

2 November 2015

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR, MID NOTTINGHAMSHIRE

DEVELOPING THE MID-NOTTINGHAMSHIRE BETTER TOGETHER PROGRAMME - COMMISSIONER PROVIDER ALLIANCE AGREEMENT

Purpose of the Report

1. The purpose of this report is to seek approval for the Council to be a party to a Memorandum of Understanding (MOU) that will commit the Council to working with partners to develop a Commissioner Provider Alliance agreement to operate from April 2016. Following appraisal of the options the Better Together Programme Board have identified this as the preferred approach to deliver the Better Together Programme in mid-Notts.
2. Approval is sought to appoint the Chair of the Adult Social Care and Health Committee and the Corporate Director, Adult Social Care, Health and Public Protection, to be the County Council representatives on the Alliance Development Leadership Board and to recommend to Policy Committee that the Board be added to the Council's list of outside bodies.
3. Approval is also sought to report back to the Committee in January 2016 regarding the development of the Alliance Agreement to that point, with any recommendation about a decision on becoming a partner to the Alliance Partnership.

Information and Advice

4. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 (Memorandum of Understanding) relates to sensitive financial and business affairs of organisations outside of the Council and is not yet in its final form. It will be published in full once all partners have signed up to it. The exempt information is set out in the Exempt Appendix.

Background

5. On 29 June 2015 the Adult Social Care and Health (ASCH) Committee gave approval for officers to progress work as part of the Better Together Partnership to develop a new commissioning approach for delivery of the mid Nottinghamshire Better Together Programme. The change involved a decision not to work through a Single Accountable Provider contract in order to deliver the Better Together vision and outcomes, but instead

to develop a Commissioner Provider Alliance which will take shared responsibility for driving the transformation programme.

6. As reported to ASCH Committee in February 2015, this programme is a collaboration between the two mid Nottinghamshire Clinical Commissioning Groups, the County Council, seven NHS health providers and voluntary sector partners.
7. The aim of the 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.
8. Phase One includes 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.
9. All Alliance partners are now being asked to jointly develop and sign up to a Memorandum of Understanding to signal their commitment to developing a mutually agreeable Alliance agreement to be in place for April 2016. The MOU is a single agreement, setting out how partners will work together to develop the Alliance agreement, and includes:
 - a commitment to developing the Alliance agreement with a view to being a party
 - commitment to work together to develop and implement the Alliance agreement
 - the principles partners will work to
 - governance arrangements during the development of the Alliance agreement
 - the broad purpose and scope of the Alliance agreement and key areas
 - governance and management
 - the arrangements for the operation of this MOU and the proposed timetable for the development and implementation of the Alliance agreement.

Governance

10. It is proposed that the governance arrangements during the development of the Alliance agreement will be through an independently chaired Alliance Development Leadership Board, comprised of the Chairs and Chief Executives of each organisation or other appropriate representatives at senior level. This Board will be responsible for strategic leadership, oversight of finance and performance, the delivery of new models of care and evolution of the Vanguard programme. It is recommended that the Council is represented on this Board by the Chair of the Adult Social Care and Health Committee and the Corporate Director for Adult Social Care, Health and Public Protection. Matters which require strategic decisions will continue to be brought to the ASCH Committee as normal.
11. It is proposed that an Alliance Development Operational Executive will report to the Leadership Board. This Executive group will have responsibility for the development and design of the Alliance agreement. It is recommended that the Service Director, Mid

Nottinghamshire, will represent the Council on this group, supported by other Council officers as appropriate. It is intended that both the Leadership Board and Operational Executive will continue to form part of the future Alliance governance once the contract is in place. Decision-making processes for the Alliance post April 2016, will need to consider options of voting or unanimity. Although requiring a unanimous decision can be unwieldy, this has been adopted by similar alliances nationally, on the basis that if any partner objects to a proposed course of action, the principles of an alliance mean that other partners need to seek to understand and address the barriers to this and help create a 'win-win' solution that all partners can agree to.

12. A final draft MOU (as at 13th October 2015) is attached as an **Exempt Appendix**. This version has incorporated amendments from all Alliance partners and was agreed at an extraordinary Alliance Development Operational Executive group meeting on 13th October as being ready to take through respective governance systems for approval. As such it is anticipated there will be no further significant changes required. This is confidential as it contains a publicity clause which prohibits the publication of the MOU without consent of all parties. A recommendation is made to Committee that delegated authority is given to the Corporate Director, Adult Social Care, Health and Public Protection, in consultation with the Chair of the Adult Social Care and Health Committee, to agree and sign the final version of the MOU with advice from the Group Manager, Legal and Democratic Services.
13. Signing the MOU will commit the Council to working with partners to develop a mutually agreeable Alliance agreement. It also signals that subject to the details of this being agreeable to the Council, the Council believes that the Alliance is probably the most appropriate vehicle within which to deliver improved, more integrated services with health and provides the opportunity to be a partner in shaping this.

Key issues to resolve in developing the Alliance Agreement

14. The aim is to develop the full Alliance agreement by December so that all partners can take this through their governance processes for approval in January. These are challenging timescales for a new and innovative concept involving a multiplicity of complex organisations with differing legislative constraints and governance arrangements. Work-streams are being initiated and relevant Nottinghamshire County Council leads have been identified. These can currently be covered from within existing resources.
15. The MOU states the intention that the Alliance agreement is implemented on a phased basis. The Alliance agreement will be the vehicle to deliver the Better Together Programme, within which the main relevant services for ASCH are currently those focused on older adults and younger adults who have a number of long-term health conditions. If the model is successful, consideration will be given to the benefits of wider roll out of the Better Together Programme across all services for younger adults in mid-Notts. One of the early priorities for the development of the Alliance agreement will be to determine the scope of the agreement from April 2016. This will aim to ensure that the work in the first year is manageable, whilst delivering demonstrable benefits. It may, for example, cover all older adults, or only a smaller sub set of this population e.g. geographic area of 50,000 population.

16. The final Alliance agreement would be a single, legally binding contract potentially between: Nottinghamshire County Council, Mansfield and Ashfield, Newark and Sherwood Clinical Commissioning Groups (2 CCGs) and the seven principle providers¹ of urgent, proactive and elective healthcare services across Nottinghamshire. The contract will be outcome focused, using the joint outcomes framework already agreed across the Clinical Commissioning Groups, Social Care and Public Health as the basis. Other agencies and services may be included, for example, work is being undertaken regarding the potential involvement of General Practice as a future additional party to the Alliance. Work will be undertaken collaboratively between October and December 2015 to develop the following elements of the Alliance agreement:
- i) the Alliance principles
 - ii) risk and reward sharing agreement
 - iii) governance framework, scheme of delegation and budget arrangements
 - iv) a single performance framework with collective responsibility for good or bad performance (see **Appendix A** for the Outcomes Framework)
 - v) ownership of the opportunities and responsibilities associated with the delivery of integrated urgent, proactive and elective health and care services
 - vi) how new partners will be able to join the Alliance in the future and existing partners able to exit
 - vii) how other key partners will be engaged with who sit outside of the Alliance, for example, through sub-contractual or other partnership arrangements
 - viii) implementation plan and milestones.

Implications for budgets

17. One option may be that the Alliance will develop a virtual, or potentially, pooled budget into which all partners will commit funding and resources relevant to the scope of the work. It is likely that the contract will initially be proposed to be for up to five years; however, during the discussions to develop the financial arrangements in more detail, the Council will be clear that our contribution will need to be reviewed annually in order to reflect changes, for example, of new national financial settlements. Any staff and resources identified as being in scope will need to be ring-fenced for mid-Notts, subject to the agreement specifying the right terms and conditions that will enable the Council to be a party to the Alliance. If the scope is agreed as older adults in mid-Notts then the key social care budgets to consider for inclusion in the capitated budget will be:
- a) Older adult assessment and care management team staffing budgets
 - b) Older adult assessment and care management commissioning budgets associated with the above teams, including those for: community care, residential/nursing care, direct payments and also carers' personal budgets
 - c) Re-ablement (START) staff budgets

¹ * These providers are Nottingham University Hospitals NHS Trust, Sherwood Forest Hospitals NHS Foundation Trust, East Midlands Ambulance Service, Central Nottinghamshire Clinical Services, United Lincolnshire Hospitals NHS Trust, Circle Nottingham and Nottinghamshire Healthcare NHS Foundation Trust.

- d) Integrated Community Equipment Loan Service budgets for health and social care for mid-Notts. The countywide health and social care contract with one provider would remain in place, however, by way of example the Alliance could take responsibility for ensuring that each agency undertakes appropriate actions to remain within budget, or for funding increased demand for any shift in demand created from replacing hospital based care with community services.
18. The Alliance may propose the establishment of a pooled budget arrangement, for example, to include the areas listed in 17) above. This could build on the Better Care Fund arrangements and, subject to further investigation, the budget could be delegated to the Alliance Leadership Team to manage. Consideration will need to be given as to how this fits with the Council's governance system, the nature and scope of delegated decisions the Alliance may be granted by each body and how this may be constrained by their respective governance arrangements. An example is the level of delegation to move funding from one service to another which could assist, for example, with the shift of resources to support the care of more people out of hospital and in the community.
19. Should the Alliance agreement proceed in April 2016, it is envisaged that no changes will be required initially to any contractual arrangements with the Council's providers (those either subject to single or joint commissioning arrangements). However, further changes may be proposed during the course of the Alliance.
20. As the details are developed the risks associated with the financial arrangements will need to be identified and mitigations sought regarding the level and scope of delegation felt to be appropriate. The use of a pooled budget may be key to enabling the Alliance to make change across organisations at a reasonable pace. It could provide benefits provided it satisfies the following conditions:
- delivers the savings that the Council has to make, proportionate to the amount of budget pooled
 - tracks and monitors spend on social care
 - funds any increased spend for social care resulting from implementing the strategy
 - enables the Council to retain line management of staff
 - ensures that social care budget continues to be effectively managed
 - provides clarity over workforce management, reporting and budgetary issues
 - sits within a legally acceptable contractual and governance structure for the Council
 - is in line with the other, non-finance guiding principles agreed by Members at Committee 29th June 2015, in order to inform the design, development and planning of integrated services.

Risk and reward sharing

21. A risk and reward sharing agreement will be developed to identify partners' key risks, those that can be owned by the partnership and those that will sit outside, as well as how any financial or other benefits delivered by the partnership will be apportioned. Agreeing how risks and rewards will be shared is likely to be one of the most difficult and complex elements of the contract. The benefits of addressing risks within an Alliance is greater transparency, enabling risks to delivering key outcomes that are dependent upon actions by more than one agency to be identified and roles, responsibilities and expectations clarified. Whilst this does not in itself eliminate a risk, it provides an alternative to one

agency simply saying an outcome has not been achieved due to the (in) actions of another agency. Currently the Council bears the consequences alone if its key targets are not met, for example, the Better Care Fund objective to reduce placements in residential care. Health partners however have a key influencing role that impacts on this target, especially on admissions directly from hospital. By way of example, potentially a joint action plan could be agreed and the risks of not delivering this could be shared within the Alliance. The Council would also, however, potentially need to take a share of the risk of not meeting other targets that currently other partners bear the sole impact of.

Workforce

22. Members have been clear that the Council wishes to retain direct line management of its teams and services for the foreseeable future; this means that no change of employment status will arise due to the development of the Alliance agreement for any staff that are included within the scope of the Alliance agreement.

Guiding principles for integration

23. In June 2015 the ASCH Committee agreed a set of guiding principles that Members will seek assurance are addressed in the design, development and planning of any future integrated health and social care system (these are included at **Appendix A** for reference). They cover social care governance, leadership, performance, finance and workforce. These will guide Council officers in the work required to develop the Alliance agreement as set out in this report. Officers will undertake an assessment of the extent to which the final proposed Alliance agreement adheres to these principles; conclusions will be set out in the future report to seek a decision regarding the Council being a party to the Alliance.

Other Options Considered

24. The option of not being a party to the MOU and developing the Alliance agreement has been considered. The Alliance, however, offers an opportunity to work collaboratively to create a new health and social care system that delivers better outcomes for citizens and makes the best use of collective public resources.
25. Nationally, different integrated models of care are emerging. Some areas are creating new joint entities, such as Care Trusts, and others are developing larger combined authorities with increasingly devolved local powers, such as Greater Manchester. The current proposal for the Nottinghamshire/Derbyshire combined authority does not include health and social care. The development of the mid-Notts Alliance is seen as a first step towards greater integration and does not preclude the establishment of new entities and partnerships in the future, where these may be of benefit.

Reason/s for Recommendation/s

26. Being a party to the Alliance agreement and Leadership Team will enable partners to ensure that their requirements are met through active involvement in 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 assuring 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

27. 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.

Financial Implications

28. There are no financial implications linked to signing the MOU. However, the resulting discussions to develop an Alliance Agreement will contain matters relevant to Finance and will need to involve officers from Finance and Resources. Any financial implications for the Council will be outlined in the next report to the Adult Social Care and Health Committee, when recommendations are made in relation to signing the Alliance Agreement and becoming a formal partner.

Implications for Service Users

29. The overall aim of the Better Together Programme is to deliver improved health and social care outcomes for service users.

RECOMMENDATION/S

That the Committee:

- 1) gives approval for the Council to continue discussions to develop and agree the Memorandum of Understanding that will commit the Council to working with partners to develop a Commissioner Provider Alliance Agreement to operate from April 2016, with delegated authority given to the Corporate Director, Adult Social Care, Health and Public Protection, in consultation with the Chair of the Adult Social Care and Health Committee, to agree and sign the final version of the MOU with advice from the Group Manager, Legal and Democratic Services
- 2) appoints the Chair of the Adult Social Care and Health Committee and the Corporate Director, Adult Social Care, Health and Public Protection, to be the County Council representatives on the Alliance Development Leadership Board
- 3) recommends to Policy Committee that the Alliance Development Leadership Board be added to the Council's list of outside bodies.
- 4) receives a further report in January 2016 regarding the development of the Alliance Agreement to that point, with any recommendation about a decision on becoming a partner to the Alliance Partnership.

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Constitutional Comments (EP 19/10/15)

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

Financial Comments (KAS 15/10/15)

31. The financial implications are contained within paragraph 28 of the report.

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.

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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