



# **NEL Sustainability and Transformation Plan Board**

## **Minutes**

Tuesday 20<sup>th</sup> September 2016  
Newham CCG, Unex Tower, 4<sup>th</sup> Floor, Meeting Room FO24/FO21

**Attendees:**

Julian Nettel (JL)	Independent facilitator and chair programme board (outgoing)
Rob Whiteman (RW)	Independent facilitator and chair programme board (incoming)
Jane Milligan (JM)	Chief Officer, TH CCG & Executive lead for north east London STP
David Slegg (DS)	Regional Finance Director NHS England (London)
Clare Highton (CH)	CCG Chair, City & Hackney CCG/ NEL Clinical Senate Chair
Paul Haigh (PH)	Chief Officer, City & Hackney CCG
Henry Black (HB)	Chief Finance Officer, Tower Hamlet CCG/NEL STP Finance lead
Steve Gilvin (SG)	Chief Officer, Newham CCG, NEL STP Primary Care lead
Terry Huff (TH)	Chief Officer, Waltham Forest CCG /NEL STP CCG Lead
Ceri Jacobs (CJ)	NEL DCO, NHS England
Sam Everington (SE)	CCG Chair, Tower Hamlets CCG/NEL STP Clinical Lead
Fiona Peskett (FP)	Deputy Director of Strategy, BHRUT
Tracey Fletcher (TF)	Chief Executive, HUH, NEL STP Workforce lead
Hilary Ross (HR)	UCLP
Martin Esom (ME)	Chief Executive, London Borough of Waltham Forest/NEL STP LA Lead
Lee Outhwaite (LO)	NHS Improvement
Ralph Coulbeck (RC)	Director of Strategy, Barts Health Trust
Nigel Burgess (NB)	Health Education England
Jacqui Van Rossum (JVR)	Executive Director, Int. Care (London) & Corporate Comms, NELFT
Julie Lowe (JL)	NEL STP Director of Provider Collaboration
Nichola Gardner (NG)	NEL STP Programme Director
Don Neame (DN)	NEL STP Communications Lead
Oliver Excell (OE)	NEL STP PMO Manager
Joy Ogbonna (JO)	NEL STP PMO Support

**Apologies:**

Anne Rainsberry (AR)	Regional Director NHS England (London)
Matthew Hopkins (MH)	Chief Executive, BHRUT, NEL STP/Provider Lead
Navina Evans (NE)	Deputy CEO, ELFT
Alwen Williams (AW)	Chief Executive, Barts Health Trust, NEL STP Infrastructure lead
Conor Burke (CB)	Chief Officer, BHR CCGs, NEL STP Transformation SRO
Waseem Mohi (WM)	Chair, Barking and Dagenham CCG
Tom Travers (TT)	Chief Finance Officer/BHR CCGs
Grainne Siggins (GS)	Director of Adult Social Care, London Borough of Newham
John Brouder (JB)	Chief Executive, NELFT
Meradin Peachey (MP)	Director of Public Health, Newham /STP Public Health Lead
Rakhee Verma (RV)	Head of CE Office
Russ Platt (RP)	Specialist Commissioning, NHS England
Victoria Woodhatch	NHSE

## 1. Welcome and Introductions

JN welcomed everyone to the meeting and noted apologies. He kicked off the meeting with a round of introductions from members of the group.

## 2. Minutes and matters arising

The minutes and summary of actions from the last meeting were approved.

JN noted that matters arising were on the agenda. Making reference to the minutes and actions (Item 1), JM noted that the action relating to the development of the two phase resourcing plan by the F&A Group had come outside the Board and was put there for information and for Item 6. A letter was issued to all Provider Chief Executives and CCG Chief / Accountable Officers with a proposal for equal sharing of the programme resourcing costs, and requesting feedback on Friday 16<sup>th</sup> September. Some organisations have not yet provided feedback in response to this proposal. JM ask the group to continue to review for feedback at the earliest opportunity.

PH highlighted that the lack of clarity regarding the role of the Local Authority in signing off the 21 October submission has continued to be raised. ME commented that this is being discussed locally, and each Local Authority is developing its own approach to reviewing the STP (with some taking ti through their cabinet meetings).

JN also reported that there isn't any formal requirement for Local Authority sign off for the next phase of the Sustainability Transformation Plan (STP) However, the programme team will continue to share its development and progress with HWBB and collect their feedback..

### 2b. Update on NEL STP governance arrangements

NG gave a brief update on the NEL STP governance arrangements. On the 24<sup>th</sup> August the NEL STP Board approved the proposed deliberative approach to the development and implementation of the new governance arrangement for the NEL STP with wider system engagement which includes establishing a governance working group with representation from across the NEL system, to develop options and proposals for the new governance arrangements.

The first Governance Working Group meeting is planned to take place on 21/09 and will be chaired by Marie Gabriel. Provider NEDs, Chairs and Lay members had a pre meet on the 5<sup>th</sup> September to discuss and agree governance design principles and the high level governance framework. Proposals from the Governance Working Group will be fed back to the Programme Board.

## 3. Programme Update

NG gave a brief update on the progress of the STP programme to date highlighting activities completed and upcoming activities, key milestones, risk and issues.

#### Highlights included:

- Focus on the delivery plan
- Agreeing on the resource requirements
- HLP resource joined programme to support primary care transformation planning
- Executive Director of Provider Collaboration joined programme team to lead Provider Collaboration work
- PwC completed financial review of BHR CCGs and drafted initial report
- The NHSE specialised commissioning data analysis work has been awarded to PwC. The outputs from this data analysis should be ready by mid-October
- Barts Health initiated development of Financial Special Measures recovery plan (deadline for submission on 3/10)
- Initiated planning for 2017-19 operating planning process – Les Borrett appointed to lead process
- Held NELAR programme board to refine process for changes to KGH ED, and agree capital and revenue implications of ED closure
- NHS E programme support resource joined programme team
- Director of Communication has been advertised

#### Key Milestones:

- 21 October: full STP submissions including the finance template
- 23 November: CCGs and NHS providers to share first drafts of operational plans for 2017/18 and 2018/19
- 23 December: CCGs and NHS providers to finalise two-year operational plans.

CH commented that it was unclear why the local NEL priorities for Specialised Commissioning differed from the London wide priorities. NG confirmed that initially the London wide priorities duplicated the NEL local priorities. Therefore the NEL Specialised Commissioning Steering Group took the decision to focus on Renal and Cardiology.

CH expressed concern that the specification for the NHSE specialised commissioning data analysis will not provide the level of detail required for the local NEL work. JN recommended that this concern is highlighted to PwC for consideration in undertaking the data analysis.

**Action: NG to contact PwC to highlight the NEL requirements for Specialised Commissioning data analysis**

#### 4. Update from 12<sup>th</sup> Sept support meeting with NHS England

JM gave a verbal update on the recent meeting with NHS England meetings highlighting key discussions and actions. The purpose of the meeting was

- To review progress on development of the NEL STP for submission on 21<sup>st</sup> October, and in particular the financial template
- To review progress on development of transformation schemes,

- To review progress on the 2 year operating planning process
- To review the status of the resources plans to deliver the 21<sup>st</sup> October NEL STP submission and the subsequent implementation of these plans.

JM reported that the operating plan guidance is expected during the week.

JM reported that majority of the meeting was focused on the Finance strategy and approach.

ME reported that there needs to be clarity on the devolution pilots and their relationship with the STP, and the proposed alignment of the devolution pilots with the STP is causing some concern in the Local Authorities. Therefore engagement with the Local Authorities is key to continue their support for the STP. ME advised that we should be primarily focusing on what is best for the system and putting in place arrangements that are sustainable in the long term. CJ also highlighted concerns regarding the alignment of the Hackney Devolution pilot to the NEL STP, and in particular a loss of focal on the critical social services element of the Hackney Devolution pilot

The group expressed concerns on the spread of risk across STP footprint and the risk of Barts Health deficit on devolution.

The group recognised the need to demonstrate partnership working and welcomed views and comments on how it can all come together. SE noted that the creation of the TST helped build amazing strong relationship between organisations and emphasised it should be similar for the STP.

SG expressed frustration regarding the lack of ability to openly share and communicate the NEL STP. Transparency on the NEL STP is essential to build political support and creates a real challenge to engaging fully with local authorities. ME commented that elected members of the Local Authorities are very will to engage on the NEL STP, but require clarity on what they are engaging on.

CJ advised that a feedback letter from the 12<sup>th</sup> September meeting will be sent to NEL STP SRO, JM.

## **5. Update on development of NEL system level financial strategy and system control total**

HB presented a paper outlining the approach to developing the NEL system level financial strategy, including the system control total and the 1% risk reserve from 17/18 onwards. A series of discussions have taken place in a different number of forums regarding the principle of a NEL wide Financial Strategy. The intention is for the NEL system to come together to agree a system level financial strategy that will enable delivery of financial balance and sustainability by 2021 This should cover resource allocation and prioritisation across the system, in particular in relation to future STF money as well as pooled resources and the 1% risk reserve from 17/18 onwards

NHSE have advised that there are essentially two options open for treatment of the 1%. HB noted the options and impact as outlined in the paper. Option A, would result in WELC CCGs declaring higher surpluses to offset the BHRCCGs' deficit in 16/17

- The impact of this in 17/18 would be that BHRCCGs would be required to repay the deficit in year. This would take the form of a non-recurrent adjustment to allocation under the RAB policy. Like all CCGs, BHR would still be required to make a 1% surplus in 17/18 so they would effectively have to find in year expenditure reduction measures and to manage with a lower allocation.
- The WELC CCGs would receive a higher non-recurrent allocation (return of prior year surplus) but due to policy pressures the opportunity for drawdown in 17/18 is unlikely, so in reality this additional allocation would not be available to spend.
- The overall impact would be the loss of in-year spending power to the whole NEL system by allowing BHRCCGs to fall into deficit.

Option B would require all 7 NEL CCGs to pool their 1% plus any further in-year surpluses, and for this pool to be available to support all NEL CCGs to deliver financial targets in year.

HB highlighted the proposals to the Board and conditions

#### **Discussion of the proposal included:**


JN suggested it would be best to go for option 2 as it is more flexible. Other suggestions included going for option 2 as well with a view to having a clear understanding of how the 1% will be used and also how it would support the system control total.

SG raised concerns on where the system would be in 16/17 and specifically the risk that the system may lose the Sustainability and Transformation Funding. In addition, the finance strategy and risk pooling arrangements would also need to address the 17/18 financial position, where there is also likely to be a deficit.

DS confirmed that the 1% surplus is currently held by the CCG. However, the treasury will confirm the release of this surplus but this is unlikely to happen in the short term. Option A is an individual approach and cannot be used in the provider sector for this year and option B is by way of pooling that can assist BHR CCGs as it allows NEL to keep £21m locally.

HB noted that there is the need to pin down the recovery plans for Barts Health, BHRUT position and BHR CCGs to inform the financial strategy.

TH highlighted the importance of clear governance around the allocation of the risk pool. TH also highlighted that the risk pool payments cannot be classified as 'loans'.



It was agreed that the task of developing proposed governance arrangements for the control of the risk pool should be delegated to the Governance Working Group. Any governance arrangements for the management of the risk pool would need to ensure a multidisciplinary approach that involved more than just the CFOs

SE highlighted the need to ensure that the financial strategy and risk pooling arrangements support the overall vision of the NEL STP for improving patient care.

JN noted that the group agreed the risk pooling option for the CCG 1% surplus and recognised that more work would be required on the governance arrangements to support this.

CH confirmed that C&H CCG supported this proposal in principle but would require further detail on the Barts Health Trust income assumptions. RC confirmed that the Barts Health income assumptions have previously been shared - and confirmed that Barts does not assume any payments from the risk pool. The Barts Health financial plan assumes a level of income from the commissioners which has been communicated

The final proposal for the system level financial strategy will be presented to the CCG Governing Bodies and Provider Trust Boards for approval.

HB highlighted the organisations' Q1 financial positions need to be closed down by the end of September to support the development of the system level finance strategy

JM highlighted that the feedback from the STP Board will be communicated to the F&A Group on 21/10 and the NELAG CFOs on 23/10, to support the development of the system level financial strategy.

**DECISION AGREED – An agreement in principle go for Option B was made by the Board**

**ACTION – Highlight to the Governance Working Group on 21/10 the requirement to development the governance arrangements for the allocation of the risk pool (OE)**

## **6. Resourcing position**

A letter from JM which was circulated to all Chief Executives and Chief Officers last Wednesday 14<sup>th</sup> Sept was tabled at the meeting. The letter seeks to set out the resource cost for NEL STP from 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017 with a view to send response to NHS England by 19<sup>th</sup> September. JM noted she had received feedback from most organisations and was awaiting feedback from a couple. Deadline for submission is the end of the week.

**Action: Organisations yet to send their update JM are expected to do so by 23<sup>rd</sup> September**

## **7. Board engagement towards 21<sup>st</sup> October submission**

OE presented a paper on a proposed approach and timescales for engagement of CCG Governing Bodies and Provider Trust Boards for 21<sup>st</sup> October NEL STP submission

Following the submission of the draft NEL STP to NHSE on 30<sup>th</sup> June, and the subsequent feedback from the meeting with the NHSE and NHSI national leadership teams in July the programme team has been preparing for the next submission of the NEL STP on 21<sup>st</sup> October. OE highlighted that the programme team has made the assumption that the NEL STP submitted on 21<sup>st</sup> October will still be draft and will therefore not need to be formally signed off by CCG Governing Bodies and Provider Trust Boards. The 18<sup>th</sup> October NEL STP Programme Board will approve the 21<sup>st</sup> October submission of the NEL STP, on behalf of all NEL partner organisations via their nominated representatives on this board

### **Discussion points included:**

It was observed that the Governing bodies and Trust Boards for most organisation will be taking place far in advance of the 21<sup>st</sup> October submission, before a draft version of this document would be ready to be shared.

OE highlighted that the programme team is planning to send to all CCG Governing Bodies and Provider Trust Boards a draft version of the 21<sup>st</sup> October submission on 11<sup>th</sup> October for review and comment.

CJ recommended extra governance may be required to take place within the organisations ahead of the 18<sup>th</sup> October NEL STP Board meeting and 21<sup>st</sup> October submission.

Concerns were raised on the risk of any material change arising from the analysis of the 16/17 in year position that would need to be discussed by the CCG Governing Bodies and Provider Trust Boards

**Action: HB to ascertain the level of risk of a material change to the financial positions**



## 8. AOB:

- JM thanked JN for all his hard work with the STP to date and for a smooth handover to Rob Whiteman.
- The next programme board meeting is scheduled for 18<sup>th</sup> October 2016 at Newham CCG, Unex Building, Stratford.

### Summary of Actions:

Ref	Action	Owner	Due Date	Status
01	<p><b>Programme Update</b> - It was unclear why the local spec comm process differs from the London wide process and a proposal to focus primarily on Renal and Cardio and it would be best to liaise with PwC to focus on the two service areas</p> <p><b>Action: NG to contact PwC to highlight the NEL requirements for Specialised Commissioning data analysis</b></p>	NG	1 <sup>st</sup> October	
02	<p><b>Highlight to the Governance Working Group on 21/10 the requirement to development the governance arrangements for the allocation of the risk pool (OE)</b></p>	OE	21 <sup>st</sup> October	
03	<p><b>Resourcing position</b> - Organisations yet to send their response to JM on the resourcing proposal for the NEL STP from 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017 are expected to do so by 23<sup>rd</sup> September</p>	All	23 <sup>rd</sup> September	
04	<p><b>Board engagement towards 21<sup>st</sup> October submission</b> - Concerns were raised on the risk of any material change arising from the analysis of the 16/17 in year position that would need to be discussed by the CCG Governing Bodies and Provider Trust Boards</p> <p><b>Action: HB to ascertain the level of risk of a material change to the financial positions</b></p>	HB	1 <sup>st</sup> October	

### Summary of key decisions:

01	<p><b>Update on development of NEL system level financial strategy and system control total</b> : An agreement in principle go for Option B was made by the Board</p>
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