

Derby City Health and Wellbeing Board

Southern Derbyshire Clinical Commissioning Group

Call to Action

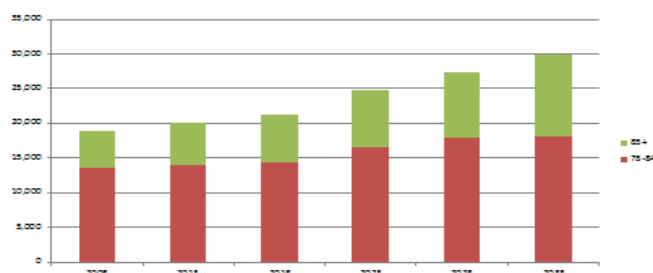
In July 2013, NHS England published '*A Call to Action*' (attached) highlighting the challenges facing the NHS if it is to continue to provide a high quality yet free at the point of use health service. Demand for NHS services is increasing as the population ages, expectations increase and the number of people with a long term condition increases. 53% of the population now report that they have a long standing health condition.

Demand on hospital services has increased dramatically over the past 10 years, with a 35% increase in emergency hospital admissions and a 65% increase for in secondary care episodes for those over 75. A combination of factors, including the ageing population, out-dated management of long-term conditions, and poorly joined up care between adult social care, community services and hospitals accounts for this increase in demand.

The pressures on hospital departments, particularly A&E, have been highlighted in the last year, with national reports describing individual hospitals struggling to cope. Locally, despite the relatively mild winter with no flu epidemics, Derby Hospital's Clinical Director for Medicine, summarised it as 'The worst winter I can remember.'

Demographic change over the next decade will only intensify this pressure:

Derby City – population projections for people aged >75



The demand for healthcare has also had a dramatic increase on the workload of primary care, with the number of GP consultations increasing steadily each year. 50% of all GP consultations are for patients with a long term condition.

Until recently, NHS allocations increased in real terms by an average of 4% per annum. This enabled many of the emerging pressures to be absorbed as the capacity of existing services increased. *A Call to Action* emphasises that the efficiency challenge in 2015/16 and beyond could be as high as 5-6%. For Southern Derbyshire CCG, this will mean no increases in real terms in its allocation for the foreseeable future, albeit with a need to fund increasing demand for its services and increasing costs (inflation in the NHS is normally about 4-5%).

In addition, recent spending settlements for local government have not kept pace with demand for social care services. One impact of this can be to drive up demand for health services, with cost implications for the NHS.

If the NHS is to survive the current pressures, it will need to significantly change the way in which it works. The current focus on achieving greater efficiencies while maintaining the same model of care will be unsustainable. Instead, more radical change will be required. *A Call to Action* sets out the case for beginning a sustained dialogue with the public, providers, Health and Wellbeing Boards and other stakeholders about the need for change and what this might mean.

The most significant changes required are to develop different ways to support the large number of people who are frail and elderly, or who have a long term condition, to remain independent living in the community – and without the need for hospital admissions. The *National Collaboration on Integrated Care and Support* described this from the patients' perspective:

I can plan my care with people who work together to understand me and my carer(s), allow me control, and bring together services to achieve the outcomes important to me.

Derby City is well placed to take forward the changes required. Southern Derbyshire CCG has been working closely with the City Council and providers for the last two years to implement a model of care (described in a separate presentation on the agenda) that integrates the delivery of health and social services from the individual's perspective; and links this delivery directly to primary care. There is considerably more to do, but progress is now rapid and all agencies have a shared commitment to driving forward the changes.

However, *A Call to Action* goes further than this. It requires each CCG to develop a 5 year commissioning plan by the beginning of 2014 that covers all of its commissioning responsibilities. Each plan needs to show in detail how it will respond to all the pressures it faces, with a particular focus on the next two years. The plan will also need to contain details of the agreement between the CCG and Local Authorities on the use of the Integration Transformation Fund (see below).

Again, SDCCG is already fairly well advanced in terms of strategic development. It has already worked with the City Council and other stakeholders on plans for:

- Integrated care (for frail and elderly people and people with a long term condition)
- Urgent care
- Children's services
- Primary care (still under development)

Specific additional work is planned for people with mental health problems or a learning difficulty.

As a first stage in *A Call to Action*, CCGs are expected to undertake a widespread consultation with the public and other stakeholders to help them understand the difficult times ahead and to seek their views on the way forward. SDCCG's outline Engagement Plan for this first stage is attached (Appendix 1).

Integration Transformation Fund

In the June 2013 Spending Round, the Chancellor announced the creation of a joint fund between health and social care to promote the integration of services. This amounts to £3.8 billion nationally that will be transferred from NHS allocations in to a pooled budget (Integration Transformation Fund) with local authorities.

The only guidance currently available is the attached joint statement from NHS England and the Local Government Association (Appendix 2). Further guidance is expected shortly.

Currently there is an annual transfer of £4.11m from the CCG allocation to Derby City. With the ITF, it is anticipated that this will increase to £8-9m by 2015/16, although part of this increase is currently contained within other budget headings.

The current mechanism for the transfer is through a Section 256 agreement, which specifies how the funds will be used and monitored. The agreement has to be signed off by both the SDCCG Governing Body and the Health and Wellbeing Board. The agreement for 2013/14 is reported in the next section of this report.

It is as yet unclear what the mechanism for the transfer of funds will be in future, although CCGs, Health and Wellbeing Boards, and NHS England will all have a role. The attached letter contains proposals for a proportion of the ITF to be related to performance, with details still to be clarified.

SDCCG and Derby City's Adult Care Department have established an effective working relationship through their work on integrated care and, more formally, through the Adult Care Board. The Adult Care Board will be used to undertake the detailed work required for reaching agreement on the use of the ITF, and will report to each of the Health and Wellbeing Board meetings between now and the end of March.

The attached letter also makes it clear that the development of integrated services resulting from the creation of the pooled budget, will need to reduce the demand for hospital based care. This, in turn, will reduce the pressure on hospital services and so enable reductions in contract values. In reaching agreement on the use of the ITF, both the CCG and the Health and Wellbeing Board are expected to be explicit about the impact on current services.

Section 256 Agreement for 2013/14

For the past 3 Years the Department of Health has mandated a transfer of funding from local NHS commissioners to Local Authorities to support Adult Social Care, which also has a health benefit. The planned usage of the funding has to be agreed between local Health and Social Care organisations, and payments are made under Section 256 of the 2006 NHS Act.

For 2013/14 NHS England will hold and transfer the money to local authorities, following agreement of the usage by each Health and Wellbeing Board.

The allocation to be transferred to Derby City is £4.11m.

The draft agreement (Appendix 3) has been developed jointly by the CCG and Social Care to support existing joint commissioning priorities, in particular:-

- Older people and people with a long term condition
- Mental health
- Urgent care

Recommendations

The Health and Wellbeing Board is asked to:

- 1. Note the action required by the CCG to develop a five year commissioning plan, as set out in *A Call to Action***
- 2. Consider its leadership role in the consultation process of *A Call to Action***
- 3. Agree the arrangements for developing proposals for the use of the integration Transformation Fund**
- 4. Approve the transfer of funds between the CCG and the City Council for 2013/14 for the purposes specified in the Section 256 agreement**