

Capital, capacity and capability

Independent sector providers helping to develop
a strong Sustainability and Transformation Plan



Introduction

In December 2015, the national NHS bodies released their NHS [planning guidance](#) for 2016/17. Included in this guidance is the requirement for local health areas to create a plan for accelerating and implementing the Five Year Forward View. These Sustainability and Transformation Plans (STPs) will be place-based, multi-year blueprints that ensure the additional funding secured in the Spending Review is effectively channelled into transforming the way care is delivered.

Successful development of STPs will be central to the release of sustainability funding for providers in 2016/17 and any real-terms increases in clinical commissioning group (CCG) allocations from 2017/18.

As has been acknowledged in the initial guidance, the independent sector should play a key role in helping individual footprints to meet the stated requirements for STPs and in ensuring the plans are effectively delivered.

This document has been developed to provide more detail on how that support could be realised and is broken up into three main areas:

- **capital** – helping to access and secure external investment
- **capacity** – providing additional, flexible capacity to meet demand and patient need
- **capability** – enabling learning and dissemination of good practice from local, regional, national and international operators.

The 2015 Spending Review settlement for the NHS committed the government to encouraging long-term partnerships with the private sector¹ in a number of key areas including:

- development of new models of care including Accountable Care Organisations
- the upgrade of diagnostic capabilities
- hospital groups and acute care collaborations.

1 HM Treasury (2015), *Spending Review and Autumn Statement 2015*. Section 2.48, p.88.

Foreword

This is a crucial time for the NHS. Over the coming months, vital decisions will be made at local level to ensure that we can continue to deliver excellent results for NHS patients while meeting the health, finance and quality gaps which were identified in the Five Year Forward View. This is not an easy task, yet the process for developing and delivering Sustainability and Transformation Plans (STPs) begins to transfer control out to those who best know their populations and the needs of their patients and therefore provides a significant opportunity to change the way health and care is planned and delivered.

To achieve the changes needed, we require a significant change of gear and all partners will need to work together to anticipate future challenges, map local capability and develop a plan to plug identified gaps. This document focuses specifically on how

your partners in the independent sector can provide vital support as STPs are developed: providing crucial access to capital, capacity and capability and helping to make local services sustainable.

Many areas are already working well across organisational boundaries and bringing in for-profit and not-for-profit providers as a matter of routine. We are also seeing much needed plurality and partnership being driven by collaboration. The STP development process is a great opportunity to strengthen and broaden these partnerships and leverage the capital, capacity and capability which the independent sector offers. We hope that this document provides you with some support in achieving local partnerships that secure the best possible care for patients.



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

Rob Webster
Chief Executive
NHS Confederation



A handwritten signature in black ink, appearing to read 'David Hare'.

David Hare
Chief Executive
NHS Partners Network

The sector: An overview

Volume and scope

Independent sector providers make a varied and important contribution to supporting NHS patients.



NHS Partners Network members employ or contract with over **70,000 staff**.



Independent organisations currently treat around **20%** of all NHS gastroenterology, trauma and orthopaedic patients.



6.3% of NHS services were delivered by the independent sector in 2014/15.



NHS elective surgical procedures during 2015.

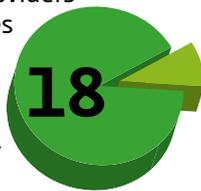


5,000 additional endoscopy procedures performed by the independent sector, led by the independent sector run project management office, from September 2015 to February 2016.

Quality

Independent sector providers support NHS organisations to deliver high-quality care that patients value.

18 of the top 20 providers under PROMs scores for primary hip replacements are from the independent sector (Oxford Hip score, measured by adjusted health gain), between April 2014 and March 2015.



99% of inpatients say they would recommend independent sector services to their friends and family during 2015.



In December 2015, independent providers treated NHS outpatients over **10 days earlier** than the national NHS average.

Public opinion

People are most concerned about maintaining a free-at-the-point-of-use NHS, not ownership models.



79% of people agree it is fine for the NHS to use private companies to provide services to patients as long as they meet NHS standards, the cost to the NHS is the same or lower, and services remain free at the point of use.

Partnering with the independent sector

There are many areas where the independent sector has a long history of working with its NHS partners to deliver great care for NHS patients, but the independent sector is well placed to make an even greater contribution to local health and care transformation. This document focuses on three main areas, but we would encourage discussion with your independent sector partners to identify additional ways in which they can help.

Capital

With public sector capital increasingly limited, the NHS will need to consider how it can supplement publicly available capital funding with external investment. The independent sector is well positioned to support this and can access capital from existing corporate balance sheets or the commercial markets to fund new and remodelled services. The independent sector can take a long-term view and secure funding against future assets or funding streams, using direct relationships with funding markets. Engaging with local independent providers early on will help NHS partners understand the potential for investment in the local area across a wide range of health and care services.

Capacity

Independent providers can help local partners by offering much needed capacity without the need for further capital investment from the NHS. Examples of specific ways in which the independent sector has a successful track record of supporting access to NHS-funded care include:

- making further capacity available in acute elective services – the uniqueness of this partnership is that such capacity can be made available through different arrangements to help in peak times, for example, helping to meet waiting times targets over the winter, as well as through ‘business as usual’ patient choice channels
- providing diagnostic capacity through ‘managed service solutions’

- delivering mobile capacity across surgical and diagnostic treatment areas to support short and medium-term capacity pressures
- providing clinical home healthcare and care home capacity to support patient discharge and avoid unnecessary hospital admissions
- offering management and strategic capacity, as well as procurement and planning skills that can be of potentially significant benefit to those involved in developing STPs.

Capability

Our recent NHSPN publication, *15 years of Concordat: Reflection and renewal*, illustrates how the flexible and innovative nature of services being provided by independent sector organisations can support the NHS to drive real change in service delivery.

Independent sector organisations operate locally, regionally, nationally and internationally and can bring learning and best practice from their wider operations for the benefit of patients across the country. The sector is used to working across organisational boundaries and can develop collaborative partnerships and more formal joint ventures with public providers.

STPs are an excellent opportunity to challenge existing ways of doing things and through working in partnership with the independent sector, NHS organisations can learn from systems and practices in other areas that can help individual footprints to deliver on the Five Year Forward View ambitions if they are involved in long-term planning discussions around capability.

The independent sector is also well placed to respond not just to the development of ill health services, but also to the health of local populations. There are emerging examples of partnerships with local authority and education partners to support the public health agenda, developing health champions to advise on exercise, diet, fitness and sexual health.

Responding to the national challenges for STPs

The 2016/17 planning guidance raises a series of questions on pages 17 to 21 to give an early sense of what local areas need to address to gain sign-off for their STP and attract additional national investment.

The list below highlights just some of the areas where engaging the independent sector will be beneficial in developing local STPs.

<p>A. How will you close the health and wellbeing gap?</p>	<p>Many independent providers have been co-designing care plans with their patients for years. There is a wealth of knowledge and investment in this area that could be made available to the NHS.</p>
<p>B. How will you drive transformation to close the care and quality gap?</p>	<p>Several NHSPN members are currently delivering primary care services in challenged health economies, often working seven days per week and with extended working days. Their experience shows us the benefits of flexible arrangements that respond to local patients' needs and improve access.</p> <p>Independent providers can work with local trusts to make acute elective capacity available and ensure waiting lists are kept low.</p> <p>Commissioners can work with independent providers to offer patients greater choice and meet the Five Year Forward View's commitment to making good progress on patients' right to choose.</p> <p>Independent sector providers can offer support for investment and transformation across all diagnostics modalities seven days per week in acute and community settings.</p> <p>The independent sector can offer support with NHS transformation including in new care models such as Accountable Care Organisations and Multi-Specialty Community Providers.</p> <p>Independent providers have a tradition of offering seven-day services that respond to their local patients' needs and could be a key partner in delivering it within the NHS.</p> <p>NHSPN members are well engaged in implementing the local digital roadmaps. Considerable investment has already been made at local level and members are ready for full implementation of paper-free care. Local conversations could help translate this knowledge and spread investment.</p> <p>The independent sector can support the development of technology to support wellbeing and independent living, providing immediate access to appropriate information and advice to reduce the burden on the NHS.</p>
<p>C. How will you close the finance and efficiency gap?</p>	<p>Independent sector providers can help the NHS to improve efficiency by working in partnership, be it raising capital funds, making capacity available or improving the overall capability of the system.</p> <p>Some of our members spend up to 30 per cent less on staffing agencies than NHS providers through leveraging purchasing power across a group structure.</p> <p>Independent providers leverage significant efficiencies through shared procurement approaches across national group structures.</p> <p>Investment opportunities through NHS and independent sector partnerships in sub-acute step-down care as recommended by the Carter Review² to help alleviate pressures on NHS acute hospitals.</p>

² Lord Carter (2016), *Operational productivity and performance in English NHS acute hospitals*.

Contact us

The NHS Confederation and NHS Partners Network are keen to provide signposting services for any STP footprint that wishes to explore opportunities for working with independent sector healthcare organisations. Should you require assistance, please contact the NHS Partners Network operations officer Sejal Patel at sejal.patel@nhsconfed.org

NHS Partners Network

NHSPN is the trade association representing the widest range of independent sector providers of NHS clinical services ranging through acute, diagnostic, primary and community care, as well as dental services. Our members are drawn from both the 'for-profit' and 'not-for-profit' sectors and include large international hospital groups and small specialist providers, and all are committed to working in partnership with the NHS and to the values set out in the NHS Constitution.

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