

TRAFFORD COUNCIL

Report to: Health Scrutiny Committee
Date: 18th January 2023
Report for: Information
Report of: Gareth James, Trafford Deputy Place Lead for Health and Care Integration

Report Title

Integrated Care System Update

Summary

The purpose of this report is to provide an update to Scrutiny on recent developments across the Greater Manchester Integrated Care system that affect the Trafford Locality. The report covers the latest update on the development of the GM operating model including agreement of locality budgets and describes the next steps to confirm locality governance arrangements.

Recommendation(s)

Health Scrutiny are asked to note the content of this report and progress to date

Contact person for access to background papers and further information:

Name: Gareth James, Trafford Deputy Place Lead for Health and Care Integration

Introduction

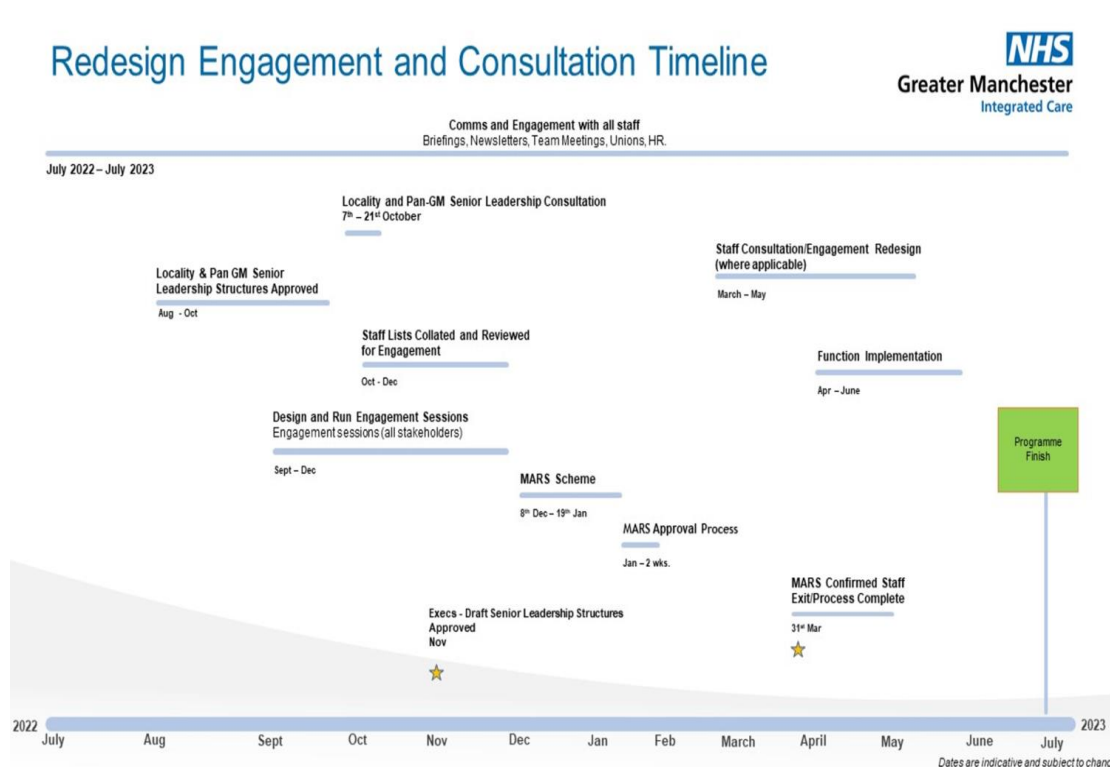
1. The purpose of this report is to provide an update to Health Scrutiny Committee on recent developments across the Greater Manchester Integrated Care system that affect the Trafford Locality.
2. The report covers the latest update on the development of the GM operating model including agreement of locality budgets and describes the next steps to confirm locality governance arrangements.

NHS GM Operating Model

3. Following the phase 6 staff consultation, colleagues have slotted into the majority of sub-board level leadership roles. A Mutually Agreed Resignation Scheme (MARS) is now running, and eligible colleagues have until 19 January

2023 to submit an application. Across GM there is a significant level of financial risk to the planned financial break-even on 31 March 2023. It is hoped that the MARS will contribute to recurrent savings without the need to enforce compulsory redundancies.

- As we reported in December, although this is a positive development giving the opportunity to staff who want to leave the organisation to move on, this has delayed the final agreement of functional operating models and subsequent structures. The revised timeline is reflected in the following diagram reflecting that the programme to agree the operating model will not finish until July 2023.



- During the period of the MARS a vacancy pause has been implemented. This does not mean that there will be zero recruitment with a small number of business-critical roles expected to be recruited to (business critical defined as one that if not filled could cause significant clinical, financial or reputational risk or damage to the organisation).
- The Secretary of State for Health and Social Care has written to all ICB chairs and chief officers asking that they publish an organogram, including the breakdown of staffing numbers and costs. This ask supports the Health and Social Care Departments' commitment to transparency so the public and those on the front line understand how NHS money is spent and make connections between the different organisations as we work increasingly as systems rather than individual organisations. The GM organogram was submitted on 6 January 2022 and has been published on the NHS GM website. The information can be accessed via this link (<https://gmintegratedcare.org.uk/nhs-gm-organogram/>).

Locality Budget Allocation 2022/23

7. Last month we reported that localities had received 2022/23 draft budgets in respect of both locality operating costs and service level budgets that will be delegated. We continue to work through the detail of both budgets with an update as follows.

Operating Costs

8. A methodology for locality allocations has been developed to incorporate both a fixed envelope to reflect core responsibilities (£2.5m per locality) and a variable allocation based on weighted populations (£5 per weighted head of population). Based on this methodology, Trafford locality will receive an allocation of **£3.702 million** of the total £41.697 million operating costs delegated to GM localities.
9. In addition to the information provided last month, the following clarification has now been received from GM:
 - *Administrative non-pay costs*; all significant administration non-pay costs will be paid for from central budgets (for example rent, IT, HR and training).
 - *Safeguarding*; medical salary/sessional costs associated with safeguarding are excluded from locality budgets.
 - *Medical leadership*; this budget is being consolidated and will be confirmed as an additional allocation early in the new-year.
 - *Continuing Healthcare (CHC)*; the full spectrum of CHC needs to be managed within localities. This will be reviewed over the next 12 months.
10. The locality leadership team is working through the guidance provided to agree the structures required to deliver against delegations although there remains an element of uncertainty for some functions due to the current pause following implementation of the MARS.
11. Should there be an excess of staff in localities following the MARS process and subsequent agreement of structures, following a further consultation, some staff might move to a central GM deployment register with costs being borne centrally.
12. Localities are now asked to confirm that they can operate within this allocation and we expect to conclude this before the end of January. Although there will no specific 'check and challenge' process there will be ongoing work to support improved consistency in job bandings and roles across NHS GM.

Service Budget Delegation

13. Delegated service budgets for the period July 2022 to March 2023 have also been issued based on the following:

- Budget alignment principles agreed by the GM Joint Planning and Delivery Committee.
- GM planning assumptions in line with national planning guidance.

14. Interpretation of the budget alignment has been done centrally and localities are asked to validate this based on local understanding of the operating model.

15. The GM Target Operating Model sets out clearly that regardless of whether funds flow via Trusts, Localities or GPs/PCNs, they:

*“**must** be ‘brought to the table’ [i.e. Locality Board] to identify how that resource, when added to money sitting with other Trusts, organisations or sectors, can be used collectively to achieve maximum productivity, necessary cost saving and contribute most effectively to achieving the quadruple aim.”*

16. In keeping with the operating model, we will continue with our agreed approach of aligned reporting to the locality board to ensure that we provide the rounded picture of locality based services and costs. In particular the Trafford locality Board (The board) needs to have clear sight of financial and performance information in respect of community services to support our integrated way of working.

17. The following budget information reflects the values held in the ICB ledger and are, therefore, only nine months of the annual spend. Budgets have been identified by the categories in the table below. Broadly the values reflect the costs of services although more granular analysis is required to ensure all VCSE services are captured, ensuring urgent care services and exclusions under personalised care are identified.

Budget Area	£
CHC	13,926,125
Community	11,528,498
Mental Health	8,651,885
Primary Care	2,299,248
Prescribing	27,742,634
Locality Estates	1,892,973
Total	66,041,363

18. A further update will be provided to the board in February when we hope to be in a position to be able to formally accept the delegated budget.

Trafford Locality Governance

19. In December 2022 the board agreed to permanently implement the Trafford place leadership model (previously agreed holding position) and a process and timeline to agree our locality governance model.
20. Various potential governance arrangements are being considered and it was recognised that it was likely that we would need to implement a combination of more than one of the following options:
 - Option 1 – Enhance current consultative forum
 - Option 2 – Incorporate section 75 arrangements
 - Option 3 – ICB committee
 - Option 4 – Joint committee (under section 65Z5)
21. The board were also provided with a summary of the legal advice received to date along with advantages and disadvantages of each model. The board agreed to continue to seek legal advice, in particular, with the development of a refreshed terms of reference. The detail of the options along with the legal advice would be considered by the partner task and finish group with preferred options being brought to January meeting of the board.
22. This would have enabled the Trafford governance proposal to be submitted to the ICB for approval in February. However, the locality leadership team now propose that further work will be required in the coming weeks and, therefore, that the board considers the preferred option in February 2023. This would mean that our submission to the ICB would be in March, along with 4 other localities. The reasons for this additional time are as follows:
 - Legal advice, including draft terms of reference will be received week beginning 9 January.
 - The task and finish group will have opportunity to review submissions made by other localities.
 - There remains considerable work to agree sub-TLB governance arrangements.
23. The board currently operates with a joint chairing arrangement between Chair of Trafford GP Board and the Leader of Trafford Borough Council. Our revised terms of reference will propose a model for chairing from April 2023 onwards. Members of the board will be aware that there has recently been a change in the leadership of the council. It is, therefore, proposed that the new Council Leader, Tom Ross, undertakes the joint chair role during the period January to March 2023, pending the new arrangements for our local governance model being implemented.