

Meeting:	Cabinet
Meeting date:	28 July 2016
Title of report:	One Herefordshire and the Herefordshire and Worcestershire sustainability and transformation plan
Report by:	Cabinet member health and wellbeing

Classification

Open

Key decision

This is not a key decision.

Wards affected

Countywide

Purpose

This report provides an update on the One Herefordshire programme and the Herefordshire and Worcestershire sustainability and transformation plan (STP) submission and seeks the support of Cabinet for the strategic direction to be followed.

Recommendation(s)

THAT:

- (a) the strategic direction of the One Herefordshire programme and of the Herefordshire and Worcestershire STP both be supported;**
- (b) the chief executive be tasked with exploring joint commissioning arrangements with Herefordshire Clinical Commissioning Group (CCG), as outlined at paragraphs 14-18 below and bringing back proposals for decision;**
- (c) the chief executive be authorised to enter into such non legally binding agreements on behalf of the council as may be appropriate to support the development of the One Herefordshire partnership, including potentially forming a shadow strategic alliance between the council, Herefordshire CCG, Wye Valley NHS Trust, 2gether NHS Foundation Trust and Taurus Healthcare, with links to the voluntary and community sector (VCS), and to provide updates on progress as part of future corporate performance reports.**

Alternative options

- 1 The alternative option is not to proceed with the approach described in the One Herefordshire programme and the strengthened partnership arrangements within it. Not proceeding would represent a number of missed opportunities for the council including:
 - Working in partnership with the NHS and the voluntary and community sector (VCS) to set a single strategic direction for Herefordshire, from a common starting point of “what is better for residents”
 - Opportunities to improve the efficiency and impact of the commissioning function with the CCG, to provide value for money for Herefordshire residents.
- 2 Given the financial and operational challenges facing all of the health and social care organisations across the county, not proceeding with the One Herefordshire approach would increase the risk that one or other organisation would cease to be viable as a separate body and so might be merged with another organisation outside the county, thereby losing a clear focus on the needs of the Herefordshire population.
- 3 There is no alternative to the Herefordshire and Worcestershire STP, as this is a national process, mandated by NHS England.

Reasons for recommendations

- 4 The One Herefordshire programme, and the shadow alliance proposal within it, provides the framework for whole system leadership and collaboration. This will enable a system wide strategic direction and delivery mechanism to deliver the Health and Wellbeing Strategy and the Children and Young People’s Plan. In turn, this will drive improved wellbeing for our residents, co-ordinating activities across the council and its health and VCS partners. It will enable the council to engage with wider public sector partners in a co-ordinated manner to increase efficiency and value for money.
- 5 Exploring joint commissioning arrangements with the CCG represents an opportunity to improve the efficiency and impact of the council’s commissioning function alongside that of the NHS, to provide better value for money.
- 6 The STP process is intended to provide the central vehicle through which local government and the NHS can work together in order to achieve the ‘triple aim’ of improving the health and wellbeing of the local population, improving the quality and safety of care delivery and securing ongoing financial sustainability.
- 7 It is expected that the STP process will be merged with the requirement, flagged by the then Chancellor of the Exchequer in October 2015, for all areas in the country to produce a plan for the full integration of health and social care by 2020. Guidance on this process is expected to be published jointly by the Department of Health and the Department for Communities and Local Government during the autumn, with plans to be prepared by the end of the financial year.

Key considerations

- 8 The health and social care system in Herefordshire is under very significant pressure. Wye Valley NHS Trust (WVT) has been in special measures for some time, due to its

financial and care quality challenges, while Herefordshire CCG has also been facing considerable financial issues. The social care system is seeking to respond to growing demand, associated with demographic changes, within a steadily reducing budget. At its heart, too many people require more care than can be funded from the available resources, while the current configuration of services builds inefficiencies into the care delivery system and a range of factors mean that all services struggle to recruit and retain sufficient staff with the necessary expertise and experience. The result is that people experience a lower level of wellbeing, the quality and safety of care delivery is less than required by evidence-based standards and the financial viability of all organisations is uncertain.

- 9 The local response comprises two main elements: the One Herefordshire programme, part of which leads into closer commissioning arrangements between the council and the CCG; and the STP process, which covers Herefordshire and Worcestershire jointly.

One Herefordshire

- 10 The One Herefordshire programme seeks to provide a system wide, county wide strategic direction and delivery mechanism to deliver the Health and Wellbeing Strategy and the Children and Young People's Plan.
- 11 A One Herefordshire alliance has been proposed, which will drive improved wellbeing for our residents, co-ordinating activities across the council, health and VCS partners. It will enable all of those organisations to engage with wider public sector partners in a co-ordinated manner, to increase efficiency and value for money. It is proposed that the scope be explored for an alliance to be established in shadow form between the council, CCG, WVT, Taurus and 2Gether NHS Trust.
- 12 Any alliance would be established on the basis of a non legally binding document. The arrangements would make no changes in the powers or financial arrangements of any of the partner organisations. The key aim would be to make a statement of intent and adopt a set of common principles, that would form the basis for further work to develop a legal agreement in due course.
- 13 These arrangements would have no formal decision making authority, and existing governance would remain in place. Having a period of shadow form would enable the system, and the council within it, to identify key issues, risks and mitigating factors, with the lessons learnt embedded in any resulting future partnership working.

Joint commissioning

- 14 Within this context, exploring joint commissioning arrangements with the CCG, with particular reference to community services for both adults and children (including related public health services), provides an opportunity to work more effectively with health partners.
- 15 A key factor underlying the proposal to explore the scope for joint commissioning between the council and the CCG would be the existing interdependencies between the social care commissioning undertaken by the council and the community services commissioning undertaken by the CCG. Each organisation commissions some £70m to £80m of services within Herefordshire, and there are strong connections in many areas. For example, work is far advanced to implement a single contract for both organisations with care homes providing continuing healthcare, nursing care and residential care, while both the council and the CCG have a strong and shared interest in services to support carers or those individuals in the last year of life.
- 16 By extending the approach within the current Better Care Fund, working to a single set of agreed outcomes and combining commissioning resources, as well as

commissioning budgets, will enable both the council and the CCG to be more efficient, increase value for money and maximise wellbeing.

- 17 It is anticipated that this would be undertaken over a three year period, with considerations of issues, risks and lessons learnt at each stage as part of formal decision making through the governance process. The proposed approach would be:
- a. Year 1 – align budgets, with existing budgets and reporting lines in place, exploring and understanding opportunities for integration
 - b. Year 2 – learn and describe how to consolidate learning into integrated budgets for specific services/areas, including integration of the associated commissioner management structure
 - c. Year 3 – run with integrated budgets, with explicit evaluation and implementation of lessons learnt challenges and opportunities
- 18 Again, existing governance processes for the respective partners will remain in place whilst the lessons learnt through the above process are assessed.

Herefordshire and Worcestershire STP

- 19 Guidance issued by NHS England in December 2015 requires all areas of the country to develop an STP. Through a process of consideration of different commissioning levels, the country has been divided into 44 STP ‘footprints’, covering an average of just over one million people, three upper tier councils and five CCGs, as well as a number of NHS trusts. For these purposes, Herefordshire has been linked with Worcestershire, forming one of the simpler STPs nationally, with three quarters of a million people, two upper tier councils and four CCGs. Geographically, however, it is large and faces significant issues around rurality. These are reflected in both hospital provider organisations being in special measures, due to both financial and service quality challenges. The patient flows from Powys also represent an important complexity.
- 20 Each STP footprint is led by a nominated senior officer, supported by a programme board comprising the key partners. The programme board for Herefordshire and Worcestershire has an independent chair, Mark Yates, until recently the chief fire officer, and includes top level representation from both councils, CCGs, NHS trusts, local GP bodies, VCS bodies and Healthwatch from both counties. The nominated lead is Sarah Dugan, chief executive of Worcestershire Community Healthcare Trust.
- 21 Initial outline submissions were required from all STP footprints on 15 April. These set out governance arrangements and outlined the key areas for further work to secure progress against all three elements of the triple aim (population wellbeing, quality and safety of delivery and financial sustainability). The submissions were subject to regional and national assurance, with feedback given on approach and robustness.
- 22 Further draft plans were submitted on 30 June, to a nationally defined template. The draft for Herefordshire and Worcestershire sets out the approach that has been adopted, the key challenges around the triple aims, the main transformation priorities (efficiency, prevention, out of hospital care, secondary care and workforce), along with the arrangements for delivery, communications and engagement, an investment plan and requests for national support. These are currently subject to further regional and national assurance through the NHS.
- 23 The council has been fully involved in the development of the STP plan from the start, with full membership of all of the programme governance structures, involving both the chief executive and the director for adults and wellbeing, and with the director of public health leading the work on the assessment of the gaps around population wellbeing.

- 24 The STP process is nationally mandated by NHS England and all local NHS bodies are required to participate. Since this represents the sole route through which all future support for healthcare service transformation will be channelled, and will be the basis upon which decisions around service change and structural configuration are made, involvement of the council in the process is essential.
- 25 While the council has been fully engaged in the development of the STP plan, it should be noted that the process remains focused upon healthcare and the NHS. The plan makes a number of references to the wider determinants of health, the importance of prevention, and the role of social care (both for adults and for children), but its core remains directed towards the management of services commissioned and delivered by the NHS. As a consequence, there are suggestions that this continues to represent an attempt by the NHS to resolve the major challenges facing healthcare delivery through changes to the healthcare system alone, with only limited recognition of the impact of changes in population wellbeing on demand for (and hence sustainability of) healthcare. The importance of economic development, educational achievement, housing availability, and public mental health in determining demand remains only partially understood by health colleagues and hence may not be fully reflected in the draft. This is a common issue nationally and is being pursued by the Local Government Association. Efforts will continue on the part of council officers locally to ensure that these factors are more fully addressed in future drafts of the plan.
- 26 Although national NHS planning is increasingly focused upon STP footprints as the basic building block, with improvement activities expected to be undertaken at that level by default, council officers, working with local NHS colleagues, continue to seek to embed the One Herefordshire approach within the Herefordshire and Worcestershire STP. This is intended to facilitate the developing wider public sector partnership working, which includes but goes beyond the NHS alone, in order to enable real improvements in wellbeing through co-ordinated approaches across the local system for the people of Herefordshire.
- 27 The process going forward is deliberately emergent, with respect to both the STP and One Herefordshire. For the STP, the assurance process being applied to the current drafts is expected to identify areas for improvement for most plans, though a handful nationally are expected to be signed off as they stand now. Most will require further development, with further drafts likely to be submitted in September. Once plans have been formally signed off nationally, likely to be towards the end of October, they will then be considered final and will at that stage be made public. At present, NHS England is clear that they remain drafts and, as such, not for publication. Equally, the place of the One Herefordshire programme within the context of the STP is expected to develop, especially in the light of the integration guidance due to be published in the autumn and the decisions to be made by NHS England regarding the future shape of NHS commissioning across the wider area.

Community impact

- 28 This proposal will support the delivery of the Health and Wellbeing Strategy and the Children and Young People's Plan.
- 29 Improving value for money will enable us to increase impact and improve wellbeing for residents within existing and future diminishing resources.

Equality duty

- 30 The One Herefordshire programme and the Herefordshire and Worcestershire STP are intended to provide the means by which the health and wellbeing of the people of Herefordshire can best be maintained and improved. The programmes have a particular focus on supporting the best possible level of wellbeing on the part of vulnerable members of Herefordshire's population.

Financial implications

- 31 There are no direct costs arising from this proposal. They represent an opportunity to improve future value for money from council resources and spend, and hence offer a route to securing the council's desired outcomes at a time of reducing financial resources.

Legal implications

- 32 Given the preliminary nature of the recommendations in this report, there are no significant legal issues yet arising
- 33 In time as decisions are made, officers will need to consult with Legal Services to obtain various contractual documentation (e.g. joint commissioning agreements, possibly a s75 agreement) and related legal advice.

Risk management

- 34 Since these arrangements have no legal force and make no alteration to the powers of the partners, no direct risks are associated with their adoption.
- 35 The arrangements can be expected to facilitate joint working across health and social care partners, strengthening the ability of the system as a whole to identify and mitigate future risks to both the system and to individual partner organisations.
- 36 Should we not proceed, it is likely that NHS England will increasingly focus its efforts at a joint Herefordshire and Worcestershire level, based on the STP footprint. This could lead to a loss of focus and resource for the specific issues facing the people of Herefordshire and the loss of opportunities for closer partnership working across the wider public sector at a Herefordshire level.

Consultees

- 37 None at present; the health and wellbeing board receive reports on the development of plans to enable it to fulfil its function of assuring plans against the aims of the Health and Wellbeing Strategy.
- 38 A briefing session is scheduled for the health and social care overview and scrutiny committee in September and will assist the committee in formulating its future work programme.
- 39 Once the NHS has authorised the STP for publication, there will be a need to communicate the plan effectively with the public and stakeholders and ensure effective engagement in the challenging decisions, which will undoubtedly be required to ensure quality health and social care services are delivered in the county for the benefit of residents within the resources available.

Appendices

None.

Background papers

None identified.