

Agenda Item No.7 (i)

DERBYSHIRE COUNTY COUNCIL

CABINET

26 October 2017

REPORT OF THE STRATEGIC DIRECTOR ADULT CARE

**SUSTAINABILITY AND TRANSFORMATION PARTNERSHIP
MEMORANDUM OF UNDERSTANDING
(Health and Communities)**

1. Purpose of the Report

To summarise the governance arrangements outlined in the Memorandum of Understanding for the Derbyshire Sustainability and Transformation Plan and agree that the Strategic Director for Adult Care, as the lead Sustainability and Transformation Partnership Board representative for Derbyshire County Council, signs the Memorandum of Understanding on behalf of the County Council in consultation with the Cabinet Member for Health and Communities.

2. Information and Analysis

In December 2015 NHS England issued planning guidance for the next five years. *Delivering the Forward View: NHS Planning Guidance 2016/17-2020/21* proposed the development of a five-year Sustainability and Transformation Plans (STP), which are focused on local areas driving the implementation of the *NHS Five Year Forward View* across the health and social care system. Throughout 2016, local organisations worked together to develop a detailed proposal, which was approved by NHS England, and this document provides a first iteration of how partners across Derbyshire would work together to develop joined up approaches to health and social care.

The STP document proposes a place-based approach and is built on partnership and collaborative approaches, whereby local communities working in conjunction with local health and social care services will develop locally tailored solutions to meet the health needs of the population.

This initial plan has now evolved to a Sustainability and Transformation Partnership, which continues to bring together representatives from across health and social care to work towards delivering the shared overarching vision and addressing the health challenges outlined in the STP document.

Organisations included in the Sustainability and Transformation Partnership footprint for Derbyshire are:

- NHS Erewash CCG
- NHS Hardwick CCG
- NHS North Derbyshire CCG
- NHS Southern Derbyshire CCG
- General Practices across Derbyshire
- Chesterfield Royal Hospital NHS Foundation Trust
- Derby Teaching Hospital NHS Foundation Trust
- Derbyshire Healthcare NHS Foundation Trust
- Derbyshire Community Health Services NHS Foundation Trust
- Derbyshire Health United Limited
- East Midlands Ambulance Service NHS Trust
- Derby City Council
- Derbyshire County Council

Burton Hospitals NHS Foundation Trust and East Staffordshire CCG are also associate members of the Derbyshire Sustainability and Transformation Partnership due to significant links and patient flows between the two areas.

In line with NHS England guidance *Next Steps on the NHS Five Year Forward View*, the Systems Leadership Group, which was initially formed to develop the STP and included senior representation from the organisations detailed above, has now been formalised into a Sustainability and Transformation Partnership Board (STP Board). This Board is now tasked with leading the implementation of key projects outlined within the STP document.

To co-ordinate this process, the STP Board has developed:

- A Memorandum of Understanding for System Governance
- A partnership statement
- A set of agreed principles
- Partnership governance arrangements and terms of reference
- Confirmation of resources to support the delivery of the STP; and
- A dispute resolution process

The suite of documents, which forms the MOU and are attached to this report for information, provide a mechanism for securing individual organisational agreement and commitment to sustained engagement with and delivery of the transformed model of care outlined in the STP. The key messages and a summary of the approach outlined in the MOU are detailed below for information.

Memorandum of Understanding

This MOU is designed to bind the parties to the common purpose of delivering a clinically, socially and financially sustainable health and care system that will

improve the health and wellbeing of the population and address inequalities. By signing the MOU Derbyshire County Council agrees to work collectively with other STP Board partners to establish an annual system plan to drive forward the necessary change.

Supporting the MOU is a governance structure for the STP Board, which for the local authority will involve representation via the Strategic Director Adult Care and the Director of Public Health. The STP Board will be responsible for co-ordinating the arrangements set out in this MOU.

Within the supporting governance structure, the local authority will also be represented on the Provider Alliance Group, which will work to deliver integrated health and social care services. A clinical and professional reference group and partnership engagement forum will also ensure that the programme delivers sustainable patient benefits and is co-produced via engagement with clinicians and the Derbyshire population respectively.

Cabinet or Governing Bodies will provide strategic oversight and formally agree any final decisions. In addition, both the Derbyshire and Derby City Health and Wellbeing Boards will provide leadership and advice to improve health and wellbeing through the development of improved and integrated health and social care services.

A dispute resolution process is outlined in the MOU should issues arise and also makes clear that any organisation may withdraw from the agreement at any time. The MOU is intended to cover the operational timeframe for the Sustainability and Transformation Partnership to at least March 2021, but may be extended.

The MOU will be reviewed at least annually to ensure that it remains fit for purpose and meets the needs of the parties who sign the document, but further amendments may take place according to prevailing circumstances. Should any significant amendments be made to the MOU and supporting documents these will be reviewed and approved by the relevant Cabinet Member at a Portfolio meeting.

In order that the system performance manages itself to achieve its objectives, Cabinet is asked to support Derbyshire County Council representatives on the STP Board to deliver and to be held to account for that delivery by the system governance arrangements outlined in the MOU.

In addition to the more practical processes outlined above, the MOU also requests that each member organisation's own strategic approach is aligned moving forward with the STP vision, therefore reducing and minimising areas of conflict. The delivery of the STP objectives should consequently be seen as the core business of each member organisation, and each organisation signed

up to the MOU will commit their resources to delivery of the STP objectives without recourse for additional resource to the local health and social care system.

Development of an accountable care system

The MOU supports NHS England's ambition that Sustainability and Transformation Partnerships begin to build accountable care systems (ACS). An ACS is a locally integrated health system where both commissioner and provider NHS organisations, often in partnership with local authorities, choose to take on clear collective responsibility for resources and supporting population health outcomes. International evidence from countries such as the USA or Spain, which have established similar Accountable Care Organisations, suggest this approach enables greater joined up and co-ordinated care to take place that improves health and wellbeing outcomes.

The MOU outlines a governance structure that will support the development of integrated strategic outcomes based commissioning model and also encourage provider collaboration to drive service transformation. Through these changes the necessary relationships, strategic alignment, organisational development and decision making forums will emerge that will potentially allow the development of an ACS during the next 18 months. However, all organisations currently involved in the Derbyshire STP acknowledge that the development of an ACS is a complex transition which requires careful management. At this stage moving to an ACS is presented in the MOU as an aspiration and a direction of travel for whole health and social care system. In light of this the MOU acknowledges that considerable further work is required before a final decision to become an ACS could be presented to constituent organisations for consideration and approval.

3. Legal Considerations

The MOU states that the arrangements will be governed by the laws of England and the courts will have exclusive jurisdiction. The MOU also makes clear that it does not, nor is it intended to give rise to legally binding commitments between the parties who sign the document. Furthermore, the MOU does not and is not intended to affect each party's individual accountability as an independent organisation. However, all organisations which sign the MOU are asked to give proper consideration to the terms set out in the document, and agree to act in good faith to meet the requirements of the MOU.

The MOU also notes that the STP Board does not have any authority to make binding decisions on behalf of the organisations. Collective decisions agreed at STP Board will require ratification by each organisation's unitary Board, Cabinet or equivalent.

4. Financial considerations

The Derbyshire STP Plan, submitted and approved by NHS England in October 2016 was asked to outline the anticipated NHS and social care funding gap for 2020/21 across the STP transformation footprint. This was agreed as £219m for the NHS and £136m for social care. However, the document goes on to state that the current focus of the plan is on addressing the NHS part of the health and care financial challenge. Furthermore, it states that Local Authority leads will continue to play a critical role in the planning and delivery of the STP as we continue to develop our joint working arrangements and ensure we exploit opportunities and mitigate risks together.

5. Social Value considerations

The STP document outlines how new approaches to health and social care will be developed that will focus on providing care and support for people at home or in their local community wherever possible. Within this approach it is likely that new services will need to be commissioned by both health and social care organisations. In line with the Public Services (Social Value) Act 2012 commissioners will need to consider how the commissioning of specific services will seek to improve the economic, social and environmental well-being of an area when they are buying services.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, environmental, health, property and transport considerations.

4. Key Decision

Yes

5. Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report?

No

6. Background Papers

- The NHS Five Year Forward View
- Delivering the Forward View: NHS Planning Guidance 2016/17-2020/21
- The Derbyshire Sustainability and Transformation Plan and supporting Outline Business Cases are available to view at

<http://www.southernderbyshireccg.nhs.uk/publications/joinedupcarederbysire/plans/>

- [Next Steps on the NHS Five Year Forward View](#)

7. OFFICER'S RECOMMENDATIONS

It is recommended that:

1. The governance arrangements outlined in the Memorandum of Understanding for the Derbyshire Sustainability and Transformation Plan is approved.
2. The Strategic Director for Adult Care, as the lead Sustainability and Transformation Partnership Board representative for Derbyshire County Council, signs the Memorandum of Understanding on behalf of the County Council following consultation with the Cabinet Member for Health and Communities.

Joy Hollister
STRATEGIC DIRECTOR
ADULT CARE

Joined Up Care Derbyshire

Derbyshire Sustainability and Transformation
Partnership (STP)

STP Governance Arrangements
(including STP Board Terms of Reference)

Derbyshire Sustainability and Transformation Partnership

Name of footprint and no:

(12) Derbyshire

Region:

Midlands and East

Nominated lead of the footprint including organisation/function:

Acting: Tracy Allen - Chief Executive, Derbyshire Community Health Services NHS Foundation Trust

Organisations within footprints:

- **NHS Erewash CCG**
- **NHS Hardwick CCG**
- **NHS North Derbyshire CCG**
- **NHS Southern Derbyshire CCG**
- **General Practices across Derbyshire**
- **Chesterfield Royal Hospital NHS Foundation Trust**
- **Derby Teaching Hospitals NHS Foundation Trust**
- **Derbyshire Healthcare NHS Foundation Trust**
- **Derbyshire Community Health Services NHS Foundation Trust**
- **DHU Health Care CIC**
- **East Midlands Ambulance Service NHS Trust**
- **Derby City Council**
- **Derbyshire County Council**
- **Burton Hospitals NHS Foundation Trust – Associate Member**
- **NHS East Staffordshire CCG – Associate Member TBC**

Overview of this document

Introduction

This document sets out the STP development and implementation governance structure which:

- Will support the development of integrated strategic outcomes based commissioning and strong provider collaboration to drive service transformation, coming together into a Derbyshire STP Board as required in the 5YFV Next Steps Delivery Plan and
- Therefore provides a structure which begins to build the necessary relationships, alignment, development and decision making forums to take forward the development of an ACS during the next 18 months.

Contents

A paper '*Delivering the STP priorities by working as an integrated system*' and the attached appendices map out the initial STP delivery structure.

The appendices describe the governance arrangements including:

- A 'Memorandum of Understanding' agreed between the constituent organisations
- Partnership Statement
- Principles
- Governance Arrangements – structure, terms of reference
- Resources
- Dispute Resolution

Specifically, within the document, it describes:

- Our constituent organisations including general practice and local government;
- The governance arrangements including the role of non-executives;
- Strategic decision making arrangements;
- The role of the STP Leader - STP Senior Responsible Officer (SRO);
- Our implementation programme structure;
- An outline of the approach to resourcing the STP implementation.

Further details of the resourcing are included in our 'Delivery Plan'.

Derbyshire Sustainability and Transformation Plan

**Delivering the STP priorities by
working as an integrated system**

Outline direction of travel

22nd June 2017

Delivering the STP priorities by working as an integrated system

Outline direction of travel

1. Introduction

Partners in the Derbyshire STP have worked collaboratively together to develop a shared future vision for a sustainable health and care system, built on foundations of local place based integrated care and a focus on managing, and improving, population health.

In the context of the national direction towards strengthening local STP governance and exploring the development of accountable care systems partners in Derbyshire have to 'unlock' the current patterns of working (organisation first, system second) and move rapidly into actually addressing the issues we have and implementing our STP priorities.

In considering this, partners have, through System Leadership Group discussions, confirmed that working towards becoming an Accountable Care System (key features outlined below) should be a goal - offering a structured approach to supporting the integrated system working that offers the best chance for the system, and all the current constituent organisations within in it, to maintain and develop a sustainable health and care system for our communities.

The development of an accountable care system (ACS) is a 'complex transition which requires careful management,.

At this stage moving to an ACS is presented as an aspiration and direction of travel for the system. All partners recognise that considerable further work is required as our system develops before a final decision to become an ACS could be presented to constituent organisations.

Of particular importance in this regard is comprehensive engagement with General Practice about how we support them to engage and influence this work to understand how an ACS would work and the

decision making around it.

This paper sets out an initial STP development and implementation governance structure which:

- Will support the development of integrated strategic outcomes based commissioning and strong provider collaboration to drive service transformation, coming together into a Derbyshire STP Board as required in the 5YFV Next Steps Delivery Plan and
- Therefore provides a structure which begins to build the necessary relationships, alignment, development and decision making forums to take forward the development of an ACS during the next 18 months.

This paper and the attached appendices maps out this initial STP 'ACS focused' delivery structure.

It has been discussed and considered by the System Leadership Group which has recommended its adoption by constituent Boards and Governing Bodies.

Delivering the STP priorities by working as an integrated system

Outline direction of travel

2. Accountable Care Systems - key features as described in the 'Next Steps on the NHS Five Year Forward View'

ACSS will be an 'evolved' version of an STP that is working as a locally integrated health system. They are systems in which NHS organisations (both commissioners and providers), often in partnership with local authorities, choose to take on clear collective responsibility for resources and population health. They provide joined up, better coordinated care. In return they get far more control and freedom over the total operations of the health system in their area; and work closely with local government and other partners to keep people healthier for longer, and out of hospital. Specifically, ACSS are STPs - or groups of organisations within an STP sub-area - that can:

- Agree an accountable performance contract with NHS England and NHS Improvement that can credibly commit to make faster improvements in the key deliverables set out in this Plan for 2017/18 and 2018/19.
- Together manage funding for their defined population, committing to shared performance goals and a financial system 'control total' across CCGs and providers. Thereby moving beyond 'click of the turnstile' tariff payments where appropriate, more assertively moderating demand growth, deploying their shared workforce and facilities, and effectively abolishing the annual transactional contractual purchaser/provider negotiations within their area.
- Create an effective collective decision making and governance structure, aligning the ongoing and continuing individual statutory accountabilities of their constituent bodies.
- Demonstrate how their provider organisations will operate on a horizontally integrated basis, whether virtually or through actual mergers, for example, having 'one hospital on several sites' through clinically networked service delivery.
- Demonstrate how they will simultaneously also operate as a vertically integrated care system, partnering with local GP practices formed into clinical

hubs serving 30,000-50,000 populations. In every case this will also mean a new relationship with local community and mental health providers as well as health and mental health providers and social services.

- Deploy (or partner with third party experts to access) rigorous and validated population health management capabilities that improve prevention, enhance patient activation and supported self- management for long term conditions, manage avoidable demand, and reduce unwarranted variation in line with the RightCare programme.
- Establish clear mechanisms by which residents within the ACS' defined local population will still be able to exercise patient choice over where they are treated for elective care, and increasingly using their personal health budgets where these are coming into operation. To support patient choice, payment is made to the third-party provider from the ACS' budget.

In return, the NHS national leadership bodies will offer ACSS:

- The ability for the local commissioners in the ACS to have delegated decision rights in respect of commissioning of primary care and specialised services.
- A devolved transformation funding package from 2018, potentially bundling together national funding for GPFV, mental health and cancer.
- A single 'one stop shop' regulatory relationship with NHS England and NHS Improvement in the form of streamlined oversight arrangements. An integrated CCG IAF and trust single oversight framework.
- The ability to redeploy attributable staff and related funding from NHS England and NHS Improvement to support the work of the ACS, as well as to free up local administrative cost from the contracting mechanism, and its reinvestment in ACS priorities.

Delivering the STP priorities by working as an integrated system

Outline direction of travel

3. Proposed Sustainability and Transformation Partnership Delivery and ACS Development Structure

3.1 Strategic commissioning function

With the advent of new care and system models, the CCGs will develop a strong strategic commissioning function in the evolving health and care system. The intention would be to do this collectively with Councils. This will be supported by a relevant governance structure. The strategic commissioner will work across Derbyshire and Derby City to take forward:

- Planning, policy and strategy – ensuring population health & assessment, create health policy, create population health frameworks & outcome measures, ensure evidence based systems and practice, manage the market including procurement and use systematic analysis including actuarial and economic analysis to support strategic commissioning direction and intentions
- Oversight & Performance – to carry out the performance management of the new system (inc. PAG), providers and Places
- Quality monitoring and assurances of new system/providers delivered services and those services that sit outside of new system
- Contract management - oversight of new models and system, including the creation of risk and reward systems, through to resource allocation
- Joint commissioning – to oversee the delivery of agreed areas of coordinated, collaborative and integrated commissioning
- System organisational form – to oversee the development of, and transition to, any agreed revisions to organisational form of commissioner and in determining provider organisational forms as system partners continue to explore the development of an ACS

3.2 Provider collaboration

Provider partners (including LAs) establish a Provider Alliance Group (PAG) to enable the integrated delivery of health and care services for the Derbyshire STP footprint, complementing statutory organisations by providing a 'system' based body for inter related provider issues to be planned, agreed and monitored.

The PAG would enable partners to work together effectively on all aspects of the STP development and implementation programme, responsible for:

- Planning and strategy – agreeing collective shaping of and responding to commissioning requirements.
- Operational performance – developing the necessary programme management arrangements to support the integration of services locally to achieve desired system (STP) outcomes. Working together to ensure system resilience and sustainability. Providing collective leadership for the health and care workforce so that staff have clarity over their positive and aligned contribution within the overall system.
- Organisation form – to review as integrated delivery develops, changes that may be required to organisation form to support the establishment of an accountable care system.

The providers would commit to working to establish:

- Clear prioritisation of a small number of cross-system transformation initiatives
- Place and Service-level leadership groups
- Named accountable leads, managerial and clinical, to lead STP areas (e.g. urgent care) on behalf of all providers

Delivering the STP priorities by working as an integrated system

Outline direction of travel

- Effective clinical leadership to deliver change
- Clearly defined project teams to drive work forward
- Dedicated (and shared) programme office and support team – that is fully integrated with all organisations so STP 'is not something separate'
- Dedicated (and shared) project management and change facilitation capacity
- A suite of clearly articulated and understood change approaches and methodologies to draw on
- Shared development and ownership of key enablers:
 - Analytics
 - IM&T
 - OD
 - Communications
 - Finance

At this stage the PAG would not have any formally delegated functions from the Boards of statutory organisations, with individual members making decisions within the scope of their own authority in tandem with other members of the group.

General practice within the Provider Alliance Group

Within the Derbyshire health and care system general practitioners have a critical central triple role as clinical system leaders, system gatekeepers/navigators and providers of the bulk of healthcare contacts. It is therefore vital that the PAG is established to reflect this and ensure the necessary GP influence and engagement over the development and delivery of integrated place based care.

This is not straightforward to achieve and will be a key issue to be urgently addressed. There is not currently an enabling governance structure to support this. It would need to reflect the primacy of our emerging local place based systems but with 18 places this requires further thought.

Delivering the STP priorities by working as an integrated system

Outline direction of travel

Handling the 'provider development' functions that currently sit within CCGs but are beyond the scope of strategic commissioning

These were identified in the CCG SOC as:

- Support the transformation of general practice
- Medicines Management within place based care
- Support the development of place based care

It is proposed that the people and resources supporting these functions would be aligned into, and under the direction of, the Provider Alliance Group, working as part of the development and delivery of integrated care.

3.3 Derbyshire STP Board

An STP Board bringing together system leaders is established to hold organisations to account for delivery of the system plan aims and outcomes.

3.4 Clinical and Professional Reference Group (CPRG)

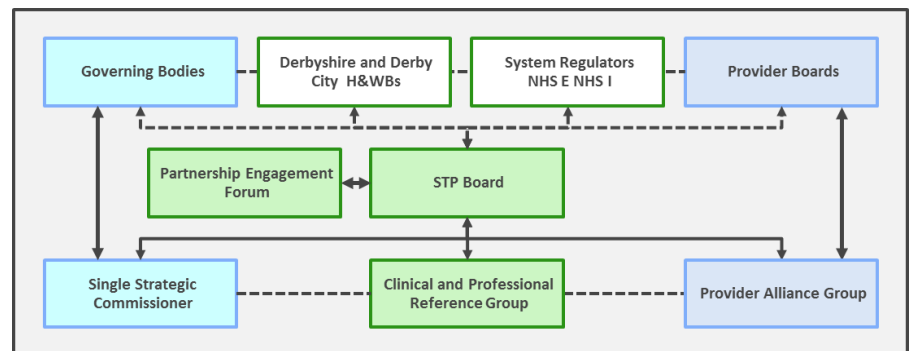
CPRG will provide senior clinical/professional leadership for STP programme, to direct, approve and assure that cross system changes deliver sustainable patient benefits.

3.5 Partnership Engagement Forum

This forum will ensure the changes are developed and delivered through effective engagement of the people of Derbyshire.

3.6 Overarching governance structure

This proposed structure is shown diagrammatically below. Further detail is provided in the Governance Arrangements in the appendix.



Delivering the STP priorities by working as an integrated system

Outline direction of travel

4. Flexibility of arrangements towards an accountable care system

This structure would support a move over time towards the establishment of an accountable care system as system capabilities and commitment developed under the strategic leadership of the STP Board, with the Provider Alliance Group able to:

- Take on formal delegated responsibilities on behalf of member statutory member organisations
- Develop shared leadership arrangements, governance and accountability
- Integration of tactical commissioning and provision for the Derbyshire population under a single capitated budget and contract accountable to strategic commissioners for achievement of pre agreed quality outcomes.

5. Recommendations

Boards and Governing Bodies are recommended to approve the proposed governance structure and to delegate authority to their CE/AO to sign up to the MoU on the organisation's behalf.

Derbyshire Sustainability and Transformation Plan

Governance Arrangements

19th June 2017

(1) Memorandum of Understanding for System Governance

Derbyshire STP memorandum of understanding for governance

This memorandum of understanding is made on **XXX**

1. Parties

The parties to this MoU are the following NHS commissioners and providers, local authorities and regulators in the Derbyshire STP footprint:

- Erewash CCG
- Hardwick CCG
- North Derbyshire CCG
- Southern Derbyshire CCG
- Derby City Council
- Derbyshire County Council
- Chesterfield Royal Hospital NHS Foundation Trust
- Derbyshire Community Health Services NHS Foundation Trust
- Derbyshire Healthcare NHS Foundation Trust
- DHU Health Care CIC
- Derby Teaching Hospitals NHS Foundation Trust
- East Midlands Ambulance Service NHS Trust
- NHS England
- NHS Improvement
- LMC
- Associate – East Staffordshire CCG [TBC]
- Associate - Burton Hospital

2. Context

- 2.1 NHS Shared Planning Guidance for 2016/17 – 2020/21 asked every local health and care system to come together to create their own Sustainability and Transformation Plan (STP) for accelerating the implementation of the Five Year Forward View (FYFV).
- 2.2 The Derbyshire footprint was identified as one of the STP footprint areas in which people and organisations will work together to develop robust plans to transform the way that health and care is planned and delivered for their populations.
- 2.3 The Parties have agreed to work together to enable transformative change and the implementation of the FYFV vision of better health and wellbeing, improved quality of care, and stronger Derbyshire System finance and efficiency.
- 2.4 The Parties have agreed and submitted their STP but agree that it is a living document that may be varied and updated from time to time.

3. Purpose and objective

- 3.1 The Purpose of this MoU is to provide a mechanism for securing the Parties' agreement and commitment to sustained engagement with and delivery of the STP to realise a transformed model of care in Derbyshire.
- 3.2 The Objective of this agreement is to bind the parties to the common purpose of delivering a clinically, socially and financially sustainable health and care system that will improve the health and wellbeing of the population and address inequalities. This requires the Parties to recognise the scale of change required and that its impact may be differential on the Parties. The partnering statement is included within Section 2.

Derbyshire STP memorandum of understanding for governance

4. Obligations

- 4.1 The Parties agree to work collectively to establish the detailed plans and organisational impacts that will achieve the Objectives and Intent. These will incorporate finance, activity and workforce as a minimum, and will be set out in an annual system plan in a format to be agreed.
- 4.2 The Parties agree that they will comply with the annual system plan that moves the system incrementally towards the Purpose and Objectives according to such pace of change as agreed by the STP Board.

5. Benefits

- 5.1 The Parties shall realise the benefits of working collectively by receiving system and regulator support to manage in-year and longer term risks as a whole system, supported by the Parties individually and collectively to the extent that no organisation is deemed to fail individually. Regulator interventions will be aligned to this benefit in order that all parts of the system can release maximum resources to deliver the intent.

6. Leadership

- 6.1 A STP Senior Responsible Officer (SRO) has been designated for the Derbyshire footprint.
- 6.2 The STP SRO's role is to:
- Lead the development of the Derbyshire Sustainability and Transformation Partnership
 - Design, lead and drive the transformation programme that underpins the delivery the STP and its aims
 - Secure the necessary resources for the STP system development and transformation programme

- Have lead accountability and be the point of contact for relevant Arms Length Bodies to secure confidence in the delivery of the STP
- Lead the development of system governance structures
- Manage the STP Development Team

- 6.3 The designated STP SRO may change from time to time in accordance with such process as may be agreed by the STP Board.

7. Duration of the MoU

- 7.1 This MoU will take effect on the date it is signed by all Parties.
- 7.2 The Parties expect the duration of the MoU to be for the period of 2016-2021 in line with the duration of the STP or otherwise until its termination in accordance with Clause 14.

8. Agreed principles

- 8.1 The Parties have agreed to work together in a constructive and open manner in accordance with the agreed principles for ways of working set out in Section 3 to achieve the Purpose and Objectives.

9. Effect of the MoU

- 9.1 This MoU does not and is not intended to give rise to legally binding commitments between the Parties.
- 9.2 The MoU does not and is not intended to affect each Party's individual accountability as an independent organisation.
- 9.3 Despite the lack of legal obligation imposed by this MoU, the Parties:
- 9.3.1 have given proper consideration to the terms set out in this MoU; and
- 9.3.2 agree to act in good faith to meet the requirements of the MoU.

Derbyshire STP memorandum of understanding for governance

10. Governance

- 10.1 The Parties have agreed to establish the STP Board to co-ordinate achievement of the Purpose and Objective.
- 10.2 The Parties have agreed Terms of Reference of STP Board in the form set out in Section 4. Terms of Reference describe arrangements for aligned decision making of the Parties which they agree is necessary to achieve the Purpose and Objective.
- 10.3 Each Party will nominate representative(s) to the STP Board as defined by the terms of reference and notify the STP SRO of his or her name and a deputy who is authorised to attend for him or her in his or her absence.
- 10.4 The Parties agree that the STP Board will be responsible for co-ordinating the arrangements set out in this MoU and providing overview and drive for the STP.
- 10.5 The STP Board will meet at least monthly or as otherwise may be required to meet the requirements of the STP.
- 10.6 The STP Board does not have any authority to make binding decisions on behalf of the Parties. Collective decisions agreed at STP Board will require ratification by each Party's unitary Board, Cabinet or equivalent.

11. Subsidiarity

- 11.1 The Parties acknowledge and respect the importance of subsidiarity.
- 11.2 The Parties agree for the need for many decisions to be made as close as possible to the people affected by them.

12. Resources

- 12.1 The Parties have agreed to commit their own resources to achieve the Purpose in accordance with the arrangements set out in Section 5.
- 12.2 The Parties have further agreed the arrangements set out in Section 5 for engaging external resource and advice.
- 12.3 The Parties have agreed to commit to develop a STP Development Team to provide dedicated cross system resources to enable the transformation as set out in Section 5.

13. Openness and transparency

- 13.1 The Parties agree that they will work openly and transparently with each other and with other stakeholders including non-executive directors, governors and councillors of the Parties and other local health and care organisations.
- 13.2 STP Board will receive plans that demonstrate each Party's compliance with their duties of public involvement to the extent that these may impact on any other party to this agreement, or be enhanced by the involvement of one or more of the Parties. If there is any ambiguity as to whether STP Board may require these plans then this should be discussed with the STP SRO.

Derbyshire STP memorandum of understanding for governance

14. Termination

14.1 Any Party may withdraw from this agreement at any time. In doing so they recognise that they will cease to benefit from any collective agreement or treatment established whilst acting under the agreement. This agreement is intended to last for the life of the STP (currently March 2021), but this collective commitment will be reviewed at least annually to ensure that it remains fit for purpose and meets the needs of the Parties. The Parties will agree whether to extend or amend this arrangement according to prevailing circumstances.

15. Dispute resolution

15.1 The Parties will attempt to resolve any dispute between them in respect of this MoU by negotiation in good faith.

15.2 Where the Parties are unable to agree, proposals for dispute resolution will be set out by the STP SRO according to the circumstances of the dispute, such that any mediation/arbitration is conducted by one or more of the Parties neutral to the dispute. The dispute resolution approach is outlined in Section 6.

16. General provisions

16.1 This MoU will be governed by the laws of England and the courts of England will have exclusive jurisdiction.

16.2 The Parties agree that this MoU may be varied only with the written agreement of all the Parties.

Acknowledgement: adapted from Devon Success Regime MOU

Signed by the parties or their duly authorised representatives on the date set out above.

Gary Thompson
AO Southern Derbyshire CCG

Rakesh Marwaha
AO Erewash CCG

Andy Gregory
AO Hardwick CCG

Steve Allinson
AO North Derbyshire CCG

Tracy Allen
CEO DCHS FT

Gavin Boyle
CEO Derby Teaching Hospitals FT

Ifti Majid
Acting CEO Derbyshire Healthcare FT

Simon Morritt
CEO CRH FT

Stephen Bateman
CEO DHU Health Care CIC

Kath Marcus
Derbyshire LMC

Andy Smith
Strategic Director of People
Derby City Council

Joy Hollister
Strategic Director
Derbyshire County Council

Richard Henderson
EMAS

TBC
NHS England

TBC
NHS Improvement

(2) Partnership Statement

Derbyshire STP memorandum of understanding for governance

Key agreements to be signed up to by organisations:

Declaration of commitment and accountability

In order that the system may performance manage itself to achieve its objectives, there is a requirement for organisations to give Board/Governing body approval for their organisations to be collectively supported to deliver and to be held to account for that delivery by the system governance arrangements. Whilst their agreement cannot be legally enforced, commitment to this level of mutual accountability is essential, particularly in advance of any challenging circumstances arising.

In order to minimise external intervention, there is considerable advantage to the system of sign-up by regulators to a system-wide plan and accountability arrangements, so that they can have confidence in the system delivering itself without their intervention. It is therefore proposed that regulators are similarly requested to sign up to a similar commitment.

The organisations therefore agree by their signature to this MoU to the following Partnership Statement:

The strategic partners in the Derbyshire Health and Social Care Economy agree that there is considerable benefit to joint working arrangements that put our patients and service users at the heart of everything we do.

We accept that the clinical and financial sustainability challenge is of a scale that will require significant change in order for these to be addressed.

Some of the changes may require any of our organisations to enact developments that whilst demonstrably improving delivery across the system, may be suboptimal to membership organisation. We commit to making such changes where these deliver the STP overall objective of clinical and financial sustainability of the system in the knowledge that none of our organisations are likely to be considered a “going concern” in a system that remains insolvent in totality. This commitment is matched by partner organisations agreeing to manage any detrimental consequences for individual member organisations affected such that this is agreed by all STP members including regulators.

We agree to provide the appropriate attendance to support the membership of the STP Board to hold each other to account to deliver our elements of the system plan, and to support and accept support from our partner organisations to achieve our objectives. We agree that this function will be exercised collectively, and by the appointed STP SRO and STP Development Team.

(3) Agreed Principles

Agreed Principles

1. The current health and care system is typically reactive and characterised by organisation and role boundaries; it must be replaced by a system that is centred on people and communities.
2. The STP is about sustainable services – not making the current organisations sustainable.
3. Both working as a system and the STP development process are complex and ambiguous. The process will identify / highlight / surface difficult issues and conflicting interests within the system. These will be addressed as a system and be driven by the interest of the people served by the system.
4. The STP will take account of existing patient flows in and out of neighbouring STP footprints. It will also take account of the demands of other footprints and regional networks and their impact on our providers.
5. It is recognised that the current governance arrangements of statutory organisations ‘lag behind’ the system governance necessary to drive transformational change, and are therefore likely to be challenged through the process. Partners involved will need to be willing to be flexible about how system governance arrangements evolve over time.
6. In addition, existing commissioning and contract arrangements are likely to need to change.
7. System leaders will support each other to address the barriers to system sustainability and transformation posed by existing governance arrangements and existing commissioning and contracting including ‘managing up’ to the regulators.
8. System leaders will challenge themselves and each other to reduce transactional bureaucracy and duplication. This will require trust between each other and their teams to ensure things are done as efficiently and effectively as possible, including ‘open book’ data sharing and transparency.
9. The STP process will challenge the way organisations across Derbyshire are currently configured.
10. The STP is not about ‘one size fits all’. Derbyshire is made up of many diverse communities. These differences will be embraced, however the outcomes of what good looks like will not vary across them.
11. Development and implementation of the STP will necessarily be through ‘learning by doing’. This is because we need to (i) better understand people’s needs; (ii) learn how we can better work together; (iii) build on where we have already made progress; (iv) consequently do more of what works and adapt what could be done better.
12. Place Based Systems of Care (Place) will be the fulcrum of our work programme; we recognise the determinants of Place will differ for some services; more specialist services will require larger populations to ensure safe effective and financially sustainable care.
13. Primary Care provision will play a key role in the design and delivery of the emergent new models of care, mechanisms to secure the involvement of non-statutory body providers must be developed.
14. All parties agree that costs may be taken out of the system, which may differentially impact on organisations. This in turn may mean higher costs in short term for individual organisations and the STP Programme will oversee this to ensure unsustainable and unplanned pressures are not created.
15. We agree that the right thing to do is to take costs out of system and therefore we will not engage in activities that primarily aim to transfer deficits.

(4) Governance Arrangements

Governance arrangements – Design Principles

“Much of what we describe has been known for some time, yet it is not applied in practice. Why? Because while it is relatively straightforward to impart knowledge about what to change, it is much harder to create the culture and enthusiasm required to deliver change, particularly when working across organisational boundaries.” *(King’s Fund 2015)*

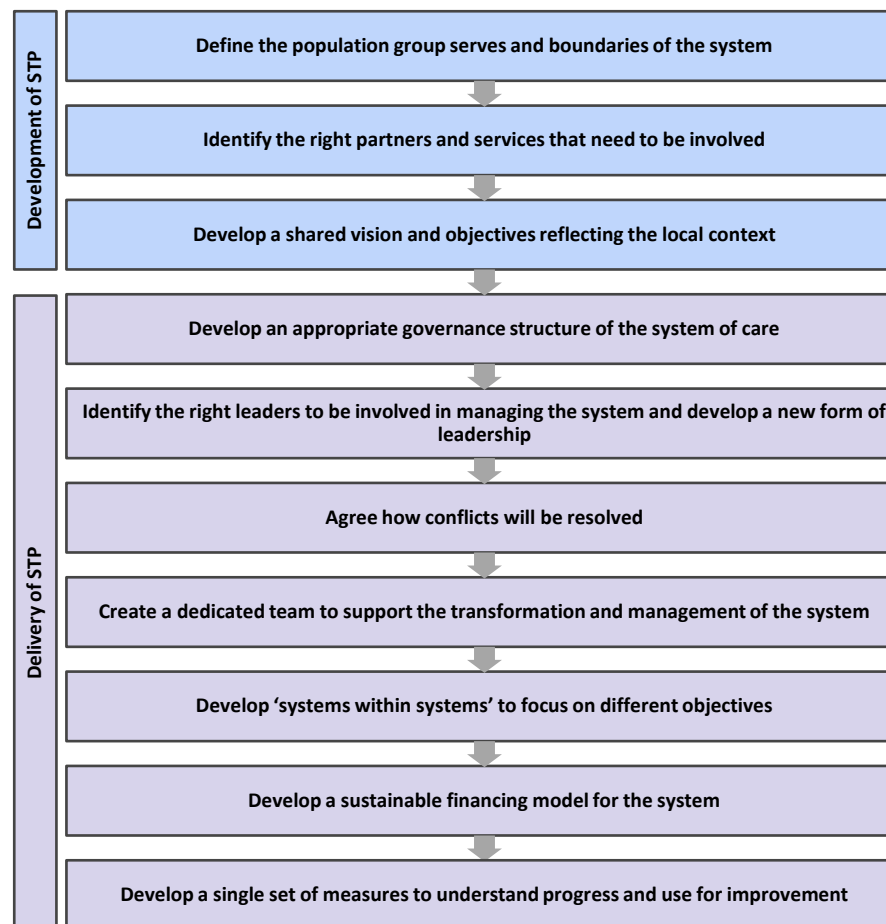
Re-shaping care across the Derbyshire footprint according to our Sustainability and Transformation Plan will only be possible if we can work together effectively as a system. This is the overriding logic not just of our priorities, but of all of the changes we propose.

Many of the initiatives within our chosen priorities are not new. However they have not been as transformational – in either care quality or financial improvement terms - as we believe they can be due to our existing system management arrangements, which drive competing organisational priorities and an inability to divert funding and investment from historical patterns of provision that do not meet the changing needs of the population.

So we need to ensure this time we put the arrangements in place to drive sustainable, embedded change. These arrangements must address past barriers to change - including lack of cross-system working, mis-aligned incentives and the predominance of organisational over system-wide or patient-centred perspectives.

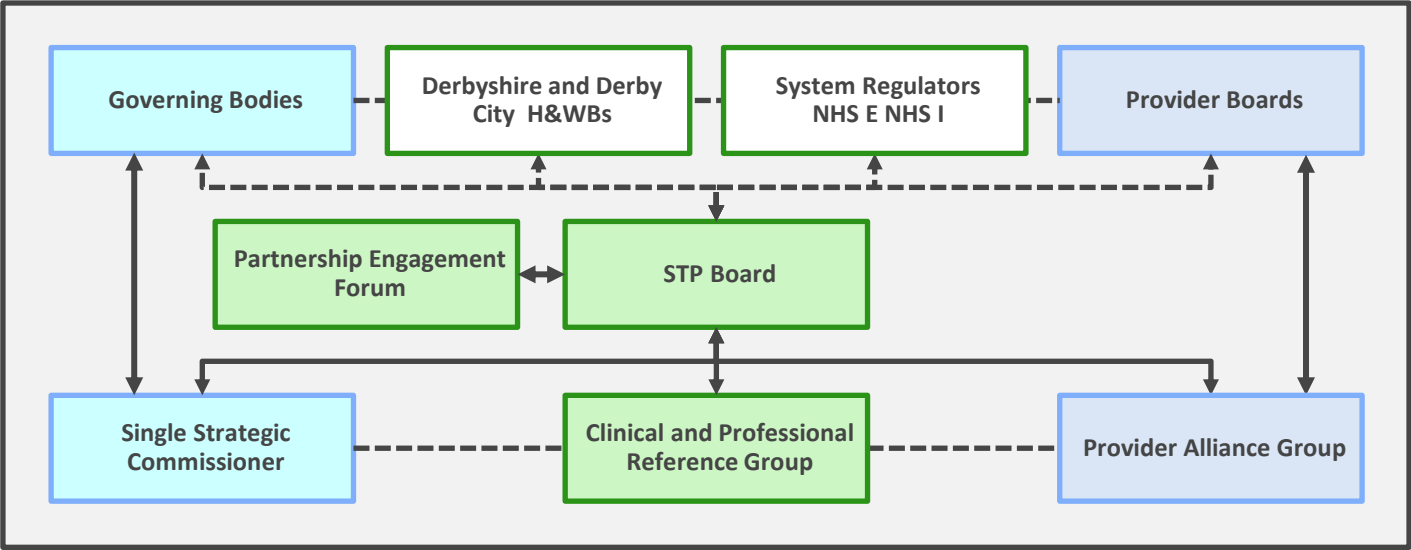
Transforming how we work together across organisations to manage the system is therefore a priority for our STP. We must make system-level working the default option – ‘business as usual’ - as an approach for managing all of the care we commission and provide.

In developing our arrangements for transforming system management, we have adopted the King’s Fund’s design principles for the development of systems of care, as well as built on the experience of the management and governance for the two previous transformation programmes in the north and the south of the county. The design principles for transforming our system management are set out below.



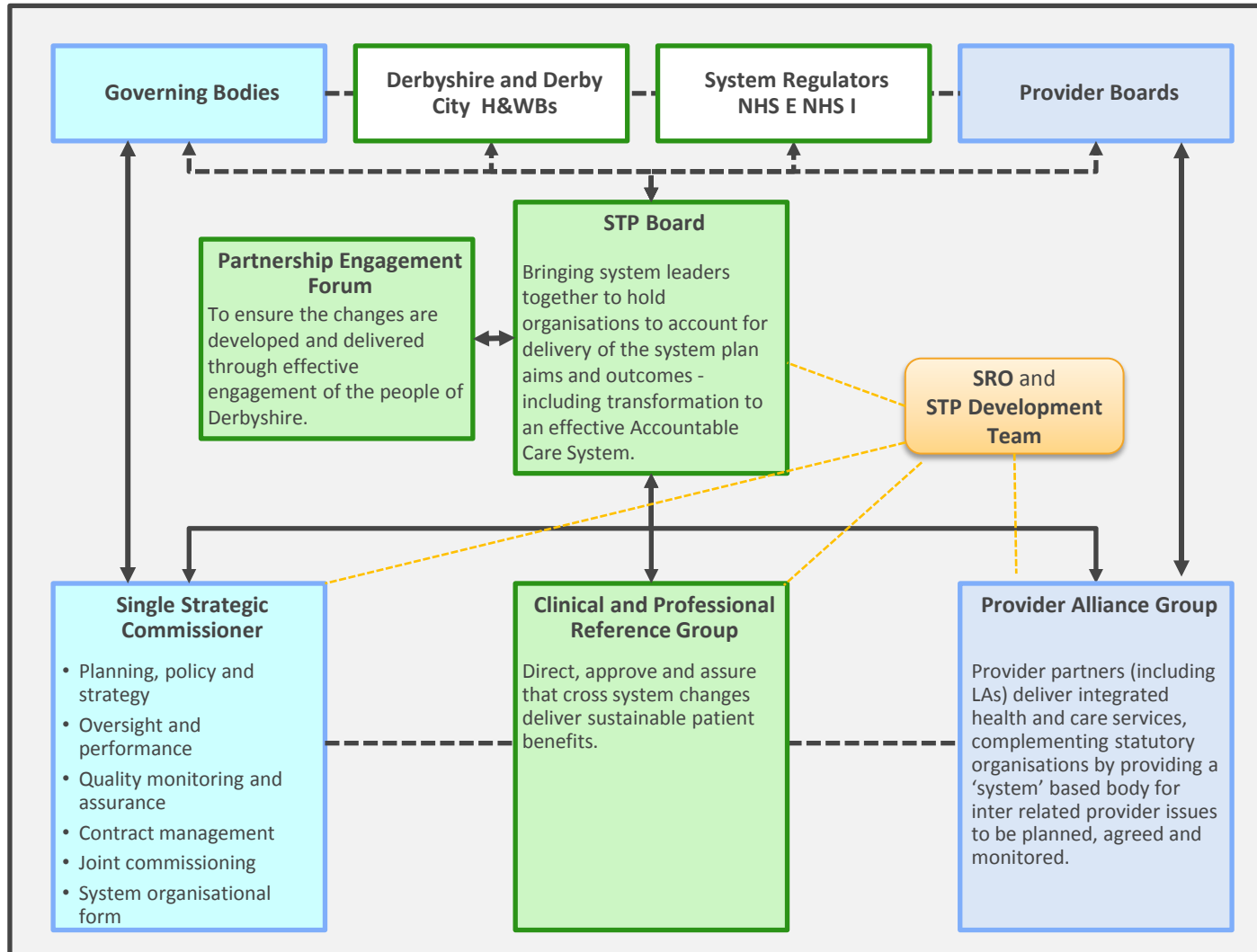
Governance arrangements – Structure

The figure below describes the relationships between the various governance elements and how they relate to existing bodies.



Governance arrangements – functions

The figure below describes the functions of the groups and enabling role of the SRO and STP Development Team and how they relate to existing bodies.



Governance arrangements – where the STP programme delivery and system development will be managed

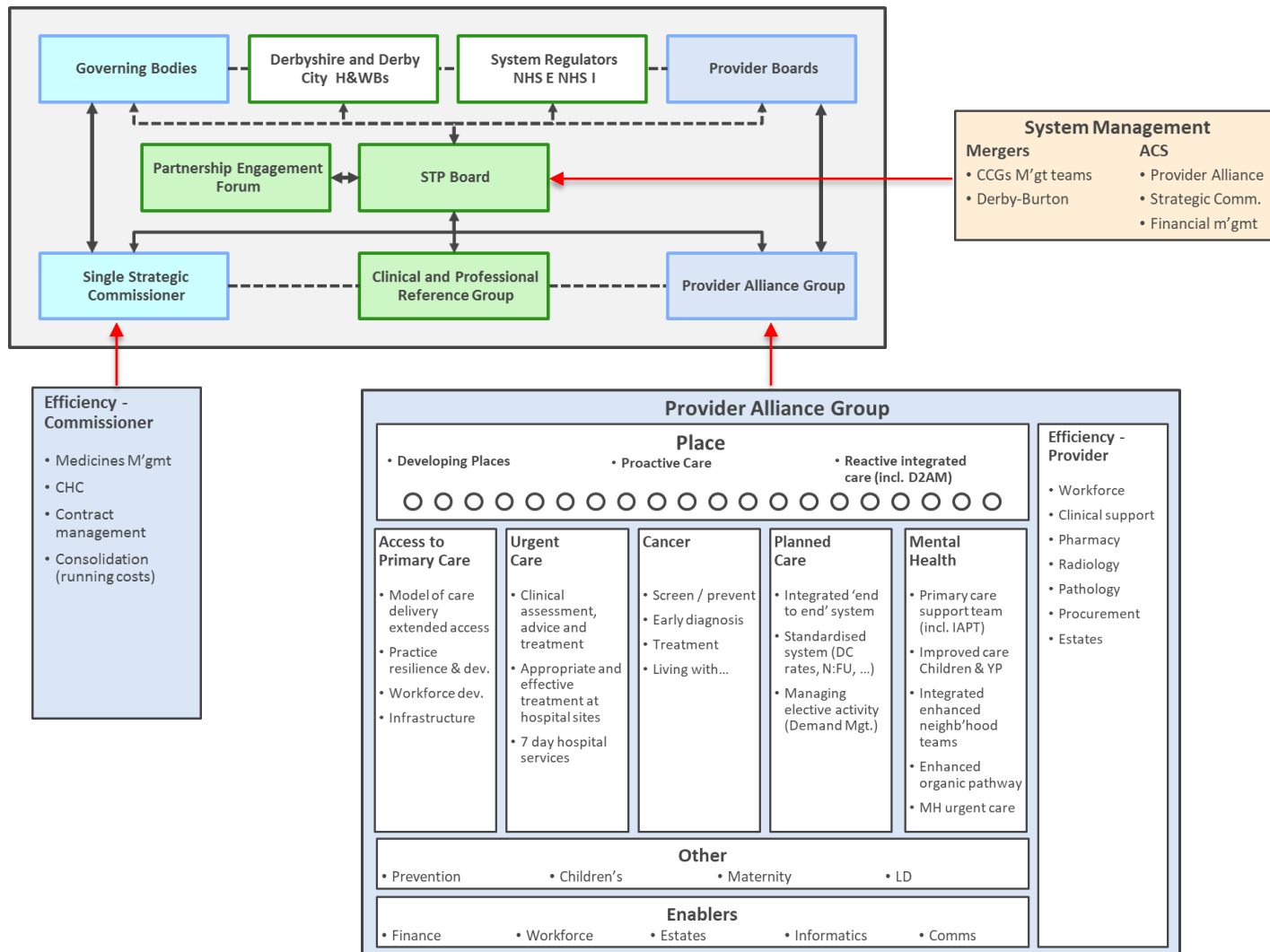
The figure below shows where the system development and implementation of the changes will be managed...

Responsibilities:

- Strategy setting
- Public accountability

- Plan setting and alignment
- Performance management
- Escalated risk mgmt.
- Assurance and QA

- Delivery and implementation workstreams
- Risk management
- All enabling activities including workforce and team development



Outline terms of reference:

STP Board

Purpose

Bringing system leaders together to hold organisations to account for delivery of the system plan aims and outcomes - including transformation to an effective Accountable Care System.

Objectives

1. To deliver a sustainable (clinically, professionally and financially) Derbyshire care system.
2. To drive the development of an Accountable Care System.
3. To empower and support health and care system to deliver place based care.
4. To have a clear and shared understanding of system performance.
5. To agree and direct strategic and tactical investment and disinvestment within the care system.
6. To hold organisations (each other) to account for delivery of the system aims and outcomes - recognising and supporting joint responsibility for cross performance.
7. To agree changes to the Sustainability and Transformation Plan (STP).
8. To agree and adjust financial management arrangements and contracts to enable cross system working.

Attendees

- STP Board Chair
- Chiefs and Chairs of Providers and Commissioners
- Directors of Adult Social Care
- GP provider (incl. LMC)
- STP SRO
- Chair of CPRG
- Director of Public Health
- NHS-E
- NHS-I

Meeting frequency and duration:

- Monthly; 3 hours.

Outline terms of reference: Provider Alliance Group (PAG)

Purpose

Provider partners (including LAs and General Practice) come together to deliver integrated health and care services, complementing statutory organisations by providing a 'system' based body for inter related provider issues to be planned, agreed and monitored.

The PAG would enable partners to work together effectively on all aspects of the STP development and implementation programme.

Objectives

1. Planning and strategy – agreeing collective shaping of and responding to commissioning requirements.
2. Operational performance – developing the necessary programme management arrangements to support the integration of services locally to achieve desired system (STP) outcomes. Working together to ensure system resilience and sustainability. Providing collective leadership for the health and care workforce so that staff have clarity over their positive and aligned contribution within the overall system.
3. Organisation form – to review as integrated delivery develops, changes that may be required to organisation form to support the establishment of an Accountable Care System.

The providers commit to working to establish:

- Clear prioritisation of a small number of cross-system transformation initiatives
- Place and Service-level leadership groups
- Named accountable leads, managerial and clinical, to lead STP areas (e.g. urgent care) on behalf of all providers
- Effective clinical leadership to deliver change
- Clearly defined project teams to drive work forward
- Dedicated (and shared) programme office and support team – that is fully integrated with all organisations so STP 'is not something separate'
- Dedicated (and shared) project management and change facilitation capacity

- A suite of clearly articulated and understood change approaches and methodologies to draw on
- Shared development and ownership of key enablers:
 - Analytics
 - IM&T
 - OD
 - Communications
 - Finance

At this stage the PAG would not have any formally delegated functions from the Boards of statutory organisations, with individual members making decisions within the scope of their own authority in tandem with other members of the group.

Membership

- PAG Chair
- STP SRO
- Provider CEOs
- Local Authority Directors of Social Care
- Director of Public Health
- Provider Primary Care leads
- Workstream SROs
- STP Programme Director

In attendance

- STP Programme Office
- Programme Leads as may be required

Meeting frequency and duration:

- Monthly (at least); 3 hours.

Outline terms of reference:

Clinical and Professional Reference Group (CPRG)

Purpose of the Clinical and Professional Reference Group (CPRG)

To direct, approve and assure that cross system changes deliver sustainable patient benefits.

Objectives

1. Provide senior clinical/professional leadership for STP programme of work, making recommendations to the STP Board.
2. Provide clinical/professional leadership and advice for the development and implementation of service changes required to deliver the system objectives.
3. Ensure clinical and professional ownership of change and support leadership behaviour across the programme. Be ambassadors for the programme and ensure there are clinical and professional care advocates for proposals in each relevant service area.
4. Approve system wide change in clinical practice with particular attention given to the key synergies and interdependencies as well as any potential system gaps as a result of those changes.
5. Oversee the quality impact assessment (QIA) and equality impact of the proposed changes.
6. Establish and co-ordinate the work of the Clinical/Professional Working Groups (where required to take forward short focussed work) to develop and finalise service models and proposals for implementation or consultation where required.
7. Provide Clinical and professional support to the communities to deliver integrated care.
8. Ensure that clinical/professional colleagues are kept informed about the work and are engaged in the work as appropriate.

Attendees

- CPRG Chair
- STP Programme Director
- CCG Clinical Chairs
- CCG DoN
- Senior Clinician / Professional from each provider organisation (typically DoN or Medical Director)
- Public Health
- Chief Clinical Information Officer

By invitation

- Programme Leads as may be required
- Programme Clinical Leads as may be required

Meeting frequency and duration

- Monthly
- 2-3 hours

Outline terms of reference: Partnership Engagement Forum

Purpose of the Partnership Engagement Forum

To ensure the changes are developed and delivered through effective engagement of the people of Derbyshire.

Objectives:

Support the ongoing development of Derbyshire's STP strategic plans:

1. Ensure that patients, carers and the public are at the centre of developing the Derbyshire STP and are shaping the future of the health and social care.
2. Provide knowledge and expertise to support the development of future of health and social care for Derbyshire and consider any synergies there may be, which could add value to the Programme.

Actively direct how we engage effectively with the people of Derbyshire:

3. Promote innovation and improvement in stakeholder engagement.
4. Act as a "critical friend" to make sure the Programmes are involving patients, carers and the people of Derbyshire in the development of health and social care.
5. Ensure protected and other 'seldom heard' groups are given appropriately tailored opportunities to shape future services.
6. Act as an advocate for the engagement work being carried out for the future of health and social care in Derbyshire through appropriate networks.

Review and highlight risk, issues that need to be addressed including escalation to the STP Board where necessary:

7. Give open and honest feedback when reviewing the Programme's work plans
8. Review (often complex) service related and / or financial information to ensure any information is easily understandable and clear before being shared with the wider public.
9. Bring any local issues that may have some bearing on the implementation of plans to the attention of the group.

10. Report to the STP Board any risks, issues and exceptions related to the Programmes.

Attendees

- Chair of PEF
- STP SRO
- STP Programme Director
- STP Head of Communications and Engagement -
- Healthwatch Derby and Derbyshire
- CCG Lay Reference Governing Body Representative
- Governor representative(s) from provider Trusts
- Youth Representative
- Carer Representative
- Mental Health Representative
- Creative sector Representative
- Education sector Representative
- Housing sector Representative
- Voluntary sector Representative from Derby and Derbyshire

By invitation

- Programme Leads may be required
- Communication STP leads may be required

Meeting frequency and duration

- Bi-Monthly
- 2-3 hours