

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY 23 APRIL 2000 AT 10.00 AM**

**EXECUTIVE COMMITTEE
MONDAY 23 APRIL 2001 AT 2.15PM**

Agenda Item

No.

4

PROPOSALS FOR PARTNERSHIP WITH THE NHS IN HERTFORDSHIRE

Report of the Director of Adult Care Services

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Executive Member: Julia Price

1. Purpose of Report

To report the comments of the Health Topic Group in relation to proposals for partnership with the NHS in Hertfordshire and seek agreement to a way forward.

2. Summary

- 2.1 At its meeting on 18 December the Cabinet agreed the following proposal for consideration by the Adult Care Services Select Committee on 23 March 2001:

“That the outline proposals for the establishment of partnership arrangements between the County Council and NHS Health Authority and Trusts in Hertfordshire, as set out in the report at paragraph 3.1 (a), (b), and (c), be approved.”

The Health Topic Group has considered this proposal on behalf of the Adult Care Services Select Committee and agreed with the actions suggested as follows:

- That mental health staff and functions be transferred to the Partnership Trust;

- That County Council budgets for learning disability, mental healthy, drug and alcohol and child and adolescent mental health services should be pooled with respective budgets from the health side;
- That a Joint Commissioning Partnership Board should be established;

In addition the Health Topic Group suggested that:-

- The Joint Commissioning Partnership Board be made up in equal numbers of County Council members drawn from the Adult Care Services and Children Schools and Families Select Committees for the County Council and from the Boards of Primary Care Trusts (8:8)
- The draft constitution and partnership agreement for pooled budgets be considered by the JCPB and recommendations regarding their final form be made to Cabinet and the Executive Committee for approval.

3. Conclusions

- 3.1 The Cabinet needs to consider whether to propose to the Executive Committee the acceptance of the suggestions made by the Health Topic Group and move forward to establish the Joint Commissioning Partnership Board as soon as possible and work towards the transfer of staff and pooling of budgets. The Cabinet (and Executive Committee if still required) may wish to approve such Partnership agreements as are needed once these have been prepared and approved by the Joint Commissioning Partnership Board.

1. Background

- 1.1 The Health Act 1999 established powers for Health and Local Authorities to enter into closer partnership arrangements than has previously been permitted by legislation. The National Plan for the NHS issued in July 2000 reaffirmed the government's commitment to seeing the use of these partnership arrangements in all parts of the country and sets out a clear expectation that the powers available will be used to provide a seamless service to patients and clients.
- 1.2 There are three types of new arrangements, which can be combined where appropriate. They are:
 - pooled budgets
 - lead commissioning
 - integrated provision.
- 1.3 The Social Services and Policy Committees in April 2000 received reports outlining the proposals for using Health Act powers in Hertfordshire
- 1.4 The proposal is to use the integrated provision power to establish joint arrangements for mental health, learning disability, drug and alcohol and child and adolescent mental health services. The County Council's mental health, drug and alcohol and child and adolescent mental health services will transfer into the newly established Hertfordshire Partnership NHS Trust, which will offer integrated services on a countywide basis. For learning disability, it is proposed that specialist health services be provided from the new Partnership Trust, but that community services be integrated under the management of the County Council.
- 1.4 Alongside the establishment of integrated provision, it is proposed that the power to pool budgets for these services be used for the same set of services. This would involve the pooling of all the relevant budgets held by the County Council and the Primary Care Trusts in Hertfordshire. The pooled budgets would then be used to meet the needs of clients or patients for either health or social care but without reference back to the origin of the resources.
- 1.5 It is not proposed to use the lead commissioning powers under the Health Act, rather to establish a Joint Commissioning Partnership Board at member level, to take budgetary decisions about the pooled budgets. It is proposed that the Partnership Board would have representation in equal parts from the Health side and from the County Council side; the Health side being represented by PCT Board members.
- 1.6 The establishment of the above arrangements would involve delegation of functions from the County Council to both the Hertfordshire Partnership NHS Trust and to the Joint Commissioning Partnership Board. To underpin these delegations, the County Council needs to enter into partnership agreements with the relevant Health partners and a constitution needs to be agreed for Joint Commissioning Partnership Board.

2. Proposed Commissioning Model

- 2.1 Meeting patient/client needs without having to categorise them into health and social care parcels requires the pooling of budgets so that a single “pot” is available to meet the identified needs, regardless of whether these would traditionally have been classed as either health or social care. Effective use of a joint or pooled budget requires that commissioning should also be through a single route. This could either be via one organisation being selected as a “lead commissioner”, requiring use of Health Act flexibilities or through the use of Joint Commissioning arrangements.
- 2.2 It is proposed that a Joint Commissioning Partnership Board(JCPB) be established, made up of County Council Members, NHS Members and co-opted members. A single JCPB is suggested to deal with all four services. In the context of PCTs being the holders of commissioning budgets, there would need to be a seat on the Board for each PCT and an equal number of County Council members. Co-opted members would not have voting rights but could be represented in equal portion to the PCTs and the County Council.
- 2.3 Each of the partner organisations (PCTs and the County Council) would need formally to delegate to the Joint Commissioning Partnership Board authority to make commissioning and budget allocation decisions in relation to specified functions.
- 2.4 The JCPB would need to be supported by officers including specialist commissioning officers for each care group. Current commissioning arrangements would need to be reviewed and one option would be to create a jointly appointed commissioning team or teams.

3. Pooled Budgets

- 3.1 The underlying assumption behind the Joint Commissioning and Integrated Provision model is that budgets for the services concerned will be pooled to create a single budget for each service covering both health and social care and relating to the whole County. The establishment of truly effective joint arrangements requires the commitment of all the relevant organisations to the pooling of budgets and the use of a JCPB for commissioning. The key partners in this would be the PCTs and the County Council.
- 3.2 Resources which would be contributed to the pooled budgets would include:
 - those normally used for the services identified in the pooled budget
 - partnership grant which relates to the relevant services as long as the grant conditions are fulfilled
 - budgets for minor capital items.

Major capital investment would be dealt with through separate transfers of funding for specific projects.

- 3.3 Regardless of what contributions the Primary Care Trusts or County Council commit to the pool, the pooled resource can be used on any of the agreed services set out in the partnership arrangement. Expenditure will then be based on the needs of users, not on the level of contribution from each agency.
- 3.4 It will be necessary to determine for either all or for each of these budgets, which organisation should host the budget. The pooled fund can be hosted and managed by a statutory partner, ie the County Council, Primary Care Trusts or possibly a Health Authority. Each pooled budget should also have a pool manager, either nominated from existing staff or appointed by the partners of the pooled fund. The pool manager will be sited in the host agency. The host will provide the financial administrative systems on behalf of the partners, but will not incur any additional liabilities except those that relate to the management of the budget.
- 3.5 It would be possible to have different hosts for the different pooled budgets. One possibility is that a Primary Care Trust hosts the budget for commissioning mental health services, and drug and alcohol services and the local authority hosts the budget for learning disability services and child and adolescent mental health services. Alternatively, all pooled budgets could be hosted by one organisation.
- 3.6 It must be emphasised that the organisation hosting the budget has no greater influence over the commissioning of services than does any other partner organisation. Commissioning decisions will be made through the Joint Commissioning Partnership Board.
- 3.7 A partnership agreement will be required to establish clearly the shared aims, outcomes and targets for the pooled fund. The intention must be to enable flexibility in fulfilling the functions which are part of the pooled fund arrangement, and therefore the use of these funds. The partnership agreement will need to cover issues such as:
- Level of contributions, and how they should be determined
 - Accountability
 - Access to the fund
 - Hosting the fund
 - Charging arrangements.

4. Establishment of Integrated Provision

- 4.1 The various care group workshops which were held earlier in the year all concluded that we should be organising services around the needs of the patient/client rather than to suit traditional professional groupings. This has pointed towards the integration of service provision and supports the proposed creation of the Hertfordshire Partnership Trust.

- 4.2 Integrated provision is an opportunity to resolve some of the difficulties experienced by users and, at the same time, to increase the quality of service by allowing different professionals to work within one management structure. The proposal in Hertfordshire is to integrate provision in an NHS Trust for mental health, drug and alcohol and child and adolescent mental health services and to integrate community learning disability provision in single teams, managed through the local authority.
- 4.3 The creation of integrated provision within the Hertfordshire Partnership Trust requires the transfer of staff and delegation of functions from the County Council to the Partnership Trust. A partnership agreement will need to be put in place to support this arrangement.
- 4.4 The key issues which will have to be covered in the partnership agreement with the Hertfordshire Partnership Trust are as follows:
- i. Common principles for service provision
 - ii A definition of the role and means of service delivery of community mental health teams
 - iii The organisational structure and management arrangements
 - iv Clear accountability arrangements for both health and social care provision
 - v Arrangements for budget management within the Trust
 - vi Jointly agreed policies and procedures
 - vii Arrangements for training and staff supervision and development
 - viii Arrangements for staff transfer
 - ix Links to Adult Care Services and Children, Schools and Families Services
 - x Governance and Performance Assessment arrangements
 - xi Duration of Partnership
 - xii Arrangements for Review, Arbitration or Termination.
- 4.5 A detailed action checklist has been drawn up to ensure that all the tasks which need to be completed and all the issues on which the County Council will require assurance are covered and signed off prior to the transfer of functions and staff to the Partnership Trust. This action checklist will be used to help form the Partnership Agreement document which will be drawn up jointly between Health and Social Services and supported by legal advice.

5. Financial Implications

- 5.1 The proposals contained in this report involve the transfer of substantial sums of money into a pooled budget arrangement from April 2001. Approximately £60m of health budgets will be included in the pool. The total of current County Council budgets which would be managed through the Joint Commissioning Board, if the proposals are accepted, are as follows:

	£m
Mental Health Services	12.5
Learning Disability Services	35.8

Child and Adolescent Mental Health Services	<u>0.6</u>
TOTAL	<u>£48.9</u>

NB Budgets are shown net of client income and income from Health in respect of resettled clients.

- 5.2 The County Council may be asked to act as host to one or more of the pooled budgets, and if it does so, will be responsible for financial administration and monitoring reports in respect of the relevant pooled budgets.
- 5.3 The County Council will need to consider the arrangements for capital expenditure in relation to mental health services once the responsibility for such functions is delegated to the Hertfordshire Partnership Trust.
- 5.4 The costs of the implementation of the changes need to be met from the transitional budget of £500,000, which has been made available to Adult Care Services and Children, Schools and Families Services.