



# Item 5.3a

## Cheshire & Merseyside

### Health & Care Partnership

### Corporate Collaboration at Scale

### Memorandum of Understanding

Version Number	Written By	Revision Date	Approved By	Approval Date	Description of Change
0.1	Terry Whalley	23 <sup>rd</sup> Oct '18			First Draft for comment
0.2	Terry Whalley	31 <sup>st</sup> Oct '18			Comments from CaS Board
0.3	Terry Whalley	15 <sup>th</sup> Nov '18	CaS Board	16 <sup>th</sup> Nov '18	Comments from Execs and CaS Board
<b>1.0</b>	Terry Whalley	5 <sup>th</sup> Dec '18	CEO Forum	30 <sup>th</sup> Nov '18	Final approved version published



## 1.0 Context

The Health & Care Partnership for Cheshire & Merseyside has already set out the case for change in the C&M Business Plan 2018-19. Acknowledging that there have been significant improvements in the NHS and social care over the past 15 years in Cheshire and Merseyside (C&M), despite global recession and austerity, thanks to efficiency improvements and the commitment of health and social care staff, and in no small measure to improvements made by colleagues in Corporate Functions.

But there remain major challenges ahead. As the population ages, needs are changing, new treatment options are emerging and demand is rising. People are living longer, but not always healthier, lives. There are more frail elderly and more people with complex needs. A growing number of people with multiple problems receive care that is fragmented, confusing, or leads to wasteful duplication. We have been spending more on health and care services than we can afford in an increasingly inefficient way as a result of short term firefighting to meet growing demand, and a competitive rather than collaborative approach to service provision.

Despite this extra spending, waiting times in A&E, for cancer diagnosis and for routine surgery are now lengthening. We face a growing financial deficit, which, on present trends, will rise to almost £1 billion in C&M by 2020/21 if we do nothing and cannot be resolved without changing fundamentally how we work. This demonstrates why radical change is needed.

As we focus more and more on place based care instead of organisation-based care, on enabling new models of health and care, and on our collective journey toward becoming an Integrated Care System, corporate colleagues are well placed to provide programmatic leadership in maximizing best use of resources in corporate functions to maximize the NHS £ available to invest in health & care services, and to engender the cultural change associated with system and place based models rather than organisation centric models.

In parallel with the development of our C&M Business Plan, and building on previous recommendations made by Lord Carter, NHS Improvement has conducted national benchmarking of corporate services. Their initial high-level view of the data suggests that significantly better use of resources can be achieved where groups of corporate services work together. Information provided by NHSI indicates that across the C&M Trusts there is an opportunity to save in the region of £30m to £50m per annum by achieving reduced variation in a range of key performance measures associated with those functions, and by acting to remove unnecessary duplication and by standardising to maximise resilience, quality & value.

We know that previous attempts to consolidate corporate services across Cheshire & Merseyside region have experienced difficulties in finding solutions that overcame established local interests and accountabilities, and that demonstrated a viable case for change beyond natural affinities. While good progress has been made in some respects, we lack a coherent vision for future corporate services in Cheshire & Merseyside that are functionally and financially sustainable and that can play a key-enabling role in the transformation of care pathways by maximising best use of resources as we seek to establish an NHS for the next 70 years.

There is no doubt that the emerging Corporate Collaboration at Scale programme across Cheshire & Merseyside can make a huge difference. This programme is initially focused on the functions and collaboration between the functions, but in time, given the additional pressures associated with resilience and lack of scale within smaller corporate functions, we will consider some of the structural changes that may be required.

The CaS Programme aspires to create a route toward achieving Lord Carter's 6% - 7% of turnover for running corporate function, and all Trusts signed up to this MOU are committing to that aspiration and to the actions that will make this real. CCGs are supportive of this collaboration at scale, and will remain connected to CaS Board to explore how CCGS may get involved in due course.



## 2.0 Purpose

Parties to this Memorandum of Understanding have, via their Executive Teams and Trust Boards, accepted that maintaining the status quo in our corporate functions is not a viable option, and that it is essential that we establish Corporate Collaboration at Scale (CaS) to drive forward at pace a number of radical changes to allow us to reduce the proportion of our resources consumed on those corporate services.

That said; no decision is yet taken on the form or function of our CaS beyond the desire and commitment bring our corporate teams together to establish a robust approach to developing a compelling future state vision, a target operating model and associated roadmap for change with associated business case(s). We require our colleagues in corporate functions across the participating Trusts to come together, engage in good faith and to help shape our CaS for the benefit of patients, colleagues, Trusts and taxpayers by improving the quality of our corporate functions and by making the best use of our resources.

### Our Vision;

*To deliver cost effective, efficient and commercially sustainable corporate service operations to support front-line staff in delivering quality patient care.*

### Our triple aim

1. Reduce unwarranted variation,
2. Remove unnecessary duplication
3. Standardise to maximise the quality, resilience & value of our corporate functions.

The remainder of this MOU together with associated appendices set out the approach that has been agreed by the parties to this MOU. It also contains some explicit statements as to what has not been agreed at this stage.

The role of the CaS Board is to steer Corporate Collaboration at Scale across the participating Trusts. Members of this CaS Board are required to act collectively to ensure that all Trusts receive appropriate diagnostic and delivery support in regard to the future of Corporate Functions. The role of the CaS Board is also to provide a cogently argued compelling rationale for changes that progress our vision and aims, and that allow the C&M Provider CEO Forum, the C&M Health & Care Partnership and ultimately Trust Boards to support the changes needed and consider the wider implications of the proposed changes.

## 3.0 Parties

The following Trusts have been asked and have agreed to participate in the Corporate CaS and have accordingly signed up to this MOU. CCGs are sighted and supportive, but as committed to using CSU during FY 19/20 are not formally included within MOU at this stage.

- Aintree University Hospital NHS Foundation Trust
- Alder Hey Children's NHS Foundation Trust
- Bridgewater Community Healthcare NHS Foundation Trust
- Cheshire & Wirral Partnership NHS Foundation Trust
- The Clatterbridge Cancer Centre NHS Foundation Trust
- Countess of Chester NHS Foundation Trust
- East Cheshire NHS Trust
- Liverpool Heart & Chest NHS Foundation Trust
- Liverpool Women's NHS Foundation Trust
- Mersey Care NHS Foundation Trust



- Mid Cheshire Hospitals NHS Foundation Trust
- North West Boroughs Healthcare NHS Foundation Trust
- The Royal Liverpool and Broadgreen University Hospitals NHS Trust
- Southport & Ormskirk NHS Trust
- St Helens and Knowsley Teaching Hospitals NHS Trust
- The Walton Centre NHS Foundation Trust
- Warrington & Halton Hospitals NHS Foundation Trust
- Wirral Community NHS Foundation Trust
- Wirral University Teaching Hospital NHS Foundation Trust

## 4.0 Principles

Parties to this MOU have agreed the following principles:

1. We accept unreservedly that maintaining the status quo is not an option and that significant transformation of corporate functions is required to ensure long-term sustainability of health & care services.
2. We are at this time open minded as to the future state vision and target operating model for corporate functions, but while recognising that form will follow function in any consideration believe that a combination of both is required to enable the quantum of change required to ensure long term sustainability.
3. We recognise we each start from a different place, and that each corporate function starts from a different place, and so we are open minded as to the length of time required to undertake the transformation we might agree upon.
4. We are committed to progressing with the early formation of a Corporate Collaboration at Scale Board, representing all participating Trusts, accountable to the C&M Provider CEO Forum, which has a degree of delegated authority as defined in its Terms of Reference.
5. The CaS Board, and members of it, will be required to act as unitary group considering the route to maximum public value (improved outcomes, improved experience and best use of resources) and to ensure we deliver high quality, resilient & financially sustainable corporate functions that in turn enable continued delivery of excellent specialised health & care services.
6. We will act in an open and honest way and with integrity & professionalism to ensure a mutual trust is built to enable the work to be undertaken in the right spirit and in pursuit of our collective agreed outcomes.
7. We will draw upon emerging C&M HCP principles; this will include the 'Open Book' policy (C&M Information Sharing Agreement, copy available upon request) in respect of financial, operational and other information notwithstanding the need to operate within GDPR legislation. It will also include the 'Risk/Gain Sharing' policy to ensure equitable distribution of risk & reward and to remove the impediment associated with 'winners & losers' at a granular level.
8. We are equal decision makers within the CaS Board regardless of size of extant corporate functions. One Trust, One Vote. Decisions made should be made unanimously and must be within the delegated authority given to the respective individual members by their respective Trust Boards. In the event that unanimous decisions cannot be reached, and where a decision is required to maintain progress toward agreed outcomes, a vote will be held (one Trust one vote). Acting as a Unitary Group, and assuming 80% vote in favour, the outcome will be classed as agreement from all parties.



9. Our participation in the Corporate CaS does not preclude any party from entering into informal or formal agreements with other bodies. Where such an agreement may impact on the work of the CaS, each Partner commits to informing the others prior to the final decision being made.
10. Our participation in the Corporate CaS does not mean ceding formal decision-making rights. Extant Governance arrangements remain in place within Trusts to ensure accountabilities continue to be met. As participants in CaS, we do though commit to undertaking a 'no regret' test on significant decisions within the context of corporate functions. This does not mean we plough on regardless once we've made a decision, it means we seek to avoid regret associated with taking in decisions in isolation from each other. In practice, this means sharing considerations as to potentially significant decisions with partners in the CaS to seek to minimise risk of regret or unintended consequence, and seeking to secure endorsement of recommendations as a routine part of Trust decision-making.
11. We commit to developing, encouraging and enabling innovation. As part of this we will identify and then adopt best practice from across our region, identify variation and reduce it where it is unwarranted, seek to balance quality & value, seek to be informed by evidence while avoiding the trap of arguing the data / analysis paralysis and at all times to seek to balance pace & perfection.
12. Where Model Hospital / benchmark data clearly identifies that one of the C&M Provider Trusts performs better on key performance benchmarks, this Trust will 'lead' on that function. This does not (necessarily) mean the Trust will be asked to deliver or run that function for all, it just means that trust will take the lead on driving the definition of FSV, TOM and priority of quick wins.
13. Together, we seek to make the best use of our current assets and finite resources, which includes our workforce, our estate, our facilities & equipment, our technology, our intellectual property and expertise and of course our funding.
14. We believe local employment matters, and that making Cheshire & Merseyside a great place to work so that we can attract and keep the people we want with the skills we need is paramount to our long-term clinical & financial sustainability.
15. The CaS Board, making use of the agreed open book policy, will develop by function a strategic outline case (SOC) and will identify and then further analyse the credible available options for our future state vision and target operating models. This (SOC) work will be completed by end of March 2019 and a paper based on this will go to the next possible meeting of the Provider CEO Forum for consideration.
16. We believe that long-term functional and financial sustainability is better served through an increasingly connected set of corporate functions in some shape or form. This belief will be subject to further testing as options emerge, and provided that the strategic outline case and further detailed Business Case provides sufficient evidence to proceed with confidence, will continue to guide our work.
17. The CaS Board will identify at pace a number of immediate actions designed to improve functions quickly, begin to tackle unwarranted variation, remove unnecessary duplication and start to standardise to maximise the quality, resilience & value of our corporate functions.
18. Extant corporate functions remain with current Trusts with no immediate change to functional, financial or workforce arrangements.

## 5.0 Governance, Accountabilities & Responsibilities

The proposal for governance is intended to keep the process as simple as possible, focussed upon promoting pace/coherence/timely decisions toward agreed outcomes and objectives while respecting the continued role of Trust Boards in ensuring their accountabilities are met. The diagram below



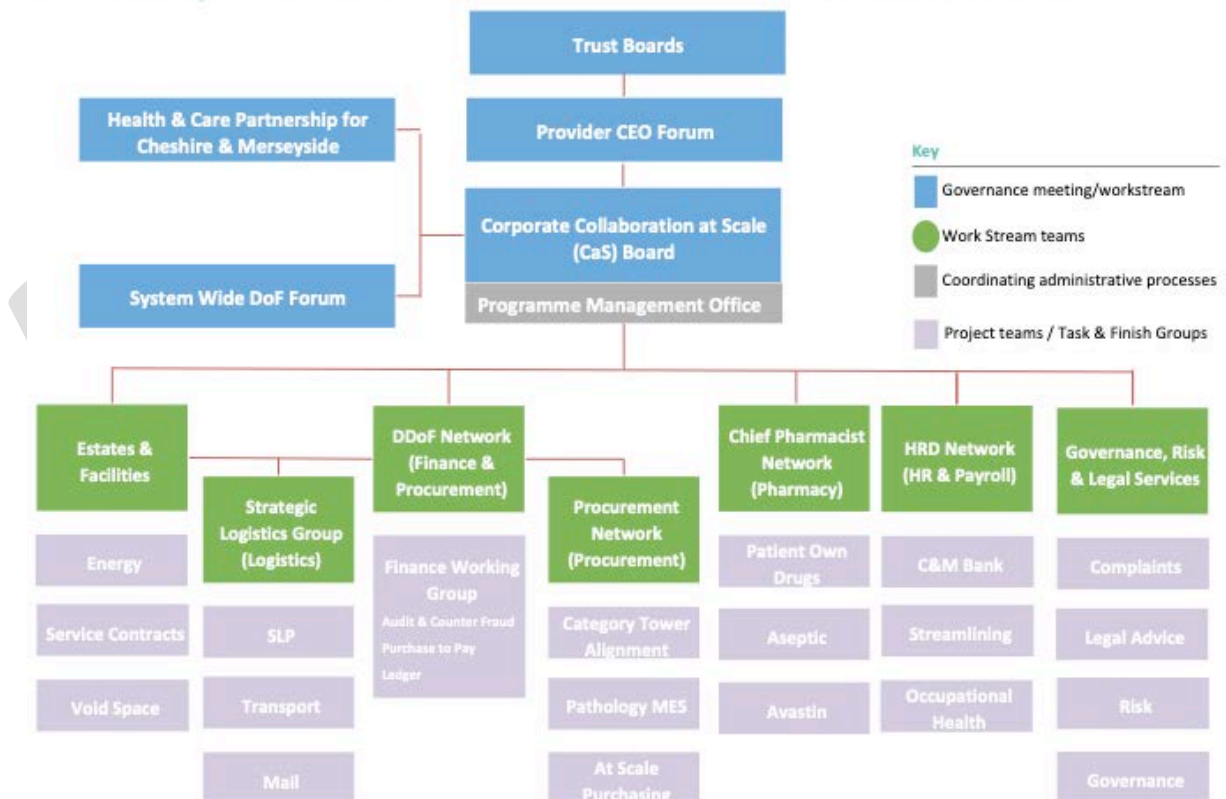
shows a spectrum of involvement for parties, ranging from informal cooperation through to formal alliance contracting and ACO arrangements. Initially, our Corporate CaS will operate at the co-operation MOU stage, whereby parties provide information to each other, have defined roles in the relationship, a formal need for communication and respecting all decisions continue to be made independently by the parties. Our aim though, in parallel with wider roadmap to ICS, is to move along the spectrum once the case for so doing is made, delivering quick wins along the way.



Our Corporate CaS is a component of the wider Cheshire & Merseyside Health & Care Partnership, and a key enable in our journey to becoming an Integrated Care System. As such, the governance of the programme sits within the overall C&M Governance arrangements as described in CM Scope Governance Pack dated June 2018, which is available upon request.

The diagram below, together with the rest of this section, describe specific governance arrangements for and within the Corporate Collaboration at Scale, with a recurring assumption of connection to extant C&M Governance and Trust Boards.

## C&M Corporate Collaboration at Scale Governance Structure







The Corporate Collaboration at Scale Board, chaired by SRO Sam Proffitt, is made up of nominated Trust executive director representatives from each of the participating Trusts along with the Chair from each of the work stream teams. See Corporate CaS Board Terms of Reference for further detail.

Each workstream will rapidly assemble an appropriate group from all Trusts, and will define further chapters to this MOU that describe the understanding within each function. These will draw upon consistent principles, as described in this overarching MOU, but will make real in the context of each specific function recognising the different starting positions, requirements and aims for each function may be different; not a one size fits all.

All of the governance groups are intended to be unitary in nature. While stakeholders represent the interests of their Trusts, they also act as part of single Corporate CaS and are required to consider the bigger picture as well as local perspectives. Decisions will be made unanimously where possible based on evidence and objective rationale. Where necessary to balance pace and perfection, majority rules may be applied to decisions that are required to be made, with one Trust one vote principle applying. Once decisions are taken, we each commit to sticking to those decisions with one-way decision gates in effect. Any requirement to deviate will be subject to a fresh 'decision' being made in accordance with these principles. At all times, decision making will be within delegated authorities as defined within Terms of Reference.

Line of sight on direction of travel and assurance on progress and benefits realised (£value and quality) will be provided to Partner organisations and to NHSI on a periodic basis through formal reporting mechanisms. All work streams and projects within CaS will be expected to contribute in a timely way to ensure effective line of sight is maintained, and that there is coherence and structure to the work we do together.

## 6.0 Scope

### In Scope

All corporate functions, explicitly including;

- Finance
- Procurement
- HR & Payroll
- Pharmacy
- Governance, Risk & Legal Services
- Estates & Facilities
- IM&T

The scope of CaS at this stage is the work to define our Future State Vision, associated Target Operating Model and the roadmap to transform from current to future state delivering quick wins along the way.

Specific projects may be added to the scope when agreed by Provider CEO Forum or by the CaS Board on behalf Trust Boards.

In line with the principles and aims outlined above, each partner will provide access to and share information in relation to any request, where relevant and agreed by the CaS Board. Whilst not exclusive, this will include activity, performance, finance schedules, workforce profiles, and estate/capital expenditure, agreed and potential plans for transformation, equipment & technology refresh, cost improvement programme / quality & efficiency programmes, procurement work plans, workforce development and other materially relevant information. All Trusts by way of signature also authorise NHSI to share all Model Office data on request from CaS Board to inform analysis and insight to drive change.



## **Out of Scope**

All clinical & diagnostic services are out of scope. CCG corporate functions not in scope at this stage.

## **7.0 Financials**

Initially, any enabling costs required to deliver aspects of CaS Programme within 2018/19 will be funded from the small financial envelope provided by C&M Health & Care Partnership, delegated to CaS Board for use. Any further requirement in 2018/19 will be borne equitably by Partners, subject to prior approval with those partners. Moving into 2019/20 the CaS programme and constituent elements will be funded according to defined business case(s) which will be explicit as to source of funds, the proportion of funding required from each C&M Trust (where that is the source of funds) and the distribution of resulting benefits (drawing on risk/gain share principles)

## **8.0 Termination**

The Partners may unanimously agree in writing to terminate this Agreement in whole or in part at any time. Any Partner may terminate this Agreement in respect of its rights and responsibilities at any time, by giving not less than six (6) months prior written notice to the other Partners.

If any Partner commits a material breach of this Agreement, persistently or repetitively breaches this Agreement or in the reasonable opinion of the other Partners is failing to collaborate with them to deliver the Aims and the matter is not remedied, then the other Partners may terminate this Agreement in whole or in part in respect of the Partner in default by the service of not less than three (3) months written notice on the relevant Partner.

The termination in part of this Agreement shall not affect the validity or enforceability of the terminating Partner's rights and responsibilities as set out in the remainder of this Agreement.

The termination of this Agreement will not affect any rights, remedies, obligations or liabilities of the Partners that have accrued up to the date of termination, including the right to claim damages in respect of any breach of this Agreement, which occurred at or before the date of termination.

## **9.0 Other Matters**

The C&M Provider CEO Forum will review the MOU no later than April 2019 to ensure it remains valid and relevant.





## 10.0 Signatures

Partner	CEO Name	Date	Signature
Aintree University Hospital NHS Foundation Trust	Steve Warburton		
Alder Hey Children's NHS Foundation Trust	Louise Shepherd		
Bridgewater Community Healthcare NHS Foundation Trust	Colin Scales		
The Clatterbridge Cancer Centre NHS Foundation Trust	Ann Farrar		
Cheshire & Wirral Partnership NHS Foundation Trust	Sheena Cumiskey		
Countess of Chester NHS Foundation Trust	Susan Gilby		
East Cheshire NHS Trust	John Wilbraham		
Liverpool Heart & Chest NHS Foundation Trust	Jane Tomkinson		
Liverpool Women's NHS Foundation Trust	Kathryn Thomson		
Mersey Care NHS Foundation Trust	Joe Rafferty		
Mid Cheshire Hospitals NHS Foundation Trust	Tracy Bullock		
North West Boroughs Healthcare NHS Foundation Trust	Simon Barber		
The Royal Liverpool and Broadgreen University Hospitals NHS Trust	Aidan Kehoe		
Southport & Ormskirk NHS Trust	Silas Nicholls		
St Helens and Knowsley Teaching Hospitals NHS Trust	Ann Marr		
The Walton Centre NHS Foundation Trust	Hayley Citrine		
Warrington & Halton Hospitals NHS Foundation Trust	Mel Pickup		
Wirral Community NHS Foundation Trust	Karen Howell		
Wirral University Teaching Hospital NHS Foundation Trust	Janelle Holmes		