

MENTAL HEALTH INTEGRATION PROJECT

PHASE 2 REPORT (OCTOBER 2001)

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EXECUTIVE SUMMARY

Purpose of the Report

The Phase 2 report sets out proposals to improve services for users through the development of an integrated mental health service for working age adults, using partnership arrangements provided under Section 31 of the Health Act 1999.

The report provides a consolidated overview of the option appraisal work carried out in Phase 1 of the Mental Health Integration Project. It sets out the response to consultation on the integration proposal and the overall change proposed to Leicestershire and Rutland Healthcare NHS Trust, consequent on approval to develop three Primary Care Trusts in April 2002. The report also details the position reached in developing a Partnership Framework in the following key areas:

- Shared values
- Governance arrangements
- Management arrangements
- Leadership and management development
- Scope of the Partnership Agreement
- Financial framework
- Workforce.

Recommendations

In terms of arrangements for the integration and provision of mental health services for working age adults, the report makes the following recommendations:

Partnership Agreement

On the basis of the Phase 1 work and taking account of the positive outcome of joint consultation, Partner Organisations are asked to:

- Approve entry into a Partnership Agreement under Section 31 of the Health Act 1999 using the 'Integrated Provision' flexibility to support the integration of services for working age adults provided by:

Leicestershire and Rutland Healthcare NHS Trust
Leicester City Council
Leicestershire County Council
Rutland County Council

- Agree, subject to the satisfactory completion of a written Partnership Agreement (Memorandum of Understanding) as identified in the regulations, that the intended date for the start of the Partnership is 1 April 2002.
- Authorise the LRHT Chief Executive and the three Directors of Social Services to conclude negotiations and approve the final terms of the Partnership Agreement.

Governance Arrangements

To ensure the partnership arrangements have appropriate governance arrangements, Partner Organisations are asked:

- To support the need for a Memorandum of Agreement between the partner organisations that describes the responsibility, accountability, and liability of each party for service requirements, staffing, finance and assets.
- To note that the negotiation and drafting of the Memorandum with related documents would have the full input of the Local Authorities' Legal and Administrative Services and the Trust Solicitor until satisfactory conclusion of the agreement was reached between the respective parties.
- To support the establishment of a Joint Integration Board, operating in shadow form from December 2001.

Timetable

The proposed timetable for consideration of the Phase 2 report recommendations and next steps is set out below:

Submit Phase 2 report to the following partner organisations seeking support to develop a Partnership Agreement: LHSCC Modernisation Executive Leicestershire and Rutland Healthcare NHS Trust Leicester City Council Leicestershire County Council Rutland County Council Leicestershire Health Authority	5 November 2001 22 November 2001 Nov/ Dec 2001 Nov/ Dec 2001 4 December 2001 5 December 2001
Finalise the Partnership Agreement	By February 2002
Submit Partnership Agreement notification to NHS Executive Trent/SSI Social Care Region	February 2002
Arrangements for the specialist mental health and learning disability trust/ framework for the integrated service in place	April 2002

INTRODUCTION

This Phase 2 report seeks approval to develop an integrated mental health service for working age adults, through the use of partnership arrangements under Section 31 of the Health Act 1999. Subject to local agreement to take the partnership agenda forward in this way, authority is also sought for the Leicestershire and Rutland Healthcare Trust (LRHT) Chief Executive and

the Directors of Social Services for Leicester, Leicestershire and Rutland to conclude negotiations and approve the terms of the Partnership Agreement.

The report provides a consolidated overview of Phase 1 and the consultation process that has been followed during Phase 2, and describes the current position reached in developing a Partnership Framework in the following key areas:

- Shared values
- Governance arrangements
- Management arrangements
- Leadership and management development
- Scope of the Partnership Agreement
- Financial framework
- Workforce.

BACKGROUND TO THE PROJECT

There is widespread agreement within the Leicestershire Health and Social Care Community (LHSCC) that the future for mental health services lies in integration. The direction of travel has been informed in part by national policy guidance, enshrined in three key documents – Modernising Mental Health Services, the National Service Framework for Mental Health and the NHS Plan. In part it also comes from the benefits that have already been achieved locally through joint working.

The Mental Health Integration Project (MHIP) was set up in January 2001 to take advantage of the opportunity offered by the impending transfer of community health services from LRHT to Primary Care Trusts to consider how best to support the complex service development agenda for mental health.

The Project has been divided into three phases:

- Phase 1 Options Appraisal
- Phase 2 Consultation
- Phase 3 Developing the Partnership Framework.

The project structure supporting Phases 1 and 2 is shown in Appendix A.

PHASE 1 OPTIONS APPRAISAL

Methodology

Phase 1 of the project concentrated on identifying an 'organisational home' for mental health services that enabled progress towards the integration of health and social care in line with local and national expectations.

The overall aim of the Options Appraisal work was to ensure that good process was followed in making an objective and defensible choice between the configuration options. During Phase 1 the MHIP project team, comprising representatives of LRHT, Leicester City Council,

Leicestershire County Council and Rutland County Council worked systematically through a two-stage options appraisal process.

Initially, the project team looked at five main configuration options including a 'Do the Minimum' option, a Specialist Mental Health Trust using Health Act partnership arrangements, Primary Care Trust (PCT) based models and finally a Care Trust based framework. On the basis of this initial analysis, Option 2 (a specialist mental health Trust) and Option 5 (a mental health Care Trust) emerged as the obvious candidates for further analysis.

The second stage of the Options Appraisal concentrated on reviewing the strengths and weaknesses of Options 2 and 5. It became clear that both Options 2 and 5 could potentially deliver significant benefits for service users. Equally important however were the differences that set them apart.

Outcome

The project team's assessment was that Option 5, a mental health Care Trust, had obvious potential for long term organisational stability and even closer service integration. However, there was a greater risk that it would distract effort from the task of achieving the clear targets that have been set for service improvement and development.

In the short to medium term, the project team's view was to prefer Option 2 on the basis that it would provide a safer and more reliable foundation upon which the integration agenda could be taken forward.

Conclusion

The work undertaken during the first phase lead to five main proposals:

- In terms of the configuration of mental health services, Option 2, a specialist mental health and learning disability Trust evolving from the current LRHT in April 2002, offers the best opportunity to ensure safe, sound and supportive local mental health services.
- Integrated service provision, with the focus initially on mental health services for working age adults would be achieved through the organisational flexibilities provided by Health Act partnership arrangements.
- PCTs are relatively new organisations, charged with delivering an increasing range of functions ('Shifting the Balance of Power', July 2001) including the commissioning of mental health services. There is full local agreement that the possibility of PCTs also providing local NHS mental health services in the context of their evolving responsibility and meeting the required national targets, is not a practicable option in the foreseeable future.
- The key task for now is to ensure that the Trust develops the partnership agenda not only with social services but also with service users, PCTs, other local authority services and the wider community.

- An evolutionary approach was seen as the most appropriate way of handling the integration process and the changing circumstances of LRHT. Moving forward at a steady manageable pace would minimise the risk that the gains made in modernising local mental health services might be stalled or lost.

Phase 1 Report

During May/June/July 2001, the Phase 1 report – ‘The Future Integration of Mental Health and Social Care Services in Leicester, Leicestershire and Rutland’ - was submitted for consideration by:

- LHSCC Modernisation Executive (MHIP Project Board)
- LRHT Board
- Leicester City Council
- Leicestershire County Council
- Leicestershire Health Authority
- Rutland County Council.

Partner organisations confirmed their full support for the report’s proposals that can be further summarised below:

- Closer working can best be achieved through a specialist mental health Trust evolving from the existing LRHT in April 2002.
- The development of integrated services for working age adults can be achieved through the use of Health Act flexibilities and a formal Partnership Agreement.
- Work to underpin a Partnership Agreement (Phase 3) should run concurrently with Phase 2 - Consultation.

PHASE 2 THE CONSULTATION PROCESS

Ongoing Arrangements

Discussion took place early on in the first phase of the project with a wide range of staff from the four partner organisations and with a good cross-section of stakeholders in the wider health and social care community. Eleven joint health and social services staff forums were held in February 2001 and repeated in June.

The feedback from these events was enormously helpful. It is clear that there is considerable enthusiasm amongst health and social care professionals for the proposal to develop an organisation that supports the integration of mental health and social care services.

To assist the process of consultation and communication, a regular newsletter was started in February 2001 and will continue to be distributed across partner organisations and the wider community until new arrangements are in place.

Initial discussions with the Trade Unions representatives from all partner organisations took place in May 2001 and are continuing through regular input to the LHSCC Human Resources Partnership Forum. Trade Union representatives are members of the MHIP Human Resources

sub-group and are fully involved in discussing proposals for the secondment of Social Services Department staff to an integrated service.

Consultation on the NSF for Mental Health

A central consideration of the MHIP is to ensure that proposals to integrate service provision for working age adults are capable of delivering the requirements of the NSF. Following discussion with the NSF Implementation Team it was agreed that consultation arrangements for Stage 3 of the NSF work should encompass the proposed new partnership arrangement for working age adults.

As part of the Local Modernisation Review 2001 the NSF Implementation Team produced a consultation document - 'Completing the Picture', July 2001. 'Completing the Picture' contains key questions about:

- The proposal to base an integrated service for working age adults in the specialist mental health and learning disability Trust that will evolve from LRHT in April 2002
- How the requirements of the NSF can be met and services developed over the next three years.

To provide an opportunity for local discussion and debate with users, carers and other interested parties on these key issues, the NSF Implementation Team with input from the Mental Health Integration Project Team launched consultation at a one day conference on 10 July 2001. The consultation period ran from 10 July to the 30 September 2001.

Responses to the key question on the integration proposal are set out in Appendix B. Stakeholder responses, covering individuals and a wide cross-section of statutory and local organisations, indicate very strong support for the proposed new arrangement.

Consultation on Primary Care Trusts

Formal consultation on the proposals to establish three NHS Primary Care Trusts from 2002 (Charnwood and Leicestershire PCT, Hinckley and Bosworth PCT and South Leicestershire PCT) took place between 11 June and 31 August 2001.

Consideration was given to the impact that the proposed changes would have upon LRHT. All consultation documents referred to the proposed establishment of a specialist mental health and learning disability Trust and the development of integrated mental health services for working age adults.

Predictably, the consultation responses focused on the level of support for the PCT proposals and concerns about those potential changes. However, the general public, staff, unions and professional groups, local partner agencies and NHS organisations expressed no reservations about the changes proposed for LRHT.

Conclusion

Consultation is in itself an important stage in the developing integrated approach to mental health services. There is tangible enthusiasm for joint working amongst staff and stakeholders

in the wider community and a widespread view that the proposals to bring mental health and social care services for working age adults together make sense and, over time, will improve services for users.

It is recognised that managing the process of integration, where the Trust covers more than one local authority is a significant management task. It is also recognised that the integrated service should provide excellent opportunities for providing the high quality mental health services that all concerned has a right to expect.

Recommendations

On the basis of the Phase 1 work and taking account of the positive outcome of joint consultation, Partner Organisations are asked to:

- *Approve entry into a Partnership Agreement under Section 31 of the Health Act 1999 using the 'Integrated Provision' flexibility to support the integration of services for working age adults provided by:*

*Leicestershire and Rutland Healthcare NHS Trust
Leicester City Council
Leicestershire County Council
Rutland County Council*

- *Agree, subject to the satisfactory completion of a written Partnership Agreement (Memorandum of Understanding) as identified in the regulations, that the intended date for the start of the Partnership is 1 April 2002.*
- *Authorise the LRHT Chief Executive and the three Directors of Social Services to conclude negotiations and approve the final terms of the Partnership Agreement.*

PHASE 3 DEVELOPING THE PARTNERSHIP FRAMEWORK

The current position in relation to the key areas of work is set out below.

Shared Values

At the start of the project, there was an agreement that the "new" organisation should be underpinned and guided by a framework of values. As the Trust/Integrated Service emerges, evolves and changes, it is recognised that it is the enduring framework of values that provides stability for service users and staff.

During the first and second phases of the project, workshops and discussions have taken place to develop a value framework. This work has mainly taken place in partner organisations. To develop this initial piece of work and strengthen service user and other stakeholder involvement in the process, a further event has been arranged. The outcome of this work will be presented to the Chief Executive LRHT and partner agencies in November 2001.

Governance Arrangements

The integration of health and social services has several consequences for future governance arrangements and these are summarised below:

- As the “host organisation” for the integrated mental health service would be a NHS Trust, the governance arrangements, in particular the composition of the Trust Board, would be defined by its legislative framework.
- Although certain local authority functions would be delegated to the Trust, ultimate accountability would remain with the originating body.
- A process would need to exist for monitoring the effectiveness of the partnership arrangement.
- There would need to be clear lines of accountability and responsibility in terms of service performance, priority setting, the quality of services provided and financial management of the integrated service; and these would have to be open to appropriate external scrutiny.

The Health Act legislation does not require any particular model of accountability. It is therefore open to partner organisations to decide what form of governance best suits local needs and circumstances.

It is proposed that the most suitable vehicles for ensuring appropriate governance would be:

- A **Memorandum of Agreement** that described the responsibility, accountability and liability of each party for service requirements, staffing, finance and assets. A short form of the Memorandum of Agreement has been drawn up for consideration and is attached as Appendix C.

Subject to agreement to proceed, the negotiation and drafting of the Memorandum with related documents will have the full input of the Trust’s Solicitor and Local Authorities’ Legal and Administrative Services until satisfactory conclusion of the agreement is reached between the respective parties.

- A **Joint Integration Board**

A Joint Integration Board, meeting two or three times a year, would ensure that the progress of integration of health and social care across Leicestershire is monitored. The Board would have an overarching function with respect to mental health commissioning, but with accountability to PCTs and local authorities through existing and an agreed model of service governance.

The suggested membership of the Integration Board would be:

- Councillor members (Cabinet Lead or Committee Chair)
- Chair of host PCT (or PCTs if more than one)
- Partnership Trust Chair and Chief Executive
- Officer representation from Councils/PCTs at Director/Chief Executive level
- Representation from service users and carers
 - Representation from the Mental Health Joint Commissioning Board.

It is proposed that the Joint integration Board would operate in shadow form from December 2001.

Recommendations

Partner Organisations are asked:

- *To support the need for a Memorandum of Agreement between the partner organisations that describes the responsibility, accountability, and liability of each party for service requirements, staffing, finance and assets.*
- *To note that the negotiation and drafting of the Memorandum with related documents would have the full input of the Local Authorities' Legal and Administrative Services and the Trust Solicitor until satisfactory conclusion of the agreement was reached between the respective parties.*
- *To support the establishment of a Joint Integration Board, operating in shadow form from December 2001.*

Management Arrangements

Between April and September 2001, the Chief Executive LRHT initiated discussion within the Trust and with partner organisations about how the Trust might develop its management structures to support the agenda for mental health and integrated care and ensure effective partnership working.

In considering possible options, the key requirement is that the management arrangements must facilitate:

- The delivery of an integrated mental health service for working age adults and ensure implementation of the Mental Health NSF and the NHS Plan
- The implementation of the NSF for Older People, paving the way for the integration of mental health services for older people.
- The implementation of 'Valuing People' which sets out the four key principles of Rights, Independence, Choice and Inclusion which must underpin services for people with learning disabilities
- The development of the current specialist mental health services for children and adolescents in preparation for the implementation of the expected Children's NSF.

In addition they must:

- Support the development of clinical networks that cross organisational and where appropriate geographical boundaries
- Enable service users and carers to contribute to the design and delivery of services
- Facilitate Clinical Governance and the Best Value reviews of local authorities.
- Support evidence-based practice as required through the National Institute for Clinical Excellence and the Social Care Institute for Excellence
- Reflect and respond to developments in primary care and the emergence of PCTs

- Respond to the requirements of NHS performance management systems and processes and the SSI Performance Assessment Framework
- Support the work of the new National Care Standards Commission
- Be affordable in terms of the LHSCC Management Cost envelope and targets.

Debate about the optimum management structure for the Trust and an integrated service for working age adults is ongoing. As greater clarity emerges and firm proposals are produced, the consultation process within the Trust and with partner organisations will continue.

The management structure will be agreed by 1 April 2002 and where practicable, appointments will be made to meet this timescale. It is expected that the full senior management team will be in place no later than July 2002. Appointments to key posts will draw from health and social care expertise and the overall process will be undertaken in a transparent way, underpinned by equality of opportunity and in accordance with at risk procedures.

Leadership and Management Development

The leadership and management task for specialist mental health and learning disability Trusts is changing and particularly challenging given the enormous strategic, partnership and development agenda.

Managing the process of integration, and of involving and working with a wide range of stakeholders, is generally acknowledged to be very demanding of management (and clinical) time, yet is vital to ensuring ownership and workable partnerships.

Following discussion within the MHIP Project Board and the Project Team, there is agreement that managers in the integrated service need joint development and support opportunities to assist them in leading the change effort and working together.

A specification for a leadership and management and development programme has been produced. The MHIP Project Board has agreed to sponsor the design and implementation of the programme. In overall terms, the programme is about enabling people to lead the delivery of high quality user focused services effectively and therefore aims to:

- Engage key managers in implementing integration
- Develop the capabilities of the participants to lead the change effort and work together in an integrated service
- Reduce uncertainty and build confidence during the transitional period
- Take account of the users both as players in the partnership and as sources of information about service success or breakdown
- Expand understanding of why different individuals and organisations behave as they do, leading to mutual respect for the values of health and social care
- Ensure both health and social services have an equal platform in the partnership arrangements.

It is proposed that the leadership and development programme should consist of a series of four to six linked events, starting at the earliest possible opportunity in 2002. External

consultant support would be sought for detailed programme design and event facilitation. Each participating partner organisation would contribute to funding on a pro rata basis.

Scope of the Partnership Agreement

The staff and services that would be covered by the Partnership Agreement are shown in the table below:

LRHT Provision	Social Services Provision
<p>All management and service provision (in-patient, community and day services) relating to:</p> <ul style="list-style-type: none"> ▪ Adult mental health services ▪ Rehabilitation services including the Local Forensic Mental Health Service ▪ Specialist mental health services - Drug & Alcohol, Eating Disorders, Cognitive Behaviour Therapy, Dynamic Psychotherapy and Francis Dixon Lodge Therapeutic Community <p style="text-align: right;">(Approx. 1216 WTE)</p>	<p>All management and service provision across the three local authorities relating to:</p> <ul style="list-style-type: none"> ▪ Fieldwork and assessment services, including CMHTs, Care Management , Intensive Community Support and Assertive Inreach ▪ Community based services, including day services, community resource services and projects and residential services <p style="text-align: right;">(Approx. 144 WTE)</p>

The total value of the Partnership Agreement for the integrated service for working age adults would be £ 47 M.

Financial Framework

The Director of Finance LRHT has established a ‘Task Group’, comprising representatives from the local authorities and the Trust. The Group will identify the financial issues that arise in establishing a Partnership Agreement and agree mechanisms that ensure all parties are able to fulfill their respective financial obligations and governance arrangements.

The Group’s principal objective is underpinning the integrated service with clear financial governance arrangements in the form of a financial framework. The framework will be a key part of the Memorandum of Understanding and will be based on a commitment from all partners to protect, as far as possible, mental health resources.

It is proposed to create a ‘shadow’ pooled budget arrangement for the integrated service during the first year (2002/03) and work towards a formal pooled funding arrangement with effect from April 2003.

Workforce

Developing the appropriate human resource arrangements for a Partnership Agreement between Health and Social Services is key to the success of the integration project. A Human Resources sub-group has been established, involving members of the Project Team and representatives from Trade Unions and the Human Resource teams of the four partner organisations.

The main purpose of the group is to assess the impact of the partnership arrangements on staff. The sub-group has agreed that the priority areas to be addressed are:

- The development of a Secondment Policy that would provide guidance to facilitate the movement of Social Services Department staff to the Trust

The group has produced a draft secondment policy. The agreed secondment policy would form part of the overall Partnership Agreement between the Trust and Local Authorities

- The establishment of a Change Management Policy that sets basic principles for all parties to work to through the process of integration

It is proposed that these draft policies, subject to legal opinion, will be considered by each partner organisation, using their existing consultative machinery in November/ December 2001.

ASSOCIATED ISSUES

Proposed Trust Name

It has been agreed by all partner organisations that the specialist mental health and learning disability Trust that evolves from the existing Leicestershire and Rutland Healthcare Trust, in April 2002, should have the feeling of a new organisation about it.

During Phase 2 of the project, a wide-ranging discussion about the name of the “new” organisation took place without a clear favourite emerging. To move matters forward a compromise between the various interests was sought.

The LRHT Board considered the issues surrounding the choice of name and noting support from organisations in LHSCC, unanimously confirmed its support for the following proposals:

- The Trust would be known as the “**Leicestershire Partnership NHS Trust**” from April 2002.
- A comprehensive strapline - “Providing mental health and learning disability services for the people of Leicester, Leicestershire and Rutland” - would be added to letterheads and documents.

Arrangements are being made to amend LRHT’s establishment orders, both to incorporate a change of name and to change the services for which it is responsible. The establishment order cannot be finalised until ministerial approval to the change has been obtained.

Pending Local Authorities support for the proposed Partnership Agreement, the “**Leicestershire Partnership NHS Trust**” will provide the following services from April 2002:

- NHS and Social Services mental health provision for Working Age Adults, including all NHS specialist mental health services
- NHS provision for Older Persons’ Mental Health Services
- NHS provision for Child and Adolescent Mental Health Services
- NHS provision for Learning Disability Services

Arrangements for the following LRHT functions - Finance, Human Resources, IM & T services and Estates - are dependent on the outcome of LHSCC wide discussions focusing on achievable proposals for shared service arrangements from April 2002.

Learning Disability Services

With the renewed focus on the strategic development of learning disability services, driven by the White Paper, ‘Valuing People’ (March 2001), there is an agreed local need to form a view as to the most effective way to provide services for people with learning disabilities.

Recent partnership working between the Health Authority, LRHT and the Local Authority Social Services Departments has resulted in the establishment of a Partnership Board in each Local Authority area. There is broad agreement on the range of outcomes for people with learning disabilities and the way that services should be delivered to meet needs. Most of the aims and objectives identified in the joint strategies and developed in the joint investment plans are reflected in the targets set in ‘Valuing People’.

The LHSCC has agreed that work will continue in 2001 on:

- An overall framework for lead commissioning
- A platform for the transfer of commissioning appropriate Health Services to the three Local Authorities from April 2002.
- Funding for complex care and continuing care
- Revision of joint strategies and investment plans
- Reprovision plan for Gorse Hill Hospital

The Leicestershire Partnership NHS Trust will continue to provide the current range of services for people with learning disabilities pending the outcome of the above work.

Older Persons Mental Health Services

The Older Persons Mental Health sub-group was set up to consider closer integration of older persons mental health NHS and social care services at service delivery level.

An Older Persons Mental Health Strategy Group (OPMHSG), reporting to the Older Persons Policy Board has recently been established. The focus of the OPMHSG’s work is to take

forward elements of the NSF for Older People that relate to older people with mental health problems, which includes plans for an integrated mental health service for older people.

In view of this development, it is suggested that the work of the sub-group should now be progressed through the OPMHSG. Agreement to this proposal will be sought from the LHSCC Modernisation Executive.

Child and Adolescent Mental Health Services

As part of the Integration Project, a Child and Adolescent Mental Health Services (CAMHS) sub-group has been established to develop closer working arrangements between the CAMHS clinical service and the three Social Services Departments.

Progress so far includes:

- An agreed action plan and terms of reference
- Agreed arrangements for informal advice prior to referral
- An agreement that the CAMHS Clinical Director would attend the multi-agency Assessment Framework Group
- An agreement to arrange joint meetings in the New Year to 'launch' new services at Oakham House
- Aiming to redefine prioritisation systems for CAMHS referrals and clarify the remit of each team
- Aiming to identify data on referrals from Social Services Departments to CAMHS

There are clearly a variety of ways of providing childrens services and discussions are underway across the LHSCC about the best organisational arrangement. In relation to services for children and adolescents with mental health problems, it is important that CAMHS representatives are involved in future debates.

Timetable

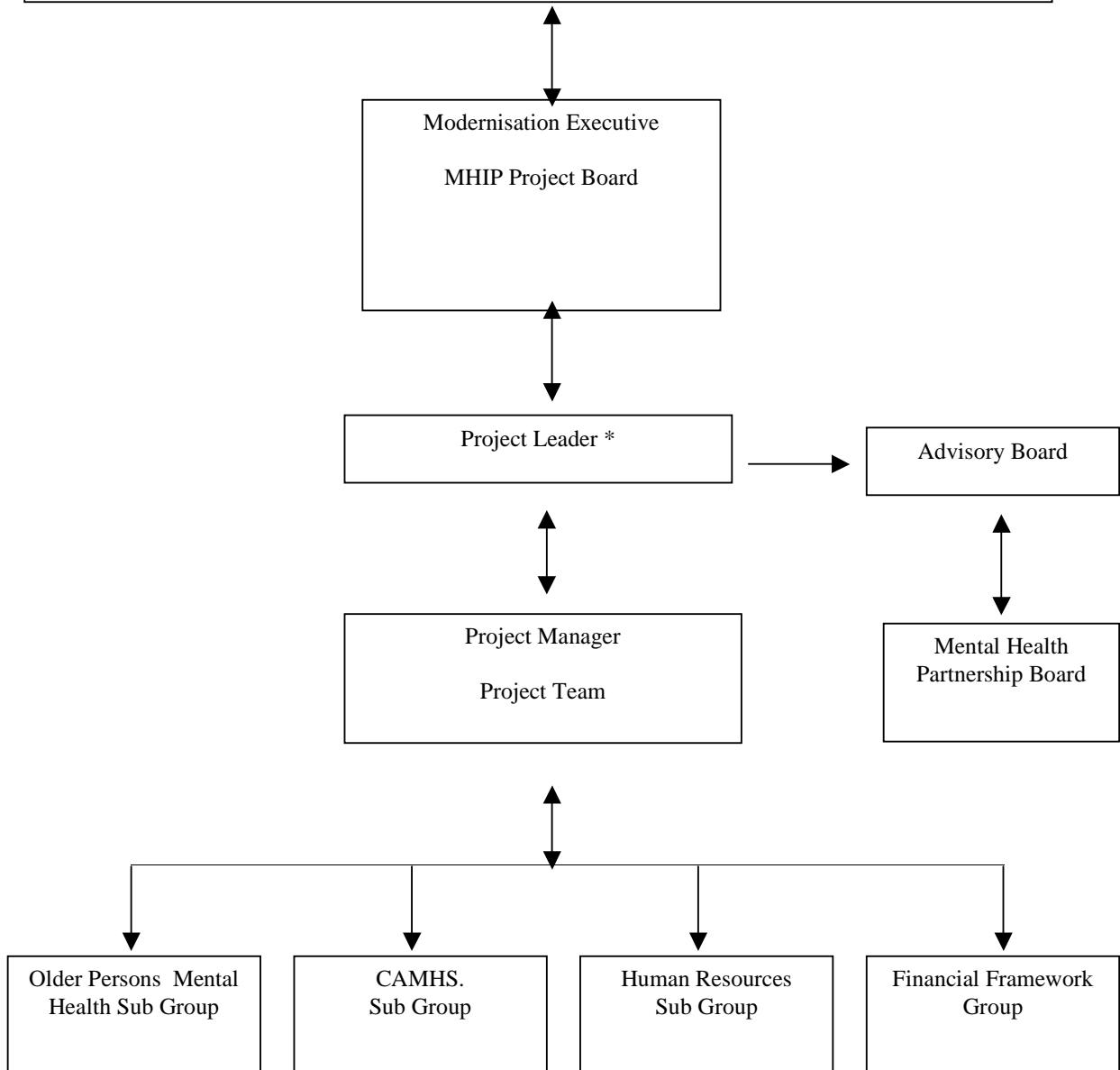
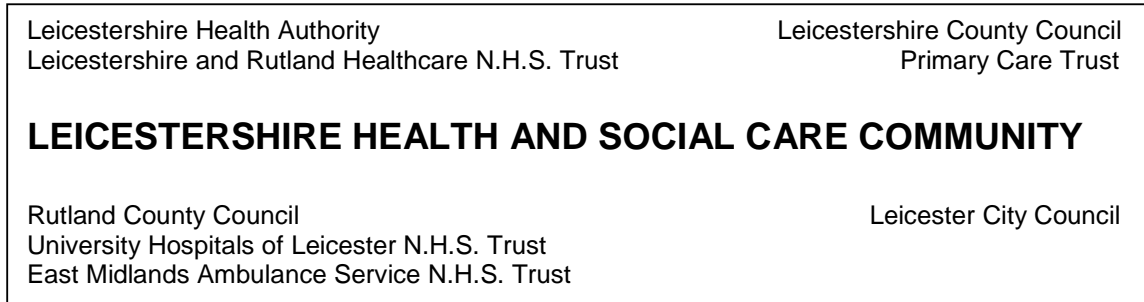
Pending agreement to Phase 2 recommendations, it is proposed to follow the timetable set out below:

Submit Phase 2 report to the following partner organisations seeking support to develop a Partnership Agreement:	
LHSCC Modernisation Executive	5 November 2001
Leicestershire and Rutland Healthcare NHS Trust	22 November 2001
Leicester City Council	Nov/ Dec 2001
Leicestershire County Council	Nov/ Dec 2001
Rutland County Council	4 December 2001
Leicestershire Health Authority	5 December 2001
Finalise the Partnership Agreement	By February 2002
Submit Partnership Agreement notification to NHS Executive Trent/SSI Social Care Region	February 2002

Arrangements for the specialist mental health and learning disability trust/ framework for the integrated service for working age adults in place

April 2002

MENTAL HEALTH INTEGRATION PROJECT STRUCTURE



* Chief Executive, LRHT

MEMORANDUM OF UNDERSTANDING

**ARRANGEMENTS FOR THE INTEGRATION OF MENTAL HEALTH SERVICES FOR
WORKING AGE ADULTS IN LEICESTER, LEICESTERSHIRE AND RUTLAND BY WAY OF
A PARTNERSHIP PURSUANT TO SECTION 31 OF
THE HEALTH ACT 1999**

DRAFT 1

MEMORANDUM OF UNDERSTANDING

Explanatory Note and Summary

Neither party shall be bound by or liable howsoever in relation to any representations or warranties of the other party prior to the completion of this document or made orally or in writing by any officer or duly authorised representative of any party.

It is acknowledged by the parties that this document is not a contract but is an expression of present intention only and shall only create legally binding obligations as and when the partnership application of the Health and Social Care Community for Leicestershire comprising the Councils and the Health Bodies the subject of this Memorandum is deemed to have been registered with the Secretary of State for Health. The obligations of this Memorandum will be subsumed within agreements which are subsidiary to this Agreement consisting of a Secondment Agreement of the relevant staff; an Agreement for the provision of the relevant services on an integrated basis and a Commissioners' Agreement in so far as the same is applicable to the proposed Partnership. It is intended by the parties to this Agreement that the Commissioners' Agreement will describe the respective rights, duties and responsibilities of the Parties and in the event of any conflict as between the provisions of this Memorandum and the Commissioners' Agreement the provisions of this Agreement shall prevail, unless otherwise superseded.

1. Parties/Partners

The parties to this Memorandum shall be the Leicestershire and Rutland Healthcare NHS Trust (" the Trust "), the Leicestershire Health Authority, [the relevant PCTs], the Leicestershire County Council, the Leicester City Council and the Rutland County Council who shall take all practicable steps and measures to ensure that their status as a partnership pursuant to Section 31 of the Health Act 1999 is recognised by the Secretary of State for Health and complies with the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 ("the Regulations") and the guidance issued thereunder with the intent that the partnership is operative by no later than the 1 April 2002. It is acknowledged by the parties that on behalf of them the Trust has

registered its intention with the Secretary of State to create (subject to his approval) a partnership in the terms contemplated by this Memorandum.

The partnership has been formulated on the basis that it will meet certain stated objectives of the HIMP and Joint Investment Plan (" the JIP ") of the Leicestershire Health Authority ("the Authority") for the years [2002/2003 to...] and the Parties to this Agreement are satisfied that this partnership will achieve the following aims and outcomes:

AIMS

- i) **Aims, outcomes and objectives by reference to the NSF and the HiMP to be inserted**

In general the partners will co-operate with one another in achieving the objectives of this Memorandum. The partners have determined, in consequence of the consultation exercise undertaken by Leicestershire Health Authority, that the respective functions of the Councils and the Trust in the provision of health and social care for people with mental health needs shall operate by way of an integrated service within the remit of the functions and services of the Trust with effect from 1 April 2002.

It is anticipated by the Trust that the precise nature of the mental health and social care services (" the Services ") which they will undertake and provide as the integrated provider of the same the basis of the specification for Service Delivery to be contained within binding agreements with the proposed commissioners of the Services and will comprise the exercise of NHS functions and health and social care related functions (as defined by the Regulations) insofar as they relate to, facilitate or are incidental to the provision of mental health and social care services to working age adults with a mental health need in Leicestershire including, but not exclusively, the key services identified in the Joint Investment Plan (annexed hereto as Annex 1).

The planning, commissioning and development of the Services shall operate by way of a Health and Social Care Partnership Board comprising the partners, defined members of the voluntary sector within Leicestershire and

Without prejudice to the foregoing the Services shall include [**to outline services which will be integrated within and commissioned under the Partnership**]

The proposed providers of the Services shall be those NHS Trusts and voluntary bodies (and/or their successors bodies) who shall have been approved by the Health and Social Care Partnership Board (“the Board”) for the purposes of providing the Services.

2. Scheme of Delegation

The Partners shall agree a Scheme of Delegation as more particularly described in the Commissioners’ Contract which sets out the nature of the partnership and which clarifies in simple terms by whom, with whom and how decisions shall be made by and on behalf of the partnership. The Scheme shall determine the level of expenditure and services that an officer of the partners may commit to without reference to the Board.

The Council and the Authority envisage that the Board, a joint committee under Regulation 10(2) of the Regulations will act as the “commissioner” of the Services receiving advice, instructions, recommendations and updates from such working groups as may be convened by the Board and comprising such officers and members of the partners together with such associate members as the partners deem appropriate.

This will be a formal document which has the approval of the respective Boards of the Trust, the Authority and the Councils and which complies with the respective standing orders and standing financial instructions of the partners.

The Scheme of Delegation will be the communication pathway for and in relation to decisions which effect the funding of the partnership; its functions; its broad purpose; and the services that it will be commissioning and which will be provided on an integrated basis by the Trust

3. Payment Mechanism

Note – the following will only apply if the funding is to operate by way of a pool. It is acknowledged by the Partners that the funding that will apply to this partnership will be by way of payments made by the Council and the Authority in accordance with Regulation 7 of the Regulations. The Partners have agreed to establish and maintain a pooled fund, comprising the contributions (by each party), in the amounts and for the periods described in the document entitled the Financial Annex and annexed hereto as (Annex 2). This Annex sets out the manner in which those contributions can be varied; the management, monitoring and audit of the pooled fund; the manner in which contributions unspent from preceding years can be rolled forward and the manner in which overspends shall be dealt with; and the agreed aims and outcomes (to be reviewed mid year and in each year of the arrangements) of the pooled fund shall be achieved and reported to the relevant party.

In accordance with the Regulations agreement will be reached between the Partners as to the payments that are to be made by the commissioners to the Trust as the integrated provider of the Services.

Without prejudice to the terms of the Financial Annex the Partners / commissioners may agree variations to: the budget settlement period; the inflation base which is to apply as a multiplier year on year in relation to payments that are to be made to the pooled budget; and shall agree between them communication pathways and mechanisms for the accounting treatment of the pooled budget; the inspection of records applying to the same; and internal and external audit of the same.

4. Service Specification

The Partners have agreed between themselves that in the Services are defined in a broad outcome specification (in the form annexed hereto as Annex 3) and have been agreed by them as meeting the stated aims and objectives of the partnership. It is agreed that it is for the Trust to specify the manner in which, the cost of, outcomes and proposed developments in the Services to be delivered by it (them).

5. Quality/Performance Management

The Partners recognise that the partnership can only effectively operate if they have a means of qualitatively assessing the Services to be commissioned by them and provided by the Trust. They shall agree a performance management specification which shall have as its basis “best value” principles and which shall operate by way of a qualitative review of the Services commissioned by them and provided by the Trust. At the latest best value reviews will commence on 1 April 2003 and to the extent that a best value review identifies savings that can be achieved and released from the pooled budget or the equivalent funding in the year then following the best value review then the Board shall determine the manner and the proportions in which such savings are shared between the partners, failing with they shall be shared pro-rata to the base contribution described in the Financial Annex.

6. Schedules of Goods/Accommodation/Staff

In recognition of the integrated provision role of the Trust the Partners anticipate that there will be a need to consolidate the accommodation and equipment utilised by them for the purposes of this partnership.

This may necessitate the sharing of accommodation on appropriate terms and the [sharing] transfer of equipment utilised for the purposes of the partnership. The responsible officers of the partners, namely, the [] and [] of the Trust and the Councils shall refer to each other their respective Asset Registers with a view to determining which assets (including property) might be transferred to the Trust as integrated provider of the Services in furtherance of the objectives of this Agreement and, more, generally the partnership.

The Partners recognise some of their respective employees who are assigned to undertake operational commissioning shall be seconded to the Trust in accordance with the agreed form of Secondment Agreement annexed hereto. However, by Regulation

6(a)(iv) of the Regulations the Council will retain responsibility for the appointment of Approved Social Workers.

7. Charging Policy

It is recognised that by Regulation 6(a) of the Regulations that the Councils retains the responsibility to charge for certain of its functions and that the income therefrom contributes to the funding of the local authority element of the services. A charging policy and protocol will be agreed between the partners to this Agreement ensuring that the delivery of health care remains free at the point of delivery but that effective procedures exist to facilitate the exercise by the Councils of its charging function insofar as applicable.

8. Complaints Procedure

The Partners recognise that each of them operates a separate complaint procedure by reference to their own discrete statutory functions, duties and powers. It is recognised that a commonality between the different complaints procedures and processes of each of them will have to be achieved in fulfilment of the objectives of this partnership and it is envisaged that in relation to the delivery of health care the NHS complaints procedure will apply and that in relation to the delivery of social care the Councils' complaints procedure will apply.

It is recognised by the Partners in certain instances it may be difficult to define whether the service or care that has been delivered is health care or social care in which case they shall agree between them, which agreement shall be led by this Memorandum, which complaints process is to be the "lead" complaints process for those purposes.

9. Liability/Indemnity

It is recognised by the Partners that the binding agreement for the provision of the Services will contain contractual indemnities broadly in the following terms:

The Trust as the integrated provider of the Services will indemnify the relevant Councils from and against any loss and/or damage claims and expenses or liabilities (whether criminal or civil) suffered and reasonable legal fees and costs incurred by the relevant Councils resulting from any breach of the contract by the provider of the Services including, without prejudice to the generality of this provision, any act, neglect or default of the provider's employees, agents or contractors except insofar as the provider of the Services, its employees, agents and contractors were acting under the authority or direction of the relevant Councils.

The relevant Councils will indemnify and keep the Trust in its capacity as the integrated provider of the Services indemnified from and against any loss and/or damages claims and expenses, liabilities suffered and reasonable legal fees and costs incurred by it as a result of any breach of the contract by the relevant Council which breach arises from any act, neglect or default of the employees, agents or contractors of the relevant Council, except those persons managed by the Trust under the terms of the Secondment Agreement.

The provisions of the NHS indemnity shall apply in relation to any actions or omissions of the Trust, its employees or agents in consequence of which a person suffers harm and for the avoidance of doubt a copy of the guidance promulgated by the Department of Health in relation to the application of the NHS indemnity is annexed hereto.

10. Insurances

The Partners shall each maintain membership of or participation in the separate self insurance schemes of each of them which for the Trust and the Authority comprises

membership of the Non-Clinical Risks Scheme and Clinical Risks Scheme operated by the National Health Services Litigation Authority and for the Councils comprises the ... and to the extent that the Partners by majority deem it appropriate and prudent they may (subject in the instance of the Authority and the Trust to the approval of the Secretary of state) utilise part of the pooled fund or the funds released under this partnership for the purchase of appropriate policies of insurance cover sufficient to meet any risk which is not "insured" by reference to the Schemes referred to and which it would be economic and prudent to insure against.

11. Sub-Contracting/Assignment

The Partners acknowledge that none of them shall be entitled to assign the whole of part of their rights or obligations under this partnership unless permitted to do so by the Secretary of State for Health in consequence of any devolvement of their respective functions to another body or agency.

It is acknowledged by the Partners that the Trust shall be permitted to sub-contract to any other body provided that the written consent of the remainder of the Partners has first been obtained (which consent shall not be unreasonably withheld or delayed), some or all of the Services which it provides PROVIDED THAT the sub-contractor shall enter into a sub-contract containing provisions of similar force and effect to the service level agreement under the which the Services are provided.

12. Information Sharing

It is recognised by the Partners that they will need to agree principles and a protocol for the purposes of sharing of relevant information with a view to complying with the Data Protection Act 1998, any guidance promulgated by the Data Protection Commissioner and the Caldicott recommendations as contained in HSG [...]. Insofar as applicable the partners shall apply the guidance on information sharing as described in the "Guidance on the Section 31 Partnership Arrangements", the principles of confidentiality that apply as regards the health needs of individuals, the common law rules of confidentiality and

any information which is to be shared by reference to any protocol under the Crime and Disorder Act 1998.

It is recognised by the Partners that the principles of confidentiality shall be observed and that the protocols on the information sharing shall operate so as to ensure that the objectives of this partnership are met and that the health needs of individuals the subject of the Services are not denied or hindered.

13. Default/Disputes/Arbitration

It is recognised by the Partners that disputes under this partnership should be resolved promptly and amicably and that a disputes procedure should be incorporated within the service level agreement with the Trust for the provision of the Services which disputes procedure may include a disputes framework which operates on the basis that the Board will be the final "Appeal Panel" for any disputes under the partnership and/or that agreement The following provision may apply: -

The Board shall comprise the Appeals Panel under this partnership operating as a forum to oversee the partnership and the delivery of the contract and to address issues of common interests.

The Board shall be the final reference point for complaints between the partners under this Agreement and complaints as to service delivery referred by the Trust and shall seek to resolve any disputes so referred to it amicably and within a time frame to be determined by the Board without reference to an external arbitrator or external mediation.

14. Duration

This partnership shall commence subject to the Secretary of State's approval on the 1 day of April 2002 for a period of [] years.

15. Termination

It is recognised by the Partners that contractual termination provisions will have to apply in relation to the service level agreement with the Trust and that termination will operate as a measure of last resort and further that a termination consequences provision will have to apply which may operate in the following terms: -

Where termination of the service level agreement is anticipated by the Partners or has occurred, there shall be an end to the services provision by the Trust in such a manner so as to ensure an orderly an economic hand over to any new provider of the Services sufficient to ensure continuity of health/social care to those individuals who are receiving that care in consequence of the service level agreement between the Trust and the commissioners and that a mutually acceptable hand over period will be agreed between the Trust , the commissioners and the new provider of care.

That any leases or licenses of accommodation from and as between the Council and any provider of the Services will automatically end; and

Possession of any assets purchased by the Trust under the pooled budget or utilising funds released under the partnership shall be transferred from the Trust to the commissioners to the extent that title in the same has not transferred to the Trust.

It is acknowledged by the Partners that any of them may withdraw or shall have been deemed to terminate their participation in the partnership in the following circumstances:

-

- (i) Upon the effluxion of time;
- (ii) By consensus and upon no less than 12 months' notice if the benefits to be derived from this partnership have been demonstrated by any "best value" analysis no longer to meet the requirement of the Regulations in terms of

meeting the stated objectives of Joint Investment Plan, the Health Improvement Plan for the relevant period, and any other plan revising the objectives of the partners.

16. Variation

It is acknowledged by the Partners that variation and/or change control provisions will have to operate in recognition of the development of the Services over the term of this partnership and the parameters of those variation/change control procedures will have to be agreed by them. However, it is envisaged by them that the Board will operate as the first level of change control.

It is agreed by the Partners that any variations in the agreed contributions, which arise or are likely to arise in any financial year of the partnership, shall be settled in accordance with the principles of the Financial Annex.

The change control provisions shall in terms of the service level agreement with the Trust operate by reference to the following provisions and shall be incorporated into that agreement as a means of developing and refining the Services.

If at any time during the course of the service level agreement any party to it requests in writing:

Any material change to the nature and/or extent of the facilities/accommodation used for the purposes of the Services;

any material change to the Services;

any material change to the manner in which the Services are delivered;

then the party(ies) receiving the request may request a report which may include the following:

a statement of whether the change results in an increased or decreased revenue or other financing cost;

a statement or breakdown of non-recurring charges (if any);

a timetable for implementation of the change;

details of any proposed staffing ; and

any other relevant matter.

The maker of the report and the party(ies) receiving the report shall meet within [28] days with the intent of determining either agreement in principle to the proposals (the subject of the report) with such recommendations as they deem appropriate to be made to the Board who shall be the arbiter of any change-control or a refusal to the proposals with appropriate recommendations to the Board who may accept the decision or reach a decision of their own based upon the report, any recommendations referred by the parties and any other relevant matter.

17. Annual Review

The Partners shall in each year of the partnership at a time to be approved by them conduct an annual review which shall have as its basis:

the delivery of the Services and the achievement of performance measures by any provider of the Services;

the allocation of funding to the Partnership and/or the pooled budget;

the performance by the Board and of matters delegated to them under the terms of (any) Scheme of Delegation;

any proposals for change-control or otherwise of the service level agreement or this partnership;

and/or any recommendations, guidance or directions from the Secretary of State for Health which may, by way of example only, include changes to any relevant national Service Framework, or proposals of any PCG/PCT and/or any changes to the HIMP for the years following the Annual Review.

Similar provisions shall be incorporated into the service level agreement and the review shall be conducted by designated officers of the parties to the service level agreement.

Signed.....
for and on behalf of the Leicestershire Health Authority

Signed.....
for and on behalf of the Leicestershire County Council

Signed
for and on behalf of the Leicestershire and Rutland Healthcare NHS Trust

Signed.....
for and on behalf of the Leicester City Council

Signed
For and on behalf of the Rutland County Council

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