

	<b><u>Agenda Item: #</u></b>
<b>Report to:</b>	<b>Birmingham Health &amp; Wellbeing Board</b>
<b>Date:</b>	<b>27<sup>th</sup> September 2016</b>
<b>TITLE:</b>	<b>WEST MIDLANDS COMBINED AUTHORITY – PUBLIC SECTOR REFORM</b>
<b>Organisation</b>	<b>Birmingham Health and Wellbeing Board</b>
<b>Presenting Officer</b>	<b>Adrian Phillips, Director of Public Health, Birmingham</b>

<b>Report Type:</b>	<b>For Decision</b>
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<b>1. Purpose:</b>	
1.1	There has been considerable interest in the West Midlands Combined Authority (WMCA). This has been linked to “devolution” of powers (and budgets) from central government. Much of the media commentary has been related to the physical infrastructural aspects such as HS2, Metro and other transport developments, housing etc. However a key aspect of the package of measures that the WMCA developed relates to “Public Sector Reform” (PSR).
1.2	This report sets out further details of this work and makes recommendations for relevant priorities from the PSR work stream to be adopted by the Health and Wellbeing Board (HWB) in refreshing its strategy.

<b>2. Implications:</b>		
BHWB Strategy Priorities	Child Health	✓
	Vulnerable People	✓
	Systems Resilience	✓
Joint Strategic Needs Assessment		
Joint Commissioning and Service Integration		✓
Maximising transfer of Public Health functions		
Financial		
Patient and Public Involvement		
Early Intervention		✓
Prevention		✓

### **3. Recommendation**

- 3.1 It is recommended that the Board adopts emerging outputs from the PSR work stream within its strategy, especially that relating to Mental Health and Multiple Complex needs.

### **4. Background**

- 4.1 There has been considerable interest in the West Midlands Combined Authority (WMCA). This has been linked to “devolution” of powers (and budgets) from central government. Much of the media commentary has been related to the physical infrastructural aspects such as HS2, Metro and other transport developments, housing etc. However a key aspect of the package of measures that the WMCA developed relates to “Public Sector Reform” (PSR).

#### *Public Sector Reform*

- 4.2 There are 3 reasons to consider Public Sector Reform:

- i) To improve outcomes for residents

Too many in the West Midlands have poor outcomes and there is an ambition to become “best in class” for a swathe of outcomes. This is especially true for those individuals with multiple complex needs. An early analysis suggested that part of the problem was duplication, poor sequencing of interventions and critical gaps in service design.

- ii) Reduce the £4 Billion fiscal gap in West Midlands

The WMCA suffers from being very dependent on “benefits” with a gap of at least £4 Billion between net financial productivity and that spent in benefits to its population – the so-called “productivity gap”. Examples include over 120,000 on Employment Support Allowance. Coupled to this is the “perfect storm” of increasing demand and reducing resources.

- iii) Increase the cost-effectiveness of public services

Public services can be characterised by being high cost, intervening “too late” and responding reactively. So they need to increase their cost-effectiveness, especially with regard to prevention and early intervention through changing demand profiles. Another observation is that budget silos can affect the response which is based more on organisation rather than individual need. This is linked to fragmentation in service, policy and organisational thinking. Finally public services should develop shared intelligence and also robust evaluation.

- 4.3 The WMCA developed the following vision and ambitions:

**Vision:**

- West Midlands residents are able to build safe and healthy lives, and fulfil their potential

**Our Ambitions**

**Improved life chances for all**

- Increase capacity for citizens to reach their potential
- Reduce dependency on intensive public services
- Grow capability and untapped assets in our communities
- Focus on individuals with multiple and complex dependencies

**Long term transformation of whole system of public services**

- Shift whole system to prevention and earlier intervention
- Redesign services around the well-being
- Model multiple complex needs costs and savings
- Share resources and data

**4.4 The PSR program is developed around the following areas:**

- i) Employment & Skills
- ii) Criminal Justice
- iii) Mental Health

Additionally Troubled Individuals or people with “Multiple Complex Needs” are themes running across these three groups. The following provides an update.

*Employment and Skills*

**4.5** A major ambition of the WMCA is to increase employment with an ambition to move from 1.39 million in employment in 2013 to 1.41 million in 2017 and 1.62 million by 2030, a net increase of 231,000 jobs. The fiscal and economic impact of these jobs depends partly on who is employed in the jobs. For example, if a job is filled by a WM resident currently on Job Seekers Allowance this will have a fiscal benefit of around £10,300 in the first year, with wider economic benefits of an additional £4,500. Clearly if the job is instead filled by someone from outside the region who was already in similar employment then the fiscal and economic gains to the region will be lower.

**4.6** It is estimated that this could bring an additional £1.3 Bn through taxes and targeting could unlock a further fiscal benefit of £0.5 Bn. Thus there could be a total economic benefit of £2.4 Bn plus significant indirect taxes.

**4.7** Work to date has included:

- Co-design of “Work & Health Programme” with Department of Work and Pensions
- Developing the business case for an innovative pilot for employment support for the hardest to help
- Devolution of the Adult Education Budget

*Criminal Justice*

**4.8** Offending costs over £620m a year in the WMCA, for example these are average unit costs:

- Accommodating a prisoner £35,000 per year

- Criminal trial for violence £15,000
- New entrant to the youth justice system £3,600 pa

4.9 But the West Midlands achieves the best (lowest) overall re-offending rates in England. Local investment of £17m in offender management has already prevented £33m of criminal justice costs by reducing re-offending. Youth offending is a particular area of interest. Since 2006 the number of children in custody has declined by 64% to its lowest recorded level. But almost two thirds reoffend within a year of release. The West Midlands criminal justice system last year dealt with over 1,500 young people and sentenced 206 children to custody. The young people now offending are typically highly vulnerable with a history of adverse childhood experiences (ACEs).

4.10 There are a number of emerging options:

- A coherent and integrated approach to prevent re-offending by these young people.
- Early intervention (including through schools and for looked after children, who have a 20 times chance of going to prison compared to the general population)
- New alternatives to custody (including therapeutic approaches and community resolutions where appropriate)
- Improving resettlement into the community.

4.11 A “Life Course” approach is developing which recognises our region’s USP of a young and diversifying population. It also emphasises supporting everyone to a fulfilling life (“no child left behind”) and helps those with/at most risk of multiple complex needs. It is inherently linked to the growth agenda (“boosting value”) and finally strongly evidence based on the problem, not the organisation.

#### *Mental Health*

4.12 The main impetus in the first year has been the Commission which is due to prepare its report. A key fact is half of those on Employment Support Allowance have enduring mental health problems – about 60,000.

4.13 The Commission is chaired by Norman Lamb MP and the Commission membership comprises people with national expertise in relation to mental health, business, health and work. It is supported by steering group with local representation from NHS providers and commissioners, local authorities, housing, third sector, fire service, police.

4.14 The following is not a formal list of recommendations but drawn from a variety of speeches and workshops with the commission members:

- i) It is likely that the final report will be a “Concordat” including major private and public sector organisations signing up to

#### recommendations and implementation

- ii) It will suggest belonging to a Global Network of cities prioritising Mental Health, including New York, Vancouver and Philadelphia. This is being worked on jointly with the International Initiative for Mental Health Leadership
- iii) It will also suggest developing strong international academic links (addressing the issue that Mental Health is an under-researched area compared to cancer, heart disease etc.)

#### High profile commitments or ambitions are:

- Co-production building on successful work with experts by experience via a Citizens Jury during the Commission's work
- To end mental health placements outside West Midlands by the end of 2017, making West Midlands self-sufficient in terms of bed capacity
- To having no-one held in police cells under s136
- To adopt the concept of Zero Suicide across the West Midlands
- To adopt the principle of avoiding the use of restraint except in exceptional circumstances
- Developing the use of mental health treatment orders to assist in diversion from prison and supporting those leaving prison that have mental health needs

4.15 In addition, the following stand a good chance of being included in the report:

<b>Employers</b>	<p>Charter for improving wellbeing within the workplace based on the Public Health England framework <i>Public sector organisations leading this charter</i></p> <p>Trialling an economic incentive for employers to address wellbeing – a wellbeing premium, perhaps offering rebate on business rate for organisations that adopt the charter and deliver interventions</p> <p>Mental Health First Aid – aiming to train upwards of 500,000 in simple things to do in a mental health crisis, how to recognise it, how to call for help and also who to call – requires finding to implement a proposed programme with Mental Health First Aid England <i>70% of sickness due to Mental ill-health</i></p>
<b>Community</b>	<p>Combined action to reduce stigma</p> <p>Mental Health First Aid– aiming to train upwards of 500,000 people in the region</p> <p>Appointment of an equalities champion as proposed in</p>

	NHS England Five Year Forward View for Mental Health
<b>Interventions at scale</b>	<p>Scaling up Individual Placement Support (IPS) across the W Midlands. Bid in to HMT and Health &amp; Work Unit as well as seeking social finance. Aim to reach 5,000 people over three years doubling IPS delivery in England. Internationally evidence based and gives return on investment – NHS, CJS</p> <p>Meeting Early Intervention in Psychosis standards and examining applicability for other areas of mental health - NHS</p> <p><i>50% of ESA claimants have severe mental health issues – West Midlands ESA claims relating to mental health total £400m</i></p>
<b>Accommodation</b>	<p>Scaling up existing pilot of Housing First model – No Temporary Accommodation</p> <p>“Shared lives plus” – Fostering</p>
<b>Criminal Justice System</b>	<p>Promoting and expanding the use of Mental Health Treatment Orders before court (especially AC)</p> <p>Supporting those with mental health needs “Through the gate” after prison</p>

4.16 Other Issues – with currently no clear recommendation are:

<b>Primary Care</b>	No current national or consistent model in place for Primary Care Mental Health. Want to see mental health support integrated with physical health care in primary care across the region. Put in place expert group to consider best model for West Midlands, gain agreement to approach and implement
<b>Parenting Support</b>	Children outside the scope of Commission but important. Commission is considering issue of early years transition
<b>Equalities</b>	BME issues important especially Afro Caribbean Also LGBT

*Implications for the Health and Wellbeing Board*

4.17 There are several implications for the Board regarding PSR. The first is that there is a considerable overlap with the previous strategy of the Board and PSR, especially vulnerable people. The second is the focus on Mental Health. This was included in the original strategy but now has a real impetus

for action. The third area is the strong focus on stable housing, again a feature of the Board's original strategy and an area the Board has wished to develop.

4.18 Finally the whole PSR agenda is built on the premise of "achievement" and "independence" not deficit and dependence. This chimes with the will of Board.

4.19 It should be noted that the Mental Health work has been incorporated into the STP. Likewise we are not waiting for the recommendations but continuing to identify opportunities. An example relates to Integrated Personal Commissioning (which incorporates Direct Payments and Personal budgets) where we are discussing with the NHSE national unit as to whether we can incorporate "Personal Budgets" and similar mechanisms at scale across the WMCA, starting in Birmingham.

## **5. Compliance Issues**

### **5.1 Strategy Implications**

This report is central to the current updating of the Health and Wellbeing Board's strategy.

### **5.2 Governance & Delivery**

Progress on how recommendations are being incorporated into strategy will be reported to the Health and Wellbeing Board at its next meeting and this will be progressed in the meantime by the Health and Wellbeing Board Operations Group.

### **5.3 Management Responsibility**

Adrian Phillips will be the Board Member accountable for delivery and Wayne Harrison and Carol Herity will be the managers responsible for day-to-day delivery as new co-chairs of the Health and Wellbeing Board's Operations Group.

## **6. Risk Analysis**

<b>Identified Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Actions to Manage Risk</b>
None			

## **Appendices**

N/A

<b>Signatures</b>	
<b>Chair of Health &amp; Wellbeing Board (Councillor Paulette Hamilton)</b>	
<b>Date:</b>	

The following people have been involved in the preparation of this board paper:

Adrian Phillips, Director of Public Health, Birmingham