THE CABINET

6 JULY 2010

REPORT OF THE CORPORATE DIRECTOR OF ADULT AND COMMUNITY SERVICES

Title: Moving Toward Integration with NHS Barking & Dagenham	**For Decision**

Summary:

This paper sets out the case for closer working with NHS Barking and Dagenham in order to deliver the best possible outcomes for residents of the borough.

It recommends that more immediate steps are taken to ensure that we:

* achieve better community outcomes.
* create opportunities for savings
* avoid loss of investment in Barking & Dagenham
* strengthen our ability to take joint decisions

This will protect the positive impact of existing integrated locality working on health & well being outcomes, will protect funds for Barking & Dagenham, bring reduced expenditure and support Total Place initiatives.

Wards Affected: All

Recommendation(s)

The Cabinet is recommended to formally endorse the intention to move to an integrated leadership model (Option 3) with NHS Barking and Dagenham.

Reason(s)

To support delivery of the Community Plan, the Local Area Agreement and all the Council's six priorities, particularly to be a 'healthy' borough and to maximise opportunities to ensure that resources are used for the benefit of Barking and Dagenham residents.

Implications

Financial
No specific implications at this stage.

Legal
No specific implications at this stage. Detailed legal advice will be required for developing appropriate governance arrangements and s.75 agreements.

Contractual
No specific implications at this stage.

Risk Management
No specific implications at this stage.

Staffing
No specific implications at this stage.

Customer Impact
No specific implications at this stage.

Safeguarding Children
No specific implications at this stage.

Crime and Disorder
No specific implications.

Property/Assets
No specific implications at this stage.

Options appraisal
Not applicable.

Head of Service:	**Title:**	**Contact Details:**
Guy Swindle	Programme Director, Total Commissioning	Tel: 020 8227 2094 Fax: 020 8227 E-mail: guy.swindle@lbbd.gov.uk

1. Background

1.1 Local authorities and PCTs have been able to make progress in recent years on integrated commissioning (joint purchasing of services), making use of existing Government frameworks for planning and resource allocation. The last Government's efforts to align and simplify its systems for public service delivery did not go as far as local government wished, and some current elements are notably more joined-up than others.

1.2 Overall aims for **more integrated commissioning between health and social care** were set out by the Department of Health in 2007. This followed on from the White Papers *Our Health Our Care Our Say* and *Every Child Matters.* The relevant current frameworks and processes through which PCTs and boroughs conduct their needs analysis, planning and resource allocation are:

- **Joint Strategic Needs Assessments**
- **Children and Young People's Plan**
- **World Class Commissioning**
- **Sustainable Community Strategies**
- **Local Area Agreements**

1.3 While only recently proposed by the last Government for rollout as a national framework, the **Total Place** programme has also acted as vehicle for joint working, in the two formal pilot areas in London (Lewisham and Croydon) and in other areas pursuing the same principles of a place-based approach to rethinking outcomes and use of resources.

1.4 Work has been taking place across London to look at ways to strengthen integrated working between PCTs and local government. This work is happening within the context of substantial prospective cuts in NHS funding (the 2008/09 NHS Annual Report states that it needs to identify £15-20 billion of efficiency savings by the end of 2013/14), continuing large deficits in some NHS Trusts (including Barking, Havering & Redbridge University Hospitals Trust - BHRUT) and the dependence on commissioning as the mechanism to control the acute hospital sector. There is also a possibility that now the general election is over the number of PCTs in London will be reduced, partly in a drive to secure world class commissioning as it is felt that the talent pool within PCTs is spread too thinly, but also to make savings within the NHS.

1.5 London Councils has been leading calls for closer integration between councils and the NHS. In January 2010, London Councils launched the 'Manifesto for Londoners'. This proposed:

- That non-acute budgets of PCTs should become accountable to the London borough in which they operate. National government would set the framework to meet national standards. London boroughs would join up care budgets to provide integrated commissioning of all these services in support of choices made by patients and their GPs.

- To improve public accountability, governance would be integrated with overlapping membership of PCT boards and London boroughs.

- In the longer term legislation would be required to integrate non acute PCT responsibilities within London local government, offering direct democratic accountability and unified governance. There is no evidence, yet, from the new Government that such legislation is imminent.

1.6 NHS London and London Councils have discussed the need to strengthen joint working between PCTs and local government. Ruth Carnell, Chief Executive of NHS London has attended two London Council's Leaders' Committee meetings to discuss ideas with Leaders, most recently on the 9th March.

1.7 Locally, we have over the last few years developed a model of joint working based on a locality structure that bases service around people rather than people fitting into separate services. This has proved both successful and popular with residents. We would therefore intend to develop this approach further.

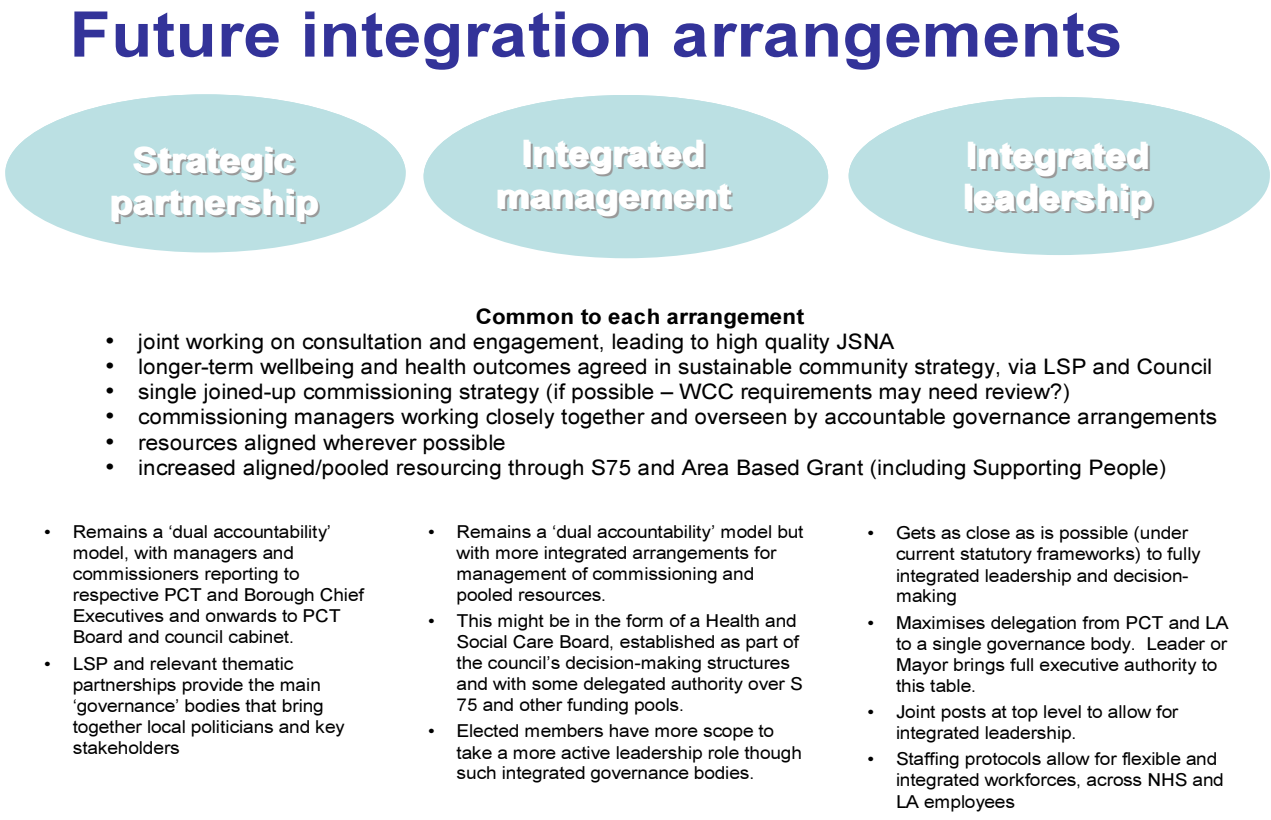
1.8 A White Paper on NHS reforms is expected on 6th July. This is expected to propose a number of significant changes to the way NHS services are commissioned, in particular that GPs play the lead role in commissioning local health services. Clearly, any changes that emerge to NHS structures, management and/or funding arrangements over the coming months will have particular relevance to this work.

2. The Options for Integration

2.1 At the Leaders' Committee meeting on the 9th March, Leaders were presented with possible options for closer integration. Three broad options were presented to the Leaders Committee within which individual Boroughs and PCTs are being encouraged to develop their governance arrangements.

- Option 1 Strategic partnership
- Option 2 Integrated management
- Option 3 Integrated leadership

The main features of these are set out in the diagram and text below



Option 1 - Strategic partnership

2.2 This model builds on the development in recent years of Local Strategic Partnerships, and the consultation, needs analysis and planning processes around sustainable community strategies, JSNAs, World Class Commissioning, and local area agreements (LAAs).

2.3 Under these arrangements, local authorities and PCTs have been working together with other public bodies and the business and third sectors, in a more systematic and co-ordinated way. The picture varies from borough to borough.

2.4 For some, including Barking & Dagenham, the LSP has become a significant forum for developing and delivering an agreed approach, with the PCT playing a significant role. In other boroughs, PCT involvement has been less evident. In some cases, joint board arrangements, built around substantial S75 agreements or in order to develop joined-up provider bodies for health and social care, have been more important than the LSP. In Barking & Dagenham we have very few such agreements although others are under discussion.

2.5 Since the advent of LAAs in 2004, and the 2006 local government White Paper *Strong and Prosperous Communities,* Local Strategic Partnerships have taken on a

more influential role. The LSP itself remains a non-statutory body, with no powers or legal capacity of their own, but their responsibilities for drawing together a sustainable community strategy and LAA for the area are now underpinned by statutory duties that fall on local boroughs and other partner bodies including PCTs. The 'duty to co-operate' applies to boroughs and to PCTs.

2.6 It should be remembered that the Children's Trust is on a statutory footing and this would need to be taken account of in developing future arrangements.

2.7 Many LSPs have a 'thematic' sub-partnership which deals with health, social care, and wellbeing issues and which sits alongside the Children's Trust, Crime and Disorder Partnerships and any other sub-partnerships. In Barking and Dagenham this role is led by the Health and Wellbeing Board with the Children's Trust and Local Children Safeguarding Board taking particular responsibility for services commissioned for children and young people. This body is well placed to form the nucleus for stronger leadership and governance of integrated commissioning in the 'strategic partnership' option set out in the proposals agreed by NHS and local government leaders.

2.8 The Health & Well Being Board includes a range of LSP partners, beyond the borough and the PCT, and includes the third sector. To meet the attributes for successful integrated working (as defined by NHS London/London Councils) it will be important that this thematic sub-partnership is not too large and unwieldy, and has clear leadership and direction.

2.9 Active involvement of councillors will also be needed to ensure a link back to the Cabinet and the priority-setting and resource allocation processes of the local authority. CLG guidance (*Strong Safe and Prosperous Communities)* encourages the direct involvement of leading members and portfolio holders in the LSP and its thematic sub-partnerships, as a route to strengthened democratic accountability.

This model most closely resembles the current position in Barking & Dagenham.

Option 2 - Integrated management

2.10 The distinguishing features between this and option 1 are:

- the existence of some form of joint board, made up of councillors and PCT board members, covering health and social care responsibilities;
- a more focused commissioning group, working in support of the joint board and overseeing S75 agreements and polysystem delivery; and
- one or more joint appointments at senior management level.

There are several examples of such joint boards in London boroughs. This model allows for joint posts and shared decision making but with separate accountability to each organisation.

Option 3 - Integrated leadership

2.11 This model seeks to maximise the scope for integration by combining very senior level posts across the local authority and PCT (including at chief executive level). It

involves a governance board to which both the PCT and the local authority delegate as much decision-making power as is legally possible.

2.12 Coupled with this integrated leadership, workforces of the two organisations (including finance, HR and IT) are also integrated where appropriate. Commissioning is undertaken on a joint basis, through S75 agreements and aligned budgets. The borough and PCT are presented to the public as a single organisation.

2.13 Hammersmith and Fulham is the main London example of this approach. Other examples exist outside London.

3 Local Context

3.1 Over the last year a number of NHS functions have been moved to a sector level – Outer North East London (ONEL) - comprising the populations of Barking and Dagenham, Redbridge, Havering and Waltham Forest. This position was reinforced from 1st April 2010 by the appointment of a full time Sector Chief Executive who is also a Director of NHS London. It is unclear at this stage whether ONEL will continue to exist as a sector or, as seems more likely given the public spending cuts, be merged with Inner NEL to form a North East London Sector (comprising 7 boroughs).

3.2 The most significant of the functions being discharged at sector level is acute commissioning (primarily hospital services at Queens and King Georges for B&D residents) though discussions are underway to try and subsume other functions at a sector level (for example Public Health and mental health commissioning). The arguments are complex in relation to functions such as public health where some sector leadership could be beneficial provided that at a borough level integrated public health teams are available to deliver borough based functions. Further detailed consideration of appropriate solutions is required.

3.3 It is argued within NHS London that by bringing activity together at a sector level management costs can be reduced and greater effectiveness and efficiency achieved**.** However, the evidence does not support this approach in respect of Barking and Dagenham where we face such significant challenges in relation to health inequalities and where many of the solutions can only be delivered by engagement of all partners at a borough level. It would be officers' view that efficiencies are just as likely to be achieved through local integration as by sector integration.

4 Integration in practice

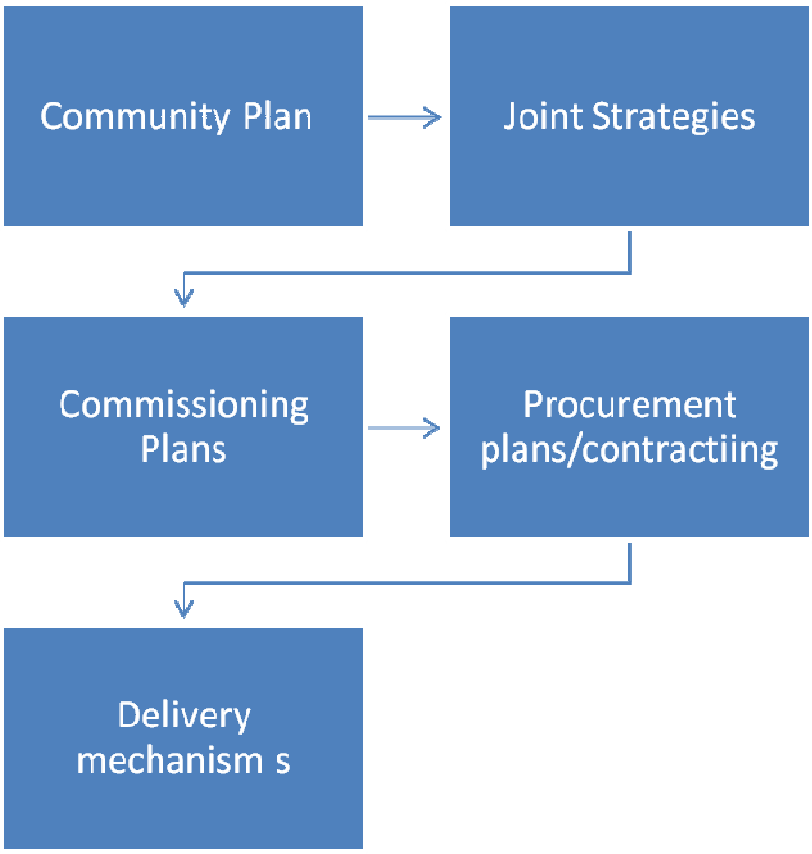
4.1 In formulating our approach to future integration it is important that we consider what will work best for the population of Barking and Dagenham and will secure the highest possible level of resources to meet the challenges we face. That said, our approach should of course be values driven and focussed on better outcomes for local people. This means we should initially focus on function rather than form even though in due course we will probably require some structural change. Whatever approach we decide to adopt we will need to move quickly to resist pre-emptive decisions by others that would ultimately remove the decision making on key issues from the council and the PCT.

4.2 The attributes needed for successful integration can be summarised as:

- **Leadership** by Local Government and PCTs with demonstrable trust and commitment to working together to deliver shared values and outcomes through substantial and difficult change to achieve rapid improvement in services and costs.
- **Commissioning** arrangements that have the support, capability and scope to drive real change across Local Government and NHS services – joint strategic planning and commissioning as a core business of the Borough and local partners.
- **Robust accountability and governance** with Local Government and PCTs working openly in shared systems.
- **Extensive use of financial arrangements** to pool resources and align budgets so as to remove ring fences and promote efficiency and flexibility.

There needs to be a shared mission, strong management capability, clear governance and aligned/pooled resources.

4.3 The diagram below summarises the way in which we currently work together. All partners have agreed our sustainable Community Plan that sets out our aspiration to achieve a more prosperous borough and improve the health and well being of our residents.



4.4 We already have a number of Joint strategies that describe what we are trying to achieve in terms of the people or activities that are covered and is clear about the outcomes. Examples of such plans include the Children and Young People's Plan

and the Health and Well Being Strategy. The range of such plans should be extended.

4.5 Work is currently underway to develop an overarching Joint Commissioning Strategy as part of our Total Commissioning Programme. This strategy aims to:

- bring together the JSNA, Experian and other demographic data and needs analyses.
- align the CSP and Council commissioning plans.
- agree and set out a common commissioning framework and processes designed to deliver the best value provider, reduce the cost of commissioning to both our organisations and reduce barriers to entry to third sector and local businesses where this is appropriate.
- set out shared commissioning principles, intentions and plans going forward.

4.6 Commissioning Plans will then describe what it is we want to see delivered and bring together the information on outputs, quality indicators, timescales, money and outcomes. These can be whole organisation Plans such as the PCTs Commissioning Strategy Plan or be service specific .These plans will then be translated into detailed procurement /contracting plans. Where possible and practicable we should produce joint plans.

4.7 Finally, at a delivery level we would as far as possible wish to have integrated models of care such as Community Mental Health Teams (CMHT) or the children's multi agency locality teams (MALTS). This will be important as the new polysystems are rolled out to ensure local people are not left struggling to navigate their way through two different systems.

4.8 In any such system it is of course important that performance management systems are in place that let us know quickly what is working well and of course highlights any emerging problems. Activity will also need to be reviewed and evaluated in terms of health equity audits, Every Child Matters and Putting People First.

4.9 In service terms, there are many examples of how the integration might benefit local residents. One example of this in relation to people with a learning disability is set out in Appendix 1.

Other examples include:

- the joint health & well being strategy and the integrated programme office for its delivery
- joint director of public health and the joint consultant in public health medicine for children. It has been agreed that further integration of the public health team into the council to support the corporate functions ie. planning, housing, adults and children would be better enhance the tackling of health inequalities.
- The newly created Clinical Transformation Executive Committee (formerly the Professional Executive Committee). The new committee has Council officer membership and one of its primary responsibilities is the delivery of the transforming communities agenda.

- The Children's Trust which is viewed as a strong integrated body. We are currently discussing the appointment of the Director of Children's Services as a non-voting board member of the PCT. Also a non-executive director of the PCT Board is now a member of the Children's Trust Executive.

- The joint Health Intelligence Group that is responsible for the delivery of the partnerships joint strategic needs assessment and Experian customer segmentation programme.

4.10 In relation to back office functions we should now seek to align functions such as finance, HR, marketing and communications and facilities management whilst more detailed discussions take place on the scope for integration and the opportunities presented by Strategic Partnering.

4.11 In order to move to greater integration, it would be important to learn from our shared history and ensure that we have effective and agreed governance arrangements in place from the start which are robust enough to solve any problems encountered and have sufficient Member and Non Executive Director oversight.

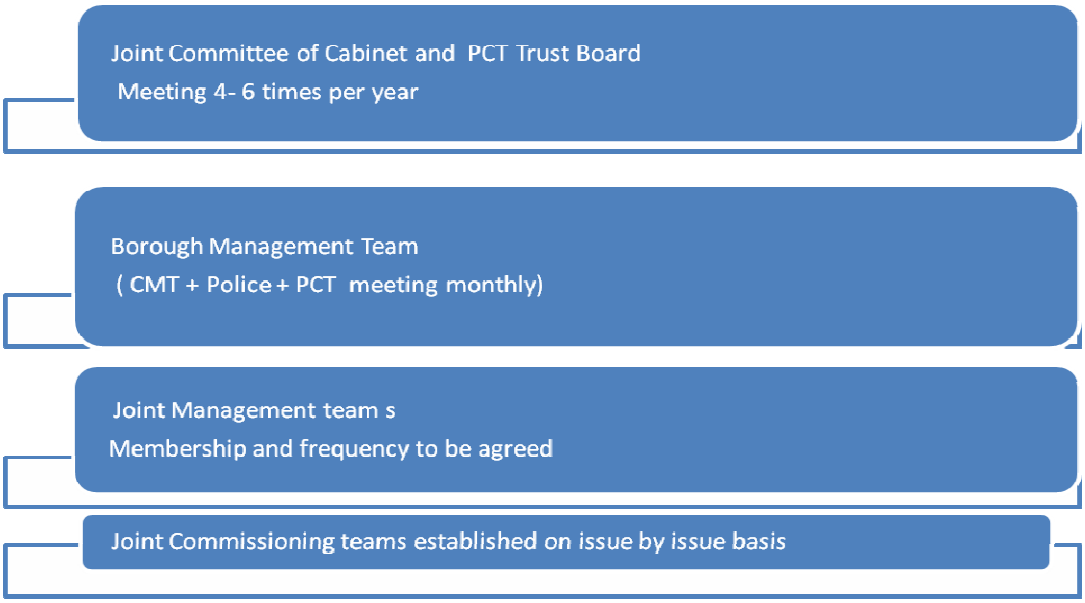
5 Next Steps

5.1 All London authorities and PCTs were asked to respond by 1 June 2010 setting out their preferences for the future and proposals for moving the agenda forward. In view of this timetable the Cabinet's and NHS B&D's Board's steer was sought informally on which option to pursue.

5.2 The steer was to move towards Option3, Integrated Leadership, and we indicated to London Councils and NHS London that this is our joint intention. We have also indicated that we will set out a plan which enables us to put new governance arrangements in place to oversee our joint endeavours whilst making progress simultaneously on a number of other fronts**.**

5.3 This will build on the joint working that is already in place and enable us to put in place increasing numbers of S75 Agreements that will in effect shelter local financial resources**.** We would therefore propose that we seek to integrate strategic planning, commissioning plans and where appropriate our delivery mechanisms**.** It should however be recognised that some functions (such as primary care commissioning) are unlikely to be integrated in the early years, if at all.

5.4 The kind of joint governance arrangements that we would need to have in place to take this agenda forward are set out in the diagram below.



5.6 The details of how this would work and its links to existing partnership structures would need to be defined. It would also be necessary to consider how the engagement of health professionals can be ensured as unlike local government there is a separation of professional and managerial leadership in the NHS.

6 Next Steps

6.1 This paper has been drafted with regard to London wide resource tools and in informal discussion with Stephen Langford Chief Executive, NHS Barking and Dagenham. If the direction of travel is acceptable to elected Members then we need to formally agree this with the PCT and start to develop the detailed proposals.

6.2 As ever much of the devil will be in the detail and it is therefore very important that Members are involved in the discussion and development of our integration programme. It is therefore proposed that a Member/Non Executive Director Steering Group supported by senior officers and PCT Executive Directors is formed to oversee progress with regular reports back to Cabinet and the PCT Board.

6.3 In the meantime S75 agreements and joint strategies should continue to be developed.

7. Links to Corporate and other Plans and Strategies

- Community Plan - http://www.barkingdagenhampartnership.org.uk/communityplan
- Local Area Agreement - http://www.barkingdagenhampartnership.org.uk/laa
- Health & Wellbeing Strategy - http://www.barkingdagenhampartnership.org.uk/library#H

8. Consultees

8.1 The following were consulted in the preparation of this report:

- All Cabinet Members
- Councillor Maureen Worby, Chair of NHS B&D

- CMT
- Melanie Field, Legal Partner: Partnerships
- Stephen Langford. Chief Executive, NHS B&D

9. Background Papers Used in the Preparation of the Report:

None.

10. List of appendices:

Appendix 1 - Scenario: Seamless Service Provision for Special Educational Needs and Learning Difficulties & Disability

An illustrative example of what an integrated service might look like