

To: CCG Accountable Officers,  
Chief Executives of NHS trusts,  
NHS foundation trusts and Local  
Authorities and LETB Geographical  
Directors

**By email**

16 February 2016

Dear colleague

**Re: Developing Sustainability and Transformation Plans to 2020/21**

The [NHS Shared Planning Guidance](#) asked every health and care system to come together to create their own ambitious local blueprint for accelerating implementation of the Five Year Forward View (5YFV). Sustainability and Transformation Plans (STPs) will be place-based, multi-year plans built around the needs of local populations. They will help ensure that the investment secured in the Spending Review does not just prop up individual institutions for another year, but is used to drive a genuine and sustainable transformation in patient experience and health outcomes over the longer-term. STPs are not an end in themselves, but a means to build and strengthen local relationships, enabling a shared understanding of where we are now, our ambition for 2020 and the concrete steps needed to get us there.

We have been encouraged by the speed and enthusiasm with which most areas have already come together to agree their footprints and start the conversations. The boundaries used for STPs will not cover all planning eventualities. As with the current arrangements for planning and delivery, there are layers of plans which sit above and below STPs, with shared links and dependencies. For example, neighbouring STP areas will need to work together when planning specialised or ambulance services or working with multiple local government authorities and, for areas within a proposed devolution footprint that cross STP boundaries, further discussion will be required in working through the implications. Other issues will be best planned at Clinical Commissioning Group (CCG) level.

If we get this right, then together we will:

- engage patients, staff and communities from the start, developing priorities through the eyes of those who use and pay for the NHS;
- develop services that reflect the needs of patients and improve outcomes by 2020/21 and, in doing so, help close the three gaps across the health and care system that were highlighted in the 5YFV (health and wellbeing, care and quality, and finance and efficiency);
- mobilise local energy and enthusiasm around place-based systems of health and care, and develop the partnerships, governance and capacity to deliver;
- provide a better way of spreading and connecting successful local initiatives, providing a platform for investment from the Sustainability and Transformation Fund; and



- develop a coherent national picture that will help national bodies support what local areas are trying to achieve.

This will require a different type of planning process – one that releases energy and ambition and that focusses the right conversations and decisions. It will require the NHS, at both the local and national level, to work in partnership across organisational boundaries and sectors.

This letter sets out our initial thinking on STPs – please see **Annex A** for further detail. We recognise that you and your teams are also working hard on operational plans, so over the next few weeks and months we will develop an active programme of support for our local and national teams, based on what you tell us you need.

We look forward to continuing to work closely with you to deliver this important work.

Yours faithfully

**David Behan**, Chief Executive, Care Quality Commission

**Ian Cumming**, Chief Executive, Health Education England

**Sir Andrew Dillon**, Chief Executive, National Institute for Health and Care Excellence

**Jim Mackey**, Chief Executive - Designate, NHS Improvement

**Duncan Selbie**, Chief Executive, Public Health England

**Simon Stevens**, Chief Executive, NHS England

## Annex A

### Stage 1: Before Easter – developing local leadership and collaboration

1. To have a realistic prospect of developing good plans by the summer, we will need to have agreed three things for each of the STP footprints by Easter:
  - (i) the governance arrangements and processes needed to produce an agreed STP and then to implement it;
  - (ii) the scale of the challenge locally for each of the three gaps; and
  - (iii) key priorities identified to address each gap.
2. **Governance arrangements:** Building the relationships and collective leadership needed to make STPs real will take dedicated time, effort and resource. Different areas will be at different starting points. In some areas, local leaders are already working together on established transformation projects. In other areas, relationships and strategies are less mature, requiring intensive focus in the early stages.
3. Each footprint will need to set out governance arrangements for agreeing and implementing a plan. This should include the nomination of a named person who will be responsible for overseeing and coordinating their STP process – a senior and credible leader who can command the trust and confidence of the system, such as a CCG Chief Officer, a provider Chief Executive or a Local Authority Chief Executive. They will be responsible for convening and chairing system-wide meetings and facilitating open and honest conversations that will be necessary to secure sign-up to a shared vision and plan. We would expect to see time and resource dedicated to this system leadership role.
4. STPs will need to be developed with, and based on the needs of, local patients and communities and command the support of clinicians, staff and wider partners. We therefore anticipate robust plans for genuine engagement as part of the decision making process. This doesn't mean beginning from scratch. Where relevant, areas should build on existing engagement through Health and Wellbeing Boards and other existing local arrangements. Health Education England has agreed that they will establish a local Workforce Advisory Board to coordinate and support the workforce requirements for each STP footprint.
5. **The scale of the challenge:** Partners in each footprint area will need to quickly get a sense of the scale of the forecast challenge in their local area, by working out the extent of the three gaps. To accelerate this process, we will provide a method with data to enable local partners to diagnose current and projected gaps in health and wellbeing, care and quality and finance and efficiency, including current and expected delivery on key service priorities such as cancer and seven day services. We will publish more detail on this during the week commencing 29 **February 2016**.
6. **Identify key priorities:** An assessment of the three gaps, alongside a consideration of local challenges where patients and populations need to see most improvement, will help each area to identify the key priorities they need to tackle over the next five

years to achieve sustainable transformation. Where, for example, Vanguard and Integrated Care Pioneers are leading the transition to new care models, local leaders will want to set out how the learning from these can be applied in the coming years.

7. There is clearly a lot to do in a short space of time. To help support local and national learning, each footprint will be asked to attend one of four regional 'development days' to share their emerging thinking with one other and with the Chief Executives of the national bodies. This will help us to identify further areas for support and shape the next stage of the process. Ahead of these regional 'development days' we will ask each planning footprint to make a short return on the above three issues (governance, gap analysis and key issues).
8. **National support until Easter:** By March, we will provide each local system with:
  - **Input into assessing each of their three gaps** – this will set out the key health and well-being outcomes the NHS and partners need to improve by preventing illness, diagnosing disease earlier and treating it more effectively; the quality improvement and service change priorities by 2020, such as moving to seven day services and (by the end of March) provide each area with analytical support to help assess its financial gap.
  - **Share information and provide support** – based on what you tell us you need and using some of the tools that Vanguard and other collaborations have found useful as they have developed new systems and relationships. This will include using logic models as a basis for longer-term planning, and information about the core components of the different care models (e.g. multi-speciality community providers (MCPs) and primary and acute care systems (PACS) or devolved arrangements).
  - **Publish advice on engaging individuals, communities and staff** – drawing on exemplar practice from the service and partners and the ['six principles'](#) developed by the People and Communities 5YFV Board.

In addition we will:

- ask our regional teams and partners to support the process of building local leadership and effective decision-making, sharing what we've learned from working with, for example, Vanguard sites and others through communities of practice;
- work with you to identify and enlist a group of respected individuals who have the experience and credibility to mentor and catalyse system leadership where it is needed. This could include people with experience of health leadership roles, as well as local government and the voluntary sector. We will make this offer to all local areas that would benefit from individual support to accelerate progress; and
- share some further tools, templates and guidance along with some exemplars to support local development of returns. For example we will work quickly with a small number of leading systems as they develop their plans to provide models for what good Easter returns and June plans look like and make these available to everyone.

## Stage 2: after Easter – developing the STP

9. After Easter, local area partners will be able to focus on more of the detail of their plans and the actions required to close the three gaps over the next five years. To do this, they should consider their response to the set of questions outlined in the annex to the Shared Planning Guidance, given the results of their gap analysis and continuing engagement with local communities, staff and other partners.
10. The Shared Planning Guidance sets out nine ‘must dos’. Many, if not all, of these will require action beyond 2016/17. A good STP will therefore set out how areas will maintain and deepen the progress they will make by implementing their operational plans. This is one tangible way in which 2016/17 operational plans need to be closely linked to STPs, and conceived as the first steps on the way to wider transformation.
11. Strong STPs will set out a broader platform for transforming local health and care services. We will work with the footprints to help us develop the detailed requirements. However, as a minimum, we expect that all plans will:
  - describe a local cross-partner prevention plan, with particular action on national priorities of obesity and diabetes and locally identified priorities to reduce demand and improve the health of local people;
  - increase investment in the out-of-hospital sector, including considering how to deliver primary care at scale;
  - set out local ambitions to deliver seven day services. In particular: (i) improving access and better integrating 111, minor injuries, urgent care and out-of-hours GP services; (ii) improving access to primary care at weekends and evenings; and (iii) implementing the four priority clinical standards for hospital services every day of the week;
  - support the accelerated delivery of new care models in existing Vanguard sites; or in systems without Vanguards, set out plans for implementing new models of care with partners;
  - set out collective action on quality improvement, particularly where services are rated inadequate or are in special measures;
  - set out collective action on key national clinical priorities such as improving cancer outcomes; increasing investment in mental health services and parity of esteem for mental health patients; transforming learning disabilities services; and improving maternity services;
  - ensuring these and other changes return local systems to financial balance, together with the increased investment that will come on-stream as set out in NHS England’s allocations to CCGs; and
  - be underpinned by a strategic commitment to engagement at all levels, informed by the ‘six principles’.
12. We must avoid creating distinct plans for each specialty or initiative, and instead grasp the opportunity to achieve greater alignment and coherence between programmes and priorities. Local leaders will also want to ensure that their plans are underpinned by action on the key enablers of change, including harnessing technology and workforce redesign, working closely with their Local Education and

Training Boards (LETBs). Local areas should also have considered the fit between their STP footprint and their local plans for integrated health and social care more broadly, and decided on the high-level model of person-centred, coordinated care that they would look to develop.

13. The aim should be to produce an STP that is based upon strong analysis and insight rather than a glossy brochure. The process of exposing these issues and having real conversations about the potential benefits for patients is as least as important as the final product itself. A robust process will enable STPs to set out the actions that will make a difference for local people rather than abstract principles or vision statements. The examples we publish at Easter will give local areas a better sense of what a good final document looks like, but we are clear that a good process is one that unleashes energy, facilitates real conversations and strengthens local relationships around a shared sense of purpose.

#### 14. National support after Easter:

- In April and May, we will host a programme of regional workshops and webinars with subject matter experts to provide practical help with developing plans. We will continue to make available online collaborative tools so that local areas can share information and examples of emerging best practice, based on what you tell us would be most helpful.
- These will be supplemented by a suite of 'how to' materials so that we can develop a shared understanding of what good looks like on topics including implementing the Cancer and Mental Health Taskforce reports, developing and spreading new models of care, workforce redesign and planning for interoperability and digital services.
- Our regional teams and their partners will continue to work closely with local footprints as they develop the detail of their plans, to enable effective communication and learning across the system.

#### Sustainability and Transformation Funding

15. There will be tangible benefits for areas with good STPs. The Spending Review settlement enabled us to invest £2.139bn in a Sustainability and Transformation Fund in 2016/17. Of this total, £1.8bn of funding has been allocated to the sustainability element of the fund to bring the NHS provider trust sector back to financial balance.

16. Quarterly release of sustainability funds to NHS trusts and NHS foundation trusts will depend on achieving recovery milestones for (i) deficit reduction; (ii) access standards; and (iii) progress on transformation. It is not a case of recovery followed by transformation. They are not alternatives; we must do both simultaneously.

17. Mirroring the conditionality of providers accessing the Sustainability and Transformation Fund, the real terms element of growth in CCG allocations for 2017/18 onwards will be contingent upon the development and sign-off of a robust STP during 2016/17.

18. The Sustainability and Transformation Fund will grow from £2.1bn in 2016/17 to £2.9bn in 2017/18, rising to £3.4bn in 2020/21, with an increasing share of the growing fund being deployed on transformation.
19. The STPs will become the single application and approval process for being accepted onto programmes with transformation funding for 2017/18 onwards. This step is intended to reduce bureaucracy and help with the local join-up of multiple national initiatives.
20. Recognising that different systems are at different starting points, the most credible and compelling STPs will secure the earliest funding. We will assess plans in July, and – as the Shared Planning Guidance sets out – we will consider:
- the quality of plans, particularly the scale of ambition and track record of progress already made in addressing each of the three gaps. The best plans will have a clear and powerful vision across health, quality and finance, owned by all local partners in the system. They will create coherence across different elements, for example a prevention plan; self-care and patient empowerment; workforce; digital; new models of care; trusts in special measures and finance. They will systematically borrow good practice from other geographies and adopt national frameworks;
  - the reach and quality of the local process, including community and voluntary sector engagement;
  - the strength, maturity and unity of local system leadership and partnerships, with clear governance structures to deliver them;
  - how confident we are that a clear sequence of implementation actions will follow as intended, through defined governance and demonstrable capabilities; and
  - the extent to which systems can already point to tangible, early progress.
21. Part of this process will involve a second series of regional events hosted by the Chief Executives of the national bodies. Taking place in July, these regional summits will be an opportunity to test the plans that local systems have submitted, and agree the actions we will take to deliver them.

## 22. Contacts:

For any queries, please contact the Regional Director from the relevant national body in the first instance or please email [england.fiveyearview@nhs.net](mailto:england.fiveyearview@nhs.net).

## 23. Key Dates:

What	Who	When
Further engagement and support on gap analysis and STP development	National bodies	Week commencing 29 February 2016
Gap analysis / data developed with each footprint	National bodies / Regional Directors / footprints	Throughout March 2016
Short return, including	Each footprint	11 April 2016

priorities, gap analysis and governance arrangements		
Outline STPs presented	Footprints to attend regional events to discuss emerging plans with peers and national bodies	w/c 22 April 2016
Each footprint area to develop plans and build support with their boards and partners	As set out in local governance arrangements	During April/May/early June 2016
Ongoing engagement and support from national policy experts and teams to support priority development	National policy teams and experts	During April and May 2016
Each footprint to submit their STP	To Regional Directors and then the 5YFV Board of national body Chief Executives	30 June 2016
Series of regional conversations between national teams and footprints	The NHS national body Chief Executives, National Directors, partners and footprints	Throughout July 2016