



SURREY HEARTLANDS DEVOLUTION TRILATERAL AGREEMENT

June 2017

1. **PURPOSE**

The Purpose of this Trilateral Agreement is to provide the formal commitment of NHS England, NHS Improvement and Surrey Heartlands (All Parties) to the progressive implementation of Devolution in Surrey Heartlands, including the establishment of a 'Shadow Year'. This Agreement does not in itself provide authority to devolve or delegate powers.

The intention is that All Parties will work collaboratively to support Surrey Heartlands in the planning, execution and post implementation development work required to initiate the Shadow Year and in that period to further refine the form and function of Devolution to best achieve its aims and ambitions.

This Agreement is not legally binding and does not assume legislative change on the part of national Government, but reflects the commitment of All Parties to dedicate senior management time and focus, working towards the achievement of the stated objectives of the Surrey Heartlands Devolution programme.

2. **TIMING**

All Parties agree that the timetable for Devolution should be such that the Shadow Year is initiated at the earliest possible date, subject to the necessary approvals. The Parties' objective is to enable a move to fuller Devolution by 1st April 2018 through successful demonstration during the Shadow Year of the attributes required to fulfil the criteria for devolution set by NHS England and NHS Improvement.

3. **COMPLIANCE WITH STATUTORY AND REGULATORY REQUIREMENTS**

All Parties to this Agreement recognise and will abide by the extant statutory and regulatory requirements of English Law and the relevant Health and Social Care legislation. Nothing in this Agreement will override, supersede or replace any statutory or regulatory requirement.

4. **DEFINITIONS**

'Agreement'	is the Trilateral Agreement forming this document. This Agreement focuses on the elements of Devolution relating to Surrey County Council, the CCGs, NHS England and NHS Improvement, and their relationship with the provider community in Surrey Heartlands. It signals the intention of All Parties to work towards the establishment of Surrey Heartland's Devolution, with a Shadow Year. The Agreement is not legally binding on any of the Parties.
'Devolution'	refers to the entirety of the proposal set out in this document. Unless specified, the details of Devolution, including changes to commissioning responsibilities through devolved arrangements, delegation and/or co-commissioning of functions, will be subject to further discussion, development and agreement with NHS England, NHS Improvement, Department of Health and other Arm's Length Bodies as necessary. For the avoidance of doubt, this Agreement does not assume any legislative change.
'Devolution Vehicle'	in this Agreement means the new governance arrangement described in Section 12 of this Agreement (the Joint Committee and Executive Leadership Group).
'Shadow Year'	is the period from April 2017 until 31 st March 2018, intended to establish the governance arrangements and develop the working arrangements of

the Devolution within existing statutory and regulatory requirements, including the definition of further requests for devolved powers and/or delegated powers.

‘Surrey Heartlands’

refers to the Health and Social Care system (including the organisations and the populations served by those organisations) described in the map [in section 6] and includes the Local Parties to this Agreement.

‘All Parties’ to this Agreement are the signatories, made up of:

- (1) ‘Local Parties’**, made up of the following organisations: NHS North West Surrey CCG, NHS Guildford and Waverley CCG, NHS Surrey Downs CCG and Surrey County Council;
- (2) NHS Commissioning Board** (referred to in this document as **NHS England**); and
- (3) The NHS Trust Development Authority and Monitor** (referred to collectively as **NHS Improvement**).¹

5. INTRODUCTION

This Trilateral Agreement sets out arrangements for progressive Devolution of national powers and new working arrangements between Local Parties, NHS England and NHS Improvement to enable the clear ambition for Surrey Heartlands to be a prosperous and healthy place with a high quality health and care system for the population that is sustainable for the long term.

In October 2016, the Surrey Heartlands five year Sustainability and Transformation Plan (Annex 1) was developed to describe a wide range of health benefits and improved outcomes that will be realised for the population through the transformation of health and care services. At the core of the strategy is a set of proposals to eliminate variation by delivering consistent clinical and professional standards.

Placing health and wellbeing as part of the infrastructure of prosperity and aligning with wider work around education, skills, work and housing will help to secure the best outcomes for the people of Surrey Heartlands, while unlocking new opportunities to develop and strengthen partnership arrangements with academic and business partners. The plans to build a foundation of citizen leadership and personal responsibility, and to optimise the social capital of strong local communities, form the cornerstone for any meaningful solution.

Devolution is an essential component to unlocking far broader changes, accelerating integration and more effective collaboration in Surrey Heartlands. To that end, this Trilateral Agreement sets out a framework for achieving greater collaborative working and devolving greater control of, and influence over, health and care to Surrey Heartlands. The Trilateral Agreement:

- provides a framework for achieving Devolution of agreed health and social care responsibilities to Surrey Heartlands²;

¹ NHS Improvement is not in itself a statutory entity, but carries out the statutory functions of the NHS Trust Development Authority (TDA) and Monitor. References to ‘NHS Improvement’ in this document should be interpreted as encompassing NHS Improvement’s role in relation to both TDA and Monitor functions.

² This will require collaboration with national government, led by the Department of Health, to ensure that the proposed new arrangements continue to support the accountability of CCGs and NHS England for improving quality and health outcomes, delivering core operational standards and ensuring the effective use of NHS resources. There will need to be agreed as to the precise scope and extent of the commissioning functions that can be lawfully delegated/devolved.

- sets out the principles and process for collaborative working and operation of any devolved activities; and
- describes the areas for further detailed work during 2017/18 and beyond en route to a more devolved health and care system.

This Trilateral Agreement focuses on the elements of Devolution and the establishment of new working arrangements relating to NHS England, NHS Improvement, the three CCGs³ and Surrey County Council and their relationship with the provider community across Surrey Heartlands. It sets out how Parties will work together and the roadmap leading to Devolution. The journey begins with initial undertakings by each constituent party, the expected framework required for shadow form and further anticipated steps which will require ratification in the light of experience and developments in the future.

All Parties agree to act in good faith to support the objectives and principles of this Trilateral Agreement for the benefit of the health and wellbeing of all Surrey Heartlands residents and patients⁴. Many of the issues under consideration are complex and require further collaboration to design and understand the implications of new approaches. New approaches will also require continuing evaluation to ensure maximum value and best outcomes are being achieved for the Surrey Heartlands population. In addition to the commitments contained in this document, NHS England and NHS Improvement extend an offer of a continuing dialogue with Surrey Heartlands regarding Devolution and, more broadly, to support shared objectives for prevention, health and social care integration and best value for Surrey Heartlands.

6. CONTEXT

Based on local communities and patient flows, the health geography within Surrey currently splits three ways. Surrey Heartlands serves 850,000 people within the areas of Guildford and Waverley, North West Surrey and Surrey Downs and accounts for around three quarters of the overall Surrey population. From a foundation of strong relationships and joint commitment across the system, the five year Surrey Heartlands Sustainability and Transformation Plan (STP) sets out an ambitious programme for delivery (see Annex 1).

Partners have a strong history of working in partnership across Surrey Heartlands, both in collaborative commissioning arrangements and service delivery. Since their inception, Clinical Commissioning Groups (CCGs) have worked across Surrey and with Surrey County Council to commission all children & young people's and learning disabilities services, as well as some elements of mental health. The development of the Surrey Better Care Fund plans and ongoing drive towards integration have helped to ensure relationships between partners are strong, with a shared vision for the future of health and care services.

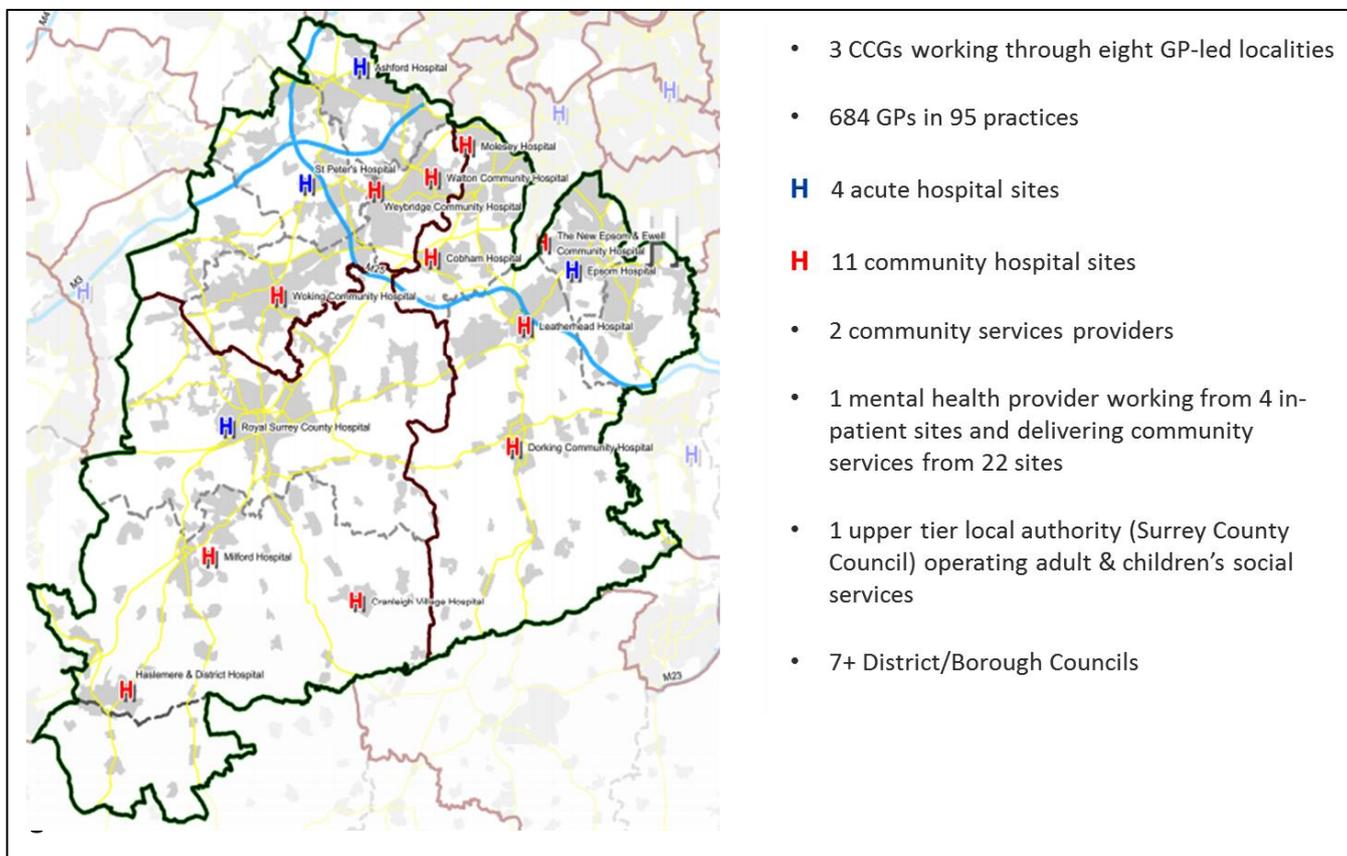
Surrey Heartlands' partners (including commissioners and providers) have also collaborated in shared service reviews, with stroke services being the most recent example of such a collaboration. Surrey Heartlands' partners will continue to participate in Surrey-wide partnership arrangements for the commissioning and delivery of a number of services such as Continuing Health Care, delivering the Mental Health Crisis Concordat, and Adult and Children's Safeguarding.

³ NHS North West Surrey CCG, NHS Guildford and Waverley CCG and NHS Surrey Downs CCG

⁴ NHS England and NHS Improvement have duties and functions in relation to the whole of England, not just Surrey, and when making decisions must consider the potential impact on the population immediately surrounding Surrey Heartlands or further afield.

At the heart of the Surrey Heartlands STP is the commitment to a place-based approach to joining up health and social care, including the development of new models of care aligned to the vision set out in the NHS's Five Year Forward View.

Surrey Heartlands and STP footprint



7. OBJECTIVES

Through a place-based focus, underpinned by this Trilateral Agreement, all Parties will continue to:

- Improve health and social care outcomes;
- Drive integration of services and functions that improve quality and reduce health inequalities;
- Demonstrate public value;
- Increase public engagement in decision-making;
- Standardise best practice in health and social care through commissioning and provision, in order to secure improved outcomes, efficiencies and effectiveness; and
- Achieve sustainable financial balance.

Devolution is not an end in itself - it is a key enabler of transformation across the system and closer integration between health and social care. It will play a key role in the ability of Surrey Heartlands to deliver on the ambitions set out in the Sustainability and Transformation Plan (Annex 1).

Surrey Heartlands, together with the relevant national bodies as appropriate and agreed, will explore the following key areas where Devolution could make a crucial difference:

1. Accelerating the integration of health and social care...	...through much closer alignment and integration between the three Clinical Commissioning Groups and Surrey County Council and a single commissioning voice and function for Surrey Heartlands.
2. Activating and stimulating engagement and involvement of the people of Surrey Heartlands in the design of a sustainable health and care system for Surrey Heartlands...	...strengthening local democratic accountability and ownership, and the triggering and facilitating of an essential local dialogue and debate with citizens and system leaders about their priorities in transforming a resource-constrained health and social care system so that it will meet their ambitions for wellbeing and health in a sustainable way.
3. Developing a system with aligned incentives to achieving public value and the best possible outcomes for the people of Surrey Heartlands...	...working with national bodies to identify the conditions within which Surrey Heartlands operate as a system and exploring opportunities for better alignment of performance management, regulation, oversight, contracting and payment systems. We need to enable partners to take a true systems leadership approach - delivering system-wide change for the benefit of the people across Surrey Heartlands. This encourages the sharing of expertise across existing service boundaries to create a “one team” ethos in which all the energies of health, social care and wider public services within Surrey Heartlands are focussed on achieving shared objectives for the area.
4. Providing freedoms and flexibilities to unlock and maximise the potential of the Surrey Heartlands system...	...exploring how best to ensure that the range of resource and investment available in Surrey Heartlands is focused towards improving the health and wellbeing of the population and achieving maximum public value. Surrey Heartlands believe that this is one of the few ways in which local partners will be able to address the primary and community care infrastructure requirements so crucial to supporting system change.
5. Harnessing the collective strengths and expertise of partners across Surrey Heartlands, placing the health and care system as an important building block for economic growth and prosperity...	<p>...enhancing the ability to respond to local conditions and opportunities through the flexibility, local ownership and increased level of local control Devolution provides, and as a driver of the innovation and investment needed to transform the health and care system. This will help to:</p> <ul style="list-style-type: none"> • enable better alignment across the public sector on key elements such as housing, transport, education/skills, employment and prevention initiatives, achieving greater value from the collective public spending in Surrey Heartlands. • act as a catalyst for the development of new relationships with academic and business partners to support economic growth by, for example, maximising the potential contribution of 5G connectivity to secure both health and economic benefits for the area.

8. OVERARCHING PRINCIPLES

The following overarching principles underpin and guide the proposed approach all Parties will take, acting in good faith to develop and implement the Devolution initiative described in this Trilateral Agreement:

- Healthcare services in Surrey Heartlands will remain part of the NHS, meeting statutory duties and upholding NHS values and standards, including the NHS Constitution and delivering the commitments within the NHS England Mandate in so far as they relate to Surrey Heartlands;
- The Devolution Vehicle will act locally as the ‘single point of accountability’ for commissioning, and a focal point for coordination of provider oversight and support across health, social care and public health, with collaborative working, prioritisation and decision-making focussed on the interests of and outcomes for the Surrey Heartlands population;
- Surrey Heartlands will be assured and performance managed as a place⁵, as far as this is possible within the legislative framework. Local Parties, NHS England and NHS Improvement will work together to ensure a consistent and coherent approach to performance oversight to support delivery of national and local priorities in collaboration with the relevant national bodies;
- Surrey Heartlands will continue to work collaboratively with partners beyond its borders, with a commitment to avoid adverse impact on neighbouring communities in local decision making;
- Securing public value will remain a core principle for all Parties. Dialogue with residents will inform Surrey Heartlands’ priorities, with co-design and co-delivery at the heart of system transformation;
- New models of governance and decision making will be inclusive and underpinned by transparency and the open sharing of information;
- Surrey Heartlands (through the Devolution Vehicle) will be able to access a ‘fair share’ of relevant transformation funds, held by NHS England and have freedoms to allocate the funds to achieve the best outcomes for its population, taking into account national priorities and fulfilling any agreed conditions attached to the funds; and
- All decisions about Surrey Heartlands will be taken with Surrey Heartlands.

9. **SCOPE**

The Parties will work together during 2017/18 (the Shadow Year) to agree an approach to potential fuller Devolution in Surrey Heartlands in the future. This would need to be explored and discussed with the Department of Health.

To secure the maximum benefit from Devolution and the integration of health, social care and public health, Surrey Heartlands will work on the principle that all commissioning responsibilities for the Surrey Heartlands population could come under the scope of the Surrey Heartlands Devolution Vehicle where it will improve the experience, quality or outcomes for the Surrey heartlands population, subject to agreement with the relevant national bodies.

This scope of the Devolution Vehicle could therefore include the following aspects of health and care:

- All current commissioning responsibilities of the CCGs;
- Social care and public health commissioning responsibilities;
- Any commissioning responsibilities devolved/delegated to Surrey Heartlands from national bodies, as agreed.

⁵ This principle recognises that some Regulators have statutory duties in relation to assurance which they will need to be able to continue to meet. For example, NHS Improvement is committed to working with Local Parties to view issues from a systems perspective and to help areas solve problems as a system. Surrey Heartlands recognises that providers must still be overseen / regulated as individual entities based on current legislation but NHS Improvement will work with the Devolution Vehicle to look at different ways of combining this provider responsibility with a systems leadership approach).

Further work is being undertaken between Partners to confirm and refine the proposed scope of services to be delegated/devolved to Surrey Heartlands⁶ in 2017/18 (the Shadow Year) and from April 2018. The scope being explored includes (but is not restricted to):

- Primary care, including GP services, dental, pharmacy and optometry;
- Specialised services;⁷
- Public Health services (additional to the functions which Local Parties already have responsibility for);⁸
- Health education and workforce development;⁹
- Freedoms in relation to the business support / back office functions, including freedoms to pursue locally integrated solutions as an alternative to the Lead Provider Framework for CCGs;
- A process that ensures the Local Parties are fully involved and that Surrey Heartlands is engaged as a place, in the Integrated Support and Assurance Process (ISAP) for assuring novel and complex contracts and in the Service Reconfiguration Assurance Process;
- The development and implementation of a single estates strategy for Surrey Heartlands as part of 'One Public Estate'.¹⁰

A more detailed schedule is being developed alongside this Trilateral Agreement with input from NHS England and NHS Improvement and other relevant national bodies, covering each of the areas for Devolution. The Shadow Year will provide the opportunity for Partners to work together to continue to explore further opportunities beyond those initially identified.

Once the Devolution Vehicle has been established and authorised to operate by NHS England, with the agreement and cooperation of NHS Improvement, it will initiate the development of a further Trilateral Agreement to define the corporate and operational relationships between the Devolution Vehicle and the Local Parties, NHS England and NHS Improvement, as well as agreed delegated authorities or 'seat at the table' arrangements during the Shadow Year.

In delegating /devolving any commissioning responsibilities/functions to Surrey Heartlands:

- Any changes to accountabilities and responsibilities for commissioning health and care services will be evaluated, agreed with relevant national bodies (in accordance with any nationally set criteria) and phased to achieve the benefits of Devolution at the maximum speed consistent with safe transition and strong governance;
- Local Parties and NHS England will work together to agree the transfer of any associated skills and resources to support the commissioning functions being transferred;
- All Parties will work together to ensure that neither duplication of activity nor an increase in total cost arises from these changes; and
- Risks in transition of health commissioning responsibilities to Surrey Heartlands will be managed collectively by the Parties to this Agreement through the new governance arrangements (see section 11).

In addition, responsibility for the following is intended to lie with the new arrangements through the Devolution Vehicle:

⁶ This will include some internal delegation within NHS England within the Surrey Heartlands Devolution arrangements.

⁷ This refers to those specialised services that can be commissioned appropriately and effectively at Surrey Heartlands level

⁸ This covers those public health services for which the local authorities are responsible, subject to the statutory ring-fence by NHS England on behalf of DH.

⁹ Subject to discussion with the relevant bodies

¹⁰ Subject to discussion with the relevant bodies

- Assessing health and social care need across the Surrey Heartlands footprint;
- Agreeing (and prioritising) a shared set of health and social care outcomes for the population of Surrey Heartlands, within national frameworks where required;
- Agreeing the allocation of resources aligned to the above needs and prioritised outcomes for Surrey Heartlands – this would include the deployment of transformation funds allocated to Surrey Heartlands;
- Co-ordinating oversight of and support for health and social care providers; and
- STP programme management and oversight of delivery.

A road map will be developed and agreed by June 2017 which will set out the key changes to be delivered by Surrey Heartlands, NHS England and NHS Improvement, and specifically for the delegation/devolution of responsibilities and agreed associated resources to Surrey Heartlands in agreed phases of change during the Shadow Year. This will be supported by robust governance arrangements and a clear delivery plan.

Surrey Heartlands will take more control of its own future and responsibilities in a phased way that is safe for patients, ensures that the duties in the NHS Constitution and all national NHS and local authority accountabilities continue to be delivered, demonstrably maximises value for money and ensures greater local democratic accountability to the residents of Surrey Heartlands through integrating the governance arrangements for health and social care.

10. THE ROADMAP

This Trilateral Agreement describes the aspiration for Surrey Heartlands to achieve transformation of health and social care at pace and scale. Local Parties, NHS England and NHS Improvement will continue to work together during the Shadow Year in 2017/18 to agree the preferred mechanisms, timescales and resources to achieve the aims and objectives described in this Trilateral Agreement.

A clear roadmap and supporting delivery plan will be developed and agreed with all Parties with the objective of achieving fuller devolution from April 2018. The roadmap to Devolution will include stepped increases in responsibilities and powers, underpinned by a clear set of financial and performance milestones and trigger points, robust risk and benefit share arrangements and aligned development of Surrey Heartlands governance arrangements. It will specifically enable regular reviews of progress against the key milestones drawn from the agreed aims and achievements, including relevant key milestones which occurred before the signing of this agreement:

April 2017	<ul style="list-style-type: none"> • “All decisions about Surrey Heartlands to be taken with Surrey Heartlands” • Process for establishment of shadow governance arrangements agreed and initiated
June 2017	<ul style="list-style-type: none"> • Shadow Year governance arrangements formally ratified by the ‘new’ County Council (post local elections), CCG governing bodies and NHS England, and signed up to by NHS Improvement • Investment framework / criteria agreed for application of transformation monies • Agree Scheme of Delegation between the Parties to this Agreement, setting out decision-making powers that would be reserved by each of the statutory bodies and those delegated to the Joint Committee, and how they will be operated • Formal update paper presented to Surrey County Council Cabinet and CCG Council of Members / Governing Bodies

October 2017	<ul style="list-style-type: none"> • Production of the Surrey Heartlands Commissioning Strategy for health, social care and public health • Formal update paper presented to Surrey County Council Cabinet and CCG Council of Members / Governing Bodies
December 2017	<ul style="list-style-type: none"> • In preparation for fuller Devolution in 2018/19, Local Parties, NHS England and NHS Improvement will have approved the details of the resources to be devolved and supporting governance
February 2018	<ul style="list-style-type: none"> • Formal update paper presented to Surrey County Council Cabinet and CCG Council of Members / Governing Bodies
April 2018	<ul style="list-style-type: none"> • Fuller Devolution of agreed budgets and responsibilities, with the preferred governance arrangements and underpinning agreements in place

11. **GOVERNANCE**

The governance arrangements will be shaped by the CCGs, Surrey County Council, NHS England and NHS Improvement in accordance with existing accountability and legal arrangements, whilst recognising that different ways of working will be required to deliver the transformational ambitions of Surrey Heartlands. Clinical/professional leadership will be at the heart of the Surrey Heartlands governance model and a principle of subsidiarity will be rigorously applied, with commissioning and decision-making taking place at the lowest appropriate level¹¹.

The Devolution Vehicle will operate within, and be subject to, all statutory and regulatory requirements (including the requirement to provide assurance to NHS England nationally over the appropriate application and management of any NHS devolved monies).

The Surrey Heartlands Transformation Board¹² will continue to be the executive partnership board with accountability for the delivery of the Surrey Heartlands Sustainability and Transformation Plan and be the primary forum for collaborative systems leadership across health and social care commissioners and providers.

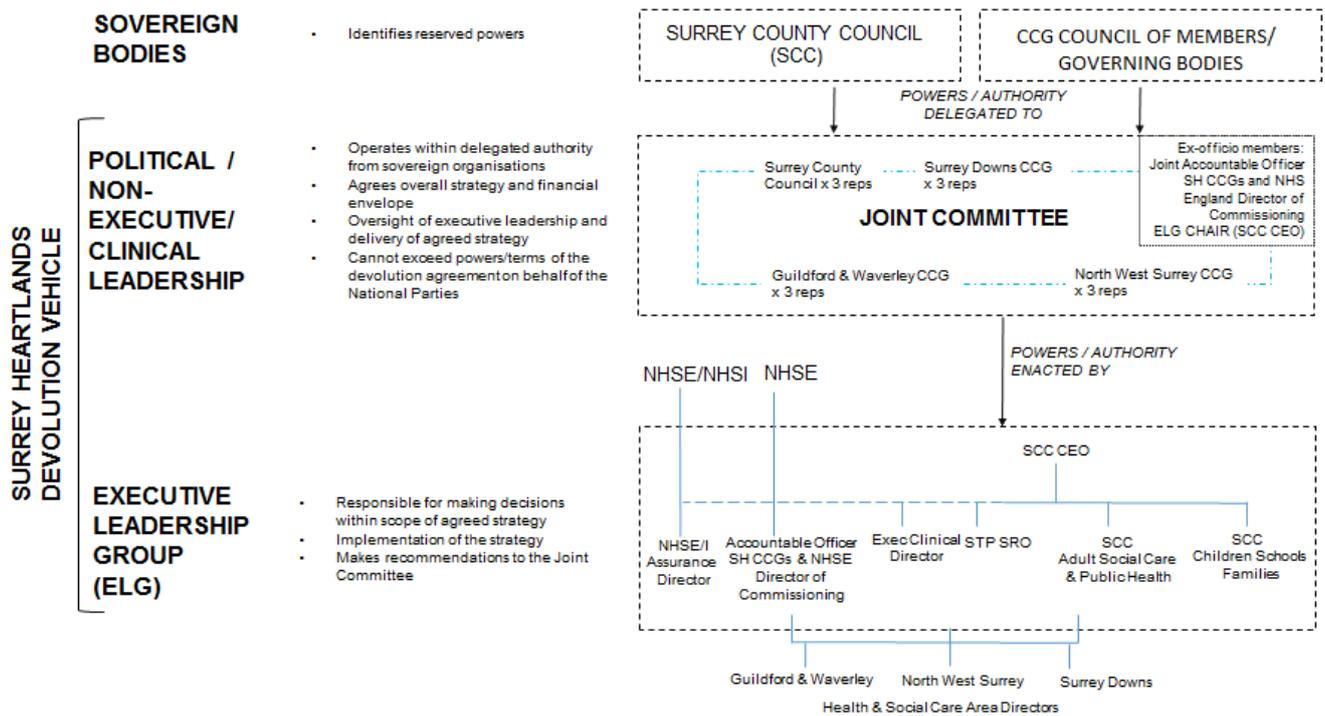
Governance arrangements for 2017/18

The Shadow Year (2017/18) will be used to test and refine the approach and to support the development of a fuller Devolution Agreement for 2018/19.

The diagram below shows the governance model to be introduced in 2017/18, with executive and non-executive level arrangements required to enable strong delegation and robust decision-making. The structure includes establishing a Joint Committee (made up of representatives from the three CCGs and the County Council and with the interests of NHS England represented through the ex officio membership of the jointly appointed Accountable Officer to the three CCGs and NHS England Director of Commissioning for Surrey Heartlands ((see below), with delegated authority from sovereign organisations to make decisions within the authority provided; and an Executive Leadership Group within the County Council to be chaired by the County Council's Chief Executive.

¹¹ Commissioning and decision making: at a Surrey Heartlands level rather than at a regional or national level, where the place-based approach is optimum for residents, agreed with the relevant national bodies and the change is supported by legislation and national bodies' criteria/processes for evaluation of devolution proposals; within Surrey Heartlands, at a CCG locality level whenever appropriate.

¹² The Surrey Heartlands Transformation Board is a collaborative forum bringing together executive and clinical leads from the lead organisations for the Surrey Heartlands Sustainability and Transformation Plan (see annex one).



The Joint Committee will become fully operational after the election of the new County Council from July 2017, and work to refine the precise arrangements, including decision-making criteria, will continue between Local Parties, NHS England and NHS Improvement. In relation to the accountabilities of NHS England, the role of the Joint Committee will be restricted to the powers and arrangements for exercising them (including the authority to commit expenditure) to be set out in a Terms of Reference and scheme of delegation to be drafted and approved by all Parties. Local statutory bodies (e.g. the SCC Cabinet/Council, CCGs) will identify the decision-making powers that will be reserved to themselves and those delegated to the Joint Committee, within the statutory framework. This would be codified and set out clearly in the scheme of delegation signed by the relevant bodies by 30 June 2017.

Three new roles are identified in the above structure: a joint NHS England/NHS Improvement Director of Delivery, Assurance and Oversight; a Joint Accountable Officer to the three CCGs and NHS England Director of Commissioning; and an Executive Clinical Director. Further details of these roles are given below:

- The Director of Delivery, Assurance and Oversight will be a joint appointment by NHS England and NHS Improvement and accountable to both NHS England and NHS Improvement, as well as playing a full role within the Executive Leadership Group. The role provides an oversight and support function for local NHS activities. It will also be central to an integrated performance information, improvement and intervention function for Surrey Heartlands as a whole.
- The **Joint Accountable Officer and NHS England Director of Commissioning** will be employed by the three CCGs and hold a director post within NHS England. In addition to CCG responsibilities, (s)he will carry out those NHS England commissioning functions agreed for internal delegation to the Surrey Heartlands Devolution Vehicle and be accountable for the use of devolved transformation funds. The optimal legal form for this combined accountability will be agreed between the relevant Parties.
- The **Executive Clinical Director** will ensure the clinical objectives of Devolution are met and give leadership to the Surrey Heartlands Academy on behalf of the STP Transformation Board.

In addition to the creation of the Executive Clinical Director role, clinical and professional leadership will continue to be at the heart of the new governance and decision-making arrangements established to facilitate Devolution. For example:

- CCG Membership Councils will retain their role at the apex of CCGs. Where required (and approved by NHS England) CCG constitutions will be amended to identify which powers CCG Membership Councils choose to reserve to themselves/their Governing Bodies, and what arrangements can be put in place within the Devolution Vehicle.
- Local forums will ensure clinical leadership continues (e.g. Clinical Executive Committees, clinical director arrangements, locality leadership etc.). Existing localities defined around natural practice groupings/GP federations will continue to be the building blocks for the integration of health and social care and the development of local integrated/shadow accountable care systems. Over time GP-led localities will become increasingly important decision-making vehicles at local level, determining the use of resources and priorities in the best interests of their populations.
- The Surrey Heartlands Academy¹³ will play a key role in driving vision and strategy, delivery of the STP and galvanising clinical/professional leadership across the system.

12. ASSURANCE, OVERSIGHT AND PERFORMANCE MANAGEMENT

The governance model described above recognises the crucial role of NHS England and NHS Improvement as integral participants in the Devolution Vehicle to ensure alignment of approach and enable the shift towards the management of Surrey Heartlands as a place.

For Surrey Heartlands to be managed as a place, the following conditions will need to be established with NHS England and NHS Improvement:

- Surrey Heartlands will be responsible for managing the performance of its constituent parts and ensuring that robust mechanisms are in place to ensure effective oversight and accountability;
- Surrey Heartlands will agree a system control total and be assured and performance managed, jointly by NHS England and NHS Improvement, collectively as a place¹⁴;
- Surrey Heartlands will be accountable to NHS England for the appropriate use of the devolved and delegated powers;
- The Devolution Vehicle (the joint committee and Executive Leadership Group) will remain accountable to CCG Council Members / Governing Bodies and Surrey County Council Cabinet for the appropriate use of powers delegated by them;
- Surrey Heartlands infrastructure will utilise existing resources, tools and support to work towards full integration of health and social care, both services and management infrastructure.

Should the system fail to achieve operational or financial requirements, the Executive Leadership Group will propose an action plan to address the system failure to the Joint Committee. The new NHS England/NHS Improvement appointee will assess the adequacy and proportionality of that plan, providing assurance to NHS England and/or NHS Improvement as appropriate. Where assurance cannot be provided, the NHS England/NHS Improvement appointee will propose further recommended actions to the national team. In the event that the system fails to adopt the recommended actions, NHS England and/or NHS Improvement would consider whether direct national/regional intervention should be executed.

¹³ The Surrey Heartlands Academy is an inter-specialty network that: promotes and harnesses clinical / professional leadership; engages clinicians and citizens within the STP transformational process; tackles the unwarranted variation across health and social care; and spreads innovation and best practice of quality improvement.

¹⁴ While bearing in mind NHS Improvement's statutory responsibilities in relation to the regulation of individual providers, the proposed governance arrangements should help to ensure that all assurance, regulatory and performance management activities, as far as reasonably practicable, are coordinated through the place based approach. NHS England has a statutory duty to give an annual assessment of individual CCGs.

The objectives of place-based assurance, oversight and performance management arrangements are to:

- Optimise the use of resources to deliver the best possible health and wellbeing outcomes for the Surrey Heartlands population;
- Establish a system that owns the process of assurance and performance improvement, driven by priorities that are determined and owned by Surrey Heartlands;
- Enable greater and faster improvement through delivery across all parts of the system, which is engaged in the development and delivery of the process;
- Develop a culture and approach where system peers and partners proactively challenge and support delivery at all levels of the Surrey Heartlands system;
- Pursue a shared agenda for operational delivery which fulfils but is not limited to the requirements of the NHS Mandate and Constitution; and
- Establish performance metrics and reporting (including establishment of a System Control Total mechanism) to inform prioritisation and management, and provide timely oversight of delivery risks.

Surrey Heartlands will continue discussions with relevant national bodies to develop the local arrangements required and agree how Devolution can be implemented to ensure Surrey Heartlands is a successful and high performing place.

13. NHS ENGLAND / NHS IMPROVEMENT COMMITMENTS TO SURREY HEARTLANDS

NHS England and NHS Improvement are committed to working with Surrey Heartlands in pursuit of the following:

- Surrey Heartlands to be responsible for designing and creating the provider structure and form to support its commissioning intentions in collaboration with the relevant national bodies;
- Surrey Heartlands to play a clearly defined leadership role in the oversight of its provider community, working in close partnership with the relevant national bodies;
- A commitment to explore the possibility of Surrey Heartlands determining its skilled workforce, capacity, education and training needs (subject to discussion with the relevant partners); and
- Surrey Heartlands to create and implement a single integrated estates strategy for Surrey Heartlands ('One Public Sector Estate').¹⁵
- NHS England and NHS Improvement will include Surrey Heartlands in its Accountable Care System development programme and the support they intend to provide to systems which are a member of this network.

14. SURREY HEARTLANDS COMMITMENTS TO NHS ENGLAND / NHS IMPROVEMENT

Surrey Heartlands will:

- Ensure the delivery of NHS Constitution and Mandate requirements and expectations within the financial allocations and agreed control totals set by the relevant national bodies;
- Seek to play a leading role in designing and delivering innovative new models of care as set out in the Five Year Forward View. It will use the opportunities resulting from its Surrey Heartlands-

¹⁵ Subject to discussion with the relevant national bodies

wide scale and integration to create ground-breaking innovation in areas of mutual Surrey Heartlands/NHS England strategic focus to be agreed and to be an exemplar for the national whole system efficiency initiative; and

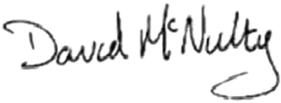
- Ensure clear accountability, exemplary governance (including the management of any conflicts of interest) and excellent value for money¹⁶ in relation to the health funds delegated or devolved to it.
- Ensure the delivery of the improvement priorities set out in *Next Steps on the Five Year Forward View*, particularly: implementing the urgent and emergency care plan set out in the document, the deliverables to strengthen and extend access to primary care and to improve mental health and cancer services.
- Collaborate with other shadow Accountable Care Systems to identify how delivery of these service improvement priorities can be accelerated, to solve problems jointly and to build population health management capabilities – including through new care models – in a way that other NHS systems can learn from.

¹⁶ Including compliance with Managing Public Money principles

15. SIGNATORIES

Signed on behalf of:

Surrey County Council



David McNulty
Chief Executive



David Hodge
Leader of the Council

NHS Guildford and Waverley CCG, NHS North West Surrey CCG and NHS Surrey Downs CCG



Matthew Tait
Joint Accountable Officer



Dr Charlotte Canniff
Clinical Chair, NHS North West Surrey CCG



Dr David Eyre-Brook
Clinical Chair, NHS Guildford and Waverley CCG



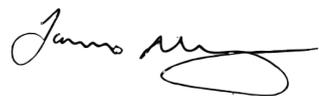
Dr Claire Fuller
Clinical Chair, NHS Surrey Downs CCG

NHS England



Simon Stevens
Chief Executive

NHS Improvement



Jim Mackey
Chief Executive

ANNEX 1

Surrey Heartlands five year Sustainability and Transformation Plan

<http://www.nwsurreyccg.nhs.uk/surreyheartlands/Documents/Surrey%20Heartlands%20STP%20October%202016.pdf>