

HERTFORDSHIRE COUNTY COUNCIL

HEALTH SCRUTINY COMMITTEE

THURSDAY, 11 JULY 2019 AT 10.00 A.M.

Agenda Item No

5

**HERTS & WEST ESSEX SUSTAINABILITY & TRANSFORMATION
PARTNERSHIP CONTRIBUTION TO THE NHS EAST OF ENGLAND REGIONAL
CONTROL TOTAL**

Report of the Herts & West Essex STP joint Chief Executives

Author: Dean Westcott, Finance Director Hertfordshire & west Essex STP
Tel: 01707 247253

1. Purpose of report

1.1 The purpose of this report is to provide a briefing to members of the Health Scrutiny Committee on the support provided by the Hertfordshire and west Essex STP with regards to achievement of the NHS East of England regional control total.

2. Summary

2.1 As part of the planning and budgeting process each NHS organisation is set a control total in respect of its target financial outturn for the year taking into account amongst other factors, its underlying financial position and recent financial performance. This control total could be set as deficit, surplus or break-even target.

3. Recommendations

3.1 The committee to note the report.

4. Background

4.1 The combined control total for the Hertfordshire and west Essex Sustainability & Transformation Partnership (STP) for 2019/20 is a deficit of £25.8 million. All organisations within the STP have formally signed off their control totals for the 2019/20 and therefore the STP as a whole is deemed to have an agreed control total.

4.2 The Herts & west Essex STP along with other STPs in the East of England were notified in early April that the Cambridgeshire and Peterborough STP were not in financial balance and unable to accept their notified control total, with the overall regional deficit positioned at circa £76 million.

4.3 A number of regional meetings followed where it was agreed a programme of productivity workstreams would be developed focusing on opportunities to share best practice and standardisation and improve efficiency. The workstreams in outline are;

- Standardisation of pathways where can we learn and lift from each other, or outside the region to make quick gains on efficiency (in provision or in commissioning)
 - Speaking up for the region how to develop and maximise our narrative and speak strongly together
 - The planned Children's Hospital and how to maximise the opportunity of a real regional resource
 - Hot Housing - brain storming ideas for short term financial gains across the patch
 - Digital - developing the longer-term regional narrative to progress from worst in country to most improved
 - Clinical engagement - recognising the vital imperative to ensure real clinical engagement in change and transformation
- 4.4 There was a recognition that this programme of work will run beyond the current year but nonetheless needs to deliver benefits in year to reduce the overall deficit position.
- 4.5 In parallel the Regional Director (East of England) engaged in national level discussions to determine what support may be available. However it is clear the East of England must deliver a balanced position to its regional control total.
- 4.6 Subsequent agreement of a revised improvement of the Cambridgeshire & Peterborough STP position, deployment of regional flexibilities, together with the revision of planned investments in some areas reduced the deficit to circa £25 million which it was requested by the regional office be shared by the five STP areas across the East of England i.e. £5million per STP to be repaid within three years.
- 4.7 The request was considered by Hertfordshire and west Essex chief executives and discussed at a meeting of the Hertfordshire & west Essex STP chief executives board on 7 May where it was agreed to support the request with Herts Valleys CCG utilising funding earmarked for investment in 2019/20 by delaying those investments until the following year.
- 4.8 In responding formally to the regional office it was confirmed that support was agreed on the basis that repayment would be made to the STP in 2020/21 together with a request to clarify a number points in respect of the underlying Cambridgeshire & Peterborough STP financial position and the mitigating actions identified to date.
- 4.9 A response is currently awaited from the regional office.