

Welcome to:

We will start in a few minutes



How Finance Teams  
can help drive  
integration

## About the speakers...



### **Jane Payling**

Head of Health and Integration at CIPFA  
Former NHS Director of Finance

**David Northey**  
Asst Director of Finance and S151 Officer  
Plymouth City Council



... and about logistics



Chat panel

How can we talk?



## Session structure:

Barriers and pitfalls

Current developments

Case study – Plymouth and NEW Devon

Questions



By the end of the session you will be able to...

watch out for the **barriers and pitfalls** which prevent integration initiatives moving forward

know more about the **latest developments** taking place in health and social care integration

gain some tips for **improving closer working.**



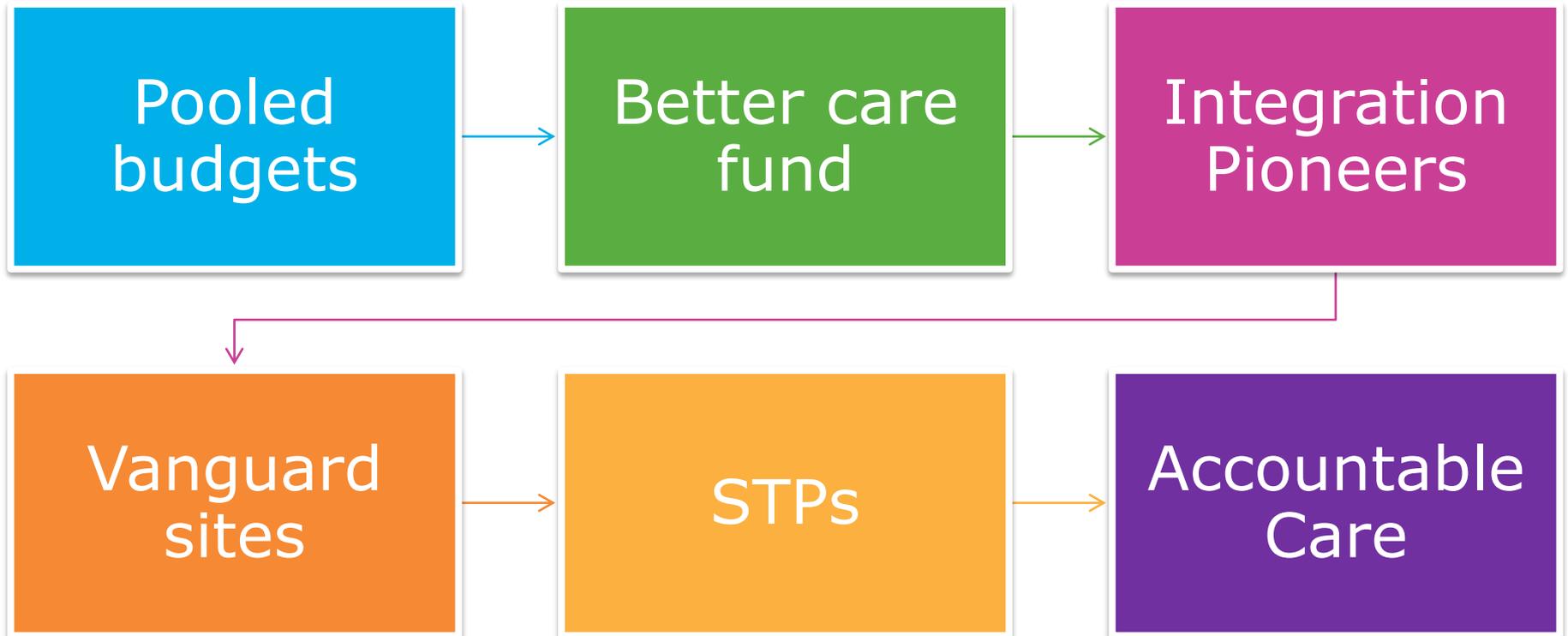
let's hear from you.....



# Current developments

In health and social care  
integration

# Range of integration initiatives and structures in England



# Case study



# Health & Social Care Integration: Governance & Finance

One System, One Budget - *'the right care, at the right time, in the right place'*

# Our Vision in Plymouth



A Place-based  
Commissioning Approach to  
Whole Population Health  
and Wellbeing



One System, One Budget - *'the right care, at the right time, in the right place'*

# Integrated Finance



- Specific workstream within Integrated Commissioning Project
- Project management resource identified to support development
- Complexities due to different accounting/reporting between organisations
- Joint working and development of trust between all parties key to success

## We Created One System



Livewell Southwest – An integrated health and social care CIC for the city



**One System, One Budget** - *'the right care, at the right time, in the right place'*

# Creating One Budget



- Plymouth Integrated Fund
- Section 75 Agreement between Plymouth City Council and NEW Devon Clinical Commissioning Group
- **Integrating funds of net £462m Gross £638m**
- Underpinned by Risk Share and Financial Framework



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# Geography & Locality



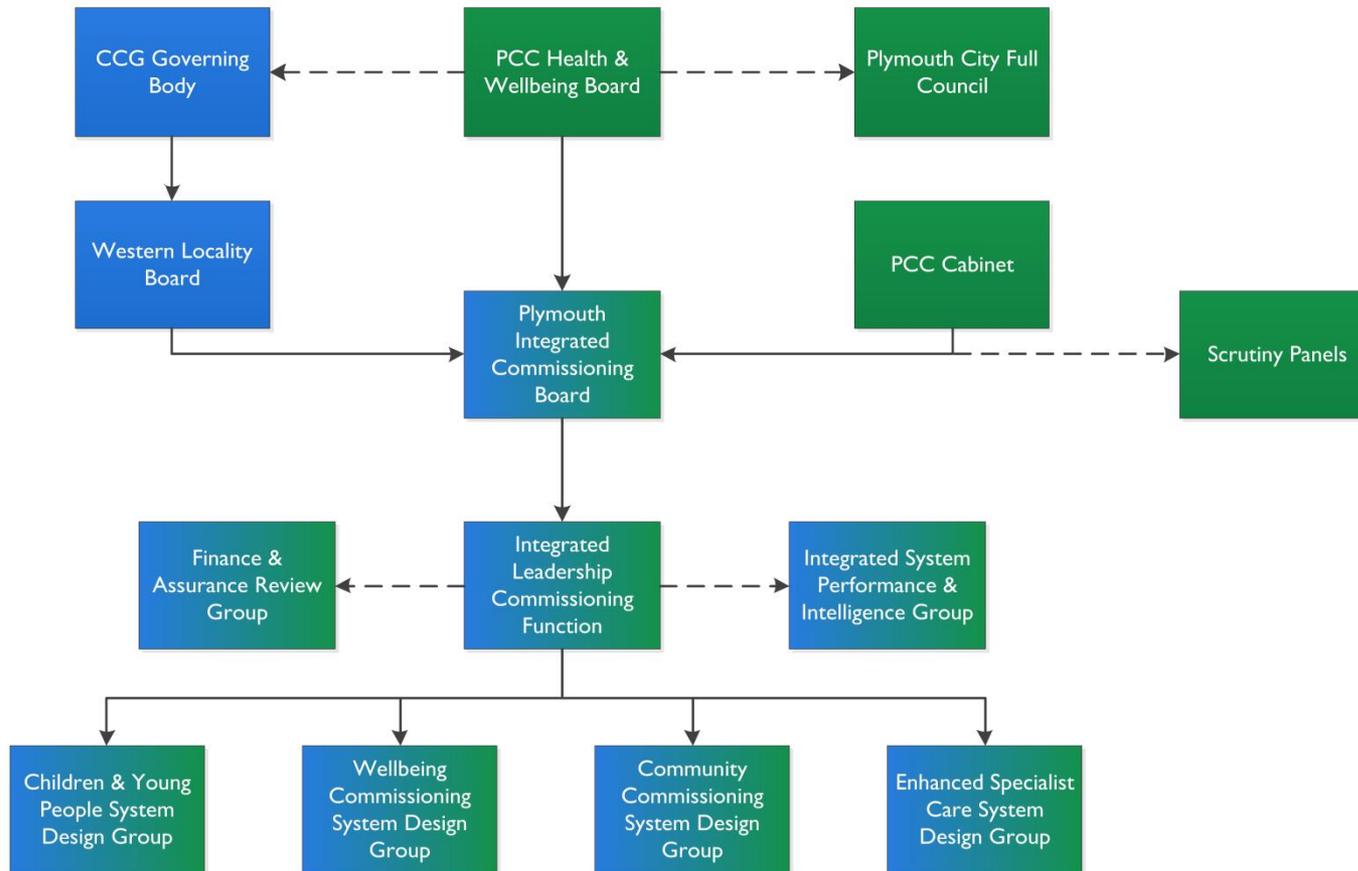
## Complex to Understand

- Not all of CCG
- Not all of Western Locality
- CCG and Localities not coterminous with LA boundaries
- All of “People” Directorate of Local Authority
- Commissioning Public Health resource



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# Governance



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# We Created One Budget



- Section 75 agreement between NEW Devon CCG and Plymouth City Council
- Integrated funds £638 million gross (£462 million net)
- Risk share and financial framework

## Plymouth Integrated Fund The net total of the Pooled and Aligned Fund £462m

### Net Pooled Fund

“Any pooled fund established and maintained by the Parties as a pooled fund in accordance with the regulations”

£241m

### Net Aligned Fund

“Budgets for commissioning prescribed services that the Regulations specify shall not be pooled, but which will be managed alongside the Pooled Fund”

£221m

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# Section 75 - Contents (selected)



## Main Body

- Details of Pooled Fund
- Pooled Fund Management
- Risk Share Agreements, Overspends and Underspends
- Dispute Resolution
- Notice Periods

## Schedules

- Commissioning Strategies/Plans
- Governance
- Risk Share Principles
- Integrated Staff Management Protocol

## Some functions are excluded

- The definition of prescribed function does not include all local authority or all CCG functions



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# Pooling & Aligning

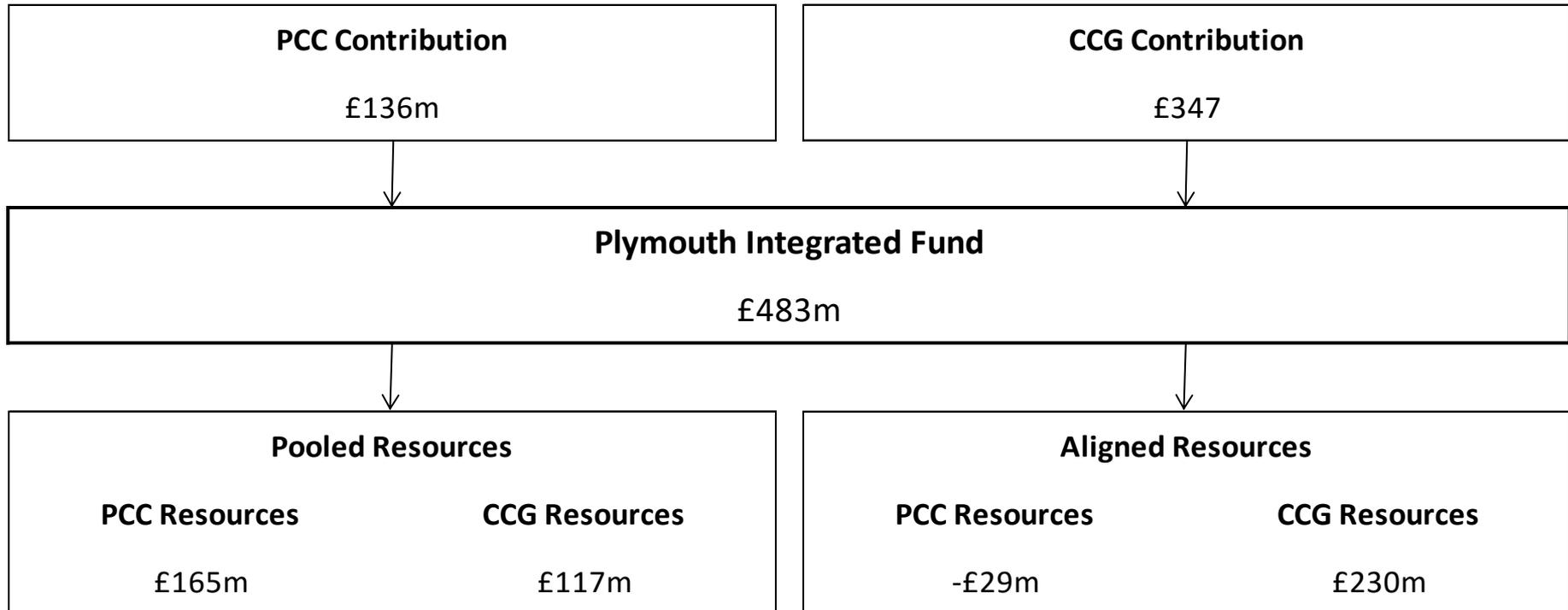


- We have created a workaround such that any funding which cannot be ‘pooled’ is ‘aligned’
- Other Options included:
  - Grants to transfer money
  - Supply of staff arrangements
- Equivalent governance and risk sharing arrangements for pooled and aligned funds
- ‘£ Pooled’ + ‘£ Aligned’ = ‘£ Integrated’



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# Integrated Fund: Partner Contributions



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# Cradle to Grave Integrated Fund



## Fund covers

- Public Health
- Leisure Services
- Housing Services
- Children's Services (incl Schools Grant (DSG))
- Adult Social Care
- Primary Care (CCG and PCC) – co-commissioning to come
- Community Health Services
- Acute Provision
- Running Costs



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# Section 75 - Exclusions



## Some functions are excluded

- The definition of prescribed function does not include all local authority or all CCG functions

## What the exclusions mean

- Certain functions partners may want to include, e.g. primary care services, must be excluded
- ... funding for some health and wellbeing services cannot be pooled, including:
  - (for the NHS) funding for acute surgical services, emergency ambulances, radiography and endoscopy
  - (for local authorities) appointment of a mental health professional, safeguarding children in care homes and the appointment of a director of social services



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# Financial Framework

- Scope
- Responsibilities
- Dissolution of the agreement
- Scope and description of the fund (including BCF)
- Statutory reporting
- Budget setting
- Risk share
- Managing transactions
- Managing performance of the fund
- Other considerations



- Underpins Section 75 agreement
- Managed in integrated commissioning finance group
- Pool fund manager



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# Some Other Considerations



- BCF
  - Subset of Integrated Fund
  - Performance Fund Arrangements
- Planned Deficit
  - CCG issue - planned vs unplanned
  - LA overspends
- QIPP and Transformation
  - CCG wide QIPP
  - Budget Setting
  - Timing
  - Due Diligence
- Boundaries / Coterminous



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# Risk Management & Risk Share



- Maximum value of risk to share is set as 0.5% of the Applicable Value (*circa* £460m and £2.3m)
- Maximum risk share proportional to contribution
- Risk share works both ways – i.e. is also benefit share
- Benefits already greater than additional risk
  - Contributions to joint services (Equipment)
  - Care Co-ordination Team (Rapid Intervention)



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# Reporting

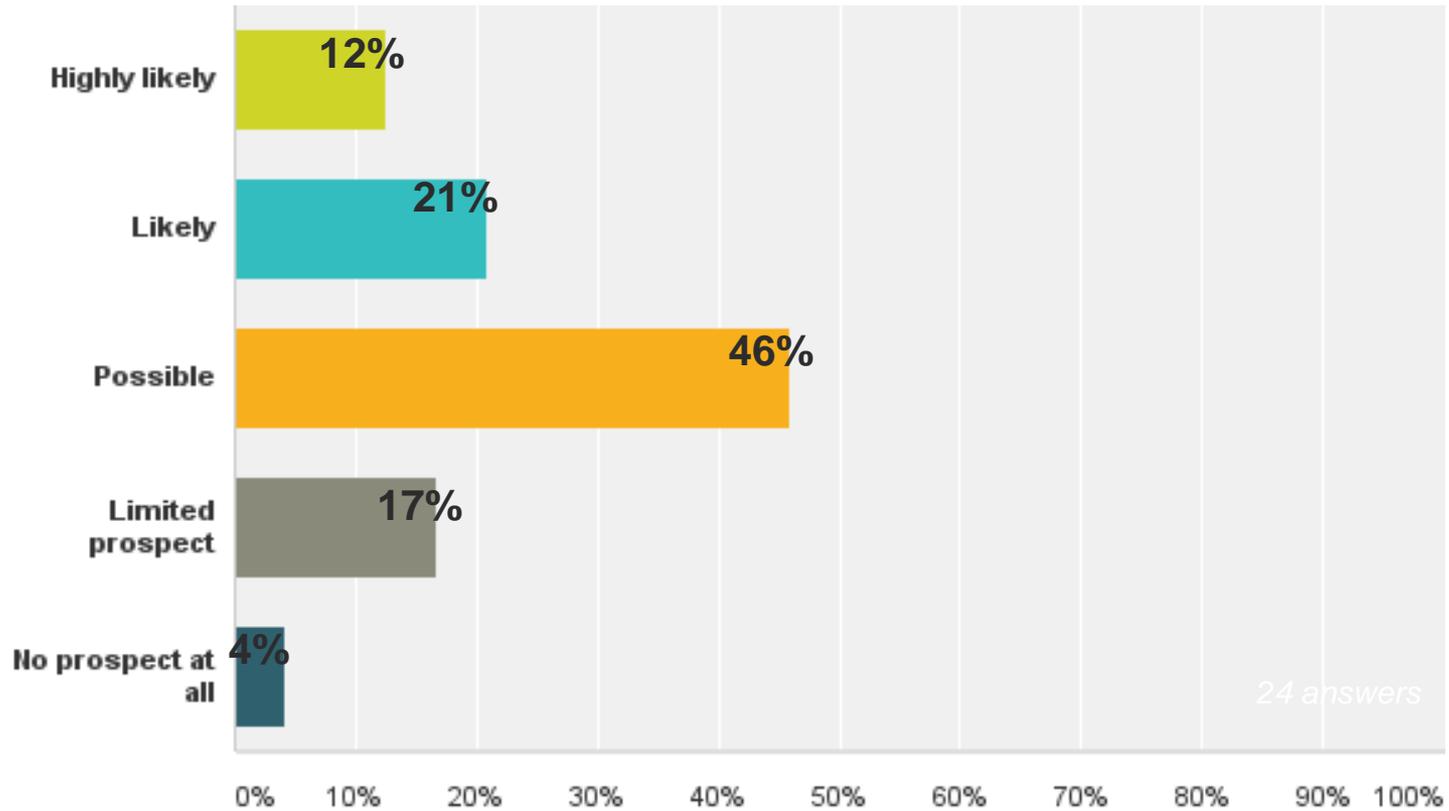
- CCG
  - Population vs Contract
  - Contract vs Strategy
- PCC
  - Commissioner vs Provider
- Health and Local Authority
  - format & layout
  - Two Governing Bodies (CCG GB & PCC Cabinet)
- Sustainability
  - Replicable
  - One Report, many audiences (GB, WLB, PICB, Cabinet, Council)



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# Summary & Close

Q10: Do you believe there will be new, tangible examples of service integration between health and social care in the next year in your area?



## Q12: ..and the stumbling blocks preventing further integration?

Many are financial :

- Funding change including double running
- Investment upstream and in prevention
- Money required for change
- Ability to realise savings (close hospital beds)

..but there are others:

- Data sharing
- Lack of shared purpose, poor relationships
- Capacity and capability
- Different geographical boundaries

# Summary & Close

## Upcoming webinars...

### Developing a Commercial Strategy

- **19 September 2017** 12.30 to 13.30 GMT

### Finance Business Partnering

- **10 November 2017** 12.30 to 13.30 GMT

Or listen again to pre-recorded webinars including.....

- Top tips for business cases
- Change management
- Presenting numbers effectively
- Risk management
- Outcomes measurement
- A commercial mindset



## Contact me



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