

TRAFFORD COUNCIL

Report to: Council
Date: 25/3/15
Report for: Information
Report of: Leader of the Council and Chief Executive

Report Title

Memorandum of Understanding: A framework for the devolution of health and social care responsibilities to Greater Manchester

Summary

This report provides a briefing for Members of council on the Memorandum of Understanding between all local authorities within GMCA, all Greater Manchester Clinical Commissioning Groups (CCGs) and NHS England (NHSE). The briefing outlines the background and context to the MoU, provides a summary of the scope, principles and objectives of the MOU, the proposed timetable for development and agreement of the MOU and key milestones for 2015/16.

Recommendation(s)

Council is asked to note the content of this report

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Background Papers: None

Introduction

1. Integrating health and social care is a vitally important component of GM's Economic growth and public service reform programme. The GM Devolution Agreement, agreed with Government in November 2014, created a platform for greater freedoms and flexibilities regarding the delivery of health and social care services, and invited the GMCA and GM Clinical Commissioning Groups and acute trusts to develop a business plan for the integration of health and social care across Greater Manchester, making best use of existing budgets and including specific targets for reducing pressure on A&E and avoidable hospital admissions.
2. NHS England's 5 Year Forward View, which was published last year, articulates why change is urgently required, what change might look like and how it can be achieved. Collaboration between different stakeholders within the NHS and with social care providers and funders is at the heart of this strategy. NHS England sees GM as a test bed for new approaches to delivering new models of integrated care which reflect the needs of the local population. Through a new partnership approach involving local and national stakeholders greater freedoms and flexibilities and new place-based organisational models can be explored and developed to make the best use of total resources and deliver better outcomes for people. Such an approach will address the fundamental challenges of how the GM health and social care system can become financially sustainable over time, and how health and wellbeing can support and enhance GM's priority of reducing worklessness, supporting people back into employment and providing growth through innovation.
3. A Memorandum of Understanding has therefore been worked up by the GM Local Authorities and CCGs, with support from GM NHS providers, which responds to this invitation. It is intended to provide the essential broader framework within which NHS England working with a wide GM partnership of local authorities, CCGs and other stakeholders can prepare for the full devolution of relevant NHS funding to GM and for GM to become the trailblazer for the objectives set out in the NHS 5 Year Forward View.
4. The MoU has been in development for several weeks between all of the relevant GM bodies. It has the support of the NHS Providers (NHS Trusts) which is key to the successful delivery of devolution and integration. The GMCA and AGMA have now endorsed the MOU and have recommended the endorsement of the MOU to all ten local authorities in order to progress the Road Map to full devolution which is described within the MoU and which is due to commence from the 1st April 2015. GM CCGs which have agreed the overall direction of the strategy will also be requested to take the MoU through their own decision making processes.
5. It should be noted that, as a MoU, the document sets out the broad principles that the parties have agreed, the objectives, a proposed governance structure and a timeline for implementation all of which are explained in more detail below. It does not make any changes to the statutory accountabilities or duties of local authorities or CCGs nor will the accountabilities or existing financial flows to CCGs or local authorities be affected.

THE CASE FOR CHANGE IN GREATER MANCHESTER

6. Health and social care services represent a significant proportion of the total public services costs incurred in GM and are central to GM's growth and reform agenda. It is estimated that under the "business as usual" model the GM health and social care economy faces a fiscal challenge of £1.1bn pa by 2017/18.

7. The on-going challenge of securing financial sustainability is made all the more difficult by a number of factors;

- Artificial barriers between primary care, secondary care, social care, self-care and social support;
- Hospital services which are fragmented and expensive; and which tend to focus more on organisational priorities than those of the places they are intended to serve.
- Mental Health services which fail to address community requirements, particularly in supporting people into work;
- Primary Care Providers who are not empowered or incentivised to make intensive intervention at the earliest stages to prevent ill – health which is resulting in rising levels of health inequalities;
- Inadequate focus on public health prevention;
- A social care system that does not link with health providers to support people to independence;
- National Delivery Models which fail to prioritise local partnerships with academic institutions to drive innovation, improvement and large scale change.

8. The impact of these constraints is intensified by fragmented leadership structures which creates an inability to focus on place, and regulation that focuses on institutional outcomes not systems and communities.

9. GM is seen to have the leadership capacity to develop the partnership structures to create stronger collaboration across public services; the opportunity to place integration of health and social care services at the heart of a wider reform agenda for public services; to create the framework where new incentives and flexibilities can help address many of these challenges; and to harness the activities of academic and research institutions to support the transformation which is required.

10. Through the CA/AGMA and the CCGs working with other stakeholders it has been possible to develop shared priorities for some time; the need to improve the health and wellbeing of the residents of GM from early age to elderly and to move from having some of the worst health outcomes to having some of the best; to close the health inequalities gap within GM and between GM and the UK faster; to contribute to growth and connect people to growth; to address the issue of financial sustainability; to enable effective integrated health and social care across GM; to ensure people are helped to take more control over their own health and care; to redress the balance of care to move it closer to home where possible; forge new partnerships on health based activities within Universities and Science; and strengthen the focus on prevention and public health.

11. It is GM's collective leadership capacity on public services and it's active pursuit of clear and shared objectives which the MoU seeks to build upon to address the challenges facing the health and social care system within Greater Manchester.

12. This agreement will address those challenges by bringing both decision making and resources closer to GM residents with more direct local control over services which were previously commissioned nationally or regionally. It will ensure false boundaries between hospital care and neighbourhood care and support are removed to ensure residents receive better joined up care. It will also prioritise early help and support to ensure people are able to take more control over their health and prevent existing illnesses from getting worse. Residents should therefore see better health and social care outcomes and have an improved experience of services across GM.

SCOPE OF MEMORANDUM OF UNDERSTANDING (MoU)

13. The scope of the MoU is comprehensive and involves the entire health and social care system in GM as follows;

- Acute Care
- Primary Care
- Community Services
- Mental Health Services
- Social Care
- Public Health and
- Health Education

It also encompasses the key enablers of change, including changes to;

- Governance and Regulation
- Resources and Finance
- Capital and Estates
- Workforce, and
- Information Sharing and Systems

14. The scope and nature of the Agreement embodied in the MoU is ground-breaking and unprecedented, and provides the health and social sector in GM with the essential platform to optimise our potential and re-shape the way in which health and social care services are delivered to reflect the needs of, and outcomes for, our local populations.

15. The MoU does not change the position of NHS services in GM in relation to the NHS Constitution and Mandate, all of the services will remain firmly part of the National Health Service. The MoU does however set the groundwork for GM to exercise freedoms and flexibilities to provide innovative approaches focused on the needs of the residents of GM.

ROAD MAP TO FULL DEVOLUTION

16. A Road Map will be developed which sets out the key changes which need to be delivered by GM and its national partners to enable the devolution of responsibilities and resources from NHS England to GM in a phased manner. This process will be supported by robust governance arrangements and a clear delivery plan.

17. The Road Map is considered essential to the management of risk and to enable GM to take more control of its own future and responsibilities in a way that is safe for

patients and citizens and to ensure that the duties of the NHS constitution and all national accountability arrangements can continue to be delivered.

18. The financial year 2015/16 is depicted as a transition year with actions being planned and agreed with all parties with the objective of achieving full devolution from April, 2016. The Road Map to full devolution includes stepped increases in responsibilities and powers, underpinned by a clear set of financial and performance milestones and trigger points, robust risk and benefit share arrangements and the alignment of formal GM governance arrangements. These governance arrangements will affect a partnership between local authorities, CCGs, other NHS stakeholders – which for the purpose of this report is labelled “GM”.

The key milestones include the following;

- April, 2015 ; all decisions about GM will be taken with GM
- April, 2015 ; the process for the establishment of shadow governance arrangements agreed including the Strategic Partnership Board
- By October, 2015 ; initial elements of the Business Case to support the CSR agreed, including a specific investment fund proposal to further support primary and community care
- During 2015; production of the final agreed GM Health and Social Care Strategic Sustainability Plan and related transformation case.
- December 2015; in preparation for devolution, GM and NHS England will have approved details on the funds to be devolved and supported governance, and local authorities and CCGs will have formally agreed the integrated health and social care arrangements.
- April 2016; Full devolution of agreed budgets, with the preferred governance arrangements and underpinning GM and locality S75 arrangements in place.

Workstreams have already been identified to progress all of this work – the principles, initial areas of work and potential achievements will be agreed by the Project Board and published separately.

APPROACH TO GOVERNANCE

19. One of the most significant areas of work will relate to the development of clear, transparent and accountable governance arrangements that reflect the genuine partnership between local authorities and NHS bodies. These will be shaped by CCGs and the local authorities in accordance with existing accountability arrangements whilst recognising that over time different ways of working will be required to deliver the transformation ambitions of GM.

20. To guide this work a number of principles have been agreed. These include the acknowledgement that local authorities and CCGs will retain their statutory functions and that accountability for resources will remain as now for 2015/16 with the partnership between the organisations reflecting the contributions and competencies of all the parties. Importantly, these principles also underline the critical role of inclusivity – commissioners, providers, patients and the public having a role in shaping the future of GM health and social care together.

21. There are currently seen to be several components of new governance arrangements which will be developed over the coming months.

- Greater Manchester Strategic Health and Social Care Partnership Board (the Strategic Partnership Board)

From April 2015 this Board will be formed to include local authorities and CCGs, Providers, NHS England and the regulatory bodies. It is proposed that this is the body that will include elected member representation from the local authorities. It will oversee the strategic development of the GM health economy, and will have specific responsibilities for the GM Health and Social Care Strategic Sustainability Plan and related investment funding proposals. The intention is that during 2015/16 work will be undertaken to explore with CCGs and Government whether the Board should become a statutory body as part of the enactment of legislation to give effect to the Devolution Agreement.

- GM Joint Commissioning Board

From April, 2015 a Shadow Board will be created including local authorities, CCGs and NHS England to agree decisions on all GM spend which is currently directly held by NHS England (there cannot however be any change in legal responsibility for decision making or financial responsibility at the present time). NHS England have agreed that the Board will be engaged in all decisions affecting GM health and social care and that financial plans, budget proposals and current performance will be shared across the GM health and social care economy. During 2015/6 the shadow board will move to a formal structure operating under agreed S75 arrangements; there will need to be agreement reached on details of financial accounting arrangements within the current NHS accountability framework for GM wide funds devolved from NHS England. The intention is to have all of these arrangements in place from April 2016 so that the formal GM Joint Commissioning Board is in place – one of the key triggers to full devolution.

- Locality Arrangements

During 2015/6 each locality (for each of the local authorities in GM) will build on their current integration work and agree a MoU between the local authority and local CCG (s) which fairly reflects the responsibilities of CCG's and local authorities and supports how the parties wish to see working arrangements operate in each locality. This is where appropriate local authority health and social care funding should be pooled; the opportunities for further alignment of CCG resource management arrangements will be explored, and where the details for integrating health and social care, public health / prevention etc. will be developed. There will be 10 plans and it will be important to ensure that all deliver a consistent approach to service delivery and spend across GM. One of the responsibilities of the Strategic Partnership Board will be to work with localities to ensure this is the case so that investment funds held at that level are deployed effectively. The existing role of local authorities and their local CCGs to determine the priorities and relevant spend for their areas will remain unchanged.

- NHS Providers

During 2015/6 providers will establish an agreed form of arrangements to enable them to provide a collective and positive response to the requirements of the GM Commissioning Board building on previous joint working arrangements. They will contribute to the principle of co-design and act accordingly. They will also develop a formal agreement with the regulatory authorities so that this becomes operational as soon as possible within 2015/16. The NHS providers have produced a letter confirming their support for the overall strategy.

- National Bodies

NHS England will facilitate links with the various national bodies and arrangements for the formal involvement of national bodies other than NHS England will proceed during 2015/6 to ensure these are operational by April, 2016.

SUPPORT ARRANGEMENTS

22. There will be a requirement to establish technical support requirements to enable these new arrangements to function effectively with value for money at the heart of the process.

23. A Programme Board will be established to oversee all the various workstreams. To progress the workstreams at the pace required will require considerable investment in capacity by all of the partners to the MoU and it is agreed that a more detailed programme and resourcing plan will be finalised by mid-March. This will include the recruitment of a full time Chief Officer and a finance director.

TRAFFORD PERSPECTIVE

24. Trafford already has a history of strong partnership working between health and social care. We already have in place a S75 agreement between Trafford CCG and the council to ensure integrated commissioning of community based education, health and social care services for children and young people and we have also agreed a new S75 agreement with Trafford CCG to support integrated commissioning of Adult Health and Social Care Services as part of the national Better Care Fund. Our existing S75 partnership agreement with Penine Care also supports the delivery of integrated community based health and social care services for both children and young people and adults.

25. This new development has the potential to extend that joined up approach to the whole of GM and at the same time to broaden it to include the acute and specialist health sectors.

26. As well as developing GM wide approaches to governance arrangements, the MOU also requires the development of new, locality level, governance structures during 2015/16. It is proposed in the MoU that the principle of subsidiarity will apply, thus ensuring that decisions are made at the lowest appropriate level. It is therefore important that we develop robust Trafford based governance arrangements to be ready to make decisions as and when duties and budgets are devolved to the Trafford level.

27. During 2015/16 we will be expected to agree a MoU between Trafford council and Trafford CCG to support our locality working arrangements. We will need to continue to build on existing arrangements (e.g. Better Care Fund and CYP Integrated commissioning Unit) and agree final arrangements for integration of health and social care within Trafford from April 2016, including exploring further alignment of CCG resource management arrangements.

28. By April 2016 we will have an agreed locality plan (approved by the Trafford Health and Well Being Board) to deliver integrated health, social care and public health in the context of the GM wide strategy and local priorities. This plan will be the focus for joining up health and social care services and ensure a consistent approach to service delivery and spend across GM and will be submitted to the GMHSPB to ensure strategic coherence and consistency across Greater Manchester.

29. Trafford Council will be expected to pool relevant health and social care funds with NHS E and Trafford CCG and to form a Local Joint Commissioning Board (building on existing arrangements) to commission services in line with the Trafford locality plan.

30. Discussions are underway with Trafford CCG and the Trafford HWBB to agree a review of the Trafford HWBB and of existing joint commissioning arrangements to ensure they are fit for purpose in the context of the GM wide arrangements.

CONCLUSIONS

31. Since the Devolution Agreement was endorsed considerable progress has been made in charting a new strategic direction for health and social care within GM. The MoU builds on this and provides an unprecedented opportunity for a new partnership structure not only to take active control over the shape and direction of health and social care within Greater Manchester, but to make significant progress in underpinning the long term financial sustainability of the entire system. In so doing there is potential to oversee the transformation of services, close the inequalities gap within GM and between GM and the rest of the country.

32. GM is now in a position where the scope of proposed collaboration is ground breaking and unprecedented allowing GM to reshape the way that health and social care services are delivered with a current estimated budget of £6 billion pa.

33. The affected health and social care services will still stay as part of the NHS or Councils but they will be tailored to reflect the needs of the people of Greater Manchester. CCGs and Councils will keep their existing accountabilities, legal obligations and funding flows.

34. Integrating health and social care is a vitally important component of Greater Manchester's economic growth and public service reform programme. It also makes best use of existing budgets, including targets around reducing pressure on A&E and avoiding hospital admissions, where appropriate.

35. Integrated care is a more holistic, co-ordinated approach which treats a person as a whole for all of their health, care and support needs. It puts the experience of the patient, carer and families at the centre of how services are organised and delivered. The proposed framework is set out in a Memorandum of Understanding. This framework will be underpinned by firstly – the development of a Roadmap that will clearly articulate what is to be achieved and by when as a result of all parties to the MoU working together.