

NHS finance chiefs offer gloomy verdict on STPs

(Extract from the **Healthcare Financial Management Association (HFMA) 2016/17 end of year Survey**, published 2 August)

“NHS England introduced sustainability and transformation partnerships (STPs) in its December 2015 planning guidance.¹¹

“It established 44 STP footprints across England, with a focus on place-based working as a vehicle to deliver the *Five-Year Forward View*¹² (FYFV). With plans completed by the end of 2016, the focus is now on implementation and action.

“The FYFV refresh, *Next steps for the NHS five year forward view*¹³ calls for an acceleration of the integration work through STPs. It recognises that, in some cases, areas are ready to fully integrate their funding and services through accountable care systems (ACSs).

“We found broad acceptance of STPs, with finance directors welcoming the focus they bring. It is encouraging that more than 50% of respondents believe there are strong enough relationships with NHS providers and commissioners to deliver the required cross-organisational change, compared with 20% in December 2016.¹⁴

“However, respondents recognise that relationships vary between organisations and in some cases are still immature. In particular, further work is required to establish strong relationships with the voluntary sector and ambulance trusts.

“Only 30% of trust finance directors and 19% of CCG [Chief Finance Officers] CFOs believe there are strong enough relationships with ambulance trusts. Some 33% of trust finance directors and 42% of CCG CFOs believe there are strong enough relationships with the voluntary sector.

“Also, while more than 50% of CCG CFOs believe that relationships are strong enough with general practices and local authorities to deliver change, only 27% and 31% respectively of trust finance directors agree.

“Although positive relationships and shared intent and purpose across STPs is cited, our survey found that 89% of trust finance directors and 77% of CCG CFOs are either not confident or not very confident that the STP has the ability to deliver a plan to help close the funding gap by 2021.

“Nearly two thirds of trust finance directors and 77% of CCG CFOs believe their operational plans are aligned with STP transformation plans. In some cases, respondents recognise that while they are aligned as much as they can be, further detail is required and fundamental STP transformation will take more time to deliver.

“Only 47% of trust finance directors and 51% of CCG CFOs believe that the contracts they have entered into are aligned to STP plans. Some respondents note that despite the STP

direction of travel being clear, they ‘fell apart when it came to agreeing contracts’ and contracts agreed ‘bear little resemblance’ to agreed plans.

“Finance directors are not confident that STPs have the ability to deliver plans, and only half of survey respondents felt that the contracts into which they have entered aligned with their STP plan. Together this might be evidence that moving from planning to delivery at the STP level will require significant effort if competing organisational priorities are not to get in the way.

“As highlighted in our December NHS financial temperature check, there is a scarcity of capital to facilitate change. Just 40% of trust finance directors and 26% of CCG CFOs have identified sufficient capital funding to deliver their own organisation’s capital plan.

“However, perhaps because of the scale of the transformation challenge, only 1% of trust finance directors and 3% of CCG CFOs believe that there is enough capital available to support their STP transformation programme.

“Our survey was conducted before the Conservative party pre-election response to the Naylor review in relation to potential additional capital funding. We will ask finance directors for their views on capital again in our next financial temperature check.

“Concerns around the governance arrangements of the STP remain high. In our December 2016 survey, 72% of respondents had concerns about these governance arrangements. Our current survey found 74% of trust finance directors and 60% of CCG CFOs still have concerns about the governance arrangements of their STP.

“Respondents emphasise that STPs are still at the ‘early stage of development, with difficult decisions yet to be made’ and arrangements are ‘large and unwieldy’. Many of these concerns were considered in the HFMA briefing on developing STP governance arrangements.¹⁵

“Lack of clear accountability over responsibility for delivery and decision-making is a concern. The March 2017 FYFV refresh sets out key elements for the governance of STPs, recognising that ‘to succeed, all partnerships need a basic governance and implementation support chassis’. »

¹¹ www.england.nhs.uk/wp-content/uploads/2015/12/planning-guid-16-17-20-21.pdf

¹² www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf

¹³ www.england.nhs.uk/wp-content/uploads/2017/03/NEXT-STEPS-ON-THE-NHS-FIVE-YEAR-FORWARD-VIEW.pdf

¹⁴ www.hfma.org.uk/publications/details/nhs-financial-temperature-check---briefing-december-2017

¹⁵ www.hfma.org.uk/publications/details/emerging-approaches-developing-sustainability-and-transformation-plan-governance-arrangements