

REPORT TO:	Adult Social Services Review Panel 5th July 2016
AGENDA ITEM:	10
SUBJECT:	Outcomes Based Commissioning (OBC) for Over 65's
LEAD OFFICER:	Pratima Solanki, Director, Adult Social Care and All Age Disability
CABINET MEMBER:	Louisa Woodley, Cabinet Member for Families, Health and Social Care, Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT:

Outcomes Based Commissioning for over 65s (OBC) supports achievement of ambitious for Croydon promises (Growth, Independence and Liveability) through the Outcomes Framework.

OBC integrates health and social care, is focussed on improving outcomes for people, and has a comprehensive outcomes framework which reflects priorities set out in The Croydon Independence Strategy 2015-18:

- Priority 1 – Empower individuals and communities to be better able to take more responsibility for themselves and each other.
- Priority 2 – Enable residents to make informed choices about how to meet their needs, and how to live healthy lives, through the provision of high quality information, advice and guidance.
- Priority 3 – Provide people with the best opportunity to maximise their life chances and have a good quality of life through the provision of high quality universal services, including an excellent learning offer.
- Priority 4 – Empower people to resolve issues early through the provision of joined up assessment and support.
- Priority 5 – Enable children and adults to maximise their independence and ensure they are safe from harm through the provision of high quality specialist services.

Commissioning OBC is undertaken jointly with Croydon Clinical Commissioning Group (CCCG) and the vision and outcomes framework are therefore aligned with Croydon Clinical Commissioning Group's vision of

“Longer healthier lives for all the people in Croydon. We will deliver this by working with the diverse community of Croydon, using our resources wisely, to transform and provide safe, effective, high quality, patient centred services”.

FINANCIAL IMPACT

The budget for OBC is comprised of two elements; capitation and incentivised outcomes. The capitated element is calculated as a sum per patient, and if the provider meets patient needs for less than the capitated sum, this will be a gain to the OBC health and social care economy. The incentivised outcomes element is paid on achievement of specific incentivised outcomes, as described in the outcomes framework.

The contract incentivises providers to meet needs in the most effective way and keep the target population as healthy as possible, preventing the need for costly and acute care.

In addition to capitation and incentivised outcomes, the budget includes consideration of non-demographic growth (demand) and demographic growth (over 65 population trends).

Savings have been built in to the overall budget for OBC, and are specified across the whole life (10 years) of the contract.

The value of the budget per annum is £210m; Croydon Council contribute c£40m and Croydon CCG contributes c£170m.

FORWARD PLAN KEY DECISION REFERENCE NO: N/A

1. RECOMMENDATIONS

The Panel is asked to:

- 1.1 Note the process and progress so far;
- 1.2 Note the decision to move to a Commissioner and Provider Alliance Model;
- 1.3 Consider the benefits of a Commissioner and Provider Alliance Model;
- 1.4 Receive a further update on progress at the next panel meeting.

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2. EXECUTIVE SUMMARY

2.1 The purpose for this report being presented to the Adult Social Services Review panel is to enable the panel to understand the following in relation to OBC:

- The process and progress to date
- Important Milestones
- Key Risks and benefits
- Outcomes
- Interdependencies with Transforming Adult Social Care Programme (TrASC)

Following cabinet approval in September 2014 to jointly commission an integrated health and social care system for over 65's in Croydon, Croydon Clinical Commissioning Group (CCCG) and the Council proceeded with a Most Capable Provider process. The Accountable Provider Alliance (APA) invited to participate includes: Adult Social Care, Croydon Health Services, Age UK, South London and Maudsley MHT and Croydon GP Collaborative.

A robust Capability Assessment process comprising three stages has been followed and included extensive dialogue between Commissioners and the APA. This process identified the strengths and weaknesses of the APA, with weaknesses relating to system leadership and transition/ transformation gaps. Commissioners considered all options available to them including a systems integrator and open procurement, and agreed that a Commissioner and Provider Alliance would be the preferred option to address these gaps.

3. Outcomes Based Commissioning: The Process and Progress so Far

- 3.1 In September 2014 the Council Cabinet agreed to jointly commission with the CCG an integrated health and social care, outcomes based whole system for the over 65 population in Croydon. The process chosen was a Most Capable Provider (MCP) process, which resulted in the selection of five providers that were deemed capable of providing an integrated health and social care system through an Alliance, these provider are:
 - Age UK Croydon
 - Croydon Council - Adult Social Care
 - Croydon Health Services (CHS)
 - Croydon GP Collaborative
 - South London and Maudsley Mental Health Trust (SLaM)
- 3.2 In May 2015 a Memorandum of Information was issued to the chosen providers, inviting them to take part in an MCP process for OBC. The providers accepted this invitation and the MCP process formally started.
- 3.3 The first stage of the Capability Assessment (CA1) assessed how the Providers would work together as an Accountable Provider Alliance (APA) and how they could collectively develop the required capabilities and competencies to deliver an OBC contract. They submitted a letter of intent and self-assessment, and following commissioner evaluation, passed CA1.
- 3.4 Following CA1 the commissioners issued a draft Contract Information Pack (CIP) comprising the following detail:
 - Vision
 - Opportunity
 - Outcomes Framework
 - Legal Context
 - Financial Model
 - Payment Mechanism
 - Capability Assessment 3 Process

A series of dialogue meetings between Commissioners and the APA to refine the CIP took place throughout September-December 2015 culminating in the issue of a revised CIP in December 2015.

- 3.5 The second stage of the Capability Assessment Process (CA2) took place during dialogue and required the APA to submit a final memorandum of understanding, a response to the organisational capabilities toolkit and a vision and roadmap for their delivery model. Following commissioner evaluation and feedback the APA were asked to re-submit elements with the next Capability Assessment (CA3).
- 3.6 The final stage in the Capability Assessment Process (CA3) required the APA to submit a response to the revised CIP that was issued post dialogue in December 2015. Commissioners evaluated the initial submission and requested that the APA re-submit. The result of the evaluation of the re-submission was as follows:

Assessment Criteria 1 – Organisational Capabilities Assessment	Not Met
Criteria 2 – Model of Care Assessment	Previously passed
Criteria 3 – Finance Assessment	Invalid Submission
Criteria 4 – Transition & Transformation Plans	Not Met

- 3.7 Following evaluation of CA3, the Commissioners considered options available to them including market testing for a systems integrator, going to open procurement and forming a commissioner/provider alliance. Commissioners agreed the preferred option would be to form a commissioner/provider alliance. The Commissioners' decision to consider the Commissioner/Provider Alliance route is based upon the APA's submissions throughout the Capability Assessment Process (CAP1, CAP2 & CAP3). This process has identified the strengths and weaknesses of the APA, with weaknesses relating to system leadership and transition/ transformation gaps; these gaps will be addressed by bringing Commissioners into an Alliance.
- 3.8 The Commissioner/Provider alliance model will be an interim solution until the provider potentially establishes an Accountable Care Organisation (ACO). The benefits of an alliance model include:
- Bring Commissioner system management capabilities into the APA;
 - Build upon the work undertaken by APA whilst maintaining momentum/pace;
 - Support assurance with NHS England and NHS Improvement;
 - Manage and mitigate system risks more effectively;
 - Alliance approach in use elsewhere (NHS alliance template available as route to ACO);
 - Help in transition of Commissioner functions

Next steps to achieve a commissioner provider alliance are:

- Agree the Commissioner/Provider Alliance model in June 2016
- Commissioners require the APA to focus on refined CAP3 Assessment Criteria to be submitted on the 1st July
- Meeting the refined CAP3 requirements will complete the MCP process, as the APA would have demonstrated their capability to join a Commissioner/Provider Alliance.
- The Commissioners will remain party to the Alliance agreement until it is agreed that the Alliance can transition into an ACO.

4. CONSULTATION

- 4.1 Commissioners recognised the importance of working with the local community to identify the results they want to see achieved in relation to health and social care services. In designing the outcomes framework for OBC, an extensive phase of testing and co-design was put in place. Various events and working groups were central to the co-design, and resulted in over 400 individuals providing input, and the views and opinions gathered underpinned the development of the outcomes.

5. EQUALITIES IMPACT

- 5.1 In accordance with the Council's statutory duty to comply with the provisions set out in the Equality Act 2010, an Equality Impact Assessment was undertaken and included as part of the Cabinet report that was agreed in September 2014. Further to this, a refresh of the Equality Impact Assessment has been completed and will be included in the governance process to agree the Commissioner/Provider Alliance.

6. ENVIRONMENTAL IMPACT

- 6.1 There is no direct environmental impact arising as a result of OBC.

7. CRIME AND DISORDER REDUCTION IMPACT

- 7.1 Commissioning OBC will not have a direct impact on the reduction of crime or disorder.

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BACKGROUND DOCUMENTS

Memorandum of Understanding v1.0 15th July 2015

Revised OBC Contract Information Pack Draft 2 2nd December 2015

OBC Outcomes Framework

OBC Outcomes Framework Technical Specification

OBC Cabinet Report September 2014

OBC Equality Impact Assessment