

Report considered by Health and Community Wellbeing Select Committee –
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RECONFIGURATION OPTIONS IN MILTON KEYNES

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1. Purpose

1.1 This paper summarises the current status of joint working between the NHS in Milton Keynes and Milton Keynes Council. It covers three main issues:

- (a) the state of integration between NHS community services and MKC adult services
- (b) the new imperative on the local NHS to determine an organisational configuration for NHS community services by March 31, 2010
- (c) the future of joint commissioning arrangements for health and social care between NHS Milton Keynes and MKC Community Wellbeing directorate.

2. Recommendations

2.1 The Select Committee is asked to:

- (a) Note the innovative levels of integration already achieved between community NHS services and MKC adult services
- (b) Respond to the invitation to comment on the options for reconfiguration of community healthcare services in Milton Keynes
- (c) Defer discussion on the future of joint commissioning until such times as the reviews of joint commissioning arrangements and subsequent action plan are available

3. Issues and Choices

3.1 *Integration of care:*

A wealth of international evidence suggests that care that is integrated around service users is more effective in meeting the needs of users and a more efficient use of resources. Milton Keynes has a long track record of NHS and social care services working together, and, in recent years, pooled budgets

between the NHS and MK Council (using so-called "Section 75" flexibilities under the NHS Act 2006) have cemented these strong ties.

Today in Milton Keynes, integrated NHS and local authority services exist for intermediate care, mental health services and learning disability services. A programme is in place to extend integrated working to older peoples and physical disability services. This will effectively mean that all adult social care services will be fully integrated with community health provider services.

(Although children's health and social care services have not been integrated using Section 75 pooled budgets, there are close working relationships between the two agencies, and plans are being considered to formalise these under Section 75. This will be led by the 'Be Healthy' sub-board of the Children's Trust.)

This level of integration of the workforce is further advanced than in many other local areas and the envy of agencies across the country trying to achieve closer working between NHS and social care in their areas. For example, a review of five "shining examples" of integrated care from across England by the Nuffield Trust finds only Torbay's Care Trust has successfully managed to integrate care across the NHS and social care.

3.2 *Provider service reconfiguration:*

The NHS is guided by the Department of Health each year through the latter's production of an Operating Framework, setting out the "must-do" requirements, priorities and key tasks for the year ahead. The 2010/11 NHS Operating Framework was published in mid-December 2009 and included in it a requirement on all PCTs to have made a decision on the future configuration of their provider arm services by 31 March 2010. This deadline has been set "to accelerate the pace of transformation of community services and provide greater certainty for staff."

Consultations and discussions on the future configuration of community services in Milton Keynes have been underway for several years already, with first social enterprise and then community foundation trust status being sought. In the end and for various reasons, neither option was viable for services in Milton Keynes.

NHS Milton Keynes has therefore produced a revised list of options for discussion and consideration by the public and stakeholders in advance of any decision by the PCT Board in March 2010.

In essence, there are six options:

- Remain as an arms-length part of the PCT
- Create a stand alone community provider services organisation
- Integrate with local authority services by transferring all NHS provider staff to MKC
- Integrate with MK Hospital Foundation Trust

- Integrate with neighbouring PCT provider services
- Managed dispersal: break the services into a number of units – either service-based or geography-based – and transfer the units to a range of other existing providers

The debate on the options must take into account the impact on local integration of care as described in section 3.1 above. Indeed, integration of care is one of the key themes of the national NHS Operating Framework 2010/11.

3.3 *Joint commissioning of health and social care for adults:*

Along with integrated provision of health and social care, Milton Keynes also has a long track record of joint commissioning of health and social care services. A number of factors (including the NHS's World Class Commissioning programme and the transformation of social care) mean that it is timely to review the structure and functions of the joint team in order to strengthen its role going forward. This role will take on increasing prominence as we commission health and social care within a significantly tighter budget. For example, the table below (from the 2009 refresh of the strategic plan) sets out the savings targets for NHS Milton Keynes over the next 4 years:

Scenario description	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
Base Case (assumes real terms 2.5% cut in financial allocation)	-10,999	-7,834	-10,571	-13,146	-42,550
Scenario 1 (assumes real terms 2.5% cut in financial allocation plus increased inflation costs on tariff)	-10,999	-9,142	-11,998	-14,690	-46,829
Scenario 2 (assumes real terms flat rate growth in financial allocation)	-10,999	-2,075	-4,831	-7,434	-25,339

This level of savings is far in excess of anything experienced by the Milton Keynes health and social care economy in the past. To achieve it will require a radical shift in commissioning approach, away from 'tinkering at the edges' and towards a complete redesign of funding flows to reward better outcomes rather than more activity.

The capacity and capability of the joint commissioning team will be central to delivering this redesign of commissioning.

Two reviews of joint commissioning are helping to shape the future of the team: the first is a report jointly commissioned by NHS MK and MKC specifically to advise on a future form for the team. This report is in its final draft. The second review has been undertaken by the Audit Commission and will feed into both the PCT's and Council's Use of Resources assessments. This report is also approaching a final draft stage. An action plan to implement

the findings of both reports and ensure sufficient capacity/capability is under construction at present.

When final versions of both reports and the related action plan are completed, they will be presented to the Select Committee.

Background Papers: NHS Milton Keynes board paper, January 2010: *Changing the shape of NHS community healthcare services in Milton Keynes: introducing the options*