Nottinghamshire County Council

Report to Adult Social Care and Health Committee

7 March 2015

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR, MID NOTTINGHAMSHIRE

THE MID-NOTTINGHAMSHIRE 'BETTER TOGETHER' ALLIANCE AGREEMENT CONTRACT

Purpose of the Report

1. The purpose of the report is to:

   a) seek approval for the Council to sign the Mid-Nottinghamshire Alliance Agreement contract as a Full Member
   b) seek delegated authority to agree any final drafting changes to the Corporate Director for Adult Social Care, Health and Public Protection in consultation with the Chair of the Adult Social Care and Health Committee and the Group Manager for Legal Services
   c) seek approval for the Corporate Director for Adult Social Care, Health and Public Protection (or his authorised senior officer delegate) to be the Nottinghamshire County Council representative on the Alliance Leadership Development Board with delegated authority to cast votes on behalf of the Council subject to a requirement to bring all strategic, policy, resource and financial decisions including the approval of the outcome of the transition activities to this Committee or such other body of the Council as may be appropriate in the circumstances
   d) seek approval for the Service Director for Adult Social Care in Mid-Nottinghamshire to be the Nottinghamshire County Council representative on the Operational Oversight Group.

2. The report:

   a) describes the national policy and legislative landscape for the integration of health and social care
   b) identifies progress with the Mid-Nottinghamshire 'Better Together' programme and development of the Alliance agreement
   c) identifies the key issues and implications of the Alliance Contract Agreement for the Council (**Exempt Appendix**).

Information and Advice

3. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to all the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because the information relates to sensitive financial

and business affairs of the Council and other organisations and is not yet in its final form. It also contains legal advice. The exempt information is set out in the **Exempt Appendix**.

National legislation and policy

4. More people are living longer and there are more people with disabilities who need care and support. Social care provides support, care and safeguards for those people in our communities who have the highest level of need, and for their carers. Good care and support transforms lives, helping people to live good lives, or the best they can, in a variety of circumstances. It enhances health and wellbeing, increasing independence, choice and control and is distinctive, valued and personal.

5. Closer integration between health and social care is a fundamental part of national policy to promote health and wellbeing, deliver better outcomes for service users and promote easier access. It is as much about integrating parts of the health service, such as hospitals, community health providers and General Practice, as it is about integrating health with social care. National and international evidence does not yet offer any robust research to show that integration will deliver the level of savings required across the whole system, although demonstrable benefits in terms of citizen experience have already been delivered in Mid Nottinghamshire. Nevertheless, there is a national and local move to integration in which the County Council is a key player, ensuring that positive outcomes for local people are maximised, retaining and promoting the unique offer that social care brings and ensuring that future plans align and support the Redefining Your Council Transformation programme and objectives.

6. Integration is not a new policy issue, however, recent drivers have set out clearer expectations in relation to scale and pace. Current key drivers on integration are: the Care Act 2014; the Better Care Fund; the NHS Five Year Forward View and the 2015 Challenge Manifesto. In March 2015, the national Association of Directors of Adult Social Services (ADASS) published 'Distinctive, Valued, Personal. Why Social Care Matters: The Next Five Years'. This outlined the necessary steps to ensure a safe, secure and joined up personalised care and health system for older and disabled people.

7. The 2015 determination of the Greater Manchester Health and Social Care devolution paved the way for announcements of the Government's commitment to devolving power across the country. Nottinghamshire County Council's Policy Committee has been involved in detailed deliberation of the national policy and proposals in relation to devolution. As part of the reforms there is the potential for greater devolution of health responsibilities, particularly in the context of the integration of health and social care.

Spending Review and Autumn Statement 2015

8. The previous (2013) Spending Review established the Better Care Fund (BCF). BCF is intended to drive the integration of funding for health and social care and enable services to be commissioned together. In 2015/16 the NHS and local authorities in England shared £5.3 billion in pooled budgets. The 2015 Spending Review states that '*The Government will continue the Better Care Fund, maintaining the NHS's mandated contribution in real terms over the Parliament. From 2017 the government will make funding available to local government, worth £1.5 billion in 2019-20, to be included in the*

Better Care Fund'.[1] The majority of this funding, however, is back-loaded and, coupled with a sharp reduction in government grants of 30% in 2016/17, creates a significant additional funding gap over the next two financial years. The Spending Review also makes the local option of a social care precept (2% increase in Council Tax above the existing threshold) available to local authorities with social care responsibilities. Even with the option of the social care precept, a funding gap will exist.

9. The BCF has set the foundation, but Government has indicated its intentions to move further and faster to deliver joined up care. The Spending Review states that: '*by 2020 health and social care are integrated across the country. Every part of the country must have a plan for this in 2017, implemented by 2020. Areas will be able to graduate from the existing Better Care Fund programme management once they can demonstrate that they have moved beyond its requirements, meeting the government's key criteria for devolution'*.[2] This links emerging plans for integration with devolution.

10. Following the Spending Review, '*Delivering the Forward View: NHS planning guidance 2016/17 – 2020/21'* was published. The planning guidance requires that health and care systems come together to create their own ambitious plans for implementing the Forward View in the form of Sustainability and Transformation Plans (STP). STPs will be overarching strategic plans covering the period between October 2016 and March 2021. These plans will be submitted nationally in June 2016 and will be formally assessed in July 2016. They must include better integration with local authority services, (including but not limited to prevention and social care) and reflect health and wellbeing strategies. The STP will need to create a clear overall vision with an associated place based plan for the area. Clinical Commissioning Groups (CCGs) have also been asked to consider their "geographies" for sustainability and transformation and make proposals to NHS England by 29 January 2016. This should be determined by taking into account existing natural communities, existing working relationships, scale of transformation ambition and requirement, public health programmes, the fit with other footprints, for example plans to become paper free through use of new technology, other units of planning and collaborative commissioning arrangements.

11. As part of the Transforming Care Programme, plans are being submitted to the Department of Health and NHS England (NHSE) to improve services for people with learning disabilities. The Nottinghamshire Transforming Care Partnership (TCP) consists of the County Council, the six county CCGs, the City Council, the City CCG and NHSE Specialised Commissioning. The TCP has had its plan approved by NHSE and has commenced implementation of the plan, with a view to pooling the health and social care budgets.

12. Integration can take many forms and be applied to both the direct frontline provision of services, strategic commissioning and contractual arrangements. It is important to fully appraise all the options, in order to identify the most proportionate and least resource intensive way of achieving the desired benefits of integration. At its simplest, integration can be about aligning and/or co-locating services to better deliver jointly agreed objectives. It can also involve significant movement of staff and other organisational changes, as well as the delegation of functions from one organisation to another, pooling

[1] HM Treasury, Spending Review and Autumn Statement 2015, Paragraph 1.110
[2] HM Treasury, Spending Review and Autumn Statement 2015, Paragraph 1.112

of budgets and/or the establishment of a separate vehicle to deliver these functions. Under any circumstances responsibility for social care duties as set out in the Care Act and other legislation remains with the local authority.

13. The Government does not intend to impose a national model of integration and accepts that integration will vary according to local need and history. Some parts of the country are already demonstrating different approaches, which reflect models that the Government supports. These include:

- Devolution deals (such as Greater Manchester)
- Joining up health and social care across a large urban area
- Accountable Care Organisations (such as Northumberland) with a single partnership responsible for meeting all health and social care needs
- Lead Commissioners, such as the NHS in North East Lincolnshire which is spending all health and social care funding under a single plan.

14. Nationally, the transformational work in Nottinghamshire has been recognised. Nottinghamshire was the only two tier Council to be a fast track site for the Better Care Fund, the South and Mid-Nottinghamshire areas are Integration Pioneers and three Vanguard sites are running across the County. The Vanguard sites are leading on the development of the new integrated models of care, set out in the NHS Five Year Forward View, and were selected following a rigorous process. In Rushcliffe, a local partnership is developing a multi-speciality care provider (MCP) in primary care. Mid-Nottinghamshire is developing a primary and acute care system (PACS) and Nottingham City is implementing 'enhanced health in care homes'. This aims to provide better, joined-up health, care and rehabilitation services for older people in residential and nursing care. This range of initiatives provides many local opportunities to share learning and link into the national networks and support.

The Nottinghamshire County local context

15. There are multiple levels of governance presently across Nottinghamshire, with the County and City Councils, seven Clinical Commissioning Groups (CCGs), three acute trusts, a mental health trust, two community providers and seven District Councils. Three transformation Planning Areas have emerged to drive the local plans; South Notts; 'Better Together'; Mid-Nottinghamshire and Bassetlaw. Nottinghamshire's BCF Programme and Health and Wellbeing Board provide a countywide overview and the opportunity to share learning.

16. A Members workshop was held on 1 June 2015 at which key considerations regarding integration were identified. These included:

- Maintaining the Council's statutory duties and underpinning social care principles
- Governance
- Social Care Leadership
- Finance
- Performance
- Workforce
- Balancing strategic consistency and economies of scale with local need.

17. Based on this work, a set of guiding principles for integration has been agreed (attached as **Appendix 1**). The establishment of a Members Reference Group to drive local integration was approved by the Adult Social Care and Health (ASCH) Committee on 29 June 2015, underpinned by these principles.

18. The CCGs are considering different integrated models, with different scope and at a different pace. The guiding principles have therefore been key to ensuring that a consistent message is given across the three planning areas, with the aim of ensuring that the Council can sustain the quality of its delivery of social care, retain economies of scale whilst responding flexibly to local need and avoid fragmentation of services. Although the three areas are geographically different and the needs of the residents may vary, the suggested models for service delivery do have common themes, even though the initiatives may have different names in each area. These are: the establishment of proactive GP led care of patients at risk of admission, local multi-disciplinary teams (social workers, GPs, nurses, therapists, voluntary sector), systematic profiling of the local population, targeting services at people most at risk and promoting self care to support people to manage their condition(s).

19. Some countywide services already deliver excellent outcomes, such as the Customer Service Centre and Adult Access Team, which resolve 70% of all incoming contacts to the Department. The position is being held that the Council will not change such arrangements unless it is assured that any new model is cost effective and able to deliver improved outcomes. It may be that it will be better and more sustainable to continue to deliver some specialised services on a countywide basis, for example, the Deprivation of Liberty Safeguards (DoLS) service.

The Mid-Nottinghamshire Better Together Transformation Programme and development of an Alliance Agreement contract

20. A report to ASCH Committee on 2nd February 2015 updated Members on progress with the Better Together programme, which is a partnership between Ashfield and Mansfield Clinical Commissioning Group (CCG), Newark and Sherwood CCG, Nottinghamshire County Council, seven NHS health providers and voluntary sector partners. The aim of the Better Together programme is to connect services together to deliver better preventative, self-care approaches and ensure that people can get the right advice in the right place, at the right time. In addition, it aims to put in place joined up, responsive urgent care services, that operate outside of hospital wherever possible.

21. The programme has the following core work-streams:

- urgent and proactive care (including care for people with long term conditions such as diabetes, asthma, and frail older people)
- elective care
- maternity and paediatric care.

22. The Better Together partnership agreed a five year vision in 2013 and many of the integration schemes are delivered through the BCF. A joint CCG, Social Care and Public Health outcomes framework has been developed and is included in the Alliance Agreement (attached as **Appendix 2**). The majority of the joint work with social care has

been within the Urgent and Proactive work-stream initiatives. These focus on people who have multiple long term conditions and who are at risk of hospital admission, many of whom are frail and elderly. Progress with key projects includes:

- **Local Integrated Care Teams (LICTs)** are multi-agency teams who proactively identify and work with people in their local GP population who may be at risk of admission to hospital. These eight teams started in December 2015. Each has a social worker co-located within the team, as well as links into the local district social work teams. Evaluation concluded that they have had a positive effect on reducing hospital admission. Further data is being gathered regarding detail of the impact of the approach on preventing, delaying or reducing the need for packages of social care.

- **The Self-Care Hub** based at Ashfield Health and Wellbeing Village commenced in July 2015. Its main objective is to help people better manage their health condition(s) themselves. Plans are underway for Nottinghamshire County Council Social Work and Occupational Therapy Clinics to take place in the centre. The new Council commissioned short term prevention service 'Connect' started in January and is meeting with the Self Care Hub to plan a local co-ordinated approach.

- **Transfer to Assess** schemes aim to avoid people being delayed in hospital any longer than necessary. Once people are medically well enough to move out of an acute ward, any further assessments required will be carried out in another setting, ideally their own home. This has had a positive impact on reducing the number of Delayed Transfers of Care from hospital. It is acknowledged, however, that the schemes in Mid-Nottinghamshire rely too heavily on the use of interim residential and nursing care beds as the place of assessment and further planning is now being undertaken to achieve the aim that wherever possible, people return to their own homes for assessment. This provides the best opportunity for people to regain their independence and confidence.

- **Call for Care** is a service that health and social care professional staff will be able to contact to identify what appropriate service(s) have available capacity to put in place quickly to avoid emergency hospital admissions. This is being rolled out in stages and commenced at a restricted level for the ambulance service and GPs in November 2015. It does not yet include access into social care. This is planned to be included during 2016 following work with the district teams and Customer Care/Adult Access Service to ensure the positive performance of resolving 70% of all enquiries at the front end is maintained.

- **Specialist Intermediate Care Teams and Crisis Response (SICT)** are not fully implemented across the County and the model is being reviewed in light of the difficulty in recruiting some key roles. A new joint plan is being developed, reviewing which health, care and housing services should be put in place to most effectively prevent hospital and residential care home admissions, support people home from hospital quickly and maintain people in their own homes for as long as possible.

- **Housing input to Integrated Discharge Team.** Innovative and integrated working is developing from the bottom up as well as top down. Whilst not being part of the initial Better Together programme, work was piloted with Mansfield District Council to

improve discharges from hospital. A named Housing Officer works alongside health and social care staff at King's Mill Hospital as part of the discharge service and is able to offer solutions to issues such as inappropriate housing, and homelessness. Initial independent evaluation of the pilot by Nottingham Trent University showed clear benefits of earlier discharge and taking into account the cost of providing the service evidenced savings on bed days, which could rise further if the service was to be scaled up. The pilot has been extended to March 2016 and included housing support to the LICTs in the second phase.

23. The Better Together Programme Board was the original partnership established to initiate the work and drive the programme. In order to meet the scale and complexity of the challenges that the health and social care system face, the Programme Board agreed that a different type of partnership was required for the future. This partnership would have a different relationship with health providers, focus less on managing issues through individual CCG/NCC contracts and more on collaborating to deliver jointly agreed outcomes that require the input of more than one partner. A new partnership also needed to jointly consider and actively sign up to a set of principles that would support difficult decision making, based on what is best for local people and the most effective use of public funds.

24. On 2 November 2015, the ASCH Committee gave approval for the Council to continue discussions to develop and agree a Memorandum of Understanding (MoU). This committed the Council to working with partners to develop a Commissioner Provider Alliance Agreement, to be operational from April 2016. Delegated authority was given to the Corporate Director, Adult Social Care, Health and Public Protection (ASCH&PP), in consultation with the Chair of the Adult Social Care and Health Committee, who agreed and signed the final version of the MOU with advice from the Group Manager, Legal and Democratic Services. Discussions involving all partners to the MoU have taken place since November 2015 to develop the Alliance agreement.

25. As agreed at the November 2015 ASCH Committee meeting, the Corporate Director for ASCH&PP and the Chairman of the ASCH Committee have participated in the Alliance Development Leadership Board, which has supervised and approved the work to date, with all partners taking the Agreement to their respective governance processes for a decision. The planned start date is April 2016. Signing the Alliance Agreement contract will mean that the Council agrees to work within the Alliance partnership, committing to the proposed purpose, objectives and behaviours. At this stage, it does not require the Council to change its existing arrangements for management of staff or services, or to delegate any areas of finance, strategy or performance. However during the next 12 months the proposal involves further consideration of which social care resources and contracts might be included in the Alliance in the long term, appraisal of the option of creating a formal pooled budget and how the risks and rewards relating to the overall health and social care services provided under the umbrella of the Alliance might be shared between the participants.

What is the Alliance?

26. The Alliance is made up of three main elements:

    (i) the collaborative partnership and governance system

(ii) transparency on the respective local budgets for the CCGs and NCC
(iii) how the money is spent. This includes elements of the CCG contracts with health provider Alliance Members being linked into the Alliance contract, starting to be developed into outcome based capitated contracts. The CCG and NCC also have other contracts that currently sit fully outside of the Alliance Agreement. Alongside this sits the Council's system for assessing eligibility for and allocating personal budgets for people's individual care and support packages. This includes the option of people taking the money in the form of a Direct Payment to purchase their own services. During the transition phase a selection process will be undertaken to select key social care providers who have a contract with the Council, to join the Alliance.

Purpose of the Alliance

27. The purpose of the Alliance is to provide a financial, governance and contractual framework that delivers the commissioner participants' key current objectives, as well as form a robust partnership to meet future demand from changing levels of need, changing funding levels, new legislation and/or policy imperatives, by:

(i) ensuring health and care system sustainability through more effectively managing system cost whilst maintaining appropriate quality and service user safety
(ii) securing best value for the public sector budget in terms of outcomes per pound spent
(iii) ensuring that integrated health and care services are delivered coherently and that fragmentation of service delivery is minimised by reducing organisational, professional and service boundaries
(iv) directing resources to the right place in order to adequately and sustainably fund the right care for improved patient outcomes
(v) incentivising the achievement of positive outcomes for the benefit of the population's health and wellbeing
(vi) supporting the process of transition to new care, support and well-being models delivering improved outcomes for service users
(vii) protecting and promoting service user choice.

28. Building on the principles agreed in the MoU, the Alliance contract includes a set of principles, objectives and behaviours that the Council would be signing up to on joining the Alliance. These are now given legally binding status so as to commit all parties to continually working collaboratively towards "best for service" outcomes (see **Appendix 3**).

Key issues and implications of the Alliance Agreement for the Council:

29. Some of the key issues and implications of the Alliance Agreement are set out below and further legal advice and information regarding the membership arrangements has been provided in a separate key risks and issues paper set out in the **Exempt Appendix**.

a) Scope of the Alliance

30. For the Council, signing the Alliance Agreement will mean that it will be committed to the partnership, working to make collective decisions on the use of available public funds in

the best interests of meeting local people's needs. The CCG plans to link the contracts it holds with the seven potential participating health providers into the Alliance contract, with a commitment to develop and implement new payment mechanisms using outcomes based capitated contracts. This means rather than pay by results for each treatment completed, providers start to be paid for outcomes such as improving the health of the local population, or reducing hospital admissions. Mid-Nottinghamshire is a Vanguard site leading on the development of capitated payment mechanisms. The work is in its very early stages and is one of the main areas for the Alliance to develop further in the transition phase. The Council will not be changing the care and support contracts it holds with social care providers to a capitated model because this does not offer the ability to give individuals who have been assessed as eligible for social care a Personal Budget or Direct Payment.

31. The CCG holds other contracts with providers who are not in the Alliance. These, as well as the Council's single and jointly commissioned contracts, currently sit outside of the Alliance. The Council will not have to change any of its current commissioning arrangements or contracts due to becoming an Alliance Member but will be obliged where possible to review those contracts and consider how they might become a part of the Alliance arrangements, in line with the Alliance principles. As contracts become due for renewal the Council will continue to be able to consider whether there is benefit to increasingly integrated arrangements with the CCGs and/or other partners, what type of contract is most appropriate and how to achieve strategic countywide economies of scale whilst meeting local objectives.

32. The current summary of scope of the services included with the Alliance is attached as **Appendix 4**. The long term intent is that, if the Alliance contract is a successful delivery model for the Better Together objectives, then it will be rolled out across all health and social care services for younger, as well as older adults, in Mid-Nottinghamshire. As set out in **paragraph 22** above, to date, the priorities and projects of the Better Together programme have focused mainly on older adults. Social care and health organise their services in very different ways and the focus of the work in the current Better Together programme, is mainly relevant to older adults teams and services, with some crossover with the Council's younger disability teams and long-term conditions. A large amount of the Council's spend is on people with learning disabilities and a smaller amount on mental ill-health. These areas do not yet have a key focus in the Better Together Transformation Programme, but will be considered as part of developing the new Sustainability and Transformation Plans.

b) Membership of the Alliance

33. In recognition of the fact that partners will have differing levels of involvement in the design, delivery and implementation of the transformation plans, two levels of Alliance Membership are proposed: full and associate. A full Member will have a vote on the Leadership Board. They will have an active and key strategic role in developing and delivering transformation plans and a share in the risks and rewards of delivering the partnership's objectives. The detail of how risk and reward will be shared will be developed and agreed by all partners as part of the transition work. Agreement to share risks and rewards could itself present a risk to the Council, for example, if it was proposed that financial penalties could be applied to a partner who failed to deliver certain targets. It is difficult to assess the level of risk, however, as the options for how

this will operate have not been considered yet. To mitigate this, partners have developed a set of principles that will shape the approach to risk and reward. This includes all partners being in unanimous agreement of any areas that a risk and reward agreement will be applied to and also the details of how this will operate.

34. There are also potential benefits to having clear agreements regarding the sharing of risks and rewards. To achieve the Alliance objectives, partners will bear differing levels of risk and the benefits may not automatically accrue with the partner taking most risks. The shift to treat more people in the community, rather than hospital, for example, reduces acute demand but increases demand for community health and social care provision.

35. An Associate Member will be invited to participate and contribute to meetings of the Alliance Leadership Board, but will not be entitled to vote, or expected to take a share of any Alliance risk and reward agreements. There are also other organisations that may not meet the requirements to be an Alliance Member, but will have a role providing local services and important contributions to make. They will be able to be engaged through the design and delivery workstreams that sit under the Alliance Leadership Board.

36. A Full Alliance Member will commit to transparent open book accounting wherever possible. For the County Council this will mean sharing information regarding the relevant expenditure on social care in mid Nottinghamshire. Understanding the total amount of public funds available will assist the Alliance to make strategic decisions regarding its best use to meet local health and social care needs, for example, through establishing a baseline budget and levels of activity (including any planned or future required savings), to form an agreed basis for discussion about funding following the flow of work into the community.

37. In addition to the two CCGs, the partners who are considering signing the Alliance agreement contract are the seven health providers that were selected following a Most Capable Provider process by the CCGs: Central Nottinghamshire Clinical Services, Circle Nottingham Ltd., East Midlands Ambulance Service, Nottinghamshire Healthcare NHS Foundation Trust, Nottingham University Hospitals NHS Trust, Sherwood Forest Hospitals NHS Foundation Trust, United Lincolnshire Hospitals NHS Trust and the voluntary sector Mid-Nottinghamshire special purpose vehicle 'Together Everyone Achieves More' (TEAM). TEAM was established to enable the value of the 3rd Sector to help shape service transformation and is not itself a provider of services.

38. There is a commitment to secure the engagement of General Practice in mid-Nottinghamshire within the Alliance; this reflects the significant role of General Practice as a provider of care and support and the key role it can contribute to achieving many of the Better Together objectives. The involvement of General Practice in the Alliance is contingent upon the establishment of a collective federated body or bodies with authority and legitimacy to make binding decisions on behalf of General Practice.

39. No social care providers are currently signed up to the MoU or part of the Alliance. The Council is preparing to carry out an assessment exercise to identify any provider or providers of the social care services who could sensibly become an Alliance participant. This process will be carried out in liaison with all Alliance Members but it is agreed that for this initial selection exercise, that the Council shall have absolute discretion over the

final decision as to which social care provider(s) it identifies to join the Alliance as Associate Members. Full Alliance Membership will need to be agreed by the other Full Alliance Members. This potentially means that NCC could be unable to bring a social care provider that it feels is vital to achieving the objectives from the perspective of the Council, into the Alliance as a Full Member. If agreement cannot be reached on this, in order to mitigate this risk, NCC has the right to terminate its membership and participation in the Alliance or to become an Associate Member upon service of one month's notice in writing. After the initial selection process for social care providers, other partners who have a key role in delivering the objectives can join the Alliance, subject to the unanimous agreement of all partners. District Councils are not currently signed up to the MoU or the Alliance, however, discussion regarding the options are planned.

c) Length of the Alliance Contract and the Transition Phase

40. The proposed term is three years (2016 – 2019) with an option to extend for a further seven years. There is currently no right to exercise a break clause without cause. The aim of this is to encourage partners to work together to deliver creative solutions to problems that impact upon a range of alliance stakeholders, rather than give participants an easy option to serve notice and walk away if unable to agree the various transition activities. It has been agreed that if there are problems with completing transition activities, such matters should go to the Alliance Leadership Board for resolution. The Board can then decide to either:

a) allow more time to resolve the matter (acting unanimously)
b) consider how to reconfigure the Alliance (if possible) or
c) terminate the Alliance.

41. Ultimately, a participant cannot be compelled to agree to any course of action it does not feel comfortable with. If the parties cannot resolve any differences at the end of transition, then one of the above options will need to be pursued. In those circumstances the underlying healthcare service contracts are likely to need to be amended to reflect new payment terms, but there will be no impact on the Nottinghamshire County Council, or its contracts with social care providers.

42. As might be expected when developing complex and innovative arrangements, there remain some key areas of the contract where the detail is not yet defined. When overlaid with the specific requirements of a personalised social care system, as well as the changing national and regional planning policy context it is possible that other drivers may impact on the activities of the Alliance in its early stages. In light of this, the agreement provides for an Alliance member to terminate its participation by giving 3 months' notice in the event of a policy change at national or local government level which materially impacts on any member's ability to participate in the Alliance. Further comfort is provided within the agreement by establishing a transition period to 31st August 2017. At this point, if agreement on the way forward has not been reached, then there will be a decision as to whether the Alliance reconfigures its membership or is dissolved. If agreement has been found, then at this point the Alliance Agreement Contract will be reviewed and up-dated to reflect this and a further Committee report will be brought at that time to seek approval to sign off the outcomes of the transition period.

43. The following areas have been identified for development and agreement during the first Transition phase of the agreement:

a) Development of a capitated payment mechanism for health provider participants (excluding Personal Budgets)
b) Expand the outcomes based payment model for the NHS service contracts
c) Agree the detail of how sharing risks and rewards will operate
d) Establish Care Design Groups
e) The ongoing development of models of care.

d) Maintaining the Council's statutory duties and underpinning social care principles

44. Development of the Alliance is taking an incremental approach. The Alliance seeks to create a robust partnership with the right set of principles and behaviours that will enable partners to tackle the complex and difficult challenges facing them. There are no immediate requirements to change structures or make any major changes to existing policies, contractual or financial arrangements. Over time it may be that there are benefits to be achieved through considering alternative arrangements. These options will be considered and taken to the appropriate Committee within the Council's governance system for a decision.

e) Governance and leadership of social care

45. The proposed Governance structure (see **Appendix 5**) has an overarching Alliance Leadership Board. This has responsibility for directing and leading the Alliance in accordance with the Alliance Principles and setting an overall strategic direction in order to meet the Alliance objectives. This is underpinned by various sub-groups including a Senior Executive level Operational Oversight Group, Finance and Commercial Development Group, Sustainability and Transformation Plan Development Group, as well as Evaluation Metrics, Communication and Organisational Design working groups. The structure will be kept under review in order to ensure meetings are kept to the minimum, whilst delivering the programme.

46. There are limits within partners' existing governance structures regarding decisions that can be delegated to representatives on the Alliance Leadership Board. This means that strategic, policy, resource and financial decisions will need to be taken through partners' current respective governance processes. In order that this does not delay decision making, one of the principles of the Alliance is that partners agree to communicate with each other, all relevant staff and governing bodies in a clear, direct and timely manner to optimise the ability to make effective and timely decisions to achieve the Alliance objectives.

47. Decisions will need to be undertaken and reached in accordance with the Alliance principles and will need to be unanimous. Whilst it is recognised that this means there is a risk of there being a stalemate position, the aim is that no Alliance Member will be forced to do something that they are not in agreement with. It is the Alliance's role to find a solution to the area of concern that is preventing a Member from feeling that they cannot agree to the course of action being decided.

48. Signing the contract requires no changes to the existing line management and leadership arrangements for social care or any other Council service. It is proposed that the Service Director for Social Care in Mid-Nottinghamshire is the lead representative for the Council on the Operational Oversight Group.

f) Finance

49. The Alliance does not currently require the Council to change any of its existing financial processes or formally pool any budgets. A 'virtual' public budget for health and social care will be transparent about the total sum of local funding available to aid decision making. Part of the future development of the Alliance will include assessing whether there is any added value to establishing a formal pooled budget arrangement, with recommendations being brought back to Committee for a decision. The key County Council resources associated with current Better Together objectives are the budgets for the older adults social work teams in the Mid-Nottinghamshire districts and hospitals, as well as their commissioning budgets, used to provide people who are assessed as eligible for social care with personal budgets for their care and support. There are also key relevant services delivered through countywide contracts, such as the Community Equipment Loan Service (an existing pooled budget arrangement) and short term prevention service. The Mid-Nottinghamshire staff budgets for the Council-run START Re-ablement service is also included. To give an indication of the value involved, the Council's original 2015/16 budget for this portfolio of services in Mid-Nottinghamshire was £52.3m.

50. In addition, the Council has a number of services that are delivered on a countywide basis. A breakdown of these budgets are not included in the Mid-Nottinghamshire 'virtual' funding pot as the service and funding could not be split in a meaningful way. Examples include: Customer Service Centre and Adult Access Team (which includes the Carer Support Service, MASH, a number of specialist countywide operational teams e.g. Aspergers, DoLS, AMHP service) and departmental and corporate resource services. Also, the budgets for internal run countywide services such as Day Care/Care and Support Centres/Short Breaks/meal service are not included.

Other Options Considered

51. Prior to considering an Alliance Agreement contract, a Single Accountable Provider (SAP) model was explored. In this model, one provider would take on a strategic lead role and responsibility for the transformation of health care services, sub-contracting with the other providers to deliver this. This option was not progressed after the initial assessment phase, due to the fact that existing capacity and quality pressures would make it difficult for any provider alone to also manage major transformation. A collaborative approach drawing on the expertise of both commissioners and providers was assessed as being more appropriate and likely to succeed.

52. The option of not being a party to the Alliance agreement at all has been considered. The Alliance, however, offers an opportunity to work collaboratively to create a new health and social care system across Mid-Nottinghamshire that will deliver better outcomes for citizens and will make the best use of collective public resources. If the Council were not an Alliance Member it would have a limited role, being able only to participate in working

group discussions about recommendations for new care models for consideration by the Alliance Leadership Board.

53. The Council has the option of joining either as a Full Member or an Associate Member. Associate Membership, however, does not bring voting rights. There is no doubt that the health and care system will change and full membership provides an opportunity for the Council to shape and influence the nature of these arrangements.

54. There are still many aspects of the Alliance which require development in greater detail. The Alliance contract has therefore incorporated a degree of flexibility in order to be able to adapt to change and reflect emerging best practice from around the country. The development of the Mid-Nottinghamshire Alliance is seen as a first step towards greater integration and does not preclude the establishment of new entities and partnerships in the future.

Reason/s for Recommendation/s

55. It is recommended that Nottinghamshire County Council signs up to being a Full Member of the Alliance. The rationale is that if the Council chooses not to be a Member or to be an Associate Member, the Council will not be able to vote on the decisions made by the Alliance. This means that there is a risk of actions being agreed that could either have a negative impact on the Council, for example, increasing demand for services, or, do not maximise potential benefits, for example of a joint approach to prevention and self-care.

56. Being a Full Member will enable the Council to ensure that its requirements are met through active involvement in strategic discussions about service provision and future design of services, including oversight of contracts and service delivery. This will provide the Council with the opportunity for assurance that it is meeting its service objectives, managing financial and other risks, as well as ensuring that services undergo the necessary transformation whilst maintaining quality. Health and social care has a high degree of complexity, volume and changing demand. Commissioning and providing needs to be highly adaptive to this changing context.

Statutory and Policy Implications

57. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Service Users

58. The overall aim of the Better Together programme is to deliver improved health and social care outcomes for service users (see **Appendix 2**).

RECOMMENDATION/S:

That the Committee:

1) approves the Council to sign the Mid-Nottinghamshire Alliance Agreement contract as a Full Member in line with the arrangements set out in the report

2) delegates authority to agree any final drafting changes to the Corporate Director for Adult Social Care, Health and Public Protection in consultation with the Chair of the Adult Social Care and Health Committee and the Group Manager for Legal Services

3) approves the Corporate Director for Adult Social Care, Health and Public Protection (or his authorised senior officer delegate) as the Nottinghamshire County Council representative on the Alliance Leadership Development Board with delegated authority to cast votes on behalf of the Council subject to a requirement to bring all strategic, policy, resource and financial decisions including the approval of the outcome of the transition activities to this Committee or such other body of the Council as may be appropriate in the circumstances

4) approves the Service Director for Adult Social Care in Mid-Nottinghamshire as the Nottinghamshire County Council representative on the Operational Oversight Group

5) receives a further progress report in October 2016.

Sue Batty
Service Director, Mid Nottinghamshire

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Constitutional Comments (HD - 25/2/2016)

59. The recommendations fall within the delegation to Adult Social Care and Health Committee.

Financial Comments (NDR 12/02/16)

60. The financial implications of the proposal are considered in paragraphs 49 & 50 and in the Exempt Appendix.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Integration with Health in Mid-Nottinghamshire – report to the Adult Social Care & Health Committee on 2nd November 2015.

Health Integration in Nottinghamshire – report to the Adult Social Care & Health Committee on 29 June 2015

The Better Together Programme in Mid Nottinghamshire – report to Adult Social Care & Health Committee on 2 February 2015

Electoral Division(s) and Member(s) Affected

All.

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