

**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 29 June 2016  
**Subject:** Mental Health Transaction  
**Report of:** Strategic Director Adult Social Care

Within the broader context of the Greater Manchester Mental Health Strategy and the transformation of mental health services through the Locality Plan, this report sets out the process for the transfer of services provided by Manchester Mental Health and Social Care Trust to a specialist Mental Health Foundation Trust within the Greater Manchester footprint, following a competitive selection process managed by the Trust Development Authority.

**Recommendations**

The Executive is requested to:

1. Note the content of the report.
2. Delegate authority to the Strategic Director, Adult Social Care in consultation with the Executive Member for Adults Health and Wellbeing, the City Treasurer and City Solicitor to finalise and agree the terms of the transfer of the current arrangements with MMHSCT to the new provider once the outcome of the selection process is known.
3. Authorise the City Solicitor to enter into or execute any legal agreements or documents required to facilitate the transfer process

**Wards Affected:** All

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The links between good mental health and employment are clearly established. The transformation of mental health services in the city will support people to access or remain in work.

A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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### **Financial Consequences – Revenue**

The transformation of mental health services is a key element of Manchester's Health and Social Care Locality Plan. The Locality Plan reflects the five year strategy for investment in mental health services through a single health and social care commissioning function and pooled budget arrangements. The Council's total budget for Mental Health and Wellbeing Services in 2016/17 is £20m. The report outlines the process re transaction for MMHSCT which will involve transfer of the £77m contract to the new provider. It is expected that the associated transaction costs will be met from within the NHS.

### **Financial Consequences – Capital**

None

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### **Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Greater Manchester Mental Health and Wellbeing Strategy
- Manchester Locality Plan

## **1.0 Introduction**

- 1.1 This report sets out the Greater Manchester and local context, through the development of the Greater Manchester Mental Health Strategy and Manchester's Locality plan for the transaction of mental health services provided by the Manchester Mental Health and Social Care Trust in Manchester. It sets out the current contracts with MMHSCT which will transact to the new Provider and seeks Executive approval to the transaction.

## **2.0 Background**

- 2.1 The mental health of citizens in Manchester is integral to its success as the effects of poor mental health and wellbeing are to the detriment of individuals, the social cohesion of their communities and the economic growth of the city. Mental health is a significant issue for Manchester – for people affected by, and living with, mental health problems as well as organisations delivering services. Manchester, through its Locality Plan has a clear vision of improving services and becoming more sustainable for the future.

## **2.2 Greater Manchester Mental Health Strategy**

Greater Manchester made a clear commitment as part of devolution to develop the current provision of Mental Health services across the conurbation. As a result the Greater Manchester Mental Health Strategic Partnership Board developed a system wide, all age Mental Health Strategy with a vision to:

“Improving child and adult mental health, narrowing their gap in life expectancy, and ensuring parity of esteem with physical health is fundamental to unlocking the power and potential of GM communities. Shifting the focus of care to prevention, early intervention and resilience and delivering a sustainable mental health system in GM requires simplified and strengthened leadership and accountability across the whole system. Enabling resilient communities, engaging inclusive employers and working in partnership with the third sector will transform the mental health and well-being of GM residents.”

- 2.3 The strategy brings together and draws on all parts of the public sector, focused on community, early intervention and prevention and the development of resilience. Improving child and parental mental health and wellbeing is recognised as key to the overall future health and wellbeing of Greater Manchester communities and therefore forms a significant focus for the strategy.
- 2.4 Through implementation of new approaches, services will be much more closely integrated within each of the ten GM localities as well as across the wider GM conurbation and will be accessed in a consistent, simple way. This will see integration within the place bringing social care, primary care and mental health provision together at the community level. It will also see mental

health providers collaborating formally across GM around specialist provision. The commissioning and provider landscape will be transformed to deliver stronger outcomes, deeper integration, needs based pathway models, pooled budgets and more community based models of support.

2.5 The GM Mental Health Strategy clearly signals the need for system leadership across both commissioning and providers and provides the basis for this future collaborative approach. It is structured around four pillars:

- **Prevention** - Place based and person centred life course approach improving outcomes, population health and health inequalities through initiatives such as health and work.
- **Access** - Responsive and clear access arrangements connecting people to the support they need at the right time.
- **Integration** - Parity of mental health and physical illness through collaborative and mature cross-sector working across public sector bodies & voluntary organisations.
- **Sustainability** - Ensure the best spend of the GM funding through improving financial and clinical sustainability by changing contracts, incentives, integrating and improving IT & investing in new workforce roles.

2.5 Within these four pillars of the strategy, 32 strategic initiatives have been identified, the implementation of which will transform services in GM. Seven of these have been specifically identified as priority initiatives to be implemented early:

1. Suicide prevention
2. Workplace and employment support
3. Introducing 24/7 mental health services and 7 day community provision for children and young people
4. Consistent implementation of the 24/7 mental health service and 7 day community provision for adults across GM
5. Integrated place based commissioning and contracting aligned to place based reform
6. Integrated monitoring, standards and key performance indicators
7. Provider landscape redesign

## 2.6 Delivering the strategy

The implementation governance for delivering the GM Mental Health Strategy was signed off by the GM HSC Strategic Partnership Board on 29 April and outlined below:

- **Mental Health System Integration Executive** – This group has been established, is independently chaired by Stephen Michael and has taken on the role of redesigning the system, focused on implementation of the new models of care and to set out a road map for new service patterns which can achieve the Mental Health ambition as quickly as possible.

The GM Mental Health System Integration Executive will be drawn together from across the whole GM system, including health and social care, commissioners, voluntary sector and partners. The chairs of each of the groups taking forward specific strategic initiative will also be members of the group (and may fulfill a dual role as representatives of specific organisations and leads for strategic initiatives) to which they will also be accountable for progress

- **A series of groups responsible for the delivery of allocated priorities and strategic initiatives** –The GM Mental Health System Integration Executive will use existing groups where appropriate but will establish new groups where they do not already exist. To ensure the System Integration Executive is focused on priorities, each working group will develop a clear workplan against which progress will be reported to the Executive for oversight.
- **GM Mental Health Partnership Network** – This network provide engagement with the wider GM system impacting on the provision of mental health and wellbeing services. As part of this role the network will have specific responsibility for the communication and engagement, increasing awareness of mental health and wellbeing across GM public, private and voluntary sectors.
- **Service user and family engagement group** – This will build on the existing user engagement group established through the crisis care work with a refreshed membership to ensure it covers all aspects of the strategy.

### 3. Locality plan

3.1 Manchester's Locality Plan focuses on three key pillars for future sustainability:

- **Single Commissioning Function** - integrate spending across health and social care, single line of accountability, reducing duplication
- **Single Hospital Service** - more consistent and complementary acute services, improving quality and delivering efficiencies
- One Team Care Model delivered through a **Local Care Organisation (LCO)** - delivering expanded, integrated out of hospital, community and social care services, leading to better services and outcomes

3.2 Within the Plan there is also a key transformation priority which focuses on mental health and this section draws out the key components. The overarching approach to good mental health and wellbeing must take account of the needs of people, at their different stages of life and ensure that the services and support available to them is:

- Preventative, ideally avoiding the need for intervention from specialist practitioners by effective public health programmes in communities and workplaces

- Accessible at the times needed to prevent worsening of symptoms and especially to intervene early in crises.
  - Integrated into the needs arising from and affecting physical health
  - Responsive to need and 'recovery' focussed ensuring people are supported and encouraged to return to active working lives, where relevant
  - Clear in its pathways of care for all users of services through children's transition to adult services and pathways to more intensive and restrictive settings where necessary
- 3.3 The system needs to ensure that it is effective, efficient, based on best practice and outcome focussed so that services are sustainable and provided as close to the users community as possible. These principles drive the ambition of the city in its development of mental health services which require close collaboration between all stakeholders including health and social care providers, the third sector, GMP, housing and the Department of Work and Pensions (DWP). The role of carers cannot be underestimated and their full engagement in all our plans is crucial to their success.
- 3.4 The costs to the health care system of our current approaches are significant; poor mental health makes physical illness worse and raises total health care costs by at least 45 per cent for each person with a long-term condition and co-morbid mental health problem. This suggests that this results between 12 per cent and 18 percent cent of all NHS or GM expenditure, between £420m and £1.08bn. The more conservative of these figures equates to around £1 in every £8 spent on long-term conditions.
- 3.5 There is fragmentation in the current mental health services in the city, evidenced by consistent use of out of area acute in patient care, and out of area hospital based rehabilitation care, and long waits for psychological therapy. The Mental Health Improvement Programme (MHIP) is a full set of service specifications for mental health services in Manchester – developed at the end of engagement work over the period November 2013 to February 2014. The Mental Health Improvement Programme is aimed at enabling providers to understand which part they play in the wider pathway of care people receive. This should help providers integrate their provision, and communicate well, so people get the right help at the right time, and thus enables the best value for money. Weaving the MHIP specifications with the One Team delivery model will best allow providers to integrate the way care and support is offered – so offering parity of esteem in meeting peoples' physical and mental health needs, as early as possible.
- 3.6 The One Team approach proposes that mental health services will be fully integrated in the future arrangements for the provision of community services. It will be key for delivering integrated mental health provision. Many people with physical health conditions also have mental health problems. Currently physical and mental health treatments tend to be delivered, as separate health

services. Care for large numbers of people with long-term conditions will be improved by integrating mental health support with primary care and chronic disease management programmes, with closer working between mental health specialists and other professionals. This will also allow us to provide MH training and awareness to all neighbourhood teams and community services to ensure the chance of stigma is reduced.

### 3.7 Supporting Complex Dependency and Worklessness

We are supporting people with a range of complex needs by working collaboratively across local services to deliver the right support at the right time. The provision of mental health support as part of packages of support through the expansion of Working Well, and the Confident and Achieving Manchester programme will strengthen our ability to ensure all residents are able to benefit from the City's economic growth.

3.8 The links between employment, wellbeing and mental health are well established therefore, access to therapeutic interventions at the right time are critical to keep people in or return to work.

### 3.9 Children and Young People's Mental Health

The numbers of children in the UK affected by mental illness has risen particularly fast in the past 10 years. An estimated one in 10 children and young people suffer from a diagnosable mental health disorder. These problems are a significant personal, social and economic burden not only on the children and young people themselves, but also their families, carers and the community. The early detection of mental health problems through all stages of a child's life is crucial. The antenatal period and early years represent vital development stages when problems with child development, speech and behaviour can arise. We will ensure that there is:

- Intervention to make a difference both for individuals and populations at this time will help to avoid social and health problems in later years.
- Access to appropriate support in teenage years is a priority, with access to appropriately resourced and trained staff in education settings and wherever young people may seek help.
- Development of pathways of care through a common point of access for all agencies supporting children and young people in Manchester will help all children access the right support in the quickest way possible.

3.10 The emphasis will be on the prevention and emergence or escalation of mental ill health by

- active health promotion/support and early intervention within the community

- access to the right age appropriate support in the right place at the right time by an appropriately skilled and informed workforce delivering evidence-based interventions
  - ensure the early detection and on-going treatment of physical health problems, through GP screening; in addition to the mental health support available to all our children and young people
- 3.11 For those young people already in receipt of CAMHS services and approaching adulthood we must ensure a timely appropriate and planned transition to adult mental health services through integrated pathways. Bringing the parts of peoples care together without them noticing the join.

#### **4. MMHSCT Transaction of services**

- 4.1 There have been a number of reviews into services provided by MMHSCT over the years and these have concluded that the Trust is no longer financially sustainable. Therefore, in recognition of the transformation and long term sustainability required, (subsequently set out in the GM Strategy and the Locality Plan) , a mental health case for change prospectus was presented to the Trust Development Authority for consideration. On the 29th January 2015, MMHSCT provided an update of an agreement with the Trust Development Authority (TDA), stating that following the publication of the NHS Five-Year Forward View and the recommendations of The Dalton Review which encourage organisations to look more flexibly and creatively at their forms, the Trust Board formally requested TDA support for such an approach to be adopted in Manchester. Since that date MMHSCT, the CCGs; Manchester City Council and NHS England have been working with the TDA to progress the transaction process for NHS Trusts.
- 4.2 On behalf of the Secretary of State, the TDA (now NHS Improvement) is the vendor for the assets and liabilities of Manchester Mental Health and Social Care NHS Trust (MMHSC). The TDA has designed the acquisition process such that it will enable the services currently provided by MMHSC to transfer to a sustainable provider who can provide clinical and financial sustainability. After concluding a comprehensive options appraisal and in line with Greater Manchester Devolution, approval was given to proceed to a local competition within the Greater Manchester footprint. The competition is evaluated on the basis of an Acquisition Proposal (AP) submitted by the Potential Acquirers. The TDA issued the Acquisition Proposal Bundle to the competing providers (Greater Manchester West Mental Health NHS foundation Trust and Pennine Care Mental Health NHS foundation Trust) on the 14th March. The timescale for the transaction is that the preferred provider will be determined by August 2016 through the NHS Improvement Board and for the transaction process to be completed by Spring 2017
- 4.3 The transaction of mental health services from Manchester Mental Health and Social Care Trust to a new provider will enable the presentation of a service delivery model aligned to the Greater Manchester Mental Health Strategy, the Locality Plan, Mental Health Improvement Plan (MHIP) care pathways and the



One Team. Within this context, Clinical Commissioning Groups and Manchester City Council have developed a specification, which articulated the commissioner requirements in relation to the transaction process. The commissioner specification outlined the need:

- for a safe transfer of services
- to ensure that Manchester's dedicated and skilled workforce and their knowledge of the needs of service users in the city is harnessed to achieve the best possible Mental Health Service for Manchester.
- for the delivery of a dynamic, innovative and effective Mental Health Service which sits well in a city which is looking to support all its citizens in achieving social and economic independence and to give the best level of support to those vulnerable people who are not always able to take full advantage of potential opportunities without a degree of intervention.

## **5.0 Financial Implications**

5.1 The transformation of mental health services is a key element of Manchester's Health and Social Care Locality Plan. The Locality Plan reflects the five year strategy for investment in mental health services through a single commissioning function and pooled budget arrangements. The Council's total budget for Mental Health and Wellbeing Services in 2016/17 is £20m. The CCGs hold contracts with MMHSCT and other organisations for mental health services totalling £113m.

5.2 The Council currently contracts with Trust MMHSCT to deliver its statutory duties in relation to community care assessment and management and Approved Mental Health Professionals (AMHPs). This is delegated under a Section 75 Agreement of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000. The contract also includes the delivery of a Community Inclusion Service focussed on moving people within secondary mental health services towards and maintaining independent living within communities and being placed on a path to work. The Council also contracts with MMHSCT to deliver a range of public health services that have been redesigned following the 2014/15 budget consultation process. These include: the Wellbeing Service which will focus on community asset building and one to one support for individuals to improve their health; the Physical Activity on Referral Service (PARS) which will provide tailored exercise programmes for people with long term conditions; the Oral Health Improvement service which will prioritise work with schools and early years providers and finally the Dual Diagnosis Service which will provide support to people with mental health and substance misuse problems. Alongside the MCC budget above, the CCGs hold contracts with MMHSCT of c£70m which is a significant part of the total CCG budget on Mental Health across the city of £113m. The total budget for these contracts between MCC and MMHSCT is £7.4 m as shown below:

<b>Adult Social Care</b>	Budget £000
Statutory provision(as per section 75 above)	4,084
Community inclusion service	728
<b>Total</b>	<b>4,812</b>
<b>Public Health</b>	
Wellbeing Service	2,600
<b>Total</b>	<b>7,412</b>

5.3 Although not relevant to the transaction it is worth noting that the Council also spends £12.3 million on externally commissioned care services (not provided by MMHSCT) such as supported accommodation and Registered Care as well as £450k on Childrens Mental Health services resulting in a total budget within MCC on Mental Health and Wellbeing Services of £20m.

5.4 Once the acquisition/transaction is complete the Council's current agreements with MMHSCT will transfer to the selected acquirer/mental health foundation trust and will form part of the plans for the wider GM strategy and Locality Plan. It is not expected that there will be any increased costs for the current services payable to the new provider. However, there may also be investment requirements through exploring bids from transformation funding. Currently the investment case is being developed to support the transformation plans set out in the Locality Plan.

## 6.0 Next Steps

6.1 The evaluation of the two bids from Greater Manchester West and Pennine Care is currently underway with the intention that a recommendation for the Preferred Provider to be taken to the NHS Improvement Board by the end of July 2016. As stated earlier the intention is that we will know the outcome of the Preferred Provider by August 2016.

6.2 Once the Preferred Provider has been selected then MCC and the CCGs will work with the new provider initially to safely transition the current services but also to work on the transformation programme set out in the Locality Plan. This will include, for example work on key priorities such as integrating community mental health teams with the twelve neighbourhood teams through the One Team and focussing on early therapeutic interventions. There may be investment requirements through exploring bids from transformation funding. Currently the Investment case is being developed to support the transformation plans set out in the GM Strategy and the Locality Plan. The Locality Plan is the vehicle that will pull the key strands for transformation within the context of Health and Social Care Integration.

## 7. Contributing to the Manchester Strategy

### (a) A thriving and sustainable city

There will be a focus on integrating mental health services with the Working Well programme to assist people with mental ill health to return to work

**(c) A progressive and equitable city**

Improved outcomes for people with mental ill health linked to principles of recovery and a focus on early intervention.

**8. Key Policies and Considerations**

**Legal Considerations**

Legal Services will provide support to facilitate the transfer to the new provider and where necessary to review/update the terms and conditions of the arrangements.

**8. Next Steps**

The evaluation of the two bids from Greater Manchester West and Pennine Care is currently underway with the intention that a recommendation for the Preferred Provider to be taken to the NHS Improvement Board by the end of July 2016. As stated earlier the intention is that we will know the outcome of the Preferred Provider by August 2016. The Council will need to continue to work with MMHSCT, TDA and the selected provider to facilitate the transfer of the services.

**9. Recommendations**

Recommendations are as set out at the beginning of this report.