

## **East Sussex Better Together (ESBT) Scrutiny Board**

### **Notes of a meeting held on 13 July 2017**

#### **In attendance:**

ESBT Board: Councillors Barnes, Clarke, Davies, Galley, Shuttleworth, Swansborough and Webb

Officers: Keith Hinkley, Director of Adult Social Care and Health; Vicky Smith, Accountable Care Strategic Development Manager; Harvey Winder, Democratic Services Officer

#### **1. Election of Chair**

1.1 Cllr Davies was elected as Chair.

#### **2. Minutes of the previous meeting**

2.1 The Board agreed the minutes of the previous meeting.

#### **3. Declarations of Interest**

3.1 There were none.

#### **4. East Sussex Better Together (ESBT) Alliance Accountable Care Model: Future Organisational Arrangements**

4.1. Keith Hinkley provided a summary of the East Sussex Better Together (ESBT) programme to date and outlined the proposals contained within the Cabinet report.

4.2. The Board discussed a number of issues arising:

##### ***Options appraisal***

4.3. It was clarified that the options appraisal does not commit the ESBT Alliance to a collective decision, as each of the sovereign bodies needs to agree the proposals individually through their decision making processes.

##### ***CCGs' support of proposals***

4.4. It was confirmed that the CCG Boards of both Eastbourne, Hailsham and Seaford Clinical Commissioning Group (EHS CCG) and Hastings and Rother Clinical Commissioning Group (HR CCG) supported the proposals being presented to Cabinet at the Options Appraisal.

##### ***Strengthening of ESBT Commissioner Provider Alliance***

4.5. The plan is to move towards Option 4 by 2020 and strengthen the current ESBT Commissioner Provider Alliance arrangement in the interim due to the complexity of establishing a single organisation to provide health and social care, alongside a single commissioning process. The strengthening of the ESBT Alliance can involve moving to a single pooled budget, a single point of leadership for strategic commissioning, and a more integrated officer structure. Each of these stages in the process will require the approval of all the NHS organisations and East Sussex County Council (ESCC), via their appropriate decision making bodies, and will also require the approval of NHS England (NHSE) and NHS Improvement (NHSI).

### ***Single pooled budget***

4.6. It was explained that it could be possible to use the Better Care Fund (BCF) as a mechanism for the pooled budget. This is because it is an existing pooled budget between ESCC and the NHS, with an agreed framework between the organisations.

### ***ESBT Outcomes framework***

4.7. There are two elements to the ESBT Outcomes Framework: targets measuring in year improvement in performance, and longer term measurements to demonstrate improvements in population health over several years. For example, the longer term outcome of improving life expectancy is made up of subsets linked to annual targets around cancer survival rates, diabetes, and levels of obesity.

4.8. The ESBT Outcomes Framework sets out how the ESBT Alliance aims to improve health and social care during 2017/18. By demonstrating delivery against the framework it will give NHSI, NHSE, and the member organisations confidence that the ESBT Alliance can achieve what it has set out to do.

### ***Advantages of a single organisation***

4.9. It was explained that the current arrangement for 2017/18 is of an alliance of organisations (ESCC, EHS CCG, HR CCG, East Sussex Healthcare NHS Trust (ESHT) and Sussex Partnership NHS Foundation Trust (SPFT)) that are working to a common outcomes framework using an agreed resource envelope. However, they all retain their individual status and objectives, and continue to incur the inter-organisational costs associated with a traditional health and care system, such as transactional costs. These inefficiencies would remain even in a strengthened alliance model. The development of a single organisation would also add greater stability in provider arrangements, given potential future changes in the NHS.

4.10. Furthermore, payment by results currently incentivises acute trusts to maximise their financial income by increasing the number. This means that there is an incentive to treat patient's at the most expensive point of the patient pathway.

4.11. The national policy consensus over the past 25 years has been to shift focus from acute, reactive care to proactive, community care and improvement of population health. In practice this shift has been very difficult to achieve.

4.12. The aspiration of ESBT has been to develop a mechanism that delivers this shift to community-based care and improves population health over the long term. A single organisation using one contractual framework – instead of payment by results – can incentivise this move away from reactive care towards proactive care.

### ***Deliverability***

4.13. It was agreed that Option 4 is more challenging to deliver than Option 3 but will provide greater health and social care gains. Option 3 would be delivered as part of the incremental progress required to achieve Option 4. It would be a very complex programme of work to combine health and social care into a single organisation, change the payment by results framework, and move from a focus on acute care to preventative care; there are also complex human resource and infrastructure issues that will need to be resolved.

4.14. The level of challenge within the health and social care system is considerable, so the additional gains that can be made through Option 4 will make a

significant difference to how effective and sustainable health and social care can be. Evidence from examples in Spain, US and Germany demonstrate that the largest incremental gains to population health – and therefore reductions in the strain on the health and social care system – are being made by single health and care provider organisations.

4.15. Within this context, Option 4 would provide the greatest gains for the health and social care system in terms of clinical and financial sustainability. This includes the integration of client and patient information systems and greater clinical engagement and shared working across the whole care pathway. Therefore, it is being proposed that Option 4 is implemented but incrementally during which time the existing Alliance Agreement will be strengthened – so that the risks and complexities can be managed carefully. Option 4 would also make those who provide health and social care more democratically accountable to the residents to whom they provide care.

### ***Potential for national reform***

4.16. There is a national consensus that the current situation is clinically and financially unsustainable, and there is agreement in broad terms that the solution involves greater proactive care and improved population health. Changes in government policy is always a potential issue, but if it happens it is likely to focus on resource allocation, or comparatively minor structural changes, and not a fundamental shift in policy.

### ***Future of NHS organisations***

4.17. It was explained that if an agreement is made to develop a single health and care provider organisation it would have to fulfil the requirements of the NHS Constitution and any relevant local authority duties regarding social care, public health and the local government decision making process.

### ***Involvement of GPs***

4.18. The reconfiguration of primary care forms part of ESBT, however, GP practices are independent businesses and work is ongoing to involve them in the ESBT programme. It is likely that under the new accountable care model there will be a mixed economy for primary care. GP practices are likely to want to maintain their independence and would work through federations; some GPs may however want to focus on clinical practice and therefore could be open to being employed by a healthcare organisation that can provide them with clinical support, career development, and the opportunities for experience in other medical fields. This would mean that they could be employees of the health and care trust.

### ***Reaction to service change***

4.19. The ESBT Alliance has taken time to design and implement services because of the need to talk to people about what they consider is important. As a consequence there has been widespread support for the changes that have been implemented.

### ***Arrangements for patient and citizen integration into the governance framework***

4.20. Patients and citizens will be represented within the ESBT Alliance arrangements by the Health and Wellbeing Council. This will be a county-wide forum

and work within the Connecting 4 You (C4Y) footprint as well. The Council had its first meeting last Friday to agree how it will work in practice and the ESBT Strategic Commissioning Board (SCB) has agreed that a member can be nominated to the SCB.

4.21. The Health and Wellbeing Council has been set up in response to what members of the large number of pre-existing partnership boards wanted; it will provide a more coherent patient voice into the health and social care planning process. It also has a different role to Healthwatch East Sussex, which will be one of its key partners.

### ***Complexity of system governance***

4.22. Governance arrangements are complex and overlapping due to the NHS structure and the regulations governing it, taking into account:

- Different roles of NHS Improvement (NHSI), NHS England (NHSE), and the Care Quality Commission (CQC) in monitoring providers and commissioners.
- The decision-making structure of the ESBT Alliance, and potential future governance structures for the Sussex and East Surrey Sustainability and Transformation Plan (STP) and C4Y;
- Local statutory committees such as the Health Overview and Scrutiny Committee (HOSC) and East Sussex Health and Wellbeing Board (HWBB), and the ESBT Scrutiny Board itself.

4.23. It was clarified that these boards and committee are all either statutory or required as part of the decision making process of the placed-based plans. The priority is to manage the implementation of ESBT within this governance framework, but discussions around rationalising these frameworks with national regulators are likely to happen in the future.

### ***New guidance on Delayed Transfers of Care (DToC)***

4.24. The revised Better Care Fund (BCF) guidance on DToCs has the potential nationally to create tensions between NHS and local authorities. It has changed the ways in which the Department of Health measures whether local health and social care organisations are using their BCF properly – by emphasising the importance of reducing DToCs – and will mean that there will be pressure to shift BCF funding away from other social care priorities towards services to reduce DToC.

4.25. The BCF is invested collectively as part of the ESBT Alliance's Strategic Investment Plan (SIP). This means that there is confidence that ESCC will receive assurance that it is meeting the new guidelines without affecting other social care services, because the SIP commits the CCGs and ESCC to an existing agreed funding plan.

### ***Financial situation after 2020/21***

4.26. It was explained that whatever organisational arrangements are put in place the intention will be to use whatever resources are collectively available to best effect.

4.27. The Board then considered its overall view on the proposals, agreeing the following:

### **Recommendation of the Board:**

The Board acknowledges that **Option 4 appears to offer the best path for the ESBT Accountable Care Model and recognises the gains it will bring**, for example, through data sharing and transactional costs. The Board, however, recognises that there are also challenges and risks around organisational change and deliverability of a new health and care organisation. Therefore, the Board expects the ESBT Alliance to take a careful, incremental approach to addressing these challenges and risks throughout the implementation of Option 4. The Board would also expect to be able to provide effective scrutiny throughout the process.