

**DERBYSHIRE COUNTY COUNCIL
IMPROVEMENT AND SCRUTINY COMMITTEE – HEALTH**

20 MAY 2019

The Impact of the Derbyshire CCGs' Financial Recovery Plan on Service Users – Scoping and Progress Report

1. Purpose of the Report

To inform the Committee of the scope and progress of the review of the impact of the Derbyshire CCGs' Financial Recovery Plan on service users.

2. Information and Analysis

At its meeting on 4 February, this Committee resolved that it would undertake a review of the impact of the Derbyshire CCGs' Financial Recovery Plan on patients and service users. The proposed scope of the review is to ascertain what changes will be made to services across the health and social care system and how service users will be affected. The Committee Members are keen to understand how service users, including those requiring support from multi-agencies, will access services following the service reconfigurations proposed by the Financial Recovery Plan.

3. Scope of the Review

In order to allow all Members of the Committee to participate in the review and to give a structure to the research and investigations, it was agreed with the Committee Chairman that a series of meetings would be scheduled with key witnesses. These would include;

- Senior Officers of Derbyshire County Council's Adult Care Department, Policy and Research Division and Public Health.
- The Chief Operational Officers of major service providers in the county, (eg. Derbyshire Community Health Services NHS Foundation Trust)
- Patient representative groups
- The Joined-Up Care Derbyshire Place Alliance Boards
- Healthwatch Derbyshire
- Voluntary and Community Groups in respect of the services provided to support Health and Wellbeing
- Representatives of local pressure groups

This list is not exhaustive as, throughout the review process, additional witnesses may be identified as being able to provide evidence to the review. The information gathered will enable the Committee Members to continue to hold the Derbyshire CCG to account during their scrutiny of the CCGs'

Financial Recovery Plan for the forthcoming years, as detailed in the CCGs' Medium Term Financial Recovery Plan up to and including 2022/2023.

It is intended that the review will be run as a “rolling programme” in order for the Committee to react to service reconfigurations as they are reported by the Derbyshire CCGs.

4. Review Progress

Background research to help provide structure and content to the review was undertaken by the Improvement and Scrutiny Officer who supports the Committee. This work included initial meetings with;

- Healthwatch Derbyshire
- Derbyshire Voluntary Action
- The lead officer of the Joined-Up Care Derbyshire, Place Alliances initiative.
- Officers from the Derbyshire County Council Adult Care Department and the Council's Policy team.

At an initial meeting with Healthwatch Derbyshire, officers considered a number of stakeholders for inclusion in this review. It was noted that the Joined-Up Care Derbyshire “Place Alliances” initiative would be an important factor in the development of integrated community care facilities and the Committee would benefit from more detailed information in how Place Alliances were progressing.

A series of meetings for Committee Members was then planned with a number of stakeholders as follows:

4.1 County Council Adult Care and Policy – Review of Voluntary Sector Support

Members of the Committee met with officers of the Adult Care Department and Policy and Research Division to discuss the support the County Council provides to the voluntary sector.

Councillors Taylor, Grooby, Allen, Ashton and Fox met with Di Higton (Adult Care) and Rob Lowe (Policy and Research) and discussed the review that was being undertaken jointly by their Departments on the support provided to the voluntary sector by the County Council.

It was noted that, in 2018/19 the County Council allocated £3m in grants and progress of the review included;

- Letters had been sent to VCS organisations (in February 2019) advising them about the review
- An engagement process was underway – asking organisations about what they do and who else funds them
- Initial feedback was that voluntary organisations are supportive of the review and welcome the opportunity to develop a better understanding of DCC's expectations
- There was no specific deadline for the completion of the review – the project would adhere to the 12 week consultation period specified in the compact and would be completed within the year
- The review team was working to grow and maintain the good relationship the Council has with its community partners and also to build a shared understanding of the terminology e.g. what is meant by infrastructure, what is volunteer brokerage?
- The review is collating data about what the Council is funding, why it is funding it and how it fits in with the Council's priorities.
- Currently there was not a consistent approach to the allocation and management of grants and there was also potential for duplication of funding.
- The review was being supported by an officer working group which provides legal, consultation and equalities expertise.

The review is aiming for an approach that ensures;

- that the allocation of funds is in-line with the Council's priorities
- the sustainability of the VCS
- that there is sufficient flexibility to meet the specific needs of localities
- transparency and a comprehensive record of the amounts allocated (to whom and for what)
- duplication is avoided
- greater understanding of Return on Investment (RoI)
- the application procedures and management policies are proportional to the value of the fund.

The concept of grants versus contracts was also discussed, in that;

- Grants are flexible and can be used in a way that meets emerging local need. The receiving organisation is not required to deliver against specific targets.
- Contracts are more prescriptive.
- Grants and contracts can be awarded for a period greater than one year.
- Before deciding between awarding a contract or a grant the Council needs to be clear about the benefits of each approach. One aim of the review is to explore the pros and cons in order to develop council policies.

The CVS Framework

- The number of CVS organisations was queried and it was asked if 1 or 2 organisations would be more cost efficient. The response was that this is outside the remit of the review. By their very nature they are voluntary organisations free to structure themselves as they choose. It is not for the Council to impose a structure on them although if asked the Council could perhaps facilitate a restructure. Also, Derbyshire is a very large county with differing local needs. However, a consortium approach might be an option in the future.
- Bolsover CVP (Community Voluntary Partnership) had closed so currently there is no infrastructure offer in that area. The District Council tendered for a new infrastructure organisation. The specification was very prescriptive and they didn't receive any bids. They are now in the process of retendering.

Infrastructure

- As part of the review, meetings will be held with Derbyshire CCG to talk about the infrastructure offer in the county (as distinct from discretionary grant offers).
- The aim will be to align the DCC offer with the CCG offer. It is not proposed that the two offers will be combined.

Request for further information

Members requested a list showing the size and number of grant allocations and they were referred to the report submitted to Cabinet on 28 Feb 2019 for information about grants allocated by Adult Care and Policy and Research.

It was noted that grant allocations approved by Cabinet were as follows;

- Adult Care Grant Payments for Infrastructure Support and VCS Grants of £268,622
- Adult Care Grant Payments to Voluntary & Community Organisations for specific services of £686,176
- Policy and Research Grant Payments for Infrastructure Support and VCS Organisations £280,866
- Additional interim funds from the Economy, Transport and Environment Department of £27,005 to support the ongoing contractual delivery of two rural transport services in High Peak/north and south Derbyshire Dales and South Derbyshire.

The Committee Members were appreciative of the process of the review, particularly the consultation and engagement with the voluntary and community sector. The analysis of what voluntary and community sector services the Council is funding, and how this fits in with the Council's priorities, was considered to be the key element to the review and the Health Scrutiny Committee would be pleased to receive details of the outcomes of the review, once published.

Derbyshire Community Health Services (DCHS) NHS Foundation Trust

Committee Members met with William Jones (Chief Operating Officer) and Rob Steel (Head of Communications) of DCHS NHS Foundation Trust to consider the future commissioning proposals implied in the CCGs' Financial Recovery Plan, and the impact this is likely to have on the services provided by DCHS.

William Jones introduced the work of the DCHS, detailing the services the Trust delivered across Derbyshire.

As the major provider of Community Health services across Derbyshire, Derbyshire Community Health Services (DCHS) NHS Foundation Trust is commissioned to provide a number of services, delivered from over 130 outlet sites, including 11 community hospitals and over 30 health centres, and touching the lives of more than 4,000 patients every day.

With a current turnover of £190m, the Trust employs approximately 4,500 staff, making it one of the largest providers of specialist community health services in the country, serving a patient population of more than one million. In an average day the Trust;

- Attends to 150 people in Minor Injury Units
- Cares for around 200 people in Community Hospital beds, and over 2000 patients by Community Nursing teams
- Treats 530 patients in the Community Podiatry Service
- Provides Health Visitor services to over 350 children aged 0-5

The meeting went on to discuss the growing trend to provide care closer to where people live, particularly services for frail and elderly people. This is being delivered through the "Joined-Up Care Derbyshire" Programme, which is the major strategy of the Derbyshire Sustainability & Transformation Plan (STP).

2018/19 had been a very challenging year for DCHS with unprecedented service pressures and the change and uncertainty surrounding the CCG's Financial Recovery Plans. The latter had resulted in some staff leaving the Trust for employment elsewhere. However, despite these challenges, the Trust has successfully met all regulatory requirements, finished the year in financial balance and successfully delivered the "Better Care Closer to Home" programme 2 years early, demonstrating exceptional joint working with the County Council, community care centres and community support beds facilities. The shift from care given in a community bed facility to being provided by Integrated Community teams and Dementia Rapid Response Teams had affected 430 staff. Following the transition process just 1 person had been made redundant, the rest being either retained or re-deployed in the new system.

Since the establishment of a single CCG for the county and city, the commissioning structure has been much easier. DCHS has signed contracts with the CCG for

2019/20 with more collaborative “system” working than previously. The contribution of DCHS to the system includes;

- An agreed specification for District Nursing which includes an investment of £500k to facilitate equity across Derby and Chesterfield/NE Derbyshire.
- A further investment for the establishment of Wound Care Hubs which sees the removal of this service from General Practice to delivery by specialist nurses in place-based hubs. Whilst this meant that those patients who received treatment outside their home may have to travel a little further to the specialist Hub, the specialist facilities and services provided at the Hubs would lead to quicker recovery and was being welcomed by most patients.
- A more structured approach to Musculoskeletal services. Where previously there had been too many avoidable referrals to orthopaedic surgeons (which is a national challenge) DCHS has been commissioned to provide comprehensive triage, assessment and treatment as part of agreed clinical pathways, working with GPs and Acute Care providers. £1m investment had been made to provide additional staff, improving access to the right care at the right time.

In respect of the developing system for future service provision, reference was made to the following key issues;

- The establishment of 8 Place Alliances around the county, which mirrored the District Council boundaries. The Committee Members were to meet with Place Alliance representatives later in this review (see para. 4.4). DCHS is a key partner in the Place Alliances and is linked into the emerging Primary Care Networks (PCNs) within each Place Alliance area. Each PCN would serve a group of between 30,000 – 35,000 population for GP and Community Health services.
- In the south of the county, there is planned to be a ‘strategic shift’ of outpatients and day case services from DCHS to the University Hospitals Derby and Burton (UHDB).
- DCHS would be working closely with the County Council’s Public Health team to provide Children’s Services (0-19years) under a S75 agreement.
- The provision of Learning Disability Short Breaks service, details of which had been reported to the Committee previously, was still undergoing consideration by the CCG. This service was part of the national requirement to transform care, providing services in the community as much as possible. Currently LD services are provided by DCHS in the north and Derbyshire Healthcare NHS Foundation Trust in the south of the county and there needed to be a more integrated model between the two providers.
- An initial public engagement exercise by the CCG caused some uncertainty in the LD short break service and unfortunately led to a number of staff leaving the service. This had forced DCHS to reduce the number of units in the north of the county from 5 to 3. A further engagement exercise is being planned by the CCG and should take place in the coming months to determine the future of the service.

- Minor Injury Units (MIUs) were to become Urgent Treatment Centres as part of the development of the Urgent Care Strategy and this could see a change in the way emergency care is provided in coming years.

The Financial Situation of DCHS

The following points were discussed in respect of the financial situation of DCHS;

- There is a significant capital funding programme of almost £14m this year which includes the ongoing estate developments at Bakewell, Belper and Buxton and improvements to infrastructure and equipment.
- DCHS has to generate £6m of recurring savings to meet its budget requirements for NHS England's Cost Improvement Programme (CIP). This is being achieved mainly through back office efficiencies rather than reductions to services.
- These plans do not detract from the major financial challenges faced by DCHS and its partners collectively as a health and care system but they help ensure that DCHS maximises its contribution towards transforming care and improving outcomes and experiences for Derbyshire people.
- Committee Members asked if there was a potential deficit anticipated by DCHS as the CCG's Financial Recovery Plan progresses over the next 4 years. It was noted that this depended on the CCG's future commissioning arrangements, however, DCHS has budgetary contingencies which will help address future challenges over the coming years.
- Further detail was provided in that, of a total annual income of £190m, £140m came from contracts with the CCG. Of this, around one third of this contracted income is costed and charged for under tariffs which are set nationally. The remaining income from the CCG is based on historical block allocations agreed between the CCG and DCHS.
- The Derbyshire CCG officers, on attending previous meetings of the Health Scrutiny Committee, had made reference to some contracted services being charged for twice by DCHS and the Committee Members asked for clarification of this claim from the point of view of DCHS. It was noted that, when patients went through the whole health system (eg Ambulance Service to A&E, then Acute Care with discharge to Community beds followed by care at home by Community Health teams) the CCG would pay for each element separately. This was a cumbersome mechanism, sometimes leading to misunderstanding over particular elements of care and how they were paid for. The Derbyshire STP should draw this into a one-system accounting "pot", hence simplifying the process and making it more transparent.

The Committee Members were pleased to learn that, for 2019/20 and future years, DCHS and the other NHS Trusts providing services commissioned by the CCG had formed a committee with the CCG to address the savings required under the Financial Recovery Plan. Working together in this way would help enormously in meeting the financial targets over the coming years.

4.3 Voluntary Groups

In the Derbyshire CCGs' Financial Recovery Plan 2018/19, reductions were made to the financial support provided by the CCGs to local voluntary organisations. Voluntary and community groups provide a wide range of services which enhance the health and wellbeing of local people and help prevent the need for people to access statutory health and social care services. The Committee Members appreciate the value of voluntary and community organisations' support, particularly to vulnerable people, the elderly and very young, and had expressed their own concerns during Committee meetings attended by the CCGs' representatives.

Following a meeting with Derbyshire Voluntary Action, a number of groups were identified to meet with Members and discuss the impact of the reduction in CCG funding on their groups, volunteers and clients. Meetings are being arranged over the next few weeks and will form part of the next progress report.

4.4 Joined Up Care Derbyshire – Place Alliance Boards

The Joined-Up Care Derbyshire programme, which is a partnership of statutory service providers including NHS Commissioners, the County Council and Derby City Council, has developed a "Place Alliance" initiative across the county.

"Place" involves commissioners, community service providers, local authorities, primary care, the voluntary and community sector and the public working together to meet the health and wellbeing needs of local people. The principal behind Place is the promotion of healthy choices, healthy environments and resilient communities. Healthier individuals and communities will need less support from health and care services.

The Place initiative is developing an understanding of what people and their communities need to stay well and identifying what already works. Once established, the focus will be on making sure that resources are available to support people's wellbeing, which stretch beyond the ability to access a hospital, see a GP or receive care in a community bed.

Due to the size of Derbyshire and Derby City, which together have a population of over a million, the county has been broken down into eight Place Alliance areas. These are located in High Peak, Chesterfield, Bolsover and North East Derbyshire, Amber Valley, Derbyshire Dales, Erewash, South Derbyshire and Derby City. These were agreed by the Joined-Up Care Derbyshire Board following engagement with partners and members which included clinicians, council members, the voluntary

sector, and other people from across the county. Place Alliances have a group of key-decision makers from health and care organisations and public and patients. Each Place Alliance has a Place Board which sets the Alliance's framework. The Boards are responsible for using available resources to ensure there are equitable services for all people living and working in Derbyshire.

Members noted that the development of the Place initiative relied on a robust local voluntary sector to provide a support network and help keep people from having to access statutory health and social care services before they needed to.

Place Alliance Boards are currently focussed on support for frail and elderly people as these are the cohort that most often experiences repeat admissions to hospital.

To understand more about the work of Place Alliances, and the progress made to date, Committee Members will be meeting with some of the Place Alliance Boards during this review.

4.5 Local pressure groups

The Health Scrutiny Committee meetings are regularly attended by a number of local people who contribute to the discussions through the submission of public questions. These go through a formal process set out in meeting agendas. The Committee Members have identified that there is considerable concern expressed by members of the public in respect of potential major changes to health services proposed by the CCGs' Financial Recovery Plan. In addition, it is evident that local people have a good knowledge of the services provided in their communities and the impact that changes to these services may have. The Committee Chairman has therefore invited a number of representatives from local communities to meet with Committee Members for an informal discussion of their concerns. The meeting is scheduled for 16 May.

5 Considerations

In preparing this report the relevance of the following factors has been considered; financial, human relations, legal and human rights, prevention of crime and disorder, equality and diversity, environmental, health, property and transport.

Officer's Recommendations

The Committee is requested to;

- (1) Note the report and the work undertaken to date by Members in respect of the review
- (2) Continue its review programme whilst the Derbyshire CCGs' Medium Term Financial Plan is active.

Janie Berry
Director of Legal Services