

EXECUTIVE BOARD – 20th November 2018

Subject:	Nottingham City Council suspension from within the Nottingham and Nottinghamshire Integrated Care System (ICS)
Corporate Director(s)/Director(s):	Ian Curryer, Chief Executive; Alison Michalska, Corporate Director for Children and Adults
Portfolio Holder(s):	Councillor Sam Webster, Executive Member for Adult Social Care and Health
Report author and contact details:	Colin Monckton, Director of Strategy and Policy
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision: n/a	
Wards affected: All wards	
Date of consultation with Portfolio Holder(s): 15 th October	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Integrated Care System (ICS) in Nottingham and Nottinghamshire is a national accelerator site for the integration of health and care. This was formerly called the Sustainability and Transformation Partnership (STP). The purpose of the ICS is to deliver improved Health and Social Care in an integrated manner in order to achieve an efficient and effective use of resources to meet an agreed set of priority outcomes relating to Health and Social Care.</p> <p>Social Care is therefore an integral part of achieving this and the City Council is not in full agreement with NHS partners about the way in which the ICS is being developed and would like improvements to the governance and engagement with citizens. The City Council would also like to improve the way in which the social care role can be developed within the ICS and believes that without changes, the current activity will only address transformation of health.</p> <p>At this point there are some concerns about how social care and community services in Nottingham City will receive the necessary focus and prioritisation from the ICS, therefore the City Council is suspending its formal partnership role within the ICS whilst we seek to agree the parameters of our involvement.</p> <p>The suspension is for a period of up to 6 months, and could be lifted subject to the agreement of outcomes from negotiations with partner organisations.</p>	

Exempt information: State 'None' or complete the following	
None	
Recommendation(s):	
1	The City Council suspends its role in the ICS for a period of up to 6 months, with immediate effect, and delegates responsibility to the Chief Executive to write to health partners formally to inform them of the decision
2	The City Council works with all local health partners within the ICS to agree key principles to the way in which social care in the City is taken forwards within the ICS
3	The City Council will review the position after 6 months, or before

1 REASONS FOR RECOMMENDATIONS

- 1.1 The primary reason for the recommendations is to seek to agree some changes to the way in which the ICS is going to operate and to develop for the benefit of the City and its residents.
- 1.2 The City Council would like to see changes to the governance of the ICS, to include greater levels of democratic involvement and believe there can be more robust and meaningful engagement with citizens and stakeholders.
- 1.3 The City Council would like to agree the shared adoption of key principles in line with the Nottingham City Council Plan priorities, such as the development of local jobs, training and development of local people and a preference for investment in public services, local businesses, SMEs and voluntary sector organisations.
- 1.4 The ICS should play a critical role in tackling health inequalities in our communities and, therefore, we will seek to have a stronger leadership role across the partnership to represent community health and care services for the City area, being the democratically elected body and the strongest advocate of community development in the City.
- 1.5 The funding differences between health, which receives more funding, and adult social care, where funding is unable to keep up with demand, have presented significant problems in working in partnership. The underfunding of social care, and inherent imbalance between health and care, is holding back the development of the ICS.
- 1.6 The agreement of changes is something the City Council believes will benefit the development of health and social care integration in order to better serve the needs of the population within the City and wider ICS area.
- 1.7 In moving forward with these potential changes in place, the City Council may lift its suspension from the ICS at a point within the 6 month period.
- 1.8 If that is not achieved then the City Council will review its position at the 6 month period.

2 **BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Recommendation 1: The City Council suspends its role in the ICS for a period of up to 6 months, with immediate effect, and delegates responsibility to the Chief Executive to write to health partners formally to inform them of the decision.
- 2.2 The City Council has been a part of the ICS since the outset and is in full agreement with the need to integrate and better fund social care with the range of health provision.
- 2.3 The City has greater health inequalities in comparison to much of the rest of the ICS area and as such, in order for the objectives of the ICS to be met, tackling these issues in a way tailored to the local communities is key.
- 2.4 The ICS in Nottingham and Nottinghamshire has a significant status, which not all areas have been given. Its purpose is to recognise the innovation and leadership in place locally and to enable more freedoms to act locally such that other parts of the UK can adopt methods used here where they are proven to work. However the City Council believes that the way plans are being developed is through NHS-centric methods and is running the risk of redesigning NHS services rather than remodelling the health and care system. We do not feel that decisions on services are being taken with the full involvement of all partners within the health and care system, but rather the decisions on the health and care aspects are often taken in their respective silos.
- 2.5 The City Council believes in strong public and not-for-profit delivery models for all key public services, including health and social care. However it is concerned that the ICS plans are designed to increase privatisation within health and care and would like formal assurances from the ICS that this is not the intention in Nottingham and Nottinghamshire.
- 2.6 The City Council has a number of priorities within the Council Plan that are about strengthening communities, creating local jobs and doing whatever is possible to ensure the people delivering services are representative of the communities they serve. We would like to agree similar principles within the ICS.
- 2.7 The City Council agrees with the ICS goals of trying to reduce variation in practice and increase standardisation, but in order to do so meaningful alignment of budgets is necessary across health and care. The ICS has consciously not included social care within their system control totals, rendering the inequality between health and social care funding an intractable feature of the current mechanisms.
- 2.8 The City Council agrees with the strategic changes to move away from overly bureaucratic commissioning processes to whole population level commissioning of outcomes but wants to see an approach that focuses on inequalities. It is unclear how the local integrated care partnerships will be developed and empowered to design and deliver services locally in the City, and the loss of the City CCG with its expertise on the local communities has caused a loss of identity of the City. The City Council remains the primary City public sector organisation and would like to agree ways in which to increase the representation of city needs within the ICS.

For these reasons the City Council will suspend its role in the ICS.

The statutory responsibilities for the City Council in regard to Adult Social Care, Children's Social Care and Public Health will continue and the extent of integrated working necessary to exercise those statutory responsibilities.

- 2.9 Recommendation 2: The City Council works with all local health partners within the ICS to agree key principles to the way in which social care in the City is taken forwards within the ICS
- 2.10 We would like to proactively work with partners to agree improvements to the way the social care and NHS organisations work together within the ICS and address the points raised in section 2.1 to 2.8
- 2.11 Recommendation 3: The City Council will review the position after 6 months, or before.
- 2.12 We remain committed to the integration of health and social care for the benefit of citizens within Nottingham City, and will review the suspension at the point of 6 months, or before.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 To remain fully within the ICS.

This option was rejected. The City Council has a number of issues with the way the ICS is developing and believes it is better to be open and honest about them with partners rather than proceeding with implied consent to the plans.

- 3.2 To formally notify NHS partners that the City Council does not wish to have any part in the development of the ICS in its current form and to remove our name from the partnership.

This option was rejected because we are committed to the integration of health and social care and would wish to continue to strive towards closer integration where there are benefits to citizens of doing so. We know that the ICS will continue without the local authority if we were to leave now, and we would rather seek to influence changes to the ICS before any decision was taken to leave. In the event that changes are not able to be made, and the City Council remained concerned about the way in which it is developing, then it is possible that the review of our suspension could result in us formally leaving at a later date

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 Although this decision **does not have any direct financial implications** there is the potential for it to **create material financial risks** for the organisation.

Nottingham City Council receives significant levels of funding for social care, either directly from Health or from Central Government; a majority of the funding allocated from Central Government requires collaborative or consultative working with partners to align to the grant conditions.

The potential financial risks are based on:

- a. The current level of funding, included in the Medium Term Financial Plan supporting the delivery of social care services, see **Table 1** below and
- b. The current value of social care pressures (financial and non-financial) being experienced by the Local Authority; financial values are set out in **Table 2** and
- c. The ability of the statutory officers to deliver their roles and responsibilities, which could impact on the terms and conditions of grant payments.

TABLE 1: FUNDING ANALYSIS			
	Actual 2017/18 £m	Forecast 2018/19 £m	Budget 2019/20 £m
Direct Health Funding			
Children's – Continuing Health Care (CHC)	-1.363	-1.199	-1.199
Adults – CHC	-13.349	-13.220	-14.220
Adults – CCG contribution to Better Care Fund (BCF) (pre cuts) – mandated under S75 arrangement. NCC receive c. 58% of this value.	-23.253	-22.306	-22.306
Special Education Needs – Contribution to Special Education packages	-0.132	-0.132	-0.132
Total	-38.097	-36.856	-37.856
Funding direct to LA but elements of spend undertaken in consultation/collaboration with Health			
iBCF	-8.570	-11.723	-14.564
Public Health grant	-34.723	-33.830	-32.951
Winter Funding		-1.550	
Total	-43.293	-47.103	-47.515

Table 2 below sets out the value of Social Care services for Nottingham.

TABLE 2: SOCIAL CARE MTFP		
	Adults £m	Childrens £m
2018/19		
Gross budget	140.681	55.326
Net budget	94.138	50.003
2019/20		
Demography Pressures	4.380	1.684

- 4.2 The shape of future working/partnership arrangements may need to be incorporated within the constitution.

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 It is understood that the proposal is to suspend the City Council's participation in the STP and the ICS. Neither of those are legal entities set up as a partnership or company. There is no explicit legal obligation to participate in the STP or ICS but there are numerous statutory duties which require the City Council (and its officers) to work with and integrate its services with health services. To give effect to the suspension the City Council is not legally obliged to serve a formal notice to withdraw, suspend or terminate its relationship with its health partners. However it is advised that the City Council should write to its health partners explaining the suspension, if possible include the terms on which it will end the suspension but also affirming that although it is suspending its participation in the STP and ICS it will continue to work with those partners to fulfil its legal obligations to co-operate and integrate its care services with health.
- 5.2 The STP and ICS are being delivered through governance arrangements. To suspend participation in the STP and ICS the City Council needs to suspend its participation in those governance arrangements. There are contractual arrangements between health partners and the City Council, for example through s75 agreements which are used to pool budgets and co-ordinate commissioning arrangements. However suspending participation in the STP and ICS does not mean that those arrangements should or have to be terminated or suspended.
- 5.3 The City Council has multiple points of contact with health partners. If the proposal is to suspend dealing with those partners in so far as that contact is part of the governance of the STP and ICS then notwithstanding that suspension the City Council must continue to discharge its statutory duties which means that there will be continuing relationships with health partners. For example the City Council has a statutory duty in accordance with the Health and Social Care Act 2012 to establish a Health and Wellbeing Board for its area. The Board must include representatives from the CCG. The Health and Wellbeing Board has a legal duty to ...' encourage persons who arrange for the provision of any health or social care services in that area to work in an integrated manner.' Notwithstanding the proposed suspension of the STP and ICS the City Council must continue with the Health and Wellbeing Board.
- 5.4 The Care Act 2014 places the City Council under an explicit duty to ...' exercise its functions under [the Act] with a view to ensuring the integration of care and support provision with health provision and health-related provision ...[in relation to the care and support of its citizens.] The City Council must continue to comply with that duty even though it proposes to suspend its participation in the STP and ICS.
- 5.5 The City Council must appoint the following statutory officers - Director of Adult Social Services, the Director of Public Health and the Director of Children's Services. To enable those officers to fulfil their statutory duties they must work with and attend forums with representatives from health. Those officers must discharge their statutory roles within the local care and health system. For example under the Children Act 2004 the City Council is under a duty to co-operate with health partners to improve children's well-being. The Director of Public Health has the responsibility for all of the City Council's duties to improve public health. Those named officers must continue to be able to discharge their statutory roles but it

would be permissible for them not to participate in actively promoting the STP and the ICS governance providing this does not detract from their statutory duties.

Andrew James – Team Leader, Commercial Employment and Education
24.10.2018

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

6.1 Not applicable

7 SOCIAL VALUE CONSIDERATIONS

7.1 There are no specific changes to services that result from this decision, however in regard to social value, some of the reasons why the City Council is suspending its role within the ICS are in order to try and improve the ways in which the social, economic and environmental benefits that can arise out of the mechanisms by which health and social care integration are developed. The City Council believes that improvements to the way in which health and social care integrate have huge potential for increasing social value and these will be integral to the further discussions with NHS partners on how the ICS could be taken forwards.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 The NHS belongs to the people and is there to improve our health and wellbeing, supporting us to keep mentally and physically well, to get better when we are ill and, when we cannot fully recover, to stay as well as we can to the end of our lives.
- 8.2 It works in partnership with other organisations in the interest of patients, local communities and the wider population. The NHS is committed to working jointly with other local authority services, other public sector organisations and a wide range of private and voluntary sector organisations to provide and deliver improvements in health and wellbeing.
- 8.3 The NHS is founded on a common set of principles and values that bind together the communities and people it serves – patients and public represented by the NHS constitution.
- 8.4 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making decisions relating to public health functions, we need to properly consider the NHS Constitution where applicable and take into account how it can be applied in order to commission services to improve the health of the local community.
- 8.5 The City Council intends to continue to support and abide by the Constitution in the exercise of its duties; the proposed suspension will not influence the carrying out of its statutory public health responsibilities, and towards improving health outcomes and reducing inequalities for our people and communities.

Alison Challenger, Director of Public Health, Nottingham City Council,
26.10.2018

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

(Please explain why an EIA is not necessary)

There are not any specific changes to service delivery proposed within this decision.

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 The Nottingham and Nottinghamshire Sustainability and Transformation Plan (June 2016) <http://www.stpnotts.org.uk/>

11.2 Health and Social Care Act 2012 Available at:
<http://www.legislation.gov.uk/ukpga/2012/7>

11.3 Care Act 2014 Available at: <http://www.legislation.gov.uk/ukpga/2014/23>

11.4 Children Act 2004 Available at: <https://www.legislation.gov.uk/ukpga/2004/31>