

MEETING:	CABINET
DATE:	20 OCTOBER 2011
TITLE OF REPORT:	HEREFORDSHIRE PUBLIC SERVICES: PARTNERSHIP GOVERNANCE
PORTFOLIO AREA:	CORPORATE STRATEGY AND FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

This paper describes the current governance for the Herefordshire Public Services (HPS) partnership and proposes revised arrangements for the future, to reflect the national changes to health commissioning and health and well being and the new Clinical Commissioning Group, Herefordshire Health-Care Commissioners (HHCC). A similar paper is being presented to the NHS Herefordshire Board on 19 October and the HHCC Board on 25 October 2011.

Key Decision

This is not a Key Decision.

Recommendation

THAT Cabinet:

Agrees to the establishment of a Herefordshire Public Services Board to oversee the partnership between Herefordshire Council, Herefordshire Health-Care Commissioners and NHS Herefordshire, in accordance with the Terms of Reference and Constitution set out in Appendix A.

Key Points Summary

- Herefordshire Public Services (HPS) is the partnership between Herefordshire Council and NHS Herefordshire, which has been in development since 2006.
- Although a vision for integrated working has been agreed, both bodies remain separately accountable public authorities, making decisions through their respective governance processes.
- The HPS Steering Group has provided the main forum for the governance of the partnership since February 2007.

- It is timely to review the direction of and arrangements for the next phase of the partnership in the light of the national changes to health commissioning and health and well being and following the local Elections.
- This paper describes the current governance and proposes that a new HPS Board is set up to oversee the partnership between Herefordshire Council, Herefordshire Health-Care Commissioners and NHS Herefordshire over the next 18 months

Alternative Options

- 1 Given the strategic importance of the HPS partnership, it is essential that some form of governance is in place. Other options for this include:
 - **Option 1:** retain the HPS Steering Group but include HHCC representation
 - **Option 2:** establish a new Herefordshire Health and Wellbeing Steering Group, with the three organisations to oversee QIPP, joint commissioning plans, formulation of health and wellbeing strategy etc and to promote integration to deliver this
 - **Option 3:** promote Herefordshire system wide integration through the Herefordshire Partnership Executive Group, with HPS co-ordination through informal meetings of the Chairs, Leader and Chief Executives
- 2 A review of the options has concluded that a new HPS Board with a remit to oversee both partnership working and to co-ordinate health and well being will best meet the challenges over the next 18 months.

Reasons for Recommendations

- 3 Revised governance arrangements for HPS are required to reflect the local and national changes that will impact on HPS, in particular the need engaged the Clinical Commissioning Group within HPS, to manage the transition period for the NHS and public health reforms and work together to manage the impact of further significant budgets cuts over the next 2/3 years

Introduction and Background

Herefordshire Public Services

- 4 The concept of Herefordshire Public Services was developed in 2006 in response to the consultation on the reconfiguration of PCTs. The proposed partnership (at the time described as a public service trust) was supported by the Council, the PCT, the SHA and by Government
- 5 A project and “roadmap” for the development of HPS was set out in 2007 following various workshops and consultation. This contained milestones for several phases from first principles to deep integration
- 6 Since 2007 a great deal has been achieved and Herefordshire’s model has been recognised nationally as leading the way.

Key Considerations

Review of Current Arrangements

7 Current arrangements are considered in two areas:

- the **direction** for HPS
- the **governance arrangements** that have been put in place

Direction

8 At the start of the partnership in 2006, a paper was produced that set out a direction for HPS and a plan for integration. During the first year or so HPS development was run as a project, but over recent years the approach has been to see HPS development as **core business**, not just a project

9 This has led to a more organic approach, which has enabled opportunities to be taken to integrate and reduce costs as they have arisen. But this has also meant less structure and formal recording of the benefits.

10 Joint working has, nevertheless, taken place in key areas, for example:

- Shared Services
- Organisational Design
- Rising to the Challenge (RTTC)
- Integration of Health and Social Care

11 In addition, major strategies and plans that cross the local authority and NHS have been considered by both Cabinet and PCT Board, for example:

- Joint Corporate Plan
- Medium Term Financial Plan
- Commercial Strategy
- Customer Strategy
- Communications Plans

Governance

12 Governance and mechanisms for the co-ordination of activity across HPS has taken three main forms:

- **HPS Steering Group:** consisting of the Leader and Chair of the PCT and 3 Cabinet Members and 3 NEDs, with agreed terms of reference, formal agenda and minutes (see further below)
- **Cabinet Member/NEDs Meetings:** informal and ad hoc meetings, largely focusing on major partnership topics such as the joint corporate plan and budget
- **Joint Management Team/HPS Leadership Team:** weekly meetings of the Chief Executive and Directors, covering the whole range of joint business, including bi-monthly performance review meetings and bi-monthly RTTC Board meetings

- 13 The core role of the HPS SG has been:
- *Set the strategic direction for HPS integration and the priorities for realising that strategy*
 - *Establish the criteria for measurement of success including the delivery of benefits through an integrated approach to services*
 - *Provide assurance that the partnership system is held to account for progress against those success criteria*

Comments on Current Arrangements

- 14 There has been demonstrable progress and clear benefits from the HPS integration. We have an agreed statement of Values, Principles, Organisational Vision and the Rising to the Challenge transformation programme.
- 15 The recent national changes have inevitably distracted some attention from the integration agenda and raised questions about how HPS will continue as a result of the clinical commissioning and the abolition of the PCT. However, the leadership of the Council, the PCT and the Clinical Commissioning Group are clear that integration is as important as ever.
- 16 The observation from the West Mercia Cluster perspective is that the action taken across HPS have put Herefordshire in a stronger position than other areas to meet the challenges ahead, to manage the risks and to implement the national reforms.
- 17 The Joint Management Team and now the HPS Leadership Team has been central to the success of HPS:
- Joint appointments and formal management responsibilities for Council and PCT services has developed integration
 - Specifically, we have been able to reduce management costs, share expertise and knowledge and enhance collective capacity and resilience
 - JMT/HPSLT has been the key forum for the development of joint strategies (eg: customer, locality, commercial, health and social care commissioning)
- 18 The HPS Steering Group has also been effective in monitoring the key partnership activities such as risks, communications, and latterly RTTC. But it is recognised that partnership governance needs to provide a clear direction for the partnership and be the prime forum for debating key issues around integration and for capturing the benefits of the partnership.

Conclusions

- 19 The conclusions from the review of current arrangements are as follows:
- We need to restate the purpose of HPS, the vision we aspire to and set out a number of priorities for our joint work over the next 18 months, up to April 2013
 - Previous governance arrangements have served a valuable purpose and have added to the achievements so far
 - But just as HPS needs to restate its purpose, so governance needs to change to meet the new agenda

- Central to this is the formal engagement of the Clinical Commissioning Group within HPS – that is: ***HPS needs to be a three way partnership for the future***
- The new governance arrangements should also be seen as a bridge from the current 3 way partnership until 2013 when the PCT is to be abolished and HHCC and HWBB have statutory powers
- The changes to HPS purpose and governance also need to align with the other key local partnerships within which HPS operates, in particular the Herefordshire Partnership. It is crucial that we understand the wider strategic role of the Herefordshire Partnership and engage other partners in our vision and priorities

A Renewed Purpose for HPS

Context

- 20 In considering our future purpose, it is important to be clear about the local and national changes and other factors that will impact on HPS, including:
- Newly elected Council...** the need to review the arrangements in the light of the new Administration's priorities
 - Establishment of the Clinical Commissioning Group...** the need to engage representatives of HHCC in HPS
 - Shadow Health and Wellbeing Board...** how the Board's future role in system leadership and service integration will fit with the HPS vision
 - West Mercia Cluster...** ensuring that there is no conflict between the role of the Cluster and what we are seeking to achieve locally
 - Future of the PCT...** the current proposal is for the abolition of PCTs by April 2013
 - Public sector funding...** how we will work together to manage the impact of further significant budgets cuts over the next 2/3 years
 - Strategic Direction...** a purpose that is aligned with our overall vision and objectives set out in the **Joint Corporate Plan** and **HPS Organisational Vision** and using **Rising to the Challenge**: as the overarching programme for managing change and realizing benefits
 - Herefordshire Partnership:** the big prize is further integration with the Herefordshire Partnership, HPS playing a leading role in shaping the 9 localities
 - Providers:** forging strong links with Wye Valley NHS Trust and other providers, given the objectives of Integrated Care and the inter-dependencies between us

Key Principles for HPS

- 21 A number of key principles are suggested upon which we will base the narrative of the renewed purpose and priorities of HPS:
- **Herefordshire:** the further integration of public services is an essential response to meeting the challenges facing Herefordshire over the next decade or more

- **Outcomes:** our partnership is based on delivering better outcomes for residents, not simply being a better partnership; this can only be achieved by working together at all levels, using the new integrated need assessment as our focus
- **Integration:** customers and patients expect services that are designed around their needs, integration and service change is essential to break down silo delivery and create service pathways that provide better outcomes and earlier intervention
- **Capacity and Capability:** our organisations are small and stretched in many directions; we do not have the capacity and capability to deliver what we need to do alone, but together – sharing leadership, skills and knowledge – we can
- **Value for Money:** there are still areas of duplication, waste and separate processes which add to our costs, reduce funding for direct service delivery and do not offer value for money for local tax payers; shared services needs to enter a new phase
- **Community Engagement:** we share the aim of a step change in our relationship with residents so that they are better informed, take greater personal responsibility for their lives and we can plan services around their needs

Priorities for HPS

22 Translating these principles into **priorities** the focus for HPS over the next 18 months will need to include:

- Integrated governance for leadership, strategy and accountability for delivery
- Integrated commissioning strategy, support and delivery (including Section 75 agreements)
- Delivery of the QIPP and Adult Social Care cost improvement plan, including care pathway transformation and early intervention and prevention
- Health and well being, including the development of the new Board, production of a new Integrated Needs Assessment and the Health and Well Being Strategy
- Supporting the development of HHCC towards full authorisation and further delegation of functions and budgets
- Integrated local delivery within the framework of the 9 areas
- Maximum empowerment to frontline staff across the health and social care system to respond flexibly to meet patient and service user needs
- Integrated customer access channels and data
- Integrated plan to support staff through the transition and to ensure that we have the right skills and capacity for the future
- Joint Communication and Community engagement, for example through Hearts of Herefordshire
- Integrated corporate support functions
- Shared and rationalised office accommodation

- Shared performance and risk management

Future Governance Options

- 23 Based on the proposals about renewed Direction, a number of future options for HPS governance have been reviewed:
- Option 1:** retain the HPS Steering Group but include Clinical Commissioning Group (HHCC) representation
 - Option 2:** establish a new Herefordshire Health and Wellbeing Steering Group, with the three organisations to oversee QIPP, joint commissioning plans, formulation of health and wellbeing strategy etc and to promote integration to deliver this
 - Option 3:** establish a new HPS Board that has formal delegated authority from the constituent members (as agreed) to approve plans and integrated structures and budgets to deliver QIPP, agreement of joint commissioning plans, formulation of health and wellbeing strategy
 - Option 4:** promote Herefordshire system wide integration through the Herefordshire Partnership Executive Group, with HPS co-ordination through informal meetings of the Chairs, Leader and Chief Executives
- 24 A review of the options has concluded that a combination of Options 3 and 4 – a new HPS Board with a remit to oversee both partnership working and to co-ordinate health and well being – will best meet the challenges over the next 18 months.
- 25 Proposed Terms of Reference, working arrangements for the new HPS Board are set out in **Appendix A.**

Community Impact

The HPS partnership plays a significant part in delivering essential services and better outcomes for Herefordshire residents.

Financial Implications

No direct financial implications from this report. However, the increasing financial constraints on the public sector mean that we need to address areas of duplication, waste and separate processes which add to our costs, reduce funding for direct service delivery and do not offer value for money for local tax payers.

Legal Implications

The Council and PCT are and will remain separate legal bodies. The Health and Social Care Bill will create new statutory framework for NHS commissioning and establish the Health and Well Being Board. The new governance arrangements for HPS anticipate these changes.

Risk Management

Failure to revise HPS purpose and governance will; impact on the effective management of the transition to the new NHS and public health system. A new HPS Risk Register will be produced for the Board.

Consultees

Herefordshire Cabinet.

NHS Herefordshire Board.

Herefordshire Health-Care Commissioners Board.

Appendices

Appendix A HPS Board Terms of Reference.

Background Papers

None.