

Strategic case for the creation of a new Trust for community, mental health and learning disability services across Hampshire and the Isle of Wight Integrated Care System

1. Executive summary

Summary

- 1.1 Southern Health NHS Foundation Trust (Southern), Solent NHS Trust (Solent), Isle of Wight NHS Trust (IoW) and Sussex Partnership NHS Foundation Trust (Sussex Partnership) (collectively, the Trusts) provide NHS community, mental health and learning disability services for the Hampshire and Isle of Wight population.
- 1.2 We have been working together for a number of years to improve services for the people and communities we serve. In each Trust there are multiple examples of superb services providing excellent care, including areas of national excellence. However, further significant change is needed in order to deliver sustainable improvements in access, care and outcomes for the people and communities we serve. Services are struggling to meet unprecedented increases in demand which means people are not getting the care they need at the right time and in the right setting; there is unwarranted variation in practice and fragmentation in service delivery; workforce shortages, particularly in mental health services, impact on the effectiveness and quality of services; and the Trusts, as well as the wider Hampshire and Isle of Wight Integrated Care System (the ICS), face a very substantial financial challenge.
- 1.3 We want all people in Hampshire and Isle of Wight to have equitable access to integrated, safe, consistent community and mental health care. We will be more likely to achieve this future by joining up the disparate, often inconsistent services and pathways delivered by four different community and mental health providers.
- 1.4 We have concluded that the best way to enable our vision is by working together to establish a new, single community and mental health provider, while, at the same time, accelerating collaboration and transformation, led by our clinical experts, to reduce the significant pressures in our system.
- 1.5 The new organisation will be an NHS Foundation Trust and will provide community, mental health and learning disability services across the whole ICS, as well as specialist services to a larger regional and national population. It will bring together our expertise and resources to manage increasing demand and complexity and deliver meaningful, long-lasting change for the benefit of patients, communities, staff and the wider health and care system:
 - **Patients and communities will benefit from there being a strong voice of lived experience in all we do and improved patient experience, outcomes and safety.** It will enable us to deliver services that are less fragmented, across clinical pathways and geographic areas, providing the right care first time more often.
 - **Staff will benefit because we will be able to create a better place to work.** By creating a single organisation we expect to reduce vacancies by developing

a single approach to tackle recruitment and retention challenges, improving career progression and development opportunities, improving job satisfaction, continuing to develop an inclusive, open culture, improving service resilience and reducing professional isolation.

- **The wider health and care system will benefit because we will make it easier for partners to work with us effectively and in a seamless and integrated way.** Working in neighbourhoods, places and across the ICS as a whole we will simplify and integrate our care pathways and make it easier for primary, social care, hospitals and other partner colleagues to signpost to and work with our services to support people in the community.
- 1.6 These proposals have been developed over the last twelve months as part of a whole system approach across the ICS and have the support of the Hampshire and Isle of Wight Integrated Care Board (the ICB). The proposals are also a core component of the ICS strategy to resolve the challenges of delivering sustainable health services for the Isle of Wight population.
 - 1.7 Our target date for the establishment of the new organisation is 1 April 2024. Preparing a Strategic Case is the first step to achieving this objective. Subject to approval by the four Trust Boards, the Strategic Case will be submitted to NHS England (NHSE) in March 2023 for formal review, with work beginning in parallel to develop a Full Business Case and detailed integration plans.
 - 1.8 The Strategic Case describes why we want to bring services together, the options we considered, the emerging strategy for our clinical services and why we are confident that the benefits of bringing services together into a new organisation outweigh the potential risks and costs. It also sets out how we are approaching the next phase of the programme to develop the Full Business Case.

Context: Mental health, learning disability and community services in the Hampshire and Isle of Wight Integrated Care System

- 1.9 The ICS covers a population of 1.9 million people across Southampton, Portsmouth, Isle of Wight and Hampshire. The area comprises substantial urban settlements (including Southampton, Portsmouth, Winchester and Basingstoke), large rural areas interspersed with market towns and villages and coastal communities in southern Hampshire and the Isle of Wight. There are significant variations in health needs across the ICS.
- 1.10 The four main providers of NHS community, mental health and learning disability services in the ICS are summarised in the table overleaf. In addition, services are delivered by primary care, local authorities and the voluntary, community and social enterprise sector and Dorset HealthCare University NHS Foundation Trust (Dorset HealthCare) provides NHS Talking Therapies for anxiety and depression in Southampton.

Provider	Services provided for Hampshire and Isle of Wight population
Solent NHS Trust	<ul style="list-style-type: none"> • Community, mental health and learning disability services in Portsmouth. • Community services in Southampton City. • 0-19 services, sexual health and dental services for Isle of Wight. • Some specialist services across Hampshire and Isle of Wight. <p>Solent is rated 'good' by the CQC and reported operating income of £258m in 2021/22.</p>
Southern Health NHS Foundation Trust	<ul style="list-style-type: none"> • Community, mental health, learning disability and 0-19 services across Hampshire. • Mental health and learning disability services in Southampton. • Specialised and forensic mental health services for a regional and national population. <p>Southern is rated 'requires improvement' by the CQC and reported operating income of £402m in 2021/22.</p>
Isle of Wight NHS Trust	<p>IoW provides acute, community, mental health and ambulance services for the Isle of Wight population. The Trust is rated good by the CQC. Only the community services and mental health services provided by IoW are in scope for this Strategic Case. The IoW costs related to these services were £55m in 2021/22.</p>
Sussex Partnership NHS Foundation Trust	<p>Sussex Partnership NHS FT provides services for people with mental health problems and learning disabilities across Sussex, and a range of specialist services across south-east England. The Trust provides Child and Adolescent Mental Health Services (CAMHS) for Hampshire and it is these services that are in scope for this Strategic Case.</p> <p>Sussex Partnership is rated good by the CQC. The contract value for Hampshire CAMHS provided by Sussex Partnership was c. £23m in 2021/22.</p>

The rationale for creating a new Trust for community, learning disability and mental health services across Hampshire and Isle of Wight Integrated Care System

- 1.11 Solent, Southern, IoW and Sussex Partnership share an ambition to deliver the best possible care and outcomes for people in Hampshire and Isle of Wight. In each Trust there are multiple examples of superb services providing excellent care, including areas of national excellence. The four Trusts are already collaborating to address the most significant clinical risks in community and mental health services.
- 1.12 However, and notwithstanding this, there is a compelling case for further change. In Hampshire and Isle of Wight:
- 1) **Community and mental health services are struggling to meet unprecedented increases in demand and there are rising numbers of people with complex or long-term physical and mental health conditions.** This is putting complex models under greater pressure and people are not getting the care they need at the right time and in the right setting. The NHS Long Term Plan (LTP), published in 2019, sets out the

strategic priorities for the NHS and makes specific commitments in respect of mental health, learning disabilities, autism and community services. These are not being met consistently across the system.

- 2) **There is unwarranted variation in practice, and fragmented pathways and services with multiple hand-offs** across Hampshire and Isle of Wight. As a result, people who use our services don't consistently experience high-quality person-centred care that meets their needs. This adversely impacts health and wellbeing outcomes.
- 3) **The Trusts are experiencing challenges in recruitment and retention resulting in workforce shortages which impact on the effectiveness and quality of services.** These are particularly visible in mental health services. Due to the fragmentation of services across multiple providers, there are low volume specialist services in each Trust which lack the scale to provide resilient workforce models, such as specialist nursing in the community. In our current model these smaller services also provide limited opportunity for career progression.
- 4) **The financial challenge is very significant.** The revised financial regime that was implemented in the NHS during COVID-19 resulted in the Trusts delivering breakeven positions or small surpluses in 2020/21 and 2021/22. However, the cost of delivering NHS services exceeds the available resources. Southern, Solent and the services proposed to transfer from Isle of Wight and Sussex Partnership are forecasting underlying deficits in 2022/23 that total £46.0m and this gap is projected to grow over the next five years. In addition, whilst pressures are felt across the whole system, there is a particular issue that Isle of Wight services are not financially sustainable because the population served by the Trust is too small to provide the critical mass needed to sustain high quality, efficient services.

1.13 These challenges cannot be addressed by any one organisation in isolation. We have concluded that it is not possible to fully respond to these challenges, overcome the fragmentation of care delivery and ensure greater consistency of outcomes across the Hampshire and Isle of Wight system within the current organisational model and that organisational changes are required to exploit the opportunities for better care.

Options for the future and our preferred option

1.14 A long list of eleven possible organisational options was generated, ranging from extending informal collaboration through to changes to organisations. Hurdle criteria were developed setting out the minimum, essential criteria to be met for an option to be short-listed for more detailed evaluation. Applying the hurdle criteria resulted in eight options being eliminated.

1.15 Three options remained for more detailed appraisal:

- the development of a lead provider model;
- the establishment of an NHS Group; and
- bringing all services together into a single Trust.

1.16 Evaluation criteria were developed to assess the three short-listed options, reflecting the case for change and implementation challenges. The options appraisal process concluded that:

- Whilst a lead provider model could harness and co-ordinate the expertise of existing providers to redesign pathways and standardise care, it provides less potential to deliver the transformational change needed to overcome the challenges being faced in Hampshire and Isle of Wight of organisational boundaries, would not deliver the benefits sought for people and communities, nor address the case for change. A lead provider model would also not resolve the sustainability of Isle of Wight community and mental health services.
- Whilst creating an NHS group could enable improved strategic alignment at Board level across community and mental health service providers, this model maintains separate organisations, which means that there are still multiple Trusts involved in providing care for individuals which fragments care, with at least two providers of community and mental health services in each local delivery system in the ICS. This model also maintains the current complexity, requires complex governance and falls short of creating the fully shared vision, values, strategy, culture and accountability that will be needed to deliver consistent care models and the required transformation. There isn't a practical or deliverable arrangement through which the in-scope services provided by IoW and Sussex Partnership (which are only a small part of the portfolio of those Trusts) can be included in a group model and so this model does not resolve the sustainability of Isle of Wight community and mental health services. For these reasons the conclusion was reached that the benefits of establishing a group model do not outweigh the risks and that this does not offer a viable long term model for community and mental health services for Hampshire and Isle of Wight.
- Bringing services together into a single Trust offers the greatest opportunity to create the alignment, leadership and governance arrangements needed to respond to the case for change. This option allows for the coordination of resources to manage capacity according to need, respond to system pressures and enable smaller services to operate at the appropriate scale. This also provides the critical mass needed to support the sustainability of Isle of Wight community and mental health services.
- Whilst this option takes longer to deliver (18 months rather than, for example, the 12 months estimated to create a group) and involves additional transaction costs, the additional benefits that can be realised as a result significantly outweigh these implementation factors. The additional costs of delivering the transaction are in the context of an ICB budget for all mental health and community services of c.£800m.

1.17 The preferred way forward is therefore to bring NHS community, mental health and learning disability services together through the creation of a new Trust. Combining the expertise, experience and resources from all four organisations will enable us to provide better community and mental health services for the population we serve whilst also achieving the benefits of scale.

1.18 The proposal to create the new Trust has the full support of the ICB. It is consistent with and flows from the outcome of an independent review of community and mental health services commissioned by the ICS in 2022. The creation of the new Trust is one of the key strategic programmes that the ICS is progressing as part of its Partnership Strategy and to achieve its strategic goals.

Clinical strategy

1.19 Responding to the case for change, the four Trusts have come together to accelerate clinical collaboration to address the most significant clinical risks in our community and

mental health services. Ten initial clinical priorities have been identified, informed by system priorities, joint strategic needs assessments, equality impact assessments, community requirements and workforce, performance and quality data. Each has an identified executive director who takes system-wide responsibility for leading the workstream, supported by senior clinical and operational leads, and reporting into a Clinical Delivery Group.

Mental health and learning disabilities priorities	Community service priorities
<ul style="list-style-type: none"> • Children and young people’s mental health services • Neurodiversity pathways • Older people’s mental health services (OPMH) • Adult mental health acute and crisis services • Community mental health framework (‘no wrong door’ programme) 	<ul style="list-style-type: none"> • Community rapid response services • Community hospitals and community inpatient rehabilitation • Community frailty • Community health specialist services and long-term conditions • Supporting the sustainability and integration of primary care

1.20 To support these and future priorities, the following principles for clinical transformation have been agreed:

- Our primary goal is to deliver safe and effective mental health, learning disabilities and community services to all people across HIOW
- Our communities are at the heart of what we do, and we will work in, and with our communities to improve the way we deliver care
- We will seek to endeavour equitable voice of service users and professionals delivering our services
- Our success must be measured by outcomes that matter, co-created with the people who know our services the best
- We will adopt a life course approach across both community and mental health services which removes barriers, provides greater emphasis on prevention, and enables a pro-active approach
- We will work collaboratively at the appropriate scale as one health and care team, within the HIOW integrated care system and will recognise each other’s leadership capabilities
- We will respect and value the interconnectivity of delivery with our partners, including primary care, local authority and voluntary services
- We will embrace innovation, research and new models of care
- Clinical and professional leadership is at the core of our success and must be appropriately resourced and supported

1.21 Each of the four Places in the ICS (Hampshire, Isle of Wight, Portsmouth and Southampton) identified priority areas for their populations, which form part of the system Partnership Strategy. Most work undertaken to tackle health inequalities and improve service delivery and health outcomes is delivered locally.

- 1.22 A clinical strategy for the new Trust will be developed which encompasses the principles for clinical transformation, reflects the emerging thinking from the clinical priority workstreams and responds to the Place and system priorities across the ICS. It will be ambitious and transformational to respond to the challenges facing the Trusts and the wider system. The clinical strategy will optimise patient safety, quality and experience through a consistent set of standards.
- 1.23 Building on the evolving work of the Clinical Delivery Group, the clinical strategy will continue to be developed by the Trusts alongside the ICB and other partners at system, place and local delivery system level including primary care, local authorities, acute providers and voluntary community and social enterprise (VCSE) partners. People with lived experience will be actively involved in coproducing our clinical strategy.

Benefits

- 1.24 Working with stakeholders including staff, patient groups and the ICB, we have identified the benefits that can be achieved through the creation of a new Trust for community and mental health services:

<p>We will deliver benefits for patients and communities through the provision of better care</p>	<ul style="list-style-type: none"> • Improving patient experience by creating services that are less fragmented, across both clinical pathways and geographic areas • Improving patient safety and outcomes, providing the right care first time, through a single approach to service improvement, innovation and transformation that utilises our combined transformation expertise and recognises the importance of both standardisation to reduce unwarranted variation and adaptation to meet the needs of place • People with lived experience will have a strong voice in all we do. This will include an enhanced voice through our membership and the Council of Governors and our approach to community engagement which will enable the new Trust to work in coproduction with people who use our services and to respond more effectively to the needs of the populations that we serve • Increasing research opportunities which provide benefits for patients
<p>We will deliver benefits for staff and create a better place to work</p>	<ul style="list-style-type: none"> • Reducing vacancies by developing a single approach to tackle recruitment and retention challenges • Improved career progression and development opportunities through the increased scale of the new Trust • Improved job satisfaction by sharing resources more effectively to maintain safe staffing levels, out-of-hours medical rosters and reducing gaps in specialist clinical knowledge, and aligning operational, clinical and management processes, job descriptions and terms and conditions • Continuing to develop an inclusive, open culture that promotes learning and continuous improvement • Improved service resilience and reduced professional isolation

	<ul style="list-style-type: none"> • Attracting and retaining strong leadership
<p>We will deliver benefits for our partners by making it easier to work with us effectively, delivering benefits to the wider health and social care system</p>	<ul style="list-style-type: none"> • Working closely with neighbourhoods and places to simplify our care pathways and make it easier for primary, social care and other partner colleagues to signpost to and work with our services to support people in the community • Reducing Emergency Department (ED) attendances and avoidable admissions to secondary care through reducing the complexity and duplication of our care pathways to care for patients in community settings when appropriate • Being a strong and consistent voice for community and mental health services across the ICS, working with partners at neighbourhood, place and system levels to achieve the system's aims

Financial context and plan

- 1.25 The revised financial regime that was implemented during the pandemic resulted in the Trusts delivering breakeven or small surplus positions in 2020/21 and 2021/22. However, in previous years both Southern and IoW reported deficits.
- 1.26 In 2022/23 both Southern and Solent planned to achieve breakeven and the Trusts are currently forecasting surpluses of £1.5m and £0.4m respectively. The community and mental health services on the Isle of Wight form part of an integrated NHS Trust that also provides acute and ambulance services. The Trust planned for a deficit of £13.1m in 2022/23, with the community and mental health segment planning for a deficit of £0.7m. The deteriorating financial performance has resulted in a segment deficit of £2.9m now being forecast. It has not yet been agreed how the historic financial deficit of the Trust will be managed following the transfer of services and this will be an important part of the Full Business Case. Hampshire CAMHS has worked within its budget over the past five years. However, the service is forecasting a deficit of £0.4m in 2022/23.
- 1.27 Achievement of the current year's forecast outturn for Southern, Solent and the services proposed to transfer from IoW and Sussex Partnership relies on non-recurrent benefits and the underlying cumulative forecast deficit for 2022/23 is £46.0m. All Trusts are currently reviewing their underlying financial position as part of planning for 2023/24 and are developing recovery plans to reduce these underlying deficits. This level of financial challenge is being experienced across Hampshire and Isle of Wight and the system will need to deliver unprecedented savings to achieve a balanced position in future years.
- 1.28 Although the primary driver for the transaction is the significant benefits that can be realised for patients, as described above, the Trusts have identified savings of between £2m and £2.5m per annum relating to economies of scale from bringing the Trusts and services together. We have not assumed any financial benefits from reductions in the cost base for clinical services. We anticipate there will be opportunities to streamline corporate services and the scale of these opportunities will be explored and quantified during the development of the Full Business Case. We also anticipate that the creation of a more sustainable workforce through the removal of barriers around workforce mobility and creating a single, shared workforce plan and vision will improve recruitment and retention, thereby reducing temporary staffing costs and deliver a further financial benefit.

- 1.29 Although, in and of itself, the transaction will not provide a solution to the underlying financial position, bringing together mental health and community services across the system will provide a platform to improve the financial resilience and sustainability of these services. Creation of the new Trust provides an opportunity to better use our collective resources to meet the needs of the population.

Integration Planning

- 1.30 The new Trust will be created through a merger of Solent and Southern (executed as an acquisition of Solent by Southern) and the transfer of the contracts for Isle of Wight community and mental health services and for Hampshire CAMHS from IoW and Sussex Partnership respectively to this enlarged organisation. The transfer of services from IoW is subject to a separate Joint Strategic Case, commissioner decision and regulatory approval; the transfer of services from Sussex Partnership is subject to ICB decision.
- 1.31 The new community and mental health provider will be one of the biggest in the country, with the potential to become a national role model in sustainable, transformative, local care models which make a real difference to patients, communities and systems. The new Trust will seek to respond to the contemporary and future needs of our communities. It will have a new vision, strategy, values, name, constitution and operating model which recognises and enables our collective ambition.
- 1.32 We will work together to embed a new, shared, empowering culture, where staff are engaged and have a sense of belonging. In doing so we will create the conditions whereby everyone in our workforce can look to the future with optimism and enthusiasm for improvement.
- 1.33 In the coming months, we will consider options for the operating model that are aligned with our key principles, informed by engagement with stakeholders including staff and place-based partners and learning from other models.
- 1.34 The intended 'go-live' date for the new Trust is 1 April 2024. It has been assumed that all transactions happen on 1 April 2024, however the Trusts are working closely with the ICB to mitigate any risks arising from timing changes and are confident these could be accommodated safely.
- 1.35 Robust programme governance arrangements are in place including a Programme Board, Programme Team and Steering Groups. Following approval of the Strategic Case the Trusts intend to review the governance arrangements and agree any changes required for Full Business Case stage. A Programme Director and Programme Manager are in place and the Trusts have identified the resources required to develop the Full Business Case and Post-Transaction Integration Plan (PTIP). The important interdependencies with the wider programme to achieve sustainable services for the Isle of Wight population are being managed.
- 1.36 A risk management approach is in place and programme risks and mitigations have been identified. The most significant risks to the programme are loss of staff during the period of transition destabilising services and the timing of transfer of services from IoW and Sussex Partnership not aligning with creation of the new Trust.
- 1.37 A due diligence approach has been developed with plans to undertake the majority of due diligence internally to retain knowledge in the new Trust and ensure ownership of risks identified through due diligence.
- 1.38 A communications and engagement plan has been developed which describes the principles, approach and activity to ensure a co-ordinated approach with people who

use our services and partners. The plan includes a programme of engagement with people who use our services, their families and carers and with our communities to develop a comprehensive understanding of what matters most to people about their local community and mental health services to influence the development, delivery and design of the new Trust.