

Title: Update Report – Integrated Care Organisation (ICO) Summary
During Monitor’s “Stage 2” assessment

Wards Affected: All

To: Health and Wellbeing Board **On:** 17 December 2014

Contact: ICO Programme Manager

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1. Achievements since last meeting

1.1 Key projects are outlined in the attached report ‘ICO summary’.

2. Challenges for the next three months

2.1 Key challenges have been identified and are contained in the attached report.

3. Action required by partners

3.1 The ICO Programme manager asks for the information to be noted.

Appendices

ICO summary

Background Papers:

The following documents/files were used to compile this report:

ICO Summary

During Monitor's "Stage 2" assessment

Date: 19th November 2014
Author: ICO Programme Manager

1 Rationale

The ICO will deliver greater **flexibility**, unhindered **collaboration** and long-term **sustainability**.

The business case is about joining together two organisations to develop a comprehensive integrated health and care service that is **better than the sum of the existing parts**. The integration of our two trusts will **remove artificial barriers** created by organisational boundaries.

SDH's chosen strategy (in partnership with members of the wider community) was one of **vertical integration**, and this has now been practically enabled by the TDA's decision to divest itself of TSD.

We believe that the creation of our integrated care organisation will not only improve local health and social care services, but also **protect them for the future**. The ICO's financial projections show **a sustainable picture** that would not be realistically possible as a stand-alone organisation.

2 Main elements of system change

- Aligned provider incentives (through organisational integration)
- Aligned commissioner incentives (through pooling commissioning budgets and sharing future risk)
- Support care model changes (greater pace, scale and sustainability)
- Remove artificial organisational barriers (fewer "transactions" and interfaces for service provision)
- Further sharing of corporate functions (merge finance, business info, etc.)
- Next step towards harmonising cultures (new opportunities to standardise care provision, quality and people management)

3 Key statistics

	SDH <i>Baseline</i>	TSD <i>Baseline</i>	SDH + TSD <i>Year 5</i>	ICO <i>Year 5</i>
Population served	300,000	375,000	375,000	375,000
Turnover (2012/13)	£232m	£142m	£401m	£374m
CIP plan	£11.0m	£5.9m	£28.6m*	£10.6m
Number of staff (WTE)	3,544	1,688	5,369	4,807
Number of beds required	508	193	701	597

* This is the combined CIP that would be required to break even for the two trusts.

Non-recurrent costs		Recurrent costs and benefits		
Local transition cost investment	Transition support requested	Corporate cost reduction	Community investments	Care model cost reduction
(£4.4m)	(£7.0m)	£1.8m	(£4.8m)	£10.6m

4 What will it mean for...

...patients and service users

In terms of flexibility we may see staff changing their place of work, adapting their skills to fill new roles, changing their approach to care from 'What's the matter with you?' to 'What matters to you?' In terms of collaboration, care teams won't be restricted to colleagues from the same trust – or even the public sector.

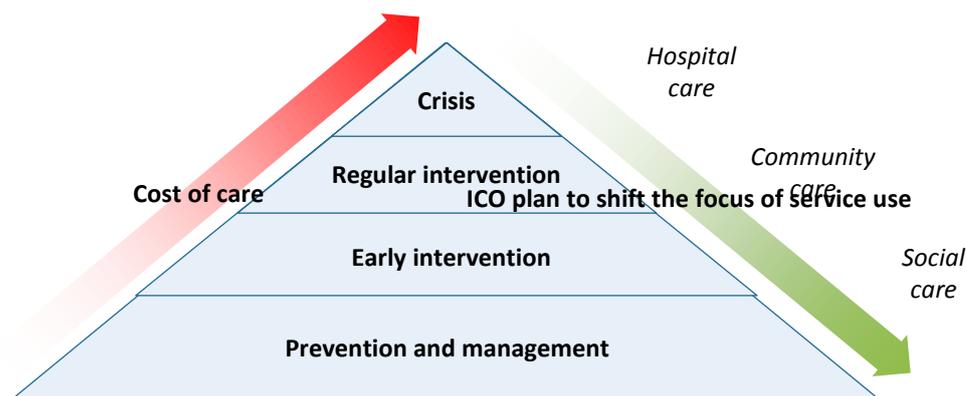
From consultants to GPs to volunteer meals on wheels, all will be part of the same dynamic group working together to support the individual. For staff the ICO represents a more secure future employer as financial targets are met through innovation and redesign rather than cuts and contraction.

...staff

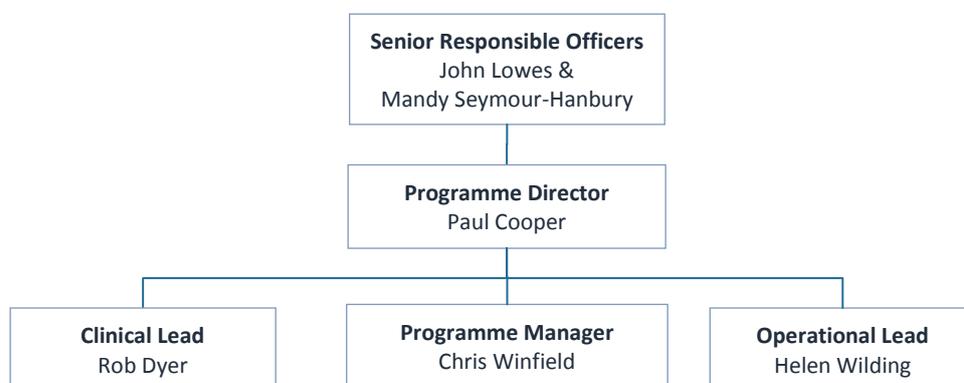
For service users the ICO's flexibility means their needs are more likely to be met through community services before they become a clinical issue; people will be more proactive in their own care and condition management.

In terms of collaboration, greater team working will mean patients having to tell their story less frequently, different professionals understanding your case history; more intuitive processes to ensure more is done with fewer visits, simple ways to access medical and non-medical support. A sustainable ICO means local control over service provision, and financial pressures not leading to widespread cuts in services.

...“the system” (i.e. Social care, community health care and the hospital)



5 Who is leading the change programme?



6 Key projects (from a total of 30)

1. Organisational integration	2. Corporate service developments	3. Health and care developments
<ul style="list-style-type: none"> • Corporate governance • Clinical governance • Comms and engagement • Workforce and OD 	<ul style="list-style-type: none"> • Merge financial services • Merge information & reporting • Harmonise back office functions • Operational structure 	<ul style="list-style-type: none"> • Frailty service • Single Point of Contact (SPOC) • Long-term Conditions • Community teams and hospitals

7 Key challenges

1. Funding and mobilising appropriate change management resources.
2. Confirming technical details and approval of budget pooling and risk share arrangements.
3. Ensuring the whole community is fully behind delivering the service changes, even though many important members have not aligned incentives like the ICO will do.
4. Delivering rapid transformational change within the ICO without disruption to existing services.
5. Coordinating clear and consistent communications for immediate stakeholders and the wider community.
6. Providing confidence in level and timing of benefits when many aspects are dependent on changing behaviours of service users.
7. Providing confidence that local authority budgets will not be cut further, with risk from other parties passing on to the ICO wholesale.

All of these challenges will be addressed in the course of developing the integration plan, a draft of which was submitted on 1st October, and a final version of which will be ready for the "Stage 3" assessment.

8 Timeline

