Cabinet

16 October 2019

County Durham Health and Social Care Plan –

Integrated Strategic Commissioning Function

Ordinary Decision

Report of Corporate Management Team

Jane Robinson, Corporate Director of Adult and Health Services

Councillor Lucy Hovvels, Cabinet Portfolio Holder for Adult and Health Services

Electoral division(s) affected:

Countywide.

Purpose of the Report

1 To provide an update on the development of an Integrated Strategic Commissioning function for Health and Social Care Services across County Durham.

2 To seek agreement on the proposed model for the Integrated Strategic Commissioning function and to its implementation from April 2020 for Health and Social Care Services across the whole life course.

Executive summary

3 In April 2018 the proposed direction of travel in developing a Health and Social Care Plan for County Durham was approved. This was further developed and principles for the development of an Integrated Commissioning Model were agreed by Cabinet in March 2019.

4 This paper provides an update on the current national, regional and local context, with consideration of options for an Integrated Strategic Commissioning Function. This work is part of the continuum of work on integration across the county to provide improved services for our population.

5 A recommended option is put forward with a high level implementation plan and next steps suggested; this includes identification of potential

risks, how they may be mitigated, financial arrangements and a risk sharing approach.

Recommendation(s)

6 Cabinet is recommended to:

(a) Note the progress made since the previous report in March 2019;

(b) Note that this report is also being presented to the Governing Bodies of both North Durham and Durham Dales, Easington and Sedgefield Clinical Commissioning Groups;

(c) Approve the progression of the joint management arrangements and associated delivery model as outlined in option 4.

(d) Recognise there is detail to work through before implementation and agree to the model being implemented from April 2020.

(e) Receive further reports on the Integrated Strategic Commissioning Function once operational.

Background

7 In April 2018, a joint report was presented to Cabinet and to the Governing Bodies of North Durham and Durham Dales, Easington and Sedgefield Clinical Commissioning Groups (CCGs) which outlined a proposed direction of travel in developing a Health and Social Care Plan for County Durham, building on a strong track record of joint working over many years.

8 There are recent examples where health and social care have commissioned services together, which have enabled partners to look at the whole pathway and holistic needs of patients/service users rather than look at these in isolation. An example of this is the development of the Integrated Care Plus (IC+) service which brought together funding and teams to deliver a seamless service for patients.

9 There are very few pathways for County Durham residents that do not involve elements of health and social care. Durham County Council (DCC) and CCG teams have been working together to commission pathways as opportunities arise, but to achieve maximum benefits a fully integrated approach to working is required.

10 Following the implementation of the SEND reforms from the Children and Families Act 2014 there is a requirement for local authorities and health partners to jointly commission services and ensure there is co-production with young people and their families. The legal framework since 2014 is that Local Authorities and Clinical Commissioning Groups must make joint commissioning arrangements for education, health and care provision for young people with SEND from 0-25 years.

11 Although there are a number of examples of this happening in Durham at service and individual level, this is an area which was significantly criticised in the SEND inspection of the Durham local area in November 2017 and is one of the areas requiring action through the Written Statement of Action resulting from the inspection.

12 The inspection findings at the time found that 'the local area's arrangements for joint commissioning services are at a very early stage of development. Leaders' current plan sets out how they intend to begin jointly commissioning services effectively. However, a lack of precision about intended outcomes in these plans means that, currently, they are not helpful. Until the local area has fully completed its extensive range of reviews it is unable to prioritise and plan appropriately'.

13 Variations in commissioning, integration across services and service performance were found in the inspection and the absence of an integrated commissioning function meant there was no co-ordinated overview across the system along with significant variations in practice across services and in different parts of Durham.

14 Since the inspection, significant strengthening of partnership governance and service reviews and has led to closer integration of work and more focus on co-production with families. Current work, however, still has to be done in an environment of different organisational structures with differing arrangements in place for elements of work including commissioning and contracting, finance, performance management and workforce development.

15 Having an integrated commissioning function with part of it dedicated to children's services from 0-25 will help us to develop our work to ensure that outcomes for vulnerable children and their families are central and services are more joined up and responsive to meet their needs.

16 Work is currently underway on the joint commissioning of integrated therapy services to improve support and outcomes for children and young people with SEND.

17 Following review work and the feedback, it is now being proposed to jointly commission all these children's therapies and further consultation on this and other SEND services is taking place as part of the work on High Needs Block funding for SEND discussed at Cabinet in July 2019. Jointly commissioning this work will require the CCGs and the local authority to work differently and this is an example that would work well from within an integrated commissioning function.

18 The intention is to build on this to define how we want all age health and social care services to be shaped and delivered across the County to further improve the outcomes for local people. This could be achieved by:

(a) Using collective resources more efficiently and maximising the impact of the Durham pound to benefit our communities

(b) Minimising duplication

(c) An improved focus on joined up solutions

(d) Maximising the skills available across the wider health and social care workforce

(e) Looking at all the issues that impact on resident's health and wellbeing building on the way that Public Health services have been developed since transferring to DCC in 2013

(f) A single method of evaluating the impact of the services we commission for our population that looks across the whole system which would ultimately provide a single version of the truth

19 Benefits for the residents of County Durham would include:

(a) Reduced duplication which would free up resources to invest in services to improve outcomes

(b) Improved services that are better tailored to their whole needs

20 An agreement in principle was reached that exploring a Joint Strategic Commissioning Function would make sense for County Durham. This could include the commissioning of community and acute services for all ages. However, any strategic reconfiguration of hospital services would fall under the remit of the wider integrated care system or integrated care partnership.

21 This was the preferred option because with an integrated fund this size, commissioners will be able to shape the provider market in County Durham and allow us to move resources from acute to community services. We recognise that acute reconfiguration should be undertaken by the CCGs at scale. This can be across a number of CCGs or for other more specialist areas at a North East level.

22 Commissioning has a key role to play in developing integrated services and the ongoing separation between Health & Social Care systems can be an obstacle to achieving better outcomes for local people. The detail of what is currently commissioned and by who is included within the financial summary as shown at **Appendix 2**.

23 The NHS locally has already begun to integrate their commissioning and delivery functions where that makes sense for example the five CCGs across Durham, Darlington and Teesside have a unique partnership with Tees, Esk and Wear Valleys NHS Foundation Trust (TEWV) called the Mental Health Learning Disability Partnership, which

focusses on integrated NHS commissioning in relation to learning disability and mental health services;

24 Primary Care Networks (PCNs) now cover 100% of the population of Durham and maps are shown at **Appendix 3**. PCNs in Durham are already advanced organisations and should be thought of as a partnership between General Practice working at scale, community providers, mental health providers, social care, the voluntary sector and other primary care providers such as pharmacists, dentists and opticians.

25 Each PCN typically looks after a population of between 30 and 50 thousand people. In future they will be responsible for managing demand and delivering on the population health agenda. They will be responsible for driving up the quality of care their population receives and will be supported by the CCG to do this.

National Strategic Direction and Evidence

26 Integrated care has been shown to lead to improved clinical outcomes including a reduction in the use of acute and emergency care through better co-ordination with primary and community care. Improved service efficiencies can be shown through a reduction in duplication between services.

27 There is evidence[1] that integration of teams and services is more important than the integration of organisations. Success is dependent on shared purpose and clear vision and development of specific objectives. Integration is not an end in itself, more a means to better outcomes.

28 Health and Well Being Boards have a statutory duty to promote integration and the Better Care Fund has been a vehicle to get the NHS and local government to work more closely together and is an important step towards a single budget; this would enable financial decisions to be considered in a more co-ordinated way and make better use of the overall funding allocation.

29 The NHS is moving away from procurement to deliver better care and instead is being encouraged to integrate local providers to provide better joined up care for their population; this needs to be considered within the context of procurement legislation.

30 In order to support closer working, there is a move away from “Payment by Results” tariffs towards risk share agreements or block contracts between CCGs and Providers.

[1] https://www.kingsfund.org.uk/sites/default/files/field/field_publication_file/Options-integrated-commissioning-Kings-Fund-June-2015_0.pdf

31 The NHS Long Term Plan sets out how we might blend health and social care. This builds on the success of the Better Care Fund and suggests the following options.

(a) Voluntary Budget pooling between the council and the CCG for some or all their responsibilities

(b) Individual service user budget pooling through personal health or social care budgets

(c) The Salford model where the local authority has asked the NHS to oversee a pooled budget for all adult health and care services with a joint commissioning team

(d) A model where the CCG and local authority ask the chief executive of NHS England to designate the council chief executive or director of adult social care as the CCG accountable officer.

Learning from Elsewhere

32 In 2015 the Kings Fund published their options for Integrated Commissioning and suggested at that time examples of fully integrated commissioning were limited, with the nature and success of joint arrangements varying significantly depending on the area[2].

33 There has been progress in some areas of the country as shown below, however it is difficult to establish how much has been done on integrated commissioning specifically as a lot of the information and publicity relates to integrated care or services rather than commissioning.

(a) North East Lincolnshire - Historically, joint working has focused on a 'lead commissioner' model and Council and CCG have appointed a joint director of adult services with a broadened remit including oversight of some housing functions and the housing related support programme. They are employed by the Council, located within the CCG and have oversight of all adult services commissioning functions

(b) Sheffield – Integrated Commissioning Programme has 4 workstreams and focus seems to be on pooled budgets as part of the Better Care Fund.

(c) Devon and Plymouth – Health and Wellbeing Board have set the level of ambition and timeline for system integration. Have 4 commissioning strategies, pooled and aligned funds and a big

[2] https://www.kingsfund.org.uk/publications/options-integrated-commissioning

focus on bringing teams together, Organisational Development and Integrated Governance.

(d) Dorset, Bournemouth and Poole – appears to have more of a focus on integrated working rather than commissioning though some collaborative commissioning in place and joint work programmes.

(e) Greater Manchester – have a commissioning strategy with a focus in 2016/17 on specialised health services and primary care, with intention to broaden thereafter. They have recently undertaken a Commissioning review and created a 100-day plan, with task and finish groups taking forward some of the recommendations such as deciding on services to be commissioned at a Greater Manchester level.

(f) St Helens - have refreshed their Section 75 Partnership Agreement for 2019/20 following the establishment of an integrated commissioning function and are looking to establish an Integrated Commissioning fund. The Governing Body recently approved proposals to revise the agreement and embed the governance and decision-making processes to support the integration of St Helens CCG and St Helens Council through St Helens Integrated People's Services Department.

(g) Tameside and Glossop – a Strategic Commissioning Board was established by the CCG and Tameside MBC, to become the primary place where health and social care commissioning decisions are made. This followed the introduction of the Care Together programme and is intended to deliver improvements in health and social care. A recent Health Service Journal (HSJ) article suggests the shared leadership and commissioning function across the Council and CCG is a contributing factor to strong performance against the 4-hour A&E target.

(h) South Tyneside – an Alliance Leadership Team was established to develop integrated commissioning and has representation from across the Health and Social Care system. They have a Joint Commissioning Unit with a Head of Commissioning and a Joint Commissioning Manager. The unit is funded by the council and the CCG and has been in place almost 2 years. Commissioning has been set with two functions – transformational and transactional, though this is still developing.

Local Context

34 The North East and North Cumbria has recently been included in Wave 3 of the national rollout of Integrated Care Systems (ICS) and is now the largest of the ICS' covering more than three million people. The size of

the system may present some challenges, though may also present opportunities to work with partners across a wider geography.

35 As a subset to the ICS colleagues across Durham, Sunderland and South Tyneside are working more closely together as part of the Central Integrated Care Partnership (ICP). The interface between the ICS/ICP and County Durham will present opportunities and challenges. There is some uncertainty as the partnership is relatively new, however the Integrated Strategic Commissioning Function will put Durham in a strong position for other changes that may follow.

36 The two Durham CCGs have been working together more closely since April 2018 and were brought together under one management team across the five southern CCGs in April 2019.

37 In August 2019, an application was submitted for a formal merger of the 2 Durham CCGs and a separate merged arrangement for the 3 CCGs across the Tees Valley. This option was chosen as supported by partners and local population given the close relationships between the CCG and the Local Authorities, the configuration of clinical services and the patterns of service.

38 NHSE will consider plans submitted and if agreed, preparation for the merger would take place between October 2019 and April 2020.

39 Outcomes from inspections also contribute as one of the drivers for change; it has been identified there would be benefit to the population of Durham in working more collaboratively across the system. The SEND inspection identified Joint Commissioning as an area of focus.

40 Senior Leaders from across the County Durham system have undertaken a self-assessment against the LGA Integrated Commissioning for Better Outcomes Framework[3] to help identify focus areas for this work.

41 In March 2019 a further update report was presented to both Cabinet and the CCG governing bodies outlining progress as follows:

(a) Implementation of a new governance framework.

(b) Creation of the Integrated Senior Leadership Team for Community Services under the Director of Integrated Community Services.

(c) Delivery of the new Community Contract.

(d) Provision of proactive care through the Primary Care Networks and Teams Around Patients (TAPs) to support moving care out of the acute setting into communities where clinically safe to do so.

[3] https://www.local.gov.uk/our-support/our-improvement-offer/care-and-health-improvement/commissioning-and-market-shaping/icbo

(e) Development of action plans and identification of opportunities to work together pending the implementation of an integrated strategic commissioning function.

(f) Proposed emerging principles for the development of the integrated commissioning model

42 Since March 2019 progress has been made in developing a model for Integrated Commissioning through a standard programme management approach as follows:

(a) An all ages System Plan for Durham has been developed with a supporting policy framework, which was shared with the Health and Wellbeing Board and the Adults, Well-Being and Health Overview and Scrutiny Committee at their development day on 13th June.

(b) The Memorandum of Understanding for the Integrated Community Care Partnership has been updated from the previous version (April 2017) to reflect current working arrangements and includes a schedule specifically outlining the arrangements for the development of the Strategic Integrated Commissioning Function (see **Appendix 4**).

(c) Joint Management Arrangements have been developed including the proposed new role of Head of Integrated Strategic Commissioning.

(d) A life course Commissioning Strategy is in development and options for the delivery of the commissioning function have been generated for consideration.

(e) The Financial Arrangements have been considered and refined to consider the total funding across Health and Social Care (**see Appendix 2**).

(f) A Risk Share Approach has been developed building on the existing Section 75 arrangements and suggests the pooling of budgets may be phased over specific timeframes (see **Appendix 5**). The current appetite for risk sharing focusses on risks remaining with 'owner' organisations, however, it is agreed this approach should be reviewed as integration progresses to ensure it keeps pace with the integrated commissioning agenda.

(g) A review of the 5-year digital plan for health has been undertaken and this is being coordinated with plans within the Council to develop a strategy for the County, whilst recognising Durham fits within the digital strategies for the regional Integrated Care System (ICS) and the more local Central and South Integrated Care Partnerships (ICPs).

(h) A Communication strategy has been developed and will be delivered through a joint plan to be led by the recently appointed integrated multi-media officer.

(i) A review of place-based services for Children and Young People is in progress and this is helping inform the development of local hubs through the repurposed Children and Families Place Based Development Group.

(j) The Durham System governance plan has been refreshed and this has fed into the development of future governance arrangements for the Strategic Integrated Commissioning function.

(k) A place was secured on the NHS Improvement (NHSI) Transformational Change programme and participation is allowing a group of senior representatives from across the County Durham System to access expert advice and experience from elsewhere to develop our system working.

Options considered

43 Locally a number of options have been developed and considered taking into account information available from other areas and organisations i.e. the King's Fund. These are detailed below;

(a) **Option 1** - to retain existing arrangements

Health and Social Care commissioning teams to continue to operate independently as they do now, recognising some services have already been jointly commissioned locally between the Council and Clinical Commissioning Groups (CCGs) i.e. Community Equipment, Carers' Services, Social Prescribing and the post diagnosis Autism Service.

(b) **Option 2** - to informally enhance current arrangements

Teams working more closely and taking opportunity to commission together should the occasion arise.

(c) **Option 3** – to create a separate entity

Set up of an independent "spin off" organisation that commissions across Health and Social Care.

(d) **Option 4** - To implement an Integrated Strategic Commissioning Function based on the principles agreed in March 2019, as set out below:

(i) Commissioning for Children and Adults across the whole life course.

(ii) With the initial focus on Community Services it is acknowledged in line with national policy, that the direction of travel is for more hospital based services to be provided in the Community and so the model for Durham should in time include all Acute, Community and MH services that relate to Durham.

(iii) Working with existing and emerging elements on a potential Hub and Spoke model i.e. links with Primary Care Networks (including Teams Around Patients), the Mental Health and Learning Disability Partnership and the five CCGs operating across the Tees Valley.

(iv) Joint Management arrangements reporting to the Corporate Director of Adult and Health Services and the Chief Officer, North Durham & Durham Dales, Easington and Sedgefield CCGs.

(v) In line with the Community Services model, staff will retain their employment status with their own organisation and associated Terms and Conditions.

(vi) The function will be hosted by Durham County Council giving opportunities to explore support to CCGs, for example in terms of legal advice.

(vii) Enhanced existing connections with Primary Care to ensure the local influence of clinical leads across the Primary Care Network is maximised

(viii) Both Durham County Council and the Clinical Commissioning Groups retain their statutory responsibilities and decision-making processes.

44 Potential impacts for each of the options are outlined below:

(a) **Option 1** – things would continue to operate across organisations as they do currently, however, this would not maximise opportunities for more efficient ways of working, retains duplication in the system and does not maximise the use of resources or optimise outcomes.

(b) **Option 2** – similar to the above, though there may be some instances where joint commissioning of services is possible should suitable occasions arise. Again, this would not necessitate significant change or reorganisation of work; however, this is a

reactive approach that does not facilitate broader development activity or cultural change.

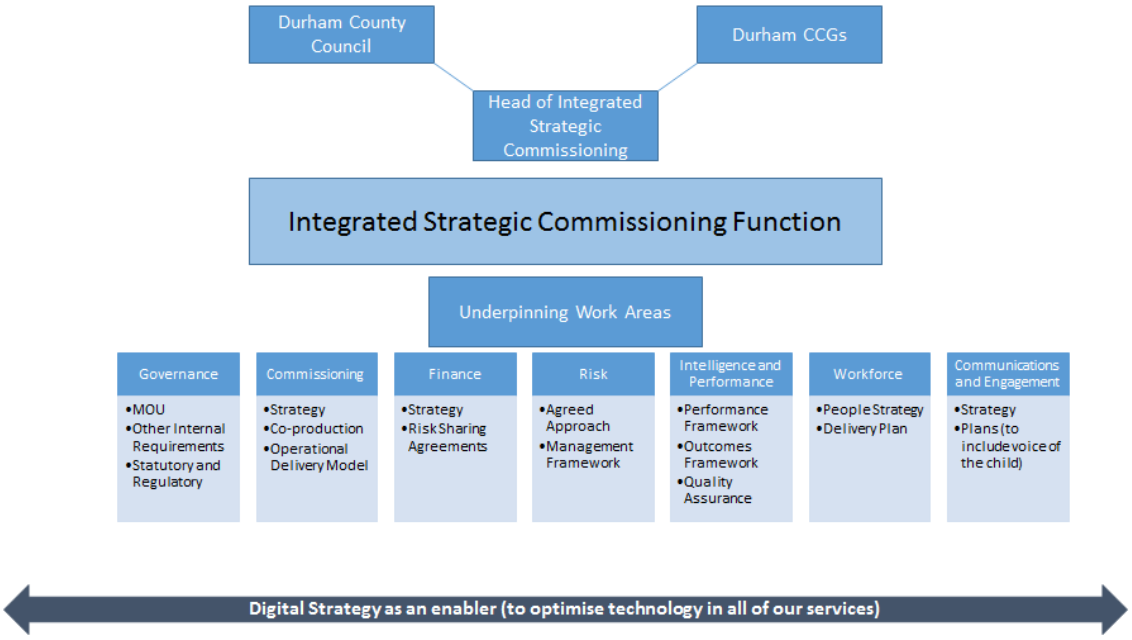
(c) **Option 3** – this would give a very clear identity to the integrated commissioning function and achieve similar benefits to option 4 but very little is understood about such an approach and this would require set up of a new organisational structure with associated governance mechanisms in place.

(d) **Option 4** – there are a number of potential benefits as shown below and this is a more proactive approach:

- Increased ability to influence the Children's Health agenda
- Resources could be managed more efficiently, maximising the impact of the Durham Pound
- Provider market could be shaped more in line with requirements of the Durham system
- Leadership strengthened and working alongside integrated Community Services
- Joint Contract monitoring introduced to enable improved quality of service provision
- Reduced duplication to improve efficiency and processes
- Most importantly, the aim of all the above would be to improve outcomes for the people of County Durham

There are some unknowns that will also need to be considered, particularly the uncertainty over the green paper for Social Care and the role of the Integrated Care Partnership; these will need to be managed irrespective of any changes or models proposed.

45 The diagram below provides an overview of the preferred option for an Integrated Strategic Commissioning Function.



46 The anticipated interfaces with other parts of the system can be seen in **Appendix 6.** Should additional stakeholder groups be identified as the model is further developed, they will be added to the interfaces diagram.

47 Part of the CCG Commissioning Management structure is in house and some is provided by North of England Commissioning Support (NECS) under a Service Level Agreement (SLA)

Risks

48 Some risks to the proposed approach have been identified as outlined below. These will be managed through the usual programme governance arrangements prior to implementation and then through operational risk management approaches thereafter.

a) Future ambitions and desired outcomes for integration may not be articulated as clearly as they could be. This is being progressed through joint system working on the Durham Plan, Vision and work underway as part of the NHSI Transformation Programme.

b) There may be insufficient capacity to meet the needs of the function, including suitable infrastructure to support joint working. The Integrated Care Board (ICB) is currently considering options to integrate the approach to support type services such as Organisational Development, Performance Management, Information Governance and Communications.

c) Organisations may not be able to move at the required pace for the change. There will be further development of the work on culture

which is already underway to help bring people together and share different ways of working.

d) The emerging Integrated Care System and Integrated Care Partnership may focus on more regional planning rather than County Durham; senior leader membership of the Integrated Care Partnership Executive will help mitigate this risk.

e) There may be differing financial objectives within each organisation which could create tensions and impact on the ability to deliver agreed services. There may also be a potential budgetary risk and uncertainty on control totals across the Integrated Care Partnership. This will be monitored via the finance group.

f) Providers may not be willing to work differently and there may be potential for market stability issues; close working with providers will help ensure stability and quality.

g) There is a potential risk to finance and capacity if the system carries on operating as it does currently and continues to commission in silos. The risk is that others regionally and nationally make decisions that impact on the Durham System. The setup of an Integrated Strategic Commissioning Function allows the Durham System to take control and do the best for the people of Durham.

h) Leadership will be critical to success so there is a risk by not putting Joint Management arrangements in place. Recruitment to the post and developing the structure beneath will help mitigate this risk.

i) The Memorandum of Understanding has already been reviewed by DCC lawyers and further legal advice will be sought as and when required as part of the implementation process, particularly when further developing risk share agreements.

Recommendations

49 The Integrated Commissioning group have developed an approach set out above that advances the direction of travel previously agreed by both Cabinet and the CCG governance bodies.

50 To build on the work already done, Option 4 would be the logical recommendation at this point in time.

51 An Integrated Management structure working in parallel with the Community Contract would enable us to maximise the use of the Durham Pound, reduce duplication and most importantly commission better outcomes for the people of County Durham.

Implementation Plan

52 A proposal to establish the post of Head of Integrated Strategic Commissioning is being submitted to full Council in October.

53 An implementation plan is in development; it is anticipated implementation can move at pace once joint management arrangements are in place.

54 The plan will cover:

a) Workforce implications as teams are brought together, this will include reviews related to staffing roles and responsibilities.

b) A review of team infrastructure and set up. This will include requirements for estates and access to IT systems for the function to be able to maximise effectiveness.

c) A review of governance arrangements for the new function to operate effectively and efficiently whilst ensuring decision making and assurance processes meet the requirements of the County Durham system.

d) The development of a Performance Framework for services across the current system. This will be further progressed to baseline the current commissioning service, evaluate the change and develop a benefits realisation plan.

Conclusion

55 The proposed model is in line with the central direction of integrating services to provide better care and more joined up working across the system.

56 Good progress been made so far with the preparation for the setup of the new function and we want to build on existing momentum to recruit to the new leadership post and aim for implementation from April 2020.

57 Whilst we will continue to work collaboratively with Integrated Care Partnership colleagues across South Tyneside and Sunderland, the setup of the new Integrated Commissioning Function will allow us to focus on doing the best for the people of County Durham.

58 It is recognised there will be detail to work through before implementation; we are working closely with colleagues across the system including legal and finance colleagues to ensure all aspects of the proposed approach are understood, risks can be mitigated, and comprehensive plans can be developed.

Background papers

- Cabinet report April 2018. Developing a Health and Social Care Plan for County Durham.
- Cabinet report March 2019. County Durham Health and Social Care Plan update

Other useful documents

- Previous Cabinet reports / None

Contact:	Jane Robinson	Tel: 03000 267355
	Stewart Findlay	Tel: 0191 371 3222

Appendix 1: Implications

Legal Implications

In recent years, there have been a number of legislative and policy developments to assist the development of integrated health and social care. This report sets out how the local authority and CCGs are discharging their respective statutory duties to promote the integration of care under the Health and Social Care Act 2012 and the Care Act 2014.

Finance

There are no cost implications at this stage. Clearly, in progressing the development of options and given the size of budgets involved i.e. c. £1bn finance colleagues from both the Council and CCGs will continue to be involved.

Consultation

There are no consultation requirements at this stage.

Equality and Diversity / Public Sector Equality Duty

Equality and Diversity will be considered in the development of the options.

Human Rights

Human rights are not affected by the recommendations in this report.

Crime and Disorder

Not applicable.

Staffing

There are no specific staffing implications at this stage. The Principles outlined in the report describe joint management arrangements, which will be considered carefully with advice from HR in both the Council and CCGs.

Accommodation

No Issues at this stage.

Risk

Current risks link to uncertainty over future CCG configuration, which will need to be considered in detail as Options are developed. Any future model will need to include a detailed risk share agreement, further development of which will be part of the project plan.

Procurement

No issues at this stage but will form part of the consideration moving forward.

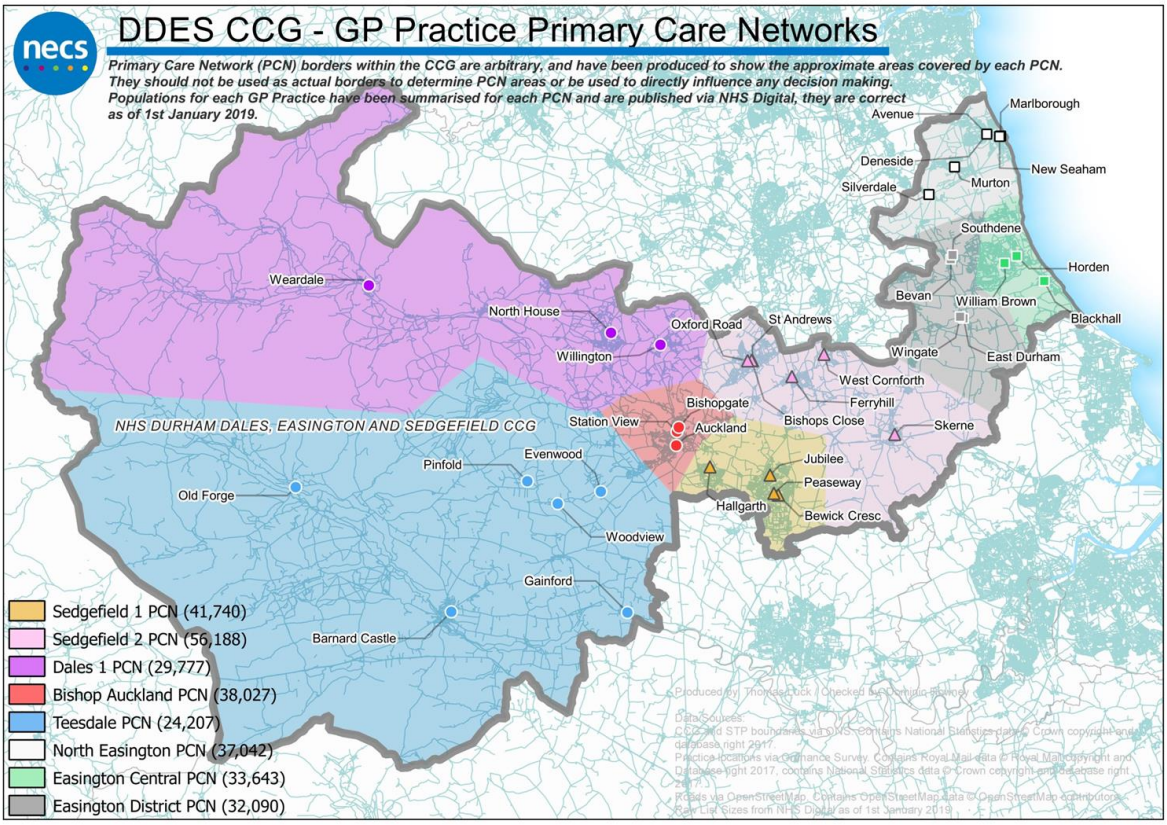
Appendix 2: Financial Arrangements

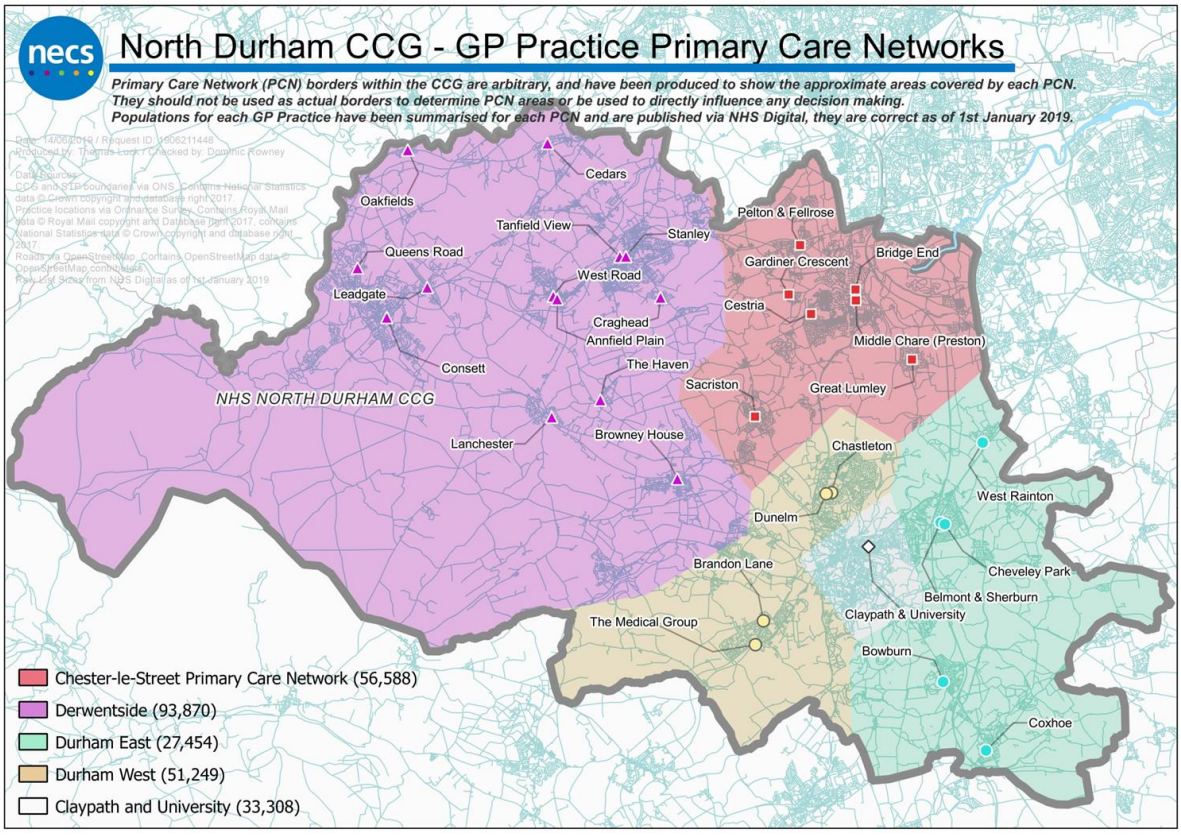
DCC and CCGs Integrated Budgets related Net Expenditure	2018/19 Outturn Net Expenditure			CCG split based on level of commissioning:					
	DCC	CCG	TOTAL		Sub-		Non-Core		
	£'000	£'000	£'000	Regional	Regional	Local	ACP	ACP	Total
CHILDRENS									
Childrens Social Care	74,755		74,755						0
Childrens Physical Health		31,797	31,797	3	11,736	20,058	0	0	31,797
Other Childrens		1,588	1,588	0	0	1,568	0	20	1,588
TOTAL CHILDRENS	**74,755**	**33,385**	**108,140**	**3**	**11,736**	**21,626**	**0**	**20**	**33,385**
ADULTS / OLDER PERSONS									
Physical Health / Support	33,641	360,103	393,744	37	127,980	232,086	0	0	360,103
Support with memory and cognition	16,562		16,562						0
Learning Disability Support	44,760	12,855	57,615	0	0	12,855	0	0	12,855
Mental Health	7,056	6,354	13,410	0	0	6,354	0	0	6,354
Adult Social Care / Support	19,671		19,671						0
Voluntary Sector and Other Services	7,731		7,731						0
TOTAL ADULTS / OLDER PERSONS	**129,421**	**379,311**	**508,732**	**37**	**127,980**	**251,294**	**0**	**0**	**379,311**
ALL AGE / UNABLE TO SPLIT									
Physical Health / Support		120,703	120,703	4,416	45,246	71,042	0	0	120,703
Mental Health		110,853	110,853	0	0	0	12,453	98,400	110,853
Assistive equipment and technology	3,748	2,813	6,561	0	0	2,813	0	0	2,813
Voluntary Sector and Other Services		4,605	4,605	0	0	3,910	0	695	4,605
TOTAL ALL AGE / UNABLE TO SPLIT	**3,748**	**238,974**	**242,722**	**4,416**	**45,246**	**77,765**	**12,453**	**99,095**	**238,974**
PUBLIC HEALTH	**48,361**		**48,361**						0
OTHER									
Ambulance / transport		23,872	23,872	21,998	25	1,849	0	0	23,872
Property		5,370	5,370	0	0	5,370	0	0	5,370
GPIT		1,801	1,801	0	0	1,801	0	0	1,801
Other		2,459	2,459	30	0	2,044	0	385	2,459
BCF/s256		34,759	34,759	0	0	33,044	0	1,714	34,759
TOTAL OTHER	**0**	**68,261**	**68,261**	**22,028**	**25**	**44,107**	**0**	**2,100**	**68,261**
TOTAL	**256,285**	**719,931**	**976,216**	**26,485**	**184,987**	**394,792**	**12,453**	**101,215**	**719,931**

The figures above reflect final outturn spend for DCC and CCGs for the year ended 31 March 2019

The allocation of CCG expenditure between Children's and Adults/Older person's physical health includes a number of estimates and apportionment across contracts and should therefore be treated with a degree of caution.

Appendix 3: County Durham Primary Care Networks





County Durham Integrated community care partnership

Memorandum of Understanding

The establishment of ICSs everywhere from 2021 will be built on strong and effective providers and commissioners, underpinned by clear accountabilities.

Trust boards are responsible for the quality of care they provide for patients and for the financial resources and staff they manage. Many initiatives will require cross-organisational actions, and it is only through working collaboratively that trusts and commissioners will agree the services that each organisation will provide and the cost they will reasonably incur in providing those services – ensuring these are affordable within the system's collective financial budgets.

(NHS England: The NHS Long term Plan)

MEMORANDUM OF UNDERSTANDING

Date: August 2019

Introduction

The purpose of this Memorandum of Understanding (MoU) is to establish a framework for collaboration between the following organisations with regard to integrated care in County Durham:

- Durham County Council (DCC)
- North Durham Clinical Commissioning Group (ND CCG)
- Durham Dales, Easington and Sedgefield Clinical Commissioning Group (DDES CCG)
- County Durham and Darlington NHS Foundation Trust (CDDFT)
- Tees, Esk and Wear Valleys NHS Foundation Trust (TEWV)
- Harrogate and District NHS Foundation Trust (HDFT)
- Primary Care networks

Context

1. With the implementation of the Care Act 2014 and various government initiatives across the health and care system since 2013, there has been a commitment from statutory organisations in County Durham to progress the integrated care agenda.

2. It is now widely acknowledged that a new approach is needed to work towards greater levels of integration to bring positive benefits in terms of improving people's health, wellbeing and experience of care, particularly in wrapping services around people's needs and shifting the focus to keeping people well and happy at home, with reduced demand for hospital and other health and care services.

3. The aim of this MoU is to facilitate, develop and enhance collaborative working between the partner organisations to deliver the agreed vision for integrated care in County Durham.
4. This version of the MoU is an updated version of that agreed in April 2017 to reflect the changing landscape and the development of the Strategic Integrated Commissioning Approach across County Durham.
5. **Schedule 1** has been drafted to detail the specifics for the development of the Strategic Integrated Commissioning Function.

Shared Vison

6. Our vision for integrated care is:

   To bring together health and social care and voluntary organisations to achieve improved health and wellbeing for the people of County Durham

Our commitment to the people of County Durham is to:

- *Deliver the right care to you by teams working together*
- *Help you and those in your community lead a healthy life*
- *Build on existing teams already working together to help you stay well and remain independent*
- *Provide improved services closer to your home*
- *Offer a range of services working alongside GP practices which meet your needs*

Definitions

7. For the purpose of this MoU, the following definitions apply:

- Integrated Community Care Partnership (ICCP) – a local partnership of health and care commissioners and providers who respond to the diverse needs of a population by providing coordinated care, with an emphasis on quality as well as efficiency and with a financial incentive for providers to act holistically, collaboratively and flexibly in response to local circumstances and opportunities. This group focuses on all ages.

- Mental Health and Learning Disability Partnership (MHLDP) - A relationship exists between the Integrated Community Care Partnership and Mental Health and Learning Disability Partnership. The MHLDP is a partnership between Tees, Esk and Wear Valleys Foundation Trust, County Durham CCGs and other CCGs and Local Authorities across the southern ICP footprint. It is concerned with reviewing and commissioning high cost, specialist care packages for people with complex needs who have a learning disability and/or mental ill health. The County Durham Integrated Community Care Partnership will oversee such work for County Durham residents through the Integrated Care Board and the governance arrangements connected to it. This group focuses on all ages.

- Integrated Care Board (ICB) – comprises Chief Officers from the signatory organisations, who provide governance and feed back into their respective organisations – the ICB is a sub-group of the County Durham Health and Wellbeing Board. This group focuses on all ages.

- Integrated Senior Leadership Team - group of senior decision-makers, led by the Director of Integration for County Durham, which supports the ICB and the Integrated Community Care Partnership by implementing projects to deliver the shared vision for integrated care in the county. This group focuses on adults.

- Integrated Steering Group for Children - group of senior decision-makers, led by the Corporate Director for Children and Young People Services and CCG Director of Commissioning, Strategy and Delivery - Children & Young People. The group supports the ICB in delivery of projects most relevant to the younger population of the county. This group focuses on children.

- Partners – refers to the signatory organisations in this MoU, as well as other groups and organisations participant in delivering the vision for integrated care in the county

- Projects – local initiatives supported by the ICCP which contribute to the delivery of the shared vision for integrated care in County Durham (for example, Teams Around Patients).

Governance

8. The ICCP governance structure is shown in **Schedule 2**.

9. All MoU signatory organisations are an integral part of the governance structure and are represented at all levels of decision-making.

10. The governance structure is based on the principle that decisions will be taken by the relevant partner organisation(s) at the most appropriate level.

11. The Integrated Community Care Partnership (ICCP) will oversee the work of the Mental Health and Learning Disability Partnership (MHLDP) in respect of County Durham residents.

Guiding Principles

12. The following guiding principles underpin the work of the ICCP:

    - Partners are all of equal status and will work collaboratively and support each other in the spirit and intention of this MoU
    - Partners will be open and transparent and act in good faith towards each other
    - Partners will commit resources appropriately to support the delivery of the agreed objectives
    - Partners will demonstrate a willingness to put the needs of the public before the needs of individual organisations
    - All partners recognise and acknowledge that integration is an interactive and iterative process
    - The ICCP will review its progress at regular intervals with the aim of challenging the level of ambition to enhance the integrated offer further

Objectives

13. Partners agree the following objectives of development, commissioning and delivery of integrated care:

    - A whole system approach, moving from fragmented to integrated care, with a willingness to put the needs of the public before the needs of individual organisations
    - Person-focused to promote wellbeing, prevention and independence

- Providing the right care and support, in the right place, at the right time, by the right person
- Delivering a sustainable health and social care system within existing resources, using a multidisciplinary team approach
- A system built on trust, not only between leaders and organisations but also with local people and communities
- Supporting and developing staff to develop a shared culture, behaviours and ownership
- Everyone's contribution matters – from local people, frontline teams, healthcare practitioners, providers, voluntary and community sector leaders and board members
- The integrated model will be developed to link with the wider system including housing, employment, the environment, voluntary and community facilities, in order to align priorities for the benefit of local communities. This evolving partnership approach will involve primary care being at the centre of patient activity and taking a proactive role in the commissioning of both NHS and integrated service provision

14. Partners have agreed and developed a set of standards which represent the ambition to deliver the vision, based on four key principles:
    - Prevention
    - Proactive care
    - Responsive and accessible care
    - Coordinated approach
15. The anticipated outcomes of successful delivery of the vision are shown in **Schedule 3**.

Sharing information

16. The partners agree that they will share all information relevant to delivery of the vision for integrated care in an honest, open and timely manner.

17. The ICCP will agree an information-sharing agreement, which will allow the partners to manage their relationships and the flow of information between them in a confidential manner and with the best interest of the client (service user, patient, and carer) at its core.

18. The partners will develop an approach to risk sharing that will be documented and agreed with the group and form the basis of any future formal agreements. This will be reviewed as required once an Integrated Commissioning Function is in place.

Conflicts of Interest

19. The partners agree that they will:

- Disclose to each other the full particulars of any real or apparent conflict of interest which may arise in connection with this MoU

- Not allow themselves to be placed in a position of conflict of interest or duty with regard to any of their obligations under this MoU
- Use their best endeavours to ensure that all associated partners also comply with the guiding principles and aims when acting in connection with this MoU

Term and Termination

20. This MoU will commence on the date of signature of the partners and shall continue for an initial period of one year, to be reviewed at least annually.

21. This MoU, including the Schedules, may only be varied by written agreement of all the signatory organisations.

22. This MoU is not intended to be legally binding and no legal obligations or legal rights will arise between the partners from this MoU. The partners enter into the MoU intending to honour all their mutual obligations.

23. In the event of a partner leaving the ICCP, the following will apply:

    - The relevant partner will notify the other signatory organisations in writing
    - This MoU will be amended as appropriate
    - The annual review date for this MoU will be revised accordingly

Signatories

Signature _____

Date _____

Jane Robinson, Corporate Director Adults and Health Service, Durham County Council

Signature _____

Date _____

John Pearce, Corporate Director of Children and Young People's Services, Durham County Council

Signature _____

Date _____

Stewart Findlay, Chief Officer Durham CCGs

Signature _____

Date _____

Sue Jacques, Chief Executive, County Durham and Darlington NHS Foundation Trust

Signature _____

Date _____

Colin Martin, Chief Executive, Tees, Esk and Wear Valleys NHS Foundation Trust

Signature _____

Date _____

Steve Russell, Chief Executive, Harrogate and District NHS Foundation Trust

Signature _____

Date _____

Primary Care Network Lead, North Durham

Signature _____

Date _____

Primary Care Network Lead, DDES

Schedule 1

Development of the Strategic Integrated Commissioning Function

The inclusion of local government in integrated care systems represents a significant opportunity to include social care, public health and wider population health, bringing the relevant skills that they have. The NHS cannot do this alone. Generally, local government has a more direct relationship with its citizens and has a different understanding of insight. Bringing these skills together with the work already done in the NHS will only increase capacity, capability and understanding in the system overall.

https://www.kingsfund.org.uk/publications/joined-up-listening-integrated-care-and-patient-insight

Introduction

1. We have agreed to develop this annexe to the Memorandum of Understanding to help strengthen our joint working arrangements and to support the development of our Strategic Integrated Commissioning Function. It builds on our existing collaborative work to establish more robust mutual accountability and break down barriers between our separate organisations.
2. This is not intended to be legally binding and no legal obligations or legal rights shall arise between the Partners from this Memorandum. It is a formal understanding between the Partners who have entered into this Memorandum intending to honour all their obligations under it.
3. It is based on an ethos that the partnership is for the people of County Durham; it does not replace or override the legal and regulatory frameworks that apply to our statutory NHS organisations and Council. Instead it sits alongside and complements these frameworks, creating the foundations for closer and more formal collaboration.

Background

4. The focus for partnerships is moving increasing away from simply treating ill health to preventing it, and to tackling the wider determinants of health, such as housing, employment, social inclusion and the physical environment.
5. Nationally the agenda is shifting to promote integrated commissioning across larger footprints, however, systems are being allowed to put forward local solutions, which align to this agenda and are being allowed to proceed if they can demonstrate they have a clear plan in place and are already in the process of implementation.
6. The proposed direction of travel to develop a Health and Social Care Plan for County Durham has been agreed, including the integration of commissioning functions; the Integrated Commissioning Group has been developing options for an Integrated Strategic Commissioning function
7. This is likely to include the commissioning of community-based services for children and adults across the County. Acute (hospital based) and other health care commissioning would sit outside of this model, being undertaken by CCGs at a regional/sub-regional level.

8. This will allow commissioners to shape the provider market in County Durham, whilst recognising that other health care and acute commissioning will best serve the local population if it is undertaken by the CCGs at scale. This can be across a number of CCGs or for other more specialist areas at a North East level.

    - All acute activity will be commissioned sub regionally except for that delivered by CDDFT where the CCGs are the lead commissioners, and this will be commissioned locally with the following exceptions:
        - Critical care – this will be commissioned regionally/sub regionally
        - Pathology and radiology – this will be commissioned regionally/sub regionally
        - Genetic testing – this will be commissioned regionally
    - Medical pathways will be largely commissioned locally or in some cases at an ICP level or with collaboration on the outcomes required across the ICP.
    - There will be collaboration between providers and commissioners on the commissioning of surgical pathways at an ICP or ICS level.
    - Emergency ambulances and PTS services will be commissioned at a regional level, but transport services specific to Durham will be commissioned locally.

Principles

9. The following have been proposed as working principles upon which a new model for Integrated Commissioning will be developed and have been agreed by Cabinet and Governing Body:
    - Function will capture all ages i.e. commissioning for Children and Adults across the whole life course.
    - Whilst the initial focus is on Community Services it is acknowledged in line with national policy, that the direction of travel is for more hospital based services to be provided in the Community.
    - Any model will need to work with existing and emerging elements on a potential Hub and Spoke model i.e. links with Primary Care Networks (including Teams Around Patients), the Mental Health and Learning Disability Partnership and the five CCGs operating across the Tees Valley.
    - Joint Management arrangements will be required reporting to the Corporate Director of Adult and Health Services and the Chief Officer, Durham CCGs.
    - Any integrated team will follow the same approach adopted within the Community Services model where staff retain their employment status with their own organisation and associated Terms and Conditions.
    - Durham County Council will host an Integrated Function giving opportunities to explore support to CCGs, for example in terms of legal support.
    - Existing connections with Primary Care will be enhanced to ensure the local influence of clinical leads across the Primary Care Network is maximised
    - Both Durham County Council and the Clinical Commissioning Groups will retain their statutory responsibilities and decision-making processes.

Local Place Based Partnerships

10. Local partnerships arrangements bring together the Council, voluntary and community groups, and NHS commissioners and providers (including Primary Care), to take responsibility for the cost and quality of care for the whole population.

11. These ways of working reflect local priorities and relationships and provide a greater focus on population health management, integration between providers of services around the individual's needs, and a focus on care provided in primary and community settings.

12. Our partnership approach is geared towards performance improvement and development rather than traditional performance management. It will be data-driven, evidence-based and rigorous. The focus will be on improvement, supporting the spread and adoption of innovation and best practice.

Governance

13. The Integrated Care Board (ICB) is the key decision-making authority and with membership including leaders from all organisations in the system, will be in a position to act as a forum where whole-system challenges can be addressed, and solutions identified and initiated.

14. Durham County Council is not subject to NHS financial controls and its associated arrangements for managing financial risk, however, through this Memorandum, they agree to align planning, investment and performance improvement with NHS partners where it makes sense to do so. Democratically elected councillors will continue to hold the partner organisations accountable through their formal Scrutiny powers

15. Partners understand no decision shall be made to make changes to services in County Durham or the way in which they are delivered without prior consultation where appropriate in accordance with the partners statutory and other obligations.

Financial Framework

16. All partners are ready to work together, manage risk together, and support each other when required. Partners are committed to working individually and in collaboration with others to deliver the changes required to achieve financial sustainability and live within our resources.

17. Partners commit to demonstrate robust financial risk management. This will include agreeing action plans that will be mobilised in the event of the emergence of financial risk outside plans.

18. A set of financial principles have been agreed and confirm we will:

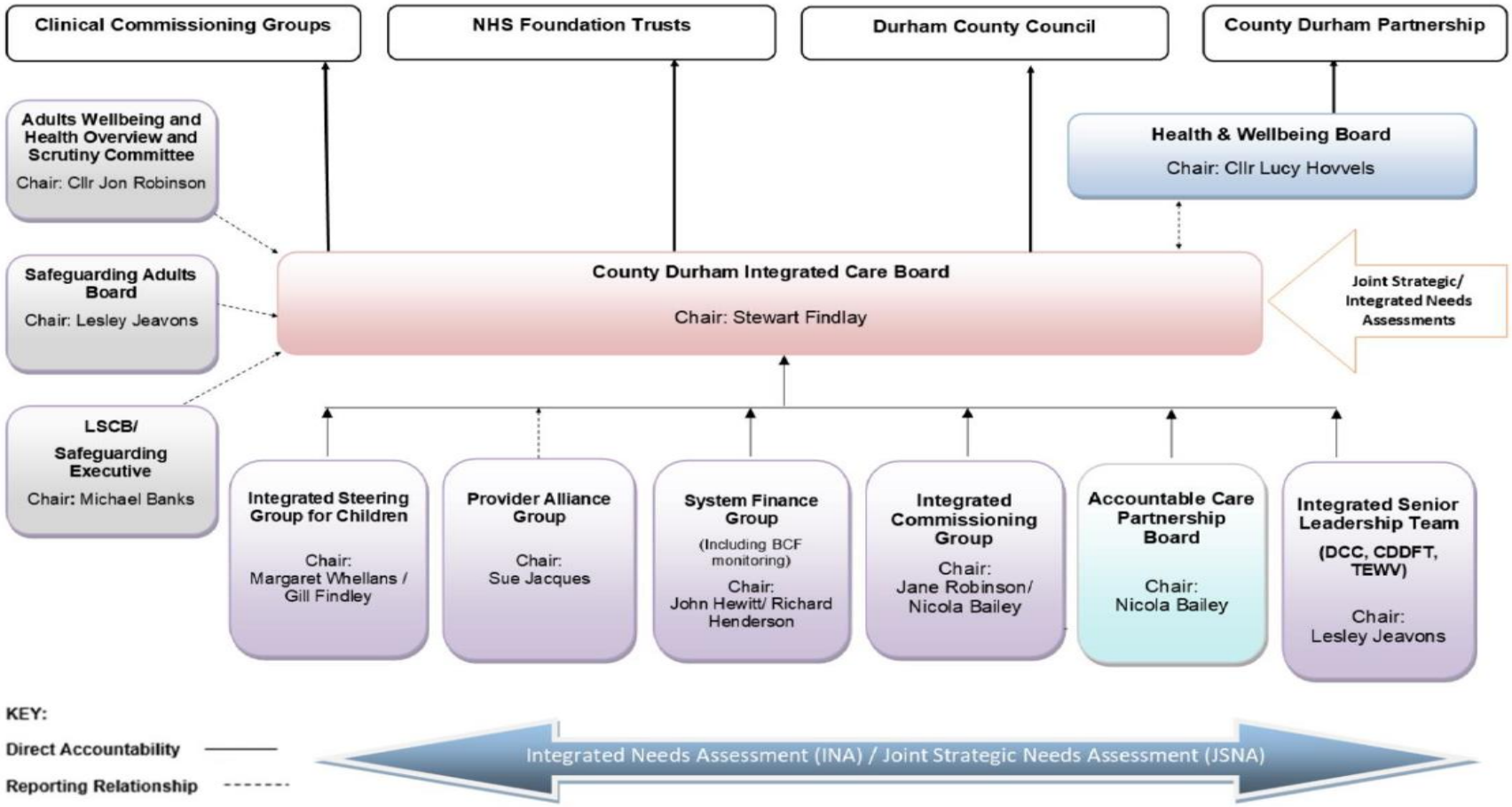
    - Aim to live within our means, i.e. the resources that we have available to provide services
    - Develop a County Durham system response to the financial challenges we face
    - Develop payment and risk share models that support a system response rather than work against it.

19. Partners agree to adopt an open-book approach to financial plans and risks leading to the agreement of fully aligned operational plans.

20. A detailed financial risk share agreement will be developed as part of the Strategic Integrated Commissioning Function and will be agreed by all partners.

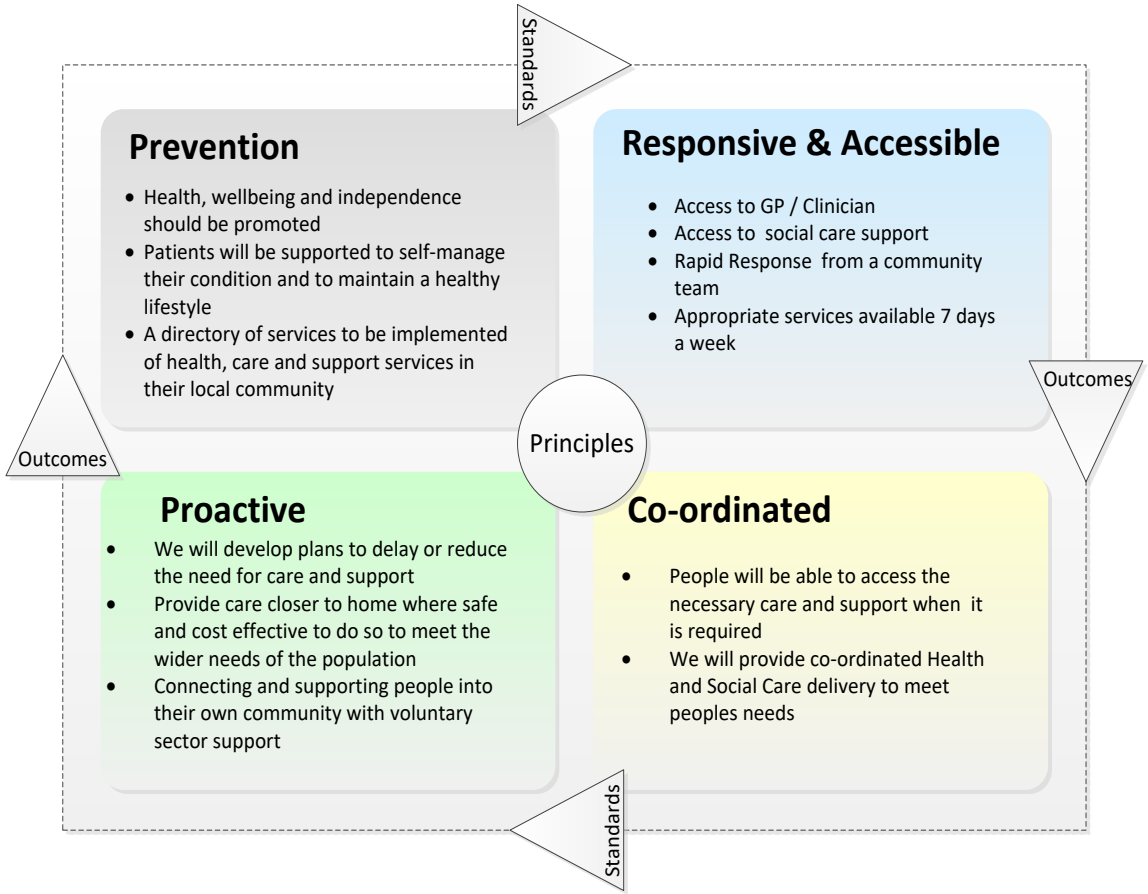
Schedule 2

Integrated Community Care Partnership Structure



Schedule 3

Outcomes of the shared vision for integrated care in County Durham



Appendix 5: Risk Share Approach

At the Integrated Commissioning Meeting in May 2019, a discussion paper was considered regarding appetite for financial risk sharing across integrated commissioning budgets.

The outcome of this discussion was a recognition that currently the appetite for risk sharing focussed upon risks remaining with 'owner' organisations, mirroring the current largely unintegrated commissioning / procurement arrangements that currently exist. However, it was agreed that the risk share approach should be reviewed as integration progresses to ensure it keeps pace with the integrated commissioning agenda.

Therefore, the current risk sharing approach is considered to be towards the left of the diagram below, with all risks to be managed in the organisation where they arise.

Risk Sharing Proposal for 2019/20 financial year – DCC / NDCCG / DDESCCG

If overspends cannot be resolved then the risk associated with a service line commissioned by the individual organisation will remain with that organisation, even if that service was procured by a partner organisation on their behalf, but jointly commissioned areas will be split proportional to the financial contribution from each party. Equally, efficiencies realised through commissioning of a service by an individual organisation will be retained by that organisation, with efficiencies from

jointly commissioned activity being realised by each party proportional to their investment in the service.

Opportunities to resolve the risk will include utilising flexibilities in reserves, opportunities to cease projects at short notice, or prudent commitment of non-recurring expenditure in-year.

It is recognised that the journey from the current position to full risk sharing arrangement will develop over time, in line with pooling of budgets and the move to more integrated and joint commissioning arrangements and will therefore be considered periodically as integrated commissioning continues to mature.

The recognition of risk and opportunities through pooled budgets and integrated commissioning arrangements should underpin decision-making linked to the whole integration agenda.

Scope of the budget

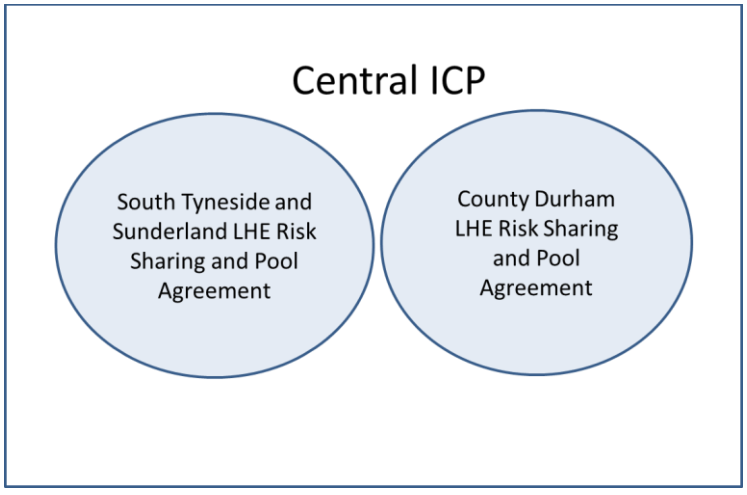
Since the Integrated Commissioning meeting in May 2019, further discussion regarding the scope of the budgets has been held amongst finance and commissioning colleagues, and the latest iteration of the relevant expenditure is shown in the 'Integrated Budget Spend' reports circulated for June's meeting. This captures the expenditure for 2018/19 financial year.

At present the responsibility for budgetary management and control rests with the 'owner' organisations of the budgets. Any changes to be proposed will need to be agreed through the respective governance processes of the affected organisations.

Links to other risk-sharing arrangements

The County Durham local health economy (LHE) has confirmed risk share principles which form part of the overarching approach for the Central Integrated Care Partnership.

The diagram below captures these arrangements, demonstrating how the two local health economies of County Durham, and South Tyneside and Sunderland work separately, but come together to form the Central ICP.

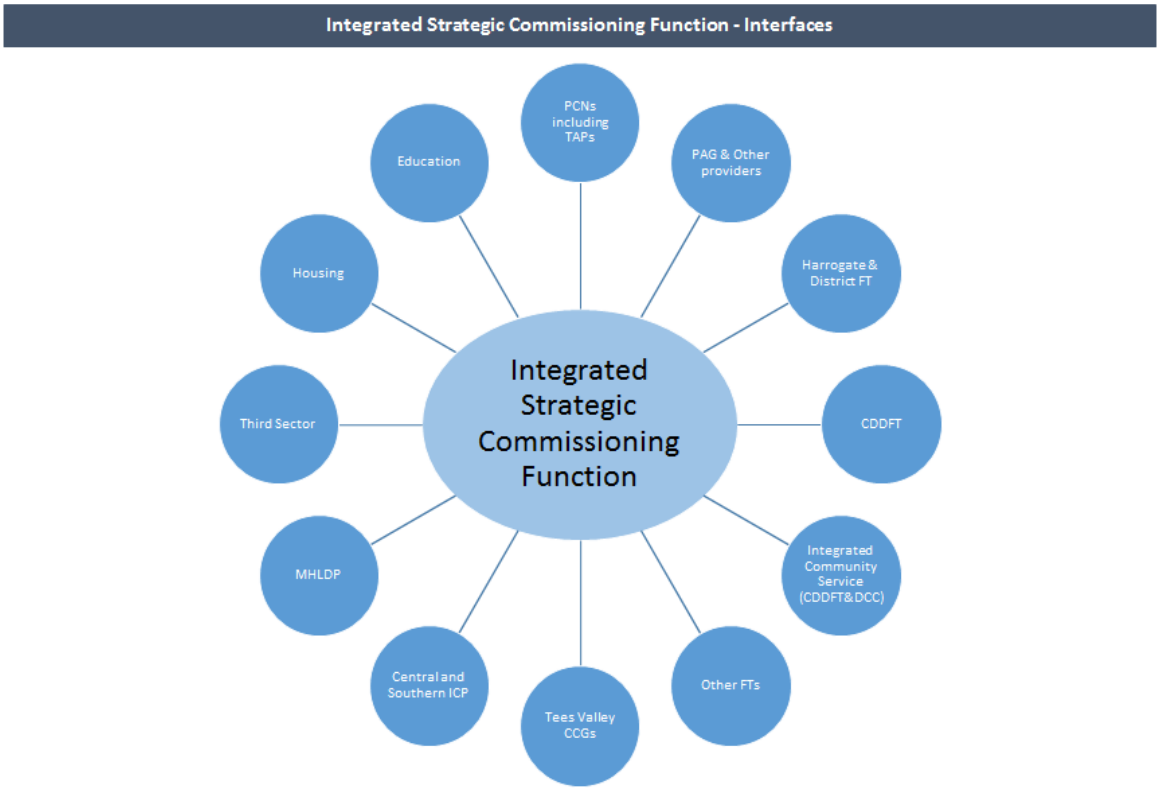


The process and principles are consistent between the two LHE's within the Central ICP and reflect the already established way of working and risk sharing approach in both Durham and South Tyneside/Sunderland.

In addition to the risk sharing approach above, the CCGs in County Durham are also part of a shared risk agreement with Tees, Esk and Wear Valleys NHS Foundation Trust to manage the risk associated with Mental Health and Learning Disabilities costs.

Mark Pickering
Chief Finance Officer – DDES CCG

Appendix 6: Interfaces with Integrated Strategic Commissioning Function



Abbreviations

CCG	Clinical Commissioning Group
CDDFT	County Durham and Darlington Foundation Trust
FT	Foundation Trust
ICP	Integrated Care Partnership
MHLDP	Mental Health and Learning Disabilities Partnership
PAG	Provider Alliance Group
PCNs	Primary Care Networks
TAPs	Teams Around Patients