondary care are more closely integrated and patient pathways are redesigned with a focus on intervening early and managing the chronically ill. Throughout 2016 work has been ongoing to develop a Strategic Outline Case, which was finalised in the autumn. The report provides an update on this work.

For Barking & Dagenham, Havering and Redbridge, it remains the case that the detail of the local contribution to the Sustainability and Transformation Plan for north east London has been developed through the established programme to draft a business case for an Accountable Care Organisation.

Recommendation(s)
The Health and Adult Services Select Committee is recommended to note and discuss the information provided in the report.

Reason(s)
The NEL STP Board is developing a plan as stipulated by the NHS England guidance. The plan will reflect the work that has been initiated as part of the local devolution bid approved in December 2015, and which is being taken forward through the local
1. Introduction and Background

1.1 On 19 July 2016, the Committee received a report providing an update on the development of the north-east London Sustainability and Transformation Plan (known as the NEL STP) and the development of the business case for the Barking and Dagenham, Havering and Redbridge (BHR) Accountable Care Organisation (ACO) devolution pilot.

1.2 This report provides further information on the development of these plans.

2. Health Devolution

Background to the devolution pilot

2.1 On 15 December 2015, the London Health and Care Collaboration Agreement was published by the London Partners (London’s 32 Clinical Commissioning Groups, all 33 LA members of London Councils, the Greater London Authority, NHS England London Region and Public Health England London Region). It set out the overall commitment of the Partners to the transformation of health and social care through integration and devolution. Alongside it, five pilot projects were announced, one of which was for “Barking & Dagenham, Havering and Redbridge [to] run a pilot to develop an Accountable Care Organisation, where primary and secondary care are more closely integrated and patient pathways are redesigned with a focus on intervening early and managing the chronically ill.”

2.2 The announcement followed the submission of a bid to NHS England London Region for the support to develop a business case, focused on whether the model of an Accountable Care Organisation could deliver the next stage of integrated service delivery across the three boroughs, with the aim of delivering the improvements that are needed in the health of the population, the quality of care they receive, and the efficiency with which it is delivered.

Developing the Accountable Care Organisation business case

2.3 Over the past year, the eight organisations across Barking and Dagenham, Havering and Redbridge (BHR) have worked together to develop a strategic outline case for the development of an Accountable Care System (ACS). The programme was led by the BHR Democratic and Clinical Oversight Group comprising of leaders from across the system.

2.4 The output from this programme is the Barking and Dagenham, Havering and Redbridge Summary Outline Strategic Outline Case for an Accountable Care System. This document brings together the significant amount of work that has been carried out, highlighting the key findings and presenting options and recommendations. The Strategic Outline Case (SOC) is available here: http://moderngov.lbbd.gov.uk/documents/s104563/Appendix%20D%20-%20NEL%20STP%20BHR%20SOC%20Summary.pdf

2.5 The SOC identifies a vision for BHR, which is ‘To accelerate improved health and wellbeing outcomes for the people of Barking & Dagenham, Havering and Redbridge and deliver sustainable provision of high quality health and wellbeing services’. Beneath are a set of aims, including:
Enabling and empowering people to live healthy lifestyles, with access to preventative care, the ability to live independently and manage their own health and wellbeing.

Organising care around patient needs with a single point of access and provided locally where possible

Integration between agencies to remove boundaries and work as seamlessly and collaboratively as possible.

2.6 An extensive review of the BHR population was carried out during the first half of 2016, led by the Director of Public Health for Redbridge, which outlined the context in which health and social care operates and has provided a robust understanding of our challenges to a level of detail not previously available. Each borough faces its own distinctive problems and there is considerable variation across the patch:

- Barking and Dagenham has a younger and ethnically diverse, mainly deprived population
- Havering has an older, largely white population
- Redbridge has an ethnically diverse, majority Asian, median income population

2.7 The variation between the three boroughs means that through working on a combined footprint, there is an opportunity to pool resources and redirect additional support to places where they are needed most. Demographic change is an important driver of demand for health and wellbeing services. BHR’s population has been increasing rapidly and is projected to rise for the next two decades. The current system will struggle to respond to the overall projected increase of 19 – 28% by 2031. BHR needs a new approach to preventing ill health and targeting people who are more likely to require health and social care in the future.

2.8 The Directors of Finance from BHRUT and NELFT, supported by PWC, led a review of the BHR financial position for the SOC which showed the health and care economy faces a considerable financial challenge over the five years from 2016/17 to 2020/21. There are many reasons for this, including:

- The existing challenge: At the end of 2015/16, the health and care organisations within Barking, Havering and Redbridge had a combined financial challenge of £44m.
- Demand for services is increasing: This is a result of a growing population, which is aging, meaning that health and care needs are becoming more complex.
- Costs of provision of health and care services are rising more rapidly than general inflation: Costs are growing more rapidly than allocations from government (which, in terms of the NHS, are linked to national inflation forecasts). These are driven by wages (i.e. the impact of the National Living Wage) as well as specific pressures on drug and litigation expenditure.
- Allocations for social care are forecast to reduce: While NHS allocations are expected to increase over the five year period, there are planned reductions in social care and public health allocations for the three local authorities.
2.9 An infographic available from the BHR Partnership website is a useful summary of our key system challenges, for the health and wellbeing of the population, the quality of local services, and the local financial position. It is available at http://www.bhrpartnership.org.uk/icc-news-items/our-challenge-in-pictures/19369.

2.10 There was also extensive engagement and consultation as part of the programme, including residents, staff and the third sector. Over 3000 residents were surveyed by phone by Ipsos MORI and 750 staff were surveyed. The findings from the surveys emphasised the current complexity of the system and the need for change.

2.11 Findings from the voluntary sector engagement included the importance of delivering holistic health and social care around key population groups such as those who are frail, complex cases, and a wider programme of prevention to support our population to live longer, healthier lives.

2.12 A further infographic is available to summarise the key points of the findings, at http://www.bhrpartnership.org.uk/downloads/UEC/BHR-UEC-codesign-and-research-infographic.pdf.

2.13 The SOC process drew on both national and international evidence to identify best practice, signalling priority service and pathway areas that need to change across BHR.

2.14 The SOC identified that the existing model of commissioning and providing prevention and care is struggling to meet the current levels of demand. With future pressure from rapid demographic changes including population growth, rising levels of long term conditions and variable levels of deprivation, the SOC recommended a new model of service delivery supported by more effective joint strategic commissioning arrangements. However, the SOC was clear that at this stage the BHR system does not support a direct move to an Accountable Care Organisation.

From ACO to ACP – Where we are and next steps

2.15 As can be seen from above, work on developing the ACO Business Case as part of the health devolution pilot has not progressed as anticipated and a new organisational form for delivering health and social care across the BHR area will not be forthcoming in the near future. There has been a shift in language from an Accountable Care Organisation to an Accountable Care Partnership (ACP) or System, reflecting the shift away from a new organisational form for health and social care delivery.

2.16 In part this has been due the changing policy landscape, with the arrival of the STP diverting attention and resource away from the ACO work and shifting the NHS focus from a BHR system to a much wider NEL footprint. The STP will be explained in more detail in the next section of the report. Whilst an Accountable Care Organisation could fit as a subset of the North East London STP work, in practice the work required, and the organisational disruption that would be involved, are not judged at this stage to be beneficial. It does remain, however, as a longer-term shared ambition.

2.17 In addition, detailed discussions about devolution and what it could mean in practice are also still ongoing across London. Any devolution asks will be framed as a London-wide approach which local areas can then draw upon, so no devolution is possible until a London-wide agreement has been reached. Work is still ongoing around finalising what these asks will be.
2.18 The ACO programme has recognised these developments and has also taken stock of the significant progress that has been made in developing the basis for further partnership working. It has also identified immediate steps that can be taken in the coming months to progress the work around health devolution and further integration:

- To consolidate the strong partnership, including democratic and clinical leadership into a formalised commissioning and leadership group to drive forward change and delivery
- To further consider the emerging new models of care over the next few months with a view to considering the best model or models for BHR for the future
- To undertake further work to clarify the specific devolution asks that might be required to deliver the BHR plans in full (i.e. contracting, financial and workforce)

2.19 The Integrated Care Partnership Board has met for the first time (the development of the former Democratic & Clinical Oversight Group for the ACO programme). It is chaired by Cllr Maureen Worby and continues to have political, non-executive and senior clinical and executive participation from the BHR health and local government agencies.

2.20 An appropriate delivery structure is being developed, and there are ACP Executive and ACP Steering Groups being formed. The supporting Joint Commissioning Board is also being scoped, as are arrangements to govern provider collaboration which would also report to the ICP. The BHR Joint Commissioning Board will:

- Bring local authorities and CCGs together to strategically commission services
- Develop strategies that enable the shift in emphasis of commissioning towards services that prevent harmful behaviours or conditions
- Work with localities to develop the new service model
- Develop contracts that incentivise improvement in population outcomes
- Encourage links with the third sector who are already committed to developing innovative prevention activities

2.21 Locality working across the three boroughs forms the major body of work, and first discussions at the Integrated Care Partnership are being lined up for each borough to present their initial plans for locality pilots. Locality based delivery model is built around the key principle of organisations working together to manage common resources to improve the health and wellbeing of a geographically defined population. The proposed locality delivery model of care is designed to radically alter the way that residents access health and wellbeing services across BHR. Prevention will be the bedrock of the model, with a focus on early intervention and support at the point where it is the most beneficial to individual, family or community.

2.22 This dovetails with the Council’s transformation proposals to move from six clusters in adult services to three localities forming the main delivery mechanism for a wider range of services. It remains the case that a fourth locality will be brought on stream some time towards 2020 as population growth makes it viable.

2.23 While a new organisational form in the shape of an ACO will not happen soon, the work undertaken represents significant progress in terms of developing our
approaches for integration for BHR and understanding of the needs of our population, which takes the devolution and integration agenda beyond other much heralded approaches such as in Manchester.

3. **Sustainability and Transformation Plans**

**Background to the STP**

3.1 In December 2015 NHS England planning guidance required health and care systems across the country to work together to develop sustainability and transformation plans (STPs). An STP is a new planning framework for NHS services which is intended to be a local blueprint for delivering the ambitions NHS bodies have for a transformed health service, which is set out in a document called Five Year Forward View (5YFV). The STP will give access to transformational funding for the health system and is a key strategic lever for the NHS.

3.2 England has been divided into 44 areas (known as footprints); Barking and Dagenham is part of the north-east London footprint. The North-East London area encompasses the CCGs, local authorities, and provider organisations across Barking and Dagenham, City and Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest.

3.3 The STP aims to build upon existing local transformation programmes and supports their implementation. These are:

- Barking and Dagenham, Havering and Redbridge: devolution pilot
- City and Hackney: Hackney devolution in part
- Newham, Tower Hamlets and Waltham Forest: Transforming Services Together programme
- The improvement programmes of local hospitals, which aims to support Barts Health NHS Trust and Barking, Havering and Redbridge University Hospitals NHS Trust out of special measures

3.4 The STPs will become increasingly important in health service planning because they are the gateway to funding. In 2016/17 they are the basis for accessing a transformation fund of £2.1bn nationally. This will encompass the funding streams for all transformational programmes from April 2017 onwards, and will rise to £3.4bn by 2021. It is envisaged that this approach will have significant benefits over the earlier approach to transformation funding. Where there had previously been fragmented approaches there will now be a single unified approach across the STP footprint. The aim is that this will assist providers and commissioners to work in a more collaborative and coordinated way enabling transformation and efficiencies to be delivered.

**Developing the STP**

3.5 For Barking & Dagenham, the work to develop the detail underpinning the STP is being taken forward jointly with Havering and Redbridge through the work around devolution and wider BHR system-wide transformation approaches, with regular updates on the work provided to the Health and Wellbeing Board at their meetings on 26 July, 27 September, and 22 November.

3.6 A draft STP was submitted on 30 June as a ‘checkpoint’, which formed the basis of a local conversation with NHS England on 14 July. Formal feedback on the
submission was received at the end of August and asked for further information around the impact the STP proposals would have on the quality of care, clear and realistic actions, clear timelines and benefits. The feedback also asked that robust financial plans are included as well as plans for engagement with local communities, clinicians and staff.

3.7 The next iteration of the STP was submitted on 21 October 2016 and the NEL STP team are currently awaiting feedback and next steps from NHS England.

3.8 The document submitted on 21 October re-emphasised the agreed joint vision for the STP:

- Measurably improve health and wellbeing outcomes for the people of north east London and ensure sustainable health and social care services, built around the needs of local people
- Develop new ways of working to achieve better outcomes for all, focused on the prevention of ill health and out of hospital care
- Work in partnership to plan, commission (buy), contract and deliver services efficiently and safely.

3.9 Whilst each of the health and care economies within NEL has a different starting point, the STP has identified six key priorities which need to be addressed collectively across the NEL footprint. These are:

- The right services in the right place: Matching demand with appropriate capacity in NEL
- Encourage self-care, offer care close to home and make sure secondary care is high quality
- Secure the future of our health and social care providers. Many face challenging financial circumstances
- Improve specialised care by working together
- Create a system-wide decision making model that enables placed based care and clearly involves key partner agencies
- Using our infrastructure better

3.10 The STP submissions also highlights the financial challenges across the health system, with an anticipated total financial challenge of £578m in the ‘do nothing’ scenario. Even after all the existing approaches in place to drive savings out of the system (business as usual efficiencies of 2% p/a, transformation programmes in Hackney, WEL and BHR) there is still a gap of £92m for in 2021. By 2021 the Sustainability & Transformation Fund is expected to be £136m, which is equal to the amount assumed to be required to deliver the NHS Five Year Forward View investment priorities. 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.

3.11 In addition, further work has been carried out on the governance arrangements for the delivery of the STP. The STP team have recognised that this will be an iterative process as ways of working evolve. There is an agreed route map for the development of new ways of working and decision making. A shadow governance arrangement, reflecting the current starting point, is being developed which will be reviewed and refined as further clarity about the new operating requirements and
landscape emerges. A series of governance principles underpins the proposed shadow arrangements and the development of further iterations of the governance structure:

- Participation
- Accountability
- Sovereignty
- Subsidiarity
- Professional leadership
- Accessibility
- Good governance
- Collaboration
- Engagement

3.12 Further details on the STP can be found in Appendix B, which is a narrative summary of the second draft STP submitted to NHS England on 21 October 2016. It should be noted that the full STP, which contains a considerable amount of additional technical detail, is still a draft working document and is subject to change.

Key issues

3.13 There is a considerable fit between the STP and the ambitions that have been agreed locally as part of the BHR level devolution work (for example closer integration, enhanced primary care provision, improved prevention). There is a degree of alignment, therefore, with the plans and approaches agreed across BHR and locally in Barking and Dagenham. The most significant exception concerns its push towards increased provider collaboration across NEL, in particular between Barts and BHRUT, which will see the management arrangements of those Trusts increasingly integrated.

3.14 There has been significant national concern about transparency and local political legitimacy of the Sustainability & Transformation Plan process. There have been ongoing concerns expressed by local authorities across NEL, and particularly by London Borough of Barking and Dagenham, London Borough of Havering and London Borough of Redbridge at the level of engagement of local authorities in the STP process. Although the basis of the BHR contribution to the STP is work that has been shaped through good engagement across BHR, the pace and complexity of reinterpretating this at NEL level has meant that local authorities have had limited engagement in the final product. NHS England does not require that local authorities ‘sign off’ the plan, which is a disappointing step in a plan which is intended to address whole system functioning, and is at odds with the devolution process that BHR had embarked on based on our inability to fix system problems by working alone. There has been an effort made by the NEL STP team to address concerns of local authorities, which has been recognised and appreciated by local authorities, but there are fundamental flaws in the process that remain a concern.

3.15 Other concerns are shared by some partners in the NEL system, which were discussed at the Health and Wellbeing Board meeting on 22 November. It was noted that, unlike some of the plans across the country there are no new big cuts or hospital closures contained in the NEL STP. The purpose of the plans are to impose financial control caps and unless activity in hospital is brought down there will be a financial gap. The Board made several points, including:
that there was a need for the local democratic voice to be heard within the larger regional and sub-regional area
pressure on budgets in other boroughs / areas does have a detrimental effect on the resources available for Barking and Dagenham residents
there was a need to share specialist care centres across the whole NEL STP area and for it not to centre it all in the teaching hospitals
local ‘exemplar’ services needed championing for specialist centre care status, such as the excellent Sickle Cell service at Queen’s Hospital
the proposed downgrade of the King George Hospital A&E Department needed to be considered alongside demographic changes

3.16 Early thinking about governance of the STP has been shared with councils, and in response the Leaders of Barking & Dagenham, Havering and Redbridge have written to their counterparts in the other NEL boroughs making a constructive suggestion of an alternative approach which gives greater prominence to the system-level governance arrangements (i.e. for BHR, WEL and City & Hackney) over a cumbersome all-NEL tier of governance. A key principle for Barking and Dagenham, and all BHR partners, is that decision making should lie at the local system and borough level as a starting point (with localities as a core delivery mechanism), with decisions and approaches taken at a NEL level where this is necessary. There is a concern that as the STP grows, more decisions will flow towards the NEL-level, and early sight of the governance options has reinforced this concern.

Next steps

3.17 The five STPs in London are working jointly to understand the implications of out of area flows on constituent STPs and ensure these implications are accounted for, and where necessary mitigated, in local plans. An approach is expected to be defined in December 2016. Further work is also underway within specialised commissioning.

3.18 CCG operating plans are currently in the process of being finalised and signed off by organisations and an STP wide approach to the 2017-19 contracting round has been agreed. This includes ensuring consistency wherever possible across the entire NEL STP area in relation to both contract form and substance.

3.19 From 21 October to January, local Healthwatch organisations will be working together to gather and understand the views of local people. The 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;

3.20 The latest draft submission of the STP has been circulated to health and social care partners, with feedback anticipated 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.
4. Mandatory Implications

Financial Implications

4.1 The NEL STP will include activities to address current financial challenges across the health and social care economy. The ambition is to ensure that all NHS organisations are able to achieve financial balance by the end of the five year period of the plan.

4.2 As the STP does not yet include the local authority position there are no financial implications arising from the report.

Legal Implications

4.3 As set out in the NHS Shared Planning Guidance, all NHS organisations are required to contribute to the production of a Sustainability and Transformation Plan. Local authorities and other non-NHS partners are not required to produce an STP, but have been consulted in their development.

4.4 There is currently no proscribed role for Health and Wellbeing Boards to sign off on the final STP.

5. Other Implications

Health

Joint Strategic Needs Assessment

5.1 A public health profile for north east London (March 2016) is being used to help understand the health and wellbeing, care and quality and the financial challenges locally and identify priorities for inclusion in the NEL STP.

5.2 The public health profile for north east London identifies common themes that are also identified with the Barking and Dagenham JSNA, as outlined below:

- According to the updated Index of Multiple Deprivation (2010), Barking and Dagenham continues to be in the bottom 7% of most deprived boroughs. In a population weighted ranking the borough is 8th worst in England.
- In Barking and Dagenham there is predicted to be an increase in population from 203,060 to 223,185 between 2015 and 2020, an increase of 9.9%. The 2011 Census found that the population of children aged 0-4 years had grown by 49% in the previous ten years, the highest growth for this age group in England and Wales. In 2013 the numbers of children under 5 years made up 10% of the population and between the ages of 0-19 made up 32% of the population.
- By the end of March 2014, 10,797 people had been detected with diabetes in Barking and Dagenham, a 6.7% rise on the March 2013 figure (10,260) and a 28.6% rise on the March 2010 figure (8,349). The prevalence of diagnosed diabetes in the borough is 7.3%, higher than the England average of 6.2%. It is estimated that 16% of the total number of people predicted to have diabetes are currently undetected.
- Barking and Dagenham has a significantly higher prevalence of overweight and obese adults when compared with London and is similar to that of England. In 2013/14 Barking and Dagenham had the ninth highest proportion of overweight and obese children in Reception class (26.8%) and the third highest proportion in
Year 6 (42.2%) in England. Provisional measurements for 2014/15 indicate that the prevalence of children in reception year that are obese or overweight increased by 1%, while the prevalence of overweight or obese children in year 6 fell by 1.9%,

- Cancer contributes significantly to the health inequalities gap. There are 352 cancer deaths per 100,000 people each year in LBBD, the second highest rate between all London CCGs after Tower Hamlet. This is over 21% higher than the England average of 290 death per 100,000 population. The one year survival rate for all cancers in 2012 was 64%, the lowest in London at 69.7% and 69.3% for England.

Health and Wellbeing Strategy

5.3 The NEL STP links well with the Barking and Dagenham Health and Wellbeing Strategy 2015-18 which identifies three important stages of life: starting well, living well and aging well. Many of the emerging themes of the STP are covered in the Barking and Dagenham HWB strategy including prevention; care and support; and improvement and integration.

Integration

5.4 The STP will act as an ‘umbrella’ plan for change: holding underneath it a number of different specific local plans to address certain challenges. It will build on existing local transformation programmes and support their implementation. These include the Barking and Dagenham, Havering and Redbridge: devolution pilot (accountable care organisation).

Public Background Papers Used in the Preparation of the Report

- NHS Five Year Forward View https://www.england.nhs.uk/ourwork/futurenhs/

Further reading

North East London: Sustainability and Transformation Plan Summary Narrative (Draft Submission 21 October 2016)