

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 31 March 2015

Report of: Lorraine Butcher, Executive Director of Strategic Commissioning

Subject/Title: Cheshire Integrated Digital Care Record

Portfolio Holder: Councillor Janet Clowes

1 Purpose of the Report

- 1.1 The introduction of the Cheshire Integrated Digital Care Record is an exciting and pioneering innovation and represents a real 'game changer' in how the needs of vulnerable people are understood across health and care agencies, resulting in more timely and appropriate interventions to meet their care and support needs.
- 1.2 Putting residents first by mobilising care and support services around them and in response to their needs is how the Council and its partners will help people live well and for longer. Integration between health and social care is the foundation that will enable this resident-centred care and support. This paper describes the Cheshire Integrated Digital Care Record (CIDCR), an opportunity to effect a real step-change in how we and our partners can share resident's information with the professionals who need it, when they need it.
- 1.3 People who need care and support can be vulnerable. Asking them to retell their stories, for the same information over and over can not only be stressful but can lead to lack of confidence in the whole health and care system. This work seeks to make things simpler and easier for residents when they need care and support from professionals.
- 1.4 In July 2014 Cheshire East Council as part of the Pioneer Programme, submitted a bid to NHS England for Integrated Digital Care Fund - known as Tech Fund Two - capital monies on behalf of itself and the following partner organisations:
 - Eastern Cheshire CCG;
 - South Cheshire CCG;
 - Vale Royal CCG;
 - Mid Cheshire NHS Foundation Trust;
 - East Cheshire Hospitals NHS Foundation Trust; and
 - The Christie NHS Foundation Trust.
- 1.5 Cheshire East Council is, together with Cheshire West and Chester Council and the four Cheshire Clinical Commissioning Groups, part of an *Integration of Health and Care Pioneer* programme overseen by the Cheshire Pioneer Panel. This is linked to the Department of Health's recognition of the scale of ambition and pace of change across the area. The Cheshire Integrated Digital

Care Record, (CIDCR), that allows the providers of health and care to access information relating to a person in their care from different organisations is key to the programme's success. For example, a consultant in A&E in Leighton hospital would be able to view the GP and Social Care record of an older person who has had a fall, saving significant time in diagnosis and avoiding the need to repeatedly ask for information already recorded on another system - for example medical history, medication or care plans.

- 1.6 This report sets out the Council's role as the accountable body for Tech Fund Two monies and outlines the details of the award to support the delivery of the Cheshire Pioneer CIDCR. The Cheshire Pioneer Panel remains accountable for the delivery of the programme.

2 Reason for urgency

- 2.1 The selection process for Tech Fund Two was due to be completed in September 2014. This would have allowed six months to implement the Cheshire Pioneer IDCR during 2014/15, through the expansion of the West Cheshire Care Record (WCCR). The WCCR is already in place via Tech Fund One funding. The Countess of Chester is the accountable body for WCCR.
- 2.2 HM Treasury delayed the approval of the funds for several months after the submission of the bid. NHS England did not contact the Council to advise that the bid was successful until 25 February 2015. However they require the money to be spent within the 2014/15 financial year. Any delay would result in the funding being lost.
- 2.3 Since receiving the notice from NHS England the Cheshire Pioneer Panel has been working through the options to ensure that this important funding is not lost. The next Cabinet meeting is on 31 March 2015 and therefore too late to enable the funds to be spent within 2014/15.
- 2.4 NHS England deposited the full Tech Two funding award of £1.071m into the Council's bank account on 11 March 2015 – before the agreement had been signed. The Council needs to spend this money before 31 March 2015. As a result this Executive decision is urgent and cannot wait until Cabinet meets on 31 March 2015.
- 2.5 The decision is taken under Cabinet Procedure Rule 53: Urgent Decisions. It is not a Key Decision. The Chairman of the Corporate Overview and Scrutiny Committee has agreed that the making of the decision is urgent and cannot reasonably be deferred. The decision is exempt from call-in.

3 Decision required

- 3.1 To authorise the Council to act as accountable body for Tech Fund Two;
- 3.2 To approve a supplementary capital estimate for 2014/15 of £986,949; and
- 3.3 To note that a further sum of £84,000 Tech Fund Two monies relates to 2015/16.

4 Background

- 4.1 In May 2013, the Secretary of State for Health and Professor Sir Bruce Keogh, Medical Director of NHS England, launched the £260 million Safer Hospitals, Safer Wards Technology Fund. In September, this was followed by the announcement of an additional £250m to be added to the fund – increasing its total value to over £500m. To reflect the key priority of enabling information flow across care settings, the fund has now been renamed the Integrated Digital Care Fund.
- 4.2 In its first round IDCF was open to NHS Trusts to support the rapid progression from paper-based clinical record-keeping to IDCRs. The initial wave approved over 200 projects from digital clinical records to electronic prescribing and medicines management, with a financial commitment of over £200m in 2013/14 and 2014/15.
- 4.3 Round two of the fund closed on 14 July 2014. In this round, awards from the fund continue to support the move to IDCRs with the emphasis on supporting information flows across organisational boundaries. At that stage the eligibility criteria was widened to include local authorities.
- 4.4 As with Tech Fund One there is a requirement for match funding. The Council, along with the three CCG's have committed to meet this match funding requirement on behalf of all partner organisations. The Council and its partners are working to ensure the proper assurances are in place.
- 4.5 The draft award agreement with NHS England specifies a number of commitments from the Council as the accountable body; others flow from the original bid document. The most significant of these are listed below:
- Funding is made under section 31 of the Local Government Act 2003. In summary that means that:
 - the amount of a grant under this section, the manner of its payment and any conditions attached are for the person paying it to determine.
 - Funding is only provided for the financial year in which it has been allocated and shall only be used for capital purposes. In practice this means that the Council must spend and hold an asset worth £986k by 31st March 2015.
 - Payments are linked to milestones and will only be paid by Softcat to Graphnet when the achievement criteria – defined in the agreement - are met.
 - Provide matched funding for at least £1,071k over the life of the project. (This includes contributions from the Council's partner organisations on the Cheshire Pioneer Panel.)
 - Demonstrate delivery of benefits to achieve a return on investment. Provide a statement of planned benefits within one month of the award and monthly highlight reports to show how the specified milestones within the Agreement are being delivered
- 4.6 There will be a formal requirement for the Council's Chief Operating Officer to sign off the capital spend at the end of the project (approximately June 2016). The Council and the Cheshire Pioneer Panel has had to act quickly to ensure

that this important funding is not lost due to time constraints. The main challenge, in the time available, is the need to spend the money in the current financial year.

- 4.7 The draft award agreement provides for the £986k to be paid on delivery of a single milestone:

The IT infrastructure and other components for the project have been procured and delivered (including hardware, software and any licences required), specifically the connection, integration and gateway tools and right to use the software.

- 4.8 While the Council has already received the funding it must still be able to demonstrate compliance with this requirement. As a consequence, it is the intention to build upon the option to extend the current contract held by the West Cheshire Care Record, (WCCR), which is already in place. It is hosted by the Countess of Chester NHS Foundation Trust, (CoCH), who already have a contract in place with an appropriate service provider, Softcat to include further licence and data feeds to incorporate other organisations.

- 4.9 Other options have been considered and discounted. These include:

- Returning the money to NHS England, or delaying spending it, until a compliant procurement process can be completed. This offers a simpler solution and would not then need to involve CoCH. However NHS England have advised both the Council and CoCH that this would mean the funding would be lost. It would also mean that the Council will not benefit directly from CoCH experience of WCCR.
- Asking NHS England to complete a change control notice making CoCH the accountable body. This would take time and is not considered necessary by NHS England. The Council has received email confirmation from NHS England accepting that the money will be paid to CoCH and then spent by them before 31 March 2015 to secure the asset, (as set out in paragraph 4.7 above).
- Asking another Cheshire East NHS partner to be the accountable body. It is quite possible for one of the other provider partner organisations, e.g. East Cheshire or Mid Cheshire trusts, to be the accountable body CoCH are better placed to do so – in that they host the WCCR and have relevant experience managing Tech Fund awards.

5 Governance Arrangements

- 5.1 The Cheshire Pioneer Panel is chaired alternately by the Chairs of Cheshire West and Chester Health and Wellbeing Board and Cheshire East Health and Wellbeing Board, both of whom are the Lead Members for Health and Care in their respective Councils. It is intended that the Council's Executive Director of Strategic Commissioning chairs the Cheshire Pioneer Panel Integrated Digital Care Record Programme Board - she is also the senior responsible officer for the IDCR project and sits on the *Caring Together* and *Connecting Care* programme boards. This is appropriate given that the IDCR is a pan-Cheshire Pioneer Programme.

- 5.2 The Council's preferred option for working with its partners, including CoCH, is via a Memorandum of Understanding, (MoU). The Council intends to have a MoU with each partner body to ensure that roles and responsibilities are clear and that risks are properly managed. The only other option would be to enter into a formal contract. This would take too long and is not in the spirit in which the Council is working together with those partners.
- 5.3 It is intended that each MoU outlines the parties' responsibilities including their commitment to funding, the management of funding flows, implementation timescales, achievement of return on investment and the reporting requirements set out in the award agreement. The MoUs will not be in place before the first phase of funding is paid to CoCH.
- 5.4 In turn, and in order to manage its own risks, CoCH also intends to have a MoU with each of the health partners. Again this is seen as preferable to offering a full commercial contract to each body which CoCH consider places CoCH at greater risk.
- 5.5 This programme will produce an Integrated Digital Care Record supported by a Pan-Cheshire Information Sharing agreement which jointly will support and bolster current integration and information projects underway within Cheshire East Council and across the partnership. The interdependencies with these and other activities including the digital strategy will be managed by the Council's Adult Social Care representative on the Programme Board.
- 5.6 The risks to the Council as accountable body are set out below, section 7.

6 Funding flows

- 6.1 The expected funding flows for Tech Fund Two monies are:

	2014/15	2015/16
Tech Fund Award	£986,949	£84,000

CoCH will invoice the Council separately for:

	2014/15	2015/16
Softcat/Graphnet set up costs – toolkit, connections, integration and (some) user licences.	£986,949	
Infrastructure expansion for hosting		£84,000

The initial invoice will be received and paid in this financial year.

- 6.2 The Council's share of the total cost of the Cheshire Pioneer IDCR is set out below together with that of the three CCGs. These figures do not include the Tech Fund money. Each body will pay its share as following receipt of their invoice from CoCH on the 1 April each year. The Council will net off any expenses it incurs as accountable body as set out in the MoUs.

Cheshire IDCR Programme Costs		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Commissioner funding required 100%	£3,457,831	£0	£1,003,660	£765,687	£715,687	£715,687	£257,110
Council 25%	£864,458	£0	£250,915	£191,422	£178,922	£178,922	£64,278
South CCG 27.09%	£936,646	£0	£271,868	£207,407	£193,863	£193,863	£69,645
Vale Royal CCG 15.97%	£552,242	£0	£160,292	£122,286	£114,301	£114,301	£41,062
Eastern CCG 31.94%	£1,104,485	£0	£320,585	£244,572	£228,601	£228,601	£82,125

- 6.3 The Chief Operating Officer and the Executive Director of Strategic Commissioning will explore options to meet the Council's £865k share of these costs
- 6.4 The contract between CoCH and Softcat will be changed to add an additional implementation schedule for the expansion of the WCCR to the whole of Cheshire.
- 6.5 In addition it is proposed that a Bankers Guarantee is put in place so that the monies paid to Softcat in 2014/15 can be retrieved within a specified period if necessary. Again this approach was used for the WCCR and provides the Council and CoCH with some security should Graphnet fail to deliver any of the agreed milestones, or in the event of any change in the partners' position.
- 6.6 In terms of who will own the IDCR system a decision needs to be taken to establish whether it should be divided up amongst the partner organisations or held by CoCH. If it is decided that the Council holds the asset it will have to provide for its depreciation in the revenue budgets (£986k over 4 years). Matched funding has been identified to ensure that each funding partner organisation contributes to this but a decision needs to be made to determine where this funding should sit. The options are:
- with CoCH or the Council as the asset owner or;
 - split via a contract to share ownership with each partner then responsible for the provision of depreciation for its share.

The Cheshire Pioneer Panel will consider this matter further.

- 6.7 This also impacts on the funding contribution after 4 years. The purpose of the depreciation charges is to accumulate the funding required to replace the asset at the end of its life, hence where this money is held impacts on who contributes what if the project is extended beyond year 4. The Cheshire Pioneer Panel will consider this further.

7 Managing risks

- 7.1 The risks inherent within the Award Agreement with NHS England are set out below. In taking the decisions requested in this report the Council needs to understand and consider the responsibilities placed upon it as the accountable body. The principle requirements are set out in paragraph 4.5. The table below highlights the key risks and proposed mitigation.

Risk	Mitigation
One or more of the funding partner organisations do not obtain match funding approval	Gain formal agreement from partners via support letters and MoUs
Transfer of match funding to the Council or CoCH does not occur in-line with agreements with funding partners	Agree contract terms with Softcat/ Graphnet to remove licences for those organisations that do not provide match funding.
Project delayed due to Graphnet preventing timely delivery of return on	Withhold payment and/or implement contractual penalty clauses.

investment	CoCH put in place a bank guarantee with Softcat. Put in place a bank guarantee with CoCH.
Project delayed due to partner organisation(s) preventing timely delivery of returns	Establish a Memorandum of Understanding with funding partner organisations that effectively transfers any risk associated with the return on investment.
Failure to deliver to award agreement milestones	Define individual milestones for each partner organisation through the Memorandum of Understanding.
CoCH unable to contract with supplier within timescales	Original contract allows for expansion Procured from framework agreement Commitment from third party supplier to achieve timely contract sign off is in place.
The Council fails to secure an appropriate Memorandum of Understanding with CoCH	Negotiations are at an advanced stage and both parties are committed to securing the funding in this financial year.
An appropriate Memorandum of Understanding, (MoU), with the Council's partner organisations will not be fully developed by 31 March 2015. On or more partners fail to sign	Negotiations are at an advanced stage and all parties are committed to supporting the project.

8 Conclusions

- 8.1 Having considered the options and risks set out in this report the Council agrees to be the accountable body for the Tech Fund Two monies on behalf of the Cheshire Pioneer IDCR partners on the basis that:
- The money can be spent legitimately within 2014/15 by using the existing framework contract that CoCH has in place;
 - The funding is split across 2014/15 - £986k and 2015/16 - £84k;
 - The risks have been identified, considered and can be mitigated;
 - Each participating organisation will provide a letter of support outlining their commitment to the project and their obligations
 - CoCH is best placed to oversee the delivery of the project as an extension to the WCCR resulting from its experience of dealing with Tech Fund 1;
 - A Memorandum of Understanding will be drawn up to govern the relationship with the Council, CoCH and the Cheshire Pioneer IDCR funding partners.
 - A further Memorandum of Understanding will be drawn up to govern the relationship with CoCH and the Cheshire Pioneer IDCR NHS funding partners.
- 8.2 The impact of not agreeing to be the accountable body for the project would be significant and the Council would have to decline the Tech Fund money.

This would have a significant negative impact on both the Council and Cheshire Pioneer Panel's ambition to develop new *person centred* models of care. Not least because without the commitment to NHS England milestones, the drive and impetus to deliver this programme at pace will diminish. This in turn limits the potential benefits that will be derived from the WCCR, which improve as the scope of the record extends beyond the immediate borders of West Cheshire. In addition there are potential strategic advantages worthy of further exploration in terms of risk stratification, research opportunities and additional funding opportunities to trial different service reconfigurations.

9 Financial Implications (Authorised by the Chief Operating Officer)

- 9.1 The financial implications, and any associated risks, are set out in the body of this report.

10 Legal Implications (Authorised by the Head of Legal Services)

- 10.1 This request for an urgent decision follows the process described in the Council Constitution Appendix 4: Urgent Decisions: Cabinet / Executive matters.
- 10.2 The Council's authority to act is derived from the general power of competence under the Localism Act 2011.

11 Access to Information

- 12.1 For further information and any background documents please contact:

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