

REPORT TO:	Adult social services review panel 27 April 2016
AGENDA ITEM:	8
SUBJECT:	Outcomes Based Commissioning update
LEAD OFFICER:	Pratima Solanki, Director, Adult Social Care & All-age Disability
CABINET MEMBER:	Councillor Louisa Woodley
PERSON LEADING AT MEETING:	Brenda Scanlan, Director

BRIEF FOR THE PANEL:	To review developments and current status
<p>CORPORATE PRIORITY/POLICY CONTEXT:</p> <p><i>The Outcomes Based Commissioning programme (OBC) aims to improve health, independence and wellbeing for people over 65 in Croydon. The Council will achieve this by contracting jointly with the CCG for delivery of better health outcomes delivered by the Accountable Provider Alliance (APA). The APA is made up of GPs, CHS, SLAM, Council assessment and care management and Age UK. The APA will be contracted to deliver against an outcomes framework.</i></p> <p><i>The programme supports the Council's key strategic priorities with regard to promoting and sustaining independence, well-being and good health outcomes for Croydon residents. The outcomes are aligned to Ambitious for Croydon promises and the Croydon Independence Strategy 2015-18.</i></p> <p><i>The devolution agenda encourages far greater integration at local levels, as does the NHS Five Year Forward View. OBC will move Croydon firmly in the direction of these ambitious goals.</i></p> <p><i>This report acts as an update to the Adult Social Services Review Panel on the progress of the OBC programme.</i></p>	
<p>FINANCIAL IMPACT:</p> <p><i>The OBC programme is intended to deliver system-wide efficiencies under a financial model which is being developed with the APA and CCG. The Council has factored 5% gross year on year efficiencies into the contract model.</i></p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO: This is not a key decision</p>	

1. RECOMMENDATIONS

This report recommends that the Panel :

- 1.1 Note progress made in implementing Outcomes Based Commissioning.
- 1.2 Note the actions agreed to mitigate risks related to the TRASC programme, which it is proposed should be met prior to entering into a contract with the APA. (Appendix 2)

2. EXECUTIVE SUMMARY

- 2.1 The OBC programme was established to support the development of an Outcome Based Commissioning approach for over 65s in Croydon. The Commissioners are supported in this work by PwC, along with the Programme Management Office employed by the CCG and Council to drive the delivery of the OBC Programme.
- 2.2 The Accountable Provider Alliance members were chosen under a Most Capable Provider process.
- 2.3 The programme was working to a 1st April target for entering into contracts with the Accountable Provider Alliance (APA).
- 2.4 The APA are making good progress toward fulfilling capable provider criteria for this contract. However, at this stage further time is needed to align the contract with the Sustainability and Transformation Plan required by NHS England and the delivery of the Transforming Adult Social Care (TRASC) programme currently being developed by the council. This additional time will also allow the APA to complete their journey towards fulfilling the capability criteria.
- 2.5 All parties have therefore agreed to extend the process with a view now to awarding the health-related contract by the end of Quarter 2 2016/17. The Council remains committed to seeking to secure contractual entry of social care into the process as soon as possible from Quarter 3.
- 2.6 During this period, the APA will continue to develop greater integration of services, and will carry on working with their staff, patients and service users to build on the significant work they have already undertaken to deliver a new model for services in Croydon. The CCG and Council will continue to support work across Croydon to achieve greater integration, and new models of care, alongside the development of the APA.

3. THE OBC PROGRAMME

- 3.1 The Croydon Outcomes Based Commissioning (OBC) programme has drawn on first-hand experience and feedback from local people who have been extensively engaged to explore their views of health and care in later life. It

brings together a number of recommendations from existing strategies that have been developed, including The Independence strategy 2015-18¹ and Croydon-wide End of Life Strategy 2015²,

- 3.2 The proposed whole systems approach to integrated commissioning and service delivery will go further than before and takes a pro-active and transformational position. The individual and their family will be at the centre of Croydon's health and care system, ranging from the promotion of good health and well-being, through early intervention and support and, when needed, the delivery of treatment and care services. Croydon's older people and their families should expect to experience seamless, joined- up care and health provision of consistent quality and high standard. In a nutshell, services will be arranged around them and their needs, rather than their having to fit in with how health and social care professionals structure or organise services.
- 3.3 This Outcomes-Based approach reflects the Council's ambitions to enable independence, liveability and growth. In particular, the overarching outcome domains are aligned to strategic Council priorities to increase healthy life expectancy, facilitate increased community and citizen resilience, and ensure enhanced high quality community-based care and support.
- 3.4 The approach gives due focus to the personal strengths of individuals, supporting them to make informed decisions (including in conjunction with their main professional support) about their care and health needs, whilst simultaneously enabling the mobilisation of community and third sector support. Community support can have particular importance in tackling issues such as loneliness and social isolation amongst older people and the Accountable Provider Alliance are developing a model of care which will support joined up and preventative approaches (Appendix 1).
- 3.5 This contract award builds on the Council's commitment over several years to integrate health and social care commissioning and service delivery with NHS partners with the goal of achieving good value quality care. Croydon's public have been engaged in a number of different ways throughout the programme to date. Their views contributed towards the development of the outcomes framework for the contract with five over-arching domains:
 - Staying healthy and active for as long as possible
 - Having access to the best quality care available in order to live as I choose and as independent a life as possible
 - Being helped by a health and social care team that has had the training and has the specialist knowledge to understand how my health and social care needs affect me
 - Being supported as an individual, with services specific to me
 - Having improved clinical outcomes

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<https://www.croydon.gov.uk/sites/default/files/articles/downloads/Independence%20Strategy%202015-18.pdf>

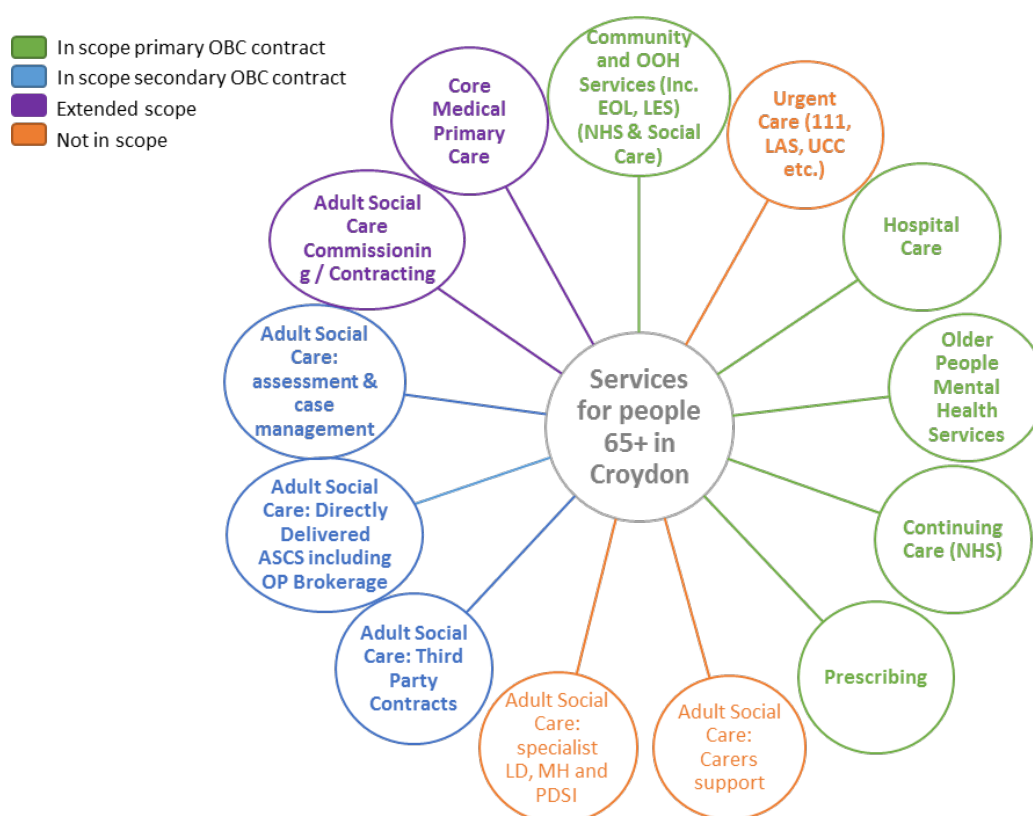
² <http://www.croydonccg.nhs.uk/news-publications/publications/Documents/End-of-Life-Care-Strategy.pdf>

- 3.6 The approach taken with this contract ensures that provision will be Care Act compliant.
- 3.7 Outcomes for the whole over-65 population in Croydon can only be fully transformed in the way envisaged, by ensuring that there are incentives on local organisations to achieve these population-level outcomes. The vision cannot be achieved by organisations working alone or by financial incentives working against each other across organisations as they often do currently. The Council's ASC directly delivered service is part of the Alliance and in this way ensures that social care statutory duties will be better met, and achieve better overall outcomes for our local people through a shared vision and targets, and joint activity which will be co-designed and implemented with the other Provider Alliance partner organisations.
- 3.8 The Most Capable Provider process is being followed. Under this process, the CCG and the Council invited a group of providers identified and selected against key criteria who were considered 'most capable' to form an Accountable Provider Alliance in April 2015. These providers are:
- Age UK Croydon
 - Croydon Council Adult Social Care
 - Croydon GP Collaborative
 - Croydon Health Services NHS Trust
 - South London and Maudsley NHS Foundation Trust
- 3.9 The APA have been working through a capability process which required submission of a range of documents and presentations including their proposed model of care, financial modelling, and implementation plans in September 2015, December 2015 and January 2016.
- 3.10 In early March 2016, following the Capability 3 submission by the APA, it became clear that a number of internal and national initiatives were going to impact significantly on the Commissioners' ability to enter into a contract with the APA. These were the need to align the contract with the Sustainability and Transformation Plan required by NHS England and the delivery of the Transforming Adult Social Care (TRASC) programme currently being developed by the council. Moreover it was clear that the APA also needed more time in order to develop their proposals more fully.
- 3.11 Legal advice was sought to ensure that a delay in entering into contract would be appropriate under the Most Capable Provider route, and this was confirmed.
- 3.12 All parties have therefore agreed to extend the process with a view to now awarding the health-related contract by the end of Quarter 2 2016/17. The Council remains committed to seeking to secure contractual entry of social care into the process as soon as possible from Quarter 3.

3.13 During this period, the APA will continue to develop greater integration of services, and will carry on working with their staff, patients and service users to build on the significant work they have already undertaken to deliver a new model for services in Croydon. The CCG and Council will continue to support work across Croydon to achieve greater integration, and new models of care, alongside the development of the APA.

4. SCOPE

4.1 The following diagram shows the scope of services which are included under OBC.



4.2 The Adult Social Care Council services currently in scope for the programme are:

- Assessment and Case Management
- Brokerage and Careline services
- Occupational Therapy for Over 65s
- Domiciliary Care, reablement services and hospital avoidance
- Residential, nursing, extra care and special sheltered services
- End of life services
- Equipment and telecare
- Voluntary Sector services such as prevention and information and advice for over 65s
- Direct Payments for over 65s

5. APA MODEL OF CARE

5.1 The APA have worked up an initial model of care as part of their submission which sets out their vision for an approach which is system-wide, preventative and supports the achievement of greater health, wellbeing and independence for the over 65's in Croydon.

5.2 The Model of Care submission is attached as Appendix 1.

6. LEGAL

6.1 It is proposed that the CCG and the Council (the Commissioners) will enter into separate contracts with the APA during an initial period while the APA and the Commissioners meet a number of key criteria in order to give confidence about entering into a joint contract. These contracts are known as the Primary contract (CCG/APA) and the Secondary contract (Council/APA).

6.2 A memorandum of understanding is being developed between the CCG and the Council for the period during which there are separate contracts held with the APA.

6.3 The contractual form to be used with the APA is the NHS England contract, 2016. Legal advisors Wragges are being used to support this process.

6.4 The Council has separately appointed legal advisors Trowers & Hamblins to advise on delegation of powers and statutory duties.

7. FINANCE

7.1 The contract will deliver an estimated net 10% savings over the contract term on an annual social care budget ("The Maximum Affordable Budget") of c£35m.

7.2 The budget includes allowance for contract inflation, demographic growth and non-demographic growth.

7.3 There are defined efficiency savings in years one and two of the contract which align with the Council's agreed savings programme plus 5% efficiency built in for years 3-10 of the contract.

7.4 The financial projections used to define the Maximum Affordable Budget have been aligned with Quarter 3 planning assumptions and models and will be updated during 2016.

7.5 The Alliance Agreement sets out proportionate risk share arrangements that the Council will share through its position as provider of adult social care in the Alliance.

7.6 The contract moves to a capitated payment mechanism that incentivises the APA to improve outcomes for the population. This means that the APA will be given a

fixed amount (the capitated fee) to cover the costs of care for the population rather than being paid directly for activity.

8. GOVERNANCE

- 8.1 A joint governance model is being developed to ensure that the Primary (CCG/APA) and Secondary (Council/APA) contracts are managed in alignment, to achieve the overarching outcomes required.
- 8.2 This proposed governance model is under development and will be presented for approval once the proposal has been worked up in full.
- 8.3 Internal Council governance is managed through an OBC governance board which meets monthly and is chaired by the Executive Director of People.

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BACKGROUND DOCUMENTS n/a