



#### PLEASE NOTE

This paper is **draft**: it sets out our assessment of the impact and learning from our 2017/18 test-bed year as an integrated (accountable) care system. The analysis is not definitive, and is intended to help inform wider discussions as we develop our thinking for strengthening our ESBT Alliance governance arrangements 2018/19.



## ESBT Alliance Test Bed Year 2017/18

### Draft Impact and Learning Report

#### 1. Introduction

- 1.1 In April 2017 the members of the ESBT Programme Board moved formally into an ESBT Alliance arrangement for a test bed year, in order to enable us to rapidly develop our capacity to manage the health and social care system collectively as an Alliance partnership.
- 1.2 This arrangement was underpinned by an Alliance Agreement which provided the framework to operate 'as if' were 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.
- 1.3 To support our ambition to work as one system in 2017/18 we put in place a system wide governance structure, to support our ESBT Alliance to cover the following areas during the test bed year:
  - The commissioning and delivery of health and care services to the local population and with an annual budget of approximately £860m (2017/18), focussing on what matters to local people. This has included continuing our programme of transformation and service change and raising the profile and investment in prevention and proactive care while reducing reliance on secondary care (hospital) services;
  - Collaboration to deliver our integrated Strategic Investment Plan and further development of integration plans and practice; and
  - The alignment of our budgets so we can design a payment mechanism that incentivises population health outcomes more than activity and invest appropriately across our health and care system to best benefit local people.
- 1.4 Part of the purpose of the test bed year was to create the space and time to undertake the necessary learning and development, with support from NHS Improvement (NHSI) and NHS England (NHSE) as the system regulators, to design our ESBT Alliance integrated care model.
- 1.5 These transformation activities were set out in schedule 2 of the ESBT Alliance Agreement, and a draft summary of the progress made with the activities in the test bed year is set out in Appendix A. This summary is not definitive, and is intended to support wider discussions. It will be further tested with members of the ESBT Alliance Governing Board at a seminar on the 14<sup>th</sup> March to aid planning for 2018/19.

1.6 Prior to the test bed year starting we also initiated an independent Accountable Care System Health Check supported by Optimity Advisors. This involved eliciting partners' views across ten domains that contribute to the success of accountable care, to provide a baseline of our levels of maturity as a system at that time. Phase 1 of the health check reported in May 2017 and made some recommendations for improvement, which resulted in the second phase of the health check focussing on localities. Our intention is to conduct the third and final phase of the health check in June-July 2018, to determine how far we have matured as an accountable care system since the findings that were reported in May 2017.

## **2. Strengths and impact in the test bed year**

2.1 Our formal ESBT Alliance arrangement in 2017/18 has enabled a system-wide approach and focus to operational delivery. The indications are that this has enabled us to continue to build on our successful ESBT partnership working over the previous three years to begin to bend the curve in demand, including in the following ways:

- For those aged over-65 there has been a sustained reduction in A&E attendance, unplanned admissions, acute referrals, and admissions from care homes that demonstrates how we have produced a bend in the demand curve to be much better than regional and national average.
- Consequently, system performance has significantly improved for key national standards, including Referral to Treatment Time (RTT), Accident and Emergency (A&E) and Delayed Transfers of Care (DTC).
- A&E is now in the upper quartile of performance nationally and DTCs have reduced from approximately 8% to as low as 2%. RTT regularly performs at over 90%; during December 2017 and over Christmas we have been between 7<sup>th</sup> and 9<sup>th</sup> best nationally.
- Over and above this, by working together we have reduced serious incidents, and improved stroke measures and outcomes.

2.2 This positive picture of collaboration was recognised at the 2017 Health Service Journal (HSJ) Awards, where the ESBT Alliance won the 'Improved Partnerships between Health and Local Government' award in recognition of the hard work and commitment to integrating health and care services in East Sussex.

2.3 The Care Quality Commission (CQC) Local System Review of East Sussex, undertaken in November 2017 has been equally instructive. This reported that ESBT system leaders in East Sussex had a clear and aligned purpose and vision for providing health and social care services, with strong commitment and a high level of trust between the system leaders<sup>1</sup>.

2.4 The Local System Review was also extremely positive about preventative approaches to health and social care delivery saying this was "well thought through and embedded....a wide range of effective initiatives that were

---

<sup>1</sup> and <sup>2</sup> East Sussex Local System Review November 2017 Report (Care Quality Commission, January 2018)

supporting people to remain in their own home and maintain their wellbeing". This had resulted in East Sussex having lower rates of attendance of older people in A&E than comparator areas and nationally<sup>2</sup>.

- 2.5 In 2017/18 we have continued to build our locality model to shift to a proactive, community based model of care. This includes continued implementation of integrated locality teams, frailty practitioners, crisis response and proactive care teams. In addition Health and Social Care Connect has become fully embedded and operational as our streamlined single point of access for all adult health and social care enquiries and assessments. Progress has been made with building the locality planning and delivery model in 2017/18 in order to facilitate stronger partnerships across the health and care system to support delivery in our six ESBT localities.
- 2.6 Although it is too soon to measure comparative performance against previous years' performance, the indications are that our new ESBT Alliance Outcomes Framework for 2017/18 will show measurable improvements in the areas that local people have told us are important.
- 2.7 We have also been able to undertake an options appraisal of future ESBT delivery models in the test bed year, and have agreed recommendations about our preferred option through our sovereign organisations. This has put us in a strong position to move forward with developing the business case for the preferred option, which is due to be brought to the Governing Bodies in July 2018.

### **3. Challenges**

- 3.1 We have made significant in-roads into addressing inequalities and improving access, quality and safety for local people. However, this has not translated quickly enough into reducing either the level of activity or the unit cost, and so we must now redouble our efforts to demonstrate that we are making these improvements for the people of East Sussex in a way that makes the very best use of available resources.
  - 3.2 System financial recovery is now a critical focus for 2018/19 and any changes to ESBT Alliance governance and leadership must support a better grip on the delivery of system plans, and enable a more speedy and flexible response to support financial improvements. In particular our ESBT governance in 2018/19 must reflect the role and contribution of partnerships in our localities, in leveraging the added value required to achieve our ESBT objectives of improvements to quality and finance.
  - 3.3 Strong progress has been made with creating our single ESBT system-wide budget, and aligned incentive contracting has been explored. However, there has also been a tension in the way we have had to operate separate organisation financial planning arrangements and control totals at the same time. More can be done to remove organisational barriers for financial planning and
-

the proposals we are shaping for a Financial Framework Agreement and Integrated Commissioning Fund will support this, in addition to a refreshed system recovery plan.

3.4 Although the CQC Local System Review recognised there was a clear and aligned purpose and vision for providing health and care services, some areas for improvement were identified including areas relating to whole system governance and accountability:

- Work is required to develop a wider system vision for the STP footprint and develop a common framework for prioritizing actions and for specifying accountabilities and shared governance arrangements across ESBT and C4Y
- The Health and Wellbeing Board (HWB) would benefit from increased vigour in calling system leaders to account to ensure that agreed plans and services are delivered, and to secure whole system integration.

3.5 Actions to deliver this improvement have been agreed and involve the following:

- Review system representation and associated accountabilities on the STP Board and workstreams;
- Review of the Health and Wellbeing Board to provide a robust whole system approach to transformation, improved health and wellbeing outcomes for local people, and review its role and purpose to:
  - streamline and rationalise whole system governance arrangements
  - establish the system leadership role of the Board;
  - confirm and strengthen the relationship with the STP;
  - provide a robust whole system view of planning, performance and commissioning;
  - Review membership of the HWB and clarify roles of Board members;

3.6 These actions will have ESBT governance at their heart and will have a bearing on how we shape our proposals for our integrated governance over the medium to long term. The timetable for delivering the HWB and STP reviews is July 2018. Therefore we will likely refresh arrangements for ESBT governance for the first six months of 2018/19. This will allow us the opportunity to test our ideas about strengthening ESBT Alliance governance, and the learning from the ESBT Alliance test bed year, as well as feed this into the HWB review process. Discussions at the seminar of the ESBT Alliance Governing Board meeting on 14<sup>th</sup> March will help take this forward.

#### **4. Key learning points to inform plans for 2018/19**

4.1 Building on our thinking so far about how we can strengthen the ESBT Alliance, the key learning points from our test bed year and the CQC Local System Review can be summarized as follows:

- Building on the trust and successful system working we have developed as an ESBT Alliance to enable more delegation to our system governance of statutory accountabilities, making our governance more rationalised and our decision-making to move more responsively at the pace the system requires.

- Consolidating our approach to ESBT governance, leadership and commissioning in the context of our 'place' to ensure a shared understanding of the health, social care and wellbeing needs of our ESBT population, and a clear place-based strategy to meet those needs.
- Consolidating the financial arrangements that underpin the place-based governance and leadership, through our proposals for an Integrated Commissioning Fund (ICF) and a Financial Framework Agreement to support the operation of the ICF.
- Strengthening our approach to building the 2018/19 ESBT system financial recovery plan. The system-wide plan will describe the key service redesign priorities, financial and activity targets for the ESBT system in 2018/19, to serve as the 'bridge' between the ESBT Alliance Outcomes Framework and the delivery plans for each of the six ESBT Localities. This will help the Locality Planning and Delivery Groups be clear about their contribution to the overall ESBT Alliance objectives to achieve the financial sustainability, care quality and population health improvements for 2018/19.
- Ensuring the voice of localities is at the heart of ESBT, providing the oversight needed to drive improvements in the day-to-day operational performance of our system quality and finances. This would be supported by a reinforced focus for the ESBT Alliance Executive on managing the in-year operational performance of our system, with the newly formed Locality Planning and Delivery Partnerships facilitating the contribution of the local partnership environment to delivery.
- Reinforcing the role of the ESBT Integrated (Accountable) Care System Development Group to enable a continued focus on the transformation required to put the system on a stronger footing by 2020/21. This will include refreshing the name and terms of reference in line with national direction set out in the refreshed NHS Planning Guidance for 2018/19<sup>3</sup>
- Ensuring we work well within our STP to ensure our ESBT plans help manage demand, as well as influence and contribute to a shared commissioning approach to networks of services that work better on an STP-wide footprint.

Draft v1.0 21/02/18

Authors: V.Smith and J.Britton

---

<sup>3</sup> "We are now using the term 'Integrated Care System' as a collective term for both devolved health and care systems and for those areas previously designated as 'shadow accountable care systems'. An Integrated Care System is where health and care organisations voluntarily come together to provide integrated services for a defined population" [www.england.nhs.uk/publication/refreshing-nhs-plans-for-2018-19/](http://www.england.nhs.uk/publication/refreshing-nhs-plans-for-2018-19/) (February 2018)

## Appendix A

### Progress against ESBT Alliance Transformation Activities in 2017/18

In addition to facilitating closer operational working across our system, schedule 2 of the ESBT Alliance Agreement set out a number of transformation activities for development and agreement during the test-bed period. Progress against each of these activities has been summarised below and given an initial overall RAG rating. This is a self-assessment exercise; the analysis is not definitive but more intended to support wider discussions. It will be tested with members of the ESBT Alliance Governing Board and used to help review the achievements of the test bed year and inform discussions about strengthening the Alliance in 2018/19, at a seminar of the ESBT Alliance Governing Board to be held in March 2018.

	ESBT Alliance transformation activity	RAG rating
1	<p><b>Activity:</b> Develop and implement a collective integrated operational, financial and performance management platform to enable the Alliance to transform services and improve system delivery to the standards required following the Test-Bed Period</p> <p><b>Progress:</b> Strong progress has been made with integrating operational and financial arrangements which has led to improvements in the quality and safety of services in 2017/18, significantly helping us to bend the curve in demand. However, we have been unable to move at the pace the system requires to impact on finances in 2017/18. A priority for 2018/19 will be to reinforce effective governance and leadership of performance at a strategic system level and in our ESBT localities as we implement our financial recovery plan. We have started to test a system-wide portfolio management office to support the ESBT Integrated Strategic Planning Group, and work is also in progress to integrate our business processes for performance management of the Alliance.</p>	
2	<p><b>Activity:</b> Design and agree a whole system pilot outcomes framework and performance incentivisation scheme, based on the outcomes that matter to local people, that aligns outcomes across the system and gives an indication of the performance of the system as a whole.</p> <p><b>Progress:</b> The ESBT Alliance Outcomes Framework was developed following local engagement in the Autumn of 2016 and a data review carried out to provide a picture of what is important to local people about their health and care services. The data review brought together the wide range of qualitative information and feedback already available across all our organisations and through our engagement events, and which represents the views of thousands of people who are using local health and social care services, both children and adults. This included feedback gathered</p>	

	<p>by Healthwatch and through the ESBT Public Reference Forum.</p> <p>From this we developed and agreed an integrated ESBT Alliance Outcomes Framework to enable oversight of the performance of the system, which was agreed, adopted and owned by Alliance partners June 2017. Work is also in progress to integrate our business processes for collecting data and analysis to describe the performance of our system and delivery of the outcomes.</p>	
3	<p><b>Activity:</b> Operate and test a locality based operational model that is based on 'one budget, one system' and is rooted in communities, and develop integrated care pathways to reduce variation and increase standardisation in line with evidence-based best practice to deliver the Alliance Aims and Objectives, and ensure optimum cost effectiveness through delivery of integrated locality based services at the lowest level of effective care</p> <p><b>Progress:</b> Although we haven't been able to move at the pace our system requires to impact on finances, we have continued to build on our locality model to shift to a proactive, community based model of care and bend the curve in demand. This includes continued implementation of integrated locality teams, frailty practitioners, crisis response and proactive care teams. In addition Health and Social Care Connect has become fully embedded and operational as our streamlined single point of access for all adult health and social care enquiries and assessments.</p> <p>Progress has been made with building the locality planning and delivery model in 2017/18 in order to facilitate stronger partnerships across the health and care system to support delivery in our six ESBT localities, and add value through reducing variation and integrating care pathways. A priority in 2018/19 will be to further develop the locality focus of our governance, leadership and system plans.</p>	
4	<p><b>Activity:</b> in keeping with the key principles and characteristics of our local ESBT accountable care model, build on the SIP, and pooled and aligned funding model to test and design a whole population capitated budget, constructed around localities and a whole life cycle approach.</p> <p><b>Progress:</b> An aligned incentive contract was fully explored in 2017/18 as a stepping stone to designing a whole population budget, and there was local agreement to implement an AIC. However, we did not get permissions from our regulators to suspend Payment by Results and implement this either in-year or in 2018/19. Our key focus means we must build on a PBR contract and ensure the activity and resources are aligned across commissioners and providers to offer best use of available resources.</p>	



5	<p><b>Activity:</b> develop and agree an appropriate risk and reward sharing model, and test it in shadow form during the Test-Bed Period between the Full Alliance Members to inform future contracting arrangements.</p>	
	<p><b>Progress:</b> This was explored as part of the Aligned Incentive Contract discussions, noted under 4.</p>	
6	<p><b>Activity:</b> further develop our IT digital and back office systems and approach to estates to support the delivery of integrated care, and the active participation of patients, clients and local citizens in decisions about their care and support, self-care and self-management</p>	
	<p><b>Progress:</b> The updated ESBT Digital Strategy 2017 2021 was endorsed by the ESBT Alliance Governing Board in November 2017. The ESBT back office infrastructure project initiated integrated action in the areas of workforce, finance and estates.</p> <p>Work continued on integrated wholes system solutions to our workforce recruitment and retention challenges under the ESBT workforce strategy.</p> <p>The ESBT Communications and Engagement Strategy as refreshed to support core C&amp;E activity across the system. The Patient Activation Measure tool has begun to be implemented and will be rolled out further in 2018/19.</p>	
7	<p><b>Activity:</b> continue to work with the emerging local GP federations and the Local Medical Committee to develop a menu of options for the structural relationship of General Practice with the Alliance during the Test-Bed Period and with the future ACM</p>	
	<p><b>Progress:</b> the GP Federations and the LMC were part of the options appraisal exercise for the future model in June 2017. A task and finish group is being set up to explore the options for GPs as independent contractors to engage with the future integrated care model, as well as with the ESBT Alliance in the interim.</p>	
8	<p><b>Activity:</b> agree the design criteria for our future ACM after the Test-Bed Period, and use this criteria to identify and appraise the options for structural form (including the organisational form and contracting arrangements for the model)</p>	
	<p><b>Progress:</b> the design criteria for the future model was developed and agreed with our stakeholders. This was used in the options appraisal exercise in June 2017 to support discussions and arrive at a preferred option for the future ESBT integrated care delivery model.</p>	



9	<p><b>Activity:</b> agree the roadmap and implementation plan for the recommended option by July 2017, and enact implementation plans and due diligence processes as appropriate after July 2017</p>	
	<p><b>Progress:</b> a milestone plan by was agreed in July 2017. It described the critical path for the recommended option, including strengthening the ESBT Alliance in 2018/19 and building the business case for providing integrated care as our preferred option by 2020/21. Implementation plans and due diligence will be developed enacted once the business case has reported in July 2018.</p>	
10	<p><b>Activity:</b> develop an approach to engagement with key stakeholders on the above, including consultation as appropriate and working with system regulators such as NHSE, NHSI, DoH and the CQC, to seek appropriate permissions and using the NHS Integrated Support and Assurance Process ("ISAP")</p>	
	<p><b>Progress:</b> local discussions with our key stakeholders shaped the criteria for the options appraisal, and Healthwatch, the LMC, GP Federations and NHSE participated directly in the options appraisal exercise. Discussion with the NHS ISAP team also too place to determine appropriateness and timing for using the process if necessary. An action plan outlining the specific approach to engaging key stakeholders in developing the business case for the future ESBT integrated care model is also in place.</p>	
11	<p><b>Activity:</b> develop a proposal for the residual strategic commissioning functions (population needs assessment, outcomes setting and oversight of performance) for the Alliance Commissioners</p>	
	<p><b>Progress:</b> this is part of the work to shape proposals for integrated place-based commissioning in 2018/19, focusing on the senior management elements for April 2018, with a phased approach to implementation with the wider commissioning work programmes and functions during 2018/19. Proposals for retained integrated strategic commissioning functions will be developed in conjunction with the business case for integrated provision to ensure we have the right capacity across all of our system for planning, commissioning and contracting.</p>	
12	<p><b>Activity:</b> develop a 'whole system' organisational development approach in order to underpin transformation and support staff through the transformation to 'one budget, one system', and empower them to become leaders of change and innovation that puts local people at the heart of services</p>	

	<p><b>Progress:</b> a high level OD plan has been produced, underpinned by the integrated ESBT Communications and Engagement Strategy and this will be operationalised as part of ongoing ESBT workforce development strategies</p>	
13	<p><b>Activity:</b> design an integrated governance model for the Test-Bed Period and future ACM that integrates citizens into the leadership of the new care model of care and engages them appropriately at all levels of the governance structure</p>	
	<p><b>Progress:</b> a new Health and Wellbeing Stakeholder Group has been co-designed with stakeholders and a representative has been nominated to sit on the ESBT Strategic Commissioning Board. The meetings of the group are focussed around key areas of service development, and other areas of interest for our stakeholders.</p> <p>Healthwatch also has a seat on key elements of the ESBT Alliance governance structure to ensure that the views of local people are taken into account.</p> <p>Representatives from the voluntary sector also participate in the planning and design groups for personal and community resilience and community services, and the ESBT locality planning and delivery groups and locality networks which are focussed on engagement with local groups and organisations working in their areas.</p> <p>As part of the preferred option for the future integrated care model agreed in July 2017, it has been agreed to co-design models of citizen governance so that our future integrated care delivery model is owned and championed by local people.</p>	