

Decision Report – Key decision

– 16th August 2017

Development of a Joint Strategic Commissioning Function

Cabinet Member(s): Cllr David Fothergill – Leader of the Council and Cllr Christine Lawrence - Cabinet Member for Public Health and Wellbeing

Division and Local Member(s): All

Lead Officer: Pat Flaherty - Chief Executive

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	Seen by:	Name	Date
	County Solicitor	Honor Clarke	27/7/17
	Monitoring Officer	Julian Gale	31/7/17
	Corporate Finance	Kevin Nacey	31/7/17
	Human Resources	Chris Squire	31/7/17
	Property / Procurement / ICT	Richard Williams	31/7/17
	Senior Manager	Trudi Grant	26/7/17
	Local Member(s)		
	Cabinet Member	Cllr David Fothergill Cllr Christine Lawrence	27/7/17 27/7/17
	Opposition Spokesperson	Cllr Jane Lock Cllr Amanda Broom	27/7/17 26/7/17
	Relevant Scrutiny Chairman	Cllr Hazel Prior-Sankey	27/7/17
Forward Plan Reference:	FP/17/05/10		
Summary:	<p>In line with national policy, Somerset has agreed the development of an Accountable Care System by April 2019.</p> <p>The paper provides background to this transformation and sets out initial thinking on the Joint Commissioning Function of the system, bringing together the health and social care commissioning responsibilities of Somerset Clinical Commissioning Group, Somerset County Council and NHS England.</p> <p>Six options for the development of a Joint Commissioning Function have been identified and an option appraisal undertaken recommending a preferred option. This option involves the development of a new vehicle to lead the Joint Commissioning of health, public health and social care across the county, whilst retaining organisational statutory responsibilities. This approach requires much greater use of pooled budget arrangements through Section 75.</p>		

	<p>This option also enables the organisations to make shared use of their combined commissioning skills and experience through a joint management and officer arrangement.</p>
<p>Recommendations:</p>	<p>This report recommends that:</p> <ul style="list-style-type: none"> • the Cabinet considers the initial proposal and options appraisal. • the Cabinet provides support in principle to progress to a full business case for the recommended option to be considered by Cabinet again in November 2017.
<p>Reasons for Recommendations:</p>	<p>The strength of a single vision achieved by a single robust commissioning function could bring far greater focus to commissioning for the needs of the population both now and in the future. The proposed model offers the widest possible coordination of services across the whole Health and Wellbeing System, giving greater scope for a more preventative approach.</p> <p>This option has the added benefit of increasing local democratic accountability within the NHS as well as maintaining strong clinical engagement and leadership within health and social care.</p> <p>It would also make best use of the skills and resources of the county as a whole, building on the community development and communication and engagement skills across the system. This option has the ability to achieve savings in overheads and staffing by reducing duplication, estate and travel and enhancing shared back office functions.</p>
<p>Links to Priorities and Impact on Service Plans:</p>	<p>The recommendations within this report are in line with and contribute to an increased integration between health and social care as highlighted in the County Plan, Health and Wellbeing Strategy and the Somerset Sustainability and Transformation Plan.</p>
<p>Consultations and co-production undertaken:</p>	<p>These proposals have been developed jointly with Somerset Clinical Commissioning Group (CCG) and also through discussion with NHS England.</p> <p>The proposals have been discussed with the Sustainability and Transformation Plan Programme Executive Group, the CCG Clinical Operations Group and the Health and Wellbeing Board.</p> <p>The report has already been discussed at the CCG Governing Body in July and was supported to proceed to the next phase.</p>

	The report has been discussed with the Opposition Spokesperson and the Chair of the Adults and Health Scrutiny Committee					
Financial Implications:	<p>It will be necessary to identify the project management resource to support this change. The long term financial implication is that there will be a stronger system alignment and set of incentives to improve efficiency and effectiveness across services.</p> <p>VAT consequences need to be considered in detail to ensure no additional costs or liabilities are incurred.</p>					
Legal Implications:	<p>The approach will lead to revised Governance arrangements and proposals will need to be checked with legal advisers. Early work has identified limitations in the range of services that can be included in a s75 agreement.</p> <p>Both parties will need to consider appropriate due diligence arrangements</p>					
HR Implications:	<p>It is not proposed at this stage that there will be any change in employment of staff; the proposal is for staff across the system to work together as a single team.</p> <p>There will be a requirement to consider the cultural differences and organisational development required to achieve this outcome. Greater partnership working between commissioners across the system has been started through the development of the Somerset Commissioning Academy.</p> <p>There may be changes to staff base in order to achieve the benefits of colocation of commissioning staff.</p> <p>A full HR framework will be developed during the next phase of the work.</p>					
Risk Implications:	<p>There is a risk that maintaining fragmented commissioning for health, public health and social care compromises the ability of SCC to deliver the vision of improved population health and wellbeing, a reduction in inequalities and control demand for services.</p>					
	Likelihood	4	Impact	3	Risk Score	12
Other Implications (including due regard implications):	<p><u>Equalities Implications</u></p> <p>Both organisations are subject to the Public Sector Equality Duty and share a common objective to ensure the whole population receives good quality health and care services and that inequalities are reduced.</p>					

Tackling inequalities is one of the identified outcomes for the development of a Joint Commissioning Function and has been considered as part of the options appraisal.

The issues of

- Access
- Equality and Diversity
- Human Rights

Are not directly applicable to this report at this stage however these will be fully considered if the decision to move to a full business case is taken.

Community Safety Implications

None identified

Sustainability Implications

None identified to date, further consideration would need to be given if there is a change of staff base

Health and Safety Implications

None identified

Privacy Implications

None identified

Health and Wellbeing Implications

This proposal could have significant positive health and wellbeing benefits for the local population. One of the main purposes of this proposal is to bring together commissioning so the system as a whole is working towards one vision for improving health and wellbeing and reducing inequalities.

This proposal contributes significantly to the delivery of the priorities within the Health and Wellbeing Strategy as seen below:

1. People, families and communities take responsibility for their own health and wellbeing.
2. Families and communities are thriving and resilient.
3. Somerset people are able to live independently for as long as possible.

The proposal will benefit the whole population but will have particular benefit to people who are already receiving support from health and social care services and those with multiple or

	complex health and wellbeing issues that require co-ordinated care across many service areas.
Scrutiny comments / recommendation (if any):	The Chairman of the Scrutiny for Adults and Health Committee supports the development of the business case.

1. Background

- 1.1. Through its Sustainability and Transformation Plan, health and social care leaders in Somerset have agreed to develop one Accountable Care System for the county by 2019. It has also been agreed that this will require joint commissioning arrangements to be developed. This paper sets out proposals for the development of these joint arrangements.
- 1.2. Currently the commissioning of health and social care services spans across three organisations: the Somerset Clinical Commissioning Group (CCG), Somerset County Council (SCC) and NHS England (NHSE). This paper puts forward and reviews the options available, under current legislation, to bring together a joint commissioning function for Somerset.

2. Options considered and reasons for rejecting them

- 2.1. Six options have been considered and detailed in the paper (see appendix 1). One option has been identified as providing the greatest benefit to Somerset when assessed against ability of the model to:
 - Commission for improved population health & wellbeing outcomes
 - Reduce health & social inequalities
 - Develop well co-ordinated & seamless care
 - Support individuals & communities to take responsibility for their own health & wellbeing
- 2.2. Option 6 has been identified as the preferred option, proposing the joint commissioning of health, social care and public health services, undertaken through a new Joint Health and Care Board. Under this option, the statutory commissioning organisations would retain their respective responsibilities but the organisations would take decisions at the same time through a joint meeting of the CCG Governing Body and Cabinet. This Joint Board would control a significant pooled budget under a Section 75 Agreement. The CCG and local authorities would retain their respective statutory responsibilities and would therefore not require delegated authority. It is proposed this new governance is supported by a single combined officer base from the organisations, making good use of the skills and providing options for greater efficiency.

3. Background Papers

- 3.1. The full report and options appraisal can be seen in appendix 1