

Health Accountability

Anatomy of Accountability

Emerging Consensus on STPs

- positive move towards 'place-based' planning
- financial pressures have necessitated highly ambitious savings targets – deliverability not obvious (and contingency planning rare)
- Scale and speed of savings required has encouraged 'business as usual' savings propositions (such as capacity adjustment) rather than long term, sustainable transformational change

CIPFA BRIEFING

November 2016

sorting the plans

The initial raft of Sustainability and Transformation Plans (STPs) look promising as a means of initiating major change. Nonetheless, CIPFA believes that more could be done to check and establish their realism, and to ensure that the most is made of integrated working. It would also be sensible to consult publicly on all the plans in good time for implementation in 2017/18.

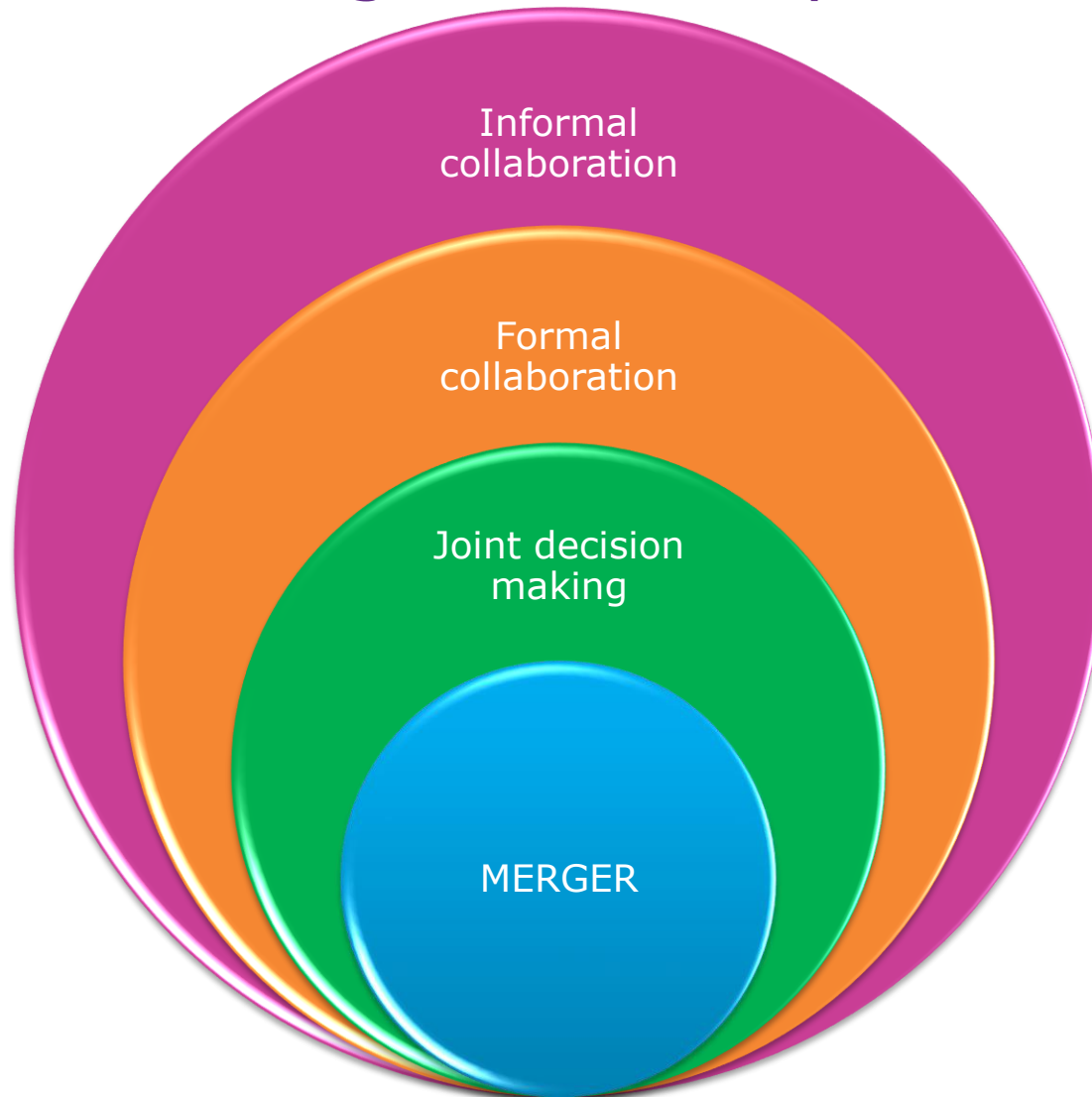
CIPFA examined the first nine of the 44 Sustainability and Transformation Plans (STPs – submitted to the Department of Health on 21 October 2016) to be publicly released. That may not be a statistically sound sample, but the geographical and socio-economic spread, which includes Devon, Dorset, London, Liverpool, Bedfordshire and the north east, is wide enough to make it sensible to ask:

- How are the STPs shaping up?
- Can integrated working do more to help make them a success?

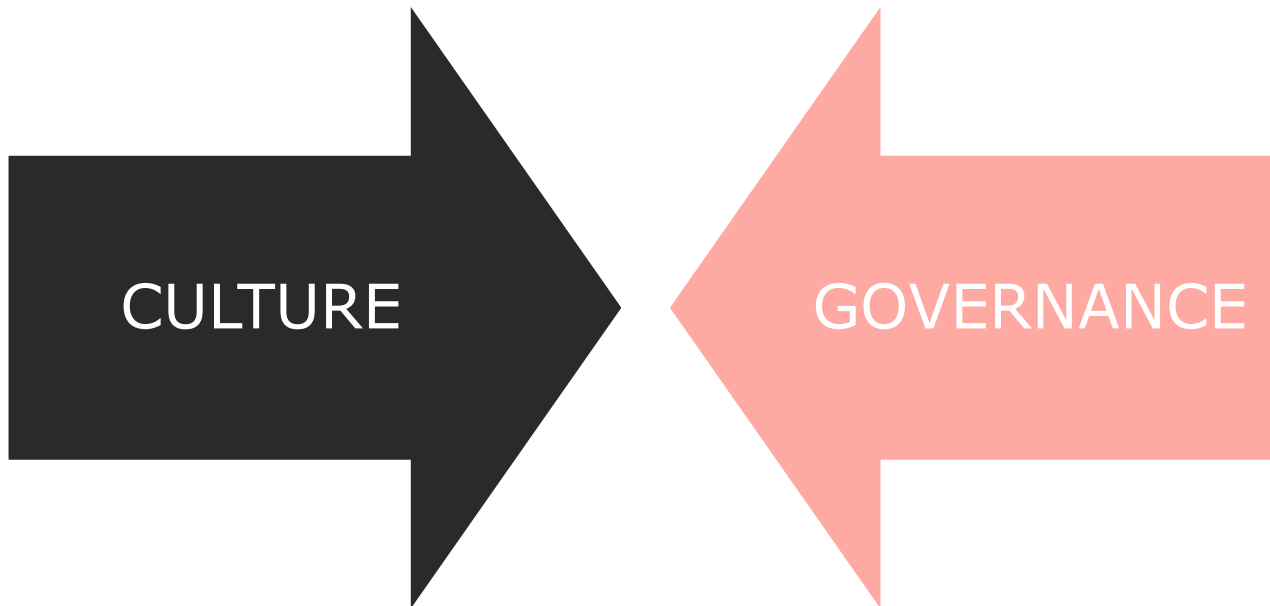
Success criteria for STPs

- Robust and appropriate **governance** arrangements
- A **culture** of genuinely sharing and working together, including involvement of local politicians
- Sufficient **up-front investment**
- Financially and operationally **realistic plans**

Success criteria – governance path



Success criteria - Culture and governance
come together to achieve financial control



Success criteria

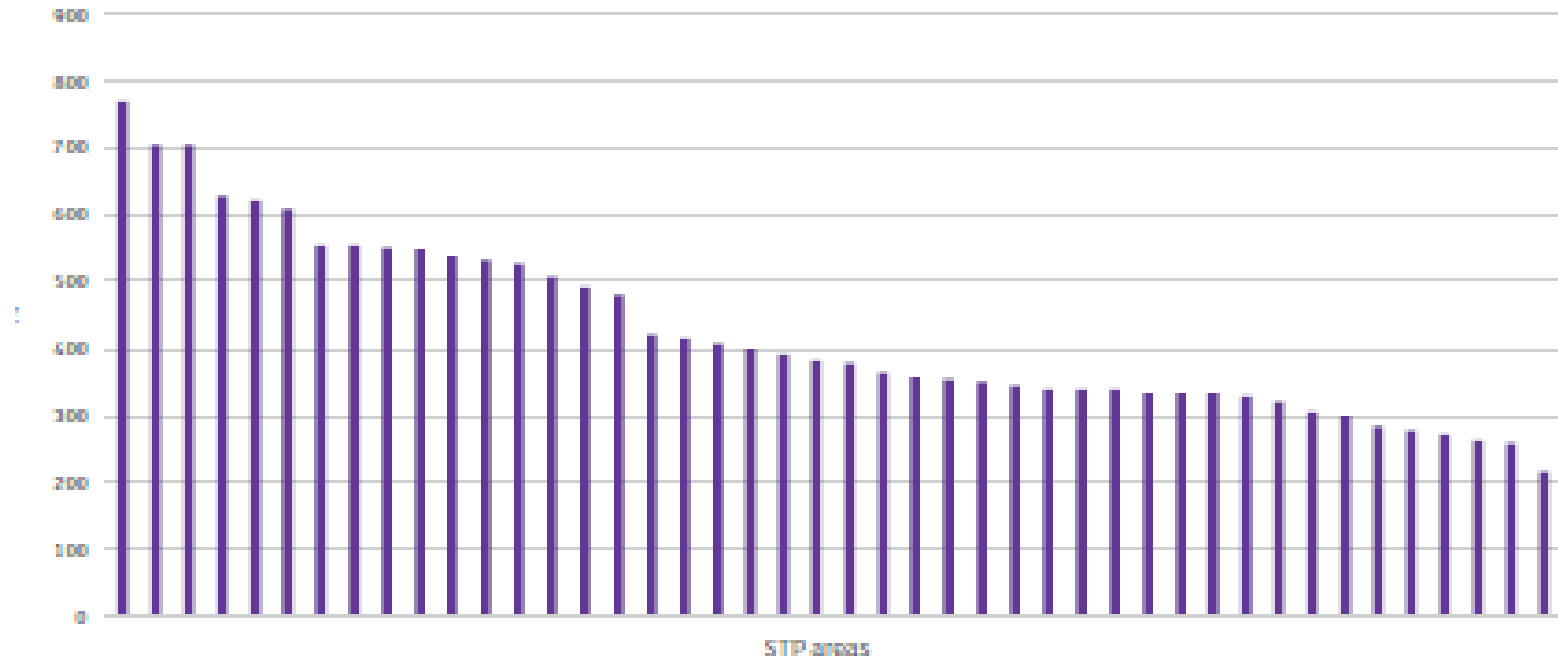
Sufficient **up-front investment**

- **capital**, to ensure that effective infrastructure is in place (case made and funding sources identified)
- revenue, to take the **preventative** action needed to stabilise services in the longer term
- revenue, to ensure there is sufficient change **management capacity** to deliver the plans

- If a realistic plan allied to a genuine commitment are the first requirements, CIPFA believes that three additional conditions are critical:
- Adequate up-front investment.
- Robust and appropriate governance arrangements.
- Sensible contingency planning in the context of horizon scanning and an assessment of alternative scenarios.



STP 'do nothing' savings per head of population



Source: The Independent, 14 Feb 2017

Looking at the 10 CCGs which plan to save most per head of population:

- none had included a sensitivity analysis
- there is some horizon scanning, but it is not carried through into full scenario planning
- only two had built a quantified contingency into their plans, both on a relatively crude basis
- most had failed to build the risk of falling short in savings plans explicitly into how the plans were formulated

Figure 1 Sensitivity analysis on STP financial submission

Health system impact, £ Millions

	Upside	Base case	Downside
20/21 challenge, 'do nothing'	(434)	(434)	(434)
CCG QIPP	50	50	25
NHSE QIPP	51	51	25
Secondary to out-of-hospital care	74	33	10
Primary Prevention	22	22	11
RightCare Savings	46	46	23
Total	141	102	44
Cross Organisational Savings	39	39	20
Delivery of Provider BAU CIP	151	151	75
Total	190	190	95
TBC			
Reconfiguration of Commissioners	6	6	3
Reconfiguration of Providers	6	6	3
Total	12	12	6
Service Developments cost more/less than £122m	70	0	(35)
Variance on 16/17 Position	0	0	(108)
Ebbsfleet Additional Growth	28	0	0
Total	126	0	(143)
Grand Total	110	(29)	(382)

The professional finance role in the context of STPs

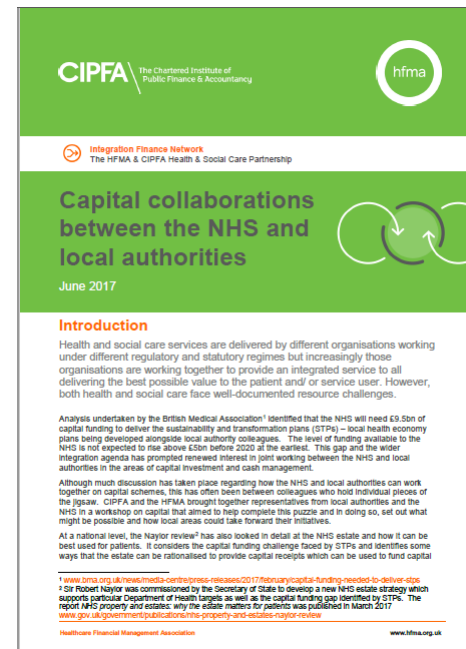
There is an expectation that STPs will set out how the three gaps identified in the *Five Year Forward View* will be plugged, and a danger that the desire to present a positive plan which does so will lead to unrealistic judgements being made. Although chief finance officers (CFOs) working in the NHS don't have the same statutory duties as CFOs in local government (where there is a formal duty to set a balanced budget and to report publicly on any contrary plans) that doesn't dilute their professional responsibilities. CIPFA would expect and support finance staff involved in preparing STPs to ensure that they represent a realistic assessment of the financial position. That might require them to:

- assess the achievability of savings plans, calling for evidence as necessary to gain the appropriate assurance
- apply quantified sensitivity analysis to all material aspects of the plan
- build into budget projections appropriate contingencies in the light of that sensitivity analysis, so that there is a fall back if plans go awry
- ensure that a realistic assessment is made of the upfront investment needed to achieve change, and if the amount identified is too low, or its availability is in doubt, to flag this up and to adjust the sensitivity analysis accordingly.

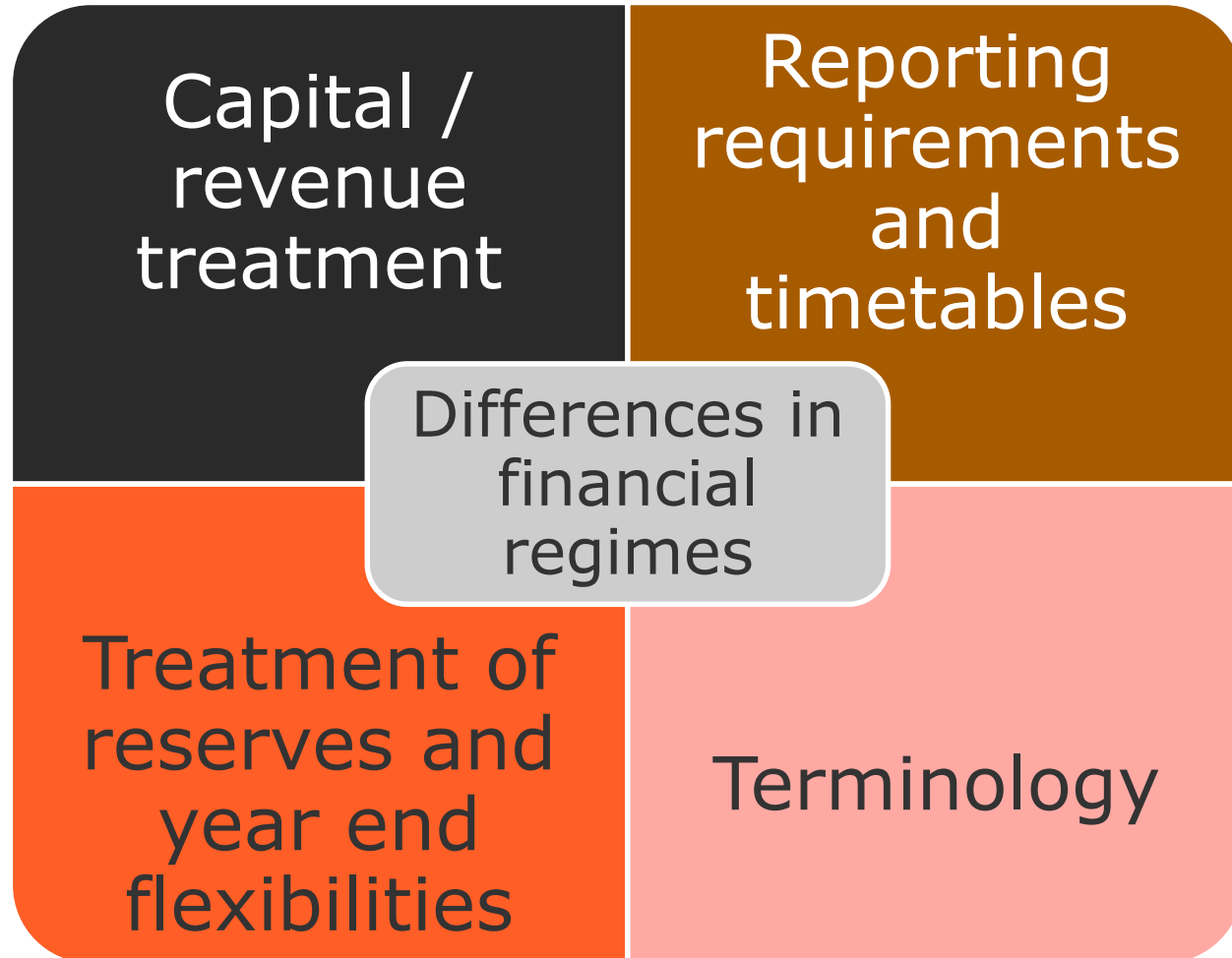
The finance professional also needs to think outside of the established comforts of organisational control – making assessments on a whole system basis and, for example, working across current organisational boundaries to advise on and help develop payment systems that incentivise prevention more than the present tariff system does.

Useful resources

- Glossary of NHS & LG Finance
- Capital collaborations between NHS and Local Government
- Support for finance teams across HWB (working with LGA)



Working across health and social care creates challenges for finance teams



Barriers	Solutions
Not knowing what's going on	Improved communication
Culture: lack of trust	Work on small projects /quick wins Bust myths
Risks too great/not understood	Joint risk register
Separate budgets & reports	Share more than min. and discuss
Feeling excluded from decisions	Automatically include partners in all consultations
Information sharing	Look at what is possible, develop joint information pools.
Lack of understanding of partners	Training, using HFMA/CIPFA glossary



\ thank you!

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