

SURREY COUNTY COUNCIL**CABINET****DATE: 31 OCTOBER 2017****REPORT OF: MRS HELYN CLACK, CABINET MEMBER FOR HEALTH
MR MEL FEW, CABINET MEMBER FOR ADULTS
MRS CLARE CURRAN, CABINET MEMBER FOR CHILDREN****LEAD OFFICER: JUSTIN NEWMAN, DEVOLUTION PROGRAMME DIRECTOR****SUBJECT: SUSTAINABILITY AND TRANSFORMATION PARTNERSHIPS****SUMMARY OF ISSUE:**

Surrey County Council is playing an important role in the three Sustainability and Transformation Partnerships across Surrey.

On 28 March 2017 the Cabinet considered a report regarding the Surrey Heartlands Partnership and the emerging health and care devolution proposals. The Cabinet endorsed a set of associated 'devolution governance principles' and asked the Chief Executive to take the necessary steps to finalise and implement the new devolution arrangements – this report focusses on the implementation of this work and provides a brief update on the progress in the Frimley Health and Care, and Sussex and East Surrey Partnerships.

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Notes the progress that has been made in implementing the Surrey Heartlands health and care devolution agreement, and progress in both Frimley Health and Care, and Sussex and East Surrey Partnership areas; and
2. Endorses the approach being taken with Surrey Heartlands partners towards establishing a devolved health and care system.

REASON FOR RECOMMENDATIONS:

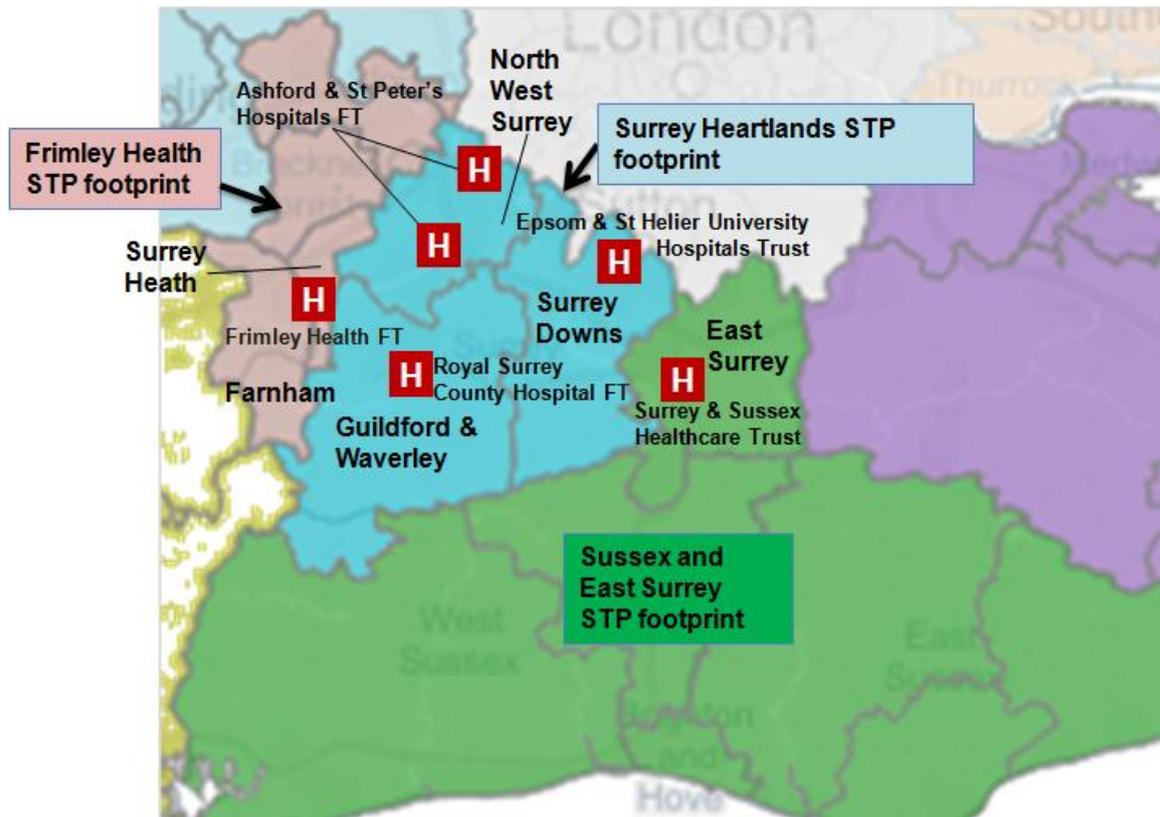
Sustainability and Transformation Partnerships will play a pivotal role in shaping the future health and care priorities and landscape.

In the seven months since the last Surrey Heartlands update to the Cabinet, significant progress has been made in the development of the devolution arrangements for Surrey Heartlands.

Devolution is a key mechanism for enabling the Surrey Heartlands Partnership to achieve its aims and ambitions, and the integration of health and social care.

DETAILS:**Background**

1. NHS Sustainability and Transformation Plans are place-based, five-year strategic plans for local health and care systems covering the period October 2016 to March 2021 and represent a significant shift in NHS planning towards a place-based approach (as opposed to solely asking individual NHS organisations to produce their own plans).
2. The geographic 'footprint' for these Plans were determined based upon natural communities, existing working relationships and patient flows – there are three STPs covering Surrey: Surrey Heartlands; Frimley Health & Care; and Sussex and East Surrey.



3. The development of the Surrey Heartlands Health and Care Devolution agreement (the 'Trilateral Agreement') emerged from discussions with national partners (primarily NHS England and NHS Improvement) in relation to the Surrey Heartlands Sustainability and Transformation Plan.
4. The devolution and delegation of additional responsibilities and freedoms to the local area is seen as crucial to enabling the delivery of the aims of the Surrey Heartlands STP and wider plans to transform and integrate the health and care system to secure the best outcomes for local residents.

Securing and implementing a health and care devolution agreement for Surrey Heartlands

5. The report presented to the Cabinet on 28 March 2017 set out:
 - a. the key areas where a devolution agreement would add value:
 - introducing local democratic accountability and ownership;
 - enabling the (re)introduction of a population based approach to commissioning across the board to meet local needs;

- developing a system with aligned incentives to achieving public value and the best possible outcomes for the people of Surrey Heartlands;
 - providing freedoms and flexibilities to unlock and maximise the potential of the Surrey Heartlands system;
 - harnessing the collective strengths and expertise of partners across Surrey Heartlands; and
 - acting as a catalyst for accelerating the integration of health and social care services, with greater alignment of commissioning of health, social care and public health.
- b. the principles upon which the integrated commissioning governance arrangement would be developed:
- creating a single point of leadership across health, social care and public health through the creation of a joint committee with representatives from the County Council and three Clinical Commissioning Groups (CCG);
 - establishing a new executive leadership group responsible for the commissioning of health, social care and public health, chaired by the County Council's Chief executive;
 - placing clinical and professional leadership at the heart of the new governance arrangements;
 - establishing a principle of subsidiarity to ensure that responsibility for decision making sits at the lowest appropriate level; and
 - setting the ambition for Surrey Heartlands to be assured, regulated and performance managed as a place (rather than a set of individual organisations).

Progress since March 2017

6. Since March, significant progress has been made. The Memorandum of Understanding (the 'Trilateral Agreement' – <http://www.surreyheartlands.uk/devolution/>) between local partners, NHS England and NHS Improvement was finalised and signed on 15 June 2017. Simon Stevens, the Chief Executive of NHS England announced the agreement as part of his speech to the NHS Confederation.
7. This Agreement confirmed the commitment of partners to work towards the 'progressive implementation' of a devolved health and care system for Surrey Heartlands. It also set out a shared vision and objectives for the work, the proposed governance arrangements, the scope of functions being explored as part of the devolution / delegation of responsibilities to Surrey Heartlands.
8. In addition, Surrey Heartlands has also been invited to become one of 10 areas involved in the Accountable Care Systems development programme – this programme will enable the Surrey Heartlands to work with and learn from other leading areas, and help shape national policy around the integration of health and social care.
9. Implementation of the Trilateral Agreement has begun under three main areas: governance; scope of devolution/delegation; and transformation funding. An update on each area is provided below.

Governance

10. The Trilateral Agreement described two new governance groups that needed to be established to provide joined-up local leadership of integrated commissioning across health and social care – a Joint Committee and an Executive Leadership Group.

11. The Joint Committee will be the primary decision-making forum for integrated health and social care commissioning for Surrey Heartlands – the Terms of Reference for the Committee (annex one) sets out the role of the Committee and the membership which is made up of representatives of the County Council and the three Surrey Heartlands CCGs. NHS England are also represented on the Committee through the Surrey Heartlands CCGs Joint Accountable Officer who holds a dual role with NHS England. The Joint Committee met informally for the first time on 4 October 2017.
12. The Executive Leadership Group works under the direction of the Joint Committee and is chaired by the County Council's Chief Executive. The Terms of Reference (annex two) sets out the membership of the group which includes the County Council's Strategic Directors of Adult Social Care and Public Health, and Children, Schools and Families. The Executive Leadership Group met for the first time on 6 September 2017.
13. The Executive Leadership Group membership also includes a number of key 'health' roles – these include:
 - The Senior Responsible Officer for the Surrey Heartlands Partnership
 - The Surrey Heartlands CCGs Joint Accountable Officer
 - A new Surrey Heartlands Executive Clinical Director role
 - A new joint Surrey Heartlands NHS England / NHS improvement Director of Delivery, Assurance and Oversight role
14. During 2017/18 (the devolution 'shadow year') decisions made at the Joint Committee (and / or Executive Leadership Group) will be made by individuals under the delegated authority given to them by their organisations. During the shadow year partners will develop a legal agreement (under section 75 of the NHS Act 2006) which will enable the Committee to pool funds and make collective decisions in relation to the commissioning of health and social care services.

Scope of devolution / delegation

15. The Trilateral Agreement sets a principle that 'no decision should be made about Surrey Heartlands without Surrey Heartlands' – this underpins the ambition to establish a population based health and care budget devolved to Surrey Heartlands.
16. The main focus of work done so far to identify the scope of services to be devolved / delegated to Surrey Heartlands has been in relation to NHS England functions currently commissioned on a regional or national basis. Workshops have been held and discussions are ongoing between local and national leads to determine how Surrey Heartlands can have a stronger role in making commissioning decisions for its population.
17. The areas being discussed are:
 - Primary medical services (GP services)
 - Ophthalmic services
 - Dental services
 - Pharmaceutical services
 - Specialised services
 - Public health services

- Health and justice
 - Armed forces health services
18. For each of these areas partners will need to agree the role that Surrey Heartlands can take in commissioning decisions, what the associated population based budget will be for Surrey Heartlands and the resources required to enable local decision-making – depending on the function the role of Surrey Heartlands may take several different forms during 2018/19:
- initially having a stronger role in existing NHS England decision-making architecture to ensure involvement of Surrey Heartlands in decisions that impact on its population;
 - internal delegation of responsibility and budgets to the Surrey Heartlands CCGs Joint Accountable Officer to enable a local decision to be made; or
 - inclusion within the section 75 legal agreement for collective local decision making.
19. A report will be presented to the NHS England Commissioning Committee (currently planned for December 2017) setting out the case for change and seeking approval for any changes.
20. Discussions are also taking place with other national and regional partners to identify other areas for inclusion in the Surrey Heartlands 'devolved' health and care system to give a stronger role locally in decision-making.

NHS Transformation funding

21. An important benefit as a direct result of the devolution agreement for Surrey Heartlands is securing a 'fair share' of NHS England transformation funding – this provides greater certainty in relation to the NHS transformation funds available to Surrey Heartlands and means that multiple and time consuming national bidding processes can be avoided.
22. The NHS transformation funding earmarked for Surrey Heartlands totals £80m over four years with £15m allocated to 2017/18. Conditions attached to the release of the funding include the requirement for Surrey Heartlands to meet a number of national NHS commitments including investing GP services (to implement the 'GP forward view'), cancer services and a number of other areas, and to develop and agree an investment framework with NHS England setting out a clear and robust process for allocating the funds locally.
23. In addition to the national commitments (which total c. £6m in 2017/18), the investment framework requires that funding is prioritised and aligned to the delivery of the agreed NHS Sustainability and Transformation Plan and a local process has been initiated to agree the allocation of c. £9m with leads producing outline business cases. The Surrey Heartlands Joint Committee will oversee the implementation of the investment framework and allocation of transformation funding.

Frimley Health and Care Sustainability and Transformation Partnership

24. Frimley Health and Care STP secured a place on the national Accountable Care System development programme and received the top rating 'outstanding' in the first national assurance process by NHS England. The STP has a clear delivery plan and has set priorities that include prevention, emergency care, general practice, mental health and cancer services.

25. The STP has an agreed governance framework and signed a Memorandum of Understanding between NHS England and the local partners including the County Council. A Frimley Health and Wellbeing Alliance Board has been established with membership drawn from all five local Health and Wellbeing Boards from the system to agree how best to develop local engagement and communication around agreed system priorities.

Sussex and East Surrey Sustainability and Transformation Partnership

26. Within the Sussex and East Surrey STP East Surrey GPs, community NHS services, and local authorities are working together to deliver new models of care under four priorities: Urgent and primary care; Long-term conditions; Complex needs; and Prevention. Key to delivery of this will be the support of enabler workstreams, including workforce, communication and engagement, digital, estates and data & outcomes.
27. Whilst good progress has been made in some of the local systems such as East Surrey, the STP received an overall rating of 'needs most improvement' in the NHS England national assurance process.
28. Bob Alexander, Deputy Chief Executive of NHS Improvement has been asked to take on the role of Executive Chair for the STP as it moves from a planning phase to delivery.

CONSULTATION:

29. A wide range of partners have been involved in the development of the STPs including the organisations that commission and provide NHS services across Surrey and each STP either has, or is developing, its own communications and engagement plan.
30. Surrey Heartlands has placed significant focus on citizen engagement which a number of mechanisms in place to communicate with residents and enable residents to help shape the approach being taken – this includes:
- Undertaking specific research work to collect the views of residents re. health and social care services;
 - Regular stakeholder engagement forums to share and discuss plans and ideas; and
 - Regular communication and updates through a dedicated website and monthly newsletter.
31. In addition:
- The Surrey Health and Wellbeing Board received updates from the three Surrey STPs at its meetings on 26 May 2016, 8 December 2016 and 7 September 2017 where they discussed the emerging themes, issues and next steps.
 - A Surrey Heartlands scrutiny task group has been established by the County Council's Adults and Health Select Committee.

RISK MANAGEMENT AND IMPLICATIONS:

32. The overall risk management arrangements for the STPs are led by health partners.
33. The STP process provides a vehicle for strengthening partnership governance arrangements, closer alignment of strategies and plans with partners, and supporting the delivery of existing plans (such as the integration of health and social care) – these are identified as key mitigating actions (processes / controls) within the Council's Leadership Risk Register against the risks associated with the achievement of the Medium Term Financial Plan 2017-2022 and the implementation of new models of delivery.

34. In addition to the opportunities that taking on additional devolved/delegated commissioning responsibilities brings to the health and social care system, there will also be associated risks. These could include risks relating to the local system's ability to effectively commission any given service, capacity and resources within the local system to take on new responsibilities and potential financial and reputational risks. The County Council and its partners will need to assess and ensure effective controls are in place to manage and mitigate any identified risks.
35. An early focus in terms of risk management will be the risks associated with transition during the shift of responsibilities from national partners to local partners (such as how to ensure continuity of any given service during the transition). These risks will be mitigated through the creation of detailed delivery plans, dialogue between local and national partners and robust governance arrangements to ensure a smooth transition.

Financial and Value for Money Implications

36. Whilst there are no direct financial implications for SCC as a result of this report, the design and implementation of the STPs across Surrey will play a crucial role in developing a sustainable health and care system.
37. The Council's plans with partners relating to health and social care integration and an increasing focus on prevention and self-care are included within the STPs and are important elements of the Council's Medium Term Financial Plan. A key aspect of this is managing demand pressures across Surrey's health and social care system, which is vital to achieve financial sustainability in the long term.
38. It is important to recognise that in addition to the opportunities that the health devolution agreement provides to the local health and care system, taking on additional devolved / delegated responsibilities may also present financial risks in the case of commissioning responsibilities – the County Council and its partners will need to assess and ensure effective controls are in place to manage and mitigate any identified financial risks.
39. In securing the devolution agreement, Surrey Heartlands has had significant NHS transformation funding devolved to it (paragraphs 21-23 above provide further detail).

Section 151 Officer Commentary

40. The Section 151 Officer supports the overall health and social care integration agenda as it will enable better use of resources across the whole system to create improved and more efficient services for residents.
41. The County Council is facing a very serious financial situation, whereby it is having to identify unprecedented levels of savings to manage mounting pressures, particularly in relation to social care, and reduced government funding in order to achieve a sustainable budget. A significant proportion of the savings for future years are currently still to be identified.
42. The efficacy of specific integration proposals will be judged based on whether there are robust business cases that demonstrate that the proposals represent best value for the whole system. Where integration proposals include County Council budgets / resources an assessment will be made of the potential financial risks to the Council and assurance sought that appropriate controls are in place to mitigate these risks. This is particularly important in light of the Council's very serious financial situation to ensure that the Council's financial position is safeguarded in the process of integration.

Legal Implications – Monitoring Officer

43. The legislative framework that enables the devolution of health (and other) services from central government or a national body to local areas (either to local authorities, combined authorities or to CCGs) is set out in the National Health Service Act 2006 and the Cities and Local Government Devolution Act 2016. The Council also has duties to promote and encourage the integration of health and social care services.
44. The proposed governance arrangements for Surrey Heartlands are set out in paragraphs 10-14 above. Until such time as a partnership agreement under section 75 of the National Health Service Act 2006 has been put in place, anticipated to be for 1 April 2018, the joint committee will sit informally.
45. During the 2017/18 (the shadow year), Members attending the informal joint committee on behalf of the Council will do so with their existing authority under the Council's scheme of delegation. Members will need to ensure that any decisions they wish to make are taken in compliance with the Council's usual requirements for member decisions, including prior publication of papers. During the shadow year, matters in excess of £1m in value will need to be referred to Cabinet for final approval.
46. Legal Services will continue to advise on the partnership agreement and processes necessary to support the devolution plans.

Equalities and Diversity

47. Equality analysis and Equality Impact Assessments (EIAs) will form an important part of any planning for changes to services across health and social care to assess the impact upon residents, people who use services, carers and staff with protected characteristics. Where they represent a service, or policy change, individual schemes and programmes that are part of the STPs will have equality analysis / EIAs completed and included as part of the plans.

Safeguarding responsibilities for vulnerable children and adults implications

48. The further integration of health and social care services will support the safeguarding of vulnerable Surrey residents. More joined up service delivery by organisations will aid the identification and support of people vulnerable to abuse and enhance consistency of approach and training to safeguarding issues.

Public Health implications

49. Integration across health and social care will support and promote the health of the Surrey population, more closely aligning outcomes and resources.

WHAT HAPPENS NEXT:

The next steps include:

- Working with NHS England to agree the functions to be delegated / devolved to Surrey Heartlands from April 2018;
- Continuing to work with national / regional partners to identify other relevant areas for inclusion within the 'devolved' health and care system; and
- Developing a 'section 75' legal agreement to enable collective decision making by the Joint Committee.

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Consulted:

Representatives from:
Adult Social Care and Public Health
Children, Schools and Families
Legal services
Finance
Surrey Heartlands STP

Annexes:

Annex one – Joint Committee Terms of Reference
Annex two – Executive Leadership Group Terms of reference

Sources/background papers:

Cabinet report – 28 March 2017: Surrey Heartlands Sustainability and Transformation Plan
Cabinet report – 18 October 2016: Sustainability and Transformation Plans
Cabinet report – 21 June 2016: Sustainability and Transformation Plans
Cabinet report – 22 March 2016: Health and social care integration
Cabinet report – 24 November 2015: Progressing the integration of health and social care in surrey
Cabinet report – 16 December 2014: Health and social care integration

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