



# Sustainability and transformation partnerships (STP) survey findings



## Introduction

The HFMA STP governance survey builds on the findings from the November 2017 HFMA *NHS financial temperature check*<sup>1</sup>. This survey found that 60% of trust finance directors and 42% of clinical commissioning group (CCG) chief finance officers (CFOs) were concerned about STP governance arrangements. It highlighted the alignment of STP decision-making with organisational accountability as a key governance concern, largely due to STPs not being statutory bodies. The need to develop a system-wide approach, while retaining the existing architecture of separate organisations, requires the development of effective STP governance arrangements.

The HFMA STP governance survey aims to help build a comprehensive picture of developing governance arrangements within STPs. It was open to CCG and trust finance directors, non-executive directors and lay members, STP finance leads and others working in STPs across England.

40 respondents completed the survey during November and December 2017 from across 25 STP footprints. 40% of respondents were from CCGs, 52% from providers and 8% from STP wide roles.

The analysis below draws on the responses to the survey along with interviews with those who provided their contact details for follow up discussions.

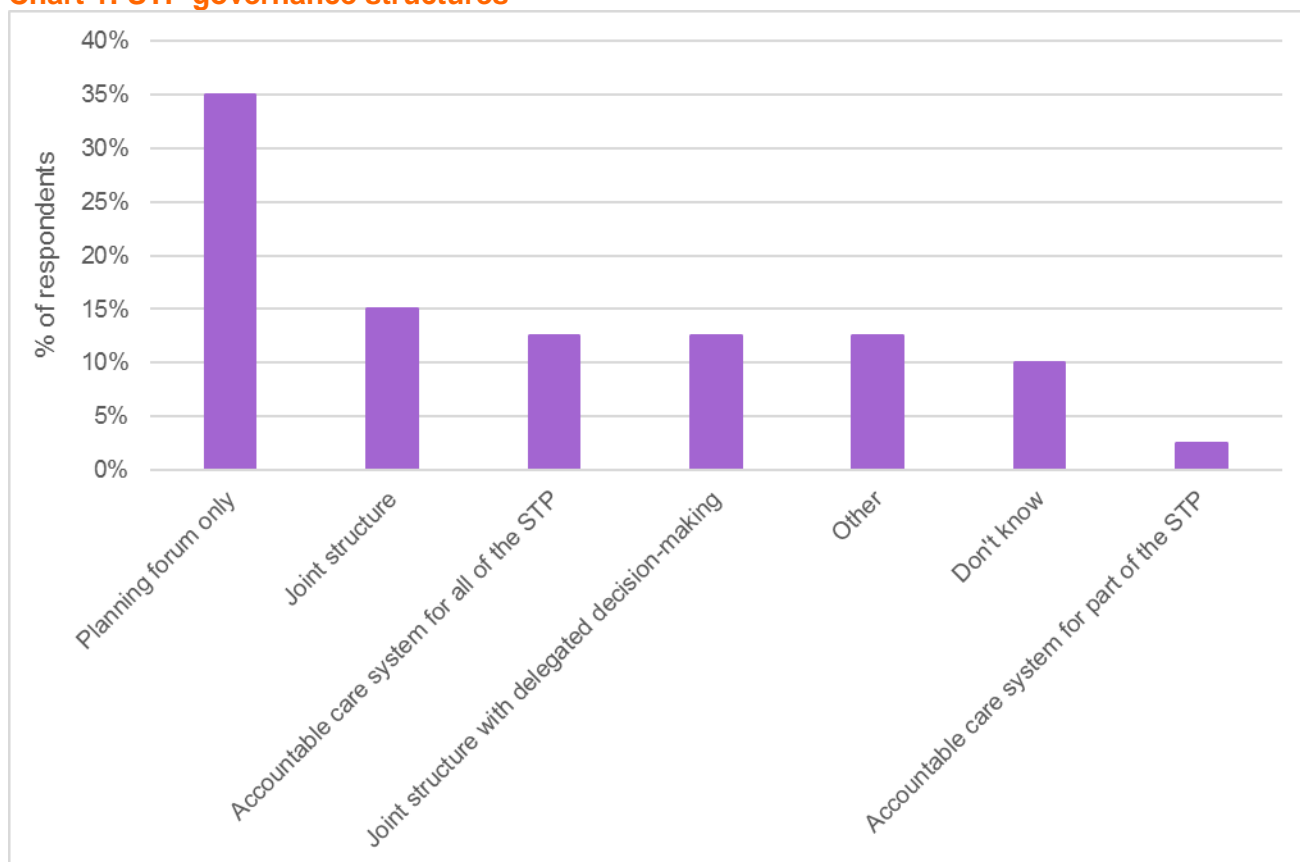
## Governance arrangements

The survey results show there is a mix of STP governance structures being developed across the country. Responses to our survey show that footprints are at different stages in the development. As shown in **Chart 1**, survey respondents reported that the most common structure in place is that the STP is a planning forum (35%). 27% are using a joint structure, 13% of which have delegated decision-making and 15% have an accountable care system (ACS) for part or all of the STP.

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<sup>1</sup> HFMA, *NHS financial temperature check*, November 2017

**Chart 1: STP governance structures**

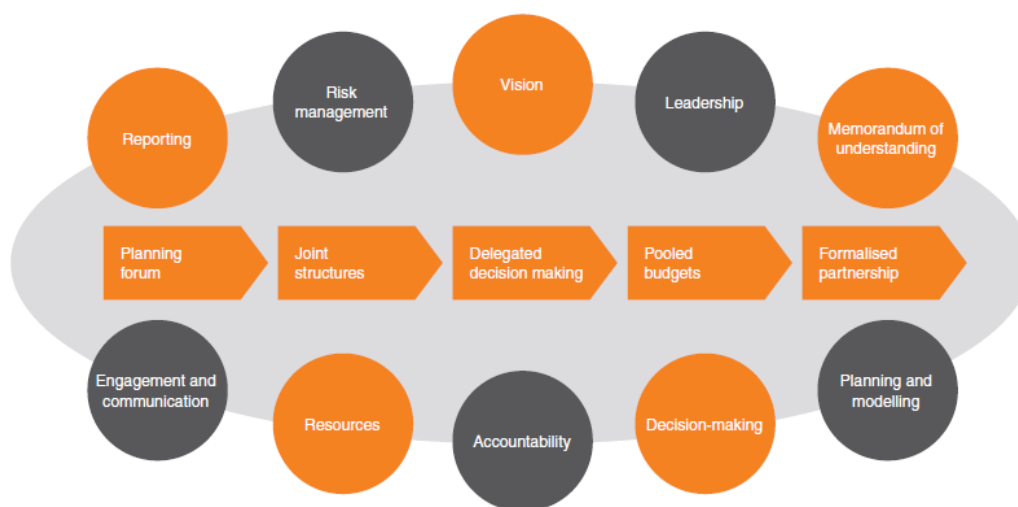


The majority of respondents believe their STP is either considering new commissioning arrangements to support the STP (43%), is developing (23%) or has (15%) new arrangements in place. Examples include the merger of CCGs, joint committees across CCGs, and a collaborative commissioning board with local authority partners. Respondents commented that a clear commissioning framework is invaluable, although it takes time to develop, particularly in the context of current time and resource pressures.

Whatever governance model a footprint is using, it needs to be robust, clear and flexible. The approach taken needs to be tailored to fit the size and complexity of the partnership in question. In developing the most appropriate governance arrangements for the STP, it can be helpful to break it down into key elements. As part of the HFMA review of developing STP governance arrangements<sup>2</sup>, ten key governance elements were identified (**Chart 2**), each of which need to be effective to support STP governance models.

<sup>2</sup> HFMA, *Emerging approaches: Developing sustainability and transformation plan governance arrangements*, March 2017

**Chart 2: Governance spectrum and supporting key elements**



In order to identify the key areas of governance concern currently facing STPs, we asked respondents to rank the ones they were most concerned about. **Table 1** shows the 10 most common concerns, based on the % of respondents who ranked them in their top three. Decision-making is the area that most people included in their top three concerns (48%), followed by agreed resources (40%) and accountability (30%).

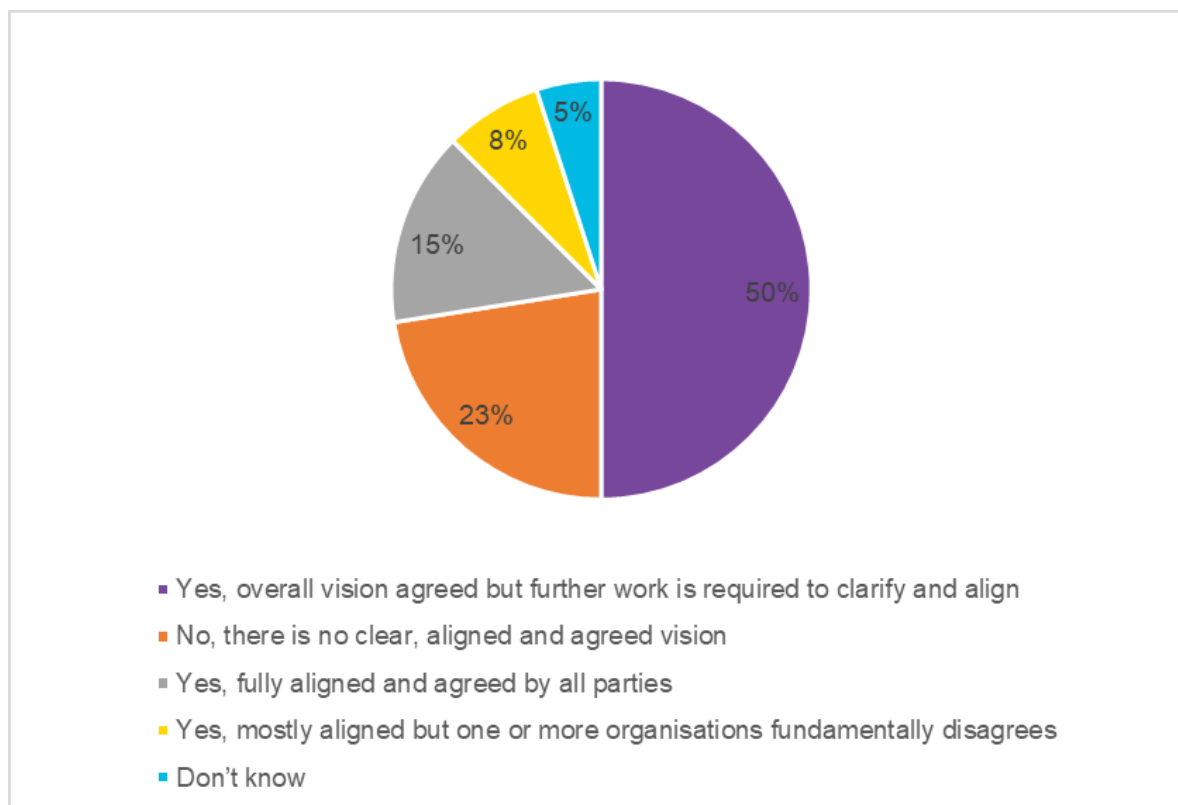
**Table 1: STP governance concerns ranked by those included in respondents top three concerns**

Governance element	Ranked in respondents top 3 governance concerns
Decision-making: for each type of decision, who and how these are made is agreed and delegated	48%
Resources - control total: overall agreed shared control totals for either providers, CCGs or both within the STP footprint.	40%
Accountability: accountabilities to and from individual organisations are agreed and performance managed	30%
Vision: a clear, balanced and shared aim should be agreed by all stakeholders	25%
Conflicts of interest: conflict between organisational statutory responsibilities and STP vision	25%
Leadership: strong effective network leadership should be in place to promote collaborative relationships	20%
Engagement and communication - NEDs and lay members: effective plans are based on clear engagement and communication with NEDs and lay members	20%
Resources - staff: shared staff resources are agreed to ensure appropriate capacity to deliver	18%
Planning and modelling: planning is an agreed way to get from where we are now to the vision, based on a clear understanding of the current position and modelling of changes	15%
Engagement and communication - the public: effective plans are based on clear engagement and communication with the public	15%

## Vision

Vision is the area most commonly ranked as the number one governance concern by respondents (20%) and 25% included vision in their top three governance concerns (**Table 1**). As shown in **Chart 3** survey respondents paint a mixed picture. 50% of respondents believe that there is an agreed overall STP vision but further work is required to clarify and align it. Just under a quarter believe that there is no clear, aligned and agreed vision, while 15% have a fully aligned and agreed vision. Respondents commented that in some cases the vision is high level only and the reality of deliverability has yet to be tested.

**Chart 3: In your STP is there a clear, aligned and agreed vision?**



## Leadership

The importance of leadership to STP governance is reflected in its inclusion in the transformation theme of NHS England's *Sustainability and transformation progress dashboard*<sup>3</sup>. The quality of leadership and the effectiveness of relationships are key factors which impact on whether or not progress is made.

We asked whether leadership is sufficiently strong and stable to enable system wide working. There was greater confidence in the leadership of individual organisations to enable system wide working (78%), compared to STP leadership itself (30%). In some cases respondents noted that excellent senior leadership and working relationships had been an important driver for the STP. Others noted the challenge that had arisen by change in leadership and that 'brave leadership is required'. The potential of STPs is in the collective leadership from all organisations, not just the leader of the STP.

<sup>3</sup> NHS England, *Sustainability and transformation partnerships progress dashboard*, July 2017

## Memorandum of understanding (MOU)

Some 10% of respondents included a MOU - signed by individual boards to provide a clear and agreed framework for operating – as one of their top three governance concerns.

20% of survey respondents reported that their STP has a signed comprehensive MOU in place, 20% has a signed basic MOU in place and 5% has a comprehensive MOU drafted but not yet signed. However, 28% of respondents reported that there is no MOU or similar document and 28% do not know. Respondents recognise the importance of the MOU in developing clear decision-making arrangements.

## Planning and modelling

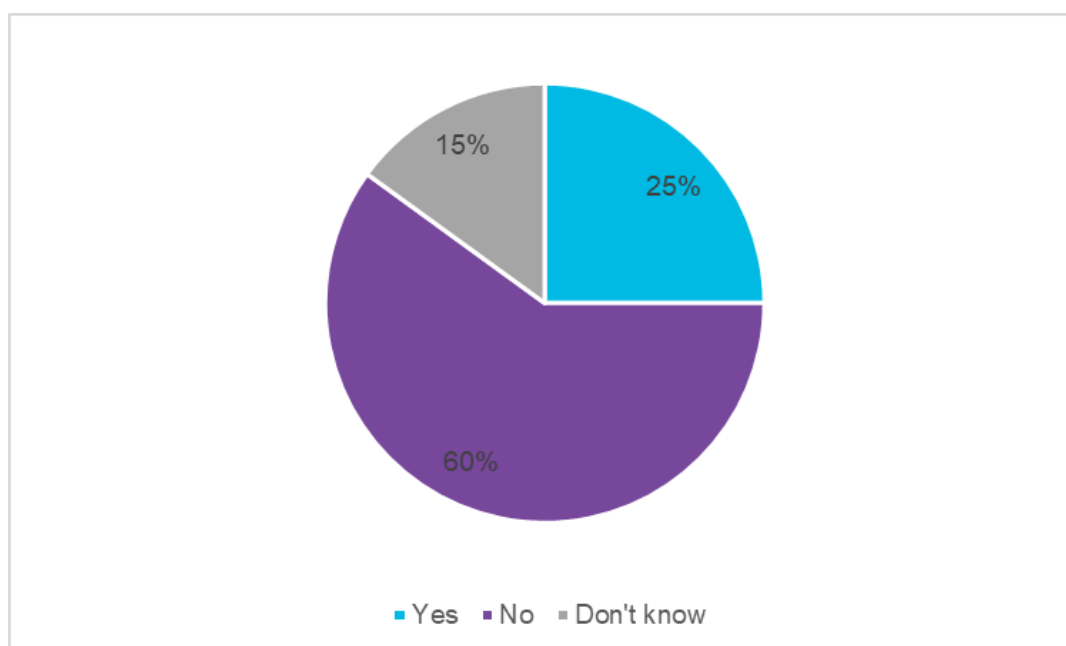
We asked if the plans in place were based on a realistic assessment of the current position and realistic modelling of any proposed changes. 8% of respondents strongly agreed; 60% agreed at some level; 20% answered no and 13% did not know. Comments suggest that the realism of plans is a concern for some, with modelling only being carried out at a high level. Concerns were also raised that incentives encourage short-term planning and some plans are not sufficiently transformational and others over optimistic.

## Decision-making

Decision-making is clearly a top concern for the survey respondents. It is the most common governance area included in the top three for our survey respondents (48%). 15% of respondents included it as their number one STP governance concern.

We asked whether arrangements are in place to determine what decisions are made, by who and how they will be agreed. As shown in **Chart 4**, 25% of respondents answered yes, 60% no and 15% don't know.

**Chart 4: Are arrangements in place to determine what decisions are to be made, by who and how they will be agreed?**



Comments highlight that there is a lack of clarity, transparency and testing of the decision-making arrangements. They indicate that as yet there is little evidence to suggest that difficult decisions are being made, so arrangements remain untested. Respondents highlight that, in the absence of a single decision-making body, everything is done by trying to achieve consensus and this can lead to things not being done or at best significantly delayed.

## Accountability

'While the aims of the STP are widely shared, individual organisations are still in place with separate accountability arrangements, this makes the delivery of the STP complex and confused'. This survey comment is a view commonly shared by respondents. 30% of respondents included the lack of agreed accountability to and from individual organisations as ranked in their top three governance concerns (**Table 1**).

We asked what performance management arrangements were in place to ensure accountability. 50% of our survey respondents reported that regular updates were provided to the Board, a quarter do not know or believe there are no arrangements and the remaining quarter have other arrangements such as ad hoc updates through accountable officer updates or circulated plans. Respondents recognise the need for clarity over what success looks like and how this can be measured and monitored. Good practice examples cited include STP key performance indicators being monitored by individual Boards and the audit leads meeting from across the STP to develop a plan.

We also asked whether there had been a joined-up approach from regulators. 20% of respondents feel that it had been joined up, 55% do not and the 25% do not know. Comments suggest that there are mixed experiences, but there is recognition that respondents are seeing an increase in joint working from regulators.

Greater clarity on the roles of NHS Improvement and NHS England and how they work together with STPs would be helpful. Comments recognise that STPs are increasingly being asked to take on review and assurance roles. Some believe that the role of the STP should include this system-wide assurance function. However, others are of the opinion that while sense checking and sharing of plans is helpful, it is not the STP's role to approve plans of individual organisations.

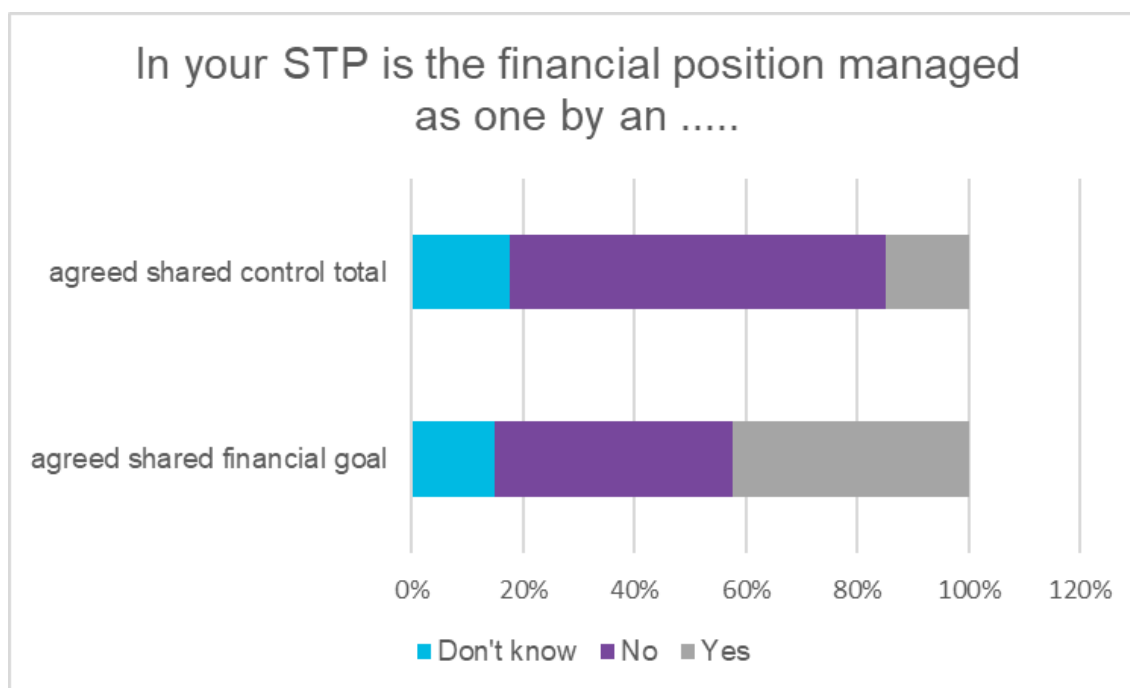
## Resources

Resources are a key concern for our survey respondents. When asked which issues they are most concerned about, 40% included an agreed shared control total in their top three concerns. Concerns over staff capacity and investment resources were also highlighted. In their top three concerns, 33% included the agreement of shared staff resources to ensure appropriate capacity to deliver and 23% cited agreement of realistic proposals for shared resources and capital investment.

We asked whether sufficient capacity has been identified to support system level planning. Only one respondent agreed. 18% strongly disagree, while 75% recognise that some capacity has been identified although it was insufficient. Comments indicate concerns over the level of executive capacity to manage organisational change, concern that there is duplication of effort across organisations and concerns that there is limited clinical leadership. As one respondent commented 'while recognising some temporary resource is needed to manage change, the aim is not to create new capacity but to align and share existing planning resource'.

We also asked how the STP financial position is being managed by the STP. As shown in **Chart 5**, 43% of respondents reported that their STP has an agreed shared financial goal and 15% also have a shared control total.

**Chart 5: STP wide financial position**



In March 2017, Sir Robert Naylor estimated that STP capital requirements might total around £10bn<sup>4</sup>. As identified in the November 2017 HFMA *NHS financial temperature check*<sup>1</sup>, access to capital remains a challenge with just 13% of CCG CFOs and 42% of trust finance directors identifying sufficient capital funding in relation to their organisational capital plan. Strikingly, only 4% believed that there is enough capital available to support their STP transformation programme.

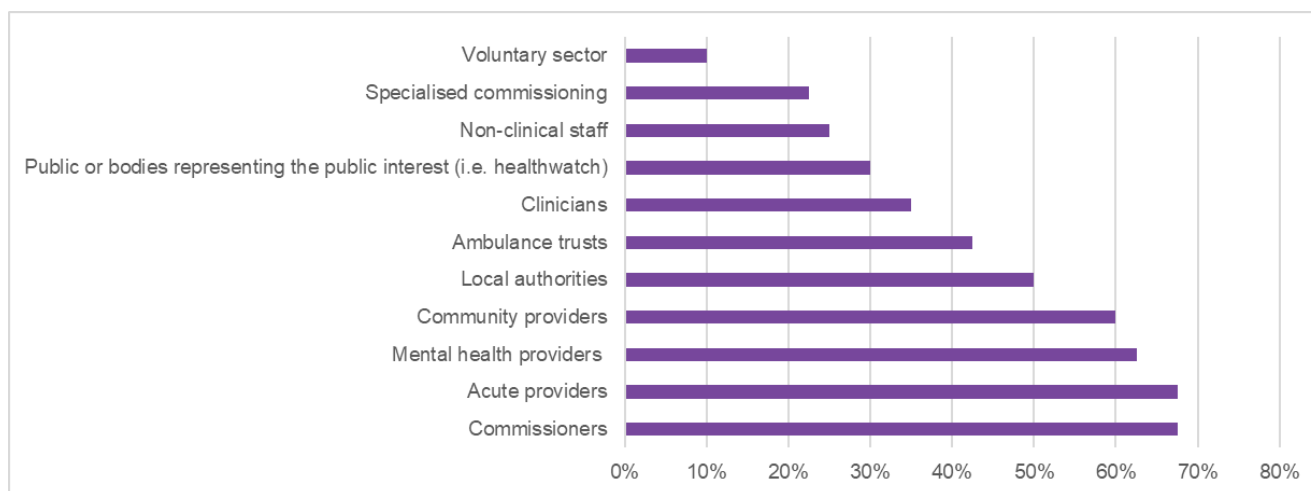
The results of this survey also reflect the capital challenge identified. When asked whether the STP has identified an agreed capital investment requirement, 63% of respondents reported that their STP has an agreed requirement. 43% have a bid currently with NHS Improvement or NHS England, 33% have identified partial funding yet no respondents have identified full funding. Both surveys were completed before the 2017 autumn Budget, announcing an additional £3.5bn of new capital funds, which is welcome but will not be sufficient to meet capital requirements.

## Engagement and communication

There is a mixed picture of engagement and communication across STPs. As shown in **Chart 6**, the level of engagement has been greatest among commissioners and providers. Fewer than 50% of respondents feel that there has been sufficient engagement and communication with other groups such as local authorities, clinicians and the public.

<sup>4</sup> Sir Robert Naylor, *NHS property and estates: why the estate matters for patients*, March 2017

**Chart 6: Has there been sufficient engagement and communication in developing STP plans with the following groups?**



Comments also highlight particular concerns over the lack of engagement and communication with non-executive directors, lay members and clinicians. In one area, good engagement and communication has been noted but concern has been raised as to whether it is leading to any joined-up working. Linked to concerns over the lack of a clear, agreed and aligned vision, one respondent noted that ‘this reflects an absence of clear plans, rather than the absence of engagement’.

## Reporting

We asked if reporting arrangements across the STP were sufficiently aligned to provide a clear and consistent picture of plans, milestones and progress updates. 60% of respondents did not agree, of which almost half of these strongly disagreed. Respondents commented that it was still early days in developing reporting and that it was an area that is evolving.

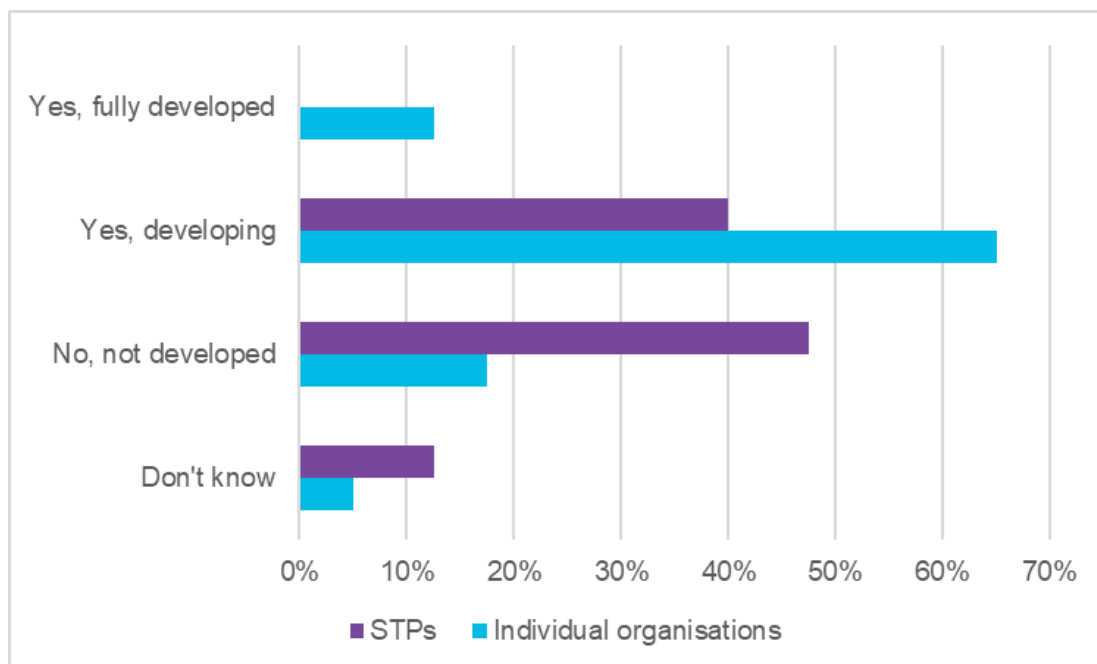
We also asked whether respondents were confident that data quality is sufficient to provide the required timely information to support STP level decision-making. 60% are not confident, 30% are confident in most areas and 10% don’t know. Concerns were raised both over the confidence in the quality of data and the reluctance of individual organisations to share data.

## Risk Management

As shown in **Chart 7**, risk management arrangements for system wide working are developing more quickly at the individual organisational level compared to the STP level. 78% of respondents felt that appropriate arrangements are either in place or being developed at individual organisations, compared to 40% at the STP level.



**Chart 7: Are appropriate risk management arrangements for system wide working in place?**



We also asked whether any new contract and payment arrangements between organisations within STPs are being considered in order to align arrangements across the STP and share financial risk. 7% of respondents reported that these are in place or are being developed, 65% reported that new arrangements are being considered and 28% reported that there are no plans to change arrangements. Comments from respondents indicate that a move away from activity based contracts to a hybrid approach, although some recognise that the regulatory framework (such as sustainability and transformation funding and individual control totals) has made this more difficult.

## Conclusion

There is broad acceptance that the system-based approach of STPs is the right direction of travel to help achieve the delivery of joined up services to the public and improve efficiency. Working on a wider basis than individual organisations is a positive move, although it brings with it some complex governance issues. The survey responses highlight a mixed picture of developing governance arrangements across STPs. For many it remains early days with governance arrangements evolving.

When asked what aspects of STP governance are working well, it is pleasing to note a number of comments reflect greater improvement in collaboration and relationships. Comments highlight the importance of strong collaboration between clinical leaders, finance leaders and general managers. However, concerns remain, particularly over the lack of clarity and transparency of the vision and decision-making, lack of agreed STP wide resources and lack of accountability to and from individual organisations. The survey gives a clear message that there is still much work to be done in developing effective STP governance arrangements.