CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20/9/2010
Report of: Lorraine Butcher
Phil Lloyd
Clare Powell
Subject/Title: Whole System Commissioning Model / Enhanced Partnership
Portfolio Holder: Cllr Knowles –H&W Portfolio Holder
Cllr Domleo – Adults Portfolio Holder
Cllr Gaddum – Children's Portfolio Holder

1.0 Report Summary

Adults Social Care, Health & Wellbeing, Children & Families and the Joint Commissioning Team of CECPCT want to ensure that Commissioning for the population we are responsible for is comprehensive, connected, equitable, and ensures the provision of a range of high quality, responsive and efficient services within the totality of the available resources. This will be referred to as a Whole System Commissioning Model throughout this report.

We believe this can best be achieved by aligning together commissioning functions that are currently separate. The intention of this report is to seek support for exploring in more detail the potential value of a 'Whole System Commissioning Model' through an 'Enhanced Partnership' arrangement for Cheshire East Council and Central Eastern Primary Care Trust.

For the purposes of the report, 'Enhanced Partnership' is defined as

'a system wide commitment, shared vision, integration across most strategic commissioning functions, with formal high level backing but sustaining separate legal entities of participating organisations'.

Through a Whole System Commissioning Model we could strengthen locality focused commissioning by increased alignment gradually with other commissioning bodies such as GP Consortia and Schools. The extent of GP consortia and School commissioning will become clearer following the publication of the expected Health Bill and the conclusion of the National Funding Review for Schools. A Total Place [Placed Based Budget] Commissioning approach would potentially be possible to then connectively meet the needs of individuals, families and communities through a whole system outcome focused commissioning approach.

Our vision for a Whole System Commissioning Model is that of Enhanced Partnership:

The Enhanced Partnership will be responsible for commissioning a defined range of services to meet the health, social and economic outcomes of the local populations within Cheshire East Council for children, adults and families.

The enhanced partnership will be responsible for ensuring comprehensive, equitable, high quality, responsive and efficient services are available to meet the communities' needs within the financial resources available.

A Whole System Commissioning Model will present challenges that need greater consideration throughout the development of the connected 'Costed Model' our aspirations, such as governance, none alignment of current PCT boundaries, ceding control to a lead commissioner. 'Costed Model' in this instance means the full business case analysis with a strong emphasis on the financial implications of the proposed changes for all stakeholders. However these challenges need to be tempered with the real financial pressures organisations face and the overall economic climate, increased demand and **greater customer expectations for efficient and high quality health and social care services that are connected and make sense to those who need to use them**.

2.0 Decision Requested

2.1 To note the potential value for local communities of developing a Whole System Commissioning Model through an Enhanced Partnership between CEC [Adults, Health & Wellbeing, Children & Family Services), CECPCT, GP Commissioning groups, Schools and others to meet the health and wellbeing needs of our citizens and patients.

2.2 To agree that Officers undertake to explore the potential value of such a development and report back to both the Cabinet, PCT Board members and the GP Commissioning Exec on the value and implications identified through trialling and developing the proposed model.

2.3 To note that formal Joint Commissioning under a section 75 arrangement [NHS Act 2006] already takes place in respect of meeting the needs of the adult learning disability population and that this will be sustained; and in addition 'in principle' agreement for the development of a section 75 agreement for Continuing Care is sought, pending legal and financial advice as well as risk assessment.

2.4 To brief the appropriate Overview and Scrutiny Committee on this work and Whole System Commissioning Model as it evolves.

2.5 To note the following extract from the NHS White Paper

'…. Councils will be assessing local needs promoting more joined up services and supporting joint commissioning. This builds on the excellent work that is already done by some Councils in joining up services to improve health & social care and will ensure a closer working relationship between health and other council responsibilities, such as housing and environmental health. This

means that patients who need the help of both health and social care services can expect to get much more coherent, effective support in future' DOH Liberating the NHS: Local democratic legitimacy in health, July 2010 [link to full paper is available in appendix 1 below].

3.0 Reasons for Recommendations

3.1 To test and explore the principle that through Joint Commissioning we can affect savings in procurement, and contracting collaboratively, as well as the potential of achieving workforce efficiencies. Cllr Keegan in his quarter 1 speech to cabinet [August 2010] noted '**if we can merge functions we must act rather than just announce our intention'**. We want to shape the Whole System Commissioning Model through operational experience. Therefore allowing the needs of our population and communities as well as our experiential learning to form our ultimate Whole System Commissioning Model.

3.2 We have experience of Joint Commissioning within Learning Disability from Cheshire County Council and have chosen from this year to establish a new Cheshire East Learning Disability Partnership under a new Section 75 agreement to meet the needs of our learning disabled population. The partnership between Adult Social Care Commissioners and Central Eastern Primary Care Trust is well established with evidence of trust and appropriate risk share management. This is also evident within the education Improvement Partnership arrangements. We now want to build on this experience by moving towards jointly commissioned Continuing Health Care arrangements for customers / patients. The CECPCT Commissioning Executive (which has membership from the 3 local Practice Based Consortia groups two of which are within Cheshire East) has agreed in principle to the integration of continuing care functions subject to development of a more detailed business case. There would be a positive link here between progressing the Whole System Commissioning Model as well as operational multi disciplinary team development within adult and children's services.

3.3 Consideration of Continuing Health Care commissioned jointly would lead to the removal of duplicated assessment processes, connected procurement and contractual arrangements with residential and nursing care providers. This could lead to improved value for money which would be of benefit to Cheshire East citizens as well as both organisations. Such an approach would improve efficiency through processes such as assessment being undertaken once in line with lean systems thinking. This work would also need to ensure appropriate connection with the commissioning of Intermediate Care beds, other Community Service provision as well as Reablement and Early Intervention Services.

3.4 A Whole System Commissioning Model would require working connectedly with the funding available, and a shared understanding of the demographic needs and lifestyle analysis within our communities. Use of research and evidenced based practice will be maximised to ensure value for money commissioning and good quality outcomes for Cheshire East citizens. Those eligible for services will indeed be Commissioners increasingly

themselves through the availability of Personal Budgets and Personal Health Budgets. This will require the Whole System Commissioners to analyse spend and trend data to enable market shaping in line with individual commissioning practice. This is essential to ensure that the right services are available for individuals and families to purchase when they need them. System design to capture this intelligence to empower Whole System Commissioners to shape the market will be essential. It will also be appropriate to Strategically Commission some services where complexity and or volume determine that this would ensure close monitoring of standards and outcomes as well as value for money. This model would also afford the opportunity to consider devolved commissioning to communities where it was appropriate for local determination and empowerment to take precedence over individual, strategic or regional commissioning [we would explore here the Local Area Partnership, Parish and Town Councils involvement in meeting local need].

3.5 The D of H publication of the White Paper – Liberating the NHS: Local democratic legitimacy in health July 2010 [appendix 1 web link to the document, appendix 2 summary of the White Paper produced by Research in Practice for Adults and appendix 3 a summary of the White Pater produced by the North West Joint Improvement Partnership provide much more detailed information on this paper] clearly supports and encourages the Whole System Commissioning Model development. It refers to the role of democratically elected members ensuring that their populations' health and social care needs are met in ways that make sense to their citizens who need to use them. The paper outlines the intention that local authorities will have an enhanced role in improving the health of their population, and specifies this responsibility in four key areas:

- Leading joint strategic needs assessment [JSNA] to ensure coherent and co-ordinated commissioning strategies;
- Supporting local voice, and the exercise of patient choice;
- Promoting joined up commissioning of local NHS services, social care and health improvement and
- Leading on local health improvement and preventative activity

The paper also explains the development of a statutory partnership board – a Health & Wellbeing Board within the local authority. The proposal by government is that this board would have four main functions:

- To assess the needs of the local population and lead the statutory joint strategic needs assessment;
- To promote integration and partnership across areas, including through **promoting joined up commissioning** plans across the NHS, Social Care and Public Health;
- **To support joint commissioning and pooled budget arrangements where all parties agree this makes sense;**
- To undertake a scrutiny role in relation to major service redesign

There is currently consultation on specific questions around the content of the White Paper which concludes 11th October 2010. The Health Bill [this works conclusion] will be introduced to Parliament in the autumn this year.

4.0 Wards Affected

4.1 All wards in CEC. For CECPCT also Vale Royal in respect of the health services provided.

5.0 Local Ward Members

5.1 Council wide

6.0 Policy Implications including

6.1 Climate change – potential for less travel and reduction in carbon footprint through better connected Commissioning in local areas with Commissioners commissioning for designated communities.

6.2 Health & Wellbeing – The Place based budget agenda is encouraging statutory organisations to work collaboratively for the collected benefit of local areas, as opposed to working separately to deliver directed targets that separately lead to increased financial pressures on partners. Localism and the focus on our communities needs has been strongly re-enforced by the Coalition Government in this White Paper.

6.3 Personalisation – This can be described as increasing the choice and control offered to customers / patients in how their needs are met. The White paper emphasises personalisation, personal budgets and personal health budgets strongly.

6.4 Prevention & Early Intervention - Building greater emphasis on the provision of preventative services as a means of driving efficiency and as a policy end in its own right which will improve people's quality of life whilst reducing demand on statutory interventions on an ongoing basis.

6.5 Care Closer to Home **–** There is opportunity for improvements by creating integrated commissioning that supports and delivers care closer to home. Focusing on community provision and reducing the need for more expensive admissions to formal settings such as hospital, residential schools, and nursing care. Importantly this supports the needs of individuals and families who want to remain connected to their community.

6.6 Localism - The White Paper emphasises the importance of Localism. 'Localising is one of the defining principles of this Government: pushing power away from Whitehall out to those who know best what will work for communities' DOH White Paper July 2010

7.0 Financial Implications 20010/11 and beyond (Authorised by the Borough Treasurer)

7.1 To produce a Costed Whole System Commissioning Model will require officer time to be prioritised to undertake the work which may mean that other areas of work may take a lesser priority. However actual financial cost of this work should be minimal due to it being delivered through existing resources.

7.2 A key imperative for the Costed Whole System Commissioning Model would be to achieve the financial targets set by each contributor to the commissioning model.

7.3 Consideration would also be given to wider system savings through Joint Commissioning or aligned commissioning with other commissioners such as GP Consortia & Schools.

7.4 A Whole System Commissioning Model would be a positive response to the financial pressures and recession that could enable Cheshire East Council and Central and Eastern Primary Care Trust to work together to achieve efficiency through strategic planning and commissioning activities if appropriate through further pooling of resources [section 75 agreement].

7.5 This will be central to the 'Quality, Innovation, Productivity and Prevention [QIPP]' for the NHS, and the Health & Wellbeing Board ['the Health & Wellbeing Board would have an important role in enabling the NHS Commissioning Board to assure itself that GP Consortia are fulfilling their duties in ways that are responsive to patients and the public' DOH White Paper July 2010]. In addition, this will contribute towards the financial position within the Adults and Health & Wellbeing and Childrens services in Cheshire East, and also to Central and Eastern Cheshire PCT financial position.

7.6 This will also prepare both organisations for the anticipated further budget reductions following the announcement of the Autumn Spending Review conclusions in a few weeks time.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 There are currently two possible legal routes for the closer joint working envisaged by this report

8.2 Section 75 of the National Health Service Act 2006 allows arrangements between NHS bodies and local authorities that are intended to support more effective commissioning for existing or new services. Under this section the following is permitted:

(i) The pooling of resources so that the organisations will in effect lose their individual identities and staff from either agency will be able to develop packages of care suited to particular individuals irrespective of whether health or local authority money is used.

(ii) The delegation of functions to enable a lead commissioner. In this instance the PCT and local authority would delegate functions to one another (including the secondment or transfer of staff), thus enabling one of the partner bodies to commission all local services on behalf of both bodies.

(iii) The delegation of functions to enable integrated provision. This would consist of the provision of health and local authority services from a single managed provider. This arrangement can be used in conjunction with lead commissioning and pooled fund arrangements.

8.3 Section 2 of the Local Government Act 2000, gives local authorities "power to do anything which they consider will achieve" the promotion or improvement of economic, social or environmental wellbeing of their area or part of it or for any person resident or present in their area. It is understood that other authorities are relying on this legislation in establishing closer working arrangements with NHS bodies. However, it should be noted that some doubt has been cast on the use of this provision by a recent case in that the local authority has to be able to show that the provision is being used to genuinely improve social or environmental wellbeing and is not being utilised predominantly to achieve financial saving.

8.4 As a result of the issues that have arisen in respect of the power set out at paragraph 9.3 above, new legislation is expected to be implemented in the spring of 2011 to clarify the local authorities' powers to act in the best interests of the local community. Depending on the timescales for the discussions necessary between the PCT and the local authority in respect of the proposals in this paper, this new legislation may become relevant.

8.5 Officers should ensure that legal advice is taken as specific proposals for joint working emerge from the discussions with the PCT before moving towards any implementation of those proposals.

9.0 Risk Management

9.1 Financial position of both organisations will impact on the ability to commission for the health and social care needs of the population, which in turn could result in service cuts. Through the Whole System Commissioning Model we can maximise the use of our joint resources and remove duplication focusing on meeting the critical needs of the population as well as building better connected preventative solutions that empower Cheshire East citizens to manage their own and their family's health and wellbeing as well as reduce our joint management costs.

9.2 A challenge that will require further exploration within the costed model development would be the boundaries for both organisations which are currently not co-terminus. The devolvement of commissioning to GP consortia however will resolve this matter in the longer term. The Whole System Commissioning Model though will need to be mindful of wider commissioning footprints that could bring greater economise of scale in appropriate cases.

9.3 During this period of development the experiential learning will need to explore further the governance arrangements for reporting progress with this work. It will be essential to ensure efficient reporting as well as affording protection to both statutory organisations through appropriate accountability processes. GP commissioning groups [as the future budget holders] will also want assurances that these arrangements could be changed should they

determine that their patient needs are not being best serviced through this arrangement.

9.4 In addition to Adults, Health & Wellbeing, Children's Services and PCT Commissioners, there are two Practice Based Commissioning consortia in the CEC area and a third that covers the Vale Royal population. Schools are also responsible for commissioning. Through the Costed Model development it will be essential to consult and engage with these commissioners to ensure that they can inform the development of the enhanced partnership. As well as give consideration to the future option of using service level agreements with the Whole System Commissioning Service for aspects of their commissioning responsibilities.

9.5 As we develop the Whole System Commissioning Model we will ensure that the direct employment of officers remains with their employing body to protect employment rights. Secondment arrangements may be used to allow for the Model to be shaped through experiential learning.

10.0 Background and Options

The Integrated Care Network undertook a survey through self assessment of approaches to collaborative and integrated working between local authorities with social services responsibilities and primary care trusts.

The levels of integration considered are as follows:

Level of Integration	**Description**	**Percentage of LA & PCTs responses to question by the intergrated care network on where organisations see themselves on the spectrum of integration**
Relative Autonomy	Local authority and NHS meet statutory requirements for formal partnership working, but mostly co-ordinate approach informally	42%
Co-ordination	Reasonable level of formal commitment to joint working, co-ordination around some areas of strategy and / or commissioning depending on circumstances	13%
Joint Appointment	PCT and Local Authority have some Key joint appointments and the teams collaborate but are not integrated / combined	39%
Enhanced Partnership	System wide commitment, shared Vision and integration across most Strategic and commissioning functions, Senior & middle tier joint appointments Formal high level backing, but Separate legal entities remain	3%
Structural Integration	PCT and Local Authority care services Have formed a single integrated legal Entity [Care Trust] or a combined service[joint PCT and Social Care Department]	3%

We believe that in Cheshire East we are largely operating at a 'co-ordination' level with some minimal joint appointments. The commissioners working in both Council and PCT teams are keen to move towards an enhanced partnership arrangement as we believe that we will be able to deliver better outcomes for our population through greater integration and achieve financial efficiencies required by respective organisations.

The main factors that assist a move towards enhanced partnership are good relationships, strong local leadership, shared vision and the commitment of officers to make the change happen. We want to act to merge commissioning functions and shape the longer term costed model through this experiential learning process.

For Cheshire East Council [Adult, Health & Wellbeing and Children & Families] and Central Eastern Cheshire Primary Care Trust the local economic circumstances support the need to formally investigate the Costed Model for enhanced partnership, as demand is outstripping resource as well as increases in health and wellbeing concerns in some geographic areas e.g. Crewe, Macclesfield . Should we continue to commission separately we feel that efficiencies will not be realised and that separate organisational risk increases along with the potential for cost saving activity of one partner to negatively impact on demand and cost to another.

11.0 *Access to Information*

Appendix 1 Liberating the NHS: Local democratic Legitimacy in Health [link to be added]

http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_117721.pdf

Appendix 2 Research in Practice for Adults White Paper summary

20100713 white paper.docx

Appendix 3 North West Joint Improvement Partnership White Paper summary

RPU 07 10.doc

An Equality Impact Assessment will be completed as a part of the Costed Model and Business Case work.

The background papers relating to this report can be inspected by contacting the report writer:

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