

## **Sustainability and transformation plans (STPs) explained**

24 August 2016

Sustainability and transformation plans (STPs) were announced in the NHS planning guidance published in December 2015. NHS organisations in different parts of the country have been asked to come together to develop 'place-based plans' for the future of health and care services in their area. Draft plans were submitted in June 2016, and final plans are expected to be completed in October. But what do STPs really mean? And what will they mean for the NHS?

### *What are STPs?*

STPs are five-year plans covering all areas of NHS spending in England. A total of 44 areas have been identified as the geographical 'footprints' on which the plans will be based, with an average population size of 1.2 million people (the smallest area covers a population size of 300,000 and the largest 2.8 million). A named individual has been chosen to lead the development of each STP. Most come from clinical commissioning groups (CCGs) and NHS trusts and foundation trusts, but a small number of STP leaders come from local government.

The proposed scope of STPs is broad. Initial guidance from NHS England and other national bodies set out around 60 questions for local leaders to consider in their plans, covering three headline areas: improving quality and developing new models of care; improving health and wellbeing; and improving efficiency of services. Leaders have been asked to identify the key priorities for their local area to meet these challenges and deliver financial balance. While the guidance focuses mainly on NHS services, STPs must also cover better integration with local authority services.

The timelines for developing STPs and the process for approving them have been somewhat fluid. The original deadline for submitting plans to NHS England and other national bodies was the end of June 2016, but most plans will now be further developed and re-submitted by October. The plans are likely to be assessed and approved in phases, depending on their quality. From April 2017, STPs will become the single application and approval process for accessing NHS transformation funding, with the best plans set to receive funds more quickly.

### *What do they mean for the NHS?*

STPs represent a shift in the way that the NHS in England plans its services. While the Health and Social Care Act 2012 sought to strengthen the role of competition within the health system, NHS organisations are now being told to collaborate rather than compete to respond to the challenges facing their local services. This new approach is being referred to as place-based planning.

This shift reflects a growing consensus within the NHS that more integrated models of care are required to meet the changing needs of the population. In practice, this means different parts of the NHS and social care system working together to provide more co-ordinated services to patients – for example, by GPs working more closely with hospital specialists, district nurses and social workers to improve care for people with long-term conditions.

It also recognises that the growing financial problems in different parts of the NHS can't be addressed in isolation. Instead, providers and commissioners are being asked to come together to manage the collective resources available for NHS services for their local population. In some cases this may lead to 'system control totals' – in other words, financial targets – being applied to local areas by NHS England and NHS Improvement.

This all represents a very new way of working for the NHS. At The King's Fund we've argued that taking a place-based approach to planning and delivering health and social care services is the right thing to do. This should also include collaboration with other services and sectors beyond the NHS to focus on the broader aim of improving population health and wellbeing – not just on delivering better quality and more sustainable health care services.

But developing STPs is not a simple task. STP footprints are often large and involve many different organisations, each with their own cultures and priorities. Finding time to work on STPs can be a challenge in itself, given the severe service and financial pressures facing NHS organisations. The timescales set by NHS England to write STPs are also tight.

Perhaps the biggest challenge facing leaders is that STPs are being developed in an NHS environment that was not designed to support collaboration between organisations. Leaders of NHS providers, for instance, find themselves under significant pressure from regulators to improve organisational performance. This means focusing primarily on their own services and finances rather than working with others for the greater good of the local population.

In this context, incentives for NHS providers to work together can be weak. The very real danger is that organisations take a 'fortress mentality' instead, acting to secure their own future regardless of the impact on others. The dissonance between place-based planning and the continuing focus on organisational performance in the NHS is therefore stark.

*Will they deliver benefits for local populations?*

We won't know the potential benefits of STPs until the plans are finalised later in the year. The ultimate prize on offer is the opportunity to integrate health and social care services more closely and to provide a platform for improving population health. Whether or not these ambitions can be delivered is yet to be seen. This first depends on what gets written in the plans, and then – more importantly – on whether their aims can actually be delivered in practice.

There are some reasons to be cautious about the kind of benefits that will be delivered. For example, concerns have been raised that leaders have focused their efforts on plans for reconfiguring acute hospital services, despite evidence that major acute reconfigurations rarely save money and can fail to improve quality too (and in some cases even reduce it).

*Where next?*

STPs could provide a foundation for a new way of planning and providing health services based around the needs of local populations. While STPs are primarily being led by the NHS, developing credible plans will require the NHS to work in partnership with social care, public health and other local government services, as well as third sector organisations and the local community. There has been limited time for public involvement in the plans so far, so leaders must ensure that local people are actively involved in the planning process as STPs develop.

The task of developing a plan may be challenging for some areas; making it happen will be altogether more difficult. Changes to incentives and performance management in the NHS may be needed to overcome the barriers that get in the way.