

Subject: **Strategic Planning, Commissioning and Delivery of Health and Social Care Services within Ayrshire & Arran**

Purpose:

- (i) To provide a conclusion on the 2017 review of arrangements for planning, commissioning and delivery of health and social care services in Ayrshire and Arran;
- (ii) to present proposals to address the findings from the Review of the Integration Scheme between North Ayrshire Council and NHS Ayrshire & Arran in respect of lead partnership arrangements;
- (iii) to seek agreement for the next steps in respect of Fair Share commissioning within the Ayrshire and Arran Health and Care system, and ;
- (iv) to outline future development in respect of “Directions” as the Model provided by the Public Bodies (Joint Working)(Scotland) Act for Integration Joint Boards to commission services from the Council and NHS Board.

Recommendation:

- (i) To note summary of findings from the first stage of the review of the North Ayrshire Integration Scheme;
- (ii) To agree the proposals for the transfer of management arrangements for community AHP services as detailed in paragraph 25;
- (iii) To agree the proposals for the implementation of the model to align financial and usage in Pan Ayrshire Mental Health Services as detailed in paragraphs 27 to 30;
- (iv) To agree the proposal to align the management of the Pan Ayrshire Family Nurse Practitioner Services with lead professional partnership with South Ayrshire HSCP in paragraph 31;
- (v) To note the report was considered and agreed by NHS Ayrshire & Arran Board meeting on 25th June 2018;
- (vi) To note a similar report will be presented to East and South Ayrshire Councils on 28th June 2018;
- (vii) To note reports were considered and approved by East Ayrshire Integration Joint Board on 13 June 2018.

Glossary of Terms

NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership

1. EXECUTIVE SUMMARY

1.1	On 28 June 2017 North Ayrshire Council considered and approved a report with proposals to review the arrangements for Planning, Commissioning and Delivery of Health and Social Care Services through a review of the Integration Scheme between North Ayrshire Council and NHS Ayrshire & Arran.
1.2	NHS Ayrshire & Arran and East Ayrshire Council respectively, considered similar reports approving a simultaneous review to be carried out of the East Ayrshire Integration Scheme. South Ayrshire Council confirmed at the NHS Ayrshire & Arran Board meeting on 26 June 2017 that they did not wish to participate in the review at that time.
1.3	A further report was presented to North Ayrshire Council on 4 October 2017 to consider the findings from the review of the Integration Scheme between North Ayrshire Council and NHS Ayrshire & Arran and to consider the next steps.
1.4	The overall conclusion in relation to the North Ayrshire Integration Scheme is although stakeholders identified issues that require to be addressed and changes that would be desirable, it is not evidenced that it is necessary to change the Scheme at this time. It was proposed that any further consideration of change to the Integration Scheme be held in abeyance until further work is undertaken.
1.5	Council at the time agreed to receive a future report on the outcome of this work and this report fulfils that commitment.
2.	INTEGRATION SCHEME
2.1	The Public Bodies (Joint Working) (Scotland) Act 2014 is the legislation that provides the framework for the integration of local authority social care services with community health services. An Integration Scheme is the Partnership agreement between the Council and NHS Board to establish an Integration Joint Board (IJB) for their local area.
2.2	During 2014/15 NHS Ayrshire & Arran and the three Ayrshire Councils took a partnership and pragmatic approach in developing the management arrangements to support delivery of the Integration Schemes. The default position in line with the intention of the legislation was when services could be delivered locally they were delegated to individual IJBs. It was recognised that for some services, predominantly but not exclusively in the NHS, there was good professional and clinical / financial governance reasons for services to remain on a pan Ayrshire basis. "Lead Partnership" arrangements were established for this function where one HSCP provides management and leadership on a pan Ayrshire basis.

2.3	<p>The IJBs are required to develop and publish a Strategic Plan. This requires to express the ambitions for Health and Social Care Services over the period of the plan and the commissioning arrangements to deliver within the available resources. All three Partnerships developed initial Strategic Plans to cover the first three years of operation, 2015/18. As all three partnerships were developing the second three year Strategic Plans for 2018/21, an opportunity was also taken to review the Integration Scheme and associated management arrangements. It was also agreed that opportunities to consolidate to a single pan Ayrshire IJB should be explored.</p>
3.	<p>INTEGRATION SCHEME REVIEW – CONCLUSIONS FROM STAGE ONE AND FINDINGS</p>
3.1	<p>Through the legislation a three stage process was required before a single pan-Ayrshire IJB could be created:</p> <ul style="list-style-type: none"> • Firstly, separate but simultaneous reviews of each Integration Scheme; • Following consideration of the consultation findings, a new Integration Scheme would be prepared for further consultation. This would be subject to the same extensive consultation process; • If the intention was still to move to a single IJB, Scottish Ministers would hold a final consultation.
3.2	<p>A stage one process considered whether any changes to the scheme are “necessary or desirable”. Agreement was reached by the two parties to the Integration Scheme; North Ayrshire Council and NHS Ayrshire & Arran in June 2017 with confirmation with Scottish Government that a programme of consultation would commence between July and August 2017.</p>
3.3	<p>The consultation questionnaire focused on considering whether there was a case for change to the Integration Scheme and in particular addressed all sections of the Scheme detailed below. In addition, a specific question was included to assess whether respondents felt that the review was ‘necessary or desirable’ as detailed in section 44 of the Public Bodies (Joint Working) (Scotland) Act 24.</p> <ul style="list-style-type: none"> • Governance • Scope of Services- Lead Partnership • Strategic Commissioning Plans and Locality planning • Performance reporting and National Health and Wellbeing Outcomes • Health and Care Governance • Workforce • Finance • Participation and Engagement • Data Sharing
3.4	<p>Following the consultation period and consideration of the findings in discussion with the Scottish Government Integration Team, it was concluded by the parties the review had not evidenced the necessity to change the Scheme at this time. It was agreed that any further consideration of change to the Integration Scheme is held in abeyance until further work on the issues below are addressed.</p>

3.5	<p>The first stage review process confirmed a number of areas that required to be addressed in order to improve planning, governance and delivery of Health and Social Care Services in Ayrshire. These include;</p> <ul style="list-style-type: none"> • Collaboration across Ayrshire has demonstrated strong alignment across all three Ayrshire Partnerships in developing the Integration Schemes and Lead partnership arrangements. The arrangements are however complex, human resource intensive and can be slow in decision making; • Decision making being made by one IJB which impact on the other two IJB's without due regard or consultation with the other areas. This is particularly exacerbated in relation to lead partnerships;
	<ul style="list-style-type: none"> • Financial Governance - The arrangements for financial accountability between IJB's in relation to Lead Partnership arrangements requires review, there is potential for conflict over budget setting, detrimental impact of decision by IJBs and overspends; • Performance Governance - Legislation requires that decisions made by an IJB that have an impact on neighbouring IJBs require to be consulted upon. In the Ayrshire Lead Partnership model this is even more evident as decisions made by a Lead Partnership IJB have direct impact on services in other Ayrshire IJB areas and on Acute. These issues are not limited to lead partnership arrangements and can include strategic service and finance decisions of an IJB that impact adversely on residents of another area; • Financial Context - On an annual basis the IJB's are required to agree that the finance available from NHS/Councils is sufficient to deliver on the Strategic Plan. With increasing demand and restrictions on public sector funding, this is increasingly difficult. This presents a risk to early intervention and preventative services.
3.6	<p>In terms of addressing these issues the review has identified that the full powers of the current Integration Scheme have not been utilised and there is further scope to take action within the current arrangements. In terms of evidencing the necessity for change, Scottish Government would anticipate the full powers being exhausted in respect of the requirements of the Act in relation to Directions.</p>
3.7	<p>The overall conclusion in relation to the North Ayrshire Integration Scheme is although issues were identified by stakeholders that require to be addressed and changes that would be desirable, further work was required to address the issues raised from the Review utilising the full powers within the Integration Scheme.</p>
4.	<p>PROGRESS IN THE PLANNING, GOVERNANCE AND DELIVERY OF HEALTH AND SOCIAL CARE SERVICES IN AYRSHIRE</p>
4.1	<p>Financial Governance</p> <p>In December 2016 Finance Officers met to consider and develop proposals for future funding of Ayrshire Health and Social Care Partnerships and to do so within the context of the provisions in the Integration Scheme. The focus included :-</p> <ul style="list-style-type: none"> • process for reaching agreement on the funding,

	<ul style="list-style-type: none">the process of dealing with an in-year variation with Lead Partnership funding arrangements, andthe transition to the HSCP budgets reflecting “fair shares” for the resourcing of lead partnerships.																																													
4.2	In considering the proposals from the Finance Officers report and the findings from the consultation on the Integration Scheme review it was agreed this would be an advantageous time to consider this aligned with the Partnerships developing second three year Strategic Plans for 2018/21.																																													
4.3	The findings from the consultation identified that arrangements have been working well between Integration Scheme parties with strong alignment established across Ayrshire. The review also identified issues in relation to differentials across lead partnerships in level of activity and financial contributions across IJBs, i.e. one partnership may be contributing more or less financially than the activity it consumed in a particular area. It is proposed to address this anomaly.																																													
4.4	It is proposed commissioning arrangements in respect of Lead Partnership arrangements over a three year period will be determined on an NRAC basis. Funding delegated to each IJB will be the NRAC allocation for that service. Remuneration to the Lead Partner will be based on level of activity stepped over the three year period. This same methodology can be applied to the commissioning of the “Set Aside” budget in Acute Services.																																													
4.5	The NRAC formula determines funding due to NHS Boards and IJBs reflecting age, sex, morbidity and life circumstance demographics for services including Mental Health and other Lead Partnership Services.																																													
4.6	Actual costed activity across each Partnership for the current year and previous three financial years would be established where possible. The format of any proxy activity data for Lead Partnership or Set Aside Budget Service will be agreed between all parties.																																													
4.7	An illustrative example is set out below. From this both the East and North are currently using more of the service than the per the “Fair Share” calculations, South is using less than it would be entitled to.																																													
	<table><tr><th></th><th>2015/16</th><th>2016/17</th><th>2017/18</th><th colspan="2">Average</th><th colspan="2">Fair Share</th><th>Average vs Fair Share</th></tr><tr><td>East</td><td>£11.0m</td><td>£12.0m</td><td>£11.0m</td><td>£11.3m</td><td>33.2%</td><td>£11.2m</td><td>33%</td><td>£0.1m</td></tr><tr><td>North</td><td>£11.0m</td><td>£13.0m</td><td>£15.0m</td><td>£13.0m</td><td>38.2%</td><td>£12.6m</td><td>37%</td><td>£0.4m</td></tr><tr><td>South</td><td>£12.0m</td><td>£9.0m</td><td>£8.0m</td><td>£9.7m</td><td>28.6%</td><td>£10.2m</td><td>30%</td><td>-£0.5M</td></tr><tr><td>TOTAL</td><td>£34.0m</td><td>£34.0m</td><td>£34.0m</td><td>£34.0m</td><td>100%</td><td>£34.0m</td><td>100%</td><td>£0.0m</td></tr></table>		2015/16	2016/17	2017/18	Average		Fair Share		Average vs Fair Share	East	£11.0m	£12.0m	£11.0m	£11.3m	33.2%	£11.2m	33%	£0.1m	North	£11.0m	£13.0m	£15.0m	£13.0m	38.2%	£12.6m	37%	£0.4m	South	£12.0m	£9.0m	£8.0m	£9.7m	28.6%	£10.2m	30%	-£0.5M	TOTAL	£34.0m	£34.0m	£34.0m	£34.0m	100%	£34.0m	100%	£0.0m
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TOTAL	£34.0m	£34.0m	£34.0m	£34.0m	100%	£34.0m	100%	£0.0m																																						
4.8	Based on the example above it would be proposed to agree a mechanism and timescale to bring East and North activity and costs back down to “Fair Share” levels. This plan would be detailed in Strategic Plans. Individual partnership contributions																																													

	would continue to be based on a 3 year rolling average of service use with a budget managed by the Lead Partnership.
5.	LEAD PARTNERSHIP ARRANGEMENTS
5.1	In considering the review finding of Lead Partnership an opportunity has been taken to reflect on experience of the past three years and proposals developed for changes in management arrangements that, whilst maintaining collaboration and professional governance, seek to clarify decision making and performance/financial governance.
5.2	<p>Mental Health Services</p> <p>It is recognised over the past three years there are differentials across Partnerships in respect of the level of use within pan Ayrshire mental health services and at present there is no mechanism in place to bring alignment between financial commitments with usage.</p>
5.3	Work has already started to identify historic and current activity for Mental Health services. A model to align financial investment and usage over a three year rolling review, looking at marginal and variable costs recognising all three Partnerships will still be required to contribute to fixed cost elements, is proposed.
5.4	It is proposed mental health is utilised as the initial example of this commissioning model, Unscheduled Care/Set Aside also requires similar consideration but is more complex, and will benefit from the learning in mental health. Other areas will be looked at in future including community equipment services and urgent care services.
5.5	<p>Allied Health Professionals (AHP)</p> <p>In considering the review finding of Lead Partnership an opportunity has been taken to reflect on experience of the past three years and proposals developed for changes in management arrangements that, whilst maintaining collaboration and professional governance, seek to clarify decision making and performance / financial governance.</p>
5.6	The initial arrangements for AHPs were developed at a time when the service had undergone a period of change. It was agreed that, although Community AHP services were delegated functions to IJBs, that they would remain not only with leadership in South Ayrshire but also management accountability. This was in contrast to other delegated services of this scale such as Community Nursing, Community Mental Health services, where core services are managed within each partnership.
5.7	Over the past three years, management arrangements have been developed that see AHP services for each partnership managed under a dedicated senior manager for the partnership.
5.8	As part of the implementation of the findings from the consultation it is proposed to devolve current Pan Ayrshire arrangements for both budget and management of Senior Managers AHP to Partnerships for services delivery within Partnerships. Professional accountability will remain to the Associate Director of Allied Health Professionals and ultimately the Executive Nurse Director.

5.9	As with all Lead Partnership arrangements there are a few smaller specialist services that will remain within Pan Ayrshire arrangements. In addition to align the new arrangements with patient activity, it is proposed that Acute AHP services in Crosshouse Hospital are managed through East Ayrshire, Ayr Hospital through South Ayrshire and Woodland View through North Ayrshire. Professional leadership will remain with Pan Ayrshire AHP Lead.
5.10	This is in line with the Public Bodies legislation which defined a number of services in categories of 'must', 'may' and 'must not' delegate, from Councils / NHS Boards to IJBs. Community AHP services are one of the services defined by legislation as a 'must' to delegate to IJB's. Acute AHPs are a "may" delegate. The proposals outlined above are therefore a change in management arrangements directed through IJBs and the NHS Board rather than a change to the Integration Schemes.
5.11	<p>Children's Services</p> <p>Each Partnership have an Associate Nurse Director aligned with a designated pan Ayrshire Professional Lead for Children's Services (South), Primary Care and Community Nursing (East) and Mental Health (North). It is proposed to align the management of the pan Ayrshire Family Nurse Practitioner Services currently managed in North Ayrshire to South Ayrshire professional lead arrangements.</p>
5.12	<p>Telehealth and United for Health and Smartcare European Programme</p> <p>South Ayrshire HSCP was designated as the Lead Partnership for Telehealth and United for Health and Smartcare European Programme (TEC) services as HSCPs were established. In the intervening period the service has been successful in developing a wide range of innovative solutions to support people's care. However, given the size of the team it has been difficult to develop large scale models of care which can be applied across the wider system. In April 2018 the Scottish Government published the Digital Health and Care Strategy which describes an ambitious agenda for the development of digital health and care services over the coming years. In order to achieve the full potential of digital approaches within the context of the strategy it is now proposed to combine the TEC team within the NHS eHealth Service. It is anticipated that this larger service will be more able to effectively harness TEC innovation and bring it to scale. The new service will be renamed Digital Services and will be managed as a Lead Partnership within the NHS Corporate Support Services Directorate.</p>
5.13	<p>Primary Care Services</p> <p>Lead Partnership arrangements for Primary Care services are coordinated and managed through East Ayrshire IJB. The national contract for GP services was approved in January 2018 and work is underway to develop the Primary care Improvement Plan by 1st July 2018. The level of joint working to develop the Primary Care Improvement Plan is evident and supports the balance between lead partnership and local aspirations.</p>
5.14	Primary Care contracting arrangements within legislation are a 'must not' delegate and remains the duty of Health Boards to oversee the contractual arrangements. Revenue associated with funding General Medical Services are detailed by Scottish

	Government to G.P. practice level and similarly Primary Care Prescribing and Family Health Services budgets are detailed to Partnership level for reporting and planning.
6.	FINANCIAL AND PERFORMANCE GOVERNANCE – DIRECTIONS
6.1	Financial and Performance Governance arrangements in Lead Partnerships were identified as requiring improvement. Within Ayrshire arrangements in respect of Chief Executive and Director level meetings are in place to assist with this process with a number of Pan Ayrshire Programme Boards established to coordinate implementation.
6.2	On consultation with the Scottish Government reference to the powers within the Public Bodies Act which sets out the mechanism for Integration Joint Boards to action their strategic commissioning plans, and this is laid out in sections 26 to 28 of the Act. This mechanism takes the form of binding directions from the Integration Authority to one or both of the Health Board and Local Authority and should be fully utilised.
6.3	The Scottish Government Good Practice Note on Directions, issued in April 2018, clearly sets out that in the case of an Integration Joint Board (IJB), a direction must be given in respect of every function that has been delegated to the IJB. Where the lead agency model is used, the Integration Authority <i>may</i> issue directions or may carry out functions itself. In either case, a direction must set out how each integrated health and social care function is to be exercised, and the budget associated with that.
6.4	All three Ayrshire Partnerships use directions however there is no consistency on how directions are implemented within pan Ayrshire arrangements and the current use does not reflect the detail in the Act or the recently issued Good Practice Note.
6.5	In order to comply with the requirements of the Act directions must be in writing and should set out a clear framework for operational delivery of the functions that have been delegated to the Integration Authority. A new form of directions will be required to be developed within Ayrshire in support of the Act.
7.	IMPLICATIONS
Financial:	<p>Strategic Planning for Health and Social Care requires to be delivered within the resources available and take cognisance of public sector funding limitations. The proposals seek to support arrangements that match local and national aspirations for positive health and wellbeing within the delegated resource.</p> <p>Transformation Plans and Medium Term Financial Plans have been developed to address the projected financial shortfall in public funds. Working together across Health Boards, Councils and Integration Joint Boards are the only real way of delivering positive wellbeing including health and social care for local communities.</p>

Human Resources:	Human resource implications arising from this report will be consulted on as part of established staff partnership and trade union arrangements. The alterations to the management arrangements seek to ensure integration of local services and opportunities to further develop multi-disciplinary working at a partnership level.
Legal:	The review of the Integration Scheme is in compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and associated Regulations and Guidance.
Equality:	<p>A core purpose of the Integration of Health and Social Care is to mitigate the impact of inequalities for individuals and communities.</p> <p>The proposals within the report seeks to align financial resourcing of Lead Partnership services with the recognised national benchmark of NRAC that includes consideration of proportionality in relation to deprivation and need and provide opportunities to develop local services in line with Strategic Planning.</p>
Children and Young People	N/A
Environmental & Sustainability:	N/A
Key Priorities:	ADD KEY PRIORITIES.
Risk Implications:	There is a risk that the arrangements within the current Integration Scheme to address the issues outlined in the review do not deliver improvements in outcomes for communities in North Ayrshire. Progress will be monitored and reported to IJB, Council and NHS Board.
Community Benefits:	N/A

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

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