

**Report to:** Adult Social Care and Community Safety Scrutiny Committee

**Date of meeting:** 22 June 2017

**By:** Director of Adult Social Care and Health

**Title:** East Sussex Better Together Accountable Care Model

**Purpose:** To consider an update on the East Sussex Better Together (ESBT) Accountable Care Model, with particular focus on its implications for adult social care.

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## RECOMMENDATIONS

The committee is recommended to:

- 1) note the progress made with finalising the Alliance Agreement, the new integrated governance structure, and our integrated 2017/18 Strategic Investment Plan to support delivery of improvements to our health and care system in 2017/18;
  - 2) note the proposed integrated outcomes framework (Appendix 1) and suggested measures that we will pilot in the 2017/18 transitional year to monitor progress;
  - 3) note the appraisal criteria for the appraisal of options for the delivery vehicle for the future ESBT Alliance model (Appendix 2);
  - 4) consider the plans to develop a roadmap for the key next steps and phasing for implementation
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### 1. Background

1.1 The 150 week ESBT programme was set up in August 2014 to galvanise the transformation of health and social care services. Much of our initial transformation work is now core business as usual, and as we transition to the new ESBT Alliance arrangement we are ensuring a keen focus on delivering in-year improvements as a system and developing the governance to identify the best legal vehicle for the delivery of ESBT into the future.

1.2 By working together with our partners: Eastbourne, Hailsham and Seaford Clinical Commissioning Group (EHS CCG); Hastings and Rother Clinical Commissioning Group (HR CCG); East Sussex Healthcare NHS Trust (ESHT); and Sussex Partnership NHS Foundation Trust (SPFT) we have already made significant improvements in care pathways across health and social care.

1.3 As previous reports to Cabinet and Scrutiny have however highlighted, care pathway redesign is not, in itself, enough to ensure the required transformation and secure a sustainable health and care system. We are now focusing on building a new model of care, accountable care, that integrates our whole system: primary prevention; primary and community care; social care; mental health; acute and specialist care, so that we can demonstrably make the best use of the £860m collective resource we spend every year to meet the health and care needs of the people of East Sussex.

1.4 In line with this, in November 2016, Cabinet recommended work to develop a local fully integrated Accountable Care Model (ACM) across the ESBT footprint, involving a transitional year in 2017/18, and to establish a commissioner-provider alliance as the most effective way to develop the evidence base further in East Sussex. Cabinet delegated authority to the Chief Executive, in consultation with the Leader, to finalise the Alliance Agreement and other arrangements for the 2017/18 year.

1.5 The 2017/18 test-bed year is helping us ensure oversight of the whole health and care system from both a commissioning and delivery perspective, supporting us to act collectively in a way that delivers improvements for our local population. In addition it also creates a collaborative learning environment in which we can progress the work to develop our final proposed ESBT alliance system of accountable care.

1.6 This paper consolidates the progress made since the November Cabinet decision in the following areas:

- the adoption of an Alliance Agreement and a new integrated governance structure to underpin the arrangements;
- the establishment of a new Strategic Commissioning Board with EHS and HR CCGs;
- agreement of the 2017/18 Strategic Investment Plan (SIP) and an integrated financial reporting framework;
- the finalisation of a pilot integrated Outcomes Framework to inform our stakeholders about progress made on delivering improvements to population health and wellbeing, experience, quality and system sustainability – including the per capita cost of care, and;
- the finalisation of the proposed process and criteria for appraising the options to identify the most appropriate delivery vehicle for our ESBT new model of care in the future

## **2 Supporting information**

2.1 The report to Cabinet in November 2016 detailed the development of the ESBT Alliance model, involving a transitional year in 2017/18, to establish a commissioner-provider alliance that will manage the health and social care system collectively with our ESBT partners. Cabinet delegated authority to the Chief Executive, in consultation with the Leader, to finalise the Alliance Agreement and other arrangements for the 2017/18 year.

2.2 The Alliance Agreement and underpinning governance structure provide the framework to enable us to rapidly develop our capacity to manage the health and social care system collectively as an Alliance partnership, operating 'as if' we are an accountable care system, in order to test ways of working, configure resources more flexibly, and improve services for the population in 2017/18 and in the longer-term.

2.3 The Agreement, drafted with appropriate legal advice, provides the framework to operate as an ESBT Alliance, in order for us to act as if we are an ACM in 2017/18, by bringing together the following elements:

- An integrated Alliance governance structure;
- Single system leadership with the ability to deploy resources against a common platform for delivery;
- An alignment of our budgets to test an ACM operating model;
- A mechanism for opportunity and risk share;
- A potential to test appropriate levels of delegation;
- A shared approach to the management of conflicts of interest;
- Arrangements for patient / citizen integration into the governance framework; and
- A framework for the Alliance arrangement itself, detailing which organisations are involved and in what capacity, and how it will relate to the other parts of our health and care system.

2.4 In March Cabinet agreed to set up a Strategic Commissioning Board with EHS CCG and HR CCG. This will enable the CCGs and East Sussex County Council (ESCC) to jointly undertake responsibilities for population needs assessment and commissioning health and social care

through oversight of the SIP, as well as overseeing and assuring the delivery of health and social care services in the 2017/18 test bed year. A pilot integrated Outcomes Framework has been developed to support the role of the Board in the 2017/18 test-bed year. Section 4 below provides an update on the measures that will be piloted in the 2017/18 test bed year.

2.5 The integrated SIP was agreed for 2017/18 on 7 April 2017 by the Leader and Lead Cabinet Member for Strategic Management and Economic Development. The SIP will enable the Council and EHS and H&R CCGs to align health and social care investment to deliver the transformation in how care is provided across the ESBT footprint and establish a clinically and financially sustainable system. The SIP will also enable the planning and control of ESBT resources through regular monitoring of expenditure against the plan through an integrated financial reporting system, with corrective action to be taken in year, if required, by the Strategic Commissioning Board.

2.6 The recent learning from the Kings Fund<sup>1 2</sup> based on the UK NHS Five Year Forward View Vanguards and international examples of best practice indicates that forming a commissioner-provider alliance for the transitional phase puts us in a strong position to make significant progress within the current regulatory framework. We are now moving into a phase of undertaking the necessary learning and development, with support from NHS Improvement (NHSI) and NHS England (NHSE) as the system regulators, to design our future ESBT Alliance ACM, which in the longer-term would be structured around a single organisation, alliance or partnership holding the capitated budget to make sure we have integrated delivery of high quality services for our population.

2.7 This entails carrying out an appraisal of the options for the delivery vehicle of our future model with our ESBT partners, alongside developing proposals for how the strategic commissioning function of the Council and the CCGs will be best carried out within this context. Section 5 below provides key information on the process and criteria for appraising the options to identify the most appropriate delivery vehicle for our ESBT new model of care in the future. This supports the required progress in order that recommendations on the preferred option can come to Cabinet in July 2017.

### **3. Next steps in 2017/18**

3.1 In addition to working collectively as an Alliance, and operating as an accountable care system, the following areas continue to be taken forward:

- Celebrating the conclusion of the ESBT 150 week programme, and the transition of the transformation work programme to business as usual processes of the ESBT Alliance partners;
- Ensuring a robust process that enables us to make recommendations on the preferred legal vehicle to meet the ESBT ambitions of a fully integrated and sustainable health and care system, so that ESBT Alliance constituent organisations' sovereign bodies are able to make a formal decision in July;
- Setting out our future approach to integrated strategic commissioning with EHS CCG and HR CCG for our ESBT 'place';
- Beginning to test out the ESBT Outcomes Framework to help us understand how well our ESBT Alliance is delivering quality services and driving improvements.

3.2 A roadmap is being developed to support this and further understand the phasing of our plans post July 2017; this will emerge in much greater detail once the preferred direction has been agreed and comprehensive plans will be established to ensure robust implementation. In summary our high level milestones are as follows:

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<sup>1</sup> New care models – emerging innovations in governance and organisational form (Kings Fund, 2016)

<sup>2</sup> The Quest for Integrated Health and Social care, A case Study in Canterbury New Zealand (Kings Fund, 2013)

	<b>High level milestone</b>	<b>Complete by</b>
1	Launch ESBT Alliance transitional year	April 2017
3	Report on legal vehicle recommendations to ESBT Alliance Governing Board	June 2017
4	Recommendations to the sovereign bodies of ESBT Alliance Organisations	July 2017
5	Implementation ( <i>plans to be confirmed and further milestones to be set in line with agreed recommendation</i> )	August 2017
6	New ESBT Alliance model arrangements ( <i>commencement date to be confirmed in line with agreed recommendation and outline roadmap at milestone 4</i> )	April 2018

3.3 The prioritisation of our work is informed by the findings of independent research into the readiness of our system for Accountable Care by Optimity Advisors, a leading global advisory firm that has developed an evidenced-based Accountable Care System Health Check. Commissioned in February 2017 by the (then) Shadow ESBT Alliance Governing Board, the evidenced-based Health Check tool covers the known features of successful accountable care delivery across ten domains, to summarise a profile of strengths and areas of risk for our system at the current time. The findings from this research were reported this month.

3.4 The findings commended the maturity of our partnerships, our evident shared ambition and vision, and our approach to deep and wide stakeholder engagement, recognising the specific continued engagement that will be needed across primary care in particular.

3.5 The report also benchmarked our system against two other systems that Optimity are working with; an advanced Sustainability and Transformation Plan-wide system and an urban authority designated with New Models of Care 'fast follower' status. The findings found us to be ahead of these other systems in the primary areas of Purpose and Understanding, Scope and Care Coordination, as well as their view on our governance, therefore positioning us well to take forward more complex areas of Finance and Contracting, Workforce and Health Information Technology (areas where we were benchmarked as equal to the other systems).

3.6 In line with the comparatively advanced state of our ESBT Alliance ACM we have submitted an expression of interest to NHS England to become a candidate for Accountable Care System status under the *Next Steps on the Five Year Forward View*<sup>3</sup>. If we are successful in this application we may benefit from increased levels of flexibility to support our local plans.

#### **4. Pilot ESBT Integrated Outcomes Framework**

4.1 Previous discussions at Cabinet and Scrutiny have highlighted the need for an integrated ESBT Outcomes Framework for the transitional year. Building on our initial set of ESBT population health and health inequalities outcomes, and informed by our *Data Review of What Matters to Local People about their health and care services*, and local engagement last autumn we have brought together a pilot framework that covers:

- Population health and wellbeing
- The experience of local people

<sup>3</sup> Next Steps on the Five Year Forward View (NHSE, March 2017)

- Transformed services for sustainability
- Quality care and support.

4.2 Further engagement has taken place with local people, via the Shaping Health and Care events and with the Patient Participation Group Forums, to test the proposed outcomes and measures. This has enabled us to finalise a small group of shared system-wide priority outcomes and measures which we can work towards and further test and refine during 2017/18. This was agreed by the ESBT Strategic Commissioning Board at its first meeting on 6 June, and is included in Appendix 1.

4.3 Whilst this shared Outcomes Framework will not replace the existing performance requirements that each Alliance organisation currently works to, it will enable commissioners, providers and staff working in the system to recognise and use the same outcomes framework to guide their work with patients, clients and carers, and see how their activity or part of the care pathway contributes to delivering the outcomes that are meaningful for local people. It is intended that the public-facing Outcomes Framework will complement the way the Alliance uses our collective business intelligence to understand the performance of the health and care system as a whole.

4.4 We will continue our engagement with local people following implementation of the Outcomes Framework to make sure we really test out that these are the right measures. We propose to do this through a range of different targeted engagement activities including exploration of ways to capture real-time feedback from patients and clients in the test-bed year, and an online survey exercise that is accessible to the wider public and staff, using social media to target specific groups.

## **5 Options appraisal of the future ESBT delivery vehicle**

5.1 An Accountable Care Development Group, set up by the Alliance Governing Board on a 'task and finish' basis, has been meeting since February 2017. This group is charged with exploring the options for our future ESBT alliance ACM, post the 2017/18 transitional year<sup>4</sup>, and making recommendations in July 2017 for the most appropriate vehicle to deliver high quality, effective care for the population covered by the ESBT footprint. This group is also overseeing the work to consider how best to integrate the health and care strategic commissioning functions. The Accountable Care Development Group brings together key stakeholders such as the Local Medical Committee (LMC) and Healthwatch, with leads from each partner in the ESBT Alliance.

5.2 A set of draft evaluation criteria for the options appraisal have been shared with key stakeholders, and have been discussed at the Shaping Health and Care events in May. This takes into account feedback received to date and is included in Appendix 2.

5.3 This is about the way the ESBT partner organisations arrange themselves in the future to deliver our aims and objectives in the most effective way i.e. it is a potential change to the way we structure our organisations in order to deliver better services, rather than a change to services themselves. We have widely discussed ESBT service improvements with local populations and will continue to involve local people and others in improvements to specific care pathways and services.

5.4 The vehicle for our future model must provide the right platform to enable us to improve the quality of services, improve health outcomes and reduce inequalities across the ESBT footprint offering integrated, person-centred care in a clinically and financially sustainable way. In particular the future organisational form must enable us to deliver the following benefits:

- a reduction in variation and improved outcomes for local people;
- improved population health and wellbeing;
- improved experience of health and care services;

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<sup>4</sup> It should be noted that this timeline may be extended once full appraisal of the options has taken place

- achievement of our ESBT objective of system balance by 2020/21, and;
- improved connections with other elements of service delivery where working on a larger population basis within the context of the Sussex and East Surrey Sustainability and Transformation Plan.

5.5 As signalled in previous reports, and indicated in the latest learning from the Kings Fund and NHS Vanguard<sup>5</sup> there are a small number of clear options for organisational form to explore that would support delivery of our future ESBT model, and these are summarised below:

- **Prime Provider/Prime Contractor** - where one provider holds the contract and acts as an ‘integrator’ of the services through a subcontracting model.
- **Provider Collaboration/Contractual Joint Venture or Corporate Vehicle (Special Purpose Vehicle)** – where parties agree to form a limited company or limited liability partnership e.g. a forming a new corporate joint venture or special purpose vehicle to deliver a single contract for the whole population, or parts of it.
- **Alliancing: Commissioners and Providers** – a virtual arrangement where parties agree to work together in an Alliance without forming separate legal entity or physically changing existing organisational structures.
- **Forms of organisational merger or new organisation** – for example this could mean building on the NHS Trust legal framework to establish a new East Sussex ‘Health and Care’ NHS Trust, that would take a lead role across the system, providing the majority of services in the ESBT area.

5.6 These models will be tested in an options appraisal exercise as detailed in Appendix 2. The exercise has been designed to build consensus locally about the legal vehicle that will best meet the needs of our local population.

## 6 Conclusion and reasons for recommendations

6.1 Cabinet has previously agreed that moving to a fully integrated model of accountable care offers the best opportunity to achieve the full benefits of an integrated health and social care system, and that a transition year of accountable care, under an alliance arrangement, would allow for the collaborative learning and evaluation to take place between the ESBT programme partners and other stakeholders.

6.2 In March 2017 Cabinet also agreed to establish an ESBT Strategic Commissioning Board between the County Council, EHS CCG and HR CCG, to enable commissioner members of the ESBT Alliance to jointly undertake responsibilities for addressing population health need, and for commissioning health and social care on a system-wide basis through oversight of the SIP in 2017/18.

6.3 Previous discussions and reports have highlighted the need for a clear outcomes framework with which to measure improvements on a system-wide basis during the 2017/18 test-bed year. The pilot ESBT Outcomes Framework and suggested outcome measures have been tested with key stakeholders and the final framework has been endorsed by the new ESBT SCB at its inaugural meeting for piloting in 2017/18.

6.4 Undertaking an appraisal of the options for organisational form will help us to identify the best legal vehicle to deliver our ESBT objectives of a fully integrated and sustainable health and social care system for our local population in the long term. Discussion about the criteria and sub criteria, and their proposed weighting, to test the different options available will contribute to and strengthen our decision-making process to reach a preferred option.

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<sup>5</sup> *New Care models: Emerging innovations in governance and organisation form (Kings Fund, October 2016)*

6.5 The scrutiny committee is recommended to:

- note the progress made with finalising the Alliance Agreement, the new integrated governance structure, and our integrated 2017/18 SIP to support delivery of improvements to our health and care system in 2017/18;
- note the proposed integrated outcomes framework and suggested measures that we will pilot in the 2017/18 transitional year;
- note the appraisal criteria for the appraisal of options for the delivery vehicle for the future ESBT Alliance model;
- consider the plans to develop a roadmap for the key next steps and phasing for implementation.

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LOCAL MEMBERS

County Council Members whose electoral divisions are in the EHS CCG and HR CCG areas

BACKGROUND DOCUMENTS

None