Appendix 1

Investment proposal to accelerate integration of health and social care

November 2015

Appendix 1

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Appendix 1

INVESTMENT PROPOSAL TO ACCELERATE INTEGRATION OF HEALTH AND SOCIAL CARE

1.0 INTRODUCTION

This report sets out a proposal to give detailed consideration to accelerating the programme of integration already underway between Powys Teaching Health Board and Powys County Council. The proposal at this stage is focused on seeking *support to undertake a detailed assessment of the potential to integrate health and social care* (primarily adult social care) as a means of improving patient/citizen experience and outcomes from care services, efficiency and sustainability.

Powys County Council and Powys THB has a track record of developing partnership working. During 2015 however a stronger focus on integrated working has developed, in line with such developments across the UK and beyond and in response the Welsh Government policy direction. This proposal is therefore in line with both the THBs Annual Plan and the County Council Service Improvement Plan for adult social care in particular.

1.1 PURPOSE OF THE PAPER

The proposal is to undertake *a detailed assessment of the potential and impact of accelerating the integration health and adult social care on a large scale.* Children's services would also be considered. A full options appraisal to determine the most suitable mechanism for delivering integration of health and social care will be undertaken as part of the detailed assessment.

Specifically, an indicative timeline for this consideration and any subsequent decision making could fall broadly as outlined below:

- Phase 1: Detailed assessment exercise (including options appraisal and due diligence) January 2016-September 2016.
- Presentation of findings for decision September 2016 (with interim report considered during April/May 2016)
- Phase 2: Implementation of findings September 2016 onwards dependent on the assessment and subsequent decision making (shadow arrangements)
- Phase 3: Embedding implementation and benefits realisation (April 2017) – dependent on outcomes of phases 1 and 2.

1.2 CONTEXT

It is widely recognised that health and social care services need to be much better co-ordinated around the individual to ensure the right care is offered and the right time and in the right place. Powys has the fastest growing elderly population in Wales and a new approach is required in order to ensure support and services are sustainable and to avoid unaffordable increases in spending.

Evidence suggests that people often experience fragmented services within the NHS and between health and social care. This is because our population's care needs have changed faster than our health and care systems have been able to respond, resulting in a mis-match between the kind of care that people need and the services

that they end up getting. This well-known problem requires new ways of delivering services, where care is much more co-ordinated than it is today. This is often described as integrated care.

The umbrella term "integration" has many meanings, including:

- System level integration – common characteristics of these integrated systems contributing to their performance include multispecialty practice, aligned incentives, use of ICT, accountability for performance and defined populations.
- Cohort level integration – focuses on the needs of particular groups of service users, for example older people or those with specific conditions – such as integrated health and social care for older people, or disease management for those with long-term conditions.
- Service user level integration – a diverse range of approaches can be utilised to deliver improved care co-ordination for individuals and carers, these include telehealth, telecare, virtual wards, personal budgets and case management.

All three levels can include a range of teams/services/organisations involved in meeting the needs of service users including various teams within and across the health board and local authority, third sector and private sector services.

The case for integrated care is reinforced by the need to develop whole-system working to address the demands arising from an ageing population and increases in the number of people with multiple long-term conditions. The evidence of the benefits, in particular to the experience of service users and their families, seen when organisations and services work together, make a compelling case for care to be co-ordinated around the needs of people and populations. Developing integrated care means overcoming barriers between primary and secondary care, physical and mental health, and health and social care to provide the right care at the right time in the right place.

Although integrated care has been a longstanding policy aspiration of successive governments, progress has been limited and patchy, reflecting fundamental differences between the NHS and social care system in terms of:

- Funding
- Governance
- Accountability.

Co-terminosity: Powys Teaching Health Board and Powys County Council are the only health board and local authority that is co-terminous. Within Powys there is political will to maximise co-terminosity and desire to witness delivery of integrated services. The importance of the population served by both PTHB and PCC being the same should not be underestimated. Having a 1:1 relationship between health board and local authority, with the same population served by both, makes integration of services less complex than in situations with multiple partners with differing populations to serve. The shared population of both organisations has signalled its desire for joined up public services.

Powys One Plan: Through the vision set by Powys Local Service Board in the Powys One Plan to drive for integrated service change in the County, there have been improvements to services in Powys, particularly in relation to children's services

through the Children and Young People's Partnership and for older people. There has also been strong collaboration in developing shared support functions.

Existing Section 33 agreements: Powys THB and Powys County Council have in place an over-arching Section 33 agreement through which the organisations manage joint arrangements for IT services, reablement services, the Glan Irfon Integrated Health and Social Care project, joint equipment and substance misuse services. Both organisations are fully committed at Board and Cabinet level to further integration as set out in the unique Powys response to the Commission on Public Service Governance and Delivery, published in Jan 2014 and outlined the opportunities for further integration in an Expression of Interest paper submitted to Welsh Government in November 2014.

Current Integration Plan: In June 2015, Powys THB and PCC's Joint Management Team agreed to prioritise two key work streams as part of the 2015/16 Integration Plan:

1. Implementing "One Place" approach to integrated services for Older People. It is anticipated that by bringing together health and social care through shared processes, information and co-location opportunities for individuals to be supported at home will be maximised. This project will develop integrated pathways and, through developing a detailed understanding of the locality population, inform the operational structures required. Two early implementers (one in South Powys and one in North Powys) have been selected.
2. Developing a single organisational development approach - including a joint leadership and management framework; team working and joint scrutiny and governance. This also includes the development of a Joint Management Team and revised Joint Partnership Board.

Expectations of WG Policy and new legislation: Much of current WG policy and legislative framework expects health and social care organisations to plan and commission services together based on the needs of the population. This is particularly so for:

- Older people's services
- Services for people with a learning disability
- Support and services for carers
- Services for people with mental and emotional health needs.

In particular the Social Services and Wellbeing (Wales) Act 2014 significantly drives forward the potential for integration with Ministerial powers to direct organisations to pool resources in order to improve services for the population.

Regulator/Inspectorate expectations: Powys County Council's social care have been reviewed by the Inspectorate (Care and Social Services Inspectorate for Wales). CSSIW stress the need to modernise adult care services, with strong assertion that services can only truly modernise if they are integrated. To date, changes have been made with varying levels of success. It is important to note that integrated work such as the Glan Irfon development, involved both CSSIW and

Healthcare Inspectorate Wales, demonstrating a more joined up approach to regulation and inspection.

2.0 FIVE CASE MODEL

Optimising public value is the primary aim of public sector spending. The Better Business Case approach, using the Five Case Model, is the Welsh Government's best practice for planning and cost justifying spending proposals and enabling effective business decisions. The Five Case Model provides the framework and tools to enable effective decision making when scoping and planning spending proposals in a robust and thorough manner and can be used at the strategy level, the programme level and individual project level. The investment proposal for accelerated integration across health and social care in Powys is therefore presented in this format.

The Five Case Model requires consideration of:

1. The **strategic case** – strategic fit and clear investment objectives;
2. The **economic case** – optimising value for money;
3. The **commercial case** – attractiveness to the market and procurement arrangements;
4. The **financial case** – affordability;
5. The **management case** – deliverability and plans for delivery.

Each of these sections will be considered in the following pages, with considerable focus on the strategic case for accelerated integration across health and social care in Powys to aid PTHB Board and PCC Cabinet in determining their decision to proceed with detailed assessment work on accelerated integration.

Whilst the Five Case Model is utilised here, it is important to note that the service user experience and a wish to enhance it are key drivers.

At this stage, the Five Case Model is presented at a high and summary level. Should the Board and Cabinet endorse the proposal to undertake the detailed assessment work a more in-depth case would be brought forward for consideration and decision. This summary therefore also seeks to highlight the aspects of specific and detailed work that would be undertaken.

2.1 STRATEGIC CASE

2.1.1 National

There are a significant number of key national drivers for integration across health and social care, some of which include legislation, including:

- Social Services and Wellbeing (Wales) Act (2014)
- The Welsh Government Strategy 'Together for Health' (2012)
- The Welsh Government Prudent Healthcare principles (2012)
- The Primary Care Plan (2014)
- Devolution, Democracy and Delivery, Welsh Government (2014)
- The Welsh Government Outcomes Framework (2014)

- Working Differently, Working Together, (Workforce and OD framework that supports Together for Health) (2012)
- Commission on Public Service Governance and Delivery (2014) (Williams Commission)
- Wellbeing of Future Generations Act (2014)
- The Strategy for Older People in Wales; Living Longer, Ageing Well (2013-2023)
- Framework for Delivering Integrated Health and Social Care for Older People with Complex Needs (2014)
- A Decade of Austerity in Wales. The funding pressures facing the NHS in Wales to 2015/26 (June 2014)

The Commission on Public Service Governance and Delivery published in January 2014 made specific reference to Powys suggesting closer working and potential merger. *Devolution, Democracy and Delivery* (the Welsh Government response to the Williams Commission report in 2014) agreed with the assessment of the acute geographic and demographic delivery challenges in Powys. WG provided a commitment to work with PTHB and PCC to explore the scope for greater strategic and front line integration between PTHB and PCC; evaluate the possible merger of the two organisations in the longer term. Recently Welsh Government has been supporting conversations regarding integration rather than merger which would add further cost, delay and complexity to integrated service delivery.

The THB works closely with a wide range of stakeholders including local authorities, neighbouring providers and commissioners of health services within Wales and across the border, third sector, the independent sector, other public bodies, academic partners, the Community Health Council, volunteers and not least service users and carers. Working in partnership supports the Health Board and Powys County Council to deliver with partners the six statutory well being goals contained within the Well-Being of Future Generations (Wales) Act:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language.

The Act also highlights governance principles that underpin the development of our strategy as a Health Board and Powys County Council with partner bodies:

- Long term thinking – public bodies should seek to consider the likely effect over a 25 year period
- An integrated approach – how well-being objectives impact upon each other and in turn on the objectives of other public bodies
- Preventative action – deploying resources now in order to prevent problems occurring or getting worse
- Collaboration – acting collaboratively with other bodies to assist in the achievements of the objectives of all

- Engagement – involving the people and communities whose well-being is being considered and engaging them and others in finding sustainable solutions.

The Social Services and Wellbeing (Wales) Act 2014, coming into force on 6th April 2016, creates a new legislative framework that brings together and modernises the law governing social care and aspects of healthcare in Wales. It aims to improve well-being outcomes for people with care and support needs, through better co-ordination and enhanced partnership working by public authorities. In many respects, the Act shares similarities with the principles of prudent healthcare. The challenge in social care, as in health, is to develop substantial models of service in terms of financial and workforce resources, which help effectively manage demand and are fair for all. Fundamentally, the Act seeks to promote integration across health and social care to the greatest possible extent. The Minister for Health and Social Services recently published the outcome of Regulation 9 (Cooperation and Partnerships) indicating that under the Act Powys would be seen as a region in its own right (as opposed to being placed in the Mid and West Wales region as has been the case over the last 2 years).

2.1.2 Local

Within Powys the key drivers for integration include:

- The themes of the single integrated plan for Powys (2013), the Powys One Plan: Yn Un (2011, 2014-17);
- Powys THB Integrated Medium Three Year Plan 2014-2017;
- PCC medium term financial strategy;
- Hearts and Minds: Together for Mental Health in Powys (2012) – a mental health strategy for Powys
- The Mid-Wales Study (2014);
- Improvements required as set out within the THB's Annual Quality Statement;
- The Demand and Capacity Report commissioned by the Health Board and received in December 2014.
- Director of Social Services report (2014-2015)

The One Powys Plan 2014-17 outlines the strategic priorities for multi-agency working to support and respond to clearly evidence the local needs of communities in Powys. The reduction in funding available and other government policy changes are leading to a fundamental change in methods of commissioning and the delivery of local services. To achieve the vision of "Strong Communities in the Green Heart of Wales" One Powys Plan (2014-2017) is focused on 5 strategic change programmes.

- Integrated Health and Adult Social Care
- Transforming Learning and Skills
- Children, Young People and Families
- Stronger, safer and economically viable communities
- Organisational and Partnership Development.

The Integrated Medium Term Plan sets out the THB's approach to planning and delivery of services for the residents of Powys for the three year period 2015-18. The

plan is designed around the vision set out by the Board to deliver "truly integrated care centred on the needs of the individual" through six inter-related aims:

- Improving Health and Wellbeing;
- Ensuring the Right Access;
- Striving for Excellence;
- Involving the People of Powys;
- Making Every Pound Count;
- Always with our staff.

2.2 PTHB Transformation Programme

Powys Teaching Health Board has established a Transformation Programme; an internal programme to the Health Board, focused on strengthening primary and community health services in Powys to deliver sustainable services which provide value for money for our population and for future generations. The Transformation Programme is being managed through four core programmes and is:

- Developing our strategic delivery model for how future services will be provided;
- Strengthening our commissioning arrangements;
- Developing and reforming current provided services;
- Bringing adult mental health services management arrangements back into Powys to enable greater integration.

Currently, Powys County Council transformational activity is managed and reported through the Powys One Plan arrangements. Two different structures and governance arrangements for transformational activity in PTHB and PCC are in place. The layers of governance therefore require review combined with the requirements set out in part 9 of the Social Services and Wellbeing Act 2014 to ensure readiness for implementation of the act in April2016, which will be undertaken jointly by PCC and PTHB in the coming weeks. It is expected that the reconstituted Joint Partnership Board will provide oversight and leadership of the integration of health and social care.

2.2.1 Strategic Delivery Model Programme

Discussions regarding the future and development of health services invariably involve social care. The health and care service continuum utilised by service users has multiple interactions, interdependencies and a high proportion of service users in common. The clear steer from PTHB Clinical Reference Group in September 2015 was that the scope of the SDM Programme should be revised to include health and social care. There was support for the stance of the Clinical Reference Group when considered by the SDM Programme Board, which agreed the scope of the SDM programme should be adjusted to: health and care, all age. There are significant opportunities to develop truly integrated approaches across health, social care and housing elements for the longer term.

2.3 Existing arrangements in Powys

The establishment of Powys Health and Adult Social Care Integrated Leadership Board has strengthened the joint working which has already taken place between the

health board and social care for many years. During 2014/15 the multidisciplinary learning disabilities team was further developed: senior practitioners; adult social workers; community nurses; occupational therapists; clinical psychologist; and speech and language therapist are now based under one roof.

PCC is moving towards the business intelligence model. Real time data is available for children's services. Real time enables team managers to readily access and review performance. Heads of Service and senior managers use the information to report on a quarterly basis to elected members.

Social care staff are accommodated in a range buildings across Powys. There are examples of small, stand-alone units but the majority of staff are housed in mixed accommodation alongside local authority colleagues. In Builth Wells, social care staff are able to access the open plan office accommodation alongside community nursing and specialist nurse colleagues. This enables discussion and learning across professions and has been cited as a distinct advantage of the multidisciplinary office accommodation provided in Glan Irfon Health and Social Care centre. An assessment of accommodation issues (including the current approach to property leases/maintenance, locations of staff accommodation and where clients seen, due diligence assessment of property) will need to be undertaken during phase 1.

PCC has an internal system to manage validation of post-holders registered with the Care Council for Wales, which is required every three years. Occupational therapists, registered managers for domiciliary care, registered managers for fostering and adoption also must maintain professional registration, as must all social workers across the workforce in both adult social care and children's services. Residential children's workers have a code of practice to which they must adhere. Within health nurses, therapists (physiotherapists, dieticians, occupational therapists, speech and language therapists, podiatrists, audiologists, radiologists) and medical staff must maintain registration with their relevant professional body, including revalidation as required. Both PTHB and PCC operate internal systems to manage validation and there may be an opportunity to create a single validation system for Powys through integration of health and social care. Professional registration is an area of high importance and will be explored in the detailed phase of work during 2016, and any live professional or regulatory issues will be highlighted at this point.

There is a prescribed, national approach for managing claims against social care. Within the Welsh NHS "Putting Things Right" prescribes the approach required for managing concerns, complaints, and claims. As part of the detailed assessment an understanding will need to be gained of how the two separate, prescribed systems could be managed in parallel.

There are a large number of service and professional policies operated by PTHB and PCC. The implications of a change of management arrangements for social care on these would need to be understood as part of the detailed assessment.

Planning and implementation for the Community Care Information Solution (CCIS) is underway, in advance of launch in June 2017. This system will enable staff to access a single service user record. Data gathered through CCIS will also inform the joint strategic needs assessment.

2.4 Experience of integration elsewhere

"The world, as we have created it, is a process of our thinking. It cannot be changed without changing our thinking." Albert Einstein

Key messages:

- Focus on strong collective vision and patient/citizen outcomes;
- Stability of leadership and constancy of message;
- Work on organisational development – at all levels (noting the Canterbury experiences);
- Some evidence of cost avoidance by better coordination of services and reduction in duplication;
- Evidence that a bottom-up approach leads to pockets of integration led by key innovators/supporters – results in patchy integration;
- In hindsight many areas took too long to integrate – could have gone further and faster.

Effective partnership structures can support the development and rapid implementation of integrated service models drawing on resources and expertise from across the system. The critical ingredients in building a sense of shared accountability across the system include:

- A shared vision and strategy for integrated care;
- A governance structure that makes it clear which organisations are accountable for each aspect of delivery;
- Agreeing system-wide metrics for defining success, and monitoring performance against these regularly.

A key enabler is an emphasis on changes being "from within". By drawing on the intrinsic motivation of people working in health and social care and tapping into professional pride there is an opportunity to add to the evidence base highlighting the positive relationship between staff engagement and organisational performance.

A desktop review of learning from integrated models elsewhere were found to closely align with the findings of the Barker Commission. Barker identified 10 key characteristics in these organisations:

1. Consistent leadership that embraces common goals and aligns activities throughout the organisation;
2. Quality and system improvement is seen as a core strategy;
3. Significant investment in developing the skills and capacity to support performance improvement;
4. Robust primary care at the centre of the system;
5. Engaging patients in their care and in the design of care;
6. Promoting professional cultures that support teamwork, continuous improvement and patient engagement;

7. More effective integration of care promoting seamless care transitions;
8. Information as a platform for guiding improvement;
9. Effective learning strategies and methods to test and scale up;
10. Providing and enabling environment to buffer short-term factors that undermine success.

The Barker Commission findings are reinforced by those of:

- Cameron, Lark, Bostock and Coomber (2015);
- The Welsh Government realistic evaluation of integrated Health and Social Care (2013);
- Lessons from Total Place (2015);
- Quinton (2015).

3.0 ECONOMIC CASE

The Health Board has an approved three year IMTP (2015/6-2017/8) which sets out the service, workforce and corresponding financial consequences for the period. The plan assumes significant levels of transformation and efficiency in delivery of services in order to live within the allocation levels assumed from Welsh Government. In doing so, the health board has set a savings programme of £15.5m over the 3 year period (2% per year) in order to stand still. There is no scope built into the plan for the management of additional services with financial burdens, to do so would need to be self financing (through funding and other deliverable efficiency measures) in order to ensure continued financial viability of the health board.

The Council is now in a strategic financial planning situation that sees year on year reductions in its funding as part of the UK Government's fiscal management approach. This is further compounded by a reduction in its population and an increase in demand from areas such as Adult Services. Whilst the funding reductions affect all local government in Wales it is particularly challenging for Powys coming against a background of having the worst average welsh local government settlements over the last 9 years. The council's response is to look at alternative models of service delivery and at the same time refresh its financial plan to deliver savings of 20% across services over the next 3 years. The policy has been adjusted to provide an element of protection to Adult Services in 2016/17 by not seeking savings from the service but it will have to meet its own pressures such as inflation and demand for services.

PCC Cabinet expects adult social services to make a contribution to organisational savings. In the current year there is a cost reduction programme in place which seeks to reduce costs by £1.7m within adult social care. In 2016/17 the adult social services budget will be frozen. In the subsequent 2 years a saving of 5% per year is required. These savings target for adult social services are significantly lower than in other PCC service areas but do not take account of funding for cost pressures which, on the basis of new requirements; demographic growth; and complexity of care, increase the savings required to 27% over the next three years (from 2015/16).

Learning from experience elsewhere, it is evident that integration can have a significant on stemming demand for services:

- In South Warwickshire Discharge to Access was associated with a 33% reduction in length of stay, a 15% drop in new admissions to nursing homes post-discharge, and a 15% drop in mortality;
- The Canterbury health system can claim it saved patients more than a million days of waiting for treatment in just four clinical areas. Fewer people are entering care homes as more are supported in the community. A rising curve of demand for residential care has been flattened. Better, quicker care, with more of it provided without the need for a hospital visit, is being delivered. A health system that in 2007 was almost NZ$17m in deficit on a turnover of just under $1.2bn was in 2010/11 on track to make an $8m surplus;
- The Canterbury case study makes a strong case that without the drive since 2007 to transform the way health and social care systems function the main hospital would have required many more beds and much larger capital investment to meet future demand;
- Experience in South Lanarkshire demonstrates integrated care limits growth rather than taking costs out;
- The King's Fund cite how the demand curve for services can be flattened through integration.

A detailed assessment of the potential economic impact of accelerated integration across health and social care is required as part of phase 1.

Based on an enhanced understanding of the economic impact of integration a detailed option appraisal will be undertaken which will enable PTHB Board and PCC Cabinet to determine the most suitable option for delivering integration across health and social care in Powys.

4.0 MANAGEMENT CASE

The Kings Fund cite how bottom-up integration can be slow and patchy – it is suggested that a more ambitious approach would be suitable. The constancy of senior leadership and course is deemed important but collective leadership at multiple levels is critical. Evidence suggests that professional, organisational and financial silos hamper progress. Integration takes time but there is potential to speed up. Organisational restructuring is considered a risk. Staff engagement and building on the workforce's intrinsic motivation is a key enabler.

In Sheffield, the Right First Time programme provided a highly effective platform for partnership working across the city, including health and social care. The strength of this relationship is supported by the fact that the partner organisations involved all cover the same geography, and the by the stability of leadership and high-level relationships in the city.

A further consideration is whether integration of health and social care takes place with services in their current format or whether an agreed level of service transformation takes place first. Whilst the detailed assessment is undertaken, PCC

has a duty to continue to deliver services and a level of service improvement and incremental change can be expected in doing so. Detailed transformational change plans have been developed by Powys County Council and implementation is ongoing. PTHB and PCC will wish to determine at the earliest opportunity during this detailed assessment a strategic approach to transformational change.

An initial review of potential benefits highlight the key benefits of integration across health and social care being:

- Seamless service user care;
- Value for money;
- Stemming growth;
- Joined up approach welcomed by staff and the people of Powys.

Key risks highlighted during an initial review include:

- Service user impact if integration does not go well;
- Need for regulatory framework and national performance requirements to catch up with integrated approach (e.g. capital, performance management of both health and social care) – how will the national interface be managed?;
- Delivery of the integration agenda will consume considerable resource, hence becoming a significant distraction to core delivery during transition;
- Assurance will be required that PCC will remain an entity beyond accelerated integration of health and social care, otherwise the benefits of integration will be outweighed by the detrimental effects of a loss of terminosity;
- Service user safety must be protected at all times through integration of services;
- Potential nervousness amongst current providers of services to PTHB and PCC regarding integration;
- Ability of the organisations to manage a complex picture – change of management arrangements for adult mental health NHS staff and local integration already underway in local integration teams alongside accelerated integration. How will organisations maximise opportunities for learning?
- Assurance will be required that both organisations will remain beyond accelerated integration of health and social care, otherwise the benefits of integration will be outweighed by the detrimental effects of a loss of terminosity. The people of Powys need organisations dedicated to the county and who can effectively manage the cross-border issues that arise from the country's geographical location.

It is argued that there is a need for both PTHB and PCC to manage more risk than is customary in order to the benefits of integration to be realised. Risks must be reasoned and clear. Key benefits and risks of accelerated integration of health and social care will be further developed during the next phase of detailed work.

5.0 COMMERCIAL CASE

The commercial case for change will be looked into as part of the detailed assessment. Areas requiring exploration and confirmation include risk sharing agreements; the legal relationship between organisations; and mechanisms for contractual management.

Elsewhere, the use of shared metrics as a way of assessing whole-system performance is a key feature of partnership working in the two areas covered by Northumbria Healthcare Foundation Trust – Northumberland and North Tyneside. In addition to 18 metrics used internally within the acute trust for measuring integrated care, eight system-wide metrics have been agreed for use across the two areas. Progress against these metrics is monitored in each area through bi-monthly integration board meetings involving commissioners, NHS providers and social care management.

Airedale also provides an examples of well-developed governance arrangements for partnership working. All local partners, including NHS organisations and the local authority, have signed up to a five-year Right Care strategy, which emphasises overcoming organisational boundaries, a more proactive approach to care, a focus on health and wellbeing as well as illness and supporting more people at home.

6.0 FINANCIAL CASE

The financial case for change developed during the detailed assessment will include:

- A description of the capital and revenue consequences of integration across health and social care;
- Identification of sources of funding and future trends in incomes/funding;
- Income and expenditure will be identified;
- Balance sheet treatment will be determined;
- Practicalities including income arrangements and authorised signatory lists/policy described;
- Future demand based upon demand modelling already undertaken.

Differences in NHS and local authority allocations (NHS 3 years, local authority 1 year) will need to be worked through and agreement reached as to how it will be managed moving forward.

Learning from Consolidated Learning from Wales stresses the importance of “one system, one budget” providing important rhetorical support for thinking and acting differently when the starting point was overlapping systems and multiple budgets.

7.0 RESOURCES AND APPROACH TO PHASE 1

7.1 Programme Management arrangements

It is proposed that all further work exploring the feasibility and detail of accelerated integration is taken forward under separate programme management arrangements. The interdependencies between the SDM programme and accelerated integration programme are evident and will need to be managed carefully. Particular attention will need to be paid to ensuring clarity of staff, stakeholder, service user and Powys population understanding of:

- The case for change in public services in Powys;
- The potential benefits of accelerated integration across health and social care;

- The logic behind investing in two parallel programmes to achieve this (SDM and accelerated integration), as well as other transformational and service improvement activity.

The programme would be managed in line with the joint programme management methodology adopted by PTHB and PCC, which is rooted in best practice and aims to provide consistency of approach across both organisations. By adhering to the joint methodology programme roles, responsibilities, requirements and outputs should be clear and readily understood across PTHB and PCC. A robust oversight mechanism, via Joint Partnership Board, will need to be agreed in order to provide PTHB Board and PCC Cabinet with assurance as to the status and progress of this high profile and wide-ranging programme.

In order to deliver integrated health and social care in the current state (with development of service model post change) it is suggested that an experienced Transformation/Programme Director, reporting to the CEOs of PTHB and PCC, and appropriate programme infrastructure would be secured. In light of the statutory responsibilities of the Director of Social Services there will be a requirement to establish a close working connection. The Transformation/Programme Director would provide leadership to this work across PTHB and PCC. In order to ensure the right calibre of applicant is attracted to the post, it is suggested that the position should be offered on a substantive basis. The post holder would be able to support joint approaches to working across PTHB and PCC beyond integration of health and social care and co-ordinate the new model of delivery for health and social care.

A table showing resource requirements is provided in section 7.2.

Back fill arrangements would be required for current employees designated to the service lead and administrative roles. Further support would need to be made available from colleagues across PTHB and PCC as required, and this more difficult to quantify.

Under the leadership of a Programme Director, work streams could be established focussed on the following areas:

- Leadership and Governance (including service improvement/transformation);
- Workforce and Organisational Development (WOD);
- Quality and Safety;
- Information and ICT;
- Finance.

Each of these work streams are described in more detail in the following pages.

7.1.1 Leadership and governance

Structures and governance accountabilities will be an area for particular attention. It is essential that the relationship between PTHB and PCC and the accountability for delivery is clear and well understood. Linked to this, the statutory and performance reporting requirements will need to be understood.

Change on the scale described in this paper would result in a considerable learning and development need to be addressed within both PTHB and PCC. Steps have already been taken to ensure mechanisms are in place to facilitate a joined up approach including the established Joint Management Team and changes to the terms of reference of the Joint Partnership Board.

Change management rules and requirements which would take precedence should integration across health and social care take place will need to be thoroughly understood and adhered to. This may require the input and advice of Powys Community Health Council, legal services and others.

In considering the change management requirements associated with integration across health and social care the work stream will also determine requirements for engaging with stakeholders (including staff, service users, stakeholder organisations and the people of Powys) and ensure robust arrangements are in place to facilitate regular and timely two-way communication. A communications and engagement plan will be developed which will describe the approach to be used and detailed activity.

It is highly likely that both PTHB and PCC will require external and legal advice throughout the process. At this stage, this is difficult to quantify and may be dependent on final agreement of the scope of services to be integrated.

The programme team will also wish to define the preferred approach to integration. Considerations could include a stage plan approach to integration to alleviate risk associated with wholesale integration approach. This would also minimise risks to service users during transition, enable lessons to be learned and then scaling up to take place.

An Equality Impact Assessment will be required in the detailed phase of work, and ongoing monitoring of impact beyond integration. This is to ensure no section of the community are disadvantaged, in accordance with the Equality Act 2010, section 149.

Current operational management structures would need to be reviewed in order to determine the most suitable arrangements for integrated health and social care (this will also be dependent on agreement of scope of services included in the changed arrangements). There may be workforce and human resource challenges in this regard which may result in potentially significant changes.

Integrated services cannot be delivered in addition to business as usual without additional resourcing or agreement to areas of work that can be suspended. Current areas of executive attention and leadership will need to be considered carefully when evaluating reprioritisation to enable discussion on integration. There is a significant risk of reputational damage to both organisations if integration is not smooth and successful.

The statutory Director of Social Services will need to ensure the requirements of Part 8 of the Social Care and Wellbeing Act are complied with to ensure accountability

and legal compliance. The Director of Social Services undertakes the role of Senior Information Risk Officer within PCC. The Director of Social Services is required to compile an annual Director's report which provides an evaluation of the effectiveness of the delivery of social services including progress on the previously agreed improvement priorities along with future improvement priorities whilst describing national, regional and local context in support of this and an evaluation of activity is undertaken.

7.1.2 Expert reference group

An external expert reference panel would be convened under the leadership governance work stream of the programme. The panel would draw together individuals representing key organisations that would interact with integrated services. Mechanisms for accessing panel members will be determined during the detailed phase of work, but could involve an initial face-to-face meeting and thereafter either videoconference or email discussions. A small allowance for costs to host an initial meeting are included in the resource section. Proposed panel members are:

- Helen Howson, Bevan Innovators;
- Robin Miller, University of Birmingham;
- Imelda Richardson, Care Services Standards Inspectorate Wales;
- Rhian Huw-Williams, Care Council for Wales;
- Wales Audit Office representative;
- The Association of Directors of Social Services Cymru.

Key roles such as Director of Primary and Community Care & Strategic Director of People along with senior manager colleagues, will be required to prioritise integration in order to facilitate a smooth transition. Backfill arrangements to enable this to occur need to be carefully considered.

The Bevan Commission has recognised the need to strengthen innovation and leadership within NHS Wales to respond to the growing demands and challenges we face in responding to these. We require different solutions, not more of the same to sustain NHS Wales in meeting the needs of local people. The Commission believes that to help us address this we must adopt a more innovative and prudent approach to healthcare, making the most of all the skills and resources we have available to us, including those of the public, patients and the third sector. Encouraging and nurturing everyone to be involved; those employed in the system as well as those using the services will be essential.

The Bevan Commission Innovators aims to help Health Boards and Trusts achieve this by identifying and capturing the enthusiasm and the passion of 'early innovators' at all levels within the NHS and in local communities. The Innovators will help to capture the passion, energy and enthusiasm that people feel for their NHS in Wales, highlighting and sharing new ways of working, whilst creating a wider social movement for change that is owned and valued by everyone. The Innovators will become agents for change within and across systems.

The Bevan Academy, a national innovation hub hosted by Swansea University aims to encourage and motivate innovative collaboration, including the Bevan Innovators,

across Wales. It will use different expertise from a range of organisations to help test out and drive new ways of thinking and prudent working in practice. The Academy will form a Hub of Hubs, building upon and bringing together existing local and regional expertise through a network of specialist Bevan Innovation Hubs across Wales. These will ensure that the intellectual, professional and practical skills available are used to best effect to support and inform better health and social care in Wales and transformative innovation. Health Boards and Trusts will be asked to consider an area in which they have a particular expertise or interest to lead and drive change sharing with others to help ensure more sustainable solutions to support better health and social care. We believe that Powys Health Board working with Powys County Council together and with other partners would be well placed to lead and drive a Bevan Innovation Hub on Integrated Care.

7.1.3 Workforce and Organisational Development (WOD)

Ensuring the workforce and organisational development factors associated with integration of health and social care are fully understood during the detailed assessment will be key to success.

There will be a requirement to identify the preferred model of employment and cost implications of change. Depending on the option selected it may be necessary to harmonise pay and conditions. This will need to be understood in the detailed phase of work. Workforce planning to suit the needs of the service model will need to be undertaken. Back office requirements (workforce systems, training delivery etc.) will need to be determined. The corporate services impact on both organisations will need to fully understood and elements associated with social care disentangled from wider organisational functions to also change management arrangements.

There will be a requirement to ensure staff are fully engaged with and supported through the integration of health and social care. This will involve developing and resourcing a staff engagement plan, managing and developing trade union relationships and implementing the mechanism for changing management arrangements.

Beyond integration there is a further risk with regard to the differing cultures in the organisations and significant organisational development resource would be required to overcome. Learning from Canterbury (New Zealand), Jonkoping County (Sweden) and Intermountain Healthcare (USA) Barker (2008) emphasises the importance of strengthening capacity and capability through the development of the workforce. To support this, long term commitments to training and development brought impressive results.

7.1.4 Quality and Safety

Ensuring continued delivery of high quality and safe services will be a primary concern for all involved in the integration of health and social services in Powys. A service due diligence exercise will be required which will include any outstanding legal cases, transference of contracts/legal agreements, development of a legacy statement and service risk management.

Also under the quality and safety work stream will be the requirement to ensure suitable and robust service user experience and incident reporting mechanisms are in place to manage integrated health and social care services.

7.1.5 Information and ICT

The existing joint ICT department, highlighted earlier in this paper, is a good starting point for understanding the potential impact of integration across health and social care, although PTHB and PCC will wish to determine any additional resource requirements in order to undertake the detailed assessment and potentially implement change.

7.1.6 Finance

Dedicated finance resource will be required to fully understand social care systems and requirements and inform the detailed assessment. The detailed assessment will inform the resource required for implementation.

The scope of integrated services will determine the level of funding to be provided for delivery of services. In order to gain a detailed understanding and assurance of sufficient finances it is suggested that, during the detailed phase of work, advisors are appointed with an understanding of social care, who could act as an intermediary between PTHB and PCC and ensure the best interests of both organisations are protected. It is thought that a level of independence in assessing finances undertaking a due diligence process would be of benefit.

An explicit agreement regarding financial arrangements is required from the outset. The due diligence process will test service demand/cost trends against indicative allocation.

7.2 Summary of resource requirements

A table summarising the anticipated minimum resource requirements for the detailed phase of work is provided below:

Work stream	**Role**	**Indicative banding (NHS Agenda for Change)**	**Cost (mid point of pay scale plus on-costs)**	**Phase**		
				1	**2**	**3**
Leadership and Governance/ Programme resourcing	Transformation/Programme Director	NHS Very Senior Manager	£156,000	1	1	0.5
	Administrative Support	Band 4	£25,582	1	1	0.5
	PTHB Service Lead	Band 8B	£66,462	1	1	1
	PCC Service Lead Older People's Integration	SM1	£73,112	1	1	1
	PCC Service Lead	SM1	£73,112	1	1	1

	LD and Mental Health					
	Policy Officer	Band 7	£92,638	2	2	0
	Business Process/Pathway Engineering	Band 7	£46,319	1	1	0
	Consultation and Communication Officer	Band 7	£46,319	1	1	0
	Programme Manager	Band 8A	£55,579	1	1	0.5
	Backfill for Locality and Directorate team members	tbc	tbc			
Workforce and Organisational Development	Programme Workforce Lead	Band 8A	£55,579	1	1	1
Quality and Safety	Programme Q&S lead	Band 8A	£55,579	1	1	0.5
Information and ICT	Tbc	tbc	tbc			
Finance	Programme Finance Lead	Band 8A	£55,579	1	1	0.5

It should be noted that this is an early indication, and will require further refinement. Additional non-programme resources may also be required in terms of colleague time and expertise from across PTHB and PCC. There is a need to ensure delivery of integration of health and social care without negatively impacting on other areas of organisational performance and service delivery through adequate programme resourcing.

If this work progresses and is a strategic priority, there will be a need to understand the impact of re-prioritising work load.

7.3 Resourcing and timescales

Indicative resourcing and timescales for the work are:

Phase of Work	**Timescale**	**Staff Resources**
Rationale for accelerated integration presented to PTHB Board and PCC Cabinet	December 2015	Existing PMO resource
Full analysis of options, including due diligence (Phase 1)	January 2016 – September 2016	£467,751.67
Prepare to Implement (Phase 2)	September 2016 – March 2017	£400,930.00
Implementation and Embedding (Phase 3)	April 2017 – March 2018	£442,424.50
	Total:	£1,311,106.17

Other non-pay costs:

Description	Activity	Estimated costs
External Expert Reference Panel	Initial meeting to be followed by virtual meetings	£5000.00
Support costs	Venue hire, travel	£2000.00
External Finance Support	Due Diligence	£50,000.00
External support	Due diligence testing	£50,000.00
Audit charges	Auditing process	£50,000.00
Legal advice	Detail regarding fee charging, Mental Health Act and other areas	£50,000.00
Engagement and consultation	Engagement and consultation regarding integration and subsequent adjustments to pathways etc.	£100,000.00
External support	Additional specific areas of work	£100,000.00

It is anticipated that resourcing will be made available by the Welsh Government to support accelerated integration of health and social care in Powys.

8.0 Conclusion

The strategic case for change in the way in which health and social care is delivered in Powys is compelling. Local and national drivers create a suitable external environment for accelerated integration across health and social care. There are issues and challenges identified through the Five Case Model approach that require further exploration, in the form of a detailed assessment, to facilitate the integration of health and social care in Powys.

Matters such as organisational governance, agreement of accountabilities and finance need to be progressively addressed as the current small scale integration spreads. PTHB and PCC have an opportunity to capitalise on the opportunity to accelerate integration and become pathfinders in Wales for truly integrated services.

Appendix 1

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