

# HILLINGDON'S SUSTAINABILITY AND TRANSFORMATION PLAN

<b>Relevant Board Member(s)</b>	Councillor Philip Corthorne Dr Ian Goodman
<b>Organisation</b>	London Borough of Hillingdon Hillingdon Clinical Commissioning Group
<b>Report author</b>	Caroline Morison, Chief Operating Officer HCCG Kevin Byrne, Policy and Partnerships LBH
<b>Papers with report</b>	1. Draft Hillingdon STP chapter 2. Draft North West London STP draft submission

## HEADLINE INFORMATION

<b>Summary</b>	<p>Hillingdon's HWB has overseen the work being undertaken across partners to develop Hillingdon's Sustainability and Transformation Plan (STP), through reports to previous meetings.</p> <p>The Hillingdon STP has fed directly into the development of an overall North West London "footprint" STP for the sub-region which is reviewed by NHS England and forms the basis of the funding proposals for the Sustainability and Transformation fund.</p> <p>An interim submission was made at the end of June 2016 (Annex 2). The Board is now asked to agree the submission of the Hillingdon Chapter and to agree a process for consideration of the overall NWL STP which will be submitted to NHS England on 21<sup>st</sup> October.</p>
<b>Contribution to plans and strategies</b>	<p>The Hillingdon STP will directly influence local plans including:</p> <ul style="list-style-type: none"><li>• HCCGs commissioning intentions for 2017/18</li><li>• Development of the next iteration of Hillingdon's Health and Wellbeing Strategy.</li><li>• Hillingdon's Better Care Fund for 2017/18 and onwards.</li></ul>
<b>Financial Cost</b>	<p>There are no financial implications arising directly from this report. A successful plan should, however, facilitate access to new Sustainability and Transformation funding for the local health and care economy.</p>
<b>Ward(s) affected</b>	All

## **RECOMMENDATION**

**That the Health and Wellbeing Board:**

- 1. notes the Hillingdon chapter of the STP (Annex 1) and instructs officers to develop a delivery plan to implement the priorities identified.**
- 2. notes broad support for the draft North West London STP submission dated June 2016 (Annex 2).**
- 3. agrees to delegate authority on behalf of the HWB to the Director of Adults, Children's and Young People's Services in consultation with the Chairman of the Board, the Chairman of the CGG and Chairman of Healthwatch Hillingdon, to agree, in principle but subject to detailed scrutiny of financial information, the latest North West London STP submission anticipated to be available between now and 15<sup>th</sup> October, for submission to NHSE by 21<sup>st</sup> October.**

## **INFORMATION**

### **Supporting Information**

The Board has previously considered progress in developing the Hillingdon Chapter and the overall NWL STP. Feedback was provided to the NWL strategic planning group that Hillingdon's HWB had not approved the NWL submission as it had not been made available to the Board. In addition, concerns were raised as to the lack of democratic oversight of the governance producing the NWL STP.

### **Hillingdon STP Chapter**

The Board has agreed ten priorities in the Hillingdon STP. The draft plan at annex one, therefore, develops these transformation themes and provides indications of how they will be taken forward, with key 2016/17 actions and anticipated outcomes by the end of the five year plan period in 2020/21. The Board also requested that the plan include data on forecast "funding gaps" anticipated by both health and social care to provide a full picture of the task at hand. This information is now included identifying a gap in funding to the CCG of approximately £40m and to social care of £18m - see also financial information below.

The Hillingdon plan builds on the significant joint effort already in place and underway. This includes work towards establishing a model of 'accountable care' where providers of services are commissioned to work together to look after the needs of a whole population, rather than commissioning distinct services that can sometimes be fragmented and duplicative. 2017-18 will provide us with an opportunity to test the effectiveness of this approach.

In addition it also reflects the good progress on the Better Care Fund and the work on CAMHS transformation. As has been reported in the BCF paper on the agenda, work is progressing as part of the Hillingdon STP in the following areas:

- **CAMHS** - Options for a fully integrated Children and Adolescent Mental Health Service (CAMHS) that will entail a transfer of resources into prevention and wellbeing services and a subsequent reduction of treatments in specialist and highly specialist services, with a

resultant reduction in the waiting times for these services, and a reduction in inpatient admissions.

- **Intermediate Care** - Options for a fully integrated intermediate care service that will result in a single point of access, a single accountability for the service, residents receiving the intervention of the most appropriate professional first time, a reduction of hand-offs between organisations and an improved experience of care for residents.
- **Transforming Care** - Developing an intensive intervention model to support step down from specialist (tier 4) provision and developing tailored housing options to support people with learning disabilities and/or autism;
- **Like Minded** - Developing a range of supported living options enabling people to transition from acute to least intensive community settings, designing and developing the model of care for Primary Care Mental Health Services and developing locally-based step-up facilities to support people in crisis.

The Hillingdon STP has been shared in draft with NWL so as to ensure a seamless link between what is proposed in Hillingdon and that sought across the sub-region in the footprint STP.

Moving forwards it is clear that some form of project and programme management will be required to oversee the delivery of the plan both locally and at NWL level. It is not clear at present how this might happen but it is recommended that a local implementation plan be developed to take forward the transformation themes and that this in turn replaces Hillingdon's Health and Wellbeing Strategy, and that proposals are worked up across partners for consideration by the Board.

## **The North West London STP**

As noted Hillingdon's HWB has not yet formally been invited to comment or agree to the June 2016 submission of the NWL STP. It is therefore attached as annex 2. Since the end of June work has been underway to develop this overview further and to put more "meat on the bones" of proposals but it is not anticipated to change in terms of the scope and broad approach. Any updates available will be circulated to the Board when available.

A key part of the NWL STP is how it argues and establishes the case for accessing the ST fund support that it is anticipated is available to support transformational work across the sub-region. Overall it identifies a shortfall of £1,299m across the health and social care system by 2020/21 in NWL based on a "do nothing" scenario. It also identifies that an investment of £118m could deliver savings of approximately £508m from commissioners and providers. The hefty caveat on all this is that the figures are based on estimates and are designed to be equitable (based on same methodology across providers and boroughs) and to produce a bid for funding rather than robust business cases to warrant investment.

The NWL plan has made good progress since the June submission in developing governance proposals and addressing the concerns raised, especially from local authorities, regarding democratic accountability. Draft terms of reference are being discussed to develop a new health and care transformation group with lead member involvement alongside NHS representatives both as commissioner and providers. Cllr Corthorne is the lead member for these discussions.

The new group is also likely to include Rob Larkman and possibly Ian Goodman from Hillingdon's Health and Wellbeing Board as members.

It is expected that this group will have strong influence over how STP fund money is passported through to CCGs and allocated.

## Feedback from NHSE

Initial feedback from NHSE has been positive, the NWL STP was allocated to the second wave of sites (only one area in London was identified as wave 1 – South East London).

## Financial Implications

The high level estimates set out in the Hillingdon STP chapter and the initial NWL STP submission identify the funding gap arising from the option to 'do nothing' over the period 2016/21 and how using new funding through the STP provided by the government will transform services and close this gap over the next 5 financial years. The financial analysis set out in the detailed plans has been calculated at a strategic level and based upon a number of assumptions which are currently being reworked by finance officers from both Health and Local Government to ensure that financial plans can be fully evidenced.

An exercise to identify the 'Do nothing' option for the local Hillingdon STP plan, has forecast for the period 2016/2021, that the future funding gap for Health split out across the different types of provision and for Adult Social Care is initially estimated as £104 million. The table below which also includes the position for NWL as a whole sets out the forecast funding gap in more detail.

<b>Period 2016/2021</b>	<b>Hillingdon £m</b>	<b>NWL £m</b>
CCG	(39)	(293)
Primary Care	(2)	(15)
Social Care	(18)	(145)
Acute and Community Care	(45)	(658)
Special Commissioning	0	(188)
<b>Total</b>	<b>(104)</b>	<b>(1,299)</b>

The detailed assumptions underpinning these forecasts are as follows:

- For the health economy, the increased health needs of a growing and ageing population means that the forecast increase in demand and the resulting cost of delivering services will increase faster than the actual population growth. There are also financial pressures arising from inflation, increased A&E attendances, increased prescribing costs for new treatments and a range of pressures across a number of other services.
- For Adult Social Care the funding gap comprises the demographic growth for Older People, People with disabilities and mental health conditions, the impact of the National Living Wage on Home Care and Residential and Nursing Accommodation provider costs and other local pressures including the financial impact of the growth of DOLS assessments. As at June 2016, this has been estimated as £18m over the next 5 financial years. The forecast funding gap for Hillingdon does not include any financial savings over this period that ASC will need to make to deliver the council's statutory

requirement to set a balanced budget. Further work is currently underway across the NWL boroughs by finance officers to bring a more consistently and evidenced approach to calculating the each boroughs funding gap.

The NWL STP plan including the specific Hillingdon Chapter sets out how the 'Do nothing' funding gap identified above can be closed over the financial period 2016/21.

The table below sets out the forecast financial impact of the strategic proposals to close the gap as at June 2016.

	<b>Health</b>	<b>Adult Social Care</b>	<b>Total Health and Care</b>
	£m	£m	£m
<b>Do Nothing funding gap as at June 2016</b>	<b>(1,154)</b>	<b>(145)</b>	<b>(1,299)</b>
Business as usual savings (QIPP/CIPS)	569	0	569
Delivery Areas (1-5) - Investment required	(118)	0	(118)
Delivery Areas (1-5) -Savings to be delivered	446	62	508
Additional estimated full year impact of ongoing costs following transformation	(55)	(34)	(89)
ST Funding	93	54	147
Implement 2% Social Care Precept	0	63	63
Special Commissioning Services	188		188
<b>Forecast Residual Gap as June 2016</b>	<b>(31)</b>	<b>0</b>	<b>(31)</b>

The detailed assumptions underpinning these forecasts are as follows:

- The QIPP/CIPS savings for Hillingdon CCG have been estimated at £42.5m over the period 2016/21 and represent the status quo.
- The investment of £118m is set out in the attached NWL STP plan by Delivery Area, along with the forecast savings that will come from each planned activity delivering gross savings of £446m giving net savings of £328m within the Health and Care economy over the 5 years.
- The forecast savings for Adult Social Care assumes savings of £47.5m can be found from STP investment in the Delivery areas, including £22m from joint commissioning of services. Any residual balance is assumed to be addressed through the recurrent £147m sustainability funding for NW London on the basis that health and social care budgets will be fully pooled and jointly commissioned by 2020/21.
- Ongoing increased required annual funding of £89m has been included within the assumptions to reflect ongoing annual costs arising from transformed services.
- STP funding is the additional funding currently identified in the published indicative allocations for 2020/21 from NHS England.
- The STP plans assume that the permitted 2% social care precept is either fully implemented or funded separately by each borough.

- For Special Commissioning Services the 'solution' for closing the gap has not yet been developed, however it is assumed the gap will be closed.
- The residual gap of £31m to be addressed post 2020/21.

All the financial project estimations both in forecasting the 'do nothing ' funding gap and the draft NWL STP submission to close the funding gap are subject to further detailed analysis across local government and health.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

**What will be the effect of the recommendation?**

### **Consultation Carried Out or Required**

Updates of actions to the plan have involved discussions with partner agencies to provide up to date information.

### **Policy Overview Committee comments**

None at this stage.

## **CORPORATE IMPLICATIONS**

### **Hillingdon Council Corporate Finance comments**

Corporate Finance has reviewed this report, noting that the NWL STP bid outlines an approach to bridging the budget gap for Adult Social Care by 2020/21 through a combination of savings across the five STP delivery areas, implementation of the Social Care Precept and receipt of additional recurrent funding from the Department of Health.

Hillingdon's share of this budget gap is estimated at £18m and is reflected in the Council's own Medium Term Financial Forecast. Subject to acceptance of the NWL bid by Department of Health, savings identified will be fully costed and reflected in the MTFF alongside any additional funding available to support local Social Care services. Decisions regarding implementation of the Social Care Precept in Hillingdon remain the prerogative of the Council.

### **Hillingdon Council Legal comments**

The Borough Solicitor confirms that there are no specific legal implications arising from this report.

## **BACKGROUND PAPERS**

NIL.