

**Governance of Sustainability and  
Transformation Partnerships: the verdict so far**

processes consultation **public service**  
**financial clarity** framework **rev**  
transparency governance **change**  
**Governance of Sustainability and  
Transformation Partnerships:  
the verdict so far**  
**scrutiny** leadership collaboration  
**shared values** commitment **power**  
methodology transformation

## INTRODUCTION BY LORD BOB KERSLAKE, CHAIR, CENTRE FOR PUBLIC SCRUTINY

The recent pace and scale of public service transformation is now accepted as the new normal. Public service organisations and partnerships continuously adapting to provide the best possible support with less money and establishing new relationships with the public as they go.

The NHS is obviously part of this trend, albeit possibly under a more intense spotlight, and the recognition that health and care related change must be place-based, locally driven and carried out in collaboration is welcomed by all. Whilst it is still early days, we believe there is now sufficient experience of working within a Sustainability and Transformation Partnership (STP) environment to examine experiences to date.

The Centre for Public Scrutiny's purpose is to promote better governance and scrutiny to improve people's lives and places. Our aim is to analyse in order to improve, to provide an evidence-based view of what is currently working and not, and suggest a way forward. We are grateful for the support from University of Manchester in carrying out the research.

The report findings and recommendations cover issues relating to the importance of local leadership, having a shared goal, understanding individual organisations' motivations, being more transparent and using existing mechanisms such as scrutiny to involve others. The issues will be familiar and most unsurprising.

Recognising and learning from feedback is vitally important and must be a joint undertaking spanning health, local government and other key partners. We have made recommendations relating to achieving financial clarity, the need for guidance on consultation and for national regulation to catch-up with local developments. This report also looks specifically at the clear role for consultation, public engagement and elected member/ scrutiny involvement and how these must be better understood and integrated into NHS/ STP planning if we stand any chance of succeeding.

If this was a school report I would say - rocky start but people are in the room; there are big challenges but they are understood; there is a willingness and desire across all parts of the system to collaborate; give more local freedom whilst showing what good looks like; all parties must willingly engage and share the detail.



A handwritten signature in black ink, appearing to read 'R W Kerlake'.

**Lord Kerlake,**  
Chair, Centre for Public Scrutiny

The focus of this report is on three main themes in relation to Sustainability and Transformation Partnerships (STPs) implementation:

- Collaborative partnership working and multi-agency governance.
- Stakeholder engagement and securing public trust.
- Relationships with local politicians, particularly through health scrutiny.

The report contributes to existing debates but specifically highlights the complex nature of multi-level governance arrangements in STPs footprints. It explores what it means for different professionals and stakeholders to work in collaboration, particularly at a time when partnership behaviour is seen to be the new norm.

The research, based on a series of structured interviews with STP leaders and stakeholders, examines the potential role of scrutiny and accountability in the multi-agency governance arrangement of STPs and its relevance for developing collaborative partnerships and relationships with local politicians and decision makers.

From the information, we draw key lessons that we believe are useful and necessary to better understand the process of STPs but more importantly to seek ways to positively move forward.

## EXECUTIVE SUMMARY

A strong theme from all those interviewed was a recognition that collaboration is essential to make the changes required to improve outcomes and the efficiency and effectiveness of the NHS. Overall, STPs are recognised as an imperfect but "good enough" mechanism to create the strong local relationships needed to deliver change.

There was, however, a desire to understand and tackle the reasons why collaboration has proved difficult to achieve so far. Key reasons included:

- **Transparency** – the early ‘secrecy’ stages of STP development have left a legacy but people are ready to move on. There are calls for a clear narrative and evidence base for the future changes required which can be shared and used to have an open dialogue with key stakeholders and the public.
- **Financial clarity** – the situation is currently seen as confusing and leads to unwarranted tensions between partners. Sharing and understanding the public services funding position in an open and honest way is vital if trust is to be developed in local areas and to fulfil the presumption that a system wide approach will operate on shared or pooled budgets.
- **Organisational culture** – the dominant mode of working is still located at the individual organisational level with a clear bias to protect and promote self-interest. There is a lack of mutual understanding and appreciation of the different priorities and drivers of partner organisations.
- **Shared values** – the key challenge comes from not knowing what good looks like, how to work in a way that reflects those values and what the reasons are for collaboration. For some there is a lack of clarity of what the shared purpose is and the collective understanding of how to achieve it in a consistent and complimentary way.

- **Consultation** - there is still a degree of mistrust caused by the lack of consultation at the earlier stages of the process. There is also a lack of representation from various stakeholder groups in some elements of STPs, for instance people who might have important insights, but who find the STP process excluding or difficult to understand - the kinds of people who might previously have been termed "hard to reach". There is a need for improved communication of the existing guidelines and clarity on the detail of how consultation should be managed.
- **Power** - the power relations within the STPs are perceived to be skewed towards the centre and the acute sector hindering the efforts for balanced, cross sector partnership working.

Recommendations resulting from this research are that:

- Support is given nationally and locally to enable positive working relations to be developed across health and local government.
- A stronger emphasis is placed on the role of all leaders in STPs footprints to support collaboration. It is important that the STP lead has an affinity and commitment to the local area, can build relationship and gain trust to drive change.
- A clear evidence base for change should be better communicated to have a meaningful dialogue with the public. Some of the current STP footprints will make this more difficult to achieve.
- There is a shared responsibility across health and local government to promote the value and importance of integrating.
- Commissioning and regulation policy and practice needs to keep pace with the system wide approach adopted by STPs moving attention away from a single organisational focus.

## METHODOLOGY

This research project was conducted by Jolanta Shields, a doctoral researcher from the University of Manchester. The volunteer research post was fully funded by the Economic and Social Research Council and undertaken in April - May 2017. It consisted of eighteen semi-structured interviews. Participants were selected from a number of different geographical areas of STPs, which represented a small but nonetheless significant sample. The semi-structured interviews were with representatives from thirteen of the STP areas. These were supplemented by interviews and roundtables with national representatives and the desk research built on existing studies into STPs from the Kings Fund and others.

Interviewees included STP leaders, communication and engagement leads, chairs of health scrutiny committees and other stakeholders from the voluntary and non-for-profit sector. Two independent public events were attended; one on the future of STP governance organised by the Local Government Association and the other a roundtable hosted by the think tank, IPPR North.

The views presented are illustrative of the experience of various interviews and groups involved in the STP process. The report brings a qualitative angle based on a sample allowing the nuances of the experience of operating in multi-level governance to be reflected.

The views or opinions of any specific person, local authority or individual STP area are not attributed. However, at times quotes are used to illustrate a point which have been anonymised appropriately.

CfPS and the University of Manchester would like to thank all interviewees who gave up their time to participate in the research. We are particularly grateful for their interesting, thought provoking and insightful comments and opinions that contributed to this publication.

In October 2014, NHS England (NHSE) published the Five Year Forward View which sought to address the challenges facing health and social care in England. The plan set out a vision that produced a five-year strategy achieving a sustainable and high performing health service that meets the needs of the population. Two years later, local health leaders were asked to come together in 44 areas of England identified as geographical 'footprints', to develop place-based plans for transforming services within the allocated funding envelope.

In December 2016, these 44 Sustainability and Transformation Plans (STPs) were approved and given permission by NHSE to be officially published. The earlier decision to keep the STPs confidential seemed to continue to have a bearing on the trajectory of these plans particularly in respect of engagement and collaboration. In the same year, NHSE launched a follow up report to the NHS Five Year Forward View, the Next Step, to evaluate the progress made so far and to set out the new priorities to help bring the NHS closer to an integrated care model with some STP geographies becoming 'accountable' health systems.

The document expanded on the earlier recommendations and established the guiding principles around STPs to ensure the swift transition to a population-based health system. According to the Next Step the STPs - rebranded from "Plans" to "Partnerships" to reflect their evolution - will remain non-statutory and as such will only supplement the existing accountabilities that are currently held at the individual organisational level; secondly, STPs will be encouraged to develop in different ways according to the local context and need; and finally, the STPs will be required to have a basic governance and implementation 'support chassis' to facilitate collaboration and partnership working. In other words, all NHS organisations will be part of STPs, with an STP board made up from constituent organisations and where this is considered appropriate with the non-executive representatives drawn from local government or general practice.

## WHAT ARE THE MAIN ISSUES THAT COLLABORATIVE PARTNERSHIPS FACE DELIVERING THEIR STP?

Almost all the interviewees we spoke to considered collaboration as fundamental to STPs and a principle to which they all aspired.

Most participants agreed that time and resources were needed to support collaboration where relations were more adversarial. Some STP areas are progressing well, in others there was a consensus that STPs are doing a sterling job getting people into the same room and round the table.

In reflecting on the STP journey to date and their experience of working in this way, the following themes emerged:

- 1. STP driver** - the perceived top-down structure of STPs and an acute-centric approach has hindered efforts to establish meaningful and partner-like relationships. There was a feeling that partnerships were forced in direct response to the mandate from central government rather than grown from the local level.
- 2. Lack of shared understanding** - essentially, participants agreed that the main obstacle to collaboration was due to the lack of understanding and appreciation of the different priorities and drivers that sit across the systems and processes of partner organisations. They felt that inability to understand each other contributed to the unwillingness of different organisations

to come together, with some pulling in opposite directions. As one participant pointed out the key challenge for partnerships lies in not really knowing what good looks like, how to work in that way and what the reasons are for collaboration. In other words, participants felt that it was important to know what partners gain from collaborating with each other and what is the added value that they could not achieve on their own.

- 3. Complex landscape** - the complicated landscape, involving multiple stakeholders meant it was often simpler not to engage at all than navigate through the complex network of relationships and interactions. Some believed that this was partly caused by a false perception about what partnerships should look like with an expectation that they are an assembly of 'polite', like-minded people who always trust and appreciate one another. However, the stronger and the more diverse the partnership the more chance it had to survive beyond the point of crisis, differences of opinion and challenging circumstances.
- 4. Organisational culture** – a persistent culture of silo working was problematic for the system-wide approaches STPs promote. Most participants felt that the dominant mode of working was still located at the individual, organisational level with a clear bias to protect and promote self-interest. Indeed, one interviewee pointed out that there was a real opposition to joined-up working and there was a clear disconnect between health and local government. However, some participants agreed that not all STP footprints face the same challenges. In some areas, for instance, the plans were able to develop more quickly and made better progress because of the existing strong connections and collaborations. Although, these networks often preceded the STP initiatives, the leaders were able to take advantage of this valuable resource and subsequently make better progress.
- 5. Incentives** - some participants suggested that there were more opportunities for collaboration to develop and argued that the Government could play a more active role by creating incentives for collaboration. For instance, one participant mentioned the Better Care Fund, which he thought, at the time, had a 'peace making, money element' which gave a reason and incentive for diverse partners to come together and make decisions. Likewise, working at pace and to the policy imperatives were quoted as important factors in gaining trust and building constructive relationships.
- 6. STP footprints** - the specific geographies of STP footprints were frequently referenced. Almost all of the interviewees felt that the leaner the footprint, (for example, one CCG, one local authority, one Healthwatch) the easier it was to establish effective collaborations and secure consensus around STPs' objectives. Likewise, sharing a common border was considered helpful to forging effective relationships and for STPs to be more progressive in these areas. In contrast, the STPs that were based upon an 'unnatural' landscape with past histories of conflict and competition fared worse in respect of collaborative arrangements.
- 7. Regulatory framework** – it was felt that legislative change was needed to ensure that the system wide approaches are factored into a national policy. For instance, some participants mentioned that the regulatory and contracting frameworks, (for example, inspections carried out by CQC), were still focused on individual organisations meaning that there were no real incentives for system wide working.

Specific themes also emerged relating to key components of good governance:

### Transparency

Most of the participants felt that gaining the trust of stakeholders was essential if the STPs were to succeed. It seemed that the lack of consultation and the imposed secrecy at the earlier stage of the STP process has, in some areas, hindered efforts for closer collaboration and partnership working. The participants believed that in order to gain trust it was important for STPs to adopt governance approaches that was transparent, accessible and provided meaningful opportunities for public engagement.

Most felt that the lack of clarity about the plans and the technical language in which they were written made it hard for the public to become involved in a meaningful way. The view that some STP proposals lack a robust evidence base and therefore were difficult to evaluate and scrutinise was referenced. One interviewee described his experiences of trying to examine the plans as 'nailing jelly to the wall'. Others found the lack of information equally frustrating and thought this was causing a significant amount of uncertainty and affecting the implementation of the plans.

### Accountability

Many interviewees raised the issue of accountability and suggested that by ensuring everyone knew who was accountable, for what, and to whom, would allow better scrutiny and would add clarity to the complex, system-wide arrangements of STPs. At this stage, it was felt that the local mechanisms for scrutiny were not fully applied and appreciated with local politicians and elected members often feeling excluded or sidelined from the STP process altogether. The lack of adequate capacity and resources within local government was also mentioned as a potential barrier to effective scrutiny of STPs.

### Financial clarity

Financial transparency was cited as crucial to the success of STP implementation and delivery.

Firstly, some believed that if there was a better understanding of how public finance really worked and how the money was allocated across different health and local government departments, the relationships between individual organisations would improve with the silo-working culture either reduced or eliminated. With regards to the wider public, the financial transparency around STPs would ensure the risks were properly managed, accounted for and demonstrated value for money.

Secondly, the participants felt that because of the strong emphasis on public finance and the need to manage spend, there was a real prospect of service closure in some areas. It was vital to have clarity of what exactly this meant and what the process would involve. It was therefore vital to have honest and open conversations with a broad range of stakeholders and the public to explain why the change was needed, what it looked like and how it would affect providers and patients alike. Participants felt that this would help to overcome some of the scepticism. Essentially, participants felt it was important to be realistic and truthful with the public about the extent of the changes proposed by STPs, focusing on both positive and negative aspects of these plans.

Lastly, participants felt that it was important to have better clarity about budget responsibility. Specifically, there was a concern that the way power and authority is currently asserted in STPs might adversely affect local authorities in terms of impacting on their financial planning and service demands.

## Leadership

The role of leaders in achieving a commitment around STP implementation was raised repeatedly. All participants alluded to strong leadership playing an important role in establishing and maintaining effective partnerships. The STP leaders themselves were seen as critical actors who would set the direction of travel and would ensure that the right set of partners were represented in the STPs. There was an expectation that leaders should be willing to empower a wide and diverse group of people and collectively identify common objectives and a shared commitment to achieve them. However, some participants pointed out that current practice and style of leaders varied greatly with some participants quoting little or no engagement at all.

In the discussion around behaviours and qualities of future STP leaders, participants mentioned the role of soft and hard skills. They felt that the expert knowledge and sectoral experience was not enough on its own and indeed the future candidates should possess other skills such as emotional intelligence, diplomacy, resilience or good communication. In criticism to the earlier practice of appointments, the participants noted the lack of transparency and the subjectivity of the process.

It was perceived that many STP leaders had no relationships with the local area and made little effort to forge links with local politicians and communities. Some participants expressed a concern that some appointments invited an unnecessary scope and potential for conflict of interest. For instance, some interviewees used an example where the chief executive of a service being proposed for closure was also the leader of the STP in charge of making this decision.

## Overview and scrutiny

In situations where there is presence of multiple priorities and competing interests, it was felt there is a potential for scrutiny to play a role by identifying common and shared objectives around which to galvanise support and to overcome silo-working behaviours. Likewise, as many interviewees observed the governance arrangements also need to evolve and become more aligned with the formal governance of constituent organisations. The STP framework was seen as currently confusing with no delegated functions, no powers for STP members to share decision-making or have shared collective accountability. It is important that in the future STP governance embeds provision for constructive feedback via engagement and establishes a set of rules that will guide collective decision-making.

# STAKEHOLDER ENGAGEMENT

Most participants felt that at present STPs lacked the necessary evidence base, which could be offered to the public. Some thought that the lack of clarity and the enduring nature of health care reforms in the NHS also meant that the public was likely to think of STPs as just another, albeit different, label on the same bottle.

## Public communication

The participants believed that a smooth transition to system wide working in STPs requires effective communication and involvement of the public. It was important to develop a shared understanding of the process in order to dispel the notion of STPs being simply a cost cutting exercise or, as one interviewee described it, a 'misty programme of wizardry'. Instead, in managing the way forward it was seen as critical to develop meaningful interactions with the public that took advantage of existing networks and local knowledge.



The overall impact and effectiveness of public engagement seemed to be largely influenced by the availability of resources such as time, skills and local networks. In some areas, interviewees reported that public engagement was outsourced to professional management consultants or delivered in-house alongside other work programmes. In others, it was felt to be a low priority.

## Consultation

One of the main obstacles to meaningful engagement that participants identified was the lack of clarity around what good consultation should look like and what the desirable outcome should be.

It was recognised that service changes relating to health and social care were often sensitive and potentially contentious. There was a willingness to share best practice from both health and local government to make this meaningful for those engaging and undertaking the consultation.

It was suggested therefore that it was important to engage people from an early stage and to avoid the situation when the consultation simply becomes an afterthought or a tick box exercise. Some participants thought that areas, which operated as a Success Regime or Vanguards, had already been through the long process of consultation and therefore the impetus for new consultation was weaker than in other areas. Some felt this might present a risk insofar as earlier consultations would be seen as the main source of knowledge and legitimacy to inform and lead the future implementation of STPs. However, others pointed out that STPs were simply an umbrella term for past and present initiatives on delivering sustainable service change.

Significantly, only one participant showed the knowledge of the official guidelines, "Engaging Local People: A guide for local areas developing Sustainability and Transformation Plans", that NHSE produced to assist local leaders in the development of local plans. This may be due to the fact that the guidance came too late into the process and therefore did not have sufficient time to develop into practice. Most participants, however, agreed that the level of engagement with local people, politicians and the voluntary sector in the design and development of the plans was patchy and generally inadequate. In addition, a number of interviewees expressed opinions that there was a lack of private sector representation and feared that this oversight might generate problems and challenges in the future.

## Health and Wellbeing Boards

The interviewees believed that national bodies such as Healthwatch and Health and Wellbeing Boards (HWB) were all involved in the STP process although some raised the question of the extent and effectiveness of their involvement. In particular, the HWBs were at times accused of being a 'general nodding and approval' system that failed to stimulate engagement that would help stakeholders raise concerns with service providers in open forum.

Some participants felt that there was an assumption that HWB owned the STP but the process had been rushed with plans getting quickly signed off. It was alluded to that the voluntary sector and Healthwatch were not involved or present during the discussions led at the HWB level. STPs were often presented as a *fait accompli* and therefore no longer subject to challenge or question. At the same time, Healthwatch was considered to represent a wide range of stakeholders and acted as a necessary broker and a potential source of information and to enforce the legitimacy of STPs. However, some felt that the representation was often limited and therefore questioned the validity and the robustness of their data.

## INFLUENCING CHANGE AND THE ROLE OF ELECTED MEMBERS IN STP DELIVERY

For all 44 STPs to be effectively developed and their outcomes implemented, the government and all partners need to be serious about the role of subsidiarity.

There was a widespread consensus that the ‘duty to involve’ was well understood by all parties despite a varied standard of performance and quality in respect to engagement and consultation. Partly, this was due to the tight time schedule under which the STPs were developed and are now expected to operate but equally due to the insufficient use of local capital and knowledge.

The participants felt that overall neither local health scrutiny committees nor local politicians had been sufficiently represented in the process to date. Yet, the system wide approach of STPs to local health economies fundamentally relies on collaborative partnership arrangements that are citizen and outcome-focused. It seems pertinent therefore that local mechanisms for scrutiny and public participation are widely explored and applied. The integration of such approaches into the main programme of STPs would add credibility to the process and facilitate successful implementation of the plans in future. Likewise, scrutiny could provide a valuable platform for bringing together a diverse range of people and groups to discuss and evaluate the impact of the proposed changes to the health service. Responsibility for making this happen rests with health and local government leaders locally to ensure the role, contribution and value of scrutiny is understood.

However, there was also recognition that that for scrutiny to play a bigger role, there would need to be an adequate level of support exclusively dedicated to this function. Local government scrutiny support (both health scrutiny and wider) has been significantly reduced over recent years. Some argued that it might also be necessary to review the existing powers of health scrutiny with the aim of making them greater so that they can properly deal with the demands of new systems, for instance accountable care, introduced by STPs.

Some participants offered examples in which local scrutiny developed an additional structure to deal entirely with issues relating to STPs. In one case a sub-committee was set up to try to address the knowledge gap and democratic deficit. They did that by inviting local and national experts, the public, general practitioners, etc. to give evidence in writing or in person, and developed a detailed plan of questioning based on the information provided. Whilst some considered such an approach ‘excessive’, the activity provided not only a useful opportunity to engage but also proved indispensable in giving a much needed oversight to the STP process.

Despite a few examples where local members and STP leaders worked together, for instance to develop codes of good practice, the ability to influence the strategic direction of these plans was seen as limited and largely seen as residing at the leadership team level. The opportunities to harness the citizens’ voice tended to be overlooked potentially hampering strategic decision-making and delaying implementation of STPs in the future.

In ensuring any specific service change is delivered and for the better, scrutiny will need to play a bigger role. This is particularly pertinent in terms of what is commonly known as the substantial variations in local health services. Those involved in scrutiny and governance of STPs will need to have access to good, timely and evidence-based information that it is clear and understandable to them. While it might be necessary sometimes for members to have specialist knowledge of an issue, local members should not be assumed to be that experts in the STP field. Instead, their capacity to engage and co-opt others while simultaneously remaining independent is far more relevant to the credibility of the process.

A place-based approach to improving outcomes is welcomed and all partners want to play a positive and active role in making it work. Everyone interviewed appreciated the scale and difficulty of the task in hand, particularly in relation to financial pressures, managing demand and the complexity of the health landscape. There was also an appreciation that practical support is needed to help improve understanding different organisation's priorities and financial position.

There was a real desire to use existing mechanisms such as overview and scrutiny to support new governance mechanisms, and for any new governance systems to integrate with existing processes and structures where appropriate. The research also highlighted a need for guidance on how consultation and substantial variations will be managed. Concerns about the resource and support needed to make this process effective were expressed.

Recommendations resulting from this research are that:

- Training and practical support is provided to colleagues working nationally and locally in health and social care to support collaborative working.
- A stronger emphasis is placed on the role of all leaders in STPs footprints to support collaboration and engage in proactively building a shared understanding of goals and improving transparency.
- A clear evidence base for change should be better communicated as the basis for a meaningful dialogue with partners and the public. Some of the current STP footprints will make this more difficult to achieve.
- There is a shared responsibility across health and local government to promote the value and importance of integrating local governance mechanisms for scrutiny and public participation into the STP programme.
- Commissioning and regulation policy and practice needs to keep pace with the system wide approach adopted by STPs moving attention away from a single organisational focus.

The purpose of this report is to positively learn from experiences to date, and hopefully it provides insight for a range of stakeholders at both national and local level. CfPS will continue to work with colleagues in health and local government to ensure that the evidence is used in the design of appropriate policy and practical support.



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